

**Supporting Statement for Paperwork Reduction Act Submissions  
(Proposed Rulemaking)  
30 CFR Part 250, Subpart S, Safety and Environmental Management Systems for Outer  
Continental Shelf Oil and Gas Operations  
Form MMS-131, Performance Measures Data  
OMB Control Number: NEW  
Expiration Date: NEW**

**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.*), authorizes the Secretary of the Interior (Secretary) 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.

These responsibilities are among those delegated to the Minerals Management Service (MMS). The MMS generally issues regulations to ensure that operations in the OCS will meet statutory requirements; provide for safety and protect the environment; and result in diligent exploration, development, and production of OCS leases. In addition, beginning in 1991, MMS has promoted, on a voluntary basis, the implementation of a comprehensive Safety and Environmental Management Program (SEMP) for the offshore oil and gas industry as a complement to current regulatory efforts to protect people and the environment during oil and gas exploration and production activities of the OCS. From the start, MMS, the industry as a whole, and individual companies realized that at some point they would want to gauge the relative effect of SEMP plans on the safety and environmental management results of energy production companies operating on the OCS. The natural consequence of this interest was the establishment of the OCS Performance Measures project.

This information collection request (ICR) concerns the paperwork burden that addresses a proposed rulemaking, that establishes a new subpart S in 30 CFR 250, that would require operators to develop and implement a four element, Safety and Environmental Management System (SEMS) to address oil and gas operations in the OCS. It would also incorporate an industry standard; in addition, it would expand and make mandatory OMB approved Form MMS-131 (1010-0112, expiration 03/31/2011). Respondents will submit Form MMS-131 annually during the first quarter of each calendar year. Once this rulemaking becomes effective, we will submit a request to discontinue 1010-0112.

***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.]***

We consider the information to be critical for us to monitor industry's operations record of safety and environmental management of the OCS. The MMS proposes to require each offshore lessee/operator to develop, implement, maintain, and operate under a SEMS program composed of four elements. Each SEMS program would be tailored to the scale and complexity of the company's operation, and structured to include accountability for contractors and subcontractors. The SEMS program would describe management commitment to safety and the environment, as well as policies and procedures to assure safety and environmental protection while conducting OCS operations (including those operations conducted by contractor and subcontractor personnel).

Information on Form MMS-131 includes company identification, number of company/contractor injuries and/or illnesses suffered, company/contractor hours worked, EPA National Pollutant Discharge Elimination System (NPDES) permit noncompliances, and oil spill volumes for spills less than 1 barrel. All pieces of information are reported as collected during one calendar year. We use the information obtained from this form to develop industry average incident rates that help to describe how well the offshore oil and gas industry is performing. Using the produced data allows the MMS to better focus our regulatory and research programs on areas where the performance measures indicate that operators are having difficulty meeting our expectations.

We are more effective in leveraging resources by redirecting research efforts, promoting appropriate regulatory initiatives, and shifting inspection program emphasis. The performance measures also give us a verifiable gauge to use in judging the reasonableness of company requests for any specific regulatory relief. We also use the information collected to work with industry representatives to identify and request "pacesetter" companies make presentations at periodic workshops.

Operator companies also use the data to make individual comparisons and evaluate trends. Knowing how the offshore operators, as a group, are doing and where their own company ranks, provides company management with information to better focus their continuous improvement efforts. This leads to more cost-effective prevention actions and, therefore, better cost containment. This information also provides offshore operators and organizations with a credible data source to demonstrate to those outside the industry how well the industry and individual companies are doing.

***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].***

We anticipate that more than 50 percent of the information will be collected in electronic format.

***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 Department of the Interior and the U.S. Coast Guard have Memoranda of Understanding that define the responsibilities of their agencies with respect to activities on the OCS. These are generally effective in eliminating duplicate reporting and recordkeeping burdens. The Environmental Protection Agency collects exceedence information in the monthly Discharge Monitoring Reports. However, companies submit these reports on a quarterly and staggered basis, report by facility rather than company, and do not aggregate the data by company. Much of the information is not easily transferable for aggregating. The other information is not collected by any other Federal agency, nor is any similar information available.

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

This collection of information does not have a significant economic effect on a substantial number of small entities. Any direct effects primarily impact the OCS lessees and operators. However, 70 percent of the OCS lessees and operators have less than 500 employees and would be considered small businesses as defined by the Small Business Administration. The hour burden on any small entity subject to these regulations cannot be reduced to accommodate them.

***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.***

The OCS Lands Act mandates that operations in the OCS be conducted in a safe and environmentally sound manner. Until recent years, we have depended on regulatory and inspection programs to ensure that this goal would be met. The safety record of the industry has been good; however, incidents still occur. The information is collected on an annual basis. Less frequent reporting would not be practical. The importance of the resulting data is to show trends over time, thereby allowing focused responses by MMS and the industry. Less frequent collection would allow the passage of too much time, so that corrections in operations, systems, and the like, would not be responsive to problems and issues. Furthermore, much of the industry's own collection of information for internal use is done on an annual basis.

***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.***

Maintain and retain all records pertaining to SEMS for 5 years and hazards analysis records for the life of the operation that are used for audit purposes; both of these requirements are in API RP 75; most companies are already following these practices.

***(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.***

The OMB-approved Form MMS-131 is issued to all of the lessees holding OCS leases. See Section B of the Supporting Statement.

***(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 proposed rule. We will address comments received on the information collection in the final rulemaking process. As this is a new program, technically, there are no current respondents for consultation. However, since we have used OMB approved Form MMS-131 for years, MMS based its estimates on data and information estimated for comparable information from this form, as well as its staff expertise. In the future, these estimates will be re-evaluated based on actual experience and consultation with respondents.

