

**SUPPORTING STATEMENT
ENVIRONMENTAL PROTECTION AGENCY**

NESHAP for Prepared Feeds Manufacturing (40 CFR Part 63, Subpart DDDDDDD) (Renewal)

1. Identification of the Information Collection

1(a) Title of the Information Collection

NESHAP for Prepared Feeds Manufacturing (40 CFR Part 63, Subpart DDDDDDD) (Renewal), EPA ICR Number 2354.03, OMB Control Number 2060-0635.

1(b) Short Characterization/Abstract

The National Emission Standards for Hazardous Air Pollutants (NESHAP) for Prepared Feeds Manufacturing were proposed on July 27, 2009, promulgated on January 5, 2010, and amended on both July 20, 2010 and December 23, 2011. The most recent amendment clarified regulatory requirements but did not result in changes in emissions or costs associated with the final rule. A prepared feed manufacturing facility is a facility that produces feed for animals (other than dogs and cats). These regulations apply to new and existing area source prepared feeds manufacturing facilities that add chromium compounds or manganese compounds to their products. New facilities include those that commenced construction or reconstruction after the date of proposal. This information is being collected to assure compliance with 40 CFR part 63, subpart DDDDDDD.

In general, all NESHAP standards require initial notifications, performance tests, and periodic reports by the owners/operators of the affected facilities. They are also required to maintain records of the occurrence and duration of any startup, shutdown, or malfunction in the operation of an affected facility, or any period during which the monitoring system is inoperative. These notifications, reports, and records are essential in determining compliance, and are required of all affected facilities subject to NESHAP.

Any owner/operator subject to the provisions of this part shall maintain a file of these measurements, and retain the file for at least five years following the date of such measurements, maintenance reports, and records. All reports are sent to the delegated state or local authority. In the event that there is no such delegated authority, the reports are sent directly to the U. S. Environmental Protection Agency (EPA) regional office.

Based on our consultations with industry representatives, there is an average of one affected facility at each plant site and that each plant site has only one respondent (i.e., the owner/operator of the plant site).

Over the next three years, an average of 1,800 respondents per year will be subject to the standards, and no additional respondents per year will become subject to the standards.

OMB approved the currently active ICR without any "Terms of Clearance."

The burden to the “Affected Public” may be found below in Table 1: Annual Respondent Burden and Cost – NESHAP for Prepared Feeds Manufacturing (40 CFR Part 63, Subpart DDDDDDD) (Renewal). The burden to the “Federal Government” is attributed entirely to work performed by either Federal employees or government contractors and may be found below in Table 2: Average Annual EPA Burden and Cost – NESHAP for Prepared Feeds Manufacturing (40 CFR Part 63, Subpart DDDDDDD) (Renewal).

2. Need for and Use of the Collection

2(a) Need/Authority for the Collection

The EPA is charged under Section 112 of the Clean Air Act, as amended, to establish standards of performance for each category or subcategory of major sources and area sources of hazardous air pollutants. These standards are applicable to new or existing sources of hazardous air pollutants and shall require the maximum degree of emission reduction. In addition, section 114(a) states that the Administrator may require any owner/operator subject to any requirement of this Act to:

(A) Establish and maintain such records; (B) make such reports; (C) install, use, and maintain such monitoring equipment, and use such audit procedures, or methods; (D) sample such emissions (in accordance with such procedures or methods, at such locations, at such intervals, during such periods, and in such manner as the Administrator shall prescribe); (E) keep records on control equipment parameters, production variables or other indirect data when direct monitoring of emissions is impractical; (F) submit compliance certifications in accordance with Section 114(a)(3); and (G) provide such other information as the Administrator may reasonably require.

In the Administrator's judgment, chromium and manganese emissions from prepared feed manufacturing facilities either cause or contribute to air pollution that may reasonably be anticipated to endanger public health and/or welfare. Therefore, the NESHAP was promulgated for this source category at 40 CFR part 63, subpart DDDDDDD.

