**INFORMATION COLLECTION REQUEST**

**SUPPORTING STATEMENT**

**ENVIRONMENTAL PROTECTION AGENCY**

**Federal Supplier (Small Business) Greenhouse Gas Inventory Pilot (Renewal)**

**1. IDENTIFICATION OF THE INFORMATION COLLECTION REQUEST**

**1(a) Title of the Information Collection**

Federal Supplier (Small Business) Greenhouse Gas Inventory Pilot (Renewal), EPA ICR No. 2100.05, OMB Control No. 2060-0532.

**1(b) Short Characterization/Abstract**

On September 30, 2011, the U.S. Environmental Protection Agency officially ended its Climate Leaders program. One element of the Climate Leaders program was the Small Business Network (SBN) which offered small businesses tools and resources to assist them with managing and reducing their GHG emissions. In direct response to E.O. 13514, EPA and the U.S. General Services Administration (GSA) utilized the Climate Leaders SBN as the foundation to launch the Federal Supplier Greenhouse Gas Emissions Inventory Pilot (“the Pilot”) in August 2010 to assess the benefits and challenges experienced by small businesses in completing and reporting a GHG emissions inventory. The Pilot is a voluntary, three-year program in which small businesses are required to develop annual GHG emissions inventories through September 2013. The small businesses are also required to develop and implement GHG emissions reductions strategies and review their progress towards meeting their reduction goals and the associated benefits. Through this interagency agreement, EPA continues to support the Pilot with education and technical assistance. EPA has developed this renewal ICR to ensure that the Pilot remains credible by obtaining continued authorization to collect information from its participants to ensure that they are meeting their GHG goals. Companies that joined the Pilot voluntarily agree to the following: setting a corporate GHG reduction goal; submitting a GHG inventory management plan; reporting to the EPA on an annual basis the company's GHG emissions inventory and progress toward their GHG reduction goal via the Annual GHG Inventory Summary and Goal Tracking Form. The information contained in the inventories of the companies that participate in the Pilot may be considered confidential business information and is maintained as such. EPA uses the data obtained from the companies to assess the success of the Pilot in achieving its goals and to identify the type of outreach, training, and other direct assistance and incentives that will help small business federal suppliers meet the objectives of E.O. 13514. Responses to the information collection are voluntary. This ICR provides a comprehensive description of the information collections under what formerly was the Climate Leaders program. Sections 1 through 5 of this ICR describe the specific information collections (e.g., from the standpoint of need, use, and respondent activities). In Section 6, EPA estimates the annual hour and cost burden to respondents and the Agency under these collections.

**2. NEED FOR AND USE OF THE COLLECTION**

**2(a) Need/Authority for the Collection**

In an effort to mitigate global climate change, the President announced a Climate Change Strategy on February 14, 2002, wherein he set a national U.S. GHG intensity goal of 18 percent by 2012. Part of that strategy challenges companies to set GHG emissions reduction goals by working with EPA through the Climate Leaders program. After the end of the Climate Leaders program in September 2011, EPA continues to support the Federal Supplier Greenhouse Gas Emissions Inventory Pilot (“the Pilot”). EPA also provides technical assistance to companies participating in the Pilot to help them develop a company-specific Inventory Management Plan, base year GHG inventory, corporate-wide GHG reduction goal and subsequent year corporate GHG inventories using the Annual GHG Inventory Summary and Goal Tracking Form. Participating companies report their GHG inventory to EPA annually, which allows EPA to evaluate the Pilot participant’s progress and performance and to assess overall program results. This GHG inventory data and supporting documentation collected through this Partnership provides the necessary level of detail for accurately measuring each company’s contribution towards reducing GHG emissions.

**2(b) Practical Utility/Users of the Data**

EPA uses information submitted in the Inventory Management Plans to assure that the Pilot participant’s GHG inventory is of sufficient quality for recognition in the Pilot and to provide technical assistance and example plans to other participants that are developing their own GHG management strategies. EPA uses information submitted in the Annual GHG Inventory Summary and Goal Tracking Form to accurately monitor the progress of Pilot participants in reducing GHG emissions, in order to provide them with credible public recognition when they meet or exceed their goal.

**3. NONDUPLICATION, CONSULTATIONS, AND OTHER COLLECTION CRITERIA**

**3(a) Nonduplication**

In order to maintain the reputable standing of the voluntary Pilot, and credibly discuss participating companies as “leaders” in reducing emissions of GHGs, the data collected under this ICR is very specific to each Pilot participant’s GHG inventory and is subject to a rigorous review process. The information to be obtained under this ICR has not been collected by EPA or any other Federal agency, nor is it available from any other source.

**3(b) Public Notice Required Prior to ICR Submission to OMB**

In compliance with the Paperwork Reduction Act of 1995 (PRA), EPA issued a public notice in the Federal Register on November 30, 2011 (76 FR 74053). No comments were received.

