

SUPPORTING STATEMENT FOR THE
RECORDKEEPING AND REPORTING REQUIREMENTS FOR
THE ETHANOL FLEX FUEL PROGRAM

1. Identification of the Information Collection

1(a) Title of the Information Collection

Recordkeeping and Reporting Requirements for the Ethanol Flex Fuel Program; EPA ICR No. 2544.01, OMB Control Number 2060-NEW.

1(b) Short Characterization

The requirements covered under this information collection request (ICR) are proposed in the Renewables Enhancement and Growth Support (REGS) proposed rule. Parties that are interested in the registration, recordkeeping, and reporting burden will want to review the tables containing our estimates carefully.

The scope of the recordkeeping and reporting requirements for each type of party in the ethanol flex fuel (EFF), EFF additive, and natural gasoline EFF blendstock (NGEFFBS) distribution systems, and therefore the cost to that party, reflects the party's opportunity to create, control, or alter the product's ethanol, benzene, and sulfur content and Reid vapor pressure (RVP). As a result, EFF refiners/importers, EFF additive producers/importers, and NGEFFBS refiners have more significant requirements, which are necessary both for their own tracking and that of downstream parties, and for EPA enforcement. At the same time, parties downstream from the product's production or import point, such as fuel distributors, have fewer requirements under the proposed rule.

The recordkeeping and reporting requirements for EFF refiners and importers under the proposed EFF program are similar requirements that exist for gasoline refiners under other EPA fuels programs described in 40 CFR Part 80 (e.g., the Tier 3 sulfur program). The proposed rule contains new recordkeeping and reporting requirements that apply to EFF full-refiners, EFF bulk blender-refiners, EFF blender pump-refiners, certified NGEFFBS refiners, and EFF additive manufacturers. In large part these proposed requirements are consistent with common business practices. The costs associated with the proposed requirements are expected to be relatively small. The proposal would allow parties to use a broader range of blendstocks to produce EFF, providing greater flexibility that should reduce the costs of producing EFF and promote the sale and use of EFF.

The information under this ICR would be collected by EPA's Compliance Division, within the Office of Transportation and Air Quality, Office of Air and Radiation, and by EPA's Air Enforcement Division, within the Office of Civil Enforcement, Office of Enforcement and Compliance Assurance. The information collected would be used by EPA to evaluate compliance with the fuel quality requirements for EFF under the REGS rule, if finalized. This oversight by EPA would be necessary to ensure attainment of the air quality goals of the

proposed EFF program. Proprietary information may be submitted by regulated parties for demonstrating compliance with the proposed Tier 3 standards. Confidentiality would be handled in accordance with EPA regulations at 40 CFR part 2 and established Agency procedures.

2. Need For, and Use of, the Collection

2(a) Authority for the Collection

Sections 114 and 208 of the CAA, 42 U.S.C. §§ 7414 and 7542, authorize EPA to require recordkeeping and reporting regarding enforcement of the provisions of Title II of the CAA. The current regulations applicable to other EPA fuels programs, including the regulations associated with this information collection, can be found in 40 CFR part 80, Regulation of Fuels and Fuel Additives.

2(b) Practical Utility/Users of the Data

EPA proposes to use the information and test results (e.g., sulfur content and volume of each batch of EFF) contained in the annual reports that would be required by this information collection to evaluate the compliance of parties involved in the production and importation of EFF, NGEFFBS, and EFF additives with the proposed EFF requirements. These reports would also be used by EPA to target compliance investigations. Product transfer documents (PTDs) maintained by parties in the EFF distribution system would be used to evaluate the compliance of parties that maintain the records and to help evaluate upstream compliance.

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

3(a) Non-duplication

Efforts have been made to eliminate duplication in this information collection. Provisions included in the proposed EFF program would allow parties that choose to make EFF (i.e., EFF bulk blender-refiners and EFF blender pump-refiners) to rely on recordkeeping instead of sampling, testing, and reporting of EFF parameters to demonstrate compliance with the proposed requirements. Where possible, information requirements from various organizations within EPA have been combined to minimize the submittal of duplicate information in different formats. The information in this collection is not available from another source.

To minimize the information collection burden, parties who are already registered with EPA would not have to submit an entirely new registration under the proposed EFF program.

3(b) Public Notice

Public notice of this ICR will be provided in the associated proposed rule. Any public comments received will be addressed in the ICR associated with the final rule.

