

**Supporting Statement
for
Facilities Transferring Oil or Hazardous Materials in Bulk --
Letter of Intent and Operations Manual**

A. Justification

1. Circumstances that make the collection necessary.

The Federal Water Pollution Control Act (FWPCA) requires the issuance of regulations to prevent the discharge of oil or hazardous materials from facilities. It also requires the monitoring, reporting, and recordkeeping regarding discharges of oil or hazardous materials by facilities (33 U.S.C. 1321(j)(1)(C) and (D), (j)(6) and (m)(2)). Under Executive Order (E.O.) 12777, 56 FR 54757, the responsibility for issuing these regulations was delegated to the U.S. Coast Guard.

The Letter of Intent covered in 33 CFR 154.110 serves as the official notice from a facility operator to the Captain of the Port (COTP) that they intend to operate a facility.

The Operations Manual regulations in 33 CFR part 154.300 through 154.325 establish procedures for facility personnel to follow when transferring oil or hazardous materials, in bulk, to or from a vessel in order to reduce the number of spills caused by human error or improper procedures. This collection applies to shore side facilities and does not apply to facilities operating in the Outer Continental Shelf. It also establishes procedures for facility personnel to follow in the event a spill occurs to control and mitigate the effects of the spill. Development of a new Operations Manual is a one-time occurrence whenever a new facility begins operation or a facility changes ownership. Amendments to manuals are used to ensure they are kept current.

This information collection supports the following strategic goals and Commandant's Direction:

Department of Homeland Security

- Protection

Coast Guard

- Protection of Natural Resources

Marine Safety, Security and Stewardship Directorate (CG-5)

- Human and Natural Environment: Eliminate environmental damage associated with maritime transportation and operations on and around the nation's waterways.

2) By whom, how, and for what purpose the information is to be used.

The information in a Letter of Intent alerts the local Coast Guard COTP that a facility will be transferring oil or hazardous materials in their area of operational responsibility. Generally, a Letter of Intent is required whenever a new facility is built, a closed facility is reopened for operation, or an existing facility changes ownership.

The information in an Operations Manual is used by the COTP to ensure that facility personnel follow proper and safe procedures for transferring oil or hazardous materials and to ensure facility personnel follow proper and safe procedures for dealing with any spills that occur during a transfer. The frequency with which this information is collected varies widely as is shown in Table 1. Existing Operations Manuals are updated periodically by amendments to ensure they are kept current, i.e., to reflect changes in personnel and telephone number listings and when a significant change in the facilities operation occurs. The frequency with which the amendments are received varies widely as is shown in Table 2.

The Letter of Intent, Operations Manual, and any amendments, must be retained for the life of the facility as it is used in the daily operations at the facility.

3) Consideration of the use of improved information technology.

The required information is unique to each applicant. The documents are typically sent to the Coast Guard by traditional mail (hard copy), especially the documentation for Operations Manuals because of the complexity of the documents. The Coast Guard reviews this material and then returns a copy which has been marked as "Examined by the Coast Guard" which is to be maintained at the facility. A Letter of Intent may be submitted via email or other electronic forms, as long as it includes a signed copy of the letter. Additionally, Operations Manual Amendments may also be submitted via email.

We estimate that 90% of the reporting and recordkeeping requirements can be done electronically. This is based on current regulations which states that Operations Manuals must be submitted in a physical format which can be inspected and returned, marked "Examined by Coast Guard" (33 CFR 154.300(e)). Our calculations indicate that Operations Manuals account for the remaining 10% of total annual submissions. There are no such regulatory restrictions for Letters of Intent or Operations Manual Amendments. At this time, we estimate that approximately 25% of Operations Manuals' Amendments and Letters of Intent are submitted electronically. The Coast Guard is considering methods which will better facilitate electronic submissions for all requirements.

4) Efforts to identify duplication: Why similar information cannot be used.

This information is specific to each operation. No other similar federal requirement exists.

5) Methods to minimize the burden to small business, if involved.

Large corporations own the majority of the facilities covered by these regulations. Requirements for small entities are generally proportionately less due to the smaller amount of equipment and reduced number of personnel involved at the smaller facilities.

