

INFORMATION COLLECTION REQUEST (ICR)  
United States Environmental Protection Agency (EPA)  
Part A of the Supporting Statement  
October 2007

1. IDENTIFICATION OF THE INFORMATION COLLECTION

1(a) Title: Reformulated Gasoline and Conventional Gasoline:  
Requirements for Refiners, Oxygenate Blenders, and Importers of  
Gasoline; Requirements for Parties in the Gasoline Distribution Network  
EPA ICR No. 1591.24, OMB Control No. 2060-0277

1(b) Abstract

Gasoline combustion is the major source of air pollution in most urban areas. In the 1990 amendments to the Clean Air Act (Act), section 211(k), Congress required that gasoline dispensed in nine areas with severe air quality problems, and areas that opt-in, be reformulated to reduce toxic and ozone-forming emissions. (Ozone is also known as smog.) Congress also required that, in the process of producing reformulated gasoline (RFG), dirty components removed in the reformulation process not be “dumped” into the remainder of the country’s gasoline, known as conventional gasoline (CG). The Environmental Protection Agency (EPA) promulgated regulations at 40 CFR part 80, subpart D - Reformulated Gasoline, subpart E - Anti-Dumping, and subpart F - Attest Engagements, implementing the statutory requirements, which include standards for RFG (80.41) and CG (80.101). The regulations also contain reporting and recordkeeping requirements for the production, importation, transport and storage of gasoline, in order to demonstrate compliance and facilitate compliance and enforcement. The program is run by the Transportation and Regional Programs Division, Office of Transportation and Air Quality, Office of Air and Radiation. Enforcement is done by the Air Enforcement Division, Office of Regulatory Enforcement, Office of Enforcement and Compliance Assurance. This program excludes California, which has separate requirements for gasoline.

The United States has an annual gasoline consumption of about 130 billion gallons, of which about 30% is RFG. In 2005 EPA received reports from 258 refineries, 58 importer facilities/facility groups, 44 oxygenate blending facilities, 19 independent laboratory facilities, and the RFG Survey Association, Inc. under this program

2. NEED FOR AND USE OF THE COLLECTION

2(a) Need/Authority for the Collection

Section 211(k) of the Act requires the Administrator to promulgate regulations establishing requirements for RFG to be used in gasoline-fueled vehicles in the nine specified nonattainment areas, and opt-in areas. The Act specifically provides that recordkeeping, reporting, and sampling and testing requirements are among the tools EPA may use in

enforcement of the provisions, and also provides that EPA must develop an enforceable scheme. Sections 114 and 208 of the Clean Air Act, 42 U.S.C. §§ 7414 and 7542, authorize EPA to require recordkeeping and reporting regarding enforcement of the provisions of Title II of the Clean Air Act.

Congress mandated, at § 211(k)(1), that the RFG regulations "shall require the greatest reduction in emissions of ozone forming volatile organic compounds (VOCs) (during the high ozone season) and emissions of toxic air pollutants (during the entire year) achievable through the reformulation of conventional gasoline . . . ." There are also requirements for oxygenate content, limitations on emissions of oxides of nitrogen, benzene content and toxics. The Act also provides for RFG certification procedures and for EPA determination of baseline emission levels.

The Act provides for credits for some RFG parameters, and for the application and transfer of such credits. The Act specifies, at § 211(k)(7)(C), that regulations concerning credits "shall ensure the enforcement of the requirements for the issuance, application and transfer of the credits." The regulations must prohibit oxygen and benzene credits to the extent such credits would result in average oxygen or benzene levels that exceed the levels that would exist in the absence of a credit program.

The Act also requires, at § 211(k)(8)(A), that the Administrator must promulgate "anti-dumping" rules to ensure that gasoline sold outside the areas covered by the RFG requirements "does not result in average per gallon emissions . . . of [various] pollutants in excess of such emissions of such pollutants attributable to gasoline sold or introduced into commerce in calendar year 1990 by that refiner, blender, or importer." The Act requires that the regulation prohibit the sale of CG in any RFG covered area, and requires the segregation of CG.

The purpose of the rule is to implement the Congressional mandate to reduce levels of various pollutants in the control areas and to prevent the increase of specified pollutants from CG in the remainder of the country. Without the recordkeeping and reporting requirements of the rule, Congressional intent to improve air quality with RFG would be thwarted because neither EPA nor industry would have sufficient information to monitor compliance. Because the Act's requirements create a significant economic incentive for noncompliance, noncomplying fuel would likely be introduced into commerce on a wide-spread basis, but for requirements that make it possible for EPA to cross-check records of various entities in order to determine compliance. Industry had expressed a desire for EPA to create an enforcement scheme that will be effective. Noncomplying parties would enjoy a great competitive advantage if EPA could not effectively enforce the rule.

