

**Supporting Statement A 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 and Sulphur Operations
OMB Control Number: 1010-0186
Expiration Date: October 31, 2013**

Terms of Clearance: None

General Instructions

A completed Supporting Statement A 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 below. If an item is not applicable, provide a brief explanation. When the question, “Does this information collection request (ICR) contain surveys, censuses, or employ statistical methods?” is checked "Yes," then a Supporting Statement B 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.

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 Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE).

BOEMRE 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. Beginning in 1991, BOEMRE 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 regulatory efforts to protect people and the environment during oil and gas exploration and production activities of the OCS. From the start, BOEMRE, 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. On October 15, 2010, BOEMRE published a final rule in the Federal Register entitled, “Safety and Environmental Management Systems for Outer

Continental Shelf Oil and Gas Operations” (75 FR 63610), which became effective on November 15, 2010. Due to this rulemaking, the voluntary program has now become mandatory under 30 CFR 250, subpart S, Safety and Environmental Management Systems (SEMS) regulations. The information collection for this subpart was approved by OMB under 1010-0186; 465,099 annual burden hours, and \$12,933,000 non-hour cost burdens, expiration 10-31-2013.

BOEMRE is now proposing additional safety requirements to subpart S regulations and feels that these expanded and/or new requirements are needed for the following reasons: Ultimate Work Authority (UWA) is being proposed because current regulations do not address who is in charge of a MODU and who has the final word during an emergency event. Stop Work Authority (SWA) is being added since our current regulations do not address stopping an activity due to an employees’ belief that a situation exists that places them, their coworker(s), contracted personnel, or the environment at risk or in danger. The job safety analysis (JSA) requirements are modified to allow the operator to use the same JSA for a similar task as long as the parameters are the same. Employee participation in the operators’ SEMS program was recommended by OSHA to make sure all employees are involved in the implementation of the company SEMS program, and this proposed rulemaking will also require companies to hire an Independent Third Party to conduct audits to avoid any conflicts of interest.

Therefore, this IC request concerns the paperwork burden in a proposed rulemaking that expands or adds new regulatory requirements to 30 CFR 250, subpart S.

It needs to be noted that while this proposed rulemaking adds additional burden hours to industry, the vast majority of these hours are for expanding existing regulatory requirements pertaining to their current SEMS program, along with documenting and recordkeeping these expanded requirements as a result of testimony, hearings, and reports being released about the Deepwater Horizon explosion and resulting oil spill.

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. Due to the Deepwater Horizon event, subpart S regulations hold the operator accountable for the overall safety of the offshore facility, including ensuring that all employees, contractors, and subcontractors have safety policies and procedures in place that support the implementation of the operator’s SEMS program and align with the principles of managing safety. The SEMS program describes 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 all personnel on the facility). BOEMRE will use the information obtained by submittals and observed via SEMS audits to ensure that operations on the OCS are conducted safely, as they pertain to both human and environmental factors, and in accordance with BOEMRE regulations, as well as industry practices. JSA, SWA, and UWA recordkeeping will be reviewed diligently by BOEMRE during inspections/audits, etc., to ensure that industry is correctly implementing the documentation and that the requirements in the JSAs are being followed properly.

Information on BOEMRE 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 and the information broken out quarterly. The information is used 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 BOEMRE to better focus our regulatory and research programs on areas where the performance measures indicate that operators are having difficulty meeting our expectations. BOEMRE will be more effective in leveraging resources by redirecting research efforts, promoting appropriate regulatory initiatives, and shifting inspection program emphasis based on performance results. Respondents will submit BOEMRE Form MMS-131 annually during the first quarter of each calendar year.

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 60 percent of the information will be collected in electronic format. BOEMRE Form MMS-131 is available on the website and we suggest they submit it 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 and the U.S. Coast Guard have Memoranda of Understanding that define the responsibilities of their agency's with respect to activities on the OCS. These are generally effective in eliminating duplicate reporting and recordkeeping burdens. The requirements pertaining to an operator's SEMS plan do not affect other regulatory requirements outside of BOEMRE's jurisdiction. Nothing will affect the U.S. Coast Guard's current authority and jurisdiction over vessels and offshore facilities. The Environmental Protection Agency collects exceedence information in the monthly Discharge Monitoring Reports. However, companies submit these reports on a quarterly and staggered basis and report by facility rather than company. 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 will have a significant economic effect on a substantial number of small entities. About 70 percent of the OCS lessees and operators have less than 500 employees and are considered small businesses as defined by the Small Business Administration. Because of the Deepwater Horizon event, the proposed rulemaking would require operators to expand upon their current SEMS program, which we believe would reduce the occurrences of accidents, injuries, and spills during OCS activities. Therefore, 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; however, the Deepwater Horizon event highlights the importance of operators initiating and implementing a comprehensive safety management system. Without this information BOEMRE would not be able to evaluate the effect of industry's continued improvement of safety and environmental management of the OCS, nor would it be able to determine if industry was in compliance with the regulations. For the majority of the collection, the frequency of submission is on occasion. BOEMRE Form MMS-131 is collected 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;

Document and retain all records pertaining to your SEMS audits for 6 years (at least 2 audit cycles (audits are at least once every 3 years)) to allow BOEMRE to have the necessary information when requested, and to allow BOEMRE to properly evaluate the SEMS program.

