

# 1SPILL PREVENTION, CONTROL AND COUNTERMEASURE (SPCC) PLANS

## 1. IDENTIFICATION OF THE INFORMATION COLLECTION

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

“Spill Prevention, Control and Countermeasure (SPCC) Plans (Renewal)”. (EPA ICR No. 0328.16, OMB No. 2050-0021)

### 1(b) Short Characterization

The Oil Pollution Prevention regulation, 40 CFR Part 112, requires and establishes procedures for the preparation and implementation of Spill Prevention, Control, and Countermeasure (SPCC) Plans. SPCC Plans help minimize the potential for oil discharges from non-transportation-related onshore and offshore facilities into or upon the navigable waters of the United States or adjoining shorelines that affect certain natural resources.

Owners and operators of regulated facilities must prepare SPCC Plans in accordance with good engineering practices and have them certified by a Professional Engineer (PE) or self-certified in the case of qualified facilities and approved by a person with the authority to commit the resources necessary to implement the SPCC Plan. SPCC Plans address the following three areas: (1) operating procedures that prevent oil spills; (2) control measures installed to prevent a spill from reaching navigable waters or adjoining shorelines; and (3) countermeasures to contain, clean up, and mitigate the effects of an oil discharge that could reach navigable waters. Each SPCC Plan, while unique to the facility it covers, must include certain standard elements to ensure compliance with the regulations.

This ICR covers all provisions of 40 CFR part 112 relating to SPCC Plans, including the final rule published on April 18, 2011 (76 FR 21652) to exempt milk and milk product containers, associated piping and appurtenances. EPA expects that some facilities would no longer be subject to the SPCC requirements as a result of the milk and milk product containers exemption, because their total aggregate aboveground oil storage capacity would be 1,320 gallons or less. Other facilities may become qualified facilities (allowing the owner or operator to self-certify the facility SPCC Plan) as a result of the milk and milk product container exemption. EPA estimated there were approximately 66,000 farms and milk product manufacturing facilities with milk containers in 2009. In aggregate, EPA estimated a total annualized savings of \$146 million for the final rule. The estimated cost savings reflect a decrease in the number of dairy farms from about 75,000 farms to 65,000 farms between 2006 and 2009, as well as additional milk product manufacturing facilities with containers eligible for the exemption.

This supporting statement estimates paperwork-related burden for the ICR period, which covers three years. The U.S. Environmental Protection Agency (EPA) estimates that approximately 670,000 facilities will be covered by the SPCC regulations in 2014 and may incur paperwork-related burden in the first year of this ICR in response to existing and amended

requirements.<sup>1</sup> EPA estimates a total reporting and recordkeeping burden for all regulated facilities at approximately 8.8 million hours in each year of this ICR. The Agency estimates that there will be no increase or decrease in paperwork burden over the three year covered period, because we expect that there will be no amendments to the existing SPCC regulations.

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

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

1Section 311(j)(1)(C) of the Federal Water Pollution Control Act, or Clean Water Act (CWA), authorizes the President to issue regulations establishing procedures, methods, equipment, and other requirements to prevent discharges of oil from vessels and facilities and to contain such discharges.<sup>2</sup> The President delegated the authority to regulate non-transportation-related onshore facilities under §311(j)(1)(C) of the Act to EPA under Executive Order (E.O.) 12777, §2(b)(1).<sup>3</sup> By this same Executive Order, the President delegated authority over transportation-related onshore facilities, deepwater ports, and vessels to the U.S. Department of Transportation (DOT) and authority over other offshore facilities, including associated pipelines, to the U.S. Department of the Interior (DOI). A Memorandum of Understanding (MOU), dated February 3, 1994, among EPA, DOT, and DOI, reallocated the responsibility for non-transportation-related offshore facilities that are landward of the coastline to EPA. An earlier MOU between the Secretary of Transportation and the EPA Administrator, dated November 24, 1971 (36 FR 24080), established the definitions of non-transportation-related facilities and transportation-related facilities.

The Oil Pollution Prevention regulation, 40 CFR Part 112, outlines requirements for preventing, preparing, and responding to oil spills. The prevention part of this regulation at §112.1 through §112.12 is also known as the SPCC rule. It was originally promulgated on December 11, 1973, at 38 FR 34164, under the authority of §311(j)(1)(C) of the CWA. The regulation established spill prevention procedures, methods, and equipment requirements for non-transportation-related onshore and offshore facilities with aboveground oil storage capacity or completely buried underground oil storage capacity greater than certain thresholds and meeting other criteria (see §112.1). Regulated facilities are limited to those that, because of their location, could reasonably be expected to discharge oil in quantities that may be harmful into the navigable waters of the United States or adjoining shorelines.

On July 17, 2002, at 67 FR 47042, EPA published amendments to the SPCC rule. These amendments included new subparts outlining the requirements for different classes of oil, revised the applicability of the regulation, amended the requirements for completing SPCC Plans, and made other modifications. The amendments also contained a number of provisions designed to decrease the regulatory burden on facility owners and operators subject to the rule while preserving environmental protection. The rule was effective August 16, 2002, with compliance dates outlined in §112.3(a) and (b). However, the original compliance dates were

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<sup>1</sup> While new facilities will incur significant paperwork-related burden by taking certain actions in the first year of the ICR (e.g., new facilities will prepare an SPCC Plan), existing facilities may not need to take any action except for maintaining records.

<sup>2</sup> 33 U.S.C. 1321(j)(1)(C).

<sup>3</sup> 56 FR 54757 (October 22, 1991), superseding Executive Order 11735, 38 FR 21243.

amended on January 9, 2003, for 60 days (68 FR 1348) and then extended for an additional 18 months on April 7, 2003 (68 FR 18890). On August 11, 2004, EPA extended the compliance dates in §112.3(a) and (b) by an additional 18 months and amended the compliance dates in §112.3(c) (69 FR 48794). On February 17, 2006, EPA published an additional extension of the compliance dates in §112.3(a), (b), and (c) until October 31, 2007 for owners and operators to prepare, amend, and implement SPCC Plans (71 FR 8462). On May 16, 2007, EPA extended the compliance dates to July 1, 2009 (72 FR 27444). On June 19, 2009, EPA further extended the compliance dates for facility owners and operators to November 10, 2010 (74 FR 29136). EPA again extended the compliance dates for certain facilities<sup>4</sup> by an additional year (to November 10, 2011) in a final rule published October 14, 2010 (75 FR 63093). The compliance date was later extended for farms to May 10, 2013 in a final rule published November 22, 2011 (76 FR 72120).

On December 26, 2006, EPA published a final rule to amend 40 CFR part 112 (71 FR 77266). EPA amended the SPCC rule to address a number of issues raised by the regulated community about the 2002 amendments, including those pertaining to facilities with smaller oil storage capacities, qualified oil-filled operational equipment, motive power containers, and mobile refuelers. EPA also removed sections of the rule that were not appropriate for facilities with animal fats and vegetable oils. The Agency also issued an indefinite compliance date extension for farms.

On December 5, 2008, EPA published amendments to clarify, streamline and tailor the rule requirements to sectors of the regulated industries (e.g., oil production, farms). However, the effective date of the December 2008 rulemaking was delayed for 60 days from February 3, 2009 to April 4, 2009, in accordance with the January 20, 2009, White House memorandum entitled, "Regulatory Review," and the memorandum from the Office of Management and Budget entitled "Implementation of Memorandum Concerning Regulatory Review" (M-09-08, January 21, 2009 OMB memorandum). The Agency took this action to ensure that the rule properly reflects consideration of all relevant facts. EPA requested public comment on the delay of the effective date and its duration, and on the regulatory amendments contained in the final rule (74 FR 5900, February 3, 2009) and specifically on the requirements for produced water containers and qualified oil production facilities.

On April 1, 2009, the Agency further delayed the effective date of the December 2008 rulemaking until January 14, 2010 (74 FR 14736). The Agency took this action to allow sufficient time to address the comments received on the February 3, 2009 notice.

In the November 2009 amendments, EPA confirmed that the following<sup>1</sup> provisions finalized in the December 2008 final rule would become effective on January 14, 2010, without further modification:

- Exemption for hot-mix asphalt;
- Exemption for pesticide application equipment and related mix containers;
- Exemption for residential heating oil containers;

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<sup>4</sup> The extension applied to all facilities except drilling, production or workover facilities that are offshore or that have an offshore component, or onshore facilities required to have and submit Facility Response Plans (FRPs).

- Amended definition of “facility” to clarify that contiguous or non-contiguous buildings, properties, parcels, leases, structures, installations, pipes, or pipelines may be considered separate facilities;
- Amended facility diagram requirement at §112.7(a)(3);
- Definition for the term “loading/unloading rack,” and clarification that this definition governs the applicability of the provisions for facility tank car and tank truck loading/unloading racks at §112.7(h);
- Amended general secondary containment requirements at §112.7(c);
- Extension of the exemption from the sized secondary containment requirement for mobile refuelers provided in the December 2006 SPCC rule amendments (71 FR 77266, December 26, 2006) to non-transportation-related tank trucks at a facility subject to the SPCC rule;
- Amended facility security requirements at §112.7(g);
- Amended integrity testing requirements at §§112.8(c)(6) and 112.12(c)(6) to allow greater flexibility in the use of industry standards;
- Amended integrity testing requirements at §112.12(c)(6) for containers that store animal fats and vegetable oils (AFVOs) and meet certain criteria;
- Amended definition of “production facility” to be consistent with the amended definition of “facility”;
- Clarification that drilling and workover activities are not subject to the provisions at §112.9;
- Alternative compliance option for flow-through process vessels at oil production facilities to comply with only the general secondary containment requirements and additional oil spill prevention measures in lieu of the sized secondary containment requirements;
- Definition for the term “produced water container”, and alternative compliance measures for these containers which require general secondary containment, a process or procedure certified by a PE designed to remove free-phase oil on the surface of the produced water in these containers and compliance with additional oil spill prevention measures in lieu of sized secondary containment requirements;
- Exemption for certain intra-facility gathering lines subject to requirements of the U.S. Department of Transportation’s (DOT’s) pipeline regulations from the SPCC requirements;
- More prescriptive requirements for a flowline/intra-facility gathering line maintenance program and an alternative compliance option of contingency planning for flowlines and intra-facility gathering lines in lieu of all secondary containment; and
- Clarifying the definition of “permanently closed” as it applies to oil production facilities and containers present at an oil production facility.

In the November 2009 amendments, EPA also made the following technical corrections to the following provisions that were finalized in the December 2008 final rule:

- Language related to the exemption of underground oil storage tanks that supply emergency diesel generators at nuclear power generation facilities;
- Clarifications and corrections of typographical and formatting errors related to the designation of a subset of qualified facilities (“Tier I qualified facilities”) with a set of streamlined SPCC rule requirements; and
- Amendment of the compliance date provision for new oil production facilities, so that it applies to new oil production facilities that begin operations after November 10, 2010.

Based on comments received and consideration of all relevant facts in the November 2009 amendments, EPA removed the following provisions:

- The exclusion of oil production facilities and farms from the loading/unloading rack requirements at §112.7(h);
- The exemption for produced water containers at an oil production facility;
- The alternative qualified facility eligibility criteria for an oil production facility.

Finally, on April 18, 2011, EPA amended the SPCC rule to exempt all milk and milk product containers and associated piping and appurtenances from the SPCC requirements (76 FR 21652). This supporting statement contains the paperwork-related burden of SPCC Plans as amended by the 2011 final amendments to exempt milk and milk product containers from the SPCC rule.

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

1EPA does not routinely collect SPCC Plans or related records from SPCC regulated facilities. Preparation, implementation, and maintenance of the SPCC Plan by the facility owner or operator helps prevent oil discharges and mitigate the environmental damage caused by such discharges. Therefore, the primary user of the data is the facility owner or operator. For example:

- Accumulating the necessary data requires that the facility staff analyze the facility measures and procedures for preventing oil discharges, facilitating safety awareness, and promoting appropriate modifications to facility design and operations;
- Having the required information in a single document promotes efficient response in the event of a discharge;
- Implementing the Plan according to the specifications of 40 CFR part 112 requires meeting certain design and operational standards that reduce the likelihood of an oil discharge;
- Keeping inspection records promotes important maintenance, facilitates leak detection, and demonstrates compliance with the SPCC requirements; and
- Reviewing the Plan periodically ensures the implementation of more effective spill prevention control technology as it becomes available and is demonstrated to be effective.

Although facility personnel are the primary users of the data, EPA may use the data in certain situations. EPA's primary use of the data contained in an SPCC Plan is through inspection to ensure that a facility is in full compliance with all elements of the SPCC rule, including design and operation specifications and inspection requirements. For example, EPA reviews SPCC Plans as part of EPA's inspection program. However, inspection-related activities are not covered by this ICR. A Regional Administrator may require a facility owner or operator to amend an SPCC Plan if he/she finds that the facility has not met the requirements of the regulation, has an oil spill or if amendment of the Plan is necessary to prevent and contain discharges of oil.

State and local governments are also users of the data. The information provided in SPCC Plans (e.g., facility configuration and potential risks) is not necessarily available elsewhere and assists local emergency preparedness planning efforts. The Plan should be compatible and coordinated with local emergency plans, including those developed under Title III of the Superfund Amendments and Reauthorization Act of 1986 (Pub. L. 99-499). Coordination with state governments is facilitated by the provision in §112.4(c) requiring that, after certain discharges, information on the discharge be sent to the relevant state and local agencies. The flexibility with respect to Plan formatting promotes greater coordination with state planning efforts by encouraging the use of plans prepared pursuant to state regulations.