The actual amount of information required to be in the Letter of Intent is limited to the name, address and telephone number of the facility owner and operator and other readily accessible information about the facility. Also, when reviewing an Operations Manual or any amendments, COTPs are required to consider the size, complexity and capability of the facility.

6) Consequences to the Federal program if collection were conducted less frequently.

The Letter of Intent is only required to be submitted once, unless the facility changes ownership. The information in the Letter of Intent is not collected in any other form. If the COTP did not have the information about the facility operator contained in the Letter of Intent it would be difficult to contact key personnel in the event of a spill or other emergency involving the facility.

The information in an Operations Manual is collected once when a facility enters into the business of transferring bulk oil or hazardous materials to or from vessels, or when a facility changes ownership. If this information was not collected, the COTPs would be severely restricted in their ability to ensure bulk oil and hazardous materials were being transferred in a safe and proper manner.

Amendments to the manual are collected when submitted by industry and are usually editorial changes to personnel or phone number listings. If the Operations Manual were not kept current it would lose its effectiveness because the information it contains would be incorrect or obsolete.

7) Explain any special circumstances that would cause the information collection to be conducted in a manner inconsistent with guidelines.

This information collection is conducted in manner consistent with the guidelines in 5 CFR 1320.5(d)(2).

8) Consultation.

A 60-day Notice and 30-day Notice were published in the *Federal Register* to obtain public comment on this collection. (See USCG-2010-0266: April 20, 2010; 75 FR 20616; July 9, 2010, 75 FR 39551). The USCG has not received any comments on this information collection.

9) Explain any decision to provide any payment or gift to respondents.

There is no offer of monetary or material value for this information collection.

10) Describe any assurance of confidentiality provided to respondents.

There are no assurances of confidentiality provided to the respondents for this information collection.

11) Additional justification for any questions of a sensitive nature.

There are no issues of a sensitive nature involved in this information collection.

12) Estimates of reporting and recordkeeping hour and cost burdens of the collection of information.

Total number of annual respondents:	2,667
Total number of annual responses:	2,667
Hour burden from Letters of Intent	806
Hour burden from Ops. Manuals	55,304
Hour burden from Manual Amendments	28,137
Total annual hour burden:	84,247
Cost burden from Letters of Intent	\$ 51,584
Cost burden from Ops. Manuals	\$ 4,172,154
Cost burden from Manual Amendments	\$ 2,142,899
Total annual cost burden:	\$ 6,687,196

The total number of facilities is 4,362. (This is comprised of 3,310 fixed and 1,052 mobile marine transportation-related facilities.) But not all facilities interact with the Coast Guard annually. Thus, the estimated **number of respondents and responses** is **2,667**, based on submissions of information which includes 403 Letters of Intent, 483 new Operations Manuals, and 1,781 amendments to Operations Manuals.

There are 42 U.S. Coast Guard COTP offices in the United States and its territories. The reporting burden to respondents will vary widely because of differences in the size, complexity and capabilities of the facilities covered by these regulations. The COTP offices in Charleston, SC, Philadelphia, PA, Memphis, TN, Morgan City, LA and Puget Sound, WA were contacted to validate the frequency that industry submits Letters of Intent, new Operations Manuals, and amendments to existing manuals. These offices also provided review time for each of the submissions. The number of facilities covered by these COTP offices represents a significant percentage of the affected industry, and these offices were contacted for previous Collection of Information (COI) renewals.

The hour and cost burden estimates are based upon the following information:

a) Letter of Intent

The majority of facilities are currently in operation and have already submitted their Letters of Intent. Generally, a Letter of Intent is received only when a new facility begins operations or a facility changes ownership. It is estimated that each COTP office receives, on the average, approximately 9.6 new letters of intent annually. The cost estimate was calculated using the appropriate wage rate categories for management (\$84.00 per hour for an O-3 equivalent) and clerical (\$44.00 per hour for an E-4 equivalent) from USCG Commandant Instruction (COMDTINST) 7310.1L. The industry hour burden estimates are based on 1 hour of management time and 1 hour of clerical time for a total of 2 hours per letter.

