INFORMATION COLLECTION REQUEST (ICR)

ENVIRONMENTAL PROTECTION AGENCY

STRATOSPHERIC OZONE PROTECTION

SUPPORTING STATEMENT PART A

1. Identification of the Information Collection

a) Title: Reporting and Recordkeeping Requirements of the HCFC Allowance System

OMB Number: 2060-0498

EPA ICR Number: 2014.07

b) Short Characterization:

The international treaty *The Montreal Protocol on Substances that Deplete the Ozone Layer* (Protocol) and Title VI of the Clean Air Act Amendments (CAAA) established limits on total U.S. production, import, and export of class I and class II controlled ozone depleting substances (commonly referred to as "controlled substances).

Under the commitments agreed to under the Protocol, the United States was obligated to cease production and import of class I controlled substances (e.g., chlorofluorocarbons or CFCs) with exemptions for essential uses, critical uses, previously-used material, and material that is transformed, destroyed, or exported to developing countries. The Protocol also establishes limits and reduction schedules leading to the eventual phaseout of class II controlled substances (i.e., hydrochlorofluorocarbons or HCFCs).

The U.S. is obligated to limit HCFC consumption (defined by the Protocol as production plus imports, minus exports). The schedule called for a 35 percent reduction on January 1, 2004, followed by a 75 percent reduction on January 1, 2010, a 90 percent reduction on January 1, 2015, a 99.5 percent reduction on January 1, 2020, and a total phaseout on January 1, 2030

To ensure U.S. compliance with these limits and restrictions, EPA established an allowance system to control U.S. production and import of HCFCs by granting control measures referred to as baseline and calendar-year allowances. Baseline allowances are based on the historical activity of individual companies. Calendar-year allowances grant companies the ability to produce and/or import a limited quantity of HCFCs in a given year and are reflected as a percentage of baseline allowances. There are two types of baseline and calendar-year allowances: consumption and production allowances. Since each allowance is equal to 1 kilogram of HCFC, EPA is able to monitor the quantity of HCFCs being produced, imported and exported. Transfers of production and consumption allowances among producers and importers are allowed and are tracked by EPA.

The above-described limits and restrictions are monitored by EPA through the recordkeeping and reporting requirements established in the regulations in 40 CFR part 82, subpart A. To submit required information, regulated entities can download reporting forms from EPA's web site (http://www.epa.gov/ozone/record.index.html), complete them, and send them to EPA electronically, via mail, courier, or fax. Almost all of the large regulated companies use the EPA reporting forms.

Upon receipt of the reports, the data is entered into the Ozone Depleting Substance (ODS) Tracking System. The ODS Tracking System is a secure database that maintains the data submitted to EPA and helps the agency: (1) maintain oversight over total production and consumption of controlled substances; (2) monitor compliance with limits and restrictions on production, imports, and trades and specific exemptions from the phaseout for individual U.S. companies; (3) enforce against illegal imports; and (4) assess, and report on, compliance with the U.S. phasedown caps established under the Montreal Protocol.

EPA has implemented an electronic reporting system through the agency's Central Data Exchange (CDX) that allows regulated entities to prepare and submit data electronically. Coupled with the widespread use of the standardized forms, electronic reporting has improved data quality and made the reporting process efficient for both reporting companies and EPA. Most reports that are submitted to the agency are done so electronically.

Pursuant to regulations in 40 CFR part 2, subpart B, reporting businesses are entitled to assert a business confidentiality claim covering any part of the submitted business information as defined in 40 CFR 2.201(c). EPA's practice is to manage the reported information as confidential business information.

Based on our records, the information collection requirements affect 40 respondents. We estimate the total average annual industry burden and cost as 1,434 hours and $153,264.

Terms of Clearance

No Terms of Clearance were issued when OMB last approved the ICR.

2. Need For, and Use Of, the Collection

a) Authority for the Collection

This information collection is authorized under section 603(b) of the Clean Air Act Amendments and is necessary to meet information collection obligations under Article 7 of the Montreal Protocol. Excerpts from these documents are as follows.

CAAA 603(b) Production, import, and export level reports

On a quarterly basis, each person who produced, imported, or exported a class I or class II controlled substance shall file a report with the Administrator setting forth the amount of the substance that such person produced, imported, and exported during the preceding reporting

period. Each report shall be signed and attested by a responsible officer. No report shall be required from a person after April of the calendar year after such person permanently ceases production, importation, and exportation of the substance and so notified the Administrator in writing.

Article 7 of the Montreal Protocol on Substances that Deplete the Ozone Layer: Reporting of data

1. Each Party shall provide to the Secretariat, within three months of becoming a Party, statistical data on its production, imports and exports of each of the controlled substances in Annex A for the year 1986, or the best possible estimates of such data where actual data are not available.

2. Each Party shall provide to the Secretariat statistical data on its production, imports and exports of each of the controlled substances

- In Annex B and Groups I and II of Annex C for the year 1989;
- In Annex E, for the year 1991,

or the best possible estimates of such data where actual data are not available, not later than three months after the date when the provisions set out in the Protocol with regard to the substances in Annexes B, C and E respectively enter into force for that Party.

3. Each Party shall provide to the Secretariat statistical data on its annual production (as defined in paragraph 5 of Article 1) of each of the controlled substances listed in Annexes A, B, C and E and, separately, for each substance:

- Amounts used for feedstocks,
- Amounts destroyed by technologies approved by the Parties, and
- Imports from and exports to Parties and non-Parties respectively,

for the year during which provisions concerning the substances in Annexes A, B, C and E respectively entered into force for that Party and for each year thereafter. Each Party shall provide to the Secretariat statistical data on the annual amount of the controlled substance listed in Annex E used for quarantine and pre-shipment applications. Data shall be forwarded not later than nine months after the end of the year to which the data relate.

3. Each Party shall provide to the Secretariat separate statistical data of its annual imports and exports of each of the controlled substances listed in Group II of Annex A and Group I of Annex C that have been recycled.