2(b) Practical Utility/Users of the Data

The recordkeeping and reporting requirements in the standard ensure compliance with the applicable regulations which were promulgated in accordance with the Clean Air Act. The collected information is also used for targeting inspections and as evidence in legal proceedings.

Performance tests are required in order to determine an affected facility's initial capability to comply with the emission standard. Continuous emission monitors are used to ensure compliance with the standard at all times. During the performance test a record of the operating parameters under which compliance was achieved may be recorded and used to

determine compliance in place of a continuous emission monitor.

The notifications required in the standard are used to inform the Agency or delegated authority when a source becomes subject to the requirements of the regulations. The reviewing authority may then inspect the source to check if the pollution control devices are properly installed and operated, leaks are being detected and repaired, and the standard is being met. The performance test may also be observed.

The required annual reports are used to determine periods of excess emissions, identify problems at the facility, verify operation/maintenance procedures and for compliance determinations.

3. Non-duplication, Consultations, and Other Collection Criteria

The requested recordkeeping and reporting are required under 40 CFR part 63, subpart DDDDDDD.

3(a) Non-duplication

If the subject standards have not been delegated, the information is sent directly to the appropriate EPA regional office. Otherwise, the information is sent directly to the delegated state or local agency. If a state or local agency has adopted its own similar standards to implement the Federal standards, a copy of the report submitted to the state or local agency can be sent to the Administrator in lieu of the report required by the Federal standards. Therefore, duplication does not exist.

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

An announcement of a public comment period for the renewal of this ICR was published in the Federal Register (77 FR 63813) on October 17, 2012. No comments were received on the burden published in the Federal Register.

3(c) Consultations

The Agency's industry experts have been consulted, and the Agency's internal data sources and projections of industry growth over the next three years have been considered. The primary source of information as reported by industry, in compliance with the recordkeeping and reporting provisions in the standard, is the Online Tracking Information System (OTIS), which is operated and maintained by EPA's Office of Compliance. OTIS is EPA's database for the collection, maintenance, and retrieval of all compliance data. The growth rate for the industry is based on our consultations with the Agency's internal industry experts.

Industry trade associations and other interested parties were provided an opportunity to comment on the burden associated with the standards as they were being developed and the standards have previously been reviewed to determine the minimum information needed for

compliance purposes. In developing this ICR, the Agency contacted: 1) the American Feed Industry Association (AFIA), at (703) 558-3568; and 2) DeKalb Feeds Incorporated, at (319) 683-2201.

It is our policy to respond after a thorough review of comments received since the last ICR renewal as well as those submitted in response to the first Federal Register notice. In this case, no comments were received.

3(d) Effects of Less Frequent Collection

Less frequent information collection would decrease the margin of assurance that facilities are continuing to meet the standards. Requirements for information gathering and recordkeeping are useful techniques to ensure that good operation and maintenance practices are applied and emission limitations are met. If the information required by these standards was collected less frequently, the proper operation and maintenance of control equipment and the possibility of detecting violations would be less likely.

3(e) General Guidelines

These reporting or recordkeeping requirements do not violate any of the regulations promulgated by OMB under 5 CFR part 1320, section 1320.5.

These standards require the respondents to maintain all records, including reports and notifications for at least five years. This is consistent with the General Provisions as applied to the standards. EPA believes that the five-year records retention requirement is consistent the Part 70 permit program and the five-year statute of limitations on which the permit program is based. The retention of records for five years allows EPA to establish the compliance history of a source, any pattern of non-compliance and to determine the appropriate level of enforcement action. EPA has found that the most flagrant violators have violations extending beyond five years. In addition, EPA would be prevented from pursuing the violators due to the destruction or nonexistence of essential records.

3(f) Confidentiality

Any information submitted to the Agency for which a claim of confidentiality is made will be safeguarded according to the Agency policies set forth in Title 40, chapter 1, part 2, subpart B - Confidentiality of Business Information (CBI), (see 40 CFR 2; 41 FR 36902, September 1, 1976; amended by 43 FR 40000, September 8, 1978; 43 FR 42251, September 20, 1978; 44 FR 17674, March 23, 1979).