3(c) Consultations

The proposed regulations, including the cost analysis that is reflected in this ICR, were developed based on experience with similar regulations developed in the past in close consultation with the affected industry. Collaboration with industry and other stakeholders has been a key element in developing the agencies' rules. Throughout the development of this proposal, EPA met extensively with individual potential EFF refiners, industry trade associations, and other stakeholders. Their comments have been reflected in the burden estimates discussed below.

3(d) Effect of Less Frequent Collection

The proposed EFF program would require EFF full-refiners and importers, EFF bulk blender-refiners, and NGEFFBS refiners to submit annual reports which demonstrate compliance with the applicable EFF standards by the information contained within. The information contained in such reports would include information regarding the ethanol, benzene, and sulfur content of the EFF, RVP, and volume of a refinery's or importer's EFF. Less frequent submittal of such reports would severely hinder EPA's ability to monitor compliance, and would likely lead to widespread noncompliance. Additionally, requiring less than every-batch sampling and testing, where applicable, would make the sulfur, distillation, and RVP per-gallon cap requirements meaningless, and would likely lead to extreme excursions in EFF regulated parameters that could adversely affect emission control systems and lead to increased emissions. This would be an unacceptable outcome given that the proposed EFF program is intended to lead to reduced emissions in part by compatible vehicle and fuel interaction.

3(e) General Guidelines

This information collection activity complies with 5 CFR 1320.6, except that respondents would be required to keep certain records for longer than three years. Specifically, all parties would be required to keep PTDs and records related to the production of EFF, EFF additives, and EFF blendstocks for five years, and parties would be required to keep their compliance records for five years. Records related to the EFF survey program would also be required to be retained for five years. The information required to be retained will facilitate EPA's identification of the source of any EFF found to be in violation of the proposed EFF standards. Similar information required under the proposed EFF program is already required under EPA fuels programs, and most records are required to be kept for five years under other EPA fuels program programs. Additionally, many records such as PTDs (e.g., bills of lading, invoices, etc) and fuel quality certificates of analysis should be kept by parties under normal business practice. Therefore, the recordkeeping requirements under the proposed EFF program should impose little additional burden. Five years is the applicable statute of limitations for other EPA fuels programs. *See* 28 U.S.C. 2462.

EFF full-refiners/importers, EFF bulk blender-refiners, NGEFFBS refiners, and any independent survey association would be required to submit a limited amount of proprietary information, such as batch volume, sulfur and benzene content, and propriety survey design information in their reports. EPA believes that requiring annual reports provides an appropriate and effective means of monitoring compliance with the standards under the proposed EFF program. This type of information has been collected in other EPA fuels programs and would be

safeguarded in the same manner as data required by other EPA directives. Pertinent information, whether kept by the respondent or by a contractor, is subject to auditing by EPA. Consequently, EPA officials will require voluntary entry and access to facilities.

3(f) Confidentiality

We inform respondents that they may assert claims of CBI for information they submit. Any information claimed as confidential would be treated in accordance with 40 CFR part 2 and established EPA procedures. Information that is received without a claim of confidentiality may be made available to the public without further notice to the submitter under 40 CFR 2.203.

3(g) Sensitive Questions

This information collection does not require submission of any sensitive information (e.g., social security numbers, dates of birth, etc.).

4. The Respondents and the Information Requested

4(a) Respondents with NAICS/SIC Codes

The respondents to this information collection would be:

- Petroleum refiners (i.e., EFF full-refiners and some NGEFFBS refiners)
- Importers of gasoline into the U. S. (i.e., EFF importers)
- Ethyl alcohol manufacturers (i.e., some EFF bulk blender-refiners)
- Petroleum bulk stations and terminals (i.e., some EFF bulk blender-refiners)
- Gasoline distributors, carriers, wholesale purchaser-consumers, and retailers (i.e., EFF retailers and EFF blender pump-refiners)
- Testing laboratories (i.e., users of research and development (R&D) EFF)
- Natural gas liquids extraction and fractionation (i.e., some NGEFFBS refiners)
- Other basic organic chemical manufacturers (i.e., EFF additive manufacturers)
- Chemical and allied products merchant wholesalers (i.e., EFF bulk additive distributors and blenders).
- Pipeline transporters of refined petroleum products (i.e., EFF, EFF blendstocks, EFF additives, and NGEFFBS distributors)
- Petroleum and petroleum products merchant wholesalers (except bulk stations and terminals) (i.e., EFF, EFF blendstocks, and EFF additive distributors)
- Environmental consulting services (i.e., an independent surveyor)