4. For Parties operating under the provisions of paragraph 8 (a) of Article 2, the requirements in paragraphs 1, 2, 3 and 3 bis of this Article in respect of statistical data on imports and exports shall be satisfied if the regional economic integration organization concerned provides data on imports and exports between the organization and States that are not members of that organization.

b) Practical Utility/Users of the Data

The reporting and recordkeeping requirements for class II controlled substances enable EPA to:

1) Ensure compliance with the restrictions on production, import and export of controlled substances;
2) Allow exempted production and import for certain uses and the tracking of that production and import;
3) Address federal concerns regarding the illegal import of controlled substances;
4) Satisfy U.S. obligations under the Montreal Protocol to report data annually to the Ozone Secretariat, as listed in Article 7 of the Protocol;
5) Fulfill statutory obligations under Section 603(b) of the CAAA for reporting and monitoring; and
6) Provide information to report to Congress on the production, use and consumption of class II controlled substances as required in Section 603(d) of the CAAA.

The information reported to EPA is entered into an electronic tracking system to ensure companies do not exceed their allowances and to guarantee the U.S. does not violate its obligations under the Protocol. Thus, the information is used for compliance monitoring for individual companies and for monitoring U.S. compliance with the obligations under the Protocol.

EPA and Customs and Border Protection (CBP) are concerned about fraudulent imports of controlled substances that are mislabeled as used, recycled, or reclaimed. To this end, EPA established a petition process to provide information for controlling the import of these materials and act as a deterrent to potential fraud. Under 40 CFR 82.24(c)(3), companies that wish to import used, recycled or reclaimed controlled substances must provide detailed information about the previous use and intended use of the material.

As a specific example of the use of the data, EPA works closely with CBP to combat the import of controlled substances that are illegally imported into the United States. EPA provides CBP with information identifying controlled substances that are prohibited and/or restricted from being imported, and requests that CBP contact EPA if there are questions regarding the legality of a shipment. When a shipment arrives at the border containing a controlled substance that is prohibited, CBP either contacts EPA to request additional guidance or takes enforcement action.

3. Nonduplication, Consultations, and Other Collection Criteria

a) Nonduplication

None of the information requested from respondents under this ICR is available from other sources because it is proprietary information submitted solely in response to CAAA 603(b).

b) Public Notice Required Prior to ICR Submission to OMB

In compliance with the Paperwork Reduction Act of 1995, EPA issued a public notice in the Federal Register on December 9, 2015. No comments were received.

c) Consultations

The recordkeeping and reporting requirements were established in the original HCFC allowance system rule promulgated January 21, 2003 (68 FR 2820). Prior to that rule, in 1998, EPA conducted two stakeholder meetings for members of the industry about the HCFC allowance system. In preparation for the 2010 reduction in HCFC production and consumption, EPA analyzed the future servicing needs for HCFC equipment and refined that analysis using stakeholder input from meetings held on September 29, 2006 and June 16, 2008.

EPA's report, *The U.S. Phaseout of HCFCs: Projected Servicing Needs in the U.S. Air-Conditioning and Refrigeration Sector* ("the Servicing Tail Report"), assessed the demand for HCFCs in 2010 and beyond. The first version of the Servicing Tail Report was released in November 2005 and announced via a Federal Register Notice of Data Availability (NODA) on November 4, 2005 (70 FR 67172). Comments received on the NODA were considered and a second version was released in September 2006. This version was distributed at a September 29, 2006 stakeholder meeting, where the results were summarized and information on regulations under consideration was provided. Many of the assumptions made to model the demand for HCFC-22 were presented to the Air-Conditioning, Heating and Refrigeration Institute (AHRI) in April 2007, and based on feedback received, the assumptions were revised. A presentation on the results of the analysis was given January 30, 2007 at the winter meeting of the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE). Comments provided on the second version were considered and a third version was released in June 2008. Another stakeholder meeting was held June 16, 2008 where the results of the analysis were presented and additional information regarding regulations under development was provided. A summary of the June 16, 2008 stakeholder meeting is in the docket EPA-HQ-OAR-2009-0496. The final version of the report concentrates on the most widely used HCFC (HCFC-22) in the sector where it is most used (refrigeration and air-conditioning).

This information was used in preparing the proposed, and then final "2009 Allocation Rule," (73 FR 78680 and 74 FR 66412). This rule provided production and consumption allowances for HCFC-22 and other HCFCs for the years 2010 through 2014. However, the baselines and calendar year allowances for HCFC-22 and HCFC-142b were vacated by the U.S. Court of Appeals for the District of Columbia Circuit (Court) decision in *Arkema v. EPA* (618 F.3d 1, D.C. Cir. 2010). In response to the Court's partial vacatur of the 2009 Allocation Rule, EPA published an interim final rule issuing HCFC-22 and HCFC-142b production and consumption allowances for 2011. Following that interim final rule, EPA proposed (77 FR 237) and will finalize HCFC-22 and HCFC-142b baselines and calendar year allowances for 2012-2014. In the proposed rule, EPA took comment on an updated analysis of the HCFC-22 market and proposed to decrease the amount of allowed HCFC-22 consumption in 2012-2014.

Two companies were asked for their views on the burden associated with this information collection. The contacts responded that the burden estimates in the ICR were accurate:

Carol P. Hoffstein, The Chemours Company, LLC
Kenneth Neugebauer, Solvay Fluorides, LLC

d) Effects of Less Frequent Collection

Less frequent collection of data would compromise EPA's ability to fulfill the statutory requirement under section 603 of the CAAA to monitor production, import and export levels. Less frequent collection of information would hinder EPA's ability to identify a violation of the regulations. Our quarterly reporting requirements provide EPA the ability to resolve in a timely manner discrepancies in the data reported to us.

