

**Supporting Statement for Paperwork Reduction Act Submissions
(Proposed Rulemaking)
30 CFR Part 250, subparts L and O, Technical Changes to Production
Measurement and Training Requirements
OMB Control Number: 1010-0128
Expiration Date: August 31, 2009**

Terms of Clearance: None

General Instructions

A Supporting Statement, including the text of the notice to the public required by 5 CFR 1320.5(a)(i) (iv) and its actual or estimated date of publication in the Federal Register, must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified in Section A below. If an item is not applicable, provide a brief explanation. When employing statistical data, Section B of the Supporting Statement must be completed. The Office of Management and Budget (OMB) reserves the right to require the submission of additional information with respect to any request for approval.

Specific Instructions

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

The Outer Continental Shelf (OCS) Lands Act, as amended (43 U.S.C. 1331 et seq. and 43 U.S.C. 1801 et seq.), authorizes the Secretary of the Interior to prescribe rules and regulations to administer leasing of the OCS. Such rules and regulations will apply to all operations conducted under a lease. Operations on the OCS must preserve, protect, and develop oil and natural gas resources in a manner that is consistent with the need to make such resources available to meet the Nation's energy needs as rapidly as possible; to balance orderly energy resource development with protection of human, marine, and coastal environments; to ensure the public a fair and equitable return on the resources of the OCS; and to preserve and maintain free enterprise competition. The Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701, et seq.) at section 1712(b)(2) prescribes that an operator will "develop and comply with such minimum site security measures as the Secretary deems appropriate, to protect oil or gas produced or stored on a lease site or on the Outer Continental Shelf from theft."

Section 1332(6) of the OCS Lands Act requires that "operations in the [O]uter Continental Shelf should be conducted in a safe manner by well trained personnel using technology, precautions, and other techniques sufficient to prevent or minimize the likelihood of blowouts, loss of well control, fires, spillages, physical obstructions to other users of the waters or subsoil and seabed, or other occurrences which may cause damage to the environment or to property or endanger life or health."

This information collection request concerns the paperwork burden that addresses a proposed rulemaking that would require lessees and/or operators to modify their current training programs due to proposed changes to the definitions in subpart O. The collection of information required by the current

30 CFR part 250 subpart O regulations is approved under OMB Control Number 1010-0128, expiration 8/31/09 (2,106 hours). The proposed rule would require some lessees and/or operators to modify their current training programs due to the proposed changes to the definitions in subpart O. We estimate that this would be a one-time paperwork burden on 24 operators who will modify their programs in-house for a total of 144 burden hours. Those operators who purchase their off-the-shelf training programs will incur costs to modify the programs. This is considered a regulatory cost of doing business and is not a paperwork burden.

(The collection of information required by the current 30 CFR part 250, subpart L regulations is approved under OMB Control Number 1010-0051, expiration 7/31/10 (8533 burden hours). The proposed regulation would not impose any new information collection burdens. However, it does reduce the number of general departure requests for § 250.1204(b)(1). When the rule becomes effective, we will submit to OMB a justification for non-substantive change to make an adjustment decrease to the paperwork burden.)

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection. [Be specific. If this collection is a form or a questionnaire, every question needs to be justified.]

The MMS will use the information collected under subpart O regulations to ensure that workers in the OCS are properly trained with the necessary skills to perform their jobs in a safe and pollution-free manner. In some instances, MMS will conduct oral interviews of offshore employees to evaluate the effectiveness of a company's training program. We do the oral interviews to gauge how effectively the companies are implementing their own training program. The MMS would use the interview form and keep the information internally. This information is necessary to verify training compliance with the requirements.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden [and specifically how this collection meets GPEA requirements].

The below citations are the only requirements, in subpart O, which would be submitted to MMS and these requirements have been approved by OMB. The rest of the burden hours in this collection are not applicable since those requirements do not require a submission to MMS. Employee interviews will be oral. In light of these facts, 65 percent of all information is currently submitted electronically.