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

#### **3(a) Non-duplication**

1For some facilities, certain requirements of the Oil Pollution Prevention regulation could be the same or substantially similar to regulations addressing underground storage tanks (USTs). The SPCC rule addresses this overlap by exempting completely buried tanks subject to all of the technical requirements of EPA's UST program (40 CFR part 280) or a state program approved under 40 CFR part 281.

The regulation allows considerable flexibility in Plan preparation and recordkeeping. The regulation allows the use of alternative, appropriately cross-referenced formats based on other state or other federal requirements. Greater flexibility is also provided for facility recordkeeping practices, as records required pursuant to the National Pollutant Discharge Elimination System (NPDES) program and API Standards may satisfy certain SPCC recordkeeping requirements. Records kept under usual and customary business practices are also accepted for inspections, tests, and records.

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

In compliance with the Paperwork Reduction Act (44 U.S.C. 3501 et seq.), the Agency has notified the public of the renewal of this ICR through the Federal Register on December 17, 2012 (**77 FR 74659**). Four comments (one Federal agency, one independent Federal agency, an attorney and an energy company) were submitted.

One comment supported the collection of information as part of a comprehensive federal/state oil spill prevention program. Another comment stated that EPA should streamline the reporting process to reduce the administrative costs to the Agency and to private sector companies. The comment recommended that the Agency develop and use online reporting on standard forms that are clear, concise and allow information to be entered on multiple forms with the same key strokes.

One comment agreed with EPA's burden statement for the first year costs for plan development of 58 hours and 11 hours for annual plan maintenance. The comment stated that while these are appropriate estimates for small facilities, for larger more complex facilities the

regulatory burden should be estimated at approximately 100 hours for first year costs to develop the plan and 24 - 32 hours per year to maintain the plan. The comment also stated that these estimates include the costs to develop / revise word documents, develop / update drawings, to complete PE amendments as necessary and to conduct site walk throughs to verify information for either new plans or changes to existing plans.

A comment was submitted to EPA staff and was not posted to the docket. EPA has decided to address this comment and has included the comment in the docket. The comment states that the average annual cost to maintain and update each of the commenter's the plans is 47 hours and \$5,600. The comment further states that when certain SPCC costs are added, such as plan certification costs, the hours and costs can double, bringing the average annual compliance cost for each plan to \$8,400. Further, the comment asserts the costs for smaller facilities can be as much as 100 hours and \$12,000. It concludes that the labor and costs for all aspects of SPCC compliance costs are larger than those in the Federal Register notice.

#### *Response to Comments*

EPA agrees with the comment that supports the ICR notice. EPA did not have sufficient information to respond to the comment on the reporting process. Finally, EPA recognizes that the hours and costs to develop and maintain SPCC Plans will vary among the regulated universe. The ICR reflects an estimated average of labor hours and costs to develop and maintain an SPCC Plan. EPA based the hours and costs to develop and maintain SPCC on the oil storage capacity of facilities. The average labor hours and costs reflect the estimates of more than fifty percent of the SPCC-regulated facilities are in Category 2 with oil storage capacity between 1,320 and 10,000 gallons (see Exhibit 2 for additional information). The Agency's economic analysis contains costs for each of the four oil storage categories as described in this ICR.

#### **3(c) Consultations**

1As part of the effort to estimate the per-facility compliance cost with the SPCC paperwork requirements, EPA contacted seven affected facilities and professional engineering firms or associations that provide PE services directly to or represent regulated facilities about EPA's SPCC burden assumptions and estimates. The interviews were conducted to provide insight into the reasonableness of EPA's estimates of the paperwork burden that facilities may incur when complying with the SPCC rule. The names, companies, and telephone numbers of the representatives of those entities are given below.

Bob Nash, Prospect Iron and Steel, (617) 666-3405  
Brian Klingler; Conoco Engineers, Scientists, and Surveyors; (508) 697-3191  
Kelly Lamkin; P.E. Grayson SWD No. B-1, (870) 947-0415  
Warner T. Smith, PE; Warner T. Smith Associates, Inc.; (870) 725-2550  
Timothy Laughlin, PE; N.C. Petroleum and Convenience Marketers Association, and  
Gary Harris, Executive Director, (919) 782-4411  
Steve Wavro, PE; Exxon Mobil Baytown Complex; Otis Dickenson, Supervisor; and  
Raoul Lopez, Site Superintendent, (281) 834-0027  
Henri deLaunay, Michael Schoch, Hilcorp Corporation, (713) 289-2671

The contacted facilities were from the following industries: bulk oil storage, oil production, petroleum refining, chemical manufacturing, iron and steel, and professional engineering firms that provide PE services to regulated facilities. The regulated facilities and PE firms represent facilities from the largest companies in the U.S. to the smallest companies and marginal oil production facilities. Estimates of the costs of compliance with paperwork requirements provided by the seven contacts are within the same range as the costs developed by EPA. The findings suggest the EPA hour and cost burden estimates to prepare and maintain an SPCC Plan used in the current ICR are reasonable.

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

The SPCC rule requires the development and maintenance of SPCC Plans. The Agency does not require the owners and operators of facilities to submit these Plans to EPA. The Plan must be available to the Regional Administrator (RA) (or an inspector) for onsite review during normal business hours. Section 112.4(a) requires that owners and operators submit certain critical information to EPA regarding a discharge and corrective actions. In order to conduct proper follow-up actions as necessary, Agency personnel may request the Plan itself or access a copy of the entire SPCC Plan by visiting the facility. Because collection is not periodic, less frequent collection is not possible.

The owner or operator of a facility is required to review and evaluate the facility Plan every five years. EPA's experience in administering the SPCC regulation indicates that updating Plans to reflect currently available and proven technology and techniques for preventing and controlling oil discharges every five years is sufficient given the degree to which such technologies and techniques evolve over time.

### **3(e) General Guidelines**

The information collection activities discussed in this ICR comply with the general Paperwork Reduction Act guidelines at 5 CFR 1320.5(d)(2).

### **3(f) Confidentiality**

The nature of the data being gathered as part of this ICR is not confidential.

### **3(g) Sensitive Questions**

The information gathering activities discussed in this ICR do not involve sensitive questions.

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

### **4(a) Respondents/NAICS Codes**

The industries that are likely to be covered by the SPCC rule fall into many North American Industrial Classification System (NAICS) categories, including those associated with



petroleum production, non-petroleum oil storage, processing (refining), distribution, storage, and consumption. The majority of regulated facilities fall under the industry sectors listed in Exhibit 1.

**Exhibit 1**

**Primary Industry Sectors and NAICS Codes Covered by the SPCC Rule**

Industry Category	NAICS Code(s)
1Oil and Gas Extraction	211
Farms	111, 112
Electric Utility Plants	2211
Petroleum Refining and Related Industries	324
Chemical Manufacturing	325
Food Manufacturing	311, 312
Manufacturing Facilities Using and Storing Animal Fats and Vegetable Oils	311, 325
Metal Manufacturing	331, 332
Other Manufacturing	31-33
Real Estate Rental and Leasing	531-533
Retail Trade	441-446, 448, 451-454
Contract Construction	23
Wholesale Trade	42
Other Commercial	492, 541, 551, 561-562
Transportation	481-488
Arts Entertainment & Recreation	711-713
Other Services (Except Public Administration)	811-813
Education	611
1Petroleum Bulk Stations and Terminals	4247
Hospitals & Other Health Care	621-624
Accommodation and Food Services	721, 722
Fuel Oil Dealers	45431
Gasoline Stations	4471
Information Finance and Insurance	51, 52
Mining	212, 213
Warehousing and Storage	493
Pipelines	4861, 4869
Government	92
Military Installations	928110
Religiois Organizations	813110

**4(b) Information Requested**

*(i) Data Items, Including Recordkeeping Requirements*

1The primary data collection activities required by the SPCC rule are the preparation and maintenance of the SPCC Plan along with preparing records of inspections and tests. In

preparing a Plan, a facility owner or operator must follow the provisions outlined in the regulation and include a discussion of the measures taken to meet the SPCC requirements, some of which are listed below. For more detailed requirements, please refer to the Oil Pollution Prevention regulation itself.

- Potential equipment failure. Where experience indicates a reasonable potential for equipment failure (e.g., tank overflow, rupture, or leakage), the Plan must include a prediction of the direction, rate of flow, and total quantity of oil that could be discharged from the facility as a result of each major type of equipment failure (§112.7(b)).
- Containment/diversion or contingency planning. Appropriate containment and/or diversion structures or equipment must be provided to prevent a discharge (§§112.7(c), 112.7(h)(1), 112.8(c)(2), 112.8(c)(11), 112.9(c)(2), 112.10(c), 112.12(c)(2), and/or 112.12(c)(11), as applicable according to facility type). For onshore facilities, the owner or operator must use one of the following preventive systems or its equivalent: dikes, berms, or retaining walls sufficiently impervious to contain oil; curbing; culverting, gutters, or other drainage systems; weirs, booms, or other barriers; spill diversion ponds; retention ponds; or sorbent materials. The owner or operator of an offshore facility is subject to slightly different requirements due to the facility's unique configuration. While §112.7(c) generally requires secondary containment to be appropriately sized (i.e., to address the most likely discharge so that the oil will not escape containment before cleanup occurs), the additional provisions listed above specify a required minimum size for secondary containment at particular areas of a facility (i.e., sized to contain the largest single oil compartment or container plus sufficient freeboard to contain precipitation). Where installation of these structures or equipment is determined by the owner or operator to be impracticable, a facility owner or operator must explain why, provide a contingency plan following 40 CFR part 109 (or a Facility Response Plan), conduct periodic integrity testing of the containers and periodic integrity and leak testing of valves and piping, and provide a written commitment of the manpower, equipment, and materials required to expeditiously control and remove any harmful quantity of oil discharged (§112.7(d)).

Owners and operators of facilities with certain types of oil-filled operational equipment have the option of preparing an oil spill contingency plan and a written commitment of manpower, equipment, and materials in lieu of providing secondary containment for qualified oil-filled operational equipment, without making an individual impracticability determination as required in §112.7(d). Owners or operators who pursue this alternative are required to establish and document an inspection or monitoring program for this qualified oil-filled operational equipment to detect equipment failure and/or a discharge, in lieu of providing secondary containment. An owner or operator cannot pursue the option if that facility has had a single discharge as described in §112.1(b) from any oil-filled operational equipment exceeding 1,000 U.S. gallons or two discharges as described in §112.1(b) from any oil-filled operational equipment each exceeding 42 U.S. gallons within any 12-month period in the three years prior to the SPCC Plan self-certification date, or since becoming subject to 40 CFR part 112 if the facility has been operating for less than three years.

Owners and operators of oil production facilities have the option of preparing an oil spill contingency plan and a written commitment of manpower, equipment, and materials in lieu of providing secondary containment in accordance with §112.7(c) for flowlines and intra-facility gathering lines. These facility owners/operators may also choose alternative compliance options in lieu of sized secondary containment requirements of §112.9(c)(2) for flow-through process vessels and produced water containers.<sup>5</sup> However, if the facility experiences discharges from flow-through process vessel or produced water container (excluding discharges that are the result of natural disasters, acts of war, or terrorism) as described below, then the facility is no longer eligible for the alternative requirements for this equipment and must comply with the sized secondary containment and inspection requirements of §112.9(c)(2) and (c)(3) within six months:

- A discharge of more than 1,000 U.S. gallons of oil in a single discharge as described in §112.1(b), or
- Two discharges of more than 42 U.S. gallons of oil in each of two discharges as described in §112.1(b) within any twelve month period.

The alternative requirements for flow-through process vessels are described in §112.9(c)(5) and require visual inspection and/or test of flow-through process vessels and associated components (such as dump valves) for leaks, corrosion, or other conditions that could lead to a discharge as described in §112.1(b) on a periodic and regular schedule; corrective action or repairs to flow-through process vessels and any associated components as indicated by regularly scheduled visual inspections, tests, or evidence of an oil discharge; and prompt removal or actions initiated to stabilize and remediate any accumulations of oil discharges associated with flow-through process vessels.

The alternative requirements for produced water containers are described in §112.9(c)(6) and require:

- A procedure for each produced water container that is designed to separate the free-phase oil that accumulates on the surface of the produced water be implemented on a regular schedule. The SPCC Plan must describe the procedures, frequency, amount of free-phase oil expected to be maintained inside the container, and a Professional Engineer certification in accordance with §112.3(d)(1)(vi). Records of such events must be maintained in accordance with §112.7(e).
- Visual inspection and/or test of the produced water container and associated piping for leaks, corrosion, or other conditions that could lead to a discharge as described in §112.1(b) in accordance with good engineering practice and on a regular schedule.
- Corrective action or repairs to the produced water container and any associated piping as indicated by regularly scheduled visual inspections, tests, or evidence of an oil discharge.
- Prompt removal or actions initiated to stabilize and remediate any accumulations of oil discharges associated with the produced water container.

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<sup>5</sup> Note that the secondary containment requirements of §112.7(c) still apply to these containers.