The annual estimated reporting hour burden to industry for new letters of intent is **806 hours** (42 COTP offices X 9.6 letters/year X 2 hours/letter). The annual cost to industry is \$51,584 (403 letters per year X \$128/hour management and clerical time for each letter).

b) Operations Manual

On average, it is estimated that each COTP office receives approximately 11.5 new Operations Manuals for review per year. The average reporting burden to industry for preparing and submitting a new Operations Manual is approximately 114.5 hours (24.5 or approximately 20% of the hours consist of clerical responsibilities, and the remainder is management). The annual estimated reporting hour burden to industry for new manuals is **55,304 hours** (114.5 hours X 11.5 submissions X 42 COTP offices). The annual cost to industry for this reporting requirement is \$4,172,154 (483 manuals per year X (24.5 clerical-hours/manual X \$44 /hour + 90 management-hours/manual X \$84/hour)).

On average, it is estimated that each COTP office receives approximately 42.4 amendments to existing Operations Manuals for review per year. The average reporting burden to industry for preparing and submitting an amendment to an Operations Manual is approximately 15.8 hours (3.1 or approximately 20% of the hours consist of clerical responsibilities, and the remainder is management). The annual estimated reporting hour burden to industry for amendments to manuals is **28,137 hours** (15.8 hours/amendment X 42.4 amendments/year X 42 COTP offices). The annual cost to industry for this reporting requirement is \$2,142,899 (1,781 amendments per year X (3.1 clerical-hours/amendment X \$44/hour + 12.7 management-hours/amendment X \$84/hour)).

For new Operations Manuals, the frequency of response is on an as submitted basis from industry and will vary widely as shown in Table 1. For amendments to existing Operations Manuals, the frequency of response is on an as received basis from industry and will vary widely as shown in Table 2.

Table 1 presents the range of the reporting burden and cost for submitting a new Operations Manual as supplied by the industry representatives surveyed. Table 2

presents the range of the reporting burden and cost for submitting an amendment to an existing Operations Manual as supplied by the industry representatives surveyed.

The cost estimate was calculated using the appropriate wage rate categories for management (\$84.00 per hour for an O-3 equivalent) and clerical (\$44.00 per hour for an E-4 equivalent, per USCG COMDTINST 7310.1L) and the hour burden figures supplied by the industry representatives surveyed. The cost estimate varies widely depending on the nature, size and complexity of the facility.

13) Estimates of annualized capital and start-up costs.

There are no capital, start-up or maintenance costs associated with this information collection.

14) Estimates of annualized Federal Government costs.

The annual cost to the Government is estimated to be \$320,559. This was derived as follows:

1) There are 42 U.S. Coast Guard COTP offices in the United States and its territories.

2) On average, each COTP office receives approximately 9.6 new Letters of Intent per year. The estimated cost to the Federal Government to review and process the documents under this COI is calculated using the average hourly standard rate (\$55.00 per hour, per USCG COMDTINST 7310.1L) for the field unit personnel who normally review and process these documents (E-5 to O-3). The estimated average burden to review and process a Letter of Intent is 0.5 hour, and the total estimated hour burden is 202, rounded (9.6 letters per year /COTP office X 42 COTP offices X 0.5 hour/letter). The estimated cost burden to review the new Letters of Intent is \$11,088 (202 hours X \$55/hour)¹.

3) On average, each COTP office receives approximately 11.5 new Operations Manuals for review per year. The estimated average burden to review an Operations Manual is 8.7 hours, and the total estimated hour burden is 4,202, rounded (11.5 manuals per year /COTP office X 42 COTP offices X 8.7 hours/manual). The estimated cost burden to review the Operations Manuals is \$231,116 (4,202 hours X \$55/hour)².

4) On average, each COTP office receives approximately 42.4 amendments to existing Operations Manuals for review per year. The estimated average burden to review an Operations Manual amendment is 0.8 hours, and the total estimated hour burden is 1,425 (42.4 amendments per year /COTP office X 42 COTP offices X 0.8 hours/manual). The estimated cost burden to review the Operations Manuals is \$78,355 (1,425 hours X \$55/hour)³.

¹ Figures may not total due to rounding.