(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 not been reviewed and approved by OMB;

Not applicable in this collection.

(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; or

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 1320.11), 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.

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, BOEMRE is providing the initial 60-day review and comment process through the preamble of the proposed rulemaking. BOEMRE will address in the preamble to the final rulemaking any comments received and make necessary adjustments. No individual respondents were contacted due to the proposed rulemaking nature of the collection. However, BOEMRE based many of its estimates on the latest data and information available from previous contacts with respondents to the current regulations and its staff expertise. In the future, these estimates will be re-evaluated based on consultation with respondents and actual experience.

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

BOEMRE 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), 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."

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 Federal OCS lessees, operators, and/or third party personnel. It should be noted that not all of the potential respondents will submit information in any given year and some may submit multiple times. The burden estimates include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The frequency of response varies by section, but is primarily on occasion and responses are mandatory. It should be noted that while this rulemaking adds additional burden hours to industry, the vast majority of these hours are for expanding their current SEMS program, along with documenting and recordkeeping these expanded requirements as a result of testimony, hearings, and reports being released about the Deepwater Horizon explosion and resulting oil spill. This proposed rulemaking would add 177,077 additional reporting and recordkeeping hours to the 465,099 hours already approved for this subpart for a total of 642,176 burden hours.

Burden Table

[Italics show expansion of existing requirements; bold indicates new requirements.]

| Current Citation | 30 CFR 250 subpart S Reporting and Recordkeeping Requirement | Hour Burden | Average No. of Annual Responses | Annual Burden Hours |
|---|--|------------------------------|--|----------------------------|
| <i>Proposed Expanded or Proposed NEW</i> | | Non-Hour Cost Burdens | | |
| 1900-1929 | High Activity Operator: Have a SEMS program, and maintain all documentation and records pertaining to your SEMS program, according to API RP 75 in its entirety. Make your SEMS available to BOEMRE upon request. As part of your SEMS, you must also develop and implement written <i>procedures for SWA and include item as standard info pertaining to SWA in all JSA drills; plan of action re employee participation and implementation; UWA info/designated person; procedures for employees to report unsafe work conditions; JSAs for each OCS activity identified or discussed in your SEMS. NOTE: Based on previous information, High Activity Operators already have a SEMS in place.</i> | 18,708 | 13 operators. | 243,204 |
| <i>1900-1933 Expanded</i> | | 2,848 | | 37,024 |
| 1900-1929 | Moderate Activity Operator: Have a SEMS program, and maintain all documentation and records pertaining to your SEMS program, according to API RP 75 in its entirety. Make your SEMS available to BOEMRE upon request. | 2,528 | 41 operators. | 103,648 |
| <i>1900-1933 Expanded</i> | | 2,188 | | 89,708 |

| Current Citation | 30 CFR 250 subpart S Reporting and Recordkeeping Requirement | Hour Burden | Average No. of Annual Responses | Annual Burden Hours |
|---|---|--|--|---------------------|
| Proposed Expanded or Proposed | | Non-Hour Cost Burdens | | |
| | request. As part of your SEMS, you must also develop and implement written <i>procedures for SWA and include item as standard info pertaining to SWA in all JSA drills; plan of action re employee participation and implementation; UWA info/designated person; procedures for employees to report unsafe work conditions</i> ; JSAs for each OCS activity identified or discussed in your SEMS. | | | |
| | Moderate Activity Operator Implementation. (One time cost to implement SEMS). | \$375,000 per moderate activity implementation x 12 operators = \$4,500,000. | | |
| 1900-1929 1900-1933 Expanded | Low Activity Operator: Have a SEMS program, and maintain all documentation and records pertaining to your SEMS program, according to API RP 75 in its entirety. Make your SEMS available to BOEMRE upon request. As part of your SEMS, you must also develop and implement written <i>procedures for SWA and include item as standard info pertaining to SWA in all JSA drills; plan of action re employee participation and implementation; UWA info/designated person; procedures for employees to report unsafe work conditions</i> ; JSAs for each OCS activity identified or discussed in your SEMS. | 899 | 76 operators. | 68,324 |
| | | 100 | | 7,600 |
| | Low Activity Operator Implementation. (One time cost to implement SEMS). | \$154,000 per low activity implementation x 48 operators = \$7,392,000. | | |
| 1900 | Develop and implement a SEMS program (One time implementation cost of SEMS template). | \$2,500 per implementation x 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 per implementation x 60 operators = \$600,000. | | |
| 1900(b); 1914(d); 1928(d), (e); 1929 | Submit Form MMS-131. Maintain a contractor employee injury/illness log in the operation area, retain for 2 years, and make available to BOEMRE upon request (this requirement is included in the form burden). Inform contractors of hazards. | 10 | 130 operators. | 1,300 |
| 1911(b) Expanded | <i>Direct supervisor and onsite supervisory approval to conduct a JSA. Employee participation and signing.</i> | 10 mins. | 130 operators x 365 days x 6=284,700* | 47,450 |
| 1920 | Notify BOEMRE with audit schedule 30 days prior to conducting your audit. | 1 | 130 operators /once every 3 years = 43 | 43 (rounded) |
| 1920(c); 1925(a), (c) | Submit to BOEMRE after completed audit, report of findings and conclusions, including deficiencies and | 3 | 44 operators | 132 |