## 2(b) Practical Utility/Uses of the Data

The collection of information is necessary for the proper performance of the functions of the Agency and have practical utility. Section 211(k) of the Act specifically recognizes the need for recordkeeping, reporting and sampling/testing requirements for enforcement of this program. This is understandable given the complicated performance requirements and the averaging and trading provisions set forth in the Act. These provisions make it impossible for EPA to

determine compliance merely by taking samples of gasoline at various facilities, unlike some other fuels programs. Moreover, in the negotiated regulation process, EPA agreed to accept industry's desire for national averaging, credits, yearly averaging periods, etc. EPA cannot enforce the regulations, as negotiated, without the recordkeeping controls included in the rule, some of which were specifically agreed to by industry (e.g., covered area sampling and testing surveys and quarterly RFG refiner reporting). For example, EPA believes the attest procedures (discussed later) have led to discovery of significant violations and the prevention of future violations and believes that this process is very important. Further, the World Trade Organization ruled that the original RFG regulations discriminated against foreign refiners. EPA revised the RFG regulations to be GATT-consistent. If EPA could not use these enforcement tools for domestic refineries it would not be able to use them for foreign refineries. This would greatly hinder EPA's ability to regulate foreign refiners.

A past fuels program involving credits (the lead phase-down program) proved very difficult to enforce, in part because of the lack of express recordkeeping requirements other than summary reports, and would have been impossible to effectively enforce without the auditing of regulated parties' records and the regulatory reporting requirements. EPA was also helped in that program by the existence of lead-producers sales records and reports and other outside information that allowed EPA to cross-check refiners' records and reports. Such records exist for RFG only because of the requirements of the rule. Enforcement of the lead phase-down program was relatively simple in comparison to the RFG program. In the RFG program, it is unlikely that, in the absence of specific record keeping requirements, all companies, especially violators, would maintain the records necessary for EPA to determine compliance. This absence of records would result partially from normal business record keeping practices, as well as sloppy record keeping, and other practices designed to withhold needed information from EPA and from other industry entities in need of information.

The anti-dumping provision of the Act applies nationally to refiners and importers. This provision, which is based on average emission characteristics of gasoline in comparison with the characteristics of 1990 baseline gasoline, would be impossible to enforce without record keeping and reporting requirements. However, the requirements are significantly less than for RFG and almost all the reporting burden and almost all the recordkeeping burden is at the refinery level.

### 3. NONDUPLICATION, CONSULTATIONS, AND OTHER COLLECTION CRITERIA

#### 3(a) Nonduplication

The information collection request is not unnecessarily duplicative of information otherwise reasonably accessible to the Agency. The information requested is not available from other sources since it is information for a type of product which has not been tracked previously (the RFG regulations went into effect January 1, 1995).

#### 3(b) Public Notice

On July 31, 2007, EPA solicited public comments for 60-days by the publication of a notice in the Federal Register (72 FR 41747). No comments were received.

### 3(c) Consultations

The Agency has had numerous consultations with respondents on the reporting and recordkeeping requirements. Due to the numerous requirements, please see the discussion accompanying each requirement.

### 3(d) Effects of Less Frequent Collection

Quarterly reporting (required only for RFG refiners/importers) was an element of the negotiated regulation process. The calculations necessary for 4 reports all have to be done even if the information were reported only once per year. The reports can be sent via electronic data interchange (EDI). The entities with any reporting burden are large businesses (refiners, importers and oxygenate blenders). For CG, only one report per year and one audit report are required. Where quarterly reports are required, as for RFG refiners, these entities will have to be keeping track of compliance and credits as they go anyway. Sending the reports quarterly is a matter of sending it in 4 increments instead of 1. Refiners agreed to this requirement in reg neg. Any less frequent reporting would make discovery and correction of violations take a long time from the date of violation, possibly creating year-long violations, and would give noncomplying parties a competitive advantage for long periods of time. Less recordkeeping burden would make verification of compliance extremely difficult or impossible and other regulated parties would not have needed information to be able to monitor their own compliance and to know what type and amount of oxygen to add, etc.

### 3(e) General Guidelines

Required records are to be kept for five years. Refiners keep production records for that length of time anyway, although they would perhaps be archived. EPA believes that all records required to be kept by the regulation need to be kept for at least five years since that is the relevant statute of limitations and because Agency resources will not allow EPA to visit and audit all regulated parties on a yearly basis, or probably even within a 3 or 4 year period. When EPA does audit, it will be possible to check for both current and past violations by that entity, helping to assure deterrence and prevent unfair competitive advantage through cheating. A violation pattern dating back five years would be reason for substantial penalties, not only because of the competitive advantage, but also because of the environmental importance of this program, which significantly reduces most of the most significant air pollutants in major urban areas. Retention of records for 5 years creates very little new burden on these entities, which generally keep such records for several years anyway. Also, it is EPA's experience in other fuels programs that without a requirement to keep records, some parties operating facilities where violations are found, including retailers, have often not been cooperative in divulging identities of suppliers or information on volumes of product received. Retailers already are required to

keep their transfer documents for up to 4 or 5 years under state tax laws (CG area retailers are not required to keep the records at all).