3(g) Sensitive Questions

The reporting or recordkeeping requirements in the standard do not include sensitive questions.

4. The Respondents and the Information Requested

4(a) Respondents/SIC Codes

The respondents to the recordkeeping and reporting requirements are owners or operators of area source prepared feed manufacturing facility that adds chromium or manganese to their products. The United States Standard Industrial Classification (SIC) codes for the respondents affected by the standards are SIC 0723 and 2048, which correspond to the North American Industry Classification System (NAICS) code 311119 for Other Animal Food Manufacturing.

4(b) Information Requested

(i) Data Items

In this ICR, all the data that is recorded or reported is required by the NESHAP for Prepared Feeds Manufacturing (40 CFR Part 63, Subpart DDDDDDD).

A source must make the following reports:

Notifications	
Notification of applicability.	63.9(b)(2)
Notification of construction/reconstruction.	63.9(b)(5)
Notification of special compliance requirements.	63.9(d)
Notification of compliance status.	63.9(h)
Notification of changes in information.	63.9(j)

Reports	
CMS performance evaluation/report.	63.8(e)(5)
SSM reports.	63.6(e)(3)
Excess emissions reports.	63.10(e)(3)
Annual compliance certifications.	63. 11624(b)

A source must keep the following records:

Recordkeeping	
Records of notifications.	63.10
Records that demonstrate continuous compliance.	63.10
Monitoring information.	63.10

Electronic Reporting

Some of the respondents are using monitoring equipment that automatically records parameter data. Although personnel at the affected facility must still evaluate the data, internal automation has significantly reduced the burden associated with monitoring and recordkeeping at a plant site.

Also, regulatory agencies in cooperation with the respondents continue to create reporting systems to transmit data electronically. However, electronic reporting systems are still not widely used. At this time, it is estimated that approximately 10 percent of the respondents use electronic reporting.

(ii) Respondent Activities

Respondent Activities
Read instructions.
Install, calibrate, maintain, and operate CMS for opacity, or for pressure drop and liquid supply pressure for the cyclone.
Perform initial performance test, Reference Method 5 test, and repeat performance tests if necessary.
Write the notifications and reports listed above.
Enter information required to be recorded above.
Submit the required reports developing, acquiring, installing, and utilizing technology and systems for the purpose of collecting, validating, and verifying information.
Develop, acquire, install, and utilize technology and systems for the purpose of processing and maintaining information.
Develop, acquire, install, and utilize technology and systems for the purpose of disclosing and providing information.

Respondent Activities
Train personnel to be able to respond to a collection of information.
Transmit, or otherwise disclose the information.

Currently sources are using monitoring and reporting equipment that provide parameter data in an automated way e.g., continuous parameter monitoring system. Although personnel at the source still need to evaluate the data, this type of monitoring equipment has significantly reduced the burden associated with monitoring and recordkeeping.

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

5(a) Agency Activities

EPA conducts the following activities in connection with the acquisition, analysis, storage, and distribution of the required information.

Agency Activities
Review notifications and reports, including performance test reports, and excess emissions reports, required to be submitted by industry.
Audit facility records.
Input, analyze, and maintain data in the Online Tracking Information System (OTIS).

5(b) Collection Methodology and Management

Following notification of startup, the reviewing authority could inspect the source to determine whether the pollution control devices are properly installed and operated. Performance test reports are used by the Agency to discern a source's initial capability to comply with the emission standard. Data and records maintained by the respondents are tabulated and published for use in compliance and enforcement programs. The semiannual reports are used for problem identification, as a check on source operation and maintenance, and for compliance determinations.

Information contained in the reports is entered into OTIS which is operated and maintained by EPA's Office of Compliance. OTIS is EPA's database for the collection, maintenance, and retrieval of compliance data for approximately 125,000 industrial and government-owned facilities. EPA uses the OTIS for tracking air pollution compliance and enforcement by local and state regulatory agencies, EPA regional offices and EPA headquarters. EPA and its delegated Authorities can edit, store, retrieve and analyze the data.

