

Supporting Statement A
(Final Rulemaking) ICR Reference Number: 201102-1010-004
30 CFR Part 250, Subpart S, Safety and Environmental Management Systems for Outer
Continental Shelf Oil, Gas, and Sulphur Operations
OMB Control Number: 1014-0017

Terms of Clearance: Terms of the previous clearance remain in effect. In accordance with 5 CFR 1320, OMB is withholding approval at this time. Prior to publication of the final rule, the agency must submit to OMB a summary of all comments related to the information collection contained in the proposed rule and the agency response. The agency should clearly indicate any changes made to the information collection as a result of these comments.

Response: Changes made to the collection of information are addressed in A.8.

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 (Secretary) to prescribe rules and regulations necessary for the administration of the leasing provisions of that Act related to mineral resources on the OCS. Such rules and regulations will apply to all operations conducted under a lease. Operations on the OCS must preserve, protect, and develop oil and natural gas resources in a manner that is consistent with the need to make such resources available to meet the Nation’s energy needs as rapidly as possible; to balance orderly energy resource development with protection of human, marine, and coastal environments; to ensure the public a fair and equitable return on the resources of the OCS; and to preserve and maintain free enterprise competition. These responsibilities are among those delegated to the Bureau of Safety and Environmental Enforcement (BSEE).

Regulations governing Safety and Environmental Management Systems (SEMS) are covered in 30 CFR 250, subpart S. BSEE is incorporating additional safety requirements to subpart S regulations and feels that these expanded, revised, and/or new requirements are needed for the following reasons: Ultimate Work Authority (UWA) is being included because current regulations do not address who is in charge of a mobile offshore drilling unit (MODU) and who has the final word during an emergency event. Stop Work Authority (SWA) is being added since our current regulations do not address stopping an activity due to an employee’s belief that a situation exists that places them, their coworker(s), contracted

personnel, or the environment at risk or in danger. The job safety analysis (JSA) requirements are modified to allow the operator to use the same JSA for a similar task as long as the parameters are the same. Employee participation in the operators' SEMS program was recommended by OSHA to make sure all employees are involved in the implementation of the company SEMS program. This rulemaking will also require companies to hire an Audit Service Provider (ASP) to conduct audits thereby avoiding any potential conflicts of interest. The regulations are rewritten in plain language. The currently approved information collection for subpart S (1014-0017; 465,099 annual burden hours, and \$12,933,000 non-hour cost burdens, expiration 10-31-2013) will be superseded in its entirety by this collection when final regulations take effect.

The final rulemaking also affects the 30 CFR 250, subpart A regulation as follows:

- Some of the language that was in the proposed rule under § 250.1933 was moved and consolidated to § 250.193. We decided that it better served industry to have the requirements for reporting possible violations in one section. We also changed phrase "apparent violation" to "possible violation" throughout the section and in the title. We retained the language regarding operator procedural requirements for unsafe working conditions in § 250.1933. However, this change does not affect the currently approved information collection burden in 30 CFR 250, subpart A (OMB Control Number 1010-0114. This collection is currently under review at OMB for a BSEE 1014 OMB control numbering series).

While this rulemaking adds additional burden hours to industry, the vast majority of these hours are for expanding existing regulatory requirements pertaining to their current SEMS program, along with documenting and recordkeeping these expanded requirements as a result of testimony, hearings, and reports that were released about the Deepwater Horizon explosion and resulting oil spill.

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.

We consider the information to be critical for us to monitor industry's operations record of safety and environmental management of the OCS. The Subpart S regulations hold the operator accountable for the overall safety of the offshore facility, including ensuring that all employees, contractors, and subcontractors have safety policies and procedures in place that support the implementation of the operator's SEMS program and align with the principles of managing safety. The SEMS program describes management commitment to safety and the environment, as well as policies and procedures to assure safety and environmental protection while conducting OCS operations (including those operations conducted by all personnel on the facility). BSEE will use the information obtained by submittals and observed via SEMS audits to ensure that operations on the OCS are conducted safely, as they pertain to both human and environmental factors, and in accordance with BSEE regulations, as well as industry practices. The JSA, SWA, and UWA recordkeeping will be reviewed diligently by BSEE during inspections/audits, etc., to ensure that industry is correctly implementing the documentation and that the requirements are being followed properly.

