

RECORDKEEPING AND REPORTING RELATED TO E15 (PROPOSED RULE) SUPPORTING STATEMENT

1. Identification of the Information Collection

a. Title: Recordkeeping and Reporting Related to E15, EPA ICR No.2408.01, OMB Control Number 2060-NEW.

b. Short characterization:

EPA is proposing to enact a regulatory program to help mitigate misfueling of certain vehicles and equipment with gasoline containing greater than 10 volume percent (“vol%”) ethanol up to 15 vol% (E15). The agency is also proposing to prohibit the use of gasoline containing greater than 10% ethanol in vehicles and engines not approved to fuel with E15. This rulemaking is being proposed in conjunction with the Agency’s partial waiver decision, pursuant to Clean Air Act section 211(f)(4), which allows for gasoline-ethanol blends containing up to 15 vol% ethanol for use in model year 2007 and newer on-highway light-duty motor vehicles. Because the E15 partial waiver only allows the use of E15 in a portion of the light-duty fleet, there is a need for a misfueling mitigation program to help consumers avoid fueling their motor vehicles and nonroad engines, vehicles, and equipment with unapproved fuels.

The proposed rule requires product transfer documents (PTDs) specifying ethanol content and Reid Vapor Pressure (RVP) to accompany the transfer of gasoline blended with ethanol. We have estimated the burden associated with generating and using new codes for PTDs. In addition, we have estimated the burden associated with proposed “Survey Option 1” which permits refiners, importers, ethanol blenders, or ethanol producers to engage in their own survey program (versus joining a survey organization). We anticipate that five (5) refiners will opt for “Survey Option 1.”

2. Need For, and Use of, the Collection

a. Authority for the Collection

Sections 114 and 208 of the Clean Air Act (CAA), 42 U.S.C. §§ 7414 and 7542, authorize EPA to require recordkeeping and reporting regarding enforcement of the provisions of Title II of the CAA.

b. Practical Utility/Uses of the Data

The recordkeeping and reporting requirements of this regulation will allow EPA to monitor compliance with the E15 labeling rule.

3. Non-duplication, Consultation, and other Collection Criteria

a. Non-duplication

Efforts have been made to eliminate duplication in this information collection.

b. Public Notice

EPA is seeking comment on proposed recordkeeping and reporting as part of the NPRM. This supporting statement is being docketed in order to permit interested parties to comment on specific items of information to be collected.

c. Consultations

We have drawn upon our experience with similar fuels regulations to develop the estimates in this supporting statement.

d. Effects of Less Frequent Data Collection

Less frequent collection of data would make it impossible to carry out the provisions of the CAA and the proposed E15 labeling rule. However, we are soliciting comment via the NPRM and on this draft supporting statement regarding the frequency and nature of the collection.

e. General Guidelines

This rule does not exceed any of the OMB guidelines.

f. Confidentiality

We inform respondents that they may assert claims of business confidentiality (CBI) for information they submit. Information that is received without a claim of confidentiality may be made available to the public without further notice to the submitter under 40 CFR § 2.203.

g. Sensitive Information

This information collection does not require submission of any sensitive information.

4. The Respondents and the Information Requested

a. Respondents/with NAICS and SIC Codes

The respondents to this information collection fall into the following general industry categories: petroleum refineries (324110/2911), ethyl alcohol manufacturers

(325193/2869), other basic organic chemical manufacturing (325110/2869), chemical and allied products merchant wholesalers (426990/5169), petroleum bulk stations and terminals (422710/5171), petroleum and petroleum products merchant wholesalers (422720/5172), and other fuel dealers (454319/5989).

Using the terminology associated with the E15 proposal, we have assumed the following classes of party, with the number of each in parenthesis:

- Refiners (125) and importers (75), for a total of 200 parties
- Ethanol blenders (terminals) (1,000)
- Ethanol blenders (truck) 500

Since retail/wholesale purchaser-consumers are already required to retain PTDs under existing fuels programs for a period of five (5) years and normally retain such records as customary business practice (CBP), we do not estimate any ICR burden for those parties.

b. Information Requested

A) Reporting: There is no reporting associated with this proposed information collection, unless a party opts for “Survey Option 1.”

B) Recordkeeping: Respondents must develop product codes for PTDs and must retain PTDs and other records related to compliance for five (5) years. This period is consistent with other fuels programs and the use and retention of PTDs is CBP for the industry.

5. The Information Collected, Agency Activities, Collection Methodology, and Information Management

a. Agency Activities

We are not establishing any reporting provisions under this regulation. EPA may request production of records, particularly in situations where a violation is suspected or observed.

b. Collection and Methodology and Management

Normally, we will not collect records or reports from regulated parties, but we may, particularly in connection with enforcement actions. Information claimed as CBI will be stored in appropriately controlled areas.

c. Small Entity Flexibility

The proposed rule will not have any substantial impact on small entities.

d. Collection Schedule

Records are used in the normal course of business and must be retained by the regulated party. EPA may request copies of records under the proposed regulation.

