

Supporting Statement for Paperwork Reduction Act Submissions
30 CFR Part 250, Subpart A, General
Notice to Lessees and/or Operators (NTL) -- Gulf of Mexico OCS Region -- GPS (Global Positioning System) for MODUs (Mobile Offshore Drilling Units)
OMB Control Number 1010-0177
OMB Expiration Date: November 30, 2009

Terms of Clearance

Upon approval the Agency should submit a 60 day notice to initiate standard ICR review procedures. A 60-day notice was published June 8, 2009 (74 FR 27166).

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 et seq. and 43 U.S.C. 1801 et seq.), authorizes the Secretary of the Interior (Secretary) to prescribe rules and regulations to administer leasing of the OCS. Such rules and regulations 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; to preserve and maintain free enterprise competition; and to ensure that the extent of oil and natural gas resources of the OCS is assessed at the earliest practicable time. Section 43 U.S.C. 1332(6) states that "operations in the outer Continental Shelf should be conducted in a safe manner by well-trained personnel using technology, precautions, and techniques sufficient to prevent or minimize the likelihood of blowouts, loss of well control, fires, spillages, physical obstruction to other users of the waters or subsoil and seabed, or other occurrences which may cause damage to the environment or to property, or endanger life or health."

To carry out these responsibilities, the Minerals Management Service (MMS) 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. In

addition, we also issue Notice to Lessees (NTLs) that provide clarification, explanation, and interpretation of our regulations. These NTLs are used to convey purely informational material and to cover situations that might not be adequately addressed in our regulations.

The subject of this information collection (IC) request is an NTL, GPS (Global Positioning System) for MODUs (Mobile Offshore Drilling Units). This NTL requires MODUs to be equipped with multiple tracking/location devices so that during a storm event (hurricane) the respondent, as well as MMS, will have the capability to monitor their locations. This NTL also provides MMS GPS data access thereby granting MMS real-time location information as needed for the Hurricane Response Team (HRT).

The primary regulation for this IC is 30 CFR 250, Subpart A, approved under the OMB Control Number 1010-0114. However, in connection with this subpart, the burden requirements in the NTL are in addition to the currently approved paperwork burdens under those requirements.

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.]

After Hurricane Ike, 2008, due to the loss of an ENSCO MODU, the National Oceanic and Atmospheric Administration and US Army Corps of Engineers conducted numerous side-sonar searches for dangerous submerged debris in several places in and around the Gulf of Mexico waters, including off the Louisiana coast, the Houston Ship Channel, and the Galveston areas. These searches continued for numerous days, with multiple government agencies, and covered well over 75 square statute miles. Nothing was found.

On March 6, 2009, the SKS *Satilla*, a 900-ft Norwegian flagged tank ship carrying approximately 130K MT of crude oil, reported listing 8 degrees and taking on water about 65-miles offshore of Galveston, TX. It was determined that the SKS *Satilla* had hit the sunken MODU that was submerged approximately 24 feet below the surface of the water, that had been missing since Hurricane Ike. The MODU was displaced off the coast of Louisiana during Hurricane Ike and ended up off the coast of Galveston, roughly 105 miles away.

The information to be collected is necessary for MMS to assess the whereabouts of any MODU becoming unmoored due to extreme weather situations; as well as, to follow the path of that facility to determine if other facilities/pipelines, etc., were damaged in any way. The offshore oil and gas industry will use the information to determine the safest and quickest way to either remove the obstacles or to fix and reuse them.

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].

Respondents may electronically notify MMS with the relevant information.

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.

No information submitted will be duplicative; the information collected is unique to each MODU. Similar information is not available from other sources. The Department of the Interior and the USCG have Memoranda of Understanding that define the responsibilities of their agencies with respect to activities in the OCS. These are effective in avoiding duplication of regulations and reporting requirements.

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. Operations in the OCS are relatively large in scale and technically complex. The conduct of these activities requires a large source of financial resources. However, approximately 30 percent of the respondents have less than 500 employees and are considered small businesses as defined by the Small Business Administration. The known and potential damage to OCS facilities due to severe weather conditions is such that the hour burden on any small entity subject to these requirements cannot be reduced to accommodate them without jeopardizing safety and environmental concerns.

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.

Again, the known and potential damage to OCS facilities by severe weather is such that the information must be collected to ensure safety of operations and pollution prevention and thus prevent future vessel accidents. The frequency of submission is on occasion.

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.

Not applicable in this collection.

(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 published a 60-day notice in the Federal Register (74 FR 27166, June 8, 2009). Also, 30 CFR 250.199 explains that MMS will accept comments at any time on the information collection burden of our 30 CFR 250 regulations. We display the OMB control numbers and provide the address for sending comments to MMS. We received no comments in response to the notice or unsolicited comments from respondents.