Less frequent reporting could put the United States in a non-compliance status under the Protocol. Quarterly reporting allows EPA the necessary time to take actions if production, import or export activities begin to exceed Protocol limits or the limits set in Section 605 of Title VI in the CAAA.

e) General Guidelines

Information collection performed under this clearance will follow all of OMB's General Guidelines regarding federal data collection.

f) Confidentiality

EPA informs respondents that they may assert claims of business confidentiality for any of the information they submit. Information claimed confidential is treated in accordance with the procedures for handling information claimed as confidential under 40 CFR Part 2, Subpart B, and will be disclosed only if EPA determines that the information is not entitled to confidential treatment. If no claim of confidentiality is asserted when the information is received by EPA, it may be made available to the public without further notice to the respondents (40 CFR 2.203).

g) Sensitive Questions

This section is not applicable because this ICR does not involve matters of a sensitive nature.

4. The Respondents and the Information Requested

a) Respondents/NAICS Codes

Table 1 list the NAICS code associated with producers, importers, exporters, transformers, and destroyers of HCFCs affected by the reporting and recordkeeping requirements covered under this ICR.

Table 1: NAICS Codes Associated with the ICR

Category	NAICS Code	Examples of Regulated Entities
Industrial Gas Manufacturing	325120	Chlorofluorocarbon gas manufacturing and import

b) Information Requested

EPA monitors the system of production allowances and consumption allowances for the production and import of class II controlled substances through quarterly and annual reports. Producers, importers, exporters and others identified in §82.16, §82.18, §82.20, §82.23, and §82.24 must maintain records for three years and also report information to EPA, as follows:

(i) Data Items

Producers (§82.24(b))

- The following information must be reported:
  - The quantity of production of each class II controlled substance used in processes resulting in their transformation by the producer and the quantity intended for transformation by a second party;
  - The quantity of production of each class II controlled substance used in processes resulting in their destruction by the producer and the quantity intended for destruction by a second party;
  - The expended allowances for each class II controlled substance;
  - The producer's total of expended and unexpended production allowances, consumption allowances, export production allowances, and Article 5 allowances at the end of that quarter;
  - The quantity of class II controlled substances sold or transferred during the quarter to a person other than the producer for use in processes resulting in their transformation or eventual destruction;
  - A list of the amounts and names of class II controlled substances, exported by the producer to a Party to the Protocol, that will be transformed or destroyed and therefore were not produced expending production or consumption allowances;
  - For transformation in the U.S. or by a person of another Party, one copy of a transformation verification from the transformer for a specific class II controlled substance and a list of additional quantities shipped to that same transformer for the quarter;
  - For destruction in the U.S. or by a person of another Party, one copy of a destruction verification for a particular destroyer, destroying the same class II controlled substance, and a list of additional quantities shipped to that same destroyer for the quarter;
  - A list of U.S. purchasers of class II controlled substances that exported to a Party to the Protocol in cases when export production allowances were expended during production;
  - A list of U.S. purchasers of class II controlled substances that exported to Article 5 countries in cases when Article 5 allowances were expended during production; and

- A list of HCFC 141b-exemption allowance holders from whom orders were received and the quantity of HCFC-141b requested and produced.

- The following records must be retained:
  - Dated records of the quantity of each class II controlled substance produced at each facility; produced and/or sold for use in processes that result in their transformation and/or destruction; produced with export production allowances or Article 5 allowances;
  - Copies of invoices or receipts documenting sale of class II controlled substances for use in processes that result in their transformation and/or destruction;
  - Dated records of the quantity of each class II controlled substance used at each facility as feedstocks or destroyed in the manufacture of a class II controlled substance or in the manufacture of any other substance, and any class II controlled substance introduced into the production process of the same class II controlled substance at each facility;
  - Dated records of the quantity of raw materials and feedstock chemicals used at each facility for the production of class II substances;
  - Dated records of the shipments of each class II controlled substance produced at each plant;
  - Records of the quantity of class II controlled substances, the date received, and names and addresses of the source of used materials containing class II controlled substances which are recycled or reclaimed at each plant;
  - Records of the date, the class II controlled substance, and the estimated quantity of any spill or release of a class II controlled substance that equals or exceeds 100 pounds;
  - Transformation verification in the case of transformation, or destruction verification, in the case of destruction, showing that the purchaser or recipient of a class II controlled substance, in the U.S. or in another country that is a Party, certifies the intent to either transform or destroy the class II controlled substance, or sell the class II controlled substance for transformation or destruction in cases when allowances were not expended;
  - Written verifications from a U.S. purchaser that the class II controlled substance was exported to a Party in cases where export production allowances and/or Article 5 allowances were expended to produce the class II substance; and
  - Written verifications from a U.S. purchaser that HCFC-141b was manufactured for the express purpose of meeting HCFC-141b exemption needs, in cases where HCFC-141b exemption allowances were expended to produce the HCFC-141b.

Importers (§82.24(c))

- The following information must be reported:
  - Summaries of the required records for the previous quarter (as described below);
  - The total quantity imported of each class II controlled substance for that quarter;
  - The commodity code for the class II controlled substances imported;
  - The quantity of those class II controlled substances imported that are used class II controlled substances;

- The quantity of class II controlled substances imported for that quarter and totaled by chemical for the control period to date;
- The importer's total sum of expended and unexpended consumption allowances by chemical as of the end of that quarter;
- The quantity of class II controlled substances imported for use in processes resulting in their transformation or destruction;
- The quantity of class II controlled substances sold or transferred during that quarter to each person for use in processes resulting in their transformation or eventual destruction;
- Transformation verifications showing that the purchaser or recipient of imported class II controlled substances intends to transform those substances or destruction verifications showing that the purchaser or recipient intends to destroy the class II controlled substances; and
- A list of the HCFC 141b-exemption allowance holders from whom orders were received and the quantity of HCFC-141b requested and imported.

- The following records must be retained:
  - The quantity of each class II substance imported, either alone or in mixtures, and the percentage of each mixture containing a class II substance;
  - The quantity of those class II controlled substances imported that are used and the information provided with the petition;
  - The quantity of class II controlled substances other than transhipments or used substances imported for use in processes resulting in their transformation or destruction;
  - The quantity of class II controlled substances other than transhipments or used substances imported and sold for use in processes that result in their destruction or transformation;
  - For each quantity of class II controlled substance imported: the date imported; the port of entry; the country from which the class II controlled substances were imported; the commodity code for the class II controlled substances shipped; the importer number for the shipment; a copy of the bill of lading; import invoices; quantity of imports of used class II controlled substances; and the U.S. Customs Summary Entry form;
  - Dated records of the sale or transfer of class II controlled substances for use in processes resulting in their transformation or destruction;
  - Copies of verification of transformation or destruction; and
  - Written verification from a U.S. purchaser that HCFC-141b was imported to meet HCFC-141b exemption needs, in cases where HCFC-141b exemption allowances were expended to import the HCFC-141b.