**3(c) Consultations**

EPA followed the approved method of consultations with Pilot participants to obtain their views on this method of data collection and burden estimate. Various participants provided their input, which, along with the previously obtained data from Climate Leaders Partners, was used to estimate the burdens of this Information Collection Request. EPA provided the participants with a list of reporting requirements for the Pilot and asked them to estimate the associated hourly labor burden. Labor wage rates from the previous Information Collection Request were provided for reference, and EPA requested comments on whether these labor rates were appropriate. The participants provided hourly estimates for each activity and either provided labor rates or indicated that the labor rates from the initial ICR were representative. Generally, the estimates provided by the participants were consistent with EPA expectations of the labor burden.

**3(d) Effects of Less Frequent Collection**

The development of an Inventory Management Plan and GHG emissions reduction goal are one-time information submittals from companies that choose to become Pilot participants. EPA also asks Pilot participants to prepare and submit the Annual GHG Inventory Summary and Goal Tracking Form. EPA believes that any reduction in the frequency of this information collection would impede efforts by EPA to evaluate results of the program and to provide credible public recognition. Further, since this is a voluntary program, ongoing evaluation of results is critical to the program’s success.

**3(e) General Guidelines**

This information collection request was prepared in compliance with OMB’s implementing regulations and EPA’s guidelines for ICR preparation.

**3(f) Confidentiality**

Participation in the Pilot is voluntary. Additionally, for this Pilot EPA focuses its information collection at the corporate level and does not retain records of facility specific data. For Pilot participants that are concerned about data confidentiality, EPA will consider proposals to review sensitive data via a web-based data platform to ensure credibility. Another alternative that EPA offers Pilot participants is to have a third party conduct a credible GHG inventory audit and provide that audit to EPA for review. EPA will not make company- or agency-specific information that is collected under this ICR and that is claimed as confidential business information (CBI) available to the general public without a Pilot participant’s permission, except in accordance with EPA’s CBI regulations at 40 CFR, Part 2, subpart B. If a Pilot participant asserts a claim of confidentiality covering all or part of the information collections covered in this ICR, EPA must and will treat the information in accordance with these regulations. EPA will also ensure that the information collections comply with the Privacy Act of 1974 and OMB Circular 108.

**3(g) Sensitive Questions**

No questions of a sensitive nature are asked in the Inventory Management Plan or Annual GHG Inventory Summary and Goal Tracking Form.

**4. THE RESPONDENTS AND THE INFORMATION REQUESTED**

**4(a) Respondents/SIC Codes**

Following are the Standard Industrial Classification (SIC) codes associated with the majority of companies currently participating in the Pilot. No other companies may join the voluntary Pilot in the future.

|  |  |
| --- | --- |
| **Industry Type** | **SIC Code** |
| Commercial & Machinery Manuf. | 3590 |
| Services – Mgmt Consulting | 8742 |
| Misc Electrical Machinery | 3690 |
| Building Cleaning/Maintenance Serv. Supplies | 7349 |
| Construction | 1600 |
| Consulting | 8742 |
| Consumer Goods | 5000 |
| Consumer Goods Manufacturing | 5000 |
| Engineering Professional Serv. | 8700 |
| Furniture Manufacturing | 2510 |
| Industrial Manufacturing | 3560 |
| Information Technology | 7373 |
| Retail | 2675 |
| Telecommunications | 1731 |

**4(b) Information Requested**

Pilot participants are required to develop and submit an Inventory Management Plan, base year inventory, and work to develop a GHG emissions reduction goal. In order to measure the progress toward meeting the GHG reduction goals, Pilot participants also complete and submit the Annual GHG Inventory Summary and Goal Tracking Form. This form documents a Pilot participant’s GHG emissions during the past year. Each information collection activity is described below. EPA provides a variety of forms of technical assistance to help Partners complete their Reporting Forms, including assistance filling out the forms and assistance using electronic tools such as spreadsheets.

***(1) Annual GHG Inventory Summary and Goal Tracking Form***

In order to assist the Agency in evaluating whether Partners are on track to meet their GHG reduction targets, EPA asks Pilot participants to update the base year inventory each subsequent year with the Annual GHG Inventory Summary and Goal Tracking Form.

(i) Data items, including record keeping requirements. Partners provide the following information to EPA.

* For all categories of base year data entered, input the annual emission values for the current year inventory
* New source categories and corresponding emissions, as necessary
* If the inventory is re-baselined, the new base year estimate
* Number of times the base year data has been adjusted since the first inventory submittal year with an explanation of each adjustment
* Description of any changes in calculation methodologies or any other significant differences from the previous year data submittal to EPA
* Year of inventory represented and the date the form was completed

(ii) Respondent activities. In completing subsequent years of the Annual GHG Inventory Summary and Goal Tracking Form, Pilot participants perform the following activities.

