

## 1. IDENTIFICATION OF THE INFORMATION COLLECTION

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

Accidental Release Prevention Requirements: Risk Management Program Modernization Under the Clean Air Act (CAA), Section 112(r)(7) (Proposed Rule)

EPA ICR No. 2537.01, Office of Management and Budget (OMB) No. 2050-NEW.

### 1(b) Short Characterization

This ICR would amend a previously approved ICR (1656.15), OMB Control No. 2050-0144. That ICR covers the Risk Management Program rule, originally promulgated on June 20, 1996; the current rule, including previous amendments, is codified as 40 Code of Federal Regulations (CFR) part 68. This 2537.01 package represents the new information collection requirements imposed by the proposed rule and does not embody the past 1656.15 collection.

Part 68 provides a tiering approach of the regulatory requirements to take into consideration differences between various types and classes of stationary sources (also referred to as “sources” or “facilities”), as well as the risk posed by the different sources. The regulatory program consists of three tiers with sources being classified into program tiers based on the degree of risk posed by potential accidental releases and coverage by the Occupational Safety and Health Administration (OSHA)’s Process Safety Management (PSM) standard. Sources with covered processes classified as Program 1 (P1) pose less risk and face minimal compliance requirements. Sources with covered processes classified as Program 2 (P2) must implement a streamlined list of prevention program requirements. Sources with covered processes classified in Program 3 (P3) must complete a prevention program nearly identical to that required by the OSHA PSM Standard (29 CFR 1910.119). The rule also imposes emergency response program requirements only on facilities that use their own employees and resources to respond in whole or in part to releases of regulated substances.

This ICR addresses the following proposed information requirements associated with the proposed rule:

#### *Improve information availability (applies to all facilities)*

1. Make certain information related to the risk management program available to the local community.
2. Provide the local emergency planning committee (LEPC) and local responders with summarized information of certain activities under the risk management program.
3. Hold a public meeting within 30 days of an accident subject to reporting under §68.42 (i.e., an RMP reportable accident).

#### *Revise accident prevention program requirements (applies to P2 and P3 facilities unless otherwise specified)*

4. Hire a third party to conduct the compliance audit after an RMP reportable accident.
5. Conduct and document a root cause analysis after an RMP reportable accident or a near miss.
6. Conduct and document a safer technology and alternatives analysis (STAA) for a subset of Program 3 facilities in North American Industrial Classification System (NAICS) codes 322 (paper manufacturing), 324 (petroleum and coal products manufacturing), and 325 (chemical manufacturing).

#### *Improve emergency preparedness (applies to P2 and P3 facilities)*

7. Meet and coordinate with local responders annually to ensure adequate emergency response capability exists.
8. Conduct an annual notification drill to verify emergency contact information.
9. Responding facilities conduct and document emergency response exercises including:
  - a. Field exercises every five years and within one year of an RMP reportable accident, and
  - b. Annual tabletop exercises in the interim years.

This ICR also reflects the recent revisions to OSHA's interpretation of the PSM standard. In July 2015, OSHA issued a new interpretation of its retail exemption, a policy that exempted certain employers under OSHA's 1992 definition of "retail facility." Prior to this change, most facilities that classified themselves as agricultural chemical distributors and many other wholesalers listed themselves as P2, because they were exempt from the OSHA PSM standard. The effect of the change in interpretation will make all of these facilities subject to the PSM standard and, therefore, subject to Program 3 of the RMP rule. To take that into account for this ICR, the Environmental Protection Agency (EPA) has reclassified all P2 facilities that listed themselves in NAICS 11, 12, 15, 424 (wholesalers), and 493 (warehouses) as P3. As a consequence almost 85 percent of all RMP facilities will be subject to P3 requirements.