Information on BSEE Form BSEE-0131 includes company identification, number of company/contractor injuries and/or illnesses suffered, company/contractor hours worked, EPA National

Pollutant Discharge Elimination System (NPDES) permit noncompliances, and oil spill volumes for spills less than 1 barrel. All pieces of information are reported annually as collected during 1 calendar year and the information broken out quarterly. The information is used to develop industry average incident rates that help to describe how well the offshore oil and gas industry is performing. Using the produced data allows BSEE to better focus our regulatory and research programs on areas where the performance measures indicate that operators are having difficulty meeting our expectations. BSEE will be more effective in leveraging resources by redirecting research efforts, promoting appropriate regulatory initiatives, and shifting inspection program emphasis based on performance results.

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].

Currently, we estimate that more than 60 percent of the information will be collected in electronic format. BSEE encourages respondents to use form BSEE-0131 that is available on the website and submit electronically as an attachment to an email.

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.

The Department of the Interior and the U.S. Coast Guard has Memoranda of Understanding that define the responsibilities of their agencies with respect to activities on the OCS. These are generally effective in eliminating duplicate reporting and recordkeeping burdens. The requirements pertaining to an operator's SEMS plan do not affect other regulatory requirements outside of BSEE's jurisdiction. Nothing will affect the U.S. Coast Guard's current authority and jurisdiction over vessels and offshore facilities. Pertaining to the form in this collection, the EPA collects exceedence information in the monthly Discharge Monitoring Reports. However, companies submit these reports on a quarterly and staggered basis and report by facility rather than company. The other information is not collected by any other Federal agency, nor is any similar information available.

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. About 65 percent of the OCS lessees and operators have less than 500 employees and are considered small businesses as defined by the Small Business Administration. Because of the Deepwater Horizon event, these new, revised, expanded requirements would necessitate operators to expand upon their current SEMS program, which we believe would reduce the occurrences of accidents, injuries, and spills during OCS activities. Therefore, the hour burden on any small entity subject to these regulations cannot be reduced to accommodate them.

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.

The OCS Lands Act mandates that operations in the OCS be conducted in a safe and environmentally

sound manner. Until recent years, we have depended on regulatory and inspection programs to ensure that this goal would be met; however, the Deepwater Horizon event highlights the importance of operators initiating and implementing a comprehensive safety management system. Without this information, BSEE would not be able to evaluate the effect of industry's continued improvement of safety and environmental management of the OCS, nor would it be able to determine if industry was in compliance with the regulations. For the majority of the collection, the frequency of submission is on occasion. Form BSEE-0131 is collected on an annual basis.

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;

Not applicable in this collection.

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

Document and retain all records pertaining to SEMS audits for 6 years (at least 2 audit cycles (audits are at least once every 3 years)) to allow BSEE to have the necessary information when requested, and to allow BSEE to properly evaluate the SEMS program.

(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 not 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 1320.11), 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, BSEE provided the 60-day review and comment process through the preamble of the proposed rulemaking (76 FR 56683, September 14, 2011). We received, in response to the proposed rule, 35 sets of comments grouped by commenter and subject matter from individual entities (companies, industry organizations, or private citizens). In response to the comments, the IC burdens for these final regulations include expanded/revised or new IC requirements and adjustments to both hour and non-hour cost burdens from the burdens published in the preamble to the proposed rule. The changes and reasons for making them are as follows:

-- § 250.1900-250.1933 Operator Activity: Changes from the proposed to final rule incorporate refresher training requirements to coincide with audits, once every 3 years. These changes result in the following burden increases:

- (1) High Activity operator (+10,504 hours).
- (2) Moderate Activity operator (+8,405 hours).
- (3) Low Activity operator (+2,128 hours).

-- § 250.1911(b) – Expanded the requirement to include additional signatures but we deem that the current and proposed hour burden is sufficient to adequately cover the requirement.

-- § 250.1922 – Added a new requirement - Organization requests approval for AB; submits documentation for assessing, approving, maintaining, and withdrawing accreditation of ASP (+ 48 hours).

-- § 250.1925(a) – The BSEE directed audit non-hour cost burdens were adjusted to be aligned with the audit costs in § 250.1920(a). We have determined that since an ASP will be part of the audit process, audits will be more objective; therefore, there will be a less likelihood for as many BSEE directed audits as was previously determined (-\$15,000 non-hour cost burdens).