### 3(f) Confidentiality

Information claimed as confidential is handled in accordance with EPA Freedom of Information Act regulations at 40 CFR 2. Most of the information submitted is claimed as such, and the forms have a simple check-off for this. Data submitted electronically are encrypted. Hard copies are housed in a secure area. Electronic files are in the same area on a secure data base.

### 3(g) Sensitive Questions

There are no sensitive questions.

## 4. THE RESPONDENTS AND THE INFORMATION COLLECTED

### 4(a) Respondents/SIC/NAICS Codes

Recordkeeping and, in some cases, reporting are required by the following gasoline marketing-related industries, SIC codes: refiners (2911), importers (5172), terminals (5171), pipelines (4613), truckers and other distributors (4212), and retailers/wholesale purchaser-consumers (5541). NAICS codes: refiners(324110), pipelines (486910) and terminals (424710). Not all NAICS codes for the responsible reporting parties were found. These are, however, parties which are obligated to report: importers, truckers and other distributors and retailers/wholesale purchaser-consumers. Some refiners are importers but that is not always the case. Many of the required records are generated and maintained currently in the normal course of business. Without the required records EPA would be unable to enforce the Congressionally-mandated RFG and anti-dumping requirements.

### 4(b) Information Requested

#### 1. Data Items

Knowledge of the following definitions at 40 CFR 80.2 is important for a thorough understanding of the reporting and recordkeeping requirements:

“Gasoline” means any fuel sold in any State (State means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands) for use in motor vehicles and motor vehicle engines, and commonly or commercially known or sold as gasoline.

“Refinery” means a plant in the United States at which gasoline or diesel fuel is produced.

“Foreign Refinery” means a refinery that is located outside the United States.

“Refiner” means any person who owns, leases, operates, controls, or supervises a refinery.

“Importer” means a person who imports gasoline, gasoline blending stocks or components, or diesel fuel from a foreign country into the United States ( including the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands).

“Gasoline Blending Stock or Component” means any liquid compound which is blended with other liquid compounds to produce gasoline.

“Reformulated Gasoline” means any gasoline whose formulation has been certified under 40 CFR 80.40 and which meets each of the standards and requirements prescribed under 80.41.

“Conventional Gasoline” means any gasoline which has not been certified under 40 CFR 80.40.

“Batch of reformulated gasoline” means a quantity of reformulated gasoline which is homogeneous with regard to those properties which are specified for reformulated gasoline certification.

“Reformulated gasoline credit” means the unit of measure for the paper transfer of oxygen or benzene content resulting from reformulated gasoline which contains more than 2.1 weight percent oxygen or less than 0.95 volume percent benzene.

“Oxygenate” means any substance which, when added to gasoline, increases the oxygen content of that gasoline, and complies with EPA restrictions on oxygenates.

“Reformulated Gasoline Blendstock for Oxygenate Blending (RBOB)” means a petroleum product which, when blended with a specific type and percentage of oxygenate, meets the definition of reformulated gasoline, and to which the specific type and percentage of oxygenate is added other than by the refiner or importer of the RBOB at the refinery or import facility where the RBOB is produced or imported.

“Oxygenate Blending Facility” means any facility (including a truck) at which oxygenate is added to gasoline or blendstock, and at which the quality or quantity of gasoline is not altered in any other manner except for the addition of deposit control additives.

“Oxygenate Blender” means any person who owns, leases, operates, controls, or supervises an oxygenate blending facility, or who owns or controls the blendstock or gasoline used or the gasoline produced at an oxygenate blending facility.

“FRGAS “ (“Foreign Refinery Gasoline”) means gasoline produced at a foreign refinery that has been assigned an individual refinery baseline and that is imported into the United States.

“Non-FRGAS” means gasoline that is produced at a foreign refinery that has not been assigned an individual refinery baseline, gasoline produced at a foreign refinery with an individual refinery baseline that is not imported into the United States, and gasoline produced at a foreign refinery with an individual baseline during a year when the foreign refiner has opted to not participate in the FRGAS program.

“Certified FRGAS” means conventional FRGAS the foreign refiner intends to include in the foreign refinery’s NOx and exhaust toxics anti-dumping compliance calculations and does include in these compliance calculations when reported to EPA.

“Non-certified FRGAS” means FRGAS that is not certified FRGAS. Non-certified FRGAS will be regulated through the importer. If the importer classifies it as reformulated gasoline, it will have to meet the reformulated gasoline requirements. If the importer classifies it as conventional gasoline, it will have to meet the importer’s compliance baseline for conventional gasoline.