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

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

Information collection for on-site documentation is authorized by CAA sections 112(r)(7)(B)(i) and (ii), which state that "The Administrator shall promulgate reasonable regulations and appropriate guidance to provide ... for the prevention and detection of accidental releases of regulated substances...." and "The regulations ... shall require the owner or operator ... to prepare and implement a risk management plan to detect and prevent or minimize accidental releases..." Information collection for submitting a Risk Management Plan (RMP) is authorized under CAA section 112(r)(7)(B)(iii), which states in relevant part that "The owner or operator of each stationary source...shall register a risk management plan...with the Administrator before the effective date of the regulations...in such form and manner as the Administrator shall, by rule, require...and shall be available to the public under section 114(c)." Information collection for on-site documentation and submittal of RMPs is also authorized by CAA 114(a)(1). State and local authorities use the information in RMPs to modify and enhance their community response plans. The agencies implementing the Risk Management Program rule use RMPs to evaluate compliance with part 68 and to identify sources for inspection because they may pose significant risks to the community. Citizens may use the information to assess and address chemical hazards in their communities and to respond appropriately in the event of a release of a regulated substance.

### **2(b) Use/Users of the Data**

**Risk Management Plans/Public Information.** The information collected in the RMP is critical for assisting government agencies in assessing the quality and thoroughness of a source's hazard assessment, prevention program, and emergency response program. The information is also used by state and local emergency planners to prepare or modify community response plans; to identify hazards to the community; and provide a basis for working with sources to prevent accidents. The public uses the information to understand the risks posed by accidental releases and to respond to warnings and advice should a release occur.

**Risk Management Programs.** Documenting Risk Management Program implementation is necessary to assist government agencies in determining whether a source has complied with the regulations. In some cases (e.g., safety information and operating procedures), the documentation is a critical requirement of the rule, providing the basis for other rule elements. The documentation is also important to provide a basis for the facility's ability to ensure implementation (e.g., training and maintenance records), to audit compliance, and to review past activities. Furthermore, records of past

analyses can limit the burden of updates by reducing the need to repeat analyses for elements that are unchanged since the previous review.

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

#### **3(a) Nonduplication**

**RMPs.** Some sources may have submitted information to EPA Headquarters or the Regions under other regulations (e.g., Form R or Resource Conservation and Recovery Act (RCRA) Biennial Reports) that appears similar to the information requested in the registration form under these regulations. However, not all of the information in the RMP registration section, and almost none of the information in the prevention program and hazard assessment sections of the RMP are submitted to EPA under other regulations. The Emergency Planning and Community Right-to-Know Act (EPCRA) Section 312 Tier II forms, include some information similar to that in the RMP registration form, but are submitted only to states and local planning authorities, not EPA. Therefore, for EPA to best comply with the Act, it is most beneficial if the information requested for registration is submitted in a concise and organized format, along with prevention program, hazard assessment, and emergency response program information, using the RMP form.

**Public Information.** Most of the information that facilities would be required to make available to the public is part of the RMP or required to be available to employees under OSHA standards. Some of the information is also available on the Internet through non-governmental websites, though not in a single location. Much of the information is also submitted to LEPCs under both the Risk Management Program rule and the EPCRA rule. The information relating to emergency response exercises is new information associated with proposed new requirements for exercises.

**Confidential Business Information (CBI).** Some sources may have submitted substantiation of CBI claims for chemical identity or other information to EPA Headquarters or the Regions under other regulations that is similar to the information requested under these regulations. For EPA to best comply with the Act and most effectively evaluate such claims, it is most beneficial if the CBI substantiation accompanies the submission of the RMP.

#### **3(b) Consultations**

EPA published a request for information (RFI) on potential regulatory amendments on July 31, 2014 (79 FR 44604). EPA received a total of 579 public comments on the RFI.

#### **3(c) Public Notice**

In compliance with the Paperwork Reduction Act (44 U.S.C. 3501 et seq.), the Agency will notify the public through a Federal Register notice of the proposed rule.

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

Sources are required to register and submit an RMP only once every five years, unless there are significant changes in the information provided. There is a statutory requirement for sources to register, submit, and update an RMP. Under the proposed rule, information would be made available to the public annually, but if the basic information does not change, little or no effort would be required to update it. The summary information that would be provided to the LEPCs would reflect the required schedule of activities and would be provided only upon request and updated only when the activity being summarized occurred. Coordination with the local responders would occur annually; less frequent coordination could result in new responders being unaware of hazards at the facility and current responders being uninformed about changes at the facility. For responding facilities, notification and tabletop exercises would occur annually, with field exercises to replace the tabletop exercise once every five years (and within one year

of an RMP reportable accident). Less frequent exercises could result in outdated emergency response contact information; personnel unacquainted with emergency response requirements; and poor response capability at the time of an accidental release.