| Current Citation <i>Proposed Expanded or Proposed</i> | 30 CFR 250 subpart S Reporting and Recordkeeping Requirement | Hour Burden | Average No. of Annual Responses | Annual Burden Hours |
|--|---|--|---------------------------------------|---------------------|
| | | Non-Hour Cost Burdens | | |
| 1926(e) | required supporting information/documentation. | | | |
| 1920(d) | Submit a copy of your plan that will address deficiencies identified in audit, including a correction schedule with appropriate supporting information. | 4 | 10 submissions | 40 |
| 1924(b) | Make available to BOEMRE upon request, evaluation documentation and supporting information relating to your SEMS. | 2 | 130 operators | 260 |
| 1924(c) | Explain and demonstrate your SEMS during site visit if required; provide evidence supporting your SEMS implementation. | 8 | 6 explanations | 48 |
| 1925(a); 1926(f) | Pay for all costs associated with BOEMRE directed audit approximately 20 percent per operator per category: 3 required audits for high operator (\$20,000 per audit x 3 audits = \$60,000); 8 required audits for moderate operator (\$12,000 per audit x 8 audits = \$96,000; and 15 required audits for low operator (\$9,000 per audit per 15 audits = \$135,000) = 26 required audits per year at a total yearly combined cost of \$291,000. | 26 BOEMRE directed audits – for a total of = \$291,000 | | |
| 1926(a), (d) NEW | Notify BOEMRE in writing of nomination of independent third party; submit request 30 days prior to audit re approval with relevant information; include signed statement re owned/controlled by operator and submit new nomination if needed. | 3 | 130 operators once every 3 years = 43 | 129 |
| 1928 <i>Expanded</i> | (1) Document and keep all SEMS audits for 6 years (at least 2 full audit cycles) at an onshore location. (2) JSAs must have documented results in writing and kept onsite for 30 days; retain records for 2 years. (3) All MOC records (API RP Sec 4) must be dated, documented, and retained for 2 years. (4) SWA documentation must be kept onsite for 30 days; retain records for 2 years. (5) Document and retain employee participation records for 2 years. (6) All documentation included in this requirement must be made available to BOEMRE upon request. | 5 | 130 operators. | 650 |
| | | 2 hrs/mo x 12 mos/yr = 24 hrs | 1,007 manned facilities | 24,168 |
| | | 30 mins. | 2,447 unmanned facilities | 1,224 (rounded) |
| 1930(c) NEW | Document decision to resume SWA activities. | 8 | Once every 2 wks = 26 | 208 |
| 1932(d), (e) NEW | Upon request, provide BOEMRE copy of employee participation program; make program available during an audit. | 1 | 43 audits | 43 (rounded) |
| 1933(c) NEW | Employee reports unsafe practices and/or health violation; complaints. | 30 mins. | 1 oral 1 written | 1 |
| 1933(f) NEW | Post notice where employees can view re employees rights for reporting unsafe practices | 30 mins. | 3,454 facilities | 1,727 |
| 1933(h) NEW | Provide to all employees unsafe activities card with relevant information. | 10 mins. | 63,000 full/part time employees | 10,500 |

| Current Citation <i>Proposed Expanded or Proposed</i> | 30 CFR 250 subpart S Reporting and Recordkeeping Requirement | Hour Burden | Average No. of Annual Responses | Annual Burden Hours |
|--|---|-------------|------------------------------------|---------------------|
| | | | Non-Hour Cost Burdens | |
| CURRENT TOTAL BURDEN | | | 285,469 Responses | 465,099 Hours |
| | | | \$12,933,000 Non-Hour Cost Burdens | |
| TOTAL BURDEN to be added to 30 CFR 250, Subpart S | | | 70,022 Responses | 177,077 Hours |
| TOTAL BURDEN WHEN RULE BECOMES EFFECTIVE | | | 355,491 Responses | 642,176 Hours |
| | | | \$12,933,000 Non-Hour Cost Burdens | |

*We calculated operators conducting six JSAs a day (3 JSAs for each 12 hour shift). Some contractors may perform none for a particular day, whereas others may conduct more than six per day. This estimate is an average.

