

INFORMATION COLLECTION REQUEST (ICR)
SUPPORTING STATEMENT
ENVIRONMENTAL PROTECTION AGENCY
OFFICE OF AIR & RADIATION

A. JUSTIFICATION

1. Identification of the Information Collection

a. Title: Regulation of Fuels and Fuel Additives: 2011 Renewable Fuel Standards -
Petition for International Aggregate Compliance Approach – (RENEWAL)

EPA Number: 2398.03

OMB Control Number 2060-0655

b. Short characterization:

This regulation has a provision that EPA will use to authorize renewable fuel producers using certain foreign-grown feedstocks to use an aggregate approach to comply with the renewable biomass verification provisions, akin to that applicable to producers using crops and crop residue grown in the United States. For this authorization, foreign based entities may petition EPA for approval of the aggregate compliance approach for specified renewable fuel feedstocks either in a foreign country as a whole or in a specified geographical area. This petition request for the aggregate compliance approach for foreign-grown crops and crop residue is voluntary, though, if approved by EPA, will offer the benefit that certain renewable biomass produced in a foreign country or geographical area can be counted as feedstock to make renewable fuel for credit under the Renewable Fuel Standard (RFS2) program.

2. Need For, and Use of, the Collection

a. Authority for the Collection

Sections 114 and 208 of the CAA, 42 U.S.C. §§ 7414 and 7542, authorize EPA to require recordkeeping and reporting regarding enforcement of the provisions of Title II of the CAA. The relevant regulations are in 40 CFR Part 80, Renewable Fuel Standard.

b. Practical Utility/Uses of the Data

The data collected under this ICR will be used for EPA to evaluate/grant petitions.

3. Non-duplication, Consultation, and other Collection Criteria

a. Non-duplication

Efforts have been made to eliminate duplication in this information collection. Where possible, information requirements from various organizations within the Agency have been combined to minimize the submittal of duplicate information in different formats. The information in this collection will not be available from another source.

b. Public Notice

EPA sought comment on reporting requirements via Notice found in 78FR 30428 on December 20, 2013. There were five comments at the end of the sixty (60) day comment period. These comments were out of the scope of the ICR and did not require addressing. Commenters did not address the petition process that would authorize renewable fuel producers using certain foreign-grown feedstocks to use an aggregate approach to comply with the renewable biomass verification provisions, equal to that applicable to producers using crops and crop residue grown in the United States. Three comments expressed strong opposition to the use of ethanol (E15 and E85) and alcohol products used in gasoline believed to cause damage to fuel systems in cars and most motorized machines. A Southern Minnesota and an Arkansas farmer expressed continued future support for the renewable fuel mandate.

c. Consultations

EPA has made an asserted effort to seek industry comment for this ICR. EPA contacted Ms. Kristy Moore of the Renewable Fuels Association who can be contacted on (202) 315-2468 and kmoore@ethanolrfa.org. Ms. Moore reviewed the ICR in consultation with her colleagues who believe the current processes for foreign producers are working and the time and cost associated with the estimates looked reasonable. EPA also contacted Chris Bliley of Growth Energy by e-mail cbliley@growthenergy.org and by phone. Mr. Bliley's organizations work primarily with domestic producers and could not speculate if cost were reasonable or fair for producers using certain foreign-grown feedstocks. EPA also contacted Laticia Phillips of UNICA – Sugarcane Industry Association e-mail leticia@unica.com.br. Ms. Phillips commented that foreign producers applying for aggregate compliance for its feedstock and that process (collecting all data, maps, signatures, ministry letters, etc.) will take the foreign producer at least 40 hours of work at the average rate quoted in EPA's assumptions. Translation alone for a foreign entity will take more than 40 hours. In response to the comments given by UNICA, the hourly industry assumption in this ICR will be changed to 40 in this collection to reflect a better scenario for foreign producers.

d. Effects of Less Frequent Data Collection

This data collection is necessary in order to permit a petitioning process to function for foreign renewable fuel producers to comply with the renewable biomass verification provision. We anticipate only one response per respondent. The information collected will be received from foreign based entities seeking an authorization to use specified renewable fuel feedstocks. The information in this collection is not available from another source.