6. Estimating the Burden and Cost of Collection

a. Estimating the Respondent Universe

We drew upon experience implementing similar regulations among the same entities to develop estimates of the burden associated with this collection.

b. Estimating the Respondent Burden and Cost

Three labor categories are involved: managerial (includes legal and professional review), technical, and clerical. The estimates use the Bureau of Labor Statistics figures from "Employer Costs for Employee Compensation - Table 12 - Private Industry, Manufacturing, and Non-Manufacturing Industries by Occupational Group" (December 2003), with a 3% annual inflation factor applied to bring the values to the present. Using this method, the following wages and benefits apply by category:

Wages and Benefits

Managerial	\$53.87 per hour
Technical	\$35.29 per hour
Clerical	\$24.56 per hour

Doubling for company overhead beyond wages and benefits, and for convenience, rounding up to the dollar, gives the following rates for this ICR:

Total Employer Cost

Managerial	\$108 per hour
Technical	\$71 per hour
Clerical	\$49 per hour

It is assumed that for each hour of activity the mix will be about 0.1 hour managerial, 0.7 hour technical, and 0.2 hour clerical. This gives an average labor cost of \$71 per hour, which will be used in this ICR.

Our detailed estimates are in APPENDIX I, at the end of this supporting statement.

c. Estimating the Agency Burden and Cost

The annual Agency burden consist of 0.12 of a GS-13 professional employee (estimated at \$161,000 including overhead), or \$ 17,710. The burden estimates reviewing five (5) survey plans for five (5) refiners (whom we estimate will choose “Survey Option 1” and reviewing one (1) survey plan for a survey consortium. This assumes one week of labor per plan reviewed (i.e., a total of six weeks).

d. Estimating the Respondent Universe

We were able to estimate the number of regulated entities drawing upon experience regulating the same or similar entities.

e. Bottom Line Burden Hours and Costs

From the tables, we estimate the following totals:

The annual burden is estimated as 7,211 respondents; 2,009,226 responses; and 71,809 hours. The annual ICR cost is estimated at \$ 5,098,427.

f. Reason for Change in Burden

This is a proposed, new information collection.

g. Burden Statement

The average burden hours per response are 0.04 hours. Burden is defined at 5 CFR 1320.3(b). Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control numbers for EPA's regulations are listed in 40 CFR part 9 and 48 CFR chapter 15.

To comment on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including the use of automated collection techniques, EPA has established a public docket the proposed E15 labeling rule and this information collection under Docket ID Number EPA-HQ-OAR-2010-0448, which is available for online viewing at www.regulations.gov, or in person viewing at the Air Docket in the EPA Docket Center

in Washington, DC (EPA/DC), EPA West, Room 3334, 1301 Constitution Avenue, NW. The EPA Docket Center Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Reading Room is (202) 566-1744, and the telephone number for the Air Docket is (202) 566-1742. An electronic version of the public docket is available at www.regulations.gov. This site can be used to submit or view public comments, access the index listing of the contents of the public docket, and to access those documents in the public docket that are available electronically. When in the system, select “search,” then key in the Docket ID Number identified above. Also, you can send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington, D.C. 20503, Attention: Desk Officer for EPA. Please include the EPA Docket ID Number EPA-HQ-OAR-2010-0448 and OMB Control Number 2060-NEW in any correspondence.

“APPENDIX I” (table) follows.

Collection Activity	Number of Parties	Number of Responses per Party	Total Number of Responses	Time per Response	Cost per Hour	Total Hours	Total Cost
On-going burden: Survey Option 1	5	4	20	200	71	4000	284000
<i>Assumes 5 respondents (refiners) would elect this option.</i>							
<i>Annual approval of survey plan</i>	5	1	5	200	71	1000	71000
One time burden: Programming Codes for PTDs							
<i>Programming Product Code for E10</i>	567	1	567	0.33	71	187.11	13284.81
<i>Programming Product Code for E15</i>	567	1	567	0.33	71	187.11	13284.81
<i>Programming Product Code for EXX</i>	567	1	567	0.33	71	187.11	13284.81
<i>Optional/Voluntary Item</i>							
<i>Who Affects: All but Retailer/WP-C</i>							
<i>Assumes from prior ICRs: 200 refiners and importers (diesel ICR), 1,500 blenders of which 1,000 are terminals (diesel ICR) and 500 are carriers (RFG ICR). This yields a total of 1,700 parties.</i>							
<i>For the one time burden, the total number of parties (1,700) is divided by 3 (which equals) 567.</i>							
<i>Assumes it takes 1 hour to program the code, which is a one time burden,divide by 3 (because an ICR is an average annual burden over 3 years).</i>							
On-going burden: Putting Information (Code or Message) on PTD							
<i>PTDs for BOB indicating RVP</i>	200	365	73000	0.033	71	2409	171039
<i>PTDs for BOB indicating EtOH vol %</i>	200	365	73000	0.033	71	2409	171039
<i>PTDs indicating E10</i>	1,700	365	620500	0.033	71	20476.5	1453832
<i>PTDs indicating E15</i>	1,700	365	620500	0.033	71	20476.5	1453832
<i>PTDs indicating EXX</i>	1,700	365	620500	0.033	71	20476.5	1453832
<i>See prior assumptions - 200 refiners/importers for the BOBs.</i>							
<i>Assumes 365 PTDs (one per day) per year.</i>							
<i>Time per response is from diesel PTD. Once statement/code developed, this is usually done fairly automatically.</i>							
TOTAL	7,211		2009226			71808.83	5098427