- The following information must be submitted in a petition for importing used Class II substances:
  - The name and quantity of the used class II controlled substance to be imported;
  - The name and address of the importer, the importer ID number, the contact person, and the phone and fax numbers;

- The name, address, contact person, (including phone number and email) of all previous source facilities from which the used class II controlled substance was recovered;
- A detailed description of the previous use of the class II controlled substance at each source facility and a best estimate of when the specific controlled substance was put into the equipment at each source facility, and, when possible, documents indicating the date the material was put into the equipment;
- A list of the name, make and model number of the equipment from which the material was recovered at each source facility;
- The name, address, contact person, (including phone number and email) of the exporter and of all persons to whom the material was transferred or sold after it was recovered from the source facility;
- The U.S. port of entry for the import, the expected date of shipment and the vessel transporting the chemical. If at the time of submitting a petition the importer does not know the U.S. port of entry, the expected date of shipment and the vessel transporting the chemical, and the importer receives a non-objection notice for the individual shipment in the petition, the importer is required to notify the Administrator of this information prior to the actual U.S. Customs entry of the individual shipment;
- A description of the intended use of the used class II controlled substance, and, when possible, the name, address, contact person, phone number and email of the ultimate purchaser in the United States;
- The name, address, contact person, phone number and email of the U.S. reclamation facility, where applicable;
- If someone at the source facility recovered the class II controlled substance from the equipment, the name and phone and email of that person;
- If the imported class II controlled substance was reclaimed in a foreign Party, the name, address, contact person, phone number and email of any or all foreign reclamation facility(ies) responsible for reclaiming the cited shipment;
- An export license from the appropriate government agency in the country of export and, if recovered in another country, the export license from the appropriate government agency in that country;
- If the imported used class II controlled substance is intended to be sold as a refrigerant in the U.S., the name and address of the U.S. reclaimer who will bring the material to the standard required under subpart F of this part, if not already reclaimed to those specifications; and
- A certification of accuracy of the information submitted in the petition.

- A person receiving an objection notice from the Administrator may re-petition within ten working days after receipt, only if the Administrator indicated “insufficient information” as the basis for the objection notice for the original petition.

- A person receiving a non-objection notice from the Administrator for a petition to import used class II controlled substances must maintain the following records:
  - A copy of the petition submitted, the EPA non-objection notice, the bill of lading for the import, and U.S. Customs entry documents for the import that must include one of the commodity codes Appendix K to this subpart.

- The following records must be retained by persons that trans-ship class II controlled substances:
  - Records that indicate that the class II controlled substance shipment originated in a foreign country, is destined for another foreign country, and will not enter interstate commerce within the United States.

- Any importer who brings a container with a heel must indicate on its bill of lading or invoice that the class II controlled substance in the container is a heel.

- The following information on a container with a heel must be reported quarterly:
  - The quantity of the heel brought into the U.S.;
  - Certification that the residual quantity in each shipment is no more than 10 percent of the volume of the container; and that the residual quantity in each shipment will either: (A) Remain in the container and be included in a future shipment; (B) be recovered and transformed; (C) be recovered and destroyed; or (D) be recovered for a non-emissive use.

- Any importer who brings a container with a heel into the U.S. must report on the final disposition of each shipment within 45 days of the end of the control period.

Exporters (§82.24(d))

- The following information must be reported:
  - The names and addresses of the exporter and the recipient of the exports;
  - The exporter's Employer Identification Number;
  - The type and quantity of each class II controlled substance exported and what percentage, if any of the class II controlled substance is used;
  - The date on which, and the port from which, the class II controlled substances were exported from the U.S. or its territories;
  - The country to which the class II controlled substances were exported;
  - The quantity exported to each Article 5 country;
  - The commodity code for the class II controlled substances shipped;
  - For persons reporting transformation or destruction, the invoice or sales agreement containing language similar to the transformation verifications that the purchaser or recipient of imported class II controlled substances intends to transform those substances, or destruction verifications showing that the purchaser or recipient intends to destroy the class II controlled substances;

- In cases of export using export production allowances (in addition to applicable exporting requirements listed above), the following information must be reported:
  - The Employer Identification Number on the Shipper's Export Declaration Form or Employer Identification Number of the shipping agent shown on the U.S. Customs Form 7525;
  - The exporting vessel on which the class II controlled substances were shipped; and
  - The quantity exported to each Party.

- In cases of export using Article 5 allowances (in addition to applicable exporting requirements above), the following information must be reported:
  - The Employer Identification Number on the Shipper's Export Declaration Form or Employer Identification Number of the shipping agent shown on the U.S. Customs Form 7525; and
  - The exporting vessel on which the class II controlled substances were shipped.

- In cases of export of used class II controlled substances, the bill of lading or invoice must indicate that the class II controlled substance is used, as defined in §82.3.

Transformers and Destroyers (§82.24(e))

- The following records must be retained:
  - Copies of the invoices or receipts documenting the sale or transfer of the class II controlled substances to the person;
  - Records identifying the producer or importer of the class II controlled substances received by the person;
  - Dated records of inventories of class II controlled substances at each plant on the first day of each quarter;
  - Dated records of the quantity of each class II controlled substance transformed or destroyed;
  - A copy of the person's transformation verification in the case where class II controlled substances were purchased or transferred for transformation purposes;
  - Dated records of the names, commercial use, and quantities of the resulting chemical(s) when the class II controlled substances are transformed;
  - Dated records of shipments to purchasers of the resulting chemical(s) when the class II controlled substances are transformed.
  - A copy of the person's destruction verification in the case where class II controlled substances were purchased or transferred for destruction purposes;

- The following information on transformation and destruction must be reported:
  - The names and quantities of the class II controlled substances transformed;
  - The names and quantities of the class II controlled substances destroyed;

- In cases of purchasing class II controlled substances for purposes of transformation, purchasers must provide the producer or importer with a transformation verification, containing the following information:
  - Identity and address of the person intending to transform the class II controlled substances;
  - The quantity of class II controlled substances intended for transformation;
  - Identity of shipments by purchase order number(s), purchaser account number(s), by location(s), or other means of identification;
  - Period of time over which the person intends to transform the class II controlled substances; and
  - Signature of the verifying person.

