

Supporting Statement A for Paperwork Reduction Act Submissions
30 CFR 550, Subpart B, Arctic OCS Activities
(Proposed Rule)
OMB Control Number 1010-New
Current Expiration Date: None

Terms of Clearance: None.

General Instructions

A completed Supporting Statement A must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified below. If an item is not applicable, provide a brief explanation. When the question, "Does this information collection request (ICR) contain surveys, censuses, or employ statistical methods?" is checked "Yes," then a Supporting Statement B must be completed. The Office of Management and Budget (OMB) reserves the right to require the submission of additional information with respect to any request for approval.

Specific Instructions

A. Justification

1. *Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.*

The Outer Continental Shelf (OCS) Lands Act, as amended (43 U.S.C. 1331 *et seq.* and 43 U.S.C. 1801 *et seq.*), authorizes the Secretary of the Interior to prescribe rules and regulations to administer leasing of mineral resources on the OCS. Such rules and regulations will apply to all operations conducted under a lease, right-of-use and easement, or unit. Sections 11 and 25 of the amended OCS Lands Act require the holders of OCS oil and gas or sulphur leases to submit Exploration Plans (EPs) and development and production plans (DPPs) to the Secretary for approval prior to commencing these activities. This authority and responsibility are among those delegated to the Bureau of Ocean Energy Management (BOEM).

In May 2013, President Obama issued a National Strategy for the Arctic Region, which acknowledges the emerging economic opportunities in the Alaska area, as well as the need for responsible stewardship and an integrated management approach for making decisions regarding the area. The Strategy emphasizes that efforts to explore and develop the mineral resource potential of the Arctic OCS must be conducted cautiously, safely, and responsibly, especially given the unique and sensitive Arctic environment, its marine resources, and the Alaska Native communities who depend on this region and its resources for subsistence.

To align with this strategy, BOEM and the Bureau of Safety and Environmental Enforcement (BSEE) are proposing rulemaking to address regulations specific to activities conducted on the Arctic OCS. The proposed rulemaking revises regulations at BOEM 30 CFR 550, Subpart B, concerning plans and information that must be submitted to conduct activities on a lease, right-of-use and easement, or unit, specifically for activities on the Arctic OCS. The proposed rule requires operators to develop an

Integrated Operations Plan (IOP) for each exploratory program on the Arctic OCS, as well as to submit additional planning information with their Exploration Plans.

This submission is a new information collection addressing the provisions in the proposed rule. When the final rule becomes effective, BOEM will consolidate the new requirements under this collection into the primary collection for Plans under 30 CFR 550, Subpart B, OMB Control Number 1010-0151, and then discontinue this collection.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection. Be specific. If this collection is a form or a questionnaire, every question needs to be justified.

BOEM engineers, geologists, geophysicists, and environmental scientists and other Federal agencies (e.g., FWS, NOAA Fisheries) analyze and evaluate the information and data collected to ensure that planned operations are safe; will not adversely affect the marine, coastal, or human environment, considering the conditions likely to be encountered in the Arctic OCS; and will conserve the resources of the Arctic OCS. We will use the information to ensure, through advanced planning, that operators are capable of safely operating in the unique environmental conditions on the Arctic OCS and to make informed decisions on whether to approve exploration plans for Arctic activities as submitted or whether modifications are necessary. BOEM also plans to share the preliminary information submitted in the Integrated Operations Plan (IOP) with other agencies to facilitate the assembly of an interagency coordination team and provide the relevant agencies an opportunity to engage in a meaningful and constructive dialogue with operators early in the process.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden and specifically how this collection meets GPEA requirements.

We expect 95 percent of all information to be submitted electronically. Some types of information submitted with plans (such as maps, surveys) may not readily lend themselves to electronic commerce so we are acknowledging that some may be submitted in paper copy.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

BOEM has determined that information submitted in the IOP, as well as with the Exploration Plan is essential to BOEM's own statutory and regulatory responsibilities. Some information, such as vessel mobilizations and tow plans, falls under the jurisdiction of other Federal agencies, such as the Coast Guard and BSEE. However, the purpose of the IOP is to describe, at a strategic or conceptual level, how exploratory drilling operations will be designed, executed, and managed as an integrated endeavor from start to finish and how the program will be designed to deal with the challenges presented by Arctic OCS conditions. This information is at its planning stage and assists BOEM and other agencies in developing an understanding of, and familiarity with, the operator's overall proposed program. BOEM will not approve or reject the information but will share it with all relevant agencies to encourage dialogue and interagency communication/feedback to operators on proposed activities early in the process. BOEM expects that operators may not possess the detailed and specific information at the

planning stage that they later will develop and submit to other agencies for approval; therefore, no duplication of information is anticipated.