- Detailed requirements. In addition to secondary containment requirements, the Plan must include a discussion of the facility's conformance with more detailed and specific requirements, as applicable according to facility type. These specific requirements concern facility diagrams and discharge reporting information and procedures (§112.7(a)); personnel, training, and discharge prevention procedures (§112.7(f)); security (§112.7(g)); facility tank car and tank truck loading/unloading rack (excluding offshore facilities) (§112.7(h)); brittle fracture issues related to certain field-constructed aboveground containers (§112.7(i)); other applicable federal, state, and local requirements (§112.7(j)), integrity testing and/or visual inspection (§112.8(c)(6), §112.9(c)(3) or §112.12(c)(6)); and flow-line maintenance programs (§112.9(d)(4)).
- Specific recordkeeping requirements. Every facility owner or operator must conduct inspections and tests required by 40 CFR part 112 in accordance with written procedures in the Plan and keep a record of the inspections and tests, signed by the appropriate supervisor or inspector, with the SPCC Plan for a period of three years (§112.7(e)). Records of inspections and tests may be kept under usual and customary business practices.
- Specific reporting requirements. As the result of an oil discharge, in accordance with §112.4 the following information must be provided to the Regional Administrator:
  - (1) Name of the facility;
  - (2) Name of the owner or operator;
  - (3) Location of the facility;
  - (4) Maximum storage or handling capacity of the facility and its normal daily throughput;
  - (5) The corrective action or countermeasures taken, including an adequate description of equipment repairs and/or replacements;
  - (6) Description of the facility including maps, flow diagrams, and topographic maps;
  - (7) Cause(s) of the spill, including a failure analysis of the system or subsystem in which the failure occurred;
  - (8) Additional preventive measures taken or contemplated to minimize the possibility of recurrence; and
  - (9) Such other information as the Regional Administrator may reasonably require pertinent to the Plan or to the spill event.

In addition, a facility owner or operator must update his or her Plan as necessary, following a modification in the facility's design or operations that materially affects its potential for a discharge and following the five-year review.

(ii) Respondent Activities

The Oil Pollution Prevention regulation requires an owner or operator to conduct the following compliance activities:

- Prepare and implement an SPCC Plan (§§112.3 and 112.7);

- Maintain the SPCC Plan and keep records (§§112.3 and 112.7(e));
- Revise the SPCC Plan following a material modification of the facility (§112.5(a)); and
- Conduct periodic reviews of the SPCC Plan (§112.5(b)).

Each of these compliance activities is summarized in more detail below:

*Prepare and implement an SPCC Plan*

The owner or operator of a new non-production facility must amend or prepare, and implement, an SPCC Plan in accordance with the guidelines set forth in 40 CFR part 112 before beginning operations.<sup>6</sup> Farmers must amend or prepare, and implement, an SPCC Plan in accordance with the guidelines set forth in 40 CFR part 112 by May 10, 2013 or before beginning operations, whichever is later. The actual preparation of the Plan may involve several separate tasks, which could be conducted by the facility's technical personnel or PEs. These tasks may include:

- Field investigations, which are conducted to fully understand the design of the facility and to accurately predict the areas or equipment most likely to discharge oil (this involves predicting the flow paths of spilled oil);
- A regulatory review conducted by management personnel, such that the technical personnel in charge of actually preparing the Plan are fully aware of all requirements in 40 CFR part 112;
- A review of existing procedures conducted to determine the effectiveness of the current spill prevention and control practices employed by the facility;
- Preparation of the Plan, which involves both technical and clerical time, as well as a final review by facility management personnel prior to completion (could also be performed by an engineering firm).

Tier I qualified facilities - a subset of qualified facilities having no oil storage containers with a capacity greater than 5,000 gallons - are allowed to complete an SPCC Plan template (Appendix G to the 40 CFR part 112) in lieu of a full SPCC Plan. By completing the SPCC Plan template, an owner or operator of a Tier I qualified facility self-certifies that the facility complies with a set of streamlined SPCC rule requirements. The owner or operator is responsible for ensuring that the facility is in compliance with all SPCC rule requirements.

For facility diagrams required under §112.7(a)(3) the facility owner or operator must mark the location of fixed containers and mark the area on the diagram where mobile containers are stored, and can choose to indicate in the Plan the average number of

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<sup>6</sup> In the November 2009 amendments, EPA allowed owners and operators of new oil production facilities a period of six months to prepare and implement an SPCC Plan.

mobile or portable containers maintained at the facility and the anticipated contents and capacities of those containers, rather than on the diagram itself.

- Certification of the Plan must be conducted for each new Plan. For facilities that do not meet the “qualified facility” criteria set forth in §112.3(g), SPCC Plans and technical amendments to Plans must be certified by a licensed PE.

Owners and operators of “qualified” facilities have the option to self-certify that their SPCC Plan complies with 40 CFR part 112, in lieu of having a PE review and certify their Plan. According to §112.3(g), the self-certification option is available to the owners and operators of those facilities that store 10,000 gallons of oil or less and that have had no single discharge as described in §112.1(b) exceeding 1,000 U.S. gallons or no two discharges as described in §112.1(b) each exceeding 42 U.S. gallons within any 12-month period in the three years prior to the SPCC Plan self-certification date, or since becoming subject to 40 CFR part 112 if the facility has been in operation for less than three years. Owners and operators of Tier II qualified facilities choosing this option may deviate from certain requirements of the SPCC rule as specified under §112.7(a)(2) and make impracticability determinations as described under §112.7(d) only if these portions of the Plan are certified by a licensed PE (see §112.6(b)(4)).<sup>7</sup>

#### *Maintain the SPCC Plan and keep records*

Section 112.3 requires the owner or operator to maintain a copy of the SPCC Plan at the facility, if the facility is normally attended for at least four hours per day or, if not, at the nearest field office. The Plan must be available to the Regional Administrator for review during normal working hours (§112.3(e)). In addition, as described in section 4(b)(i) of this document, a facility owner or operator is required to maintain (and update) Plan-specific records as outlined under §112.7(e). Plan maintenance and recordkeeping activities are estimated to involve almost entirely technical personnel time, although a small amount of clerical personnel time may also be required for these activities.

#### *Submit information in the event of certain discharges of oil*

In the event of certain discharges of oil into navigable waters, a facility owner or operator must submit information described in §112.4(a) to the Regional Administrator within 60 days. A discharge of oil occurring within any 12-month period that triggers the §112.4 reporting requirements is:

- (1) A single discharge as described in §112.1(b) of more than 1,000 U.S. gallons; or
- (2) Two or more discharges as described in §112.1(b), each of which is over 42 U.S. gallons.

Submission of information after a discharge of oil is estimated to require both technical personnel and management expertise/time for collecting the required information. Section 112.4(c) also requires that the facility owner or operator submit a copy of this information to the state agency with regulatory authority over the facility. The Regional Administrator may require

<sup>7</sup> For the purposes of this ICR, EPA assumes that no facilities will require section-specific certification by a PE.

the owner or operator of the facility to amend the SPCC Plan to prevent and contain discharges from the facility. Such amendments, if uncontested by the facility owner or operator, must become part of the Plan 30 days after the Regional Administrator responds to the facility owner or operator concerning the final amendments. The amended Plan must then be certified prior to implementation by a licensed PE, or self-certified in the case of qualified facilities. As required by §112.4(e), amendments to the Plan must be implemented as soon as possible, but no later than six months after the amendments become part of the Plan. Section 112.4(f) allows a facility owner or operator to appeal a decision made by the Regional Administrator requiring a Plan amendment.

*Revise the SPCC Plan following modification of the facility*

Section 112.5(a) requires the facility owner or operator to amend his Plan in accordance with §112.7 whenever there is a change in the facility's design, construction, operation, and maintenance that materially affects the facility's potential to discharge oil into navigable waters. Such facility changes may include the addition of a new or rebuilt container; a change in the service of a container; any physical changes or improvements to the facility; or, the construction of a new well and associated piping. The activities to amend the SPCC Plan as a result of these facility changes are estimated to involve facility technical personnel time, as well as some clerical time. The amended Plan must then be certified prior to implementation by a licensed PE, or self-certified in the case of qualified facilities. Such amendments to the SPCC Plan must be implemented as soon as possible, but not later than six months after the change occurs.

*Review the SPCC Plan*

An owner or operator of an SPCC-regulated facility is required to review and evaluate his Plan at least once every five years. This review is expected to involve mostly technical personnel time to review spill prevention and control procedures being implemented under the current Plan, as well as a regulatory review involving management personnel time. Clerical personnel time is also involved to complete necessary paperwork. An owner or operator is required to amend his SPCC Plan within six months of the review to include more effective prevention and control technology if: (1) such technology will significantly reduce the likelihood of a discharge as described in §112.1(b) from the facility; and (2) such technology has been field-proven at the time of the review. Any technical amendments to the Plan must be certified prior to implementation by a licensed PE or, for qualified facilities, self-certified in accordance with §112.6(b). SPCC Plan review cost estimates are generated in this ICR for an existing facility only, since a new facility that becomes operational after the beginning of the ICR-approval period will not be required to conduct its review until after the three-year period covered by this ICR.

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

**5(a) Agency Activities**

1In the event that an SPCC-regulated facility discharges more than 1,000 gallons of oil into or upon the navigable waters of the United States in a single discharge as described in

§112.1(b), or discharges more than 42 U.S. gallons of oil in each of two discharges as described in §112.1(b) within any 12-month period, EPA's review of the information submitted by the facility under 40 CFR 112.4(a), may include the necessity to:

- Review facility characteristics;
- Review the cause of the discharge;
- Require any necessary amendments to the Plan to prevent and contain discharges from the facility; and
- Adjudicate any appeal of a final decision requiring an amendment.

In addition, EPA also conducts routine inspection, enforcement, and outreach activities as part of administering this program. Inspections may occur either after a discharge as part of the review of the submitted spill notification report or on a periodic basis. These inspections are not covered by this ICR.

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

Plans may be tailored to the unique characteristics of the facility. Due to the wide range of types and sizes of facilities subject to the regulation, EPA does not prescribe any specific information management technique or technology in preparing and maintaining SPCC Plans or records. The regulation allows flexibility and a performance based approach in Plan preparation and recordkeeping in a way that allows the use of additional, appropriately cross-referenced formats (§112.7). Greater flexibility is also provided for facility recordkeeping practices, as records kept under normal business practices, such as those required pursuant to the NPDES program and API Standards, may satisfy certain SPCC recordkeeping requirements.

EPA provides flexibility and a performance based approach in the development and use of user-friendly means of writing and maintaining SPCC Plans, such as electronic programs, provided the Plans continue to provide the required information and meet the administrative requirements listed in the SPCC rule. Whatever medium is used, the Plan should also be readily accessible to response personnel in an emergency.

EPA maintains the information submitted to regional offices by facilities following certain oil discharges to support ongoing program activities such as targeting inspections as well as to support response operations during spills, which are not covered by this ICR. However, EPA does not collect SPCC Plans or related records from facilities on a routine basis.

### **5(c) Small Entity Flexibility**

In 2002, EPA promulgated revisions to the SPCC rule that provided flexibility for small entities in several ways. First, EPA no longer regulates, under 40 CFR part 112, a facility having a single container with an aboveground storage capacity greater than 660 gallons, and aggregate aboveground capacity of 1,320 gallons or less of oil. Second, EPA no longer regulates, under 40 CFR part 112, a completely buried container that is subject to all of the technical requirements of 40 CFR part 280 or a state program approved under 40 CFR part 281. Third, the 2002 rule includes a *de minimis* container size of less than 55 gallons. As a result,



containers less than 55 gallons are no longer included in a facility's aboveground total storage or use-capacity calculation and no longer need to be discussed in the SPCC Plan. Fourth, EPA no longer regulates, under 40 CFR part 112, wastewater treatment facilities or parts thereof (except at oil production, oil recovery, and oil recycling facilities) used exclusively for wastewater treatment and not used to meet any other requirement of the rule. Fifth, the rule was modified to allow the use of additional, appropriately cross-referenced formats that would encourage all regulated facilities, including smaller facilities, to take advantage of similar planning efforts conducted pursuant to state or other federal standards. The revisions, targeted towards reducing the recordkeeping burden to facilities, also decreased the burden to smaller facilities.

The 2006 rule amendments further reduced the burden of the SPCC regulation, with expected flexibility for small entities. Specifically, the rule amendments reduced the regulatory burden on qualified facilities and facilities with qualified oil-filled operational equipment. Qualified facilities with 10,000 gallons or less of aggregate aboveground oil storage capacity no longer need a licensed PE to certify their Plans. The amendments also allow greater use of contingency plans without requiring an impracticability determination for facilities with qualified oil-filled operational equipment, a cost reduction measure. Facilities that store oil solely in motive power containers are no longer regulated, while other facilities with oil storage in addition to motive power containers may incur lower compliance costs. The rule also allows mobile refuelers to fall under the rule's general containment requirement, which does not require specifically sized secondary containment.

The 2008/2009 final amendments to the SPCC rule reduced the burden on small businesses to the extent that these businesses are eligible for amended regulatory requirements offered to hot-mix asphalt facilities, oil production facilities, facilities that produce or process animal fats and vegetable oil, Tier I qualified facilities, and others.

The 2011 final amendment exempted milk and milk product containers, associated piping and appurtenances from the SPCC rule. Facilities that only have milk and/or milk product containers are no longer regulated, while other facilities with oil storage in addition to milk and/or milk product containers may incur lower compliance costs.