* Collect and calculate annual GHG emissions data
* Submit to EPA for review

***(2) Additional Activities***

During participation in the program, Pilot participants may be requested to notify EPA of any change, such as a change in Company Representative.

(i) Data items, including record-keeping requirements. Pilot participants provide the following information to EPA.

* Changes in information, such as the name of a new company representative or change in address

(ii) Respondent activities. In updating information, Pilot participants perform the following activity

* Provide EPA with new information, such as the name of a new liaison or change in address via e-mail or phone

**5. THE INFORMATION COLLECTED – AGENCY ACTIVITIES, COLLECTION METHODOLOGY, AND INFORMATION MANAGEMENT**

**5(a) Agency Activities**

This section discusses the forms and associated Agency activities under the Federal Supplier Greenhouse Gas Emissions Inventory Pilot.

***(1) Annual GHG Inventory Summary and Goal Tracking Form***

* Receive, review, and enter updated information from spreadsheet form into database.

***(2) Additional Activities***

* Enter revised contact or profile information updates submitted by Pilot participants through e-mail.

**5(b) Collection Methodology and Management**

The methods selected for this information collection are chosen based on efficiency and minimization of burden for respondents and EPA. Resources for developing Inventory Management Plans, calculating a base year inventory, setting a GHG emissions reduction goal, and completing the Annual GHG Inventory Summary and Goal Tracking Form can be downloaded from EPA’s Corporate GHG Resources website (www.epa.gov/climateleaders). All of these reporting requirements are submitted to EPA electronically.

For the annual inventory submission by the Pilot participants, EPA has developed an electronic spreadsheet (*Annual GHG Inventory Summary and Goal Tracking Form*), with detailed instructions and embedded macros and calculations in order to reduce the amount of data a Pilot participant must enter. The Annual GHG Inventory Summary and Goal Tracking Forms are submitted to EPA electronically. All information received through the forms will be reviewed by EPA for accuracy and completeness before being entered into the database,

**5(c) Small Entity Flexibility**

The Pilot was designed solely for smaller companies, and EPA has created reporting forms to minimize respondent burden while obtaining sufficient and accurate information. The Pilot program was designed to be highly flexible, and the hourly burden estimates for reporting requirements under the Pilot will be lessened due to the less complex structure of GHG emissions inventories at small entities. As discussed above, EPA provides technical assistance to participants and facilitates electronic submittal of information. In conclusion, the burden associated with the Pilot is inherently reduced, since the agreement to participate is voluntary.

**5(d) Collection Schedule**

EPA collects information annually via the Annual GHG Inventory Summary and Goal Tracking Form to monitor progress towards the GHG emissions reduction goal. Finally, EPA may collect other program information on a periodic basis or as the information is submitted; these items include notification of changes such as company representative or address.

**6. ESTIMATING THE BURDEN AND COST OF THE COLLECTION**

**6(a) Estimating Respondent Burden**

In order to obtain an accurate cost estimate, EPA consulted with and obtained

burden estimates from Pilot participants (respondents) as well as using anecdotal data from the Climate Leaders Partnership.

**6(b) Estimating Respondent Costs**

In order to obtain an accurate cost estimate, EPA consulted with Pilot participants (respondents) as well as using anecdotal data from the Climate Leaders Partnership on hourly wage rates for each type of labor. EPA presented these participants with hourly wage rates from the previous ICR and asked them if these rates were still appropriate, and if not, to include an estimate of a revised hourly rate.

***(i) Estimating Labor Costs***

For purposes of this analysis, EPA estimates an average hourly respondent labor cost

(including fringe and overhead) of $109 for legal staff, $98 for managerial staff, $94 for

technical staff and $47 for clerical staff.

***(ii) Estimating Capital and Operations and Maintenance Costs***

Capital costs usually include any produced physical good needed to provide the needed information, such as machinery, computers, and other equipment. EPA does not anticipate that respondents will incur capital costs in carrying out the information collection requirements covered in this ICR.

***(iii) Capital/Start-Up Operating and Maintenance (O&M) Costs***

O&M costs are those costs associated with a paperwork requirement incurred continually over the life of the ICR. They are defined by the Paperwork Reduction Act of 1995 as "the recurring dollar amount of cost associated with O&M or purchasing services." For this ICR, EPA does not anticipate that respondents will incur any costs.

***(iv) Annualizing Capital Costs***

There are no capital costs associated with this information collection.

**6(c) Estimating Agency Burden and Cost**

EPA's estimate of the Agency hour and cost burden associated with all of the requirements covered in this ICR is summarized in Exhibit 2. EPA estimates an average hourly labor cost (labor plus 60% for overhead) of $86.86 for legal staff, $86.86 for managerial staff, $46.36 for technical staff, and $21.10 for clerical staff. To derive these hourly estimates, EPA used the “2011 GS Salary Table of Annual Rates by Grade and Step,” from the Department of Personnel Management. For purposes of this ICR, EPA assigned staff the following government service levels.