5. *If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.*

This collection of information could have a significant economic effect on a substantial number of small entities. Any direct effects primarily impact the OCS lessees and operators. Some of the OCS lessees and operators have less than 500 employees and are considered small businesses as defined by the Small Business Administration. BOEM is required to comply with the OCS Lands Act, which specifies that exploration activities on the OCS may not be conducted until comprehensive plans are submitted and approved. Therefore, we cannot reduce the burden any further.

6. *Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.*

If BOEM did not collect the information, we could not carry out the mandate of the OCS Lands Act, as amended, which specifies that exploration or development and production activities on the OCS may not be conducted until comprehensive plans are submitted and approved. Extensive data and information are necessary to make informed decisions on whether to approve these plans or require appropriate changes.

7. *Explain any special circumstances that would cause an information collection to be conducted in a manner:*

(a) requiring respondents to report information to the agency more often than quarterly;

Not applicable in this collection.

(b) requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;

Not applicable in this collection.

(c) requiring respondents to submit more than an original and two copies of any document;

BOEM is under a mandated timeframe to review and make decisions on these plans, which can be quite complex, voluminous, and detailed. Several program areas within BOEM must review the information simultaneously to meet the mandated timeframe. If BOEM had to reproduce the necessary copies for its internal reviews, it would be extremely difficult, if not impossible, to meet the deadlines imposed by the OCS Lands Act, as amended. Therefore, respondents submitting paper copies are required (as required in current § 550.206) to submit four “proprietary” copies and eight public copies (i.e., nonproprietary) of their plans. (The OCS Lands Act requires that non-proprietary [public information] copies are made available for simultaneous review by State and local government entities.)

(d) requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than 3 years;

It is necessary that respondents retain data and information longer than 3 years. Much of the supporting information is to be retained for the duration of the project. However, this type of information is such that respondents would be very unlikely to dispose of it sooner. It contains valuable background data and analyses that they would not want to have to duplicate should it be needed during the life of the explanation project. We consider the burden only to make the information available to BOEM if

necessary.

(e) in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;

Not applicable in this collection.

(f) requiring the use of statistical data classification that has been reviewed and approved by OMB;

Not applicable in this collection.

(g) that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or

This collection does not include a pledge of confidentiality not supported by statute or regulation.

(h) requiring respondents to submit proprietary trade secrets, or other confidential information, unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

This collection does not require proprietary, trade secret, or other confidential information not protected by agency procedures.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice [and in response to the PRA statement associated with the collection over the past 3 years] and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

As required in 5 CFR 1320.11, BOEM is providing for and has described the 60-day review and comment process in the preamble of the proposed rule. We will address comments received on the information collection in the final rulemaking process.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

BOEM will not provide payment or gifts to respondents in this collection.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

BOEM will protect information considered proprietary under the Freedom of Information Act (5 U.S.C. 552), under regulations at 30 CFR 550.197, “Data and information to be made available to the public or for limited inspection,” and 30 CFR part 552, “Outer Continental Shelf (OCS) Oil and Gas Information Program.”

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

The collection does not include sensitive or private questions.

12. Provide estimates of the hour burden of the collection of information. The statement should:

(a) Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.

(b) If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens.

Potential respondents include Federal OCS oil, gas, and sulphur lessees and operators. Submissions are mandatory and generally on occasion.

The current hour burdens for plans and requirements under 30 CFR 550, Subpart B, are already approved under OMB Control Number 1010-0151 (190,480 hours; \$3,713,665 non-hour costs; expiration 12/31/14). The rulemaking provisions would add an estimated 270 hours to compile, submit, and revise, if necessary, the planning information required for operating on the Arctic OCS. Industry already records some of this information internally for planning and contract oversight; therefore, the burden expected is minimal, just to prepare and submit to BOEM.