The records required by this regulation must be retained by the owner/operator for five years.

5(c) Small Entity Flexibility

A majority of the respondents are small entities (i.e., smaller businesses). Our analysis indicates that the regulation would not impose a significant adverse impact on any facilities, large or small, since these costs are less than 0.1 percent of revenues. Due to technical considerations involving the process operations and the types of control equipment employed, the recordkeeping and reporting requirements are the same for both small and large entities. The Agency considers these to be the minimum requirements needed to ensure compliance and, therefore, cannot reduce them further for small entities. To the extent that larger businesses can use economies of scale to reduce their burden, the overall burden will be reduced.

5(d) Collection Schedule

The specific frequency for each information collection activity within this request is shown in Table 1 below: Annual Respondent Burden and Cost – NESHAP for Prepared Feeds Manufacturing (40 CFR Part 63, Subpart DDDDDDD) (Renewal).

6. Estimating the Burden and Cost of the Collection

Table 1 documents the computation of individual burdens for the recordkeeping and reporting requirements applicable to the industry for the subpart included in this ICR. The individual burdens are expressed under standardized headings believed to be consistent with the concept of burden under the Paperwork Reduction Act. Where appropriate, specific tasks and major assumptions have been identified. Responses to this information collection are mandatory.

The 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.

6(a) Estimating Respondent Burden

The average annual burden to industry over the next three years from these recordkeeping and reporting requirements is estimated to be 62,079 hours (Total Labor Hours from Table 1 below). These hours are based on Agency studies and background documents from the development of the regulation, Agency knowledge and experience with the NESHAP program, the previously approved ICR, and any comments received.

6(b) Estimating Respondent Costs

(i) Estimating Labor Costs

This ICR uses the following labor rates:

Managerial	\$121.44 (\$57.83 + 110%)
Technical	\$100.23 (\$47.73 + 110%)
Clerical	\$50.51 (\$24.05 + 110%)

These rates are from the United States Department of Labor, Bureau of Labor Statistics, March 2012, "Table 2. Civilian Workers, by occupational and industry group." The rates are from column 1, "Total compensation." The rates have been increased by 110 percent to account for the benefit packages available to those employed by private industry.

(ii) Estimating Capital/Startup and Operation and Maintenance Costs

The type of industry costs associated with the information collection activities in the subject standard are both labor costs which are addressed elsewhere in this ICR and the costs associated with continuous monitoring. The capital/startup costs are one time costs when a facility becomes subject to the regulation. The annual operation and maintenance costs are the ongoing costs to maintain the monitor and other costs such as photocopying and postage.

(iii) Capital/Startup vs. Operation and Maintenance (O&M) Costs

Capital/Startup vs. Operation and Maintenance (O&M) Costs						
(A) Continuous Monitoring Device	(B) Capital/Startup Cost for One Respondent	(C) Number of New Respondents	(D) Total Capital/Startup Cost, (B X C)	(E) Annual O&M Costs for One Respondent	(F) Number of Respondents with O&M	(G) Total O&M, (E X F)
Cyclone Monitor	\$295	0	\$0	\$29 ¹	1,284 ²	\$37,236

¹ We assume that annual O&M costs would be 10 percent of the initial capital cost.

² The NESHAP requires that existing and new facilities with a daily production level greater than 50 tons per day install and operate a cyclone to reduce emissions from pelleting operations. These facilities are required to install a device on the cyclone to monitor inlet flow rate, inlet velocity, pressure drop, or amperage. We estimate 1,284 of the 1,800 facilities have production greater than 50 tons per day.

The total capital/startup costs for this ICR are \$0. This is the total of column D in the above table.

The total operation and maintenance (O&M) costs for this ICR are \$37,236. This is the total of column G.

The average annual cost for capital/startup and operation and maintenance costs to industry over the next three years of the ICR is estimated to be \$37,236. These are recordkeeping costs.