### 5(d) Collection Schedule

1The SPCC rule does not require a specific information collection schedule. However, a facility owner or operator must prepare, amend, and implement an SPCC Plan according to the compliance deadlines in §112.3(a), and (b). The current compliance dates under §112.3(a) and (b) apply to all SPCC-regulated facilities, as follows:

<b><i>A farm, starting operation...</i></b>	<b><i>Must...</i></b>
On or before August 16, 2002	Maintain its existing SPCC Plan Amend and implement the amended SPCC Plan no later than <b>May 10, 2013</b>
After August 16, 2002 through <b>May 10, 2013</b>	Prepare and implement an SPCC Plan no later than <b>May 10, 2013</b>
After <b>May 10, 2013</b>	Prepare and implement an SPCC Plan <i>before</i> beginning operations

<b><i>A drilling, production or workover facility, including a mobile or portable facility, located offshore or with an offshore component; or an onshore facility that is required to have and submit FRPs starting operation...</i></b>	<b><i>Must...</i></b>
On or before August 16, 2002	Maintain its existing SPCC Plan Amend and implement the amended SPCC Plan no later than <b>November 10, 2010</b>
After August 16, 2002 through <b>November 10, 2010</b>	Prepare and implement an SPCC Plan no later than <b>November 10, 2010</b>
After <b>November 10, 2010</b> (excluding production facilities)	Prepare and implement an SPCC Plan before beginning operations
After <b>November 10, 2010</b> (production facilities)	Prepare and implement an SPCC Plan within six months after beginning operations.

The December 2008 rule amendments (73 FR 74236, December 5, 2008) allow new oil production facilities a period of six months after the start of operations to prepare and implement an SPCC Plan. A “new” oil production facility is one that becomes operational after the applicable compliance date, not an existing production facility (in operation prior to the compliance date) that has changed name, owner, operator, or equipment.

<b><i>All other facilities starting operation...</i></b>	<b><i>Must...</i></b>
On or before August 16, 2002	Maintain its existing SPCC Plan Amend and implement the amended SPCC Plan no later than <b>November 10, 2011</b>
After August 16, 2002 through <b>November 10, 2011</b>	Prepare and implement an SPCC Plan no later than <b>November 10, 2011</b>
After <b>November 10, 2011</b> (excluding production facilities)	Prepare and implement an SPCC Plan before beginning operations
After <b>November 10, 2011</b> (production facilities)	Prepare and implement an SPCC Plan within six months after beginning operations.

The compliance date amendments described above affect only requirements of the rule amendments (67 FR 47042, July 17, 2002; 71 FR 77266, December 26, 2006; 73 FR 74236, December 5, 2008; and 74 FR 58784, November 13, 2009) that impose new or more stringent compliance obligations than did the original 1973 SPCC rule. Provisions in these amendments that provide regulatory relief are not affected by these compliance date amendments because they would not typically require amendments to existing Plans “to ensure compliance” (see §112.3). Provisions in these amendments that provide regulatory relief to facilities are applicable as of the effective date of the amendment.

The owner or operator must review the SPCC Plan once every five years. A periodic review is necessary to ensure that SPCC Plans reflect currently available and proven technology and techniques for preventing and controlling oil discharges.

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

### **6(a) Estimating Respondent Burden**

#### **1 Facility Characteristics**

For the purpose of this analysis, EPA divided regulated facilities into four size categories based on their aggregate oil storage capacity (see Exhibit 2). These size categories help to (1) account for differences in the potential compliance time burden and costs experienced by facilities of different sizes and (2) determine the number of facilities affected by each of the changes based on facility’s storage capacity.

## Exhibit 2

### SPCC-Regulated Facility Size Categories

Size Category	Aggregate Capacity
I	1,321 to 10,000 gallons
II	10,001 to 42,000 gallons
III	42,001 to 1 million gallons
IV	greater than 1 million gallons

For the purposes of this ICR, facilities are also grouped into two categories: production facilities (facilities whose operations primarily involve oil production) and storage facilities (all other industry groups). This categorization of facilities reflects differences in the estimated burden of compliance activities depending on the nature of the facility's operations.

Additionally, facilities are divided into existing and new facilities, to reflect the differences in compliance activities between these two groups. Existing facilities include facilities that initiated operations prior to this ICR. All facilities in operation at the start of this ICR period are assumed to have prepared their SPCC Plans. Consequently, existing facilities are assumed to have incurred all costs associated with initially preparing and implementing their SPCC Plans, but some are expected to incur costs to perform a technical five-year review, revise their SPCC Plan, submit information in the event of certain oil discharges, and maintain the Plan and keep records. New facilities include those facilities that will initiate operations during the ICR period. For the purpose of this analysis, new facilities become existing facilities after the first year of operation.

#### Estimating Burden of SPCC Plan

For its Regulatory Impact Analysis (RIA), EPA developed a unit cost inventory with cost estimates for each of the 2002 SPCC rule requirements. The Agency also assessed paperwork-related changes resulting from the 2006, 2008, 2009 and 2011 final amendments. EPA relied on the most recent cost estimates from the unit cost inventory. To complete the unit cost inventory, the Agency developed a detailed list of the SPCC requirements that are expected to have a labor burden and cost impact, and obtained unit cost estimates for each of these requirements from a professional engineering firm with experience across a broad spectrum of industries, that serves the 48 contiguous states of the United States.<sup>8</sup> In addition, EPA also conducted interviews of seven regulated entities to obtain data on compliance measures at facilities and their associated costs to crosscheck the estimates and develop a better understanding of the ranges of cost estimates.

#### Estimating Facility Labor Costs

To determine the per-facility costs to develop the SPCC Plan and comply with other paperwork-related requirements for typical new and existing respondents in each facility size

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<sup>8</sup> SCS Engineers adjusted with the June 2012 Bureau of Labor Statistics wage rates.

category, unit labor estimates for management, technical, and clerical personnel were multiplied by the hourly wage rate for each labor category and were then added to paperwork-related capital and operating and maintenance (O&M) costs.

The labor wage rates for private industry were derived from the June 2012 U.S. Department of Labor's Employment Cost Indexes and Levels.<sup>9</sup> The June 2012 wage rates include wages and salaries; benefit costs, including paid leave, supplemental pay, insurance, retirement and savings, legally required benefits, severance pay, and supplemental unemployment benefits. These wage rates reflect private industry averages estimated by the Bureau of Labor Statistics (BLS) based on a survey of 47,400 occupations within 9,500 establishments in the private sector. These wage rates reflect industry averages, which may underestimate the actual wages received by some SPCC regulated facility personnel but overestimate the actual wages received by other facility personnel. EPA further adjusted these rates to reflect overhead costs of 17 percent.<sup>10</sup> Following are the estimated loaded wage rates used in the analysis:

- Management: \$ \$69/hour;
- Technical: \$58/hour; and
- Clerical: \$30/hour.

EPA assumed the above labor rates would apply to all scenarios when facilities use in-house personnel to satisfy requirements involving labor burden such as preparing the SPCC Plan. When required or needed, a facility owner/operator would contract a PE to develop and/or certify his Plans, however, not all facility owners and operators are expected to contract a PE for activities that can be conducted by in-house personnel. On the one hand, a small facility is more likely to hire outside engineers because it may not have the in-house expertise to comply with the SPCC requirements. On the other hand, a small facility may not have the resources to hire outside engineers and may be in a better position to use in-house labor because the owner may be closely involved with all the operations. A similar two-sided argument can also be made for larger facilities. Therefore, EPA assumed that 50 percent of the facilities of all size categories use in-house labor and the remaining 50 percent use outside professional labor.

Overhead rates for SPCC paperwork-related activities can be calculated using various formulas. To see how overall costs might change under different overhead loading rate assumptions, EPA calculated alternative overhead rates based on recommendations in *Estimating Costs for the Economic Benefits of RCRA Noncompliance* (September 1997). This document suggests that labor overhead and profit can be estimated at 50 to 100 percent of the base salary and fringe benefit costs. EPA estimated that raising the overhead rate to 50 percent would increase the wages listed above by 28 percent. If a 100-percent overhead rate were used, these wages would increase by 71 percent. The 50-percent and 100-percent alternatives may be high because the rates include profit as well as overhead. The appropriate overhead loading rate is highly dependent on not only the industry in question, but also individual

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<sup>9</sup> United States Department of Labor, Bureau of Labor Statistics, Employer Costs for Employee Compensation, September 2012. BLS wage rates reported for June 2012 are final.

<sup>10</sup> Overhead costs were computed separately from BLS data and were assumed to be an additional 17 percent of the total wage rate, which is composed of direct wages and salaries and employee benefits, as reported by BLS.

businesses. The alternative rates are explored in the discussion of total respondent costs in Section 6(e) of this document.

### Estimating Capital and Operating and Maintenance (O&M) Costs

EPA expects that facilities will incur paperwork-related capital and operating and maintenance (O&M) costs in complying with the SPCC requirements to maintain the Plan and keep records (40 CFR 112.3 and 112.7(e)) and to submit required information in the event of certain discharges of oil (40 CFR 112.4). EPA estimates that to maintain files, new facilities will purchase file cabinets at a cost of \$300. In the event of certain discharges, the owner or operator is required to submit information to the Regional Administrator and the state agency in charge of oil pollution control activities for the area in which it is located. Consequently, the owner or operator will incur costs for photocopying and postage. For costing purposes, EPA assumes that facilities will submit no more than 10 pages for a small facility; 20 pages for a medium facility; and 40 pages for a large facility. Assuming the cost of photocopying to be \$0.11 per page, photocopying costs are estimated to be \$2.20 for a small facility; \$4.40 for a medium facility; and \$8.80 for a large facility, respectively. EPA estimates that the cost to submit the information through the Post Office is approximately \$17.00, based on the cost to mail a two-pound package to two different recipients. Because only 0.15 percent of facilities are expected to incur oil discharges that trigger an information submission, the annual costs associated with submitting information to EPA are not measurable for the average facility.

EPA assumed that the cost to a facility owner or operator to retain an outside PE to certify the SPCC Plan varies by the size, complexity and location of the facility. EPA used this assumption because a larger facility likely has a more complex SPCC Plan, and more complex Plan amendments, than a smaller facility. Unless facilities meet the “qualified facility” criteria, the burden associated with certifying SPCC Plans and their amendments requires a PE. The estimated wages for PE labor used in this analysis are as follows:<sup>11</sup>

- Management: \$158/hour;
- Technical: \$127/hour;
- Drafter: \$79/hour; and
- Clerical: \$58/hour.

Some facilities are expected to incur O&M costs associated with retaining a PE to certify their SPCC Plans, along with any subsequent technical amendments that are made to the Plan. In certifying the Plan, the engineer attests to have examined the facility and that the Plan has been prepared in accordance with good engineering practices that satisfy the SPCC requirements in 40 CFR part 112. Furthermore, a PE must certify any technical amendment to an SPCC Plan.

Exhibit 3 summarizes the average expected costs for facilities of different sizes for PE certification of a new Plan as well as any subsequent amendments.

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<sup>11</sup> Source: SCS Engineers, a professional engineering firm adjusted with BLS wage rates for June 2012 published September 2012.

### Exhibit 3

**Cost of PE Certification for the SPCC Plan (2009\$)<sup>1</sup>**

Size Category	Facility Type	New Plan	Amendments
I	Storage	\$1,590	\$2,130
	Production	\$794	\$1,070
II	Storage	\$3,170	\$4,280
	Production	\$1,590	\$2,130
III	Storage	\$4,760	\$6,410
	Production	\$3,170	\$4,280
IV	Storage	\$7,140	\$9,700
	Production	\$4,760	\$6,410

Source: SCS Engineers adjusted with June 2012 BLS data published in September 2012.

<sup>1</sup> One-time costs of compliance.

#### 6(b) 1Burden and Costs per Facility

1This section discusses the potential paperwork-related burden and costs to facilities that are regulated by the SPCC rule. Plan preparation and PE certification costs affect new facilities that become subject to the SPCC rule unless they meet the “qualified facility” criteria. New facilities include those facilities that will initiate operations during the ICR period. Owners or operators of new facilities are assumed to incur the total cost of preparing a Plan and PE certification in their first year. In addition to preparing or reviewing SPCC Plans, owners or operators of all new and existing facilities will incur costs to prepare and maintain records.

EPA assumes that the formal five-year review of SPCC Plans will affect one-fifth of all existing facilities annually – i.e., owners or operators of one-fifth of all existing facilities will undergo their formal five-year review of their Plans in each year of the ICR period.

Owners or operators of some new and existing facilities will submit information as a result of discharging oil and others will need to revise their Plan during the ICR period. For the 2002 rule ICR, based on spill data obtained from the Emergency Response Notification System database, EPA estimated that approximately 0.15 percent of all facilities would incur costs each year due to reporting requirements related to an oil discharge (see §112.4(a)).<sup>12</sup> In addition, based on conversations with EPA regional personnel involved with the SPCC program, EPA estimated that approximately 10 percent of all facilities would revise their Plan each year to address §112.5(a) or (c) or §112.4(d).