(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 under “annual Cost to the Federal Government.”

The average respondent cost is \$86/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) |
|---|-------------|-------------------------------------|--|-------------------------------------|----------------------------|
| Secretaries and Administrative Assistants | 6 | \$21 | \$29 | 13% | \$4 |
| Petroleum Engineer | All Workers | \$68 | \$95 | 72% | \$68 |
| Supv. Petroleum Engineer | All Workers | \$68 | \$95 | 15% | \$14 |
| Weighted Average (\$/hour) | | | | | \$86 |

* Note that this BLS source reflects their last update from December 2009.

** A multiplier of 1.4 (as implied by BLS news release USDL 11-0304, March 9, 2011, (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

Based on a cost factor of \$86 per hour, we estimate the total annual cost to industry is \$55,227,136 (\$86 x 642,176 = \$55,227,136).

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 Item 12).

(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 for form processing). 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 five non-hour cost burdens and they are as follows:

- § 250.1900 - Moderate Activity Operator Implementation (one time cost to implement SEMS).
- § 250.1900 - Low Activity Operator Implementation (one time cost to implement SEMS).
- § 250.1900 - Development and implement a SEMS program (one time cost to implement SEMS template).
- § 250.1900 - In-house modification (one time implementation cost) of the generic SEMS program to meet needs of specific company.
- § 250.1925(c) – Pay for all costs associated with a BOEMRE directed audit due to deficiencies.

We estimate a total reporting non-hour cost burden of \$12,933,000 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.

The average cost to the Federal government is \$65/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) (<http://www.opm.gov/oca/11tables/>).

| 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 | \$21 | \$32 | 10% | \$3 |
| Petroleum Engineer | GS-13/5 | \$44 | \$66 | 80% | \$53 |
| Supv. Petroleum Engineer | GS-15/5 | \$62 | \$93 | 10% | \$9 |
| Weighted Average (\$/hour) | | | | | \$65 |

*A multiplier of 1.5 (as implied by BLS news release USDL 11-0304, March 9, 2011, 2010, (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

It needs to be noted that out of the 642,176 industry burden hours, only 8,507 hours will be associated with submittals or being made available to BOEMRE upon request.

| <u>Citation</u> | <u>Requirement</u> | <u>Industry Burden Hr</u> |
|--|--|---------------------------|
| §§ 250.1900(b); 1914(d); 1928(d), (e); 1929 | Submittals - Form MMS-131 | 1,300 |
| § 250.1920 | Notification | 43 |
| § 250.1920(c); 1925(a), (c); 1926(f) | Audit submittals | 132 |
| § 250.1920(d) | Audit deficiency submittal info | 40 |
| § 250.1924(b) | Upon request, evaluation and documentation info | 260 |
| § 250.1924(c) | Demonstrate SEMS | 48 |
| § 250.1926(a) | Independent third party info | 129 |
| § 250.1928 | Documentation/recordkeeping | 6,511* |
| § 250.1932(d), (e) | Employee participation program | 43 |
| § 250.1933(g) | Unsafe Practices/health violation | <u>1</u> |
| TOTAL Hours | | 8,507 Hours |

*Industry hours for documentation and recordkeeping are 26,042 burden hours. We believe that approximately 25 percent of industry's time will be needed to be make available to BOEMRE upon request (26,042 x 25% = 6,511 hours (rounded)).

To analyze and review the information submitted, we estimate the Government will spend an average of 2.25 hours for every hourly submittal to BOEMRE for a total of 19,141 hours (8,507 x 2.25 hours = 19,141 (rounded) burden hours. Based on a cost factor of \$65 per hour, the total estimated annualized cost to the Government is \$1,244,165 (8,507 industry hours x 2.25 BOEMRE hours = 19,141 x \$65 = \$1,244,165).

15. Explain the reasons for any program changes or adjustments in hour or cost burden.

The current OMB inventory includes 465,099 burden hours for this collection of information. Due to the proposed rulemaking, this submission requests a program change increase of 177,077 burden hours. The current OMB non-hour cost burden includes \$12,933,000 and remains the same.

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.

BOEMRE will require the submittal of BOEMRE Form MMS-131 from respondents in the time

schedule as follows:

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

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.

BOEMRE will display the OMB Control Number and expiration date.

18. Explain each exception to the topics of the certification statement identified in, "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."