Supporting Statement for Paperwork Reduction Act Submissions 30 CFR 250, Subpart I, Platforms and Structures OMB Control Number 1010-0149 Current Expiration Date: 31 March 2008

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 statistical methods are employed, 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 <u>et seq.</u> and 43 U.S.C. 1801 <u>et seq.</u>), 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.

Section 43 U.S.C. 1356 requires the issuance of "... regulations which require that any vessel, rig, platform, or other vehicle or structure ... (2) which is used for activities pursuant to this subchapter, comply ... with such minimum standards of design, construction, alteration, and repair as the Secretary ... establishes ..." Section 43 U.S.C. 1332(6) also states, "operations in the [O]uter Continental Shelf should be conducted in a safe manner ... to prevent or minimize the likelihood of ... physical obstruction to other users of the water or subsoil and seabed, or other occurrences which may cause damage to the environment or to property, or endanger life or health." These authorities and responsibilities are among those delegated to the Minerals Management Service (MMS) to ensure that operations in the OCS will meet statutory requirements; provide for safety and protection of the environment; and result in diligent exploration, development, and production of OCS leases. This information collection request addresses the regulations at 30 CFR 250, Subpart I, Platforms and Structures, and the associated supplementary notices to lessees and operators (NTLs) intended to provide clarification, description, or explanation of these regulations.

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 OCS Regions use the information submitted under Subpart I to determine the structural integrity of all offshore platforms and floating production facilities and to ensure that such integrity will be maintained throughout the useful life of these structures. We use the information to ascertain, on a case-by-case basis, that the fixed and floating platforms and structures are structurally sound and safe for their intended use to ensure safety of personnel and pollution prevention. More specifically, we use the information to:

- Review data concerning damage to a platform to assess the adequacy of proposed repairs.
- Review plans for platform construction (construction is divided into three phases—design, fabrication, and installation) to ensure the structural integrity of the platform.
- Review verification plans and reports for unique platforms to ensure that all nonstandard situations are given proper consideration during the design, fabrication, and installation phases of platform construction.
- Review platform design, fabrication, and installation records to ensure that the platform is constructed according to approved plans.
- Review inspection reports to ensure that platform integrity is maintained for the life of the platform.
- 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].

Currently, 90 percent of all information is submitted 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 Department of the Interior has several Memoranda of Understanding (MOU) with the U.S. Coast Guard (USCG) that define the responsibilities of each agency with respect to activities in the OCS. These MOU are effective in avoiding duplication of regulations and reporting requirements. In most cases, the information collected is unique and site specific to each platform or structure. It is not available from other sources.

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. Approximately 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 without sacrificing safe operations and pollution prevention.

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 we did not collect the information, MMS could not carry out the mandate of the OCS Lands Act to determine if fixed and floating platforms and structures are structurally sound and safe. Inspection information is collected annually. Less frequent collection will not permit us to monitor the safety of platforms and structures. Design and reassessment information is only collected once or as changing conditions necessitate. Respondents generally submit reports as a result of situations encountered and not at any fixed or prescribed interval. Therefore, frequency is not applicable.

- 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. For any other information not mentioned in A.6, respondents generally submit reports as a result of situations encountered and not at any fixed or prescribed interval.
- 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. The Platform Approval Program requires that respondents submit one complete copy and three abbreviated copies of the environmental and structural information if the facility is subject to the Platform Verification Program. The complete copy is reviewed and retained by the Office of Structural and Technical Support (OSTS) special platform verification file. Of the three abbreviated copies, one is sent to the appropriate District Office for their review and comment; one is retained by OSTS in a platform file; and the last one is sent to the official lease file.
- (d) requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than 3 years.

The regulations in Subpart I require lessees to "... compile, retain, and make available ... for the functional life of all platforms, the as-built structural drawings, the design assumptions and analyses, a summary of the nondestructive examination records, and the inspection results from platform inspections ..." The OCS Lands Act requires the Secretary to issue regulations on the minimum standards of design, construction, alteration, and repair of structures in the OCS. Retaining this information for the "functional life of all platforms" is critical as the history of a structure has a substantial effect on determining its current safety, probable strength, and integrity. As platforms and structures age, we must have access to the initial structural properties and inspection results to determine whether necessary standards for safety are maintained. The type of information collected is such that it is not unreasonable to expect that respondents would retain it as usual and customary business practice, even if not required in regulations.