Exhibit 4 through Error: Reference source not found provides average burden and cost estimates for each existing and new facility. For existing facilities, the following activities are included: five-year review - §112.5(b); information submission in the event of certain oil discharges - §112.4(c); Plan modification - §112.5(a) and PE certifications of any technical

<sup>12</sup> Information Collection Request for the final rule to amend the oil pollution prevention regulation (40 CFR part 112), May 2002.

amendment - §112.5(c); and recordkeeping. For newly regulated facilities, paperwork-related activities include SPCC Plan preparation - §112.3(a); oil spill contingency plan preparation - §112.7(d); information submission in the event of certain oil discharges - §112.4(c); Plan modification - §112.5(a) and PE certifications of any technical amendment - §112.5(c); and recordkeeping §112.7(e).

The option to self-certify a facility-specific SPCC Plan according to the requirements in §112.6 is available to any qualified facility having 10,000 gallons or less in storage capacity. EPA assumed that all new qualified facilities with storage capacity of 10,000 gallons or less would self-certify the Plan instead of having it certified by a PE. The Agency also assumed that under these requirements, owners and operators of all existing qualified facilities would not use a PE to certify a technical amendment to their Plan.

A qualified facility would be a facility subject to the SPCC rule that, as described in 112.3(g), meets the storage capacity threshold and discharge history criteria. Additional flexibility is available for facilities with aggregate aboveground oil storage capacity of 10,000 gallons or less and no single containers greater than 5,000 gallons capacity (i.e. Tier I qualified facilities). This option allows an owner/operator to complete the Tier I SPCC Plan template to serve as the SPCC Plan.

The Agency assumed that owners and operators of existing facilities would not use the provided option, because they are expected to have an SPCC Plan in place and preparing a template would present an additional expense for those facilities. Correspondingly, EPA assumed that owners and operators of *all* new qualified facilities with no single containers greater than 5,000 gallons would take advantage of the reduced requirements and complete a Tier I template to serve as the facility SPCC Plan.

The costs presented in Exhibit 4 through Error: Reference source not found represent the average costs for each facility of different sizes, accounting for the probability that certain facilities will incur those costs (e.g., five-year reviews affect one-fifth of existing facilities) and for the estimated overlap between federal and state requirements. Low probability costs (e.g., complying with §112.4(c)) distributed across many facilities yield only nominal per-facility average costs, particularly when state overlap is taken into consideration.

The state-overlap assumptions are based on research conducted for the 2002 SPCC rule<sup>13</sup> and are described in the regulatory impact analysis for the SPCC final rule. Each state has its own regulations regarding the storage, handling, and containment of oil. In some cases, the effort required by these state regulations may be the same as what is required by SPCC. Overall, in 2002 EPA found that about 5.9 percent of facilities are in states with complete overlap; about 5.6 percent of facilities in states with substantial overlap; and about 5.7 percent of facilities in states with partial overlap. To develop the burden estimates, EPA multiplied the burden hours by both the percentage of facilities in each overlap category and the degree of overlap (i.e., 100 percent for complete overlap, 75 percent for substantial overlap, and 50 percent for partial overlap). As part of the regulatory analysis for the 2009 final SPCC amendments, EPA analyzed the overlap of state regulations to determine whether an

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<sup>13</sup> U.S. Environmental Protection Agency, "Economic Analysis for the Final Revisions to the Oil Pollution Prevention Regulation (40 CFR part 112)," May 2002.



adjustment of the estimate would more accurately account for recent changes in state requirements and/or refine the previously generated estimates. As a result of this review, the Agency concluded that there was no compelling evidence to adjust the overlap estimate between the SPCC rule and state regulations. When estimating paperwork-related burden resulting from the SPCC requirements, EPA takes into account the estimated degree of overlap to avoid double counting. The reduced burden due to state overlap was estimated by applying the overlap percentages to the total burden associated with each paperwork compliance activity.

#### Total Annual Burden per Average Respondent

Once the unit per-facility burden hours were determined for each compliance activity undertaken by the average facility in each size category, EPA calculated the total annual burden by summing the unit estimates for all compliance activities. The annual burden for an average facility differs for each size category based on the assumed differences in the oil storage capacity and complexity of the facility and its operations. The estimated annual burden hours for an average respondent in each size category for existing and new facilities are presented in Exhibit 4 through Error: Reference source not found.

#### Total Annual Cost per Average Respondent

In estimating the per-respondent costs for existing and new facilities in each size category, EPA calculated the unit cost for each compliance activity performed by the average facility. These average per-facility costs are shown in the right-hand column of Exhibit 4 through Error: Reference source not found. To estimate the cost for each compliance activity performed by the average respondent facility in each size category under the rule, EPA multiplied the unit time estimates for management, technical, and clerical personnel by the hourly wage rate for each labor category and then added the result to the paperwork-related capital and O&M (PE) costs.

Existing facilities include those facilities that have been in operation for longer than a year. Costs for existing facilities include activities that incur continuously such as recordkeeping or once every several years such as SPCC Plan review.<sup>14</sup> For the average existing SPCC-regulated facility, following are the estimated total annual costs for all information collection activities required by the final rule:

- Category I (Tier I): \$970 per facility;
- Category I: \$970 per facility;
- Category II: \$1,295 per facility;
- Category III: \$2,245 per facility; and
- Category IV: \$4,211 per facility.

New facilities include those facilities that will initiate operations during the ICR period. For the purpose of this analysis, new facilities become existing facilities after the first year of operation. Therefore, each year a new set of facilities would incur the costs listed below. A typical SPCC-regulated facility would incur the costs for new facilities in Year 1 and incur the

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<sup>14</sup> The cost estimates in the tables present average annual costs for each facility, e.g., the annual cost estimate for Plan review represents the total cost for Plan review divided by five.

costs for existing facilities presented above in each subsequent year. For the average new SPCC-regulated facility, following are the estimated total annual costs for all information collection activities required by the final rule:

- Category I (Tier I): \$932 per facility;
- Category I: \$4,410 per facility;
- Category II: \$7,920 per facility;
- Category III: \$14,180 per facility; and
- Category IV: \$24,220 per facility.

Estimated annual costs for new facilities are higher than those for existing facilities because of the greater expenses associated with preparing a new SPCC Plan, including PE certification when necessary, and an oil spill contingency plan.

DRAFT

**Exhibit 4**  
**Annual Burden and Unit Costs for All Required Information Collection Activities**  
**Average Category I Facility (Tier I)**

Activity	Annual Burden Hours <sup>1</sup>				Total Burden Hours	Capital/Startup Costs	PE Costs	Annual Cost (2012) <sup>2</sup>
	Management	Technical	Drafter	Clerical				
<b>Existing Facilities</b>								
Review the SPCC Plan	0.4	2.9	0.0	0.4	3.6	\$0	\$0	\$324
Submit Information in the Event of Certain Discharges of Oil <sup>3</sup>	0.0	0.0	0.0	0.0	0.0	\$0	\$0	\$0
Revise the SPCC Plan	0.3	1.9	0.0	0.2	2.4	\$0	\$0	\$492
Maintain the SPCC Plan and Keep Records	0.0	2.6	0.0	0.0	2.6	\$0	\$0	\$154
<b>TOTAL</b>	<b>0.7</b>	<b>7.4</b>	<b>0.0</b>	<b>0.6</b>	<b>8.7</b>	<b>\$0</b>	<b>\$0</b>	<b>\$970</b>
<b>New Facilities<sup>3</sup></b>								
Prepare an SPCC Plan	0.0	3.0	0.0	0.0	3.0	\$0	\$0	\$164
Prepare a Contingency Plan	0.7	3.5	0.0	1.0	5.1	\$0	\$0	\$234
Submit Information in the Event of Certain Discharges of Oil <sup>4</sup>	0.0	0.0	0.0	0.0	0.0	\$0	\$0	\$0
Revise the SPCC Plan	0.0	0.0	0.0	0.0	0.0	\$0	\$0	\$6
Maintain the SPCC Plan and Keep Records	0.0	3.8	0.0	0.0	3.8	\$100	\$0	\$528
<b>TOTAL</b>	<b>0.7</b>	<b>10.2</b>	<b>0.0</b>	<b>1.0</b>	<b>11.9</b>	<b>\$100</b>	<b>\$0</b>	<b>\$932</b>

<sup>1</sup> Unit burden estimates are weighted averages, rounded to the nearest tenth of an hour, based on the distribution of storage and production facilities and the number of facilities estimated to perform each activity during the one-year period. The numbers in this exhibit may not add precisely due to rounding.

<sup>2</sup> Annual costs are rounded to the nearest dollar.

<sup>3</sup> New facilities include those facilities that will initiate operations during the ICR period. For the purpose of this analysis, new facilities become existing facilities after the first year of operation. As a result, in each year of this ICR, a different set of new facilities will become operational.

<sup>4</sup> The unit burden for a facility that needs to submit information because of a discharge is estimated to be one hour of management labor and one hour of technical labor, resulting in a total unit cost of \$139. Because only 0.15 percent of all facilities are expected to meet the discharge criteria and submit information, the average unit burden is less than 0.1 hours, and is therefore indicated here as 0. However, the actual unit burden and cost estimates are used in later calculations.

**Exhibit 5**  
**Annual Burden and Unit Costs for All Required Information Collection Activities**  
**Average Category I Facility**

Activity	Annual Burden Hours <sup>1</sup>				Total Burden Hours	Capital/Startup Costs	PE Costs	Annual Cost (2012) <sup>2</sup>
	Management	Technical	Drafter	Clerical				
<b>Existing Facilities</b>								
Review the SPCC Plan	0.4	2.9	0.0	0.4	3.6	\$0	\$0	\$324
Submit Information in the Event of Certain Discharges of Oil <sup>3</sup>	0.0	0.0	0.0	0.0	0.0	\$0	\$0	\$0
Revise the SPCC Plan	0.3	1.9	0.0	0.2	2.4	\$0	\$0	\$492
Maintain the SPCC Plan and Keep Records	0.0	2.6	0.0	0.0	2.6	\$0	\$0	\$154
<b>TOTAL</b>	<b>0.7</b>	<b>7.4</b>	<b>0.0</b>	<b>0.6</b>	<b>8.7</b>	<b>\$0</b>	<b>\$0</b>	<b>\$970</b>
<b>New Facilities<sup>3</sup></b>								
Prepare an SPCC Plan	1.8	27.4	10.1	3.7	43.0	\$0	\$0	\$3,642
Prepare a Contingency Plan	0.7	3.5	0.0	1.0	5.1	\$0	\$0	\$234
Submit Information in the Event of Certain Discharges of Oil <sup>4</sup>	0.0	0.0	0.0	0.0	0.0	\$0	\$0	\$0
Revise the SPCC Plan	0.0	0.0	0.0	0.0	0.0	\$0	\$0	\$6
Maintain the SPCC Plan and Keep Records	0.0	3.8	0.0	0.0	3.8	\$100	\$0	\$528
<b>TOTAL</b>	<b>2.5</b>	<b>34.6</b>	<b>10.1</b>	<b>4.6</b>	<b>51.9</b>	<b>\$100</b>	<b>\$0</b>	<b>\$4,410</b>

<sup>1</sup> Unit burden estimates are weighted averages, rounded to the nearest tenth of an hour, based on the distribution of storage and production facilities and the number of facilities estimated to perform each activity during the one-year period. The numbers in this exhibit may not add precisely due to rounding.

<sup>2</sup> Annual costs are rounded to the nearest dollar.

<sup>3</sup> New facilities include those facilities that will initiate operations during the ICR period. For the purpose of this analysis, new facilities become existing facilities after the first year of operation. As a result, in each year of this ICR, a different set of new facilities will become operational.

<sup>4</sup> The unit burden for a facility that needs to submit information because of a discharge is estimated to be one hour of management labor and one hour of technical labor, resulting in a total unit cost of \$139. Because only 0.15 percent of all facilities are expected to meet the discharge criteria and submit information, the average unit burden is less than 0.1 hours, and is therefore indicated here as 0. However, the actual unit burden and cost estimates are used in later calculations.

**Exhibit 6**  
**Annual Burden and Unit Costs for All Required Information Collection Activities**  
**Average Category II Facility**

Activity	Annual Burden Hours <sup>1</sup>				Total Burden Hours	Capital/Startup Costs	PE Costs	Annual Cost (2012\$) <sup>2</sup>
	Management	Technical	Drafter	Clerical				
<b>Existing Facilities</b>								
Review the SPCC Plan	0.3	4.1	0.0	0.3	4.6	\$0	\$0	\$415
Submit Information in the Event of Certain Discharges of Oil <sup>3</sup>	0.0	0.0	0.0	0.0	0.0	\$0	\$0	\$0
Revise the SPCC Plan	0.4	2.6	0.0	0.4	3.4	\$0	\$363	\$666
Maintain the SPCC Plan and Keep Records	0.0	3.6	0.0	0.0	3.6	\$0	\$0	\$214
<b>TOTAL</b>	<b>0.7</b>	<b>10.3</b>	<b>0.0</b>	<b>0.6</b>	<b>11.7</b>	<b>\$0</b>	<b>\$363</b>	<b>\$1,295</b>
<b>New Facilities<sup>3</sup></b>								
Prepare an SPCC Plan	2.8	38.9	15.1	5.1	61.9	\$0	\$1,960	\$7,290
Prepare a Contingency Plan	0.7	3.5	0.0	1.0	5.1	\$0	\$0	\$234
Submit Information in the Event of Certain Discharges of Oil <sup>4</sup>	0.0	0.0	0.0	0.0	0.0	\$0	\$0	\$0
Revise the SPCC Plan	0.0	0.0	0.0	0.0	0.0	\$0	\$4	\$7
Maintain the SPCC Plan and Keep Records	0.0	1.4	0.0	0.0	1.4	\$100	\$0	\$389
<b>TOTAL</b>	<b>3.5</b>	<b>43.7</b>	<b>15.1</b>	<b>6.1</b>	<b>68.4</b>	<b>\$100</b>	<b>\$1,970</b>	<b>\$7,920</b>

<sup>1</sup> Unit burden estimates are weighted averages, rounded to the nearest tenth of an hour, based on the distribution of storage and production facilities and the number of facilities estimated to perform each activity during the one-year period. The numbers in this exhibit may not add precisely due to rounding.