- The following information on destruction must be reported:
  - A one-time report stating the destruction unit's destruction efficiency, the methods used to record the volume destroyed and those methodologies used to determine destruction efficiency, and the name of other relevant federal or state regulations that may apply to the destruction process.
  - Any changes to this information must be reflected in a revision to be submitted to EPA within 60 days of the change(s).

- In cases of purchasing class II controlled substances for purposes of destruction that were originally produced without expending allowances, purchasers must provide the producer or importer from whom it purchased or received the class II controlled substance a destruction verification containing the following information:
  - Identity and address of the person intending to destroy class II controlled substances;
  - Information about whether those class II controlled substances will be completely destroyed, or less than completely destroyed, in which case the destruction efficiency at which such substances will be destroyed must be included;
  - Period of time over which the person intends to destroy class II controlled substances; and
  - Signature of the verifying person.

HCFC-141b Exemption Petitioners (§82.16(h))

- A person petitioning for an HCFC-141b exemption must submit the following:
  - Name and address of the HCFC-141b formulator, U.S. government entity or non-governmental space vehicle entity;
  - Name of contact person, phone number, fax number and e-mail address;
  - Quantity of HCFC-141b needed for each relevant calendar year, supported by documentation about past use for at least the previous three years;
  - Quantities of HCFC-141b, if any, contained in systems that were sold to other systems houses for at least the previous three years;
  - Description of the markets and applications served by the use of HCFC-141b or systems based on HCFC-141b;
  - Technical description of processes in which HCFC-141b is being used;
  - Technical description of the specific conditions under which the product will be applied;
  - Technical description of why alternatives and substitutes are not sufficient to eliminate the use of HCFC-141b;
  - Amount of stockpiled HCFC-141b (on-hand, taken title to, or available from a supplier) along with a detailed analysis showing why stockpiled, recovered or recycled quantities are deemed to be unavailable, or technically or commercially infeasible for use (for example, taking into consideration undue costs for storage and transportation);
  - An estimate of the number of control periods over which such an exemption would be necessary;
  - A detailed description of continuing investigations into and progress on possible alternatives and substitutes;

- A list of alternatives considered, purchased or sampled, including dates and copies of receipts for verification;
- A summary of the petitioner's in-house development program including summaries of all relevant test results and their significance to subsequent decision-making and technology selection. Full supporting test data must be available on request including alternative tested and date on which it was tested;
- A clear statement of the preferred technical option(s) being pursued at the time of the petition and the reasoning for this selection;
- A summary of product test results conducted on the preferred technical option(s) by accredited organizations in order to determine whether products meet applicable codes. Relevant test reports and certifications must be made available on request; and
- A description of the further development testing to be carried out over the number of control periods identified.

Persons allocated HCFC-141b Exemption Allowances (§82.24(g))

- Semi-annual report containing the following information:
  - Total quantity HCFC-141b received during the 6 month period; and
  - The identity of the supplier of HCFC-141b on a shipment-by-shipment basis during the 6 month period.

- The following records must be retained:
  - Records of letters to producers and importers conferring unexpended HCFC-141b exemption allowances for the specified control period in the notice;
  - Orders for the production or import of HCFC-141b under those letters; and
  - Written verifications that the HCFC-141b was produced or imported for the express purpose of meeting HCFC-141b exemption needs and that the quantity will not be resold.

Request for Additional Class II Consumption Allowances (§82.20)

- The following information must be submitted in a request for additional consumption allowances:
  - The identities and addresses of the exporter and the recipient of the exports;
  - The exporter's Employer Identification Number;
  - The names and telephone numbers of contact persons for the exporter and the recipient;
  - The quantity and type of class II controlled substances reported;
  - The source of the class II controlled substances and the date purchased;
  - The date on which, and the port from which, the class II controlled substances were exported from the U.S. or its territories;
  - The country to which the class II controlled substances were exported;
  - A copy of the bill of lading and the invoice indicating the net quantity of class II controlled substances shipped and documenting the sale of the class II controlled substances to the purchaser;
  - The commodity codes of the class II controlled substances reported; and

- A written statement from the producer that the class II controlled substances were produced with expended allowances.

- Persons requesting a trade *from a Party* to increase or decrease its production allowances, export production allowances, or Article 5 allowances, for a specified control period, must submit the following information to EPA:
  - A signed document from the principal diplomatic representative in that nation's embassy in the U.S. stating that the appropriate authority within that nation will establish or revise production limits for the nation to reflect the trade:
  - A true copy of the document that sets forth the following:
    - The identity and address of the person;
    - The identity of the Party;
    - The names and telephone numbers of contact persons for the person and for the Party;
    - The chemical type and quantity of production being traded;
    - Documentation that the Party possesses the necessary quantity of unexpended production rights;
    - The control period(s) to which the trade applies; and
    - For increased production intended for export to the Party from whom the allowances would be received, a signed statement of intent to export to the Party.

- A person requesting a trade *to a Party* to increase or decrease its production allowances, export production allowances, or Article 5 allowances, for a specified control period, must submit a request to EPA that sets forth the following information:
  - The identity and address of the person;
  - The identity of the Party;
  - The names and telephone numbers of contact persons for the person and for the Party;
  - The chemical type and quantity of allowable production being traded; and
  - The control period(s) to which the trade applies.

