**Department of Transportation**
**Office of the Chief Information Officer**

**Supporting Statement**
**"Response Plans for Onshore Oil Pipelines"**

## INTRODUCTION

This is to request the Office of Management and Budget's (OMB) approval for a three-year clearance to renew an information collection titled, "Response Plans for Onshore Oil Pipelines" OMB Control No. 2137-0589, which is currently due to expire on September 30, 2012.

## Part A. Justification.

1. Circumstances that make collection of information necessary.

This information collection request (ICR) pertains to the Department of Transportation's regulation in 49 CFR Part 194, titled "Response Plans for Onshore Oil Pipelines". The requirements in Part 194 apply to the response planning relative transportation-related onshore oil pipelines, as mandated by the Oil Pollution Act of 1990 (OPA 90). The information collection activities contained in the requirements are intended to enhance private sector planning capabilities to minimize the impact of oil spills from pipelines.

2. How, by whom, and for what purpose is the information used.

The information is primarily used by operators to be prepared for emergency situations involving oil spills. This information collection is also used by PHMSA to determine if an operator is in compliance with the requirements in 49 CFR Part 194.

3. Extent of automated information collection.

The information required for a response plan is unique to each facility and may not be amenable to the use of electronic collection technology (*e.g.*, on-line submission of response plans). For example, the length and content of plans and the electronic software involved in the development of the response plans are expected to vary considerably depending on the geographic range, geographic location, and complexity of each facility. The use of automated information collection technologies would not address this set of issues and would not likely decrease burden on regulated facilities. There are no legal obstacles to reducing the burden if the operators choose to develop and send report electronically.
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4. Efforts to identify duplication.

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While initial plan development likely requires significant collection of "new" (*i.e.*, not readily available) data specific to each facility, certain operators may be required to provide similar information under additional regulations. For example, EPA's Oil Pollution Prevention regulation (also known as the Spill Prevention, Control, and Countermeasure (SPCC) program), requires planning capabilities for onshore non-transportation-related facilities that have the potential to discharge oil into the navigable waters or adjoining shorelines of the U.S. and meet certain storage capacity thresholds. Similarly, under OPA 90 the U.S. Coast Guard (USCG) requires facilities with pipelines in proximity to navigable waters to prepare plans detailing the ability to respond to spills into these waters. USCG also requires response plans for marine transportation-related facilities that could accidentally discharge oil into navigable waters.

Some facilities have both transportation- and non-transportation-related components (*e.g.*, pipelines and storage tanks) and many pipeline facilities are located near navigable waters. In these cases, facilities may be subject to either or both of the USCG and EPA regulations in addition to the DOT regulations under 49 CFR 194. While each of the regulations addresses a unique component or aspect of a facility, certain information provided by the facilities will be common to all response planning requirements.

5. Efforts to minimize the effects on small business.

No special efforts have been made to minimize the burden to small businesses.

6. Impact of less frequent collection of information.

Section 4202(a)(6) of OPA 90 requires facilities to update the response plan periodically and resubmit plans for approval with each significant change in operations. Under 49 CFR 194.121, pipeline operators are required to conduct a review of the response plan at least once every five years and submit changes to OPS. DOT has determined that requiring companies to review and update their response plans less frequently than once every five years would not support our efforts to ensure that facilities have an up- to-date plan at all times. For example, contact lists of spill response personnel may require revision every year and possibly more frequently. Moreover, because the majority of information collection activities are related to initial preparation of the response plan, reducing the frequency of the information collection activities in subsequent years would have only a modest impact on the total burden.

7. Special circumstances.

This collection of information is generally conducted in a manner consistent with the guidelines in 5 CFR 1320.5(d)(2).

8. Compliance with 5 CFR 1320.8.

The 60-day Federal Register Notice was published on May 9, 2012 (77 FR 27279). No comments were received on this information collection. The 30-day Federal Register Notice was published August 2, 2012 (77 FR 46155).

9. Payments or gifts to respondents.

There is no payment or gift provided to respondents associated with this collection of information.

10. Assurance of confidentiality.

No confidentiality was requested or provided

11. Justification for collection of sensitive information.

Not applicable.