(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 1320.8(d), MMS provided a 60-day notice in the <u>Federal Register</u> on June 25, 2007 (72 FR 34717). Also, 30 CFR 250.199 and the Paperwork Reduction Act explain that the MMS will accept comments at any time on the information collected and the burden. We display the OMB control number and provide the address for sending comments to MMS. We received no comments in response to the <u>Federal Register</u> notice or unsolicited comments from respondents covered under these regulations.

During the comment period, MMS regional offices requested input from several lessees. The burden estimate in A.12 reflects their input. The following companies were contacted:

Shell Offshore, Inc., Philip B. Smith, Permits & Issue Manager, Regulatory Affairs, (504) 728-6161, Post Office Box 61933, New Orleans, LA 70161

BP America, Inc., Teri Halverson, Regulatory Compliance Specialist,

(281) 366-6292, 200 Westlake Park Blvd., Suite #453, Houston, TX 77079

ExxonMobil Production Company, Wil Porche, Sr. Regulatory Specialist, (281) 654-1004, Post Office Box 4358, Houston, TX 77210-4358

Anadarko Petroleum Corp., Susan Hathcock, Environmental and Regulatory Affairs Supervisor, (832) 636-8758, Post Office Box 1330, Houston, TX 77251-1330

Apache Corp, Cheryl Powell, Regulatory Supervisor (713) 296-6811, 2000 Post Oak Boulevard, Suite #100, Houston, TX 77056-4400

Chevron USA, Inc., Joseph Williams, Regulatory Advisor (832) 854-2652, 1500 Louisiana Street, Room 35024D, Houston, TX 77002

Plains E & P Co., Carl Artopoeus, Senior Facilities Engineer (805) 934-8206, 201 S. Broadway, Orcutt, CA 93455

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.

The MMS will protect information considered proprietary under the Freedom of Information Act and under regulations at 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.

There are approximately 130 respondents (Federal oil and gas OCS lessees and their five CVAs and/or other third-party reviewers of production facilities). We estimate the total annual burden is 60,260 reporting and recordkeeping hours. Refer to the chart for a break out of the burden.

BURDEN BREAKDOWN

Citation 30 CFR 250 Subpart I and related	Reporting and/or Recordkeeping Requirement	Hour Burden	Average No. of Annual Reponses	Annual Burden Hours			
NTLs			Fee(s)				
	General Requirements for Platforms						
900(b), (c),	Submit application, along with reports/surveys and	60 hours	304 applications	18,240			
(e); 901(b), (c); 902; 903;	relevant data, to install new platform or floating production facility or conversion of existing platform for		\$19,900 x 5 PVP = \$99,				
905; 906;	new purpose or significant changes to approved		\$19,900 X 5 F V	/ F — \$33,300			
909; 910(c),	applications, including use of alternative codes, rules, or	\$2,850 x 44 fixed structure = \$125,400					
(d); 911(c),	standards; and Platform Verification Program (PVP) plan						
(f); 912; 913	for design, fabrication and installation of new, fixed,	\$1,450	\$1,450 x 85 Caisson/Well Protector = \$123,250 \$3,400 x 170 modifications = \$578,000				
	bottom-founded, pile-supported, or concrete-gravity						
	platforms and new floating platforms. Consult as required	\$3,400 x					
	with MMS and/or USCG. Re/Submit application for major modification(s)/repairs to any platform and related						
	requirements.						
900(b)(5)	Submit application for conversion of the use of an existing	24 hours	2 applications	48			
	mobile offshore drilling unit.		11				
900(c)	Notify MMS within 24 hours of damage and emergency	16 hours	12 notices/	192			
	repairs and request approval of repairs.	_	requests				
901(a)(6), (a)	Submit CVA documentation under API RP 2RD, API RP	100 hours	15 submissions	1,500			
(7), (a)(8); NTLs	2SK, and API RP 2SM.						
901(a)(10);	Submit hazards analysis documentation under API RP 14J.	600 hours	8 submissions	4,800			
NTLs	outsing industrial and analysis documentation and in the first transfer	000 110415	0 04011110010110	.,000			
903*	Record original and relevant material test results of all	100 hours	130 lessees	13,000			
	primary structural materials; retain records during all						
	stages of construction. Compile, retain, and provide						
	location/make available to MMS for the functional life of						
	platform, the as-built drawings, design assumptions/analyses, summary of nondestructive						
	examination records, inspection results, and records of						
	repair not covered elsewhere.						
	471	37,780					
	Subtotal						
011(d): 014	Platform Verification Program	16 hours	5 nominations	80			
911(d); 914 916(c)	Submit nomination and qualification statement for CVA. Submit interim and final CVA reports and	16 hours 200 hours	15 reports	3,000			
310(C)	recommendations on design phase.	200 110015	то теропо	5,000			
917(a), (c)	Submit interim and final CVA reports and	100 hours	15 reports	1,500			
	recommendations on fabrication phase, including notice of		•	,			
	fabrication procedure changes or design specification						
	modifications.						
918(c)	Submit interim and final CVA reports and	60 hours	15 reports	900			