e. General Guidelines

This rule does exceed the OMB guidelines. EPA requests an exception to the OMB guidelines that agencies may only require records to be maintained for no more than three years. Records can be kept either electronically or on paper. EPA needs to make sure regulated parties keep records long enough to be evaluated for compliance during this time period. Section 40 CFR Part 80.1454(l) requires record retention for five years from the date the records were created. Any information claimed as confidential will be treated in accordance with 40 CFR Part 2 and established Agency procedures. Information that is received without a claim of confidentiality may be made available to the public without further

f. Confidentiality

Respondents may assert claims of business confidentiality (CBI) for any or all of the information they submit. We do not believe that most respondents would characterize the information they submit to us under this information collection as CBI. However, any information claimed as confidential will be treated in accordance with 40 CFR Part 2 and established Agency procedures. Information that is received without a claim of confidentiality may be made available to the public without further notice to the submitter under 40 CFR § 2.203.

g. Sensitive Information

This information collection does not require submission of any sensitive information.

4. The Respondents and the Information Requested

a. Respondents/SIC Codes

Entities potentially affected by this proposed rule are those involved with the production, distribution, and sale of transportation fuels, including gasoline and diesel fuel or renewable fuels such as ethanol and biodiesel. In the case of these petitions, we anticipate that they may come from foreign trade associations or governmental entities. Potentially regulated categories include:

Category	NAICS ¹ Codes	SIC ² Codes	Examples of Potentially Regulated Entities
Industry	324110	2911	Petroleum Refineries
Industry	325193	2869	Ethyl alcohol manufacturing
Industry	325199	2869	Other basic organic chemical manufacturing
Industry	424690	5169	Chemical and allied products merchant wholesalers
Industry	424710	5171	Petroleum bulk stations and terminals
Industry	424720	5172	Petroleum and petroleum products merchant wholesalers
Industry	454319	5989	Other fuel dealers

¹ North American Industry Classification System (NAICS)

² Standard Industrial Classification (SIC) system code.

b. Information Requested

A) Reporting: No form is to be developed for this petition process. Specific items of information to be requested are outlined in the regulation.

B) Recordkeeping: For the RFS2 program, respondents retain records for a period of not less than five (5) years.

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

a. Agency Activities

- All petitions will be reviewed by EPA.
- Petitions will be stored by EPA.
- A response (grant, denial, etc.) will be issued by EPA.

b. Collection Methodology and Management

The information collected will be in the form of a petition. No standard form is to be developed. As mentioned above, we do not anticipate that this information will come in under a CBI claim; however, that is a possibility and we will treat all such information in accordance with 40 CFR Part 2 and established Agency procedures for handling CBI. Information claimed as CBI will be stored in appropriately controlled areas.

c. Small Entity Flexibility

This collection will not adversely affect small entities.

d. Collection Schedule

We anticipate each petitioner will submit one petition.

6. Estimating the Burden and Cost of Collection

a. Estimating the Respondent Universe

We estimate 15 petitions will be received from 15 countries or geographical areas during the three years covered by this proposed ICR.

b. Estimating the Respondent Burden and Cost

Three labor categories are involved: managerial (includes legal and professional review), technical, and clerical. The estimates used the Bureau of Labor Statistics figures from "National Industry-Specific Occupational Employment & Wage Estimate "Petroleum and Coal Products Manufacturing" (May 2011), with a 3% annual inflation factor applied to bring the values to the present. Using this method, the following wages and benefits apply by category:

Wages and Benefits

Managerial	\$67.44 per hour
Technical	\$65.56 per hour
Clerical	\$22.17 per hour

Doubling for company overhead beyond wages and benefits, and for convenience, rounding up to the dollar, gives the following rates for this ICR:

Total Employer Cost

Managerial	\$135.00 per hour
Technical	\$131.00 per hour
Clerical	\$ 44.00 per hour

It is assumed that for each hour of activity the mix will be about 0.1 hour managerial, 0.7 hour technical, and 0.2 hour clerical. This gives an average labor cost of \$114 per hour, which will be used in this ICR. For purchased services related to attest engagements and some items of registration, we have doubled this hourly cost to \$228 in order to more accurately reflect the cost of a certified public accountant (CPA) or licensed professional engineer's (PE) services.