Domestic Transfers of Allowances for class II controlled substances (§82.23)

- A person must submit the following information for inter-company transfers:
  - The identities and addresses of the transferor and the transferee;
  - The name and telephone numbers of contact persons for the transferor and the transferee;
  - The type of allowances being transferred, including the names of the class II controlled substances for which allowances are to be transferred;
  - The quantity of allowances being transferred;
  - The control period(s) for which the allowances are being transferred;
  - The quantity of unexpended allowances of the type and for the control period being transferred that the transferor holds under authority of this subpart on the date the claim is submitted to EPA; and

- For trades of consumption allowances, production allowances, export production allowances, or Article 5 allowances, the quantity of the 0.1 percent offset applied to the unweighted quantity traded that will be deducted from the transferor's allowance balance.

- A person must submit the following information for inter-pollutant transfers:
  - The identity and address of the transferor;
  - The name and telephone number of a contact person for the transferor;
  - The type of allowances being converted, including the names of the class II controlled substances for which allowances are to be converted;
  - The quantity and type of allowances to be converted;
  - The quantity of allowances to be subtracted from the transferor's unexpended allowances for the first class II controlled substance, to be equal to 100.1 percent of the quantity of allowances converted;
  - The quantity of allowances to be added to the transferee's unexpended allowances for the second class II controlled substance, to be equal to the quantity of allowances for the first class II controlled substance being converted multiplied by the quotient of the ozone depletion potential of the first class II controlled substance divided by the ozone depletion potential of the second class II controlled substance;
  - The control period(s) for which the allowances are being converted; and
  - The quantity of unexpended allowances of the type and for the control period being converted that the transferor holds under authority of this subpart as of the date the claim is submitted to EPA.

- A person receiving a notice from the Administrator disallowing an inter-company or inter-pollutant transfer may file a notice of appeal, with supporting reasons, with the Administrator within 10 working days after receipt of notification.

(ii) Respondent Activities

- Producers must submit quarterly reports and keep records.
- Importers must:
  - Submit quarterly reports and keep records
  - For imports of used controlled substances, submit information in a petition and re-petition and keep records of petitions;
  - Indicate specified information of an import of heels on bill of lading; and
  - Report quarterly on a container with heels and include the final disposition of each shipment of a container with heels in the report submitted within 45 days of the end of the control period.
- Exporters must submit quarterly reports and ensure bill of lading or invoice indicates that the class II controlled substance is used, as applicable.
- Transformers and destroyers must:
  - Submit annual reports within each control period within 45 days of the end of such control period, and keep records, if applicable;
  - Submit a transformation verification (transformers only) to the producer or importer, if applicable;

  - Submit a one-time destruction efficiency report to EPA (destroyers only), as applicable; and
  - Submit a destruction verification (destroyers only) to the producer or importer, as applicable.
- Persons wanting to petition for an HCFC-141b exemption allowance must submit a petition.
- Persons allocated HCFC-141b exemption allowances must submit a report semi-annually and keep records.
- Persons requesting additional consumption allowances must submit a report on a transactional basis.
- Persons requesting international transfers of allowances must submit information requirements on a transactional basis.
- Persons wanting to domestically transfer allowances of class II controlled substances must:
  - Submit a report for inter-company transfers and/or inter-pollutant transfers on a transactional basis, as required by §82.23(a) and §82.23(b), respectively; and
  - File a notice of appeal, as applicable.
- Persons wanting to increase or decrease production allowances, export production allowances, or Article 5 allowances, for a specified control period through trades with another Party to the Protocol must submit a request on a trade from a Party and a trade to a Party, on a transactional basis, as applicable.

All records and reports must comply with requirements for class II controlled ODS in Subpart A of the regulations. Reports and records associated with the reports listed above must be kept for three years. All amounts must be reported in kilograms. The recordkeeping requirements pertain to original documents that are held by companies in the normal course of conducting business such as Customs entry forms, accounts of daily production runs, sales invoices, and bills of lading. Information from these recordkeeping documents is summarized in reports. Recordkeeping requirements are designed to aid EPA in compliance monitoring, site inspection, and enforcement actions.

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

a) Agency Activities

- Notify producers/importers/exporters of baseline allowances;
- Modify the ODS Tracking System to incorporate revisions to the regulations;
- Revise guidance documents to describe reporting requirements;
- Enter and store information submitted from companies in the ODS Tracking System;
- Respond to companies submitting tracked/monitored information, such as requests for transfers;
- Review petitions to import used HCFCs;
- Review petitions requesting HCFC-141b exemptions;

- Review information and conduct compliance monitoring activities related to restrictions on production, import, export, transformation and destruction of HCFCs for individual companies;
- Inspect records maintained by producers, importers, exporters, transformers, and destroyers of HCFCs;
- Review information in the tracking system to ensure U.S. is not exceeding consumption and production caps agreed to as a Party to the Protocol;
- Review information in the ODS Tracking System to ensure exempted production and imports do not exceed limits in Section 605 of Title VI of the CAAA;
- Compile reports mandated by U.S. obligations under the Protocol and Title VI of the CAAA, including Reports to Congress.

b) Collection Methodology and Management

EPA provides forms for regulated entities to use to report the required information. They are available on the EPA's Stratospheric Ozone web site at: http://www.epa.gov/ozone/record/index.html. In addition, online instruction documents are available for class I, class II, and methyl bromide reporting forms, entitled, *"What reporting forms should I complete?"* and *"Helpful Hints for Completing EPA's Reporting Forms"* to assist participants in completing the forms. Reporting forms can be sent to EPA electronically, by mail, private courier, or fax.

Although the use of the forms is voluntary, almost all respondents use them. EPA has implemented an electronic reporting system, which transmits the bulk of the reports EPA receives.

c) Small Entity Flexibility

Much of this information collection is required by statute. Any additional information required is collected in response to Congressional requests for reports and U.S. reporting obligations under the Protocol. The EPA database manager actively works with small entities to resolve reporting issues.

d) Collection Schedule

The collection schedule is as follows:

- Producers, importers, and exporters report to EPA quarterly (45 days after the end of each quarter).
- Persons that transform and/or destroy class II controlled substances report to EPA annually (45 days after the end of the control period).
- Persons petitioning for HCFC-141b exemption allowances; transferring consumption allowances to another company or to another chemical; requesting additional consumption allowances; requesting international transfer of allowances; requesting a trade from or to a Party to increase or decrease production allowances; exporting

production allowances or Article 5 allowances; or importing used class II controlled substances (i.e., petition) must submit reports to EPA on a transactional basis.
- Entities holding HCFC-141b exemption allowances report to EPA semi-annually (30 days after the end of the second and fourth quarters).