Table 4(a).1: Respondent Industry Classification Codes

Industry Category	NAICS ¹ Code	SIC ² Code
Petroleum Refineries (including Importers)	324110	2911
Ethyl Alcohol Manufacturing	325193	2869
Natural Gas Liquids Extraction and Fractionation	211112	1321
Chemical and Allied Products Merchant Wholesalers	424690	5169
Other Basic Organic Chemical Manufacturing	325199	2869
Petroleum Bulk Stations and Terminals.	42471	5171
Other Warehousing and Storage-Bulk Petroleum Storage	493190	4226
Pipeline Transportation of Refined Petroleum Products	486910	4613
Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals)	424720	5172
Gasoline Retailers and Wholesale Purchaser-Consumers	44711 44719	5541
Testing Laboratories	54138	8734
Environmental Consulting Services	541620	8999

1) North American Industry Classification System

2) Standard Industrial Classification system

4(b) Information Requested

The recordkeeping and reporting requirements applicable to the regulated parties vary depending on their position in the EFF production, blending and distribution system and their potential to influence the proposed regulated parameters of EFF. The regulated parties are divided into groups (and sub-groups) as indicated in the list below, based on the applicable recordkeeping and reporting requirements.

- EFF full-refiners and importers
- EFF bulk blender-refiners
- EFF blender pump-refiners
- EFF additive manufacturers
- NGEFFBS refiners
- Users of R&D EFF (testing laboratories)
- Distributors of EFF, EFF blendstocks, EFF additives, and certified NGEFFBS (petroleum terminals, pipelines, rail carriers, and truckers)
- EFF retailers and wholesale purchaser-consumers (WPCs)
- Independent surveyors

- (i) Data items

The information collection requirements are categorized in the following lists according to which regulated parties they apply. Certain requirements, such as the PTD requirements, would be broadly applicable to most parties who transfer EFF, EFF blendstocks, EFF additives, and certified NGEFFBS. These more generally applicable requirements are discussed separately from the requirements that apply only to specific groups of regulated parties. Additional and/or alternative requirements applicable to subgroups of respondents are also discussed separately. Where a regulated party is not specifically mentioned, only the most broadly applicable requirements apply.

The presence of an “*” in the following list of requirements indicates an explanatory note regarding the applicability of these requirements.

(A) *Broadly-Applicable Requirements*

The following requirements apply broadly to all of the regulated parties listed above. The responsibilities of EFF distributors (i.e., petroleum terminals, pipelines, and carriers) and EFF retailers and WPCs are primarily related to compliance with the following broadly applicable requirements. We expect that some terminal or other facility operators blend EFF blendstocks to produce EFF. These EFF producers are considered refiners under the EFF program, and may comply with either the EFF full-refiner or EFF bulk blender-refiner requirements as discussed below. Unless specifically noted, the PTD requirements listed below do not result in any new activities for EFF distributors, EFF retailers, and WPCs.

- The proposed EFF program would require persons who manufacture, import, sell, offer for sale, dispense, distribute, supply, offer for supply, store, or transport EFF, EFF blendstocks, EFF additives, or certified NGEFFBS to provide a PTDs to accompany each transfer of the product.
 - o Except for transfers to truck carriers, retailers and WPCs, product codes can be used on PTDs to convey the required information if such codes are clearly understood by each transferee. This allowance lessens the burden of compliance and is consistent with the requirements under other EPA fuels programs.

- Under the proposed EFF program, any party that would be required to conduct sampling and testing for ethanol content, benzene content, sulfur content, RVP, or distillation parameters would be required to retain records regarding:
 - o The location, date, time, tank or storage tank identification for each sample collected.
 - o The name and title of the person who collected the sample and the person who performed the testing.
 - o The results of the test as originally printed or recorded, and any record which contains a result that is not identical to the originally printed or recorded test.

- For purposes of establishing an affirmative defense to a violation, parties other than retailers or WPCs could provide business records documenting the following:
 - o A periodic sampling and testing program designed to ensure that the EFF meets applicable standards.

- Participation in the EFF survey program.
- On each occasion that the EFF is found not to be in compliance with the applicable standards, the actions taken to stop the sale or distribution of any EFF found not to be in compliance, and the actions taken to remedy the violation and the factors that caused the violation (such as removing the non-complying EFF from the distribution system and taking steps to prevent future violations).
- Records would be required to be maintained for five years from the date they were created.