The reporting and recordkeeping requirements are (cites refer to 40 CFR 80 and the Question and Answer (Q&A) compilation):

## REPORTING REQUIREMENTS

Company Registration -Registration is required for any refiner, importer, or oxygenate blender that produces or imports reformulated gasoline (80.76), any refiner or importer that produces or imports conventional gasoline (80.103), and any foreign refiner in the FRGAS program (80.94(c)). The information required to be submitted is specified at 80.76. See EPA Form 3520-20A, Reformulated Gasoline and Anti-Dumping Company Registration. EPA issues a four-digit identification number for each company. Independent laboratories are requested to complete the form so that they can also be assigned a four-digit identification number, thus facilitating the review of data they submit.

Facility Registration - For each refiner, each refinery that produces gasoline must be registered. For each oxygenate blender, each oxygenate blending facility which produces reformulated gasoline must be registered. For each importer, facilities at which gasoline is imported must be grouped for registration by Petroleum Administration for Defense Districts, or must be registered individually (80.76, 80.103 and Q&A page 139). For each foreign refiner, each refinery in the FRGAS program must be registered (80.94(c)). See EPA Form 3520-20B, Reformulated Gasoline and Anti-Dumping Facility Registration. EPA issues a five-digit identification number for each facility.

Batch and Designation Report - A report is required for each batch of RFG and each batch of RBOB (80.65(e), 80.75). (Each refiner or importer shall determine the value of each of the properties specified at 80.65(e)(2)(i) for each batch it produces or imports prior to the batch leaving the refinery or import facility.) A report is required for each batch of CG and each batch

of certain blendstocks (80.101(i), 80.105), which are sampled and tested per 80.101(i). A report is required for each batch of FRGAS.(80.94(c) and (s)). Each batch must be designated as RFG, CG, or RBOB in accordance with the requirements at 80.65(d). RFG and RBOB are further designated as VOC-controlled (Region 1 or Region 2) or not VOC-controlled. RFG becomes self-certified when it meets the standards at 80.41. Each batch of imported gasoline shall be classified by the importer as FRGAS or non-FRGAS. Each FRGAS batch shall be classified by the importer as certified FRGAS or non-certified FRGAS (80.94(o)(1)). An oxygenate blender producing RFG shall designate each batch of RFG as meeting the oxygen standard per-gallon or on average. An oxygenate blender producing conventional gasoline or “per gallon” RFG is not subject to this report. See EPA FORM 3520-20C, Reformulated Gasoline and Anti-Dumping Batch Report. Also see EPA FORM 3520-20F, Reformulated Gasoline and Anti-Dumping Report for Batches containing Previously-Certified Gasoline. Also see EPA FORM 3520-27, Load Port/Port of Entry Independent Sampling, Testing and Refinery/Importer Identification Form. Each batch is tested for the parameters indicated on the forms.

Quarterly Report for Reformulated Gasoline - Any refiner or importer that produces or imports any RFG or RBOB, any foreign refiner that produces non-certified FRGAS, and any oxygenate blender that produces RFG meeting the oxygen standard on average, shall submit a quarterly report for each refinery or oxygenate blending facility at which such RFG, RBOB, or non-certified FRGAS was produced and for all such RFG or RBOB imported by each importer (80.75, 80.94(c) and (s)). The report shall contain the information specified in 80.75. See EPA FORM 3520-20D, Reformulated Gasoline and Anti-Dumping Quarterly Certification. This form also accompanies the Anti-Dumping Program Annual Report discussed below. RFG batch reports for the quarter and CG batch reports for the year are included with this report.

Annual Compliance Designation - Each importer of RFG must file an annual report indicating if RFG compliance will be on an “average” or “per gallon” basis for its facilities. The designation must be the same for each facility of an importer. Each refiner and oxygenate blender producing RFG must file this report for each facility. However, unlike for an importer, the “average” or “per gallon” option is available for each facility. See EPA FORM 3520-20E, Reformulated Gasoline and Anti-Dumping Annual Compliance Designation (this form no longer applies to anti-dumping). See 80.65(d)(2)(v).

Conventional Gasoline Anti-Dumping Program Annual Report - Any refiner for each refinery or group of refineries at which any conventional gasoline is produced, any importer that imports any conventional gasoline, and any foreign refiner producing certified FRGAS, shall submit an annual report containing the information specified in 80.105. See EPA FORM 3520-20H, Anti-Dumping Program Annual Report.

Reformulated Gasoline Program Toxics Emissions Performance Averaging Report - Any refiner or importer that produced or imported any reformulated gasoline or RBOB that was to meet the toxics emissions performance standard on average (“average reformulated gasoline”) shall submit, with the fourth quarterly report, a report for each facility for such averaged reformulated gasoline that was produced or imported for the year (80.75(e)(1)). The report shall contain the information specified at 80.75(e)(2). See EPA FORM 3520-20I.