<sup>2</sup> Annual costs are rounded to the nearest dollar.

<sup>3</sup> New facilities include those facilities that will initiate operations during the ICR period. For the purpose of this analysis, new facilities become existing facilities after the first year of operation. As a result, in each year of this ICR, a different set of new facilities will become operational.

<sup>4</sup> The unit burden for a facility that needs to submit information because of a discharge is estimated to be one hour of management labor and one hour of technical labor, resulting in a total unit cost of \$139. Because only 0.15 percent of all facilities are expected to meet the discharge criteria and submit information, the average unit burden is less than 0.1 hours, and is therefore indicated here as 0. However, the actual unit burden and cost estimates are used in later calculations.

**Exhibit 7**  
**Annual Burden and Unit Costs for All Required Information Collection Activities**  
**Average Category III Facility**

Activity	Annual Burden Hours <sup>1</sup>				Total Burden Hours	Capital/Startup Costs	PE Costs	Annual Cost (2012\$) <sup>2</sup>
	Management	Technical	Drafter	Clerical				
<b>Existing Facilities</b>								
Review the SPCC Plan	0.5	7.4	0.0	0.5	8.4	\$0	\$0	\$763
Submit Information in the Event of Certain Discharges of Oil <sup>3</sup>	0.0	0.0	0.0	0.0	0.0	\$0	\$0	\$0
Revise the SPCC Plan	0.8	4.8	0.0	0.6	6.3	\$0	\$661	\$1,221
Maintain the SPCC Plan and Keep Records	0.0	4.5	0.0	0.0	4.5	\$0	\$0	\$261
<b>TOTAL</b>	<b>1.3</b>	<b>16.7</b>	<b>0.0</b>	<b>1.1</b>	<b>19.2</b>	<b>\$0</b>	<b>\$661</b>	<b>\$2,245</b>
<b>New Facilities<sup>3</sup></b>								
Prepare an SPCC Plan	5.5	72.7	30.0	6.0	114	\$0	\$3,650	\$13,448
Prepare a Contingency Plan	0.7	3.5	0.0	1.0	5.1	\$0	\$0	\$234
Submit Information in the Event of Certain Discharges of Oil <sup>4</sup>	0.0	0.0	0.0	0.0	0.0	\$0	\$0	\$0
Revise the SPCC Plan	0.0	0.1	0.0	0.0	0.1	\$0	\$0	\$0
Maintain the SPCC Plan and Keep Records	0.0	1.9	0.0	0.0	1.9	\$126	\$0	\$498
<b>TOTAL</b>	<b>6.2</b>	<b>78.1</b>	<b>30.0</b>	<b>6.9</b>	<b>121</b>	<b>\$126</b>	<b>\$3,650</b>	<b>\$14,180</b>

<sup>1</sup> Unit burden estimates are weighted averages, rounded to the nearest tenth of an hour, based on the distribution of storage and production facilities and the number of facilities estimated to perform each activity during the one-year period. The numbers in this exhibit may not add precisely due to rounding.

<sup>2</sup> Annual costs are rounded to the nearest dollar.

<sup>3</sup> New facilities include those facilities that will initiate operations during the ICR period. For the purpose of this analysis, new facilities become existing facilities after the first year of operation. As a result, in each year of this ICR, a different set of new facilities will become operational.

<sup>4</sup> The unit burden for a facility that needs to submit information because of a discharge is estimated to be one hour of management labor and one hour of technical labor, resulting in a total unit cost of \$139. Because only 0.15 percent of all facilities are expected to meet the discharge criteria and submit information, the average unit burden is less than 0.1 hours, and is therefore indicated here as 0. However, the actual unit burden and cost estimates are used in later calculations.

**Annual Burden and Unit Costs for All Required Information Collection Activities**  
**Average Category IV Facility**

Activity	Annual Burden Hours <sup>1</sup>				Total Burden Hours	Capital/Startup Costs	PE Costs	Annual Cost (2012\$) <sup>2</sup>
	Management	Technical	Drafter	Clerical				
<b>Existing Facilities</b>								
Review the SPCC Plan	0.9	13.1	0.0	0.9	14.8	\$0	\$0	\$1,346
Submit Information in the Event of Certain Discharges of Oil <sup>3</sup>	0.0	0.0	0.0	0.0	0.0	\$0	\$0	\$0
Revise the SPCC Plan	1.4	8.5	0.0	1.1	11.0	\$0	\$1,170	\$2,156
Maintain the SPCC Plan and Keep Records	0.3	11.5	0.0	0.7	12.5	\$0	\$0	\$790
<b>TOTAL</b>	<b>2.6</b>	<b>33.1</b>	<b>0.0</b>	<b>2.7</b>	<b>38.4</b>	<b>\$0</b>	<b>\$1,170</b>	<b>\$4,211</b>
<b>New Facilities</b>								
Prepare an SPCC Plan	10.9	126	40.8	13.6	192	\$0	\$6,520	\$23,075
Prepare a Contingency Plan	0.7	3.5	0.0	1.0	5.1	\$0	\$0	\$234
Submit Information in the Event of Certain Discharges of Oil <sup>4</sup>	0.0	0.0	0.0	0.0	0.0	\$0	\$0	\$0
Revise the SPCC Plan	0.0	0.1	0.0	0.0	0.1	\$0	\$13	\$25
Maintain the SPCC Plan and Keep Records	0.0	7.1	0.0	0.0	7.1	\$155	\$0	\$886
<b>TOTAL</b>	<b>11.6</b>	<b>137</b>	<b>40.8</b>	<b>14.5</b>	<b>204</b>	<b>\$155</b>	<b>\$6,530</b>	<b>\$24,220</b>

<sup>1</sup> Unit burden estimates are weighted averages, rounded to the nearest tenth of an hour, based on the distribution of storage and production facilities and the number of facilities estimated to perform each activity during the one-year period. The numbers in this exhibit may not add precisely due to rounding.

<sup>2</sup> Annual costs are rounded to the nearest dollar.

<sup>3</sup> New facilities include those facilities that will initiate operations during the ICR period. For the purpose of this analysis, new facilities become existing facilities after the first year of operation. As a result, in each year of this ICR, a different set of new facilities will become operational.

<sup>4</sup> The unit burden for a facility that needs to submit information because of a discharge is estimated to be one hour of management labor and one hour of technical labor, resulting in a total unit cost of \$139. Because only 0.15 percent of all facilities are expected to meet the discharge criteria and submit information, the average unit burden is less than 0.1 hours, and is therefore indicated here as 0. However, the actual unit burden and cost estimates are used in later calculations.

### 6(c) Estimating Agency Burden and Costs

1EPA incurs costs associated with the evaluation of information submitted in accordance with §112.4 as well as consideration of appeals. This section summarizes the estimated burden and cost of these activities to EPA. Burden estimates are based on input from EPA regional staff involved directly with the implementation of 40 CFR part 112. Exhibit 8 shows the total burden and labor cost to EPA. As described in Section 6(b), EPA assumed that 0.15 percent of regulated facilities would submit information to EPA for review. The costs to EPA are not included in the calculation of total cost and burden hours for regulated entities, because EPA is not considered a “person” as the term applies to regulated entities.

EPA labor costs are based on the January 2012 General Schedule (GS) pay schedule. EPA estimates an average hourly labor cost (labor plus overhead) of \$63.40 for managerial staff (GS-13, Step-5), and \$44.48 for technical staff (GS-11, Step-5). To derive hourly estimates, EPA divided annual compensation estimates by 2,080, which represents the number of hours in the federal work year. EPA then multiplied hourly rates by the standard government overhead factor of 1.6. Unit costs were calculated as unit time estimates multiplied by the hourly labor rates for EPA personnel.

#### Exhibit 8

**Estimated Annual Burden and Cost to EPA**

Activity	Burden Hours				Total Cost (2012\$)
	Managerial (\$63.40)	Technical (\$44.48)	Clerical	Total	
Plans Evaluation	1,005	10,051	0	11,056	\$511,000
Review of Comments	503	503	0	1,005	\$54,000
Consideration of Appeals	804	0	0	804	\$51,000
<b>Total</b>	<b>2,312</b>	<b>10,600</b>	<b>0</b>	<b>12,900</b>	<b>\$616,000</b>

Note: costs may not total due to rounding; January 2012 General Schedule.

### 6(d) Estimating the Respondent Universe

11This section describes the universe of facilities subject to SPCC regulations. Estimating the number of regulated entities is not straightforward. The SPCC rule does not include a notification requirement and, with certain exceptions, owners and operators do not submit their SPCC Plans to EPA.

#### Previously Developed Estimates

1In 1991, EPA published the “Spill Prevention, Control, and Countermeasures Facilities Study,” which summarized information on small, medium, and large facilities in 16 industry sectors that store oil aboveground and underground. For each of these sectors, EPA collected and evaluated data from ten states on medium and large facilities. Information on small facilities



came from New York. In the end, the 1991 study estimated the number of facilities based on extrapolation of data from four state databases (Illinois, California, Maryland, and New York) to the nation.

In 1995, EPA conducted an OMB-approved statistically based, random sample survey of approximately 30,000 facilities in the industries covered by the 1991 study. The 1995 survey yielded detailed information about the oil storage characteristics of the surveyed facilities, and was designed to allow statistical extrapolation to a broader universe. EPA compared the results of the 1995 survey to the 1991 facility study and to a 1989 American Petroleum Institute report and calculated a 1996 Adjusted National Estimate, which has been the basis of EPA's approximation of the number of facilities regulated by the SPCC Program.<sup>15</sup>

### Current Estimation Methodology

EPA has updated its estimates of the number of facilities regulated by the SPCC rule, based on recent federal, state, and proprietary data on facilities that store or handle oil.<sup>16</sup> The estimates of the SPCC universe were developed for 30 industry sectors, including (but not limited to) those listed in Exhibit 1. For sectors without reliable national-level data, the basic estimation procedure involved extrapolating from eight state databases using information from the U.S. Census Bureau.<sup>17</sup>

#### *Estimates based on state-level data*

For many industry sectors affected by the SPCC rule, the basic estimation procedure used to update the regulated universe was similar to that used in the 1991 facilities study. EPA used eight primary state databases (Florida, Kansas, Maryland, Minnesota, New York, Oklahoma, Virginia, and Wisconsin) to determine the number of SPCC-regulated facilities in the state for each industry sector.

The information in state databases was matched with the Dun & Bradstreet (D&B) Market Spectrum database to assign industry sectors.<sup>18</sup> To extrapolate the estimates to the entire country, these values were multiplied by a facility ratio. The facility ratio was estimated as the number of SPCC-regulated facilities in the eight states for an industry sector divided by the total number of facilities reported for that industry sector in those states.<sup>19</sup>

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<sup>15</sup> "Analysis of the Number of Facilities Regulated by EPA's SPCC Program".  
[http://www.epa.gov/oilspill/pdfs/pap\\_tpop.pdf](http://www.epa.gov/oilspill/pdfs/pap_tpop.pdf).

<sup>16</sup> For details, see the regulatory impact analysis for the 2006 final rule ("Regulatory Impact Analysis of Revisions to the Oil Pollution Prevention Regulation (40 CFR 112) to Implement the Facility Response Planning Requirements of the Oil Pollution Act of 1990")

<sup>17</sup> Oil storage data are not available for all states.

<sup>18</sup> In the matching process, the following facilities and tanks were dropped from the estimation: facilities with less than 1,320 gallons of aggregate storage, tanks with less than 55 gallons of storage, underground tanks subject to EPA UST requirements, inactive tanks, and tanks that do not store oil substances.

<sup>19</sup> The facility ratio is calculated using the eight state databases for all capacity categories except Category I. Because the Maryland database does not include information on Category I facilities, the ratio for Category I facilities is calculated using seven state databases (excluding Maryland).

*Estimates based on national-level data*

Because of the availability of federal and proprietary data, EPA used a different estimation approach for the following industry sectors: petroleum bulk stations and terminals; fuel oil dealers; pipelines; petroleum refinery and related industries; oil and gas production; farms; electric utilities; and manufacturing facilities handling or storing animal fats and vegetable oils. These sectors represent 70 percent of the facilities affected by the SPCC rule.

The 2002 Economic Census was used to estimate the number of regulated facilities for the petroleum bulk stations and terminals, fuel oil dealers, pipelines, and petroleum refinery and related industries. As in previous analyses, all facilities in these industries were assumed to be regulated under the SPCC rule.