***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." We release the data collected on Form MMS-131 only in a summary format that is not company specific.

***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.***

Potential respondents are approximately 130 Federal OCS lessees, operators, and/or third-party personnel. The frequency of response varies by section, but is primarily on occasion and responses are mandatory. We estimate the annual burden is 90,849 reporting and recordkeeping hours.

Burden Table

Citation 30 CFR 250 subpart S	Reporting and Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
		Non-Hour Cost Burdens		
1900	Develop and implement a SEMS program. (One time implementation cost of SEMS template).	\$2,500	60 operators	\$150,000
1900	In-house modification (one time implementation cost) of the generic SEMS program to meet needs of specific company.	\$10,000	60 operators	\$600,000
1900-1915	High Activity Operator: Maintain all records pertaining to your SEMS program (e.g., operating procedures, MOC, mechanical integrity, 3 <sup>rd</sup> party and qualified personnel info, any supporting documentation, etc), and retain for 5 years; hazards analysis records retain for the life of the operation; upon request, make available to MMS.	2,000	13	26,000
1900-1915	Moderate Activity Operator: Maintain all records pertaining to your SEMS program (e.g., operating procedures, MOC, mechanical integrity, 3 <sup>rd</sup> party and qualified personnel info, any supporting documentation, etc), and retain for 5 years; hazards analysis records retain for the life of the operation; upon request, make available to MMS.	966	41	39,606
	Moderate Activity Operator Implementation. (One time cost to implement SEMS).	\$160,000 per moderate activity implementation x 12 operators = \$1,920,000.		
1900-1915	Low Activity Operator: Maintain all records pertaining to your SEMS program (e.g., operating procedures, MOC, mechanical integrity, 3 <sup>rd</sup> party and qualified personnel info, any supporting documentation, etc), and retain for 5 years; hazards analysis records retain for the life of the operation; upon request, make available to MMS.	315	76	23,940
	Low Activity Operator Implementation. (One time cost to implement SEMS).	\$40,000 per low activity implementation x 48 operators = \$1,920,000.		
1910	Notify RSFO with audit schedule in timely manner.	1	130 operators /once every 3 years = 43 responses	43 (rounded)
1910	Submit audit report, once in every 3 years, within 30 days of audit including required information; retain records for 5 years; upon request, make available to MMS.	4	130 operators / once every 3 years = 43 responses	172

Citation 30 CFR 250 subpart S	Reporting and Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
		Non-Hour Cost Burdens		
1913	Demonstrate and explain, as required, the policies and procedures included in your SEMS program; produce supporting documentation if required.	8	6	48
1915	Submit Form MMS-131.	8	130	1,040
<b>TOTAL BURDEN</b>			<b>472 responses</b>	<b>90,849 hours</b>
			<b>\$4,590,000 Non-Hour Cost Burdens</b>	

*(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 \$89\*/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)
Clerical	7	\$20	\$28	4%	\$1
Petroleum Engineer	13	\$66	\$92	70%	\$64
Supv. Petroleum Engineer	15	\$66	\$92	26%	\$24
<b>Weighted Average (\$/hour)</b>					<b>\$89</b>

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

\*\* A multiplier of 1.4 (as implied by BLS news release USDL 08-1802, December 10, 2008) was added for benefits.

Based on a cost factor of \$89 per hour, we estimate the total annual cost to industry is \$8,085,561 (\$89 x 90,849 = \$8,085,561).

**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 four non-hour cost burdens and they are as follows:

§ 250.1900 - Development and implement a SEMS program (one time implementation cost of SEMS template).

§ 250.1900 - In-house modification (one time implementation cost) of the generic SEMS program to meet needs of specific company.

§ 250.1900 - Moderate Activity Operator Implementation (one time cost to implement SEMS).

§250.1900 - Low Activity Operator Implementation (one time cost to implement SEMS).

We estimate a total reporting non-hour cost burden of \$4,590,000 for this collection of information. Refer to the chart in Section A.12 of this supporting statement for a breakdown of the burden.

**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 cost to the Federal government is \$61/hour (rounded). This cost is broken out in the below table using the Office of Personnel Management pay schedule for the REST OF UNITED STATES (Consisting of the portions of the lower 48 United States not located within another locality pay 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	\$38	\$57	70%	\$40
Supv. Petroleum Engineer	GS-15/5	\$53	\$80	24%	\$19
Executive	SES (\$148K)	\$68	\$102	1%	\$1
<b>Weighted Average (\$/hour)</b>					<b>\$61</b>



\*A multiplier of 1.5 (as implied by BLS news release USDL 08-1803, December 10, 2008) was added for benefits.

To analyze and review the information submitted, we estimate the Government will spend an average of 1/12 hour for each hour spent by the respondents for a total of 7,571 (rounded) hours ( $\frac{1}{12}$  hour x 90,849 hours = 7,570.7). Based on a cost factor of \$61 per hour, the total estimated annualized cost to the Government is \$461,831 (90,849 hours x  $\frac{1}{12}$  hours = 7,571 hours x \$61 = \$461,831).

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

As this is a new collection for a rulemaking, we request a program change of 90,849 burden hours, and \$4,590,000 for non-hour cost burdens.

**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 receive Form MMS-131 from respondents. The time schedule is as follows:

- Operators have between January 1 and March 31 to submit the previous calendar's year data on Form MMS-131;
- MMS will conduct an analysis between April and May;
- MMS will make available the aggregate industry-wide data on the MMS internet web site with updates by June 1.

Each respondent may request the results pertaining to their own company. Individual responses will not be published.

**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.**

The MMS will display the OMB approval expiration date on Form MMS-131.

**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."