Reformulated Gasoline Program Benzene Content Averaging Report - Any refiner or importer that produced or imported any reformulated gasoline or RBOB that was to meet the benzene content standards on average (“averaged reformulated gasoline”) shall submit with the fourth quarterly report a report for each facility for such averaged reformulated gasoline that was produced or imported during the year (80.75(d)(1)). The report shall contain the information specified at 80.75(d)(2). See EPA FORM 3520-20J.

Reformulated Gasoline Program NO<sub>x</sub> Emissions Performance Averaging Report - Any refiner or importer that produced or imported any reformulated gasoline or RBOB that was to meet the NO<sub>x</sub> emissions performance standard on average (“averaged reformulated gasoline”) shall submit, with the fourth quarterly report, a report for each facility for such averaged reformulated gasoline that was produced or imported during the year (80.75(g)(1)). The report shall contain the information specified at 80.75(g)(2). See EPA FORM 3520-20L.

Reformulated Gasoline Program VOC Emissions Performance Averaging Report - Any refiner or importer that produced or imported any reformulated gasoline or RBOB that was to meet the VOC emissions performance standard on average (“averaged reformulated gasoline”) shall submit, with the third quarterly report, a report for each facility for such averaged reformulated gasoline produced or imported during the previous VOC averaging period (80.75(c)(1)). The report shall contain the information specified at 80.75(c)(1) and (2). See EPA FORM 3520-20M.

Reformulated Gasoline Program Averaging Areas Report - Any refiner or oxygenate blender that produced or imported any reformulated gasoline that was to meet any reformulated gasoline standard on average (“averaged reformulated gasoline”) shall, for each refinery and oxygenate blending facility at which such averaged reformulated gasoline was produced, submit with the fourth quarterly report, a report that contains the identity of each covered area that was supplied with any averaged reformulated gasoline produced at each refinery or blended by each oxygenate blender during the year (80.75(i)). See EPA FORM 3520-20N.

Reformulated Gasoline Program Credit Transfer Summary Report - Any refiner, oxygenate blender, or importer, shall, for each facility, supply the information specified at 80.75(h) with the fourth quarterly report, for any oxygen or benzene credits that are transferred during the year. See EPA FORM 3520-20P.

Reformulated Gasoline Program Oxygen Content Averaging Report - Any refiner, importer, or oxygenate blender that produced or imported any reformulated gasoline that was to meet the oxygen standards on average (“averaged reformulated gasoline”) shall submit, with the fourth quarterly report, a report for each refinery and oxygenate blending facility at which such averaged reformulated gasoline was produced and for all such averaged reformulated gasoline imported by each importer during the year (80.75(f)). The report shall contain the information specified at 80.75(f)(2). See EPA FORM 3520-20Q.

Independent Analysis (Sampling and Testing) Reports - Any refiner or importer of reformulated gasoline or RBOB shall engage an independent laboratory to carry out a program of sample collection and analyses for the reformulated gasoline or RBOB it produces or imports (80.65(f)).

The laboratory shall submit quarterly reports to EPA containing the information specified in 80.65(f). EPA FORM 3520-20C is also used for this report. A refinery that uses computer-controlled in-line blending equipment and has received an exemption from EPA (see the next reporting requirement concerning the necessary petition for the exemption) has a separate set of requirements, as specified at 80.65(f), including an annual report submitted by an independent auditor.

In-line Blending Petitions - Any refiner that produces reformulated gasoline using computer-controlled in-line blending equipment may petition to be exempt from the independent analysis requirement directly above and the requirement to obtain test results for each batch prior to the gasoline leaving the refinery (80.65(f)(4)). The petition shall contain the information specified at 80.65(f)(4)(i).

Compliance Survey Reports - Any refiner, oxygenate blender, or importer of reformulated gasoline or RBOB for which compliance with one or more of the standards is determined on average, is required to conduct or participate in compliance surveys (with samples procured from retail outlets, etc. in a covered area) and submit survey approval plans and reports as specified in 80.67 and 80.68.

Petitions by Refiners, Importers, or Oxygenate Blenders Who Chose Not to Participate in Compliance Surveys but Wish to Achieve Compliance for Benzene or Oxygen on Average - Any refiner, importer, or oxygenate blender may so petition by submitting the information specified at 80.67(a)(2)(B).

Attest Engagement "Audit" Reports - Any refiner and importer of any reformulated gasoline, conventional gasoline, or RBOB, any foreign refiner of FRGAS, and any oxygenate blender of any RBOB who meets the oxygen content on average, shall have the reformulated gasoline, conventional gasoline, and RBOB it produced, imported, or blended during each calendar year, audited by an independent certified public accountant for compliance in accordance with the requirements of 40 CFR 80, Subpart F (80.65(h), 80.105(c)). Additional requirements for FRGAS are at 80.94(h). A report of the compliance audit is to be submitted to EPA by May 31 each year for the preceding calendar year.