6. Estimating the Burden and Cost of Collection

a) Estimating Respondent Burden

The basis of the analysis is the identification of the principal steps involved in complying with EPA recordkeeping and reporting requirements and the estimated burden associated with each step. The burden is estimated by identifying the number of times the step will be undertaken and the number of hours required to complete each step. The burden estimates presented in this section are based on the quarterly, semiannual, annual, or other (per transaction) reporting requirements; EPA's experience with reporting under both the CFC and HCFC allowance systems in the past; and dialogue with industry representatives.

It is estimated that the burden to respondents submitting paper reports is approximately 4.5 hours per report prepared. This assumption is based on previous consultations with industry representatives conducted for the preparation of ICR 1432.25 and ICR 1432.29 (OMB Control Number 2060-0170), as discussed in section 3c of this ICR. Four hours are allotted for data compilation and 0.5 hours for report preparation. The burden to respondents submitting petitions is estimated at eight hours per petition prepared. Additional hours are assumed because petitions must be prepared individually depending on the respondent's request, and no standard petition form exists.

The process of preparing electronic submittals is assumed to take approximately 4 hours per report prepared. This assumption, similar to that for paper reporting, was based on the consultations with industry conducted for the preparation of ICR 1432.29. This indicated that the majority of respondents maintain their data in an electronic format and manually transcribe their data to the paper forms. However, because the option of electronic reporting will eliminate the transcription step (i.e., report preparation) as required using the paper forms, the estimated reporting time is reduced from 4.5 hours to 4 hours.

b) Estimating Respondent Cost

To determine respondent costs, an average hourly wage rate of $50.53 per hour, the hourly wage rate for professional and related persons, was derived from the Bureau of Labor Statistics Employer Cost and Employee Compensation, Table 2 ("civilian workers, by occupational and industry group"), June 2015. A 110 percent increase was added to reflect the estimated additional costs for overhead and fringe, which increased the wage rate $106.11 per hour. Burden hours, as described above, were multiplied by the labor rate to determine respondent costs.

Operations and Maintenance (O&M) costs, including photocopying, packaging, and postage, were estimated for all respondents submitting paper reports. These costs were estimated at $5.00 per report.

c) Estimating Agency Burden and Cost

This analysis identifies the steps involved in implementing and operating the system. The costs associated with each step have been estimated by identifying the number of times the step will be undertaken, the number of hours required to complete each step, and the total dollar cost. Costs are subdivided into agency and contractor costs. The average hourly rates for EPA technical and managerial staff of $37.37 and $50.32, respectively, are derived from the 2015 annual base pay table, which was retrieved from the Office of Personnel Management website. EPA then multiplied hourly rates by the standard government benefits multiplication factor of 1.6 to get hourly rates of $59.79 for technical staff and $80.51 for managerial staff. The cost of contractor time and overhead is valued at $105.00 per hour, including overhead and fringe. The number of occurrences of each activity is based on the reporting requirements and EPA's experience with reporting under both the CFC and HCFC allowance systems.

d) Estimating the Respondent Universe and Total Burden and Costs

In this section, EPA estimates the number of respondents under each of the information collection requirements in this ICR. EPA tracks the number of respondents and submittals under the program through the ODS Tracking System. EPA referred to historical data in the ODS Tracking System to estimate the annual number of respondents in this ICR, as shown in Table 2. Because not all submitted reports/petitions/requests are tracked by the ODS Tracking System, estimates for some of the number of respondents were based on the previous and expected receipt of these forms.

Table 2: Number of Respondents[a]

Type of Respondent	Annual Number of Respondents
Producer	7
Importer[b]	31
Exporter	12
Second-Party Transformers	4
Second-Party Destroyers	4
HCFC-141b Exemption Allowance Recipients[c]	0
Other[d]	20
Total Respondents	**40**

[a]**Numbers in the table are not additive.** The information collection will only affect 40 distinct companies. Several respondents submit multiple report types (e.g., producers can also be exporters).
[b]Includes respondents that petition to import used substances.
[c]Represents petitioners and recipients of HCFC-141b exemption allowances.
[d]Represents requests for additional consumption allowances and international/domestic transfer of allowance reports.

EPA expects that large companies, which produce the majority of the reports, will submit electronically to EPA via the CDX, while others will continue to report by paper. Given that

respondents' annual burden will vary depending on whether they report by paper or electronically, EPA estimated the average annual number of respondents that would report by paper or electronically during the three-year period for each report. In 2014, a total of 8 companies submitted a total of 79 importer, exporter, and producer reports electronically. Based on this information in addition to experience with electronic reporting, EPA expects that an average of 88 reports will be submitted electronically each year over the next three years. The estimates by report are presented in Table 3. These respondent estimates are used in the burden calculations presented in Table 4.

Table 3. Average Annual Number of Respondents that Report by Paper or Electronically During Three-Year Life of ICR

Type of Respondent	Average Annual Number of Respondents	
	Reporting by Paper	Reporting Electronically
Producer	4	3
Importer	23	8
Exporter	6	6
Second-Party Transformers	4	0
Second-Party Destroyers	4	0
HCFC-141b Exemption Allowance Recipients	0	0
Other[a]	16	4

[a] Includes requests for additional consumption allowances and international/domestic transfer of allowance reports.

Tables 4 and 5 below show the assumptions used and the calculations made to determine respondent and agency total burden and costs.