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

CAA section 112(r)(7)(B)(iii) requires that sources update their RMPs periodically. To maintain consistency with OSHA PSM requirements, the Risk Management Program rule requires sources to update process hazard analyses (PHA) and hazard assessments every five years. Thus, sources are required to maintain such documentation for five years (and in the case of the PHA, for the life of the covered process), which is greater than the three years specified in OMB's general guidelines.

### **3(f) Confidentiality and Sensitive Questions**

#### **(i) Confidentiality**

Some of the elements mandated in the Risk Management Program rule may require the submittal of data viewed as proprietary, trade secret, or confidential. As described above, EPA has adopted procedures for sources to claim certain information as CBI.

#### **(ii) Sensitive Questions**

No questions of a sensitive nature are included in any of the information collection requirements. The information submitted in an RMP includes information on a source's hazard assessment, prevention program, and emergency response program, and the information submitted in support of a petition to modify the list of regulated substances includes toxicity data and accident history data. The ICR under the EPA rulemaking is in compliance with the Privacy Act of 1974 and OMB Circular A-108.

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

### **4(a) Respondents/North American Industry Classification System (NAICS) Codes**

#### **Risk Management Programs and Plans**

The accidental release prevention program under the CAA was developed for sources that manufacture, react, mix, store, or use regulated substances in processes that require equipment designed, constructed, installed, operated, or maintained in specific ways to prevent accidental releases and ensure safe operations. The CAA requires sources to comply with the regulations if they have more than a threshold quantity of a listed regulated substance in a process. Based on submissions of RMPs, the rule applies to manufacturers (i.e., sources categorized in NAICS codes 31-33), as well as some non-manufacturers, including federal sources, utilities (NAICS code 221: electric utilities, drinking water systems, wastewater treatment works), warehouses, large ammonia refrigeration systems (e.g., food processors and distributors), wholesalers, ammonia retailers, and gas processors.

As of December 2015, approximately 12,500 sources are currently subject to 40 CFR part 68 requirements. All sources would be respondents for one or more of the provisions of the proposed rule.

#### **4(b) Information Requested**

Data requirements and respondent activities would vary by program level and NAICS code. P1 sources would require the least amount of data and time from respondents, while P3 sources in NAICS 322 (paper manufacturing), 324 (petroleum and coal products manufacturing), and 325 (chemical manufacturing) would have the most requirements. Responding facilities (i.e., those that have complied with the emergency response program requirements of §68.95) would incur higher burdens than those that

rely on public responders.

**(i) Data Items**

All sources would need to become familiar with the rule and provide information to the public. All P2 and P3 sources would be required to meet with public response agencies to coordinate emergency response plans and would have to check the information on their emergency notification lists annually. All sources would also have to prepare summary information on chemical hazards at the source and on certain activities as they occur (e.g., audits, incident investigations, STAA, etc.), update the information annually, and provide it to LEPCs upon request. Sources would be required to hold a public meeting within 30 days of any RMP-reportable accident. Sources that experience an RMP reportable accident would also need to conduct and document a root cause analysis and hire a third-party to conduct the next scheduled compliance audit. Sources that experience a near miss are required to conduct and document an incident investigation – required under current regulations but often not implemented - and would be required to conduct a root cause analysis. Responding sources would be required to conduct and document emergency response exercises annually. The P3 sources with processes in NAICS 322, 324, and 325 would be required to conduct and document a STAA as part of the PHA (once every 5 years).

Sources that convert to being responders, either because the local responders are not capable of responding to releases of the regulated substances held or because the local response agencies request that the owner or operator respond, would have to develop an emergency response program, conduct emergency response exercises, and provide information to the local authorities on the exercises.

**(ii) Respondent Activities**

**Rule Familiarization**

All sources are expected to spend time to read and understand the new requirements when the rule is promulgated.

**Prevention Program Activities**

*Third Party Audits.* P2 and P3 sources that have an RMP reportable accident would be required to hire an independent third party to conduct the next compliance audit. The burden for source staff to prepare for and support the auditor is covered in the existing ICR for Part 68. The burden for staff to draft a contract with an auditor is accounted for in this ICR. In addition, this ICR includes the actual contract value with the third party auditor.