12. Estimate of burden hours for information requested.

PHMSA estimates that there is a total of 367 active plans for impacted facilities. It should be noted that in some cases a single pipeline operator owns more than one regulated facility**.** The paperwork requirements under 49 CFR Part 194 consist of the initial preparation and submission of the response plan, submission of plan revisions to DOT on a five year basis and as changes in operations occur, and annual recordkeeping activities. These requirements are described below:

Plan Development Burden

The primary burden in the initial year of regulation for a pipeline facility is to respond to the regulation by gathering information and preparing and submitting response plans to DOT.

Maintenance and Recordkeeping Burden**.**

In subsequent years, facilities must review each response plan at least once every five years and must submit to DOT any revisions made to the response plan or a letter stating that the plan remains current. Plan revisions in response to significant changes in facility operations are also necessary as those changes occur. Recordkeeping activities not associated with revisions to the response plans include maintenance of records documenting compliance with requirements for implementing employee training and periodic drills.

Hour Burden Associated with Plan Development and Recordkeeping

The estimates of burden to facilities associated with plan preparation and recordkeeping assume

that facilities engage consultants to prepare plans and manage recordkeeping tasks to the extent possible. While some facilities may choose to prepare and maintain response plans using in-house staff, it is likely that facilities choose this course only when it is less costly than hiring a consultant. Therefore, while this approach may not capture all burden hours at specific facilities, the total monetized cost burden estimate in Section 13 reflects equivalent efforts.

This analysis assumes that the burden associated with plan development and maintenance varies with a pipeline's geographic range. This analysis divides the community of regulated pipeline facilities into five categories:

- Small Facilities - 193 facilities located within one county;
- Medium Facilities - 106 facilities located within two to ten counties;
- Large Facilities - 47 facilities located within 11 to 50 counties;
- Extra Large Facilities - 12 facilities located within 51 to 100 counties; and
- "Mega" Facilities - nine facilities spanning more than 100 counties.

In addition, the burden associated with plan development and maintenance varies with the complexity of the facility's plan. "Complex" plans are designed to be responsive to more than one regulation, and are submitted by facilities that must comply with other Agencies' response planning requirements (*e.g.*, EPA, U.S. Coast Guard). These plans have a different cost structure than "stand-alone" plans designed to respond only to DOT requirements under 49 CFR Part 194.

Regulated facilities burden hours include the following:

1. **Plan Development:** includes time required for coordination with consultants, data collection, and plan review when preparing a new or substantially different plan. The estimated average burden is 40-80 hours of engineering staff per plan.

2. **Plan Maintenance:** includes time required for coordination with consultants on updates and revisions to plans, data collection to support plan revision, and review of consultant efforts. Annual burden hours vary with facility size and represent roughly five percent of total plan development costs at relevant facilities; engineering staff is required.

3. **Training and Drill Recordkeeping:** includes time required to develop and maintain records documenting compliance with requirements for periodic drills and staff training. Annual burden hours vary with facility size and involve administrative staff.

The total annual hour burden reflects the annual effort for each activity multiplied by the number of facilities in the regulated community expected to undertake that activity in a year.

Annual Plan Development Burden

Annual plan development costs include the effort to coordinate with consultants, provide data, and review draft plans for each facility submitting a plan in a year. Based on data regarding response plan submissions under the IFR, this analysis assumes that five percent of the community of 367 regulated facilities submits "new" or substantially modified plans each year. These new or modified plans typically reflect facility expansion, consolidation, or changes in ownership. Despite facility size differences, the effort involved in supporting plan development is estimated to be relatively constant at 40-80 hours of engineering staff time per stand-alone plan. The range of estimated total annual burden is 734 to 1,468 hours of engineering time; the central estimate (median) of this burden is 1,101 hours.[1]

Annual Plan Maintenance Burden

Annual plan maintenance costs include the effort to update response plans to reflect changes in operation and to submit revised plans on a five-year basis. Total plan maintenance costs are estimated to be roughly 10 percent of plan development costs for each facility. Half of these costs (*i.e.*, five percent of total plan development costs) are represented as hour burden to the facility; the remaining costs are assumed to be consultant costs and are included in the cost burden estimate. Table 1 presents hour burden estimates for annual plain maintenance. The total hour burden estimate is adjusted downward by five percent to exclude the five percent of facilities that complete new plans in a typical year.