We estimate that each petition will take 40 hours to prepare per year. We have drawn upon our experiences with the Renewable Fuel Standard Provision and estimate no more than 15 notifications with an annual burden of 600 burden hours per year and for three years 1,800 burden hours. The total annual burden by party is estimated as follows:

Information Collection Burden by Type of Party

Information Collection	Number of Parties (countries)	Number of Responses Per Party	Total Number of Responses	Time Per Response	Cost Per Response	Total Hours	Total Cost
Petition for International aggregate compliance	15	1	15	40	\$4,560	600	\$68,400
Total	15		15			600	\$68,400

Estimating Agency Burden and Cost

No response is required to notifications unless a potential violation is noted. We have drawn upon our experiences with the Renewable Fuel Standard Provision and estimate no more than 15 notifications with an annual burden of 300 burden hours per year and for three years 900 burden hours. The Agency burden consist of two GS-13 technical worker \$82.00 an hour including overhead, and a GS-15 manager \$ 114.00 an hour including overhead for an Agency burden of \$ 1,764 per response with an annual total cost of \$26,460. We have assumed that each response will require 16 hours of technical staff time (two staff FTE, working eight hours each) to review and prepare the written response. It is estimated that one manager will be required to expend a total of 4 hours per response. Contractors will not be used to handle these applications and are not included.

These estimates are derived from "OPM Salary Table 2010-DCB," effective January 2010. This table may be found at <http://archive.opm.gov/oca/10tables/html/RUS-h.asp>. The extreme of step 10 was assumed for all categories. All values were multiplied by 1.6 (which is a common factor utilized in ICRs to account for overhead costs). We rounded the resulting dollar value to the nearest tenth. The total yearly Agency burden is estimated as follows:

Agency Burden Hours & Cost							
Collection Activity	Number of Parties	Number of Responses per Party	Total Number of Responses	Time per Response	Cost per Response	Total Hours	Total Cost
Third Party Disclosure							
Evaluate Data - Technical - \$82 per hour	15	1	15	8	656	120	9840
Prepare and send Response - Technical - \$82 per hour	15	1	15	8	656	120	9840
Evaluate Data - Manager \$113 per hour	15	1	15	4	452	60	6780
TOTAL	30		30			300	26460

d. Estimating the Respondent Universe

We based our estimate upon the number of petitions we expect to receive and invite further comment from interested parties.

e. Bottom Line Burden Hours and Costs

From the Table on page 6 we estimate the following:

TOTAL NUMBER OF RESPONDENTS: 15
 TOTAL NO. OF RESPONSES: 15
 TOTAL BURDEN HOURS (ANNUAL): 600
 TOTAL COST (ANNUAL): \$68,400

f. Reason for Change in Burden

There is an increase of hours in the total estimated respondent burden compared with the ICR currently approved by OMB. The total hours increased by 400 due to a more accurate account of hours needed for foreign producers to complete the petition for approval that will offer the benefit that certain renewable biomass produced in a foreign country or geographical area can be counted as feedstock to make renewable fuel for credit under the Renewable Fuel Standard (RFS2). This change in burden hours increased the cost of this collection by \$54,204 per year. The respondent universe and responses remained the same in this collection.

g. Burden Statement

The average respondent burden in hours *per respondent, per year*, for this ICR is estimated at 40 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 the instructions; develop, acquire, install, and utilize technology and systems for the purpose 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 transit 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 48 CFR Chapter 15.

To comment on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including the use of automated collection techniques, EPA has established a public docket for this ICR under Docket ID Number EPA-HQ-OAR-2010-0133, which is available for online viewing at www.regulations.gov, or in person viewing at the Air and Radiation 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 Air and Radiation is (202) 566-1742. An electronic version of the public docket is available at 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, you can send comments 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-OAR-2010-0133 and OMB Control Number 2060-0655 in any correspondence.