

**Supporting Statement
for
Facilities Transferring Oil or Hazardous Materials in Bulk --
Letter of Intent and Operations Manual**

OMB No.: 1625-0093
COLLECTION INSTRUMENTS: None

A. Justification

1. Circumstances that make the collection necessary.

The Federal Water Pollution Control Act (FWPCA) requires the issuance of regulations to prevent the discharge of oil or hazardous materials from facilities. It also requires the monitoring, reporting, and recordkeeping regarding discharges of oil or hazardous materials by facilities (33 U.S.C. 1321(j)(1)(C) and (D), (j)(6) and (m)(2)). Under Executive Order (E.O.) 12777, 56 FR 54757, the responsibility for issuing these regulations was delegated to the U.S. Coast Guard.

The Letter of Intent covered in 33 CFR 154.110 serves as the official notice from a facility operator to the Captain of the Port (COTP) that they intend to operate a facility.

The Operations Manual regulations in 33 CFR part 154.300 through 154.325 establish procedures for facility personnel to follow when transferring oil or hazardous materials, in bulk, to or from a vessel in order to reduce the number of spills caused by human error or improper procedures. This collection applies to shore side facilities and does not apply to facilities operating in the Outer Continental Shelf. It also establishes procedures for facility personnel to follow in the event a spill occurs to control and mitigate the effects of the spill. Development of a new Operations Manual is a one-time occurrence whenever a new facility begins operation or a facility changes ownership. Amendments to manuals are used to ensure they are kept current.

This information collection supports the following strategic goals:

Department of Homeland Security

- Protection

Coast Guard

- Protection of Natural Resources

Prevention Policy & Response Policy Directorates (CG-5P & CG-5R)

- Human and Natural Environment: Eliminate environmental damage associated with maritime transportation and operations on and around the nation's waterways.

2) By whom, how, and for what purpose the information is to be used.

The information in a Letter of Intent alerts the local Coast Guard COTP that a facility will be transferring oil or hazardous materials in their area of operational responsibility. Generally, a Letter of Intent is required whenever a new facility is built, a closed facility is reopened for operation, or an existing facility changes ownership.

The information in an Operations Manual is used by the COTP to ensure that facility personnel follow proper and safe procedures for transferring oil or hazardous materials and to ensure facility personnel follow proper and safe procedures for dealing with any spills that occur during a transfer. Existing Operations Manuals are updated periodically by amendments to ensure they are kept current, i.e., to reflect changes in personnel and telephone number listings and when a significant change in the facilities operation occurs.

The Letter of Intent, Operations Manual, and any amendments, must be retained for the life of the facility as it is used in the daily operations at the facility.

3) Consideration of the use of improved information technology.

The required information is unique to each applicant. The documents are typically sent to the Coast Guard by traditional mail (hard copy), especially the documentation for Operations Manuals because of the complexity of the documents. The Coast Guard reviews this material and then returns a copy which has been marked as "Examined by the Coast Guard" and is to be maintained at the facility. A Letter of Intent may be submitted via email or other electronic forms, as long as it includes a signed copy of the letter. Additionally, Operations Manual Amendments may also be submitted via email.

We estimate that 90% of the reporting and recordkeeping requirements can be done electronically. This is based on current regulations which states that Operations Manuals must be submitted in a physical format which can be inspected and returned, marked "Examined by Coast Guard" (33 CFR 154.300(e)). Our calculations indicate that Operations Manuals account for the remaining 10% of total annual submissions. There are no such regulatory restrictions for Letters of Intent or Operations Manual Amendments. At this time, we estimate that approximately 25% of Operations Manual Amendments and Letters of Intent are submitted electronically. The Coast Guard is considering methods which will better facilitate electronic submissions for all requirements.

4) Efforts to identify duplication: Why similar information cannot be used.

This information is specific to each operation. No other similar Federal requirement exists.

5) Methods to minimize the burden to small business, if involved.

Large corporations own the majority of the facilities covered by these regulations. Requirements for small entities are generally proportionately less due to the smaller amount of equipment and reduced number of personnel involved at the smaller facilities.

The actual amount of information required to be in the Letter of Intent is limited to the name, address and telephone number of the facility owner and operator and other readily accessible information about the facility. Also, when reviewing an Operations Manual or any amendments, COTPs are required to consider the size, complexity and capability of the facility.

6) Consequences to the Federal program if collection were conducted less frequently.

The Letter of Intent is only required to be submitted once, unless the facility changes ownership. The information in the Letter of Intent is not collected in any other form. If the COTP did not have the information about the facility operator contained in the Letter of Intent it would be difficult to contact key personnel in the event of a spill or other emergency involving the facility.

The information in an Operations Manual is collected once when a facility enters into the business of transferring bulk oil or hazardous materials to or from vessels, or when a facility changes ownership. If this information was not collected, the COTPs would be severely restricted in their ability to ensure bulk oil and hazardous materials were being transferred in a safe and proper manner.

Operations Manual Amendments are collected when submitted by industry and are usually editorial changes to personnel or phone number listings. If the Operations Manual were not kept current it would lose its effectiveness because the information it contains would be incorrect or obsolete.