*Root Cause and Near Miss Investigations.* P2 and P3 sources that have an RMP reportable accident would be required to conduct a root cause analysis as part of the incident investigation already required by Part 68. Sources that experience a near miss are required to conduct and document an incident investigation – required under current regulations but often not implemented - and would be required to conduct a root cause analysis and document findings and actions taken in response to findings. Some sources would need to hire an expert trained in the root cause analysis methodology to conduct these analyses.

*STAA.* P3 sources in NAICS 322, 324, and 325 would be required to conduct a STAA and assess the feasibility of implementing any inherently safer technologies considered. Sources would be required to document the analyses and feasibility determinations.

**Emergency Response Activities**

*Coordination Activities.* All P2 and P3 sources would be required to coordinate with local response agencies annually to share information and coordinate emergency response plans.

*Notification Drills.* All P2 and P3 sources would be required to verify the accuracy of the contact information on the emergency notification lists (e.g., local responders, State and Federal agencies, mutual aid groups) to ensure that the information is current and correct.

*Emergency Response Exercises.* All P2 and P3 responding facilities would be required to plan for and conduct an annual emergency response exercise, including developing any materials that the response team would use, carrying out the exercise, documenting lessons learned and recommendations in an after action report, and documenting a schedule to resolve recommendations.

### **Information Disclosure Activities**

*Disclosure to the Public.* All sources would be required to collect basic chemical hazard information (mostly from the RMP) and safety data sheets used to inform employees of hazards and annually make the information available to the public through websites, other publications, posting at public locations, etc.

*Disclosure to the LEPC.* All sources would be required to draft summaries of certain activities as they occur (compliance audits, incident investigations, STAA, exercises), update the information annually, and make the information available to the LEPC upon request.

*Public Meeting.* Sources would be required to hold a public meeting within 30-days of any RMP-reportable accident.

## **5. THE INFORMATION COLLECTED — AGENCY ACTIVITIES, COLLECTION METHODOLOGY, AND INFORMATION MANAGEMENT**

### **5(a) Federal, State, and Local Government Activities**

#### **Burden to State and Local Agencies and Others**

LEPCs and other local responders would incur some burden for rule familiarization and to review information submitted to them by regulated sources. Also, 14 State and local agencies that have received a delegation of authority from EPA to oversee implementation of 40 CFR part 68 requirements in their jurisdiction would incur a burden for rule familiarization. The burden for these activities is accounted for in section 6(a) of this ICR.

#### **Burden to the Federal Government**

EPA is not expected to incur any additional burden as a result of the proposed rule (see section 6(c) for additional discussion).

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

The proposed rule would not dictate how information must be provided or maintained. Sources may create and maintain required information electronically.

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

The burden of the proposed rule requirements generally would increase as the size and complexity of the covered source increases, but the proposed rule would not specifically provide relief for small entities. The existing rule, which the proposed rule will modify, already includes several measures to reduce the burden to small entities. For example, EPA has developed industry-specific guidance documents to help smaller sources comply with the rule, and these documents will be updated to incorporate any provisions of the proposed rule that are finalized.

Also, the RMP online reporting system (RMP\*eSubmit) reduces burden for small entities since

the information reported is easily available to make any changes and resubmit online rather than printing and/or mailing information with changes.

### 5(d) Collection Schedule

The information provided would vary based on the provision.

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

The unit burden applied to various sectors is based on the size of the sources and on the number and complexity of the processes at the sources in each sector.

### 6(a) Respondent Burden

This section provides estimates of the respondent hourly burden associated with the information collected requirements covered in this ICR. The section includes burden hours by labor type per respondent, as well as the overall burden hours for all respondents.

#### Respondent Burden for Rule Familiarization

This analysis assumes that rule familiarization will only occur in year 1.

**Table 1: Rule Familiarization (in Hours)**

Facility Type	Total # of Affected Facilities	Mgr.	Corp Mgr.	Atty.	Eng.	Prod. Staff	LEPC	Total Labor Burden
Simple	10921	2	0	0	0	0	0	21,842
P1 and 2 Complex	145	2	0	0	0	0	0	290
P3 Complex	1476	4	0	0	0	0	0	5,904
Local Government	1724	0	0	0	0	0	1	1,724
Implementing Agencies	14	4	0	0	0	0	0	56
<b>Total</b>	<b>14,280</b>							<b>29,816</b>

#### Respondent Burden for Third Party Audits

This analysis assumes that 10% of the overall burden hours<sup>1</sup> are devoted to information collection.

