

SUPPORTING STATEMENTPART A

PRODUCTION OUTLOOK REPORTS FOR UN-REGISTERED RENEWABLE FUELS PRODUCERS

A. JUSTIFICATION

1. Identification of the Information Collection

a. Title: Production Outlook Reports for Un-Registered Renewable Fuels Producers; EPA ICR No. 2409.01; OMB Control Number 2060-NEW

b. Short characterization:

With this information collection request (ICR), we are seeking permission to accept production outlook reports from domestic or foreign renewable fuel producers who are not currently regulated parties under the RFS2 program. The respondents for this ICR are not regulated parties under the RFS2 program and are therefore, not required to register or report under the RFS2 regulations. Submission of production outlook information to EPA under this ICR will be on a voluntary basis.

The information that respondents provide will allow EPA to more accurately project cellulosic biofuel volumes for the following calendar year, and these volume projections will form the basis of the percentage standards EPA sets under the RFS2 program. Without information from these respondents, EPA's volume projections are more likely to fall below actual projection volumes. Under such circumstances, actual supply for cellulosic biofuel will exceed the demand created by the standards EPA sets, and the value of cellulosic biofuel Renewable Identification Numbers (RINs) will fall. RINs are marketable credits that correspond to a given volume of renewable fuel. Since RIN market price directly affects the economic viability of cellulosic biofuel production, low RIN prices could present economic difficulties to producers. Thus, it is in the interests of these respondents to provide this information to EPA, as doing so could ensure that the market price of RINs appropriately reflects the value of their cellulosic biofuel. This information also serves a more general program purpose, because it will assist EPA in setting the annual RFS2 standards more accurately for biomass-based diesel, advanced biofuel, and total renewable fuel. Compiling this information may also assist respondents with their planning and compliance activities. We believe that many parties would wish to submit this information in order to receive better assistance in understanding and preparing to comply with the RFS2 regulations

We anticipate that approximately 35 parties will elect to participate in this information collection, nearly all of whom would submit information during the first year of the ICR. The format for submitting the production outlook information to EPA would follow the "RFS2 Production Outlook Form, Report Form ID: RFS0900." Reporting by regulated parties is covered under the RFS2 ICR, OMB Control No. 2060-0640

(Expiration Date: July 31, 2013.) A copy of the current RFS0900 form and its instructions are available at:

- Instructions: www.epa.gov/otaq/regs/fuels/rfs0900.pdf
- Form: www.epa.gov/otaq/regs/fuels/rfs0900.xls

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. This voluntary collection of information is related to the RFS2 program.

b. Practical Utility/Uses of the Data

As discussed above in “Short Characterization,” collection of this information will assist EPA in setting accurate annual standards under the RFS2 rule and will assist respondents with their planning and compliance activities.

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

On October 14, 2010, EPA published a notice in the Federal Register announcing our intent to submit this proposed ICR to OMB for approval. (See 75 FR 63173). The comment period closed on December 14, 2010. No comments were received.

c. Consultations

We have drawn upon our experience with RFS1, RFS2, and with similar fuels regulations to develop the estimates in this supporting statement. We are soliciting comments on our estimates via the Federal Register notice and have prepared this document for the public docket.

d. Effects of Less Frequent Data Collection

This is a voluntary information collection. If EPA could not collect this information, then both the respondent and the Agency would be disadvantaged. EPA

would base its RFS2 standard setting on incomplete information, and this in turn would have a negative effect upon the respondents. Collecting this information would allow EPA to assist the respondents in compliance, as the respondents would be subject to the RFS2 regulations in the future.

e. General Guidelines

This proposed ICR does not exceed any of the OMB guidelines.

f. Confidentiality

We will inform respondents that they may assert claims of business confidentiality (CBI) for information they submit. Any information claimed as confidential will be treated in accordance with 40 CFR Part 2 and established Agency procedures. 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 are renewable fuel producers who are expected to fall under the general category of petroleum refineries (324110/2911), ethyl alcohol manufacturers (325193/2869), and/or other basic organic chemical manufacturing (325199/2869). We expect that 35 parties elect to participate in this information collection. (Since this information collection is voluntary in nature, the actual number is determined by the respondents themselves.)

b. Information Requested

The information requested includes the information collected on the RFS0900 form. Parties may submit some, or all, of the information and submission of the information is voluntary. Parties do not have to use the form, but we plan to provide it as a convenience for those who wish to use it.

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

a. Agency Activities

The Agency may contact respondents if there is a question about their submission. We already perform this activity for required reports submitted under the RFS2 program and do not anticipate that this proposed collection will add any significant burden.

b. Collection and Methodology and Management

We anticipate accepting this information in various formats, including electronically. Information claimed as CBI will be stored in appropriately controlled areas.

c. Small Entity Flexibility

This collection will not adversely affect small entities. This collection is a voluntary collection and there will be no adverse consequences if a party elects not to submit the information.

d. Collection Schedule

This would be a voluntary collection and, as result, this collection is not subject to any set collection schedule. Respondents may submit all, or some, of the information on the production outlook report at will.

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. We estimate the following burden:

Number of Respondents	Number of Reports per Respondent	Annual Hours per Response*	Cost per Response @ \$71/hr.	Total Hours/Year	Total Cost In Dollars/Year (\$)
35	1	4	284.00	140	9,940

** We believe that each report would take up to 12 hours to complete at \$71/hour, and have divided 12 by three in order to determine an annual burden (over the three year period covered by this proposed ICR). We estimate that most respondents would elect to submit reports during the first year covered by this proposed ICR.*

c. Estimating the Agency Burden and Cost

We do not anticipate any significant Agency burden associated with reviewing these voluntary submissions. We expect that the burden of reviewing these few reports is already adequately covered by the RFS2 ICR. As with all items in this supporting statement, we strongly encourage comment on the estimated Agency burden and on the Agency activities associated with this proposed information collection.

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 “Estimating the Respondent Burden and Cost,” we estimate the following totals:

TOTAL NO. OF RESPONDENTS: 35
TOTAL NO. OF RESPONSES: 35
TOTAL ANNUAL HOURS: 140
TOTAL ANNUAL COST: \$9,940

f. Reason for Change in Burden

Not applicable, as this is a new information collection.

g. Burden Statement

The annual public reporting and recordkeeping burden for this collection of information is estimated to be 4 hours per response. 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 for this ICR under Docket ID number EPA-HQ-OAR-2005-0161, 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). The docket is located in the EPA West Building, 1301 Constitution Avenue, NW, Room 3334, and is open from 8:30 a.m. to 4:30 p.m., Eastern Standard Time, 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.

You may use www.regulations.gov 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 EPA-HQ-OAR-2005-0161. 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-2005-0161 and OMB Control Number 2060-NEW in any correspondence.