Table 4. Respondent Burden and Costs Estimates

Information Collection Activity: Recordkeeping and Reporting[a]	Hours and Costs Per Activity					Total Hours and Costs		
	Hours/ Activity[b]	Number of Activities/ Year	Hours/ Year	Labor Costs/Year	Annual O&M Costs	Number of Respondents/ Activity	Total Hours/ Year	Total Cost/Year
Producer								
Submit Quarterly Reports								
Paper	4.5	4.0	18.0	$1,910	$20	4	72.0	$7,720
Electronic	4.0	4.0	16.0	$1,698	$0	3	48.0	$5,093
Importer								
Submit Quarterly Reports								
Paper	4.5	4.0	18.0	$1,910	$20	23	414.0	$44,390
Electronic	4.0	4.0	16.0	$1,698	$0	8	128.0	$13,582
Petition to Import Used Substance	8.0	6.0	48.0	$5,093	$30	2	96.0	$10,247
Exporter								
Submit Quarterly Reports								
Paper	4.5	4.0	18.0	$1,910	$20	6	108.0	$11,580
Electronic	4.0	4.0	16.0	$1,698	$0	6	96.0	$10,187
Transformers/Destroyers								
Submit Second Party Transformation Report	4.5	1.0	4.5	$477	$5	4	18.0	$1,930
Submit Second Party Destruction Report	4.5	1.0	4.5	$477	$5	4	18.0	$1,930
Submit Transformation Verification Report	4.5	1.0	4.5	$477	$5	4	18.0	$1,930
Submit Destruction Efficiency Report	4.5	1.0	4.5	$477	$5	2	9.0	$965
Submit Destruction Verification Report	4.5	1.0	4.5	$477	$5	4	18.0	$1,930
HCFC-141b Exemption Allowance Recipients								
Submit Semi-annual Reports	4.5	2.0	9.0	$955	$10	0	0.0	$0
Other								
Request for Additional Consumption Allowances								
Paper	4.5	1.0	4.5	$477	$5	3	13.5	$1,447
Electronic	4.0	5.0	20.0	$2,122	$0	4	80.0	$8,489
Submit International Transfer of Allowances Report	4.5	1.0	4.5	$477	$5	1	4.5	$482
Submit Domestic Transfer of Allowances Report	4.5	5.0	22.5	$2,387	$25	13	292.5	$31,362
Petition for HCFC-141b Exemption Allowances	8.0	1.0	8.0	$849	$5	0	0.0	$0
Total						**91**	**1433.5**	**$153,264**

[a] Electronic reporting is only applicable to certain reporting requirements.

[b] Hours per activity were based on consultations with respondents. The similar ICR 1432.29 used the assumption of 4.5 hours per paper report prepared. Electronic reporting is estimated to require 4hours per report prepared.

Table 5. Agency Burden and Costs Estimates

Information Collection Activity	Agency Hours and Costs Per Activity					Total Hours and Costs	
	Managerial	Technical	Contractor	Number of Occurrences per Year	Labor Costs/Year	Total Hours/Year	Total Cost/Year
	$80.51	$59.79	$105.00				
Notify Submitters of Baseline Allowances	0.5	1	0	24	$2,401	36.0	$2,401
Modify Tracking System	10	26	100	1	$12,860	136.0	$12,860
Revise Guidance Document	6	8	30	3	$12,334	132.0	$12,334
Enter and Store Information in the Tracking System	0	484	0	1	$28,938	484.0	$28,938
Respond to Companies Submitting Transfer Requests	0	1	0	66	$3,946	66.0	$3,946
Review Petitions Submitted to Import Used HCFCs	2	4	0	12	$4,802	72.0	$4,802
Review Petitions Submitted Requesting HCFC-141b Exemption Allowances	2	4	0	0	$0	0.0	$0
Review Information and Conduct Compliance Monitoring Activities Related to Restrictions	4	12	20	36	$113,023	1,296.0	$113,023
Inspect Records Maintained by Submitters	2	32	0	1	$2,074	34.0	$2,074
Review Information in Tracking System to Ensure Non-Exceedance of Montreal Protocol Caps	2	8	40	2	$9,679	100.0	$9,679
Review Information in Tracking System to Ensure Non-Exceedance of CAAA Limits	2	8	40	1	$4,839	50.0	$4,839
Compile Reports Mandated by Montreal Protocol and CAAA	4	20	40	1	$5,718	64.0	$5,718
Total					**$200,614**	**2,470.0**	**$200,614**

e) Bottom Line Burden Hours and Cost Tables

(i) Respondent Tally

As shown in Table 6, EPA estimates the total annual hour and cost burden to all respondents to average 1,434 hours and $153,264. The bottom-line burden to respondents over three years is estimated to be 4,302 hours and $459,792.

Table 6. Total Annual Respondent Hour and Cost Burden

Total Hours Per Year	Total Labor Cost Per Year	Total Capital Cost Per Year	Total O&M Cost per Year	Total Cost Per Year
1,434	$152,109	$0	$1,155	**$153,264**

(ii) Agency Tally

As shown in Table 7, EPA estimates the total annual hour and cost burden to the agency to be 2,470 hours and $200,614. The bottom-line burden to the agency over three years is estimated to be 7,410 hours and $601,842.

Table 7. Total Annual Agency Hour and Cost Burden

Total Hours Per Year	Total Labor Cost Per Year	Total Capital Cost Per Year	Total O&M Cost per Year	Total Cost Per Year
2,470	$200,614	$0	$0	**$200,614**

f) Reasons for Change in Burden

The burden has changed marginally to reflect slight changes in reporting activity as well as updated labor rates. Specifically, while the number of companies reporting on trades and requests for additional consumption allowances has increased during the past three years, the number of companies reporting on the import, export, and second-party transformation and destruction of Class II ODS has decreased, resulting in nine fewer reporting companies overall. In addition, the labor rates were updated to reflect 2015 compensation rates. Previously, compensation rates from 2012 were used to calculate burden.

g) Burden Statement

The annual public reporting and recordkeeping burden for this collection of information is estimated to average 5 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-OAR-2003-0039, which is available for online viewing at www.regulations.gov, or in person viewing at the Air and Radiation Docket and Information Center 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 Office of Air and Radiation Docket 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-2003-0039 and OMB Control Number 2060-0498 in any correspondence.