**Table 2: Third-Party Audits (in Hours)**

Facility Type	Total # of Affected Facilities	Mgr.	Corp Mgr.	Atty.	Eng.	Prod. Staff	LEPC	Total Labor Burden
Simple <20 FTE	19	32	0	4	0	0	0	684
Simple 20-99 FTE	15	44	0	4	18	0	0	990
Simple 100+ FTE	39	30	0	4	56	0	0	3,510
Complex < 20	3	32	0	4	0	0	0	108
Complex 20-99	13	44	0	4	18	0	0	858
Complex 100+	53	30	0	4	56	0	0	4,770
Small Government	3	30	0	0	25	0	0	165
Large Government	4	60	0	0	39	0	0	396
<b>Total</b>	<b>149</b>							<b>11,481</b>

<sup>1</sup> As reported in the regulatory impact analysis for the RMP modernization rule. See Regulatory Impact Analysis – Accidental Release Prevention Requirements: Risk Management Programs Under the Clean Air Act, Section 112(r) (7), December 2015.

### **Respondent Burden for Incident Investigation and Root Cause Analysis**

This provision assumes that 10% of the overall hours are devoted to information collection.

**Table 3: Incident Investigation and Root Cause Analysis (in Hours)**

Facility Type	Total # of Affected Facilities	Mgr.	Corp Mgr.	Atty.	Eng.	Prod. Staff	LEPC	Total Labor Burden
P2 Near Miss - simple	5	0.6	0	0	0.4	0.4		7
P2 Near Miss - complex	1	1.2	0	0	3.6	2.4		7
P3 Near Miss - simple	75	0.6	0	0	0.4	0.4		105
P3 Near Miss - complex	68	1.2	0	0	3.6	2.4		490
P2 Accidents - simple	5	0	0	0	0.4	0.4		4
P2 accidents - complex	1	0	0	0	4.8	0		5
P3 accidents - simple	75	0	0	0	0.4	0.4		60
P3 accidents - complex	68	0	0	0	4.8	0		326
<b>Total</b>	<b>298</b>							<b>1,004</b>

### **Respondent Burden for STAA**

This provision assumes that 10% of the overall hours are devoted to information collection. Facilities are estimated to complete a STAA every five years.

**Table 4: STAA (in Hours)**

Facility Type	Total # of Affected Processes	Mgr.	Corp Mgr.	Atty.	Eng.	Prod. Staff	LEPC	Total Labor Burden
Paper and Small/Medium Complex	1783	0	1.6	0	25.2	0	0	8,986
Large Complex	2514	0	2.4	0	60.8	0	0	30,570
<b>Total</b>	<b>4,297</b>							<b>39,557</b>

### **Respondent Burden for Coordination Activities**

**Table 5: Coordination Activities (in Hours)**

Facility Type	Total # of Affected Facilities	Mgr.	Corp Mgr.	Atty.	Eng.	Prod. Staff	LEPC	Total Labor Burden
Simple	10345	4	0	0	0	0	4	82,760
Complex	1555	4	0	0	0	0	4	12,440
<b>Total</b>	<b>11900</b>							<b>95,200</b>

### **Respondent Burden for Notification Drills**

**Table 6: Notification Drills (in Hours)**

Facility Type	Total # of Affected Facilities	Mgr.	Corp Mgr.	Atty.	Eng.	Prod. Staff	LEPC	Total Labor Burden
Simple	10345	0	0	0	2	0	0	20,690
Complex	1555	0	0	0	2	0	0	3,110
<b>Total</b>	<b>11900</b>							<b>23,800</b>

### **Respondent Burden for Exercises**

This provision assumes that only management time will be considered information collection, in order to develop the exercise plan and after action report. The analysis estimates that facilities will conduct a tabletop exercise in four out of five years and a field exercise in one out of five years.