(B) Requirements for EFF Full-Refiners and Importers:

The following requirements apply to all EFF full-refiners and importers:

- Register with EPA 60 days prior to producing or importing EFF meeting the proposed EFF standards.
 - *One-time requirement. Registration under other 40 CFR Part 80 fuel programs may be sufficient to satisfy this requirement. As a result, some parties may have no additional burden under the proposed EFF program.
- Calculate the annual average benzene and sulfur level for each refinery or all imported EFF.
- Submit annual aggregate and batch reports to EPA for each refinery and importer by March 31 for the previous year's compliance period.
- Include the following information in the refinery or importer's annual reports:
 - EPA refiner and refinery facility, or importer registration numbers
 - Applicable annual average standards
 - Total volume of EFF produced at the refinery or imported
 - Annual average EFF sulfur content produced at the refinery or imported
 - Annual average EFF benzene content produced at the refinery or imported
 - Annual certification that all EFF produced during the compliance period met the applicable EFF standards.
 - For each batch of EFF produced or imported during the compliance period all of the following (as applicable):
 - The assigned batch number.
 - The date the batch was produced.
 - The volume of the batch.
 - The sulfur content, benzene content, ethanol content, and RVP (as applicable) of the batch.
 - The type and quantity of each blendstock used to produce the batch.
- Arrange to have an attest engagement report submitted to EPA by June 1 for the previous year's annual compliance period.

- The attest engagement would be required to be performed on the underlying documentation that forms the basis of any required report.
- The attest engagement would be required to be prepared in accordance with established procedures.
- The attest engagement would be required to be performed by an independent certified public accountant (CPA).
- Internal auditors may assist the CPA pursuant to the Standards for Attestation Engagements.

(C) Requirements for EFF Bulk Blender-Refiners

The following requirements apply to all EFF bulk blender-refiners:

- Register with EPA 60 days prior to producing EFF meeting the proposed EFF standards.
 - *One-time requirement. Registration under other 40 CFR Part 80 fuel programs may be sufficient to satisfy this requirement. As a result, some parties may have no additional burden is under the proposed EFF program.
- Submit annual aggregate and batch reports to EPA for each refinery and importer by March 31 for the previous year's compliance period.
- For each bulk blender-refinery, include the following information in the refiner's annual reports:
 - EPA registration and facility identification numbers
 - Total volume of EFF produced at the refinery
 - Annual certification that all EFF produced during the compliance period met the applicable EFF standards.
 - For each batch of EFF produced during the compliance period all of the following (as applicable)
 - The assigned batch number.
 - The date the batch was produced.
 - The volume of the batch.
 - The ethanol content, and RVP (as applicable) of the batch.
 - The type and quantity of each blendstock used to produce the batch.
- Contract with an independent survey association to conduct a retail-level compliance survey of all EFF retail stations. Keep records for a period of five years related to contracts and participation in the EFF compliance survey.
- Arrange to have an attest engagement report submitted to EPA by June 1 for the previous year's annual compliance period.
 - The attest engagement would be required to be performed on the underlying documentation that forms the basis of any required report.
 - The attest engagement would be required to be prepared in accordance with established procedures.
 - The attest engagement would be required to be performed by an independent CPA.

- o Internal auditors may assist the CPA pursuant to the Standards for Attestation Engagements.

(D) Requirements for EFF Blender Pump-Refiners

The following requirement applies to all EFF blender pump-refiners:

- Contract with an independent survey association to conduct a retail-level compliance survey of all EFF blender pump-refineries. Keep records for a period of five years related to contracts and participation in the EFF compliance survey.

(E) Requirements for NGEFFBS Refiners and Importers

The following requirement applies to all NGEFFBS refiners and importers:

- Register with EPA 60 days prior to producing NGEFFBS meeting the proposed EFF standards.
 - o *One-time requirement. Registration under other 40 CFR Part 80 fuel programs may be sufficient to satisfy this requirement. As a result, some parties may have no additional burden is under the proposed EFF program.
- Submit annual aggregate and batch reports to EPA for each NGEFFBS refinery and importer by March 31 for the previous year's compliance period.
- Include the following information in the refinery or importer's annual reports:
 - o EPA refiner and refinery facility, or importer registration numbers.
 - o Applicable annual average standards.
 - o Total volume of NGEFFBS produced at the refinery or imported.
 - o Annual certification that all certified NGEFFBS produced during the compliance period met the applicable certified NGEFFBS standards.
 - o For each batch of certified NGEFFBS produced or imported during the compliance period all of the following (as applicable):
 - The assigned batch number.
 - The date the batch was produced.
 - The volume of the batch.
 - The sulfur content, benzene content, ethanol content, distillation parameters, and RVP (as applicable) of the batch.
 - The method used to determine the sulfur content, benzene content, ethanol content, distillation parameters, and RVP (as applicable) of the batch.
- Arrange to have an attest engagement report submitted to EPA by June 1 for the previous year's annual compliance period.
 - o The attest engagement would be required to be performed on the underlying documentation that forms the basis of any required report.
 - o The attest engagement would be required to be prepared in accordance with established procedures.

- o The attest engagement would be required to be performed by an independent CPA.
- o Internal auditors may assist the CPA pursuant to the Standards for Attestation Engagements.

(F) Requirements for EFF Retailers and WPCs:

The following requirement applies to all EFF retailers and WPCs:

- If R&D EFF is to be stored by an EFF retailer or WPC, records would be required to be kept to demonstrate that the EFF retailer or WPC is associated with the facility that would be using the R&D EFF. Documents associated with R&D EFF are required to be retained for five years.

(G) Requirements for Users of R&D EFF.

The following requirement applies to all users of R&D EFF:

- Users of R&D EFF must submit an application to EPA prior to initial use of the R&D EFF. The application must contain the following:
 - o Statement of purpose.
 - o Description of the R&D program.
 - o Expected start and completion dates of the R&D program.
 - o Estimation of the number of vehicles or engines in which the fuel would be used and mileage to be accumulated.
 - o Locations where EFF would be stored and used.
 - o Volume of EFF to be used.
 - o Identification of the EFF distributor or other source of the R&D EFF.
 - o Explanation of why compliant EFF cannot be used.
 - o Provisions to ensure EPA monitoring capability.
- R&D EFF would be required to be identified on PTDs as EFF to be used only for this purpose.

(H) Requirements for EFF Additive Manufacturers

The following requirement applies to all EFF additive manufacturers:

- PTDs that state the maximum registered concentration for the additive and the corresponding maximum allowed treatment rate.
- Additive production quality control records to demonstrate that the sulfur content of each production batch is consistent with the maximum allowed treatment rate.

(ii) Respondent Activities

As noted above, much of the information needed for compliance with the recordkeeping requirements under the proposed EFF program is already being retained either to comply with the requirements of other 40 CFR part 80 fuel programs or as a customary business practice. The activities arising out of the testing, recordkeeping, and reporting requirements outlined in the preceding section are listed below according to the respondent class to which they apply.

The burdens and costs included in this ICR are those which are expected to be incurred during the next three years, the period of time covered by this ICR.

The following lists detail the activities of the various regulated parties:

(A) Activities of EFF Full-Refiners and Importers

- Register with EPA 60 days prior to producing EFF.
- Test each batch of EFF for its ethanol, sulfur, and benzene content and RVP during the summer, retain samples from the most recent 20 samples collected or for each sample collected during the most recent 21 day period, whichever is greater, and retain records of the testing for five years.
- Calculate the average annual sulfur and benzene levels for each EFF refinery, or all imported EFF, using batch test reports.
- Submit EFF refinery and importer annual averaging reports and batch reports to EPA by March 31 of the year following the prior year's averaging period.
- Generate PTDs accompanying transfers of EFF that indicate the parties involved in the transfer, the volume of EFF being transferred, the ethanol content of the fuel, the type and amount of hydrocarbon blendstocks used to produce the EFF, and statements affirming that the EFF meets the applicable RVP standard and does not contain more than 30 volume percent natural gasoline.
- Arrange to have an independent third party submit to EPA an attest engagement report by May 31 of each year for the prior calendar year averaging period.

(B) Activities of EFF Bulk Blender-Refiners.

- Register with EPA 60 days prior to producing EFF.
- Determine RVP, using the EPA-specified compliance tool or testing of each batch of EFF produced for use from May 1 through September 15, retain samples (if applicable) from the most recent 20 samples collected or for each sample collected during the most recent 21 day period, whichever is greater, and retain records of the testing for five years.
- Submit EFF bulk blender-refinery annual aggregate and batch reports to EPA by March 31 of the year following the prior calendar year.