EPA assumed all oil production facilities are regulated under the SPCC rule. Certain gas production facilities may also be regulated, given that some gas wells have tanks for storing condensate oil generated during the gas-production process. EPA used Energy Information Administration (EIA) data to estimate the total number of oil-production wells as well as gas wells that produce condensate oil. All active wells that were producing in 2004 are considered in the analysis. The EIA database contains historical data on oil and gas wells, including marginal wells, compiled from government and commercial sources.<sup>20</sup> EIA provides data on oil and oil-condensate produced at oil and gas production wells according to various production-rate classes. Gas wells that do not produce oil condensate are not included. To convert the number of wells that produce oil and oil condensate to the total number of SPCC-regulated production facilities, EPA assumed four wells per facility based on personal communication with industry experts.<sup>21</sup> Under this assumption, EPA estimated that approximately 166,000 oil production facilities are SPCC-regulated.

The number of farms was calculated based on Census of Agriculture data on production expenses related to petroleum-related purchases from 2002 and 1997 and on diesel storage data from 1982. In the 2002 Census of Agriculture, expenditure data are available only in aggregate for all fuels. To arrive at the expenditure on diesel (gasoline) in 2002, EPA multiplied the total expenditure on fuels in 2002 by the ratio of diesel (gasoline) expenditure to total expenditure from the 1997 data. The Agency assumed that the percentage of diesel (gasoline) expenditure remained the same from 1997 through 2002. Finally, the total quantity of diesel (gasoline) purchased in 2002 was calculated by dividing the expenditure on diesel (gasoline) by diesel (gasoline) prices. Using 1982 data on fuel storage and expenditures on farms, the ratio of diesel (gasoline) storage with respect to the annual quantity of diesel (gasoline) purchased was calculated. On average approximately one-fifth of the annual quantity of diesel purchased and about one fourth of the annual quantity of gasoline purchased is stored on farms. Since no data were available on the type of storage (i.e., aboveground or underground) EPA assumed that the entire storage is aboveground. The expenditure ranges were converted to capacity ranges and assigned to a percentage of farms that are regulated within the capacity ranges.

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<sup>20</sup> U.S. Energy Information Administration, Distribution and Production of Oil and Gas Wells by State, data available from [http://www.eia.doe.gov/pub/oil\\_gas/petrosystem/petrosysog.html](http://www.eia.doe.gov/pub/oil_gas/petrosystem/petrosysog.html).

<sup>21</sup> Personal communication with a Federal On-Scene Coordinator for EPA Region 6 and Mark England, Texas Railroad Commission, 2005.

EPA calculated the number of SPCC-regulated electric utility plants as a combination of the number of substations and the number of power plants in the United States. All electricity generation facilities and substations are assumed to contain enough oil to be subject to SPCC requirements. The number of electric utility plants was estimated based on data reported by the Energy Information Administration (EIA). The number of substations was estimated based on the number of substations listed by each major utility reporting to the Federal Energy Regulatory Commission (FERC).<sup>22</sup> A national estimate was extrapolated from these data using the ratio of the megawatt hours sold by utilities to the estimated total retail megawatt hours of electricity sold nationwide according to the EIA.

Facilities handling or storing non-petroleum oil are also subject to SPCC regulations. Non-petroleum oils include, but are not limited to, animal fats and oils and greases, or fish and marine mammal oils; and, oils of vegetable origin, including oils from seeds, nuts, fruits, and kernels. To estimate the number of facilities that could produce or store animal fat or vegetable oil, EPA used data on the number of manufacturing establishments from the 2005 U.S. Census of Manufacturing. Four possible types of AFVO facilities were considered: (1) industries that produce AFVO; (2) industries that use AFVO as a primary input; (3) industries that use AFVO in moderate amounts; and (4) industries that use AFVO as a minor component of their input. EPA assumed that all facilities that produce AFVO (group 1) are SPCC-regulated. Then, low, medium, and high estimates were developed using professional judgment for industries in the remaining three groups regarding the percentage of each industry group assumed to be regulated by the SPCC rule. EPA also identified a category of “other” facility types that may produce or use AFVO. For these facilities, specific information on the number of regulated facilities was available and was used instead of the assumed percentages. This methodology yielded estimates of the number of facilities that may be regulated based only on their storage of AFVO. Some of these facilities are probably regulated because they also store petroleum oils.

On April 18, 2011, EPA published a final rule that exempted milk and milk product containers and appurtenances from the SPCC regulations. As a result, a portion of the universe of dairy farms and milk manufacturing facilities became exempt from the SPCC regulations or shifted to a lower category. For example, a Category I facility that could self certify their SPCC plan may be eligible to use a Tier I qualified facility template plan. This change in the SPCC facility regulatory requirements is reflected in the adjustment to the farm universe in this ICR, that led to a lower number of farms for 2014.

### Industry Growth Rates

To project the number of existing and new facilities regulated under the SPCC rule over the 2014 through 2016 ICR period, EPA used industry-specific growth rates for new and existing facilities. EPA’s previous approach was to apply a uniform one-percent growth rate across all sectors, which did not account for significant variations (including negative growth rates) among the sectors.

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<sup>22</sup> Major regulated utilities must file FERC Form No. 1, on which utilities report information on their substations and electrical equipment. “Major” is defined as having (1) one million megawatt hours or more; (2) 100 megawatt hours of annual sales for resale; (3) 500 megawatt hours of annual power exchange delivered; or (4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

To estimate industry-specific growth rates for existing facilities of all SPCC-related industry categories except farms and oil production, EPA used 1992, 1997, and 2002 U.S. Economic Census data on the number of establishments in each industry. The use of an extended time period to estimate industry-specific growth rates attempted to account for diverse economic conditions under which SPCC-regulated industries operate. To estimate annual growth rates for agricultural establishments, EPA used data reported by the USDA National Agricultural Statistics Service on the number of farms in the United States over the past 10 years (1996 through 2005). The data for the past 10 years were expected to be more representative of the latest developments in the agricultural business than data for years prior to 1996.

EPA estimated the growth rates for new facilities only using commercially available data obtained on the number of businesses (by NAICS code) in 2005 from the D&B Market Spectrum database. These data allowed for an estimation of the fraction of businesses that became operational in 2005 relative to the total number of businesses in that year. This analysis assumed that industry growth rates would be constant over the 10-year analytical period for all industries except oil production, which may or may not adequately represent the trends for individual sectors.

Because oil production facilities account for the largest fraction of SPCC-regulated facilities across all industry categories and represent a dynamic industry, an alternative approach was used for estimating future oil production industry growth rates. EPA relied on industry-specific forecasting information, which was expected to reflect growth rates better than an approach based on historical trends. EPA estimated annual growth rates for the oil production facilities relying on historical and forecasted U.S. oil production data and historical number of oil wells. The approach used to estimate the growth rates for oil production facilities is described in the regulatory impact analysis for the 2008 SPCC final rule. 1

In total, EPA estimated that 640,000 facilities would be regulated by the SPCC rule in 2010. Oil production facilities (34 percent), farms (23 percent), and electric utilities (10 percent) account for the majority of SPCC-regulated facilities.

1Exhibit 9 and Exhibit 10 present the estimated number of existing and new SPCC-regulated facilities that are expected to incur paperwork-related burden associated with the final amendments to the SPCC rule. Exhibit 9 presents the number of facilities by facility type - storage and production facilities - for the first year of the ICR, 2014. Exhibit 10 presents the number of facilities for the entire analysis period, 2014 - 2016.

### Exhibit 9

#### Number of Existing and New Facilities (First Year of ICR: 2014)

Facility Type		Category I (1,320- 10,000 gallons)	Category II (10,001- 42,000 gallons)	Category III (42,001 to 1 million gallons)	Category IV (>1 million gallons)	Total
<b>Existing</b>	Storage	288,000	80,800	35,700	2,980	408,000
	Production	29,000	157,000	41,300	405	228,000
	<b>Total</b>	<b>317,000</b>	<b>238,000</b>	<b>77,000</b>	<b>3,380</b>	<b>636,000</b>
<b>New</b>	Storage	5,750	2,400	1,070	80	9,300
	Production	1,540	8,270	2,170	21	12,000
	<b>Total</b>	<b>7,290</b>	<b>10,670</b>	<b>3,240</b>	<b>101</b>	<b>21,300</b>
<b>Total</b>		<b>324,000</b>	<b>249,000</b>	<b>80,200</b>	<b>3,480</b>	<b>657,000</b>

Note: values may not total due to rounding.

### Exhibit 10

#### Number of Existing and New Facilities (ICR Period: 2014 - 2016)

Facility Type/ Year		Category I (1,320- 10,000 gallons)	Category II (10,001- 42,000 gallons)	Category III (42,001 to 1 million gallons)	Category IV (>1 million gallons)	Total
<b>Existing</b>	Year 1 - 2014	318,000	238,000	77,000	3,380	<b>636,000</b>
	Year 2 - 2015	321,000	243,000	78,400	3,410	<b>645,000</b>
	Year 3 - 2016	324,000	246,000	79,400	3,430	<b>653,000</b>
<b>New</b>	Year 1 - 2014	7,280	10,700	3,240	102	<b>21,300</b>
	Year 2 - 2015	7,840	12,800	3,830	110	<b>24,600</b>
	Year 3 - 2016	8,680	16,400	4,790	123	<b>30,000</b>
<b>Total</b>	Year 1 - 2014	325,000	249,000	80,200	3,490	<b>657,000</b>
	Year 2 - 2015	329,000	256,000	82,000	3,520	<b>670,000</b>
	Year 3 - 2016	333,000	262,000	84,000	3,550	<b>683,000</b>

Note: values may not total due to rounding.

#### 6(e) Estimated Total Annual Burden for All Respondents

The total hour burden is estimated as the average per-facility burden multiplied by the number of affected facilities. Similarly, the total cost burden for all respondents is estimated by multiplying the number of facilities in each size category by the unit costs for each compliance activity. The total annual burden and costs for all respondents in each category are presented in Exhibit 12 through Exhibit 16 for each facility size. The annual average total burden is estimated at 8.8 million hours; the annual average total cost is estimated at \$987 million.

Alternative Estimates

EPA also calculated alternative cost estimates based on higher overhead rates for labor costs, which are presented in Exhibit 11. The primary estimates are based on a 17 percent overhead rate and the alternatives are calculated assuming a 50 percent overhead rate and a 100 percent overhead rate. The discussion of facility labor costs in section 6(a) describes how the overhead rates affect wage rates. Under the primary assumption, the estimated total annualized burden of the information collection is \$987 million. Under the alternative assumptions, the estimated total burden ranges from \$1,211 to \$1,556 million.

**Exhibit 11**  
**Sensitivity Analysis for Total Cost**  
**Varying Overhead Rates**  
**(2012\$, Millions)**

Assumption	Labor	Capital	O&M	Total
	Baseline Burden			
<b>17% Overhead</b>	\$801	\$3.0	\$184	\$987
<b>50% Overhead</b>	\$1,025	\$3.0	\$184	\$1,211
<b>100% Overhead</b>	\$1,369	\$3.0	\$184	\$1,556

**Exhibit 12**

**Total Annual Burden and Costs for All Facilities  
Average Category I Facilities (Tier I)**

Activity	Annual Burden Hours <sup>1</sup>				Total Burden Hours	Capital/Startup Costs	PE Costs	Annual Cost (2012\$) <sup>2</sup>
	Management	Technical	Drafter	Clerical				
<b>Existing Facilities</b>								
Review the SPCC Plan	92,000	707,000	0	92,000	861,000	\$0	\$0	\$80,100,000
Submit Information in the Event of Certain Discharges of Oil	370	370	0	0	741	\$7,434	\$0	\$55,000
Revise the SPCC Plan	76,600	460,000	0	61,300	598,000	\$0	\$0	\$121,515,000
Maintain the SPCC Plan and Keep Records	0	652,000	0	0	652,000	\$0	\$0	\$38,066,000
<b>TOTAL</b>	<b>169,000</b>	<b>1,819,000</b>	<b>0</b>	<b>153,000</b>	<b>2,141,000</b>	<b>\$7,434</b>	<b>\$0</b>	<b>\$239,736,000</b>
<b>New Facilities</b>								
Prepare an SPCC Plan	0	18,300	0	0	18,300	\$0	\$0	\$971,000
Prepare a Contingency Plan	3,980	21,100	0	5,850	31,000	\$0	\$0	\$1,383,000
Submit Information in the Event of Certain Discharges of Oil	9	9	0	0	18	\$184	\$0	\$1,250
Revise the SPCC Plan	22	131	0	17	170	\$0	\$0	\$34,600
Maintain the SPCC Plan and Keep Records	0	23,200	0	0	23,200	\$698,000	\$0	\$3,203,000
<b>TOTAL</b>	<b>4,020</b>	<b>62,800</b>	<b>0</b>	<b>5,870</b>	<b>72,700</b>	<b>\$698,000</b>	<b>\$0</b>	<b>\$5,593,000</b>

<sup>1</sup> Unit burden estimates are estimated totals, rounded to the nearest three significant figures of an hour, based on the distribution of storage and production facilities and the number of facilities estimated to perform each activity during the one-year period. The numbers in this exhibit may not add precisely due to rounding.

<sup>2</sup> Annual costs are rounded to the three significant figures.