6(c) Estimating Agency Burden and Cost

The only costs to the Agency are those costs associated with analysis of the reported information. EPA's overall compliance and enforcement program includes activities such as the examination of records maintained by the respondents, periodic inspection of sources of emissions, and the publication and distribution of collected information.

The average annual Agency cost during the three years of the ICR is estimated to be \$186,568.

This cost is based on the average hourly labor rate as follows:

Managerial	\$62.27 (GS-13, Step 5, \$38.92 + 60%)
Technical	\$46.21 (GS-12, Step 1, \$28.88 + 60%)
Clerical	\$25.01 (GS-6, Step 3, \$15.63 + 60%)

These rates are from the Office of Personnel Management (OPM), 2012 General Schedule, which excludes locality rates of pay. The rates have been increased by 60 percent to account for the benefit packages available to government employees. Details upon which this estimate is based appear below in Table 2: Average Annual EPA Burden and Cost – NESHAP for Prepared Feeds Manufacturing (40 CFR Part 63, Subpart DDDDDDD) (Renewal).

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

Based on our research for this ICR, on average over the next three years, approximately 1,800 existing respondents will be subject to the standards. It is estimated that no additional respondent per year will become subject to these standards. The overall average number of respondents, as shown in the table below, is 1,800 per year.

The number of respondents is calculated using the following table that addresses the three years covered by this ICR.

Number of Respondents					
Year	(A) Number of New Respondents ¹	(B) Number of Existing Respondents	(C) Number of Existing Respondents that keep records but do not submit reports	(D) Number of Existing Respondents That Are Also New Respondents	(E) Number of Respondents (E=A+B+C-D)
1	0	1,800	0	0	1,800
2	0	1,800	0	0	1,800
3	0	1,800	0	0	1,800
Average	0	1,800	0	0	1,800

¹ New respondents include sources with constructed, reconstructed and modified affected facilities.

Column D is subtracted to avoid double-counting respondents. As shown above, the average Number of Respondents over the three year period of this ICR is 1,800.

The total number of annual responses per year is calculated using the following table:

Total Annual Responses				
(A) Information Collection Activity	(B) Number of Respondents	(C) Number of Responses	(D) Number of Existing Respondents That Keep Records But Do Not Submit Reports	(E) Total Annual Responses E=(BxC)+D
Initial Notifications	0	1	0	0
Notifications of Compliance	0	1	0	0
Annual Compliance Certification	1,800	1	0	1,800
			Total	1,800

The number of Total Annual Responses is 1,800.

The total annual labor cost is \$6,011,058. Details regarding these estimates may be found below in Table 1: Annual Respondent Burden and Cost – NESHP for Prepared Feeds Manufacturing (40 CFR Part 63, Subpart DDDDDDD) (Renewal).

6(e) Bottom Line Burden Hours and Cost Tables

The detailed bottom line burden hours and cost calculations for the respondents and the Agency are shown in Tables 1 and 2, respectively, and summarized below.

(i) Respondent Tally

The total annual labor hours are 62,079 hours at a cost of \$6,011,058. Details regarding these estimates may be found below in Table 1: Annual Respondent Burden and Cost – NESHAP for Prepared Feeds Manufacturing (40 CFR Part 63, Subpart DDDDDDD) (Renewal).

Furthermore, the annual public reporting and recordkeeping burden for this collection of information is estimated to average 34 hours per response.

The total annual capital/startup and O&M costs to the regulated entity are \$37,236. The cost calculations are detailed in Section 6(b)(iii), Capital/Startup vs. Operation and Maintenance (O&M) Costs.

(ii) The Agency Tally

The average annual Agency burden and cost over next three years is estimated to be 4,140 labor hours at a cost of \$186,568. See Table 2 below: Average Annual EPA Burden and Cost – NESHAP for Prepared Feeds Manufacturing (40 CFR Part 63, Subpart DDDDDDD) (Renewal).