Foreign Refinery Baseline Petition - Any foreign refiner may submit to EPA a petition for an individual refinery baseline, under 80.90 through 80.93 (80.94(b)). Petitions must be submitted before January 1, 2002 and meet the requirements of 80.94 (b) and (s).

Independent Third Party FRGAS Reports - On each occasion that FRGAS is loaded onto a vessel for transport to the United States, a foreign refiner shall have an independent third party prepare and submit a report to EPA in accordance with the requirements at 80.94(f) and (s). For each FRGAS batch, the United States importer shall submit a report containing the information specified at 80.94(o)(3) and developed by an independent third party.

Information Reported in Response to an EPA Audit - A foreign refiner which has been audited by EPA may be required to submit information as specified at 80.94(i) and (s).

Petitions to Augment the Complex Emission Model Through Vehicle Testing - If a refiner, importer, or oxygenate blender wishes to claim emissions benefits from gasoline parameters not included in the complex model, or for a gasoline whose parameters fall outside those of the complex model, a petition must be submitted in accordance with the requirements of 80.48.

Submission of a Report, Upon EPA Request, of Records Required to be Maintained Under 80.74 or 80.104 - The specified records shall be submitted to EPA upon EPA request (80.74, 80.104).

Product Transfer Documents (PTDs) - On each occasion when any person transfers custody or title to any reformulated gasoline or RBOB, other than when gasoline is sold or dispensed for use in motor vehicles at a retail outlet or wholesale purchaser-consumer facility, the transferor shall provide to the transferee documents which include the information specified at 80.77. On each occasion when any person transfers custody or title to any conventional gasoline, the transferor shall provide to the transferee documents which include the information specified at 80.106. On certain occasions, per 80.102(d)(2)(ii), such documents are required for blendstocks and must include the information at 80.106(b).

Quality Assurance Sampling and Testing for RFG Oxygenate Blenders - Oxygenate blenders who produce RFG are required to develop the data specified at 80.69.

Voluntary Quality Assurance Programs by Parties in the Distribution System (excluding retailers and wholesale purchaser consumers) - As a defense against liability for violations, parties may perform a quality assurance program and develop data as specified at 80.79(c).

Individual Baseline Determinations - Baselines must be determined for newly registered domestic refineries in accordance with the requirements at 80.91.

## RECORDKEEPING REQUIREMENTS

Reformulated Gasoline or RBOB - All parties in the gasoline distribution network, as described in 80.74, shall retain the records specified in 80.74 for five years (80.74).

Conventional Gasoline - Any refiner or importer shall retain records containing the information specified in 80.104 for five years (80.104).

### (ii) Respondent Activities

The following are required:

1. Read and comprehend the regulations and instructions on completing the forms.
2. Train personnel to meet the requirements, employing new technologies if warranted.
3. Develop the information that is not already available.

4. Gather and organize the information.
5. Review the information, perform quality assurance, and take corrective action, if necessary, to meet the regulatory requirements.
6. Report the information to EPA, on forms as appropriate, and/or retain the information, as specified in the regulations.

5. THE INFORMATION COLLECTED - AGENCY ACTIVITIES, COLLECTION METHODOLOGY, AND INFORMATION MANAGEMENT

5(a) Agency Activities

The following are required:

1. Develop a thorough understanding of the regulatory requirements. Prepare guidance documents and forms.
2. Convey the requirements in a manner that is understandable. Emphasize the benefits of submitting data electronically.
3. Respond to inquiries.
4. Provide access to the regulations, guidance documents, and forms.
5. Review the submitted information prior to data entry for compliance with submission requirements.
6. Contact the respondent when the information has not been submitted properly and provide guidance on correction of the problem.
7. Maintain and refine hardware and software systems for handling confidential data via hard copy and electronically.
8. Administer a contract for data entry.
9. Input information into databases and store the information.
10. Perform data analysis and identify violations.

5(b) Collection Methodology and Management

The information collection has been developed by EPA offices that have planned and allocated resources for the efficient and effective management and use of the information to be collected, including the processing of the information in a manner which shall enhance the utility of the information for the Agency and the public. The information collection, to the maximum extent practicable, uses appropriate information technology to reduce burden and improve data quality, Agency efficiency, and responsiveness to the public.

EPA has supplied forms and electronic formats for most of the reporting requirements. (For some of the requirements, forms or formats would be impractical. The information may be submitted in a manner chosen by the respondent.) The forms use a bubble format (a pencil is

used to darken circles) which facilitates reporting for the respondent and allows the forms to be machine-read for data entry. Respondents have the option of reporting via electronic data interchange (EDI) for the batch reports. See the EDI guidance at [www.epa.gov/oms/edi](http://www.epa.gov/oms/edi) and [www.epa.gov/oms/fuels/forms](http://www.epa.gov/oms/fuels/forms). Many have found this to be more convenient and cost-effective. EPA has been working with representatives of the reporting parties to implement a less complex electronic reporting option that we expect to be more widely used than EDI, which is currently mostly confined to larger reporting parties.