§ 250.1503(c) - Upon request, provide MMS copies of employee training documentation or provide copy of training plan. The MMS requests copies of training documentation from respondents when needed, and also additional supporting information. This supporting information is generally submitted electronically.

§ 250.1510(b) - Revise training plan and submit to MMS (has 4 average number of annual responses). We assume that respondents would submit any revised training plans to correct deficiencies electronically.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

The Departments of the Interior and Transportation, as well as the US Coast Guard have Memoranda of Understanding that define the responsibilities of their agencies with respect to activities on the OCS. These are effective in avoiding duplication of regulations and reporting and recordkeeping requirements. The information is specific to each lessee or contractor and their employees, and no other agency requires similar information to be collected or retained by the respondents.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

With respect to the oil and gas industry, this collection of information will not have a significant economic effect on a substantial number of small entities. However, approximately 70 percent of the OCS lessees and operators have less than 500 employees and would be considered small businesses. The hour burden on any small entity subject to these regulations cannot be reduced to accommodate them. Small businesses operating on the OCS continue to have the option of using a third-party training organization to train their employees.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

If MMS did not require the information, we would be unable to ascertain if personnel working in the OCS have received the training necessary to ensure safety of operations and protection of the environment. The recordkeeping is required when training plans are developed or revised and to document individual training activities. The regulations do not prescribe the frequency for these activities. The performance-based nature of the regulations provides the greatest flexibility. We believe this will still allow for well trained workers in the OCS. With this rulemaking, the lessees would have to specify the intervals for training and assessment needs in their training plans. The reporting requirements would occur on an "on occasion" basis and not by a set frequency.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

(a) requiring respondents to report information to the agency more often than quarterly.

Not applicable in this collection.

(b) requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.

Not applicable in this collection.

(c) requiring respondents to submit more than an original and two copies of any document.

Not applicable in this collection.

(d) requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than 3 years.

The guidelines are exceeded because regulations require respondents to retain training documentation for 5 years (§ 250.1503(c)(1)). The 5-year retention period ensures that records are available for the maximum time under the statute of limitations for audit purposes and is consistent with current rules.

(e) in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.

Not applicable in this collection.

(f) requiring the use of statistical data classification that has been reviewed and approved by OMB.

There are no special circumstances with respect to 5 CFR 1320.5(d)(2)(v) through (viii), as the collection is not a statistical survey and does not use statistical data classification.

(g) that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use.

This collection does not include a pledge of confidentiality not supported by statute or regulation.

(h) requiring respondents to submit proprietary trade secrets or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

This collection does not require proprietary, trade secret, or other confidential information not protected by agency procedures.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice [and in response to the PRA statement associated with the collection over the past 3 years] and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported. [Please list the names, titles, addresses, and phone numbers of persons contacted.] Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

As required in 5 CFR 1320.11, MMS is providing the 60-day review and comment process in the preamble of the PR. We will address comments received on the information collection in the final rulemaking process.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

The MMS will not provide payment or gifts to respondents in this collection.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

We protect proprietary information according to the Freedom of Information Act (5 U.S.C. 552) and its implementing regulations (43 CFR 2), and 30 CFR 250.197, “Data and information to be made available to the public or for limited inspection,” and 30 CFR Part 252, “Outer Continental Shelf (OCS) Oil and Gas Information Program.”

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

The collection does not include sensitive or private questions.

12. Provide estimates of the hour burden of the collection of information. The statement should:

(a) Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.

(b) If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens.

The MMS estimates there are approximately 130 Federal OCS lessees. The frequency of response is primarily on occasion. We estimate the annual burden will be 2,250 reporting and recordkeeping hours.