-- § 250.1926 – Removed independent third party requirements [-129 hours], but moved conflict of interest statement availability [+3 hours] to § 250.1922, for a total net reduction (-126 hours).

-- § 250.1932(d), (e) – Removed the requirement, upon request, provide BSEE copy of your EPP; make plan available during an audit (-43 hours).

-- § 250.1933(c) – Removed the requirement, employee reports unsafe practices and/or health violation since we have reporting of violations in current § 250.193 (-1 burden hour).

-- § 250.1933(f) [in this rule now § 250.1933(c)] – The requirement remains the same; recalculated the hour burden – Post notice where personnel can view their rights for reporting unsafe practices (-863 hours).

-- § 250.1933(h) – Removed – Create and distribute to all personnel unsafe activities card with relevant information (-10,500 hours).

The following requirement, § 250.1920(a), was in the proposed rule but the non-hour cost burdens for the requirements were inadvertently omitted from the burden table.

-- §§ 250.1920(a), (b); 1921 – You must have your SEMS program audited by an ASP according to the requirements of this subpart and API RP 75, Section 12 (incorporated by reference as specified in § 250.198) within 2 years of the initial implementation of the SEMS program and at least once every 3 years thereafter. [Since we revised the requirement to no longer allow for in-house qualified personnel to lead an audit, we added non-hour cost burdens for each operator activity to cover the costs of engaging ASPs to conduct audits once every 3 years (+\$974,000 non-hour cost burdens)].

-- This final rulemaking also removes all the implementation non-hour cost burdens. Between the proposed rule and this final rule, SEMS was implemented by all operators. Therefore, the non-hour cost burdens pertaining to implementation have been removed (-\$12,642,000).

The respondents who submitted comments pertaining to the IC were: Anadarko, Allseas, Shell E&P Co., Stone Energy, API, Apache, AOGA, Oceaneering International, Alliance Marine Services, Technip, Marina Robertson, Western States Petroleum Association, Oceana, ExxonMobil Corp, and IADC.

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

BSEE 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.

We protect proprietary information according to the Freedom of Information Act (5 U.S.C. 552), its implementing regulations (43 CFR 2), and 30 CFR 250.197, “Data and information to be made available to the public or for limited inspection.”

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 are Federal OCS lessees, operators, and/or third party personnel. It should be noted that not all of the potential respondents will submit information in any given year and some may submit multiple times. The burden estimates include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The frequency of response varies by section, but is primarily on occasion and responses are mandatory.

Burden Table

[Italics show expansion/revision of existing requirements; bold indicates new requirements; current regulations are in regular font.]

Citation 30 CFR 250 Subpart A	Reporting and Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses	Additional Annual Burden Hours
193	Report apparent hazardous, potential threats, or unsafe working conditions, violations, or non-compliance issues; if possible submit information/supporting documentation.	Burden included under 30 CFR 250, Subpart A – 1010-0114.		0
Citation 30 CFR 250 Subpart S	Reporting and Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses	Additional Annual Burden Hours
1900-1933 <i>Expanded</i>	High Activity Operator: Have a SEMS program, and maintain all documentation and records pertaining to your SEMS program, according to API RP 75, ISO 17011 in their entirety, the COS-2-01, 03, and 04 documents as listed in § 250.198, and all the requirements as detailed in 30 CFR 250, Subpart S. Make your SEMS available to BSEE upon request.	18,708 3,656	13 operators	243,204 47,528
1900-1933 <i>Expanded</i>	Moderate Activity Operator: Have a SEMS program, and maintain all documentation and records pertaining to your	2,528	41 operators	103,648