**Table 7: Exercises (in Hours)**

Facility Type	Total # of Affected Facilities	Mgr.	Corp Mgr.	Atty.	Eng.	Prod. Staff	LEPC	Total Labor Burden
Simple Responding <20 FTE	1640	25.2	0	0	0	0	0	41,328
Simple Responding 20-99 FTE	880	32.8	0	0	0	0	0	28,864
Simple Responding 100+ FTE	1467	64.4	0	0	0	0	0	94,475
Complex Responding <20	141	25.2	0	0	0	0	0	3,553
Complex Responding 20-99	459	32.8	0	0	0	0	0	15,055
Complex Responding 100+	533	94.4	0	0	0	0	0	50,315
<b>Total</b>	<b>5120</b>							<b>233,590</b>

### **Respondent Burden for Public Disclosure**

**Table 8: Public Disclosure (in Hours)**

Facility Type	Total # of Affected Facilities	Mgr.	Corp Mgr.	Atty.	Eng.	Prod. Staff	LEPC	Total Labor Burden
Small Complex	565	2	0	0	2	0	2	3,390
Large Complex	1056	8	0	0	8	0	4	21,120
Simple	10921	1	0	0	1	0	1	32,763
<b>Total</b>	<b>12542</b>							<b>57,273</b>

### **Respondent Burden for LEPC Disclosure**

This provision requires information to be prepared and updated annually, and submitted to the LEPC upon request. The analysis assumes that all regulated facilities will incur an information collection burden for preparing and updating the information, whether or not they receive a request for it from their LEPC or local emergency response officials.

**Table 9: LEPC Disclosure (in Hours)**

Facility Type	Total # of Affected Facilities	Mgr.	Corp Mgr.	Atty.	Eng.	Prod. Staff	LEPC	Total Labor Burden
Accident History - Simple	372	0.5	0.5	0.5	1	0	0	930
Accident History - Complex	350	1	1	1	1	0	0	1,400
Audit Report - Simple	3448	2	2	2	4	0	0	34,483
Audit Report - Complex	518	4	4	4	8	0	0	10,367
Investigation Reports - Simple	372	4	4	2	4	0	0	5,208
Investigation Reports - Complex	350	8	4	8	12	0	0	11,200
STAA – Simple (processes)	357	4	4	4	4	0	0	5,706
STAA – Complex (processes)	503	8	4	8	16	0	0	18,101
Exercises - Simple	3987	2	1	1	4	0	0	31,896
Exercises - Complex	1133	2	2	2	8	0	0	15,862
LEPC Review – Simple	10,921	0	0	0	0	0	1	10,921
LEPC Review – Small Complex	565	0	0	0	0	0	1	565
LEPC Review – Large Complex	1,056	0	0	0	0	0	1	1,056
<b>Total</b>								<b>147,694</b>

### **Respondent Burden for Public Meetings**

The ICR estimates that affected facilities will conduct a public meeting within 30-days of an RMP reportable accident.

**Table 10: Public Meetings (in Hours)**

Facility Type	Total Affected Facilities	Mgr.	Corp Mgr.	Atty.	Eng.	Prod. Staff	LEPC	Total Labor Burden
Simple	82	8	0	0	8	4	0	1,636
Complex	70	16	0	0	16	8	0	2,796
<b>Total</b>	<b>152</b>							<b>4,432</b>

### **6(b) Estimating Respondent Costs (Sources & Local Responders)**

Exhibit 1 provides estimates of the annual respondent costs associated with the information collection requirements covered in this ICR. These costs are based on the cost of labor and equipment.

**(i) Estimating Labor Costs**

The Agency used the Bureau of Labor Statistics (BLS) May 2014 Occupational Employment and Wage Estimates<sup>2</sup> to construct a weighted wage rate for different occupation categories. For all rule provisions, labor hours were assumed to be distributed across six general labor categories: Management, Corporate Management, Attorneys, Engineers, Production Staff, and Local Responders. The weighted wage rates for complex facilities (NAICS codes 324 and 325) were estimated separately from simple facilities because wages paid by these facilities are higher than in wholesale and government sectors, which dominate the simple facilities category. For each of the NAICS codes representing industries in the simple facilities category that are affected by the proposed rule provisions (Food and Beverage, Agricultural Facilities, etc.), standardized BLS Occupation Titles were identified to match the general labor categories (Management, Corporate Management, Attorneys, Engineers, Production Staff, and Local Responders). The wage rates for each BLS Occupation Title were multiplied by a fringe benefits factor of 1.5 to create a loaded wage rate.<sup>3</sup>

After loaded wage rates were established for each industry, they were combined to form a weighted average based on how prominent each industry was within its universe of facilities, either simple or complex. Table 11 presents the wage rates.