The product transfer document information can be included on standard transfer documentation customarily used. EPA allows the information to be encoded to facilitate reporting and save space. Detailed production documents are already used and maintained by refiners. Forms for refiner/importer testing are short, with the minimum informational requirements to be able to associate the test results with a particular batch of gasoline and its transfer document.

The information is carefully reviewed for compliance with the requirements. Most of the information submitted to the Agency is confidential. It is stored in a secure area and on secure data bases.

#### 5(c) Small Entity Flexibility

The information collection reduces to the extent practicable and appropriate the burden on respondents, including small entities. The major reporting requirements apply to refiners and importers of gasoline, which are not small businesses. Some oxygenate blenders are small businesses. If they are blending oxygenate with RBOB, the reporting is simple and straightforward. If they are blending oxygenate with conventional gasoline, there are no reporting requirements. Other small businesses which are covered, gasoline distributors, retailers, and wholesale purchaser consumers, have no mandatory requirements other than maintaining the transfer documents, which is already done in the normal course of business.

## 6. ESTIMATING THE BURDEN AND THE COST OF THE COLLECTION

### 6(a) and (b) Estimating Respondent Burden and Costs

Estimating the burden is straightforward. Most capital/start-up costs were incurred by industry in 1994/95. However, there is an annualized capital cost for the equipment necessary for the batch testing. Third party activity, the transmittal or storage of product-transfer documents, is a customary business practice. For most reporting requirements, the only operating and maintenance (O&M) costs are for copying and postage, or EDI transmittal, estimated at \$3 per report. However, some have significant purchased services (PS) costs, as indicated below.

Three labor categories are involved: managerial (includes legal and professional review), technical, and clerical. According to the Bureau of Labor Statistics, Employment Cost Trends (December 2005), for all workers in manufacturing industries, wages and benefits were:

Wages and Benefits

Managerial	\$43.48 per hour
Technical	\$43.48 per hour
Clerical	\$19.61 per hour

Assuming that professional and legal rates are comparable, doubling for company overhead beyond wages and benefits, employing a 3% annual inflation factor to bring the rates to 2007, and for convenience, rounding to the dollar, gives the following rates for this ICR:

Total Employer Cost

Managerial	\$90 per hour
Technical	\$90 per hour
Clerical	\$40 per hour

The labor mix for the activities above will be about the same for each. It is assumed that for each hour of activity the mix will be about 0.1 hour managerial, 0.7 hour technical, and 0.2 hour clerical. This gives an average labor cost of about \$80 per hour, which will be used in this ICR. The annual burden estimates given below are based on the number of reports received in 2006, industry contact, and our knowledge of likely industry activity over the next three years. They are presented in the same order as above, but with abbreviated titles. All of the burden is for reporting. The recordkeeping requirements are already customary business practices and thus do not add additional burden. The estimated respondent population is: 75 RFG refineries, 25 RFG import facilities/facility groups, 25 RFG oxygenate blenders (for a total of 125 RFG respondents), 225 CG refineries, 50 CG import facilities/facility groups (for a total of 275 CG respondents), 250 pipelines and terminals in the RFG distribution system that conduct voluntary quality assurance (QA), 500 truckers in the RFG distribution system that conduct voluntary QA, 19 independent laboratories, 20 auditors, and the RFG Survey Association, Inc.

For most activities the estimate is one hour per report. However, some reports require considerably more time, as estimated below. Based on responses in 2006, it is estimated that about 10% of the RFG and CG batch reports will be submitted via EDI.)

<u>Reporting Activity</u>	<u>Number of Respondents</u>	<u>Reports per Respondent/Total</u>	<u>Hours per Report/Total</u>	<u>Labor Costs-\$</u>	<u>Non-postage Other Costs-\$</u>
Company Registration	10	1/10	1/10	\$800	
Facility Registration	20	1/20	1/20	\$1,600	
Batch RFG Reports	125	100/12,500	1/12,500	\$10,000	\$3,000,000 (\$25K/resp.) (Half O&M, Half annl. Cap. Cost for Equipment)
Batch CG Reports	275	130/35,750	1/35,750	\$2,860,000	\$6,600,000 (\$24K/resp.) (Same as Above)
Batch Pre-Cert.	30	20/600	1/600	\$48,000	
Quarterly RFG Cert.	125	4/500	1/500	\$40,000	
Annual CG Cert.	275	1/275	1/275	\$22,000	
Annual RFG Report	125	1/125	1/125	\$10,000	
Annual CG Report	275	1/275	1/275	\$22,000	
Annual Toxics Report	100	1/100	1/100	\$8,000	

Annual Benzene Rpt.	100	1/100	1/100	\$8,000	
Annual Nox Report	100	1/100	1/100	\$8,000	
Annual VOC Report	100	1/100	1/100	\$8,000	
Annual Areas Report	100	1/100	1/100	\$8,000	
Annual Credit Rpt.	100	1/100	1/100	\$8,000	
Annual Oxygen Rpt.	100	1/100	1/100	\$8,000	
Independent Analysis Rpt.	100	4/400	10/4000	\$320,000	\$2,000,000 (PS)

For the following activities, agency-issued forms would not be practical. The respondent chooses the format.