	SEMS program, according to API RP 75, <i>the three COS documents in their entirety, and all the requirements as detailed in 30 CFR 250, Subpart S.</i> Make your SEMS available to BSEE upon request.	2,393		98,113
1900-1933 <i>Expanded</i>	Low Activity Operator: Have a SEMS program, and maintain all documentation and records pertaining to your SEMS program, according to API RP 75, <i>the three COS documents in their entirety, and all the requirements as detailed in 30 CFR 250, Subpart S.</i> Make your SEMS available to BSEE upon request.	899	76 operators	68,324
		128		9,728
1900(b); 1928(d), (e); 1929	Submit Form BSEE-0131. Maintain a contractor employee injury/illness log in the operation area, retain for 2 years, and make available to BSEE upon request (this requirement is included in the form burden). Inform contractors of hazards.	10	130 operators	1,300
1911(b) <i>Expanded</i>	<i>Immediate</i> supervisor must conduct a JSA, <i>sign the JSA, and ensure all personnel participating sign the JSA. The individual designated as being in charge of facility approves and signs all JSAs before job starts.</i> <i>NOTE: If activity is repeated, the 1st signed JSA is allowed.</i>	10 mins.	130 operators x 365 days x 6= 284,700*	47,450
		1 min.		4,745
1920(a), (b); 1921 <i>Revised</i>	ASP audit for High Activity Operator ASP audit for Moderate Activity Operator ASP audit for Low Activity Operator <i>NOTE: An audit once every 3 years.</i>	13 operators x \$60,000 audit = \$780,000 / 3 = \$260,000 41 operators x \$30,000 audit = \$1,230,000 / 3 = \$410,000 76 operators x \$12,000 audit = \$912,000 / 3 = \$304,000		
1920	Notify BSEE with audit schedule 30 days prior to conducting your audit.	1	130 operators /once every 3 years=43	43 (rounded)
1920(c); 1925;	Submit to BSEE after completed audit, <i>an audit</i> report of findings and conclusions, including deficiencies and required supporting information/ documentation.	3	44 operators	132
1920(d); 1925(b);	Submit/ <i>resubmit</i> a copy of your CAP that will address deficiencies identified in audit.	4	10 submissions	40
1922 NEW	Organization requests approval for AB; submits documentation for assessing, approving, maintaining, and withdrawing accreditation of ASP.	16	3	48
1922 NEW	Make available to BSEE upon request, conflict of interest procedures.	15 mins.	12 requests	3
1924(b)	Make available to BSEE upon request, evaluation documentation and supporting information relating to your SEMS.	2	130 operators	260
1924(c)	Explain and demonstrate your SEMS during site visit if required; provide evidence supporting your SEMS implementation.	8	6 explanations	48
1925(a);	Pay for all costs associated with BSEE directed ASP audit approximately 10 percent per operator per category: 1 required audit for high operator (\$60,000 per audit x 1 audit = \$60,000); 4 required audits for moderate operator (\$30,000 per audit x 4 audits = \$120,000); and 8 required audits for low operator (\$12,000 per audit per 8 audits = \$96,000) = 13 required audits per year.	13 BSEE directed ASP audits – for a total of \$276,000.		
1928 <i>Expanded</i>	(1) Document and keep all SEMS audits for 6 years (at least 2 full audit cycles) at an onshore location. (2) JSAs must have	5	130 operators	650

	documented results in writing and kept onsite for 30 days or until release of the MODU; retain records for 2 years. (3) All MOC records (API RP Sec 4) must be documented, dated, and retained for 2 years. (4) SWA documentation must be kept onsite for 30 days; retain records for 2 years. (5) Documentation of employee participation must be retained for 2 years. (6) All documentation included in this requirement must be made available to BSEE upon request.	2hrs/mo x 12 mos/ yr = 24 hrs	1,007 manned facilities	24,168
		30 mins.	2,447 unmanned facilities	1,224 (rounded)
1930(c) NEW	Document decision to resume SWA activities.	8	Once every 2 wks = 26	208
1933(a) NEW	Personnel reports unsafe practices and/or health violations.	Burden covered under 30 CFR 250, Subpart A 1010-0114.		0
1933(c) NEW	Post notice where personnel can view their rights for reporting unsafe practices.	15 mins.	3,454 facilities	864
CURRENT SUBPART S BURDEN			285,469 Responses	465,099 Hours
			\$12,933,000 Non-Hour Cost Burdens	
NEW and EXPANDED BURDEN added to 30 CFR 250, Subpart S			6,946 responses	186,629 hours
			\$1,250,000 non-hour cost burdens	
COMBINED [current, new, and expanded] TOTAL SUBPART S			292,415 Responses	651,728 Hours
			\$1,250,000 Non-Hour Cost Burdens	

*We calculated operators conducting six JSAs a day (3 JSAs for each 12 hour shift). Some contractors may perform none for a particular day, whereas others may conduct more than six per day. This estimate is an average.