**Table 11: Weighted-Average Loaded Hourly Wage Rates (2014 Dollars)**

<b>Labor Category</b>	<b>Simple Facilities</b>	<b>Complex Facilities</b>
Management	\$74.99	\$99.64
Corporate Management	\$82.47	\$100.71
Attorneys	\$101.81	\$113.33
Engineers	\$55.22	\$76.21
Production Staff	\$28.51	\$41.56
Local Responders	\$53.43	\$53.43

Using the total burden hours discussed in Section 6(a) and the hourly labor costs outlined in this section, Exhibit 1 illustrates the labor costs associated with the information collection requirements covered in this ICR.

**(ii) Estimating Capital and Operations and Maintenance (O&M) Costs**

Capital costs usually include any produced physical good needed to provide the needed information, such as machinery, computers, and other equipment. EPA does not anticipate that respondents will incur capital costs in carrying out the information collection requirements covered in this ICR.

O&M costs are those costs associated with a paperwork requirement incurred continually over the life of the ICR. They are defined by the Paperwork Reduction Act of 1995 as “the recurring dollar amount of costs associated with O&M or purchasing services.” For this ICR, EPA estimates that simple facilities would need to spend \$1,000 on contracting with a consultant to conduct the incident investigation. Further, EPA estimates that facilities would need to expend \$550 to rent a meeting room to host the public meeting.

**Respondent Costs for Third Party Audits**

The existing rule requires P2 and P3 facilities to conduct a compliance audit at least once every

<sup>2</sup> See [http://www.bls.gov/oes/current/oes\\_nat.htm](http://www.bls.gov/oes/current/oes_nat.htm).

<sup>3</sup> The benefits multiplier is based on an average for the sectors as estimated by BLS in its Employer Costs for Employee Compensation. BLS includes items such as sick leave and vacation as benefits.

three years. The proposed provision requires facilities that have had RMP reportable accidents to contract with an independent third party to conduct the audit. The analysis estimated the cost of hiring a third party to conduct the audit based on the public comments that EPA received through the July 31, 2014, RFI. Of the 14 comments providing input on the economic impacts of the legislation, several comments specifically provided point estimates for the cost of hiring a third-party auditor.<sup>4</sup> These estimates ranged between \$10,000 and \$20,000 for simpler facilities and up to \$40,000 for larger facilities. The cost estimate calculations assumed \$15,000 for simple and small government facilities and \$40,000 for complex and large government facilities. These cost calculations are presented in Table 12.

**Table 12: Third Party Audit Contract Costs (2014 Dollars)**

<b>Facility Category</b>	<b>Affected Facilities</b>	<b>Cost</b>	<b>Facility Total</b>
Simple <20 FTE	19	\$15,000	\$285,000
Simple 20-99 FTE	15	\$15,000	\$225,000
Simple 100+ FTE	39	\$15,000	\$585,000
Complex < 20	3	\$40,000	\$120,000
Complex 20-99	13	\$40,000	\$520,000
Complex 100+	53	\$40,000	\$2,120,000
Small Government	3	\$15,000	\$45,000
Large Government	4	\$40,000	\$160,000
<b>Total</b>	<b>149</b>		<b>\$4,060,000</b>

These expenses are considered incremental to the costs for compliance audits that are covered in the original rule, as similar levels of facility staffing would be required to work with the third-party auditor (i.e., EPA does not expect the cost of the third-party auditor to be offset by cost savings from reduced staff levels of effort related to auditing).

**6(c) Estimating Agency Burden and Cost**

Information relating to certain proposed rule provisions would be incorporated into sources' RMPs, which are submitted to the Agency at least every five years. The information collection burden and costs associated with Agency operations and maintenance of the RMP reporting system and RMP database, and with review of sources' RMPs and on-site documentation are accounted for in the existing approved ICR. Therefore, the Agency is not expected to incur any additional information collection burden or cost as a result of the proposed rule.