Annual In-line Blend Audit	25	1/25	10/250	\$20,000	\$250,000 (PS)
In-line Blend Petitions	2	1/2	200/400	\$32,000	
RFG Survey Report	125	1/125	20/2500	\$200,000	\$6,000,000 (PS)
Survey Exclusion Petitions	None expected.				



RFG Attest Engagements	125	1/125	120/15,000	\$1,200,000	\$1,250,000 (PS)
CG Attest Engagements	275	1/275	40/11,000	\$880,000	\$2,750,000 (PS)
Foreign Refinery Baseline Petitions	2	1/2	200/400	\$32,000	
Independent FRGAS Reports	10	25/250	2/500	\$40,500	
Response to EPA Audit	5	1/5	40/200	\$16,000	
Petitions to Augment Complex Model	None expected.				
EPA Request for Records	2	1/2	40/80	\$6,400	
Product Transfer Documents	A customary business practice (CBP), no additional burden.				
QA for RFG Oxy Blenders	25	12/300	10/3000	\$255,000	\$125,000 (PS) (\$5K/resp.)
Voluntary QA by Parties in RFG Distribution System					
Truckers	500	1/500	10/5000	\$400,000	\$500,000 (PS)
Refineries/Importers	100	1/100	10/1000	\$85,000	\$100,000 (PS)

Pipelines/ Terminals	250	1/250	10/2500	\$200,500	\$250,000 (PS)
Individual Baseline Determi- nations	1	1/1	40/40	\$3,200	
Refiner and Importer QA Requirements for Downstream Oxygenates Blending and Requirements For Pipeline Interface	65	1/65	46/3,000	\$240,000	
Gasoline and Benzene Program	486	1/486	56/27,216	\$2,117,280	1,888,032 (Half O&M, Half annl. Cap. Cost for Equipment)
Modification of Baselines for Gasoline Produced or Imported For Use in HI, AK, and U. S. Territories.	10	1/10	20/200	\$16,000	

TOTALS:

TOTAL NO. OF RESPONDENTS: 4,068

TOTAL NO. OF REPORTS: 53,678

TOTAL BURDEN HOURS: 127,041

TOTAL LABOR COSTS: \$10,163,280

TOTAL O&M COSTS: \$6,123,373

TOTAL PURCHASED SERVICES COSTS: \$13,225,000

TOTAL ANNUALIZED CAPITAL COST FOR EQUIPMENT: \$5,744,016

#### 6(c) Estimating Agency Burden and Cost

The Agency activities listed in 5(a) are handled by a contractor personnel for \$396,000 per year, a GS-13 computer specialist for \$138,000 per year (including a 1.6 overhead factor), a GS-13 program analyst for \$138,000 per year, and the equivalent of a GS-14 program manager for \$170,000 per year. Annual cost for lease and security of the secure area where the confidential data are stored and analyzed is estimated at \$30,000. Annual computer cost is estimated at \$30,000. Thus, the annual estimated cost to the government is \$902,000. The total annual hours for government employees are 3 full time equivalents (FTE) x 2080 hours/FTE = 6,240 hours.

#### 6(d) and (e) Estimating the Respondent Universe and Total Burden and Costs, and Bottom Line Burden Hours and Costs

This was incorporated into 6(a) and (b).

6(f) Reasons for change in Burden  
Regulatory changes removed some of the reporting requirements.

#### 6(g) Burden Statement

The public reporting and recordkeeping burden for this collection of information is estimated to average 2.4 hours per response. Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

To comment on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including the use of automated collection techniques, EPA has established a public docket for this ICR under Docket ID No. EPA-HQ-OAR-2007-0176, which is available for public viewing at the Office of Air and Radiation Docket in the EPA Docket Center (EPA/DC), EPA West, Room 3334, 1301 Constitution Ave., NW, Washington, DC. The EPA Docket Center Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Reading Room is (202) 566-1744, and the telephone number for the Office of Air and Radiation Docket is (202) 566-1742. An electronic version of the public docket is available at <http://www.regulations.gov>. Use this site to submit or view public comments, access the index listing of the contents of the public docket, and to access those documents in the public docket that are available electronically. Once in the system, select "search," then key in the docket ID number identified above. Also, you can send comments to

the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington, DC 20503, Attention: Desk Office for EPA. Please include the EPA Docket ID No. EPA-HQ-OAR-2007-0176 and OMB control No. 2060-0277 in any correspondence.