7) Explain any special circumstances that would cause the information collection to be conducted in a manner inconsistent with guidelines.

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

8) Consultation.

A 60-day Notice and a 30-day Notice were published in the *Federal Register* to obtain public comment on this collection. (See [USCG-2013-0519]; July 16, 2013, 78 FR 42535; and October 31, 2013, 78 FR 65349 respectively). The Coast Guard has not received any comments on this information collection.

9) Explain any decision to provide any payment or gift to respondents.

There is no offer of monetary or material value for this information collection.

10) Describe any assurance of confidentiality provided to respondents.

There are no assurances of confidentiality provided to the respondents for this information collection.

11) Additional justification for any questions of a sensitive nature.

There are no issues of a sensitive nature involved in this information collection.

12) Estimates of reporting and recordkeeping hour and cost burdens of the collection of information.

- The estimated number of annual respondents is 519.
- The estimated number of annual responses is 979.
- The estimated hour burden is 45,749 hours.
- The estimated cost burden is \$3,873,798.

The estimated annual hour and cost burdens imposed on Industry are summarized in Appendix A and are based on the following equations and information:

Annual Hour Burden =
 LOI Hour Burden + Ops Manual Hour Burden + Manual Amends Hour Burden

Annual Cost Burden =
 LOI Cost Burden + Ops Manual Cost Burden + Manual Amends Cost Burden

The preceding equations show that the annual hour and cost burdens are the sums of the component hour and cost burdens from each component.

Component Hour Burden =
 (Avg Annual Responses)*(Managerial Hours + Clerical Hours)

Component Cost Burden =
 (Avg Annual Responses)*((Managerial Cost)+(Clerical Cost))

In these equations, "Avg Annual Responses" refers to the 5-year average count of each component received by the Coast Guard, "Managerial" and "Clerical Hours" are the amounts of time needed to file each component by managerial and clerical personnel, respectively, and "O-3" and "E-4" are the wage rates for those personnel.

The component burdens imposed by Letters of Intent deviate slightly from the preceding equations in that the "Avg Annual Responses" variable was given the value of the 5-year average count of the Operations Manuals, not of the LOIs themselves. This decision was in response to a lack of data concerning the Letters of Intent, and the following argument provides justification for the use of this proxy.

Under 33 CFR 154.110, a Letter of Intent is received when either a new facility begins transferring operations or an existing facility changes ownership or begins its own novel transferring operations. Under the obligations of 33 CFR 154.300-154.325 the same facility must also submit to the COTP an Operations Manual, which outlines proper procedures for normal operations, as well as for spill response. Neither document is required to be resubmitted once the first is reviewed. These rules mandate that Letters of Intent and Operations Manuals be submitted concurrently.

By this logic, the number of Operations Manuals received each year by the Coast Guard was determined to be a reasonable proxy for the number of Letters of Intent. While, there may be some instances of a facility submitting a Letter of Intent, closing, and never submitting an Operations Manual, they are considered to be rather rare and for all practical purposes, negligible.

13) Estimates of annualized capital and start-up costs.

There are no capital, start-up or maintenance costs associated with this information collection.

14) Estimates of annualized Federal Government costs.

The annualized Federal Government cost is \$214,896. Calculations are summarized in Appendix B and were derived using the following equations and information:

$$\text{Annual Cost Burden} = \text{LOI Cost Burden} + \text{Ops Manual Cost Burden} + \text{Manual Amends Cost Burden}$$

The preceding equation shows that the annual cost burden is the sum of the component cost burden imposed separately by the Letters of Intent, Operations Manuals, and Manual Amendments.

$$\text{Component Cost Burden} = (\text{Avg Annual Responses} * \text{USCG Personnel Hours}) * (\text{Avg of E-5 and O-3})$$

In this equation, "Avg Annual Responses" refers to the 5-year average count of each form received by the Coast Guard, "USCG Personnel Hours" is the amount of time needed to review each form by receiving Coast Guard field unit personnel, and "Avg of E-5 and O-3" is the wage rate for those personnel.

Again, in calculating the component burden from the Letters of Intent, the 5-year average count of the Operations Manuals was used as a proxy. Justification for this decision is explained in Section 12.

15) Explain the reasons for the change in burden.

The change (i.e., decrease) in burden is an ADJUSTMENT due to a reduction in the estimated annual number of respondents. There is no proposed change to the reporting and recordkeeping requirements of this collection. The reporting and recordkeeping requirements remain unchanged.

The following items listed below are changes to the collection:

- Updates are provided for cost burden associated with this collection of information.
- The Coast Guard has updated printable instructions for this collection of information (i.e., the addition of the OMB expiration date, and adding more details to the in the burden statement (footer).

16) For collections of information whose results are planned to be published for statistical use, outline plans for tabulation, statistical analysis and publication.

This information collection will not be published for statistical purposes.

17) Explain the reasons for seeking not to display the expiration date for OMB approval of the information collection.

The Coast Guard will display the expiration date for OMB approval of this information collection.

18) Explain each exception to the certification statement.

The Coast Guard does not request an exception to the certification of this information collection.

B. Collection of Information Employing Statistical Methods

This information collection does not employ statistical methods.