The burden associated with State and local implementing agencies' review of sources' RMPs and on-site documentation is accounted for in the existing approved ICR. State and local implementing agencies will incur some burden for rule familiarization. This burden has been included in the rule familiarization row in Table 1.

**6(d) Estimating the Respondent Universe and Total Burden and Costs**

In this section, EPA first describes the respondent universe affected by the information collection requirements under the proposed rule.

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<sup>4</sup> See comments 0638 and 0667 – These two comments from industry specifically provided point estimates on the costs of third party audits. One comment placed the cost of the audit between \$36,000 and \$40,000 and the other placed the estimates at approximately \$10,000 based on membership experience.

## **Respondent Universe**

Table 13 presents the annual number of respondents subject to the new information collection requirements under the proposed rule.

**Table 13: Annual Number of Respondents Subject to New Information Collection Requirements under the Proposed Rule**

<b>Sector</b>	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>Totals</b>
NAICS 311 Food Manufacturer	3	11	1,371	1,385
NAICS 312 Beverage/Ice	0	0	91	91
NAICS 322 Pulp and Paper	1	1	68	70
NAICS 324 Petroleum	13	3	140	156
NAICS 325 Chemical	53	64	1,349	1,465
Other Manufacturing	62	73	249	384
NAICS 4246 Chemical Distributors	6	0	327	333
NAICS 4247 Petroleum Distributors	14	0	262	276
NAICS 11, 12, 15, 42491 Agricultural	10	0	3,657	3,667
NAICS 211 Oil and Gas Exploration	310	41	390	741
NAICS 2213 Water/Wastewater*	1	10	91	102
NAICS 221, 222 Utilities	38	72	233	343
NAICS 493 Warehousing	70	0	986	1,056
NAICS 423, 424 Other Wholesale	5	0	297	302
NAICS 92 Governments	15	935	973	1,923
Other	41	62	144	248
<b>Total</b>	<b>642</b>	<b>1,285</b>	<b>10,615</b>	<b>12,542</b>
State and local agencies (for Rule Familiarization)				1,738
<b>*Except government owned which appear as NAICS 92 Government.</b>				

**6(e) Bottom Line Burden Hours and Costs**

Table 14 presents the bottom line burden hours and costs. The total number of respondents includes all regulated facilities (12,542), all LEPCs associated with a regulated facility (1,724), and 14 delegated state and local implementing agencies or 14,280 total respondents.

**Table 14: Yearly Total for Labor Burden, Labor Costs, and Other Costs**

Provision	Total Respondents	Total Labor Burden	Labor Costs	Other Costs
Rule Familiarization	14,280	29,816	\$2,351,330	
Third-party Audit	149	11,481	\$759,795	\$4,060,000
Root Cause Analysis	298	1,004	\$68,263	\$160,000
STAA	325	39,557	\$3,014,706	
Coordination Activities	13,624	95,200	\$6,265,952	
Notification Drills	11,900	23,800	\$1,379,540	
Exercises	5,120	233,590	\$22,671,083	
Public Disclosure	14,266	57,273	\$3,975,883	
LEPC Disclosure	14,266	147,694	\$11,741,335	
Public Meeting	152	4,432	\$314,448	\$83,435
<b>Year 1 Total</b>		643,847	\$52,542,334	\$4,303,435
<b>Year 2 Total</b>		614,031	\$50,191,005	\$4,303,435
<b>Year 3 Total</b>		614,031	\$50,191,005	\$4,303,435
<b>Yearly Average</b>		623,970	\$50,974,781	\$4,303,435

Annual	Respondents	Responses	Non-labor Cost	Hours
Private	12,542	59,109	\$4,303,435	546,959
States	1,738	5,751	\$0	77,010
<b>Total</b>	<b>14,280</b>	<b>64,860</b>	<b>\$4,303,435</b>	<b>623,969</b>

**Burden Statement:** The annual public reporting and recordkeeping burden for this collection of information is estimated to average about 10 hours per response. 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 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-OEM-2015-0725, which is available for online viewing at [www.regulations.gov](http://www.regulations.gov), or in person viewing at 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 Office of Land and Emergency Management (OLEM) 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, 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-OEM-2015-0725 and OMB Control Number 2050-NEW in any correspondence.