Annual Training and Drill Administration Burden

The estimated recordkeeping burden not associated with plan maintenance includes notification and recordkeeping requirements related to training and drills. Drills include quarterly notification, annual tabletop exercises, and full-scale drills at least once every three years. Training includes the effort needed to assure that employees are familiar with their responsibilities under the plan. Recordkeeping is estimated to represent roughly 10 percent of the total administration effort. Table 2 shows the total burden related to recordkeeping for annual training, drill, and exercise implementation.

Table 1:**ESTIMATED ANNUAL PLAN MAINTENANCE BURDEN HOURS**

1 To simplify the calculation, this burden estimate does not consider the efficiencies involved in developing complex plans that address multiple regulations. Therefore, it represents a conservative estimate of total burden; actual burden may be lower.

| Facility Size | Type of Plan | Number of Facilities | Median Hours Burden per Facility (total) | Total Median Hours Burden |
|---|---|---|---|---|
| Small (1 County) | Complex | 149 | 6.8 (5.0 - 8.6) | 1,012 |
| | Stand Alone | 44 | 11.6 (9.8 - 13.4) | 510 |
| Medium (2 – 10 Counties) | Complex | 44 | 32.8 (7.7 - 57.8) | 1,441 |
| | Stand Alone | 62 | 37.6 (12.5 - 62.6) | 2,328 |
| Large (11-50 Counties) | Complex | 18 | 155.7 (31.5 - 280.0) | 2,803 |
| | Stand Alone | 29 | 160.5 (36.3 - 284.8) | 4,655 |
| Extra Large (51-100 Counties) | Complex | 2 | 320.9 (101.2 - 540.5) | 642 |
| | Stand Alone | 10 | 325.7 (106.0 - 545.3) | 3,257 |
| Mega Facilities (Over 100 Counties) | Complex | 4 | 1,028.0 (190.6 - 1,865.4) | 4,112 |
| | Stand Alone | 5 | 1,032.8 (195.4 - 1,870.2) | 5,164 |
| Unadjusted Hour Burden for All Facilities | | | | 25,924 |
| **Estimated Total Annual Hours Burden Net of Facilities Submitting New Plans** | | | | **24,628** |

Table 2: **ESTIMATED ANNUAL TRAINING, DRILL, AND EXERCISE ADMINISTRATION BURDEN HOURS**

| Facility Size[a] | Number of Facilities | Total Administration Hours per Facility | Portion of Hours Devoted to Record-Keeping | Total Estimated Annual Burden |
|---|---|---|---|---|
| Small | 193 | 520 | 10% | 10,036 |
| Medium | 106 | 693 | 10% | 7,349 |
| Large | 68 | 1,040 | 10% | 7,072 |
| **Estimated Total Burden Hours for Drills and Training Recordkeeping** | | | | **24,457** |

Notes:

[a] Pipelines that pass through only one county are classified as small facilities; those that pass through two to ten counties are classified as medium-sized facilities; and those that pass through more than ten counties are classified as large facilities.

Total Annual Burden Hours

Table 3 summarizes the estimated total annual burden hours associated with facility compliance with 49 CFR Part 194, the Response Plans for Onshore Oil Pipelines rule.

***Table 3***

**ESTIMATED TOTAL FACILITY BURDEN HOURS ASSOCIATED WITH 49 CFR PART 194**

| Requirement | Number of Facilities Affected | Annual Burden Hours |
|---|---|---|
| Plan Development | 18 (5 percent of regulated community) | 1,101 |
| Plan Maintenance | 349 (95 percent of regulated community) | 24,628 |
| Drills and Training Recordkeeping | 367 | 24,457 |
| **Estimated Total Burden Hours** | | **50,186** |
| Note: Assumes central tendency estimates of burden hours in all cases. | | |

The expected costs associated with the burden hours are assumed to be filled out by a senior engineer whose fully-loaded hourly cost (i.e., salary plus overhead) is estimated to $64.75 x 50,186 hours = $3,249,544.

13. Estimate of total annual costs to respondents.

There is no cost beyond the labor cost cited above.

14. Estimate of cost to the Federal Government.

PHMSA does not estimate any expenses outside of salaries that result from this information collection. Based on salaries, PHMSA spends an estimated average of $500,000/year.

15. Explanation of program changes or adjustments.

There are no program changes or adjustments.

16. Publication of results of data collection.

The information will not be published.

17. Approval for not displaying the expiration date for OMB approval.

Not applicable.

18. Exceptions to certification statement.

Not applicable.