**Exhibit 13**

**Total Annual Burden and Costs for All Other Facilities  
Average Category I Facilities**

Activity	Annual Burden Hours <sup>1</sup>				Total Burden Hours	Capital/Startup Costs	PE Costs	Annual Cost (2012\$) <sup>2</sup>
	Management	Technical	Drafter	Clerical				
<b>Existing Facilities</b>								
Review the SPCC Plan	27,500	211,000	0	27,500	266,000	\$0	\$0	\$23,900,000
Submit Information in the Event of Certain Discharges of Oil	111	111	0	0	221	\$2,220	\$0	\$16,300
Revise the SPCC Plan	22,900	137,000	0	18,300	178,000	\$0	\$0	\$36,300,000
Maintain the SPCC Plan and Keep Records	0	195,000	0	0	195,000	\$0	\$0	\$11,400,000
<b>TOTAL</b>	<b>50,500</b>	<b>543,000</b>	<b>0</b>	<b>45,800</b>	<b>639,000</b>	<b>\$2,220</b>	<b>\$0</b>	<b>\$71,616,000</b>
<b>New Facilities</b>								
Prepare an SPCC Plan	3,360	50,000	18,500	6,750	78,500	\$0	\$0	\$6,420,000
Prepare a Contingency Plan	1,190	6,320	0	1,750	9,250	\$0	\$0	\$413,000
Submit Information in the Event of Certain Discharges of Oil	3	3	0	0	5	\$55	\$0	\$372
Revise the SPCC Plan	7	39	0	5	51	\$0	\$0	\$10,300
Maintain the SPCC Plan and Keep Records	0	6,930	0	0	6,930	\$209,000	\$0	\$957,000
<b>TOTAL</b>	<b>4,560</b>	<b>63,000</b>	<b>18,500</b>	<b>8,500</b>	<b>94,800</b>	<b>\$209,000</b>	<b>\$0</b>	<b>\$7,800,000</b>

<sup>1</sup> Unit burden estimates are estimated totals, rounded to the nearest three significant figures of an hour, based on the distribution of storage and production facilities and the number of facilities estimated to perform each activity during the one-year period. The numbers in this exhibit may not add precisely due to rounding.

<sup>2</sup> Annual costs are rounded to the three significant figures.

**Exhibit 14**

**Total Annual Burden and Costs for All Facilities**



**Average Category II Facilities**

Activity	Annual Burden Hours <sup>1</sup>				Total Burden Hours	Capital/Startup Costs	PE Costs	Annual Cost (2012\$) <sup>2</sup>
	Management	Technical	Drafter	Clerical				
<b>Existing Facilities</b>								
Review the SPCC Plan	64,900	973,000	0	65,000	1,103,000	\$0	\$0	\$100,500,000
Submit Information in the Event of Certain Discharges of Oil	363	363	0	0	726	\$7,288	\$0	\$53,700
Revise the SPCC Plan	105,000	633,000	0	84,400	823,000	\$0	\$87,029,000	\$161,400,000
Maintain the SPCC Plan and Keep Records	0	887,000	0	0	887,000	\$0	\$0	\$52,000,000
<b>TOTAL</b>	<b>170,000</b>	<b>2,493,000</b>	<b>0</b>	<b>149,000</b>	<b>2,813,000</b>	<b>\$7,288</b>	<b>\$87,029,000</b>	<b>\$314,000,000</b>
<b>New Facilities</b>								
Prepare an SPCC Plan	37,700	517,000	201,000	67,800	823,000	\$0	\$26,100,000	\$93,600,000
Prepare a Contingency Plan	8,670	46,000	0	12,700	67,400	\$0	\$0	\$3,000,000
Submit Information in the Event of Certain Discharges of Oil	20	20	0	0	40	\$440	\$0	\$2,940
Revise the SPCC Plan	61	366	0	49	476	\$0	\$50,000	\$93,000
Maintain the SPCC Plan and Keep Records	0	18,600	0	0	18,600	\$1,519,000	\$0	\$5,187,000
<b>TOTAL</b>	<b>46,500</b>	<b>582,000</b>	<b>201,000</b>	<b>80,500</b>	<b>910,000</b>	<b>\$1,519,000</b>	<b>\$26,100,000</b>	<b>\$102,000,000</b>

<sup>1</sup> Unit burden estimates are estimated totals, rounded to the nearest three significant figures of an hour, based on the distribution of storage and production facilities and the number of facilities estimated to perform each activity during the one-year period. The numbers in this exhibit may not add precisely due to rounding.

<sup>2</sup> Annual costs are rounded to the three significant figures.

**Exhibit 15**

**Total Annual Burden and Costs for All Facilities  
Average Category III Facilities**

Activity	Annual Burden Hours <sup>1</sup>				Total Burden Hours	Capital/Startup Costs	PE Costs	Annual Cost (2012\$) <sup>2</sup>
	Management	Technical	Drafter	Clerical				
<b>Existing Facilities</b>								
Review the SPCC Plan	38,600	578,000	0	38,600	655,000	\$0	\$0	\$59,700,000
Submit Information in the Event of Certain Discharges of Oil	117	117	0	0	235	\$2,354	\$0	\$17,300
Revise the SPCC Plan	62,600	376,000	0	50,100	489,000	\$0	\$51,372,000	\$95,500,000
Maintain the SPCC Plan and Keep Records	0	349,000	0	0	349,000	\$0	\$0	\$20,400,000
<b>TOTAL</b>	<b>101,300</b>	<b>1,303,000</b>	<b>0</b>	<b>88,700</b>	<b>1,493,000</b>	<b>\$2,354</b>	<b>\$51,372,000</b>	<b>\$176,000,000</b>
<b>New Facilities</b>								
Prepare an SPCC Plan	22,400	287,000	119,000	23,700	452,000	\$0	\$14,430,000	\$51,500,000
Prepare a Contingency Plan	2,579	13,700	0	3,786	20,100	\$0	\$0	\$895,000
Submit Information in the Event of Certain Discharges of Oil	6	6	0	0	12	\$119	\$0	\$875
Revise the SPCC Plan	35	207	0	28	269	\$0	\$0	\$0
Maintain the SPCC Plan and Keep Records	0	7,510	0	0	7,510	\$570,000	\$0	\$1,990,000
<b>TOTAL</b>	<b>25,000</b>	<b>309,000</b>	<b>119,000</b>	<b>27,500</b>	<b>480,000</b>	<b>\$570,000</b>	<b>\$14,430,000</b>	<b>\$54,400,000</b>

<sup>1</sup> Unit burden estimates are estimated totals, rounded to the nearest three significant figures of an hour, based on the distribution of storage and production facilities and the number of facilities estimated to perform each activity during the one-year period. The numbers in this exhibit may not add precisely due to rounding.

<sup>2</sup> Annual costs are rounded to the three significant figures.

**Exhibit 16**

**Total Annual Burden and Costs for All Facilities  
Average Category IV Facilities**

Activity	Annual Burden Hours <sup>1</sup>				Total Burden Hours	Capital/Startup Costs	PE Costs	Annual Cost (2012\$) <sup>2</sup>
	Management	Technical	Drafter	Clerical				
<b>Existing Facilities</b>								
Review the SPCC Plan	2,940	44,400	0	2,940	50,300	\$0	\$0	\$4,600,000
Submit Information in the Event of Certain Discharges of Oil	5	5	0	0	10	\$102	\$0	\$754
Revise the SPCC Plan	4,880	28,700	0	3,830	37,400	\$0	\$3,960,000	\$7,340,000
Maintain the SPCC Plan and Keep Records	1,220	40,200	0	2,450	43,800	\$0	\$0	\$2,400,000
<b>TOTAL</b>	<b>9,050</b>	<b>113,300</b>	<b>0</b>	<b>9,220</b>	<b>131,600</b>	<b>\$102</b>	<b>\$3,960,000</b>	<b>\$14,000,000</b>
<b>New Facilities</b>								
Prepare an SPCC Plan	1,216	14,100	4,580	1,520	21,400	\$0	\$727,000	\$2,490,000
Prepare a Contingency Plan	73	386	0	107	566	\$0	\$0	\$25,300
Submit Information in the Event of Certain Discharges of Oil	0	0	0	0	0	\$3	\$0	\$25
Revise the SPCC Plan	2	10	0	1	14	\$0	\$1,450	\$2,680
Maintain the SPCC Plan and Keep Records	0	792	0	0	792	\$19,800	\$0	\$98,300
<b>TOTAL</b>	<b>1,290</b>	<b>15,300</b>	<b>4,580</b>	<b>1,630</b>	<b>22,700</b>	<b>\$19,800</b>	<b>\$728,000</b>	<b>\$2,610,000</b>

<sup>1</sup> Unit burden estimates are estimated totals, rounded to the nearest three significant figures of an hour, based on the distribution of storage and production facilities and the number of facilities estimated to perform each activity during the one-year period. The numbers in this exhibit may not add precisely due to rounding.

<sup>2</sup> Annual costs are rounded to the three significant figures.

## 6(f) Bottom Line Burden and Cost Tables

The total estimated burden hours and costs incurred by all new and existing facilities are summarized in Exhibit 17. The exhibit shows the burden and cost components for each year of this ICR, along with total and annualized costs.

### Exhibit 17

#### Estimated Total Burden and Costs for Facilities

Year	Total Burden (million hours)	Total Cost (2012\$, millions)			
		Labor	Capital	O&M	Total
First	8.4	\$768	\$2.2	\$173	\$944
Second	8.8	\$797	\$2.6	\$183	\$982
Third	9.2	\$836	\$3.1	\$195	\$1,034
<b>TOTAL</b>	<b>26.4</b>	<b>\$2,402</b>	<b>\$8.0</b>	<b>\$551</b>	<b>\$2,961</b>
<b>ANNUALIZED</b>	<b>8.8</b>	<b>\$801</b>	<b>\$3.0</b>	<b>\$184</b>	<b>\$987</b>

## 6(g) Reasons for the Change in Burden

Differences in burden and costs from the previous ICR are attributed to adjustments for wage rates and the projected universe of facilities over the covered period 2014 through 2016. Adjustments capture updates to the number of affected facilities and wages. The only program change that affected the ICR was the final rule to exempt milk and milk product containers and associated piping and appurtenances published in April 2011<sup>23</sup>. As a result, EPA estimated that approximately 66,000 farms and milk product manufacturing facilities were affected by this amendment and this is reflected in the projections for farms over the 2014 – 2016 ICR period. EPA estimates that there will be a reduction of approximately 100,000 annual burden hours and savings of \$4 million in costs as a result of this program change. These savings are accounted for in the March 24, 2011 RIA for the final milk and milk product container exemption rule.

Exhibit 18 presents the annual burden hours and costs. In total, the burden hours presented in this ICR have increased relative to the current OMB inventory. The new burden estimate shows a net annual increase of approximately 760,000 hours. The Agency estimates that capital and O&M costs would increase by approximately \$26 million due to a change in the universe of regulated facilities. This is partially offset by \$4 million in savings from the milk and milk product container exemption, leaving a net increase of \$22 million in capital and O&M. The increase in hours and capital and O&M is attributable to a small increase in wage rates and the population of facilities in the universe estimated over the 2014 through 2016 covered period.

<sup>23</sup> April 18, 2011 (76 FR 21652)

**Exhibit 18**

**Total Estimated Annual Burden Hours and Annualized Costs Comparison**

	Annual Burden Hours	Annualized Capital and O&M Costs
Previous ICR 0328.15 Burden	8,041,358	\$161,008,709
Change in Burden	+757,570	+\$25,666,105
ICR 0328.16 Burden	8,798,928	\$186,674,814

The exhibits below present the change in burden (hours and costs) as compared to the burden estimates currently approved by OMB.<sup>24</sup> The exhibits show change in burden separately for Private facilities (Exhibit 19) and State and Local Government facilities (Exhibit 20).

**Exhibit 19**

**Total Estimated Annual Burden and Costs Comparison: Private**

	Total Requested	Change from previous ICR	Currently Approved
Annual Responses	669,445	+18,002	651,443
Annual Hour Burden	8,791,010	+757,125	8,033,885
Annual Cost Burden (Capital/StartUp and O&M costs)	\$186,506,819	+\$25,647,748	\$160,859,071

**Exhibit 20**

**Total Estimated Annual Burden and Costs Comparison: State and Local Government Facilities**

	Total Requested	Change for previous ICR	Currently Approved
Annual Responses	603	-3	606
Annual Hour Burden	7,918	+445	7,473
Annual Cost Burden (Capital/StartUp and O&M costs)	\$167,995	+18,357	\$149,638

<sup>24</sup> OMB's currently approved burden was estimated for 2010 – 2012, covering July 1, 2010 through June 30, 2013.

## **6(h) Burden Statement**

The annual public reporting and recordkeeping burden for this collection of information is estimated to average 13 hours per response.

The annual public reporting and recordkeeping burden for this collection of information for newly regulated facilities is estimated to range from 11.9 to 203.9 hours per facility, with an average burden of approximately 58 hours per response. The net annual public reporting and recordkeeping burden for facilities already regulated by the rule is estimated to range from 8.7 to 38.4 hours, with an average burden of approximately 11 hours.

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 chapter 15 of 48 CFR.

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-OPA-2007-0584], which is available for online viewing at [www.regulations.gov](http://www.regulations.gov), or in person viewing at the Superfund Docket in the EPA Docket Center (EPA/DC), EPA West, Room 3334, 1301 Constitution Avenue, NW, Washington, D.C. 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 Superfund Docket is (202) 566-0276. An electronic version of the public docket is available at [www.regulations.gov](http://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, comments can be sent to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington, D.C. 20503, Attention: Desk Officer for EPA. Please include the EPA Docket ID Number [EPA-HQ-OPA-2007-0584] and OMB Control Number 2050-0021 in any correspondence.