Citation 30 CFR 250 Subpart I and related	Reporting and/or Recordkeeping Requirement	Hour Burden	Average No. of Annual Reponses	Annual Burden Hours		
NTLs		Fee(s)				
	recommendations on installation phase.					
Subtotal			50	5,480		
	Inspection, Maintenance, and Assessment o	f Platforms				
919(a)	Develop in-service inspection plan and keep on file.	50 hours	130 lessees	6,500		
919(b)	Submit annual (November 1 of each year) report on	80 hours	130 lessees	10,400		
	inspection of platforms or floating production facilities,					
	including summary of testing results.					
Subtotal			260	16,900		
General Departure						
900 thru 921	General departure and alternative compliance requests not	10 hours	10 requests	100		
	specifically covered elsewhere in Subpart I regulations.					
			791	60,260		
Subtotal			Responses	Hours		
	\$926,150 Fees					

^{*} The records required to be retained are such that respondents would keep them as usual and customary business practice. The burden would be to make them available to MMS for review.

(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 \$64/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 (1.3 x \$/hour)	Percent of time spent on collection	Weighted Average (\$/hour)
General Office Clerk	7	\$20	\$26	20%	\$5
Petroleum Engineer	12	\$55	\$72	70%	\$50
Supv. Petroleum	15	\$66	\$86	10%	\$9
Engineer					
Weighted Average (\$/hour)					\$64

^{*} Please note that this BLS source reflects their last update from July 2004.

Based on a cost factor of \$64 per hour, we estimate the total annual cost to industry is \$3,856,640 (\$64 x 60,260 hours = \$3,856,640).

- 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. Section 250.905(k) requires four specific fees for various platform applications/installations. One fee is for installation under the Platform Verification Program; one fee is for installation of fixed structures under the Platform Approval Program; one fee is for installation of Caisson/Well Protectors; and one fee is for modifications and/or repairs. We have not identified any other "non-hour cost" burdens associated with this collection of information, and we estimate a total reporting "non-hour cost" burden of \$926,150. Refer to the chart in Section A.12 of this supporting statement for the specific fee breakdown.

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 \$57/hour. This cost is broken out in the below table using the 2008 Office of Personnel Management pay schedule.

Position	Grade	Hourly Pay rate (\$/hour estimate)	Hourly rate including benefits (1.3 x \$/hour)	Percent of time spent on collection	Weighted Average (\$/hour)
Clerical	GS-7/5	\$21	\$27	20%	\$5
Petroleum Engineer	GS-13/5	\$45	\$59	60%	\$35
Supv. Petroleum	GS-15/5	\$63	\$82	18%	\$15
Engineer					
Executive	SES (\$140K)	\$68	\$88	2%	\$2
Weighted Average (\$/hour)				\$57	

To analyze and review the information required by 30 CFR Part 250, Subpart I, we estimate the Government will spend an average of 1 hour for each hour spent by respondents for a total of 60,260 hours. Based on a cost factor of \$57 per hour, the total gross annualized cost to the Government is

\$3,434,820. However, this cost is partly offset by the amount of revenues received from the filing fees discussed in item A.13. Therefore, the total net estimated cost to the Government is \$2,508,670 (\$3,434,820 - \$926,150= \$2,508,670).

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

The currently approved OMB inventory includes 42,500 burden hours for this collection. This submission requests 60,260 burden hours. The adjustment increase of 17,760 hours is due to reestimating the average annual responses and the amount of time required to respond based on consultations.

The currently approved OMB non-hour cost inventory includes \$752,606. This submission requests \$926,150. The adjustment increase of \$173,544 is a result of recalculated distribution of fees.

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, "Certification for Paperwork Reduction Act Submission,"

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."