Legal Staff - GS-15, Step 5

Managerial Staff - GS-15, Step 5

Technical Staff - GS-12, Step 1

Clerical Staff - GS-5, Step 1

EPA then divided annual compensation estimates by 2,080, which is the number of hours in the Federal work-year. EPA then multiplied hourly rates by the standard Federal government overhead factor of 1.6.

EPA also estimated an average hourly labor rate of $147.00 (including overhead) for technical labor from EPA contractor staff. To derive these hourly estimates, EPA examined the technical work performed by contractors and estimated an hourly rate for GHG inventory assistance activities based on an average of the fully-loaded labor rates from the contractor invoices on the current contract.

**6(d) Estimating the Respondent Universe and Total Burden and Costs**

***(1) Respondent Universe***

Table 1 presents the number of companies expected to participate in the program over the three-year period of this ICR. At the beginning of 2012, EPA had 46 enrolled Pilot participants.

**Table 1: Number of Respondents Expected to Participate in the Pilot Over the Three-Year Period of the ICR**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Type of Respondent** | **Year 1**  **(2012)** | **Year 2**  **(2013)** | **Year 3**  **(2014)** | **Average**  **(over 3 years)** |
| Existing (at beginning of year) | 46 | 46 | 0 | 31 |
| New (during year) | 0 | 0 | 0 | 0 |
| Existing (at end of year) | 46 | 46 | 0 | 31 |

In the following paragraphs, EPA uses these respondent universe estimates in its respondent hour and cost burden calculations.

***(2) Annual Respondent Hour and Cost Burden***

Based on the respondent universe data presented in Table 1, EPA estimates respondent burden associated with all of the requirements covered in this ICR in Exhibit 1. A discussion of the assumptions used in developing these burden estimates are detailed below and in the footnotes of Exhibit 1.

(i) Annual GHG Inventory and Goal Tracking Form. For each subsequent year of reporting to the base year inventory, Pilot participants must update this form with their current year GHG inventory data and make any corrections to the contact information or revised goal or base year information. Based on the projected number Pilot participants, EPA estimates that all 46 Partners will make updates to their subsequent year inventories each year.

(ii) Miscellaneous Activities. As needed, participants should submit updated contact information. These updates would notify EPA of a change such as a new Partner representative or address change. EPA estimates that approximately 10 percent of participants, or on average 5 Pilot participants, will submit this update each year.

**6(e) Bottom Line Burden Hours and Cost Tables**

***(i) Respondent Tally***

Exhibit 1 shows the aggregate annual hour and cost burden to respondents. As shown in the exhibit, EPA estimates the annual respondent burden to be 966 hours and $90,804.

***(ii) Agency Tally***

As is shown in Exhibit 2, the annual Agency hour and cost burden associated with all the requirements covered in this ICR is estimated to be 690 hours and $92,184.

***(iii) Variations in the Annual Bottom Line***

EPA anticipates minimal variation in the annual respondent reporting/recordkeeping burden over the three-year period covered by this ICR.

**6(f) Reasons for Change in Burden**

The previously approved ICR estimated the annual hourly burden for respondents to be 19,636. This renewal estimates the annual hourly burden for respondents to be 966 hours. This is a difference of 18,670 hours. This decrease reflects EPA’s phase down of the Climate Leaders program on September 30, 2011. As a result, the number of respondents included in this ICR decreased to include only those 46 small businesses participating in the joint EPA-GSA Federal Supplier Greenhouse Gas Emissions Inventory Pilot.

The burden outlined below for the information collection envisioned under this ICR is necessary to help EPA determine that the Pilot participants merit recognition as corporate leaders in GHG reduction and to determine whether the Pilot is achieving its goals. The activities undertaken by Pilot participants are anticipated to offset some of this burden as they identify new emission reduction opportunities that result in savings to the company through, for example, enhanced energy efficiency.

**6(g) Burden Statement**

Burden Statement: The annual public reporting and recordkeeping burden for this collection of information is estimated to be 31 hours per year 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 docket for this ICR under Docket ID No. EPA-HQ-OAR-2011-0940, which is available for online viewing at www.regulations.gov, or in person viewing at the Air and Radiation Docket in the EPA Docket Center (EPA/DC), EPA West Building, Room 3334, 1301 Constitution Ave., NW, Washington, DC. The EPA/DC 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 and Radiation Docket Center 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, DC 20503, Attention: Desk Office for EPA. Please include the EPA Docket ID No. EPA-HQ-OAR-2011-0940 and OMB Control Number 2060-0532 in any correspondence.