(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 not be included here. Instead, this cost should be included under “annual Cost to the Federal Government.”

The average respondent cost is \$86/hour. This cost is broken out in the below table using the Bureau of Labor Statistics (BLS) data for the Houston, TX area. See: <http://www.bls.gov/bls/wages.htm>.

Position	Level	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	6	\$21	\$29	13%	\$4
Petroleum Engineers	All Workers	\$68	\$95	72%	\$68
Supv. Petroleum Engineer	All Workers	\$68	\$95	15%	\$14
Weighted Average (\$/hour)					\$86

* Note that this BLS source reflects their last update from December 2009.

** A multiplier of 1.4 (as implied by BLS news release USDL 12-1124, June 7, 2012, (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

Based on a cost factor of \$86 per hour, we estimate the total annual cost to industry is \$56,048,608 (\$86 x 651,728 = \$56,048,608).

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 shown 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 identified four non-hour cost burdens:

§ 250.1925(a) – Pay for all costs associated with a BSEE directed audit due to deficiencies.

§ 250.1920(a) - ASP audits for High, Moderate, and Low Activity Operator.

We estimate a total reporting non-hour cost burden of \$1,250,000 for this collection of information. Refer to the chart in Section A.12 for a breakdown of the burden.

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 cost to the Federal government is \$65/hour (rounded). This cost is broken out in the below table using the Office of Personnel Management pay schedule for the REST OF UNITED STATES (Consisting of the portions of the lower 48 United States not located within another locality pay area) (<http://www.opm.gov/oca/12tables/>).

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	\$21	\$32	10%	\$3
Petroleum Engineer	GS-13/5	\$44	\$66	80%	\$53
Supv. Petroleum Engineer	GS-15/5	\$62	\$93	10%	\$9
Weighted Average (\$/hour)					\$65

*A multiplier of 1.5 (as implied by BLS news release USDL 12-1124, June 7, 2012, (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

Please note that out of the 651,728 industry burden hours, only a portion of their hours are associated with submittals or being made available to BSEE upon request.

Citation	Requirement	Industry's Burden Hour	Government's Burden Hour
§§ 250.1900-1933	High, Moderate, and Low Activity Operator – Maintain SEMS, make available to BSEE upon request.	570,545	28,527
§§ 250.1900(b); 1914(d); 1928(d), (e); 1929	Submit Form BSEE-0131.	1,300	65
§ 250.1920	Notification of audit schedule.	43	5
§§ 250.1920(c); 1925(a), (c);	Submit audit reports.	132	66
§§ 250.1920(d), 1925(c)	Submit/resubmit CAP.	40	15
§ 250.1922	Submit documentation and relevant info about ASP.	48	6
§ 250.1922	Make available to BSEE upon request, conflict of interest procedures.	3	1
§ 250.1924(b)	Upon request make available evaluation documentation and supporting info about SEMS.	260	65
§ 250.1924(c)	Explain/demonstrate SEMS.	48	5
§ 250.1928	Documentation/recordkeeping	26,042	6,511
Total		598,461 burden hours	35,266 hours

To analyze and review the information submitted, we estimate the Government will spend an average of 35,266 hours per year. Based on a cost factor of \$65 per hour, the total estimated annualized cost to the Government is \$2,292,290 (35,266 industry hours x \$65 per hour = \$2,292,290).

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

The current OMB hour burden inventory is 465,099 hours. Due to rulemaking, this submission requests a program change increase of 186,629 burden hours. When this rule becomes effective, the total subpart S burden hours will total 651,728.

The current OMB non-hour cost burden inventory is \$12,933,000. In this submission, we are requesting a total of \$1,250,000. This represents an adjustment decrease of \$11,683,000. The decrease, for the most part, is due to implementation costs being removed since SEMS was required to be in place and functional as of November 15, 2011.

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.

BSEE will require the submittal of Form BSEE-0131 from respondents in the time schedule as follows:

- Operators have between January 1 and March 31 to submit the previous calendar's year data on Form BSEE-0131;
- BSEE will analyze the data between April and May;
- BSEE will make available the aggregate industry-wide data on the BSEE web site with updates by June 1.

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.

BSEE will display the OMB Control Number and expiration date.

18. Explain each exception to the topics of the certification statement identified in, "Certification for Paperwork Reduction Act Submission".

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."