During the comment period and in connection with the previous submission to OMB, we consulted with the following respondents to verify the accuracy of our burden estimates. The estimates in item A.12 reflect their input.

Alan Spackman, Vice President, IADC
10370 Richmond Ave., Houston, TX 77042 (713-292-1964)

Jason Tieman, Director, Maritime Solutions, PortVision
723 Main St., Suite #1004, Houston, TX 77002 (713-337-3737)

Russ Roy, President, RigStat
131 Brooks St., Suite #400, Sugar Land, TX 77478 (281-491-5817)

Craig Colby, Engineer, Diamond Offshore Drilling
P. O. Box 4558, Houston, TX 77210 (281-646-4740)

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.

We protect proprietary information according to the Freedom of Information Act (5 U.S.C. 552) and 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.

Respondents comprise Federal oil and gas lessees and operators that drill using MODUs. It should be noted that not all of the potential respondents will submit information in any given year and some may submit multiple times. We expect that there are approximately 100 Gulf of Mexico OCS MODUs already equipped with a tracking/locator system. Each MODU must have multiple tracking/locator devices for redundancy. Since the lessees and operators have already installed the GPS systems, this IC covers only burdens for new MODUs, and repair or replacement of devices due to normal wear and tear. The frequency of responses submitted to MMS is on occasion and responses are required to obtain and/or retain a benefit. In calculating the burdens, we obtained information from companies that supply these kinds of equipment and services. We estimate the total annual burden hours to be 9, as detailed in

the following chart.

BURDEN BREAKDOWN

NTL - Gulf of Mexico OCS Region – GPS for MODUs.	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
Non-Hour Cost Burdens			
1 - Notify MMS with tracking/locator data access; purchase and install tracking/locator devices – (these are future MODUs/submissions after initial purchase and notification in subsequent years).	15 mins.	30 devices	8 (rounded)
	30 devices per year for replacement and/or new x \$5,000 = \$150,000		
2 - Notify Hurricane Response Team as soon as operator is aware a rig has moved off location.	10 mins.	6 notifications	1
TOTAL BURDEN		36 responses	9 hours
		\$ 150,000 non-hour cost burden	

(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 \$94/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)
Engineer or Regulatory Specialist	13	\$67	\$94	100	\$94
Weighted Average (\$/hour)					\$94

* Note that this BLS source reflects their last update from July 2004.

** A multiplier of 1.4 (as implied by BLS news release USDL 08-1802, December 10, 2008) was added for benefits.

Based on a cost factor of \$94 per hour, we estimate the total annual cost to industry is \$846 (\$94 x 9 hours = \$846).

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.

Under this NTL, since the lessees and operators have already installed the GPS systems, we estimate a minimal non-hour cost burden of \$150,000 for replacing/repairing locator devices, and/or adding devices since there will occasionally be MODUs added to the group. Therefore, we estimate the total non-hour cost burdens to be \$150,000. We have identified no other reporting and recordkeeping non-hour cost burdens for this collection of information. See burden table in A.12 for a breakdown of the burdens.

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 government cost is \$70/hour. This cost is broken out in the below table using the current Office of Personnel Management salary data for the REST OF UNITED STATES (Consisting of the portions of the lower 48 United States not located within another locality pay area.) To analyze and review the information respondents submit, we estimate the Government will spend an average of approximately 5 hours for every 1 hour spent by respondents. The total estimated Government time is (5 x 9 = 45) hours.

Position	Grade	Hourly Pay rate (\$/hour estimate)	Hourly rate including benefits (1.5* x \$/hour)	Percent of time spent on collection	Weighted Average (\$/hour)
Engineer(s)	GS-13/5	\$44	\$66	65%	\$43
Supervisory	GS-14/5	\$52	\$78	35%	\$27
Weighted Average (\$/hour)					\$70

*A multiplier of 1.5 (as implied by BLS news release USDL 08-1802, December 10, 2008) was added for benefits.

Based on a cost factor of \$70 per hour, the cost to the government would be \$3,150 (9 burden hours x 5 = 45 hours x \$70 = \$3,150).

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

(a) The currently approved annual hour burden is 84 hours. This submission requests 9 hours. The difference is a program decrease of 75 hours. The decrease is a result of eliminating the initial start up tracking device notification requirements.

(b) The currently approved annual reporting and recordkeeping non-hour cost burden is \$1,650,000. This submission requests \$150,000 and is a program decrease of \$1,500,000. The decrease is a result of eliminating the initial purchase and installation of tracking/locator devices.

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 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. We will display the expiration date.

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."