BURDEN BREAKDOWN

Citation 30 CFR 550 Subpart B	Reporting & Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses Annual	Burden Hours
Arctic Integrated Operations Plan (IOP)				
New 204*	For New Arctic OCS Exploration Activities: Submit Integrated Operations Plan, including all required information.	90	2 plans	180
Contents of Exploration Plans (EP)				
206	General requirements for plans.	Burdens already covered under plans in 1010-0151.		0
220	Submit Alaska-specific information.			
Expanded 220	For New Arctic OCS Exploration Activities: Submit required Arctic-specific information with EP, including confirmations.	15	2	30
Expanded 220	For Existing Arctic OCS Exploration Activities: Revise and resubmit Arctic-specific information as required.	30	2	60
New Burden Hours for Rulemaking			6 Responses	270 Hours

* Industry already compiles this information internally for planning and contract oversight; therefore, the burden expected is minimal, just to prepare and submit to BOEM.

(c) Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should be included under “annual Cost to the Federal Government.”

The average respondent cost is \$84*/hour (rounded). This cost is broken out in the below table using the Bureau of Labor Statistics data for the Arctic area. See BLS website:

<http://www.bls.gov/oes/current/oes436014.htm>.

Position	Hourly Pay rate (\$/hour estimate)	Hourly rate including benefits (1.4** x \$/hour)	Percent of time spent on collection	Weighted Average (\$/hour)
Secretaries and Administrative assistants	\$15.58	22	15%	\$3
Petroleum Engineers, Geologists	\$62.64	88	70%	\$62
Supv. Engineer	\$88.23	124	15%	\$19
Weighted Average(\$/hour)				\$84

* Note that this BLS source reflects their last update from 2012.

** A multiplier of 1.4 (as implied by BLS news release USDL 14-0390 March 12, 2014 (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

Based on a cost factor of \$84 per hour, we estimate the total annual cost to industry is \$22,680 (\$84 x 270 hours = \$22,680).

13. Provide an estimate of the total annual non-hour cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden already reflect in Item 12).

(a) The cost estimate should be split into two components: (1) a total capital and start-up cost component (annualized over its expected useful life) and (2) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information (including filing fees paid for form processing). Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

(b) If cost estimates are expected to vary widely, agencies should present ranges of cost burden and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

(c) Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

We have not identified any non-hour costs associated with this new information collection.

14. Provide estimates of annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information.

The average Federal cost is \$67/hour. This cost is broken out in the below table using the current Office of Personnel Management salary data for the Alaska (http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2014/AK_h.pdf.)

Position	Grade	Hourly Pay rate (\$/hour estimate)	Hourly rate including benefits (1.5 x \$/hour)	Percent of time spent on collection	Weighted Average (\$/hour)
Clerical	GS-7/5	\$24.01	\$36	15%	\$5
Regulatory	GS-12/5	\$41.22	\$62	35%	\$22
Engineers/Geologists	GS-13/5	\$49.02	\$74	40%	\$30
Supv. Petroleum Engineer	GS-15/5	\$68.13	\$102	10%	\$10
Weighted Average (\$/hour)					\$67

* A multiplier of 1.5 (as implied by BLS news release USDL 14-0390 March 12, 2014 (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

To analyze and review the information required by this collection, we estimate the Government will spend an average of approximately 1/4 hour for each hour spent by respondents for a total of 68 hours

(270 divided by 4 = 68 (rounded)). Based on a cost factor of \$67 per hour, the total gross annualized cost to the Government is \$4,556.

15. Explain the reasons for any program changes or adjustments in hour or cost burden.

This rulemaking will add 270 burden hours as a program increase due to new regulatory requirements. Once the rule becomes effective, these burden hours will be consolidated into the primary collection for plans (1010-0151), and this new collection will be discontinued. There are no non-hour cost burdens associated with this collection.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

BOEM will not tabulate or publish the data.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

BOEM will display the OMB control number and approval expiration date.

18. Explain each exception to the topics of the certification statement identified in, “Certification for Paperwork Reduction Act Submissions.”

To the extent that the topics apply to this collection of information, we are not making any exceptions to the “Certification for Paperwork Reduction Act Submissions.”