Citation 30 CFR Part 250 Subpart O	Reporting & Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
1503(b), (c)	Develop training plans. Note: Existing lessees/respondents already have training plans developed. This number reflects development of plans for any new lessees.	60	2	120
1503(b), (c)	NEW: Modify training program (one time burden for in-house operator modifications).	6	24	144

Citation 30 CFR Part 250 Subpart O	Reporting & Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
1503(c)	Maintain copies of training plan and employee training documentation/record for 5 years. NOTE: We receive approximately 20,020 records per year (5 minutes per record x 20,020 employee records / 136 companies – 12.26 hours per company).	1/4 hr. (plan) 12.26 hours (record)	136	34 1,667 (rounded)
1503(c)	Upon request, provide MMS copies of employee training documentation or provide copy of training plan.	5	31	155
1507(b)	Employee oral interview conducted by MMS.	1/6 hr.	600	100
1507(c), (d); 1508; 1509	Written testing conducted by MMS or authorized representative.	Exempt under 5 CFR 1320.3(h)(7).		0
1510(b)	Revise training plan and submit to MMS.	6	4	24
250.1500- 1510	General departure or alternative compliance requests not specifically covered elsewhere in subpart O.	2	3	6
Total Burden			800 Responses	2,250 Hours

(c) Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.

The average respondent cost is \$75*/hour. This cost is broken out in the below table using the Bureau of Labor Statistics data for the Houston, TX area. See BLS website: <http://www.bls.gov/bls/wages.htm>.

Position	Level	Hourly Pay rate (\$/hour estimate)	Hourly rate including benefits (1.4 x \$/hour)**	Percent of time spent on collection	Weighted Average (\$/hour)
General Office Clerk	7	\$20	\$28	10%	\$3
Petroleum Engineer	12	\$55	\$77	70%	\$54
Supv. Petroleum Engineer	15	\$66	\$92	20%	\$18
Weighted Average (\$/hour)					\$75

* Note that this BLS source reflects their last update from July 2004.

** A multiplier of 1.4 (as implied by BLS news release USDL 07-1883, December 11, 2007) was added for benefits.

Based on a cost factor of \$75 per hour, we estimate the total annual cost to industry is \$168,750 (\$75 x 2,250 = \$168,750).

13. Provide an estimate of the total annual [non-hour] cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

(a) The cost estimate should be split into two components: (1) a total capital and start-up cost component (annualized over its expected useful life) and (2) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information [including filing fees paid]. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

(b) If cost estimates are expected to vary widely, agencies should present ranges of cost burden and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

(c) Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

We have identified no paperwork non-hour cost burdens for this collection of information.

14. Provide estimates of annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

The average Federal cost is \$60/hour. This cost is broken out in the below table using the Office of Personnel Management pay schedule, FY 2008, for the New Orleans, LA area.

Position	Grade	Hourly Pay rate (\$/hour estimate)	Hourly rate including benefits (1.5 x \$/hour)*	Percent of time spent on collection	Weighted Average (\$/hour)
Clerical	GS-7/5	\$18	\$27	5%	\$1
Petroleum Engineer	GS-13/5	\$37	\$56	70%	\$39
Supv. Petroleum Engineer	GS-15/5	\$52	\$78	24%	\$19
Executive	SES (\$140K)	\$67	\$101	1%	\$1
Weighted Average (\$/hour)					\$60

*A multiplier of 1.5 (as implied by BLS news release USDL 07-1883, December 11, 2007) was added for benefits.

To analyze and review the information submitted, we estimate the Government will spend an average of ½ hour for each hour spent by the respondents for a total of 1,125 hours ($\frac{1}{2}$ hours x 2,250 hours = 1,125). Based on a cost factor of \$60 per hour, the total estimated annualized cost to the Government is \$67,500 ($2,250 \times \frac{1}{2}$ hours x \$60 = \$67,500).

15. Explain the reasons for any program changes or adjustments reported.

As this is a new requirement for a rulemaking, we request a program change of 144 burden hours.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The MMS will not tabulate or publish the data.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

Not applicable, as this collection of information concerns requirements in regulations.

18. Explain each exception to the certification statement identified.

To the extent that the topics apply to this collection of information, we are not making any exceptions to the “Certification for Paperwork Reduction Act Submissions.”