² See note #1

³ See note #1

The cost to the Federal Government to review a new Operations Manual is summarized in Table 1. These costs were calculated using the average hourly standard rate (\$55.00 per hour) for the field unit personnel who normally review these manuals (E-5 to O-3) and the hour burden figures supplied by the field units surveyed. The cost estimate varies widely depending on the number of facilities within the COTP's area of responsibility, the nature, size and complexity of the facility, the number of products transferred at the facility, the level of experience of the personnel reviewing the manual and whether or not field unit personnel have to physically visit the facility to evaluate the submitted manual. Cost estimates include administrative and recordkeeping expenses.

The cost to the Federal Government to review an amendment to an existing Operations Manual is summarized in Table 2, using assumptions similar to those for Table 1.

15) Explain the reasons for the change in burden.

The change in burden hours is an ADJUSTMENT due to an increase in the number of submissions of Letters of Intent, Operations Manuals, and Operations Manual Amendments to the Coast Guard by facilities. There is no proposed change to the reporting and recordkeeping requirements of this collection. The largest increase in burden hours comes from an increase in Operation Manual submissions (increase from 252 to 483) and the associated hour burden per manual (114.5 hrs. / manual). Average number of responses and Federal Government review time was adjusted based on responses by contacted COTP offices. An update of the number of the COTP zones is also reflected in these adjustments. The reporting and recordkeeping requirements and the methodology for calculation burden remain unchanged.

16) For collections of information whose results are planned to be published for statistical use, outline plans for tabulation, statistical analysis and publication.

This information collection will not be published for statistical purposes.

17) Explain the reasons for seeking not to display the expiration date for OMB approval of the information collection.

The Coast Guard will display the expiration date for OMB approval of this information collection.

18) Explain each exception to the certification statement.

The Coast Guard does not request an exception to the certification of this information collection.

B. Collection of Information Employing Statistical Methods

This information collection does not employ statistical methods.

TABLE 1**Average Reporting Burden Hour and Cost Estimates for items 12 and 14****A. Reporting Burden Hours to Prepare and Review a New Operations Manual**

Location	Industry			Coast Guard
	Management Time	Clerical Time	Review Time	Frequency
Charleston	30	10	6	4 per year
Philadelphia	60-80	20	15	9.3 per year
Puget Sound	80	10	15	10-15 per year
Memphis	160-200	40-80	8	4 per year
Morgan City	80-100	20-25	4	25 per year

B. Cost Burden to Prepare and Review a New Operations Manual (2008)

Location	Industry			Coast Guard
	Management Time	Clerical Time	Review Time	Frequency
Charleston	\$2,520	\$440	\$330	4 per year
Philadelphia	5040 - 6720	\$880	\$825	9.3 per year
Puget Sound	\$6,720	\$440	\$825	10-15 per year
Memphis	\$13,440 - \$16,800	\$1,760 - \$3,520	\$440	4 per year
Morgan City	\$6,720 - \$8,400	\$880 - \$1,100	\$220	25 per year

TABLE 2**Average Reporting Burden Hour and Cost Estimates for items 12 and 14****A. Reporting Burden Hours to Prepare and Review an Amendment to an Operations Manual**

Location	Industry		Coast Guard	
	Management Time	Clerical Time	Review Time	Frequency
Charleston	15-20	2-4	1 - 4	24 per year
Philadelphia	4-6	2	1	45 per year
Puget Sound	8-10	4	1	50-70 per year
Memphis	12-14	1-2	1	1 per year
Morgan City	18-20	4-6	0.5	320 per year

B. Cost Burden to Prepare and Review an Amendment to an Operations Manual (2008)

Location	Industry		Coast Guard	
	Management Time	Clerical Time	Review Time	Frequency
Charleston	\$1,260 - \$1,680	\$88 - \$176	\$55 - \$220	24 per year
Philadelphia	\$336 - \$504	\$88	\$55	45 per year
Puget Sound	\$672 - \$840	\$176	\$55	50-70 per year
Memphis	\$1,008 - \$1,176	\$44 - \$88	\$55	1 per year
Morgan City	\$1,512 - \$1,680	\$176 - \$264	\$27.5	320 per year