6(f) Reasons for Change in Burden

There is an adjustment increase in the total estimated burden as currently identified in the OMB Inventory of Approved Burdens. This increase is not due to any program changes. The change in the burden and cost estimates occurred because the standard has been in effect for more than three years and the requirements are different during initial compliance (new facilities) as compared to on-going compliance (existing facilities). The previous ICR reflected those burdens and costs associated with the initial activities for subject facilities. This includes purchasing monitoring equipment and establishing recordkeeping systems. This ICR, reflects the on-going burden and costs for existing facilities. Activities for existing source include continuously monitoring of pollutants and the submission of annual compliance certifications. The overall result is an increase in labor hours and cost for both the respondents and the Agency.

There is a decrease in capital/startup costs and an increase in O&M costs for the respondents. The capital/startup costs decreased because existing sources have already purchased monitoring equipment necessary to comply with the rule. The overall O&M costs increased because the previous ICR only accounted for the operation and maintenance costs incurred during the third year after rule promulgation. This ICR reflects annual O&M costs for each year of the ICR's three-year period.

Additionally, there is an adjustment in labor rates which also attributes to an increase in cost. This ICR uses updated labor rates from the Bureau of Labor Statistics to calculate burden costs.

6(g) Burden Statement

The annual public reporting and recordkeeping burden for this collection of information is estimated to average 34 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 valid OMB Control Number. The OMB Control Numbers for EPA regulations are listed at 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-OECA-2012-0703. An electronic version of the public docket is available at <http://www.regulations.gov/> which may be used to obtain a copy of the draft collection of information, submit or view public comments, access the index listing of the contents of the 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 in this document. The documents are also available for public viewing at the Enforcement and Compliance Docket and Information Center in the EPA Docket Center (EPA/DC), EPA West, Room 3334, 1301 Constitution Ave., NW, Washington, DC. The EPA Docket Center Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Reading Room is (202) 566-1744, and the telephone number for the docket center is (202) 566-1752. 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 Officer for EPA. Please include the EPA Docket ID Number EPA-HQ-OECA-2012-0703 and OMB Control Number 2060-0635 in any correspondence.

Part B of the Supporting Statement

This part is not applicable because no statistical methods were used in collecting this information.

D. Develop record system								
E. Time to enter information								
F. Time to train personnel								
G. Time to transmit or disclose information (d)	0.1	1	0.1	1800	180	9	18	\$20,043.54
I. Time for audits	0.1	1	0.1	0	0	0	0	\$0
Subtotal for Recordkeeping Requirements						207		
TOTAL ANNUAL BURDEN AND COST (rounded)						62,079		\$6,011,058.

Assumptions:

(a) Costs are based on the following hourly rates: technical at \$100.23, management at \$121.44, and clerical at \$50.51.

(b) One-time only activity.

(c) Estimated 1,284 facilities (with daily production levels greater than 50 tons per day) have required monitoring equipment.

(d) Information related to requirements under 4B.

Table 2: Average Annual EPA Burden and Cost – NESHAP for Prepared Feeds Manufacturing (40 CFR Part 63, Subpart DDDDDDD) (Renewal)

Activity	(A) EPA person hours per occurrence	(B) No. of occurrences per plant per year	(C) EPA person hours per plant per year (AxB)	(D) Plants per year	(E) Technical person hours per year (Cx D)	(F) Management person hours per year (Ex0.05)	(G) Clerical person hours per year (Ex0.1)	(H) Cost, \$ (a)
Report Review								
Initial Notification (b)	1	1	1	0	0	0	0	\$0
Notification of Compliance Status (b)	2	1	2	0	0	0	0	\$0
Annual Compliance Certification	2	1	2	1,800	3,600	180	360	\$186,568.
TOTAL BURDEN AND COST						4,140		\$186,568.

Assumptions:

(a) Costs are based on the following hourly rates: technical at \$46.21, management at \$62.27, and clerical at \$25.01.

Management person-hours and clerical person-hours are assumed to be 5 percent and 10 percent of technical person-hours, respectively.

(b) One-time only activity.