- Generate PTDs accompanying transfers of EFF that indicate the parties involved in the transfer, the volume of EFF being transferred, the ethanol content of the fuel, the type and amount of hydrocarbon blendstocks used to produce the EFF, and statements affirming that the EFF meets the applicable RVP standard and does not contain more than 30 volume percent natural gasoline.
- Arrange to have an independent survey association conduct an in-use EFF retail-level compliance survey.
- Arrange to have an independent third party submit to EPA an attest engagement report by May 31 of each year for the prior calendar year.

(C) Activities for EFF Blender Pump-Refiners

- Arrange to have an independent survey association conduct an in-use compliance survey of EFF blender pump-refineries.
- Retain copies of PTDs for parent fuels used to produce EFF through an EFF blender pump-refinery.

(D) Activities for NGEFFBS Refiners

- Register with EPA 60 days prior to producing NGEFFBS.
- Test each batch of NGEFFBS for its sulfur content, benzene content, RVP, T90, and final boiling point, and retain samples from the most recent 20 samples collected or for each sample collected during the most recent 21 day period, whichever is greater, and retain records of the testing for five years.
- Submit NGEFFBS refinery annual aggregate and batch reports to EPA by March 31 of the year following the prior calendar year.
- Generate PTDs accompanying transfers of certified NGEFFBS that indicate the parties involved in the transfer, the volume of certified NGEFFBS being transferred, the RVP of the certified NGEFFBS, and a statement affirming that the certified NGEFFBS is suitable to produce EFF.
- Arrange to have an independent third party submit to EPA an attest engagement report by May 31 of each year for the prior calendar year.

(E) Activities of Users of R&D EFF:

- Prior to initial use of R&D EFF, submit an application to EPA for an R&D test program exemption. Based on historic implementation of R&D test program exemptions in other

fuel programs under 40 CFR part 80, the EPA does not anticipate many applications for an R&D test program exemption.

(F) Activities of EFF Distributors, Retailers, and WPCs

- Keep records of any PTDs that accompanied EFF distributed, stored, or dispensed by the distributor, retailer, or WPC.
- WPCs identify and keep records of any R&D EFF.

(G) Activities of EFF Additive Manufacturers

- Maintain records of its additive production quality control activities and make records available upon request.

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

5(a) Agency Activities

Agency activities associated with the *annual reporting requirements* of this information collection consist of the following:

- 1) Review submitted reports (includes associated EPA inspections and investigations).
- 2) Enter data from the reports into the database.
- 3) Analyze requests for confidentiality and provide appropriate protection.
- 4) Store the data and archive according to a record retention schedule conforming to EPA policy.

Agency activities associated with the *attest engagement requirements* of this information collection consist of the following:

- 1) Review submitted reports (includes associated EPA inspections and investigations).
- 2) Store the data and archive according to a record retention schedule conforming to EPA policy.

5(b) Collection Methodology and Management

The collection methodology and management of the information collected is similar to the process used for other 40 CFR part 80 fuels programs. The information should be reported electronically via a format specified by the Administrator.

When the submittal is received, EPA would review it for completeness. EPA may also review respondents' records as a part of its enforcement effort to ensure the accuracy and validity of the data submitted. Non-confidential data would be made available to the public upon request.

5(c) Small Entity Flexibilities

The information that would be collected under the proposed provisions for EFF are necessary to ensure the environmental quality of EFF. The vast majority of these proposed provisions would only apply to parties that take advantage of the proposed flexibilities including the use of natural gasoline as an EFF blendstock and the regulation of E16-50 blends as EFF rather than gasoline. We expect that all parties, including small entities, would only take advantage of the proposed flexibilities if there is an economic advantage in doing so. For other parties, only a minimal additional information collection burden would apply.

We have taken steps to minimize the information that needs to be collected under the proposal, and believe that less burdensome collection mechanisms are not possible while meeting EPA's environmental goals. For example, fuel retailers that operate blender pumps, which are the vast majority of small entities effected by the proposed EFF provisions, could comply simply by keeping records of the fuels they use as parent blends and supplying these records to EPA upon request. These provisions are similar to the existing requirements for gasoline retailers and are consistent with common business practices. Some refiners of EFF upstream of retail may also be small businesses. For these refiners that do not take advantage of the new flexibility to use natural gasoline as an EFF blendstock, the information collected would be limited to simple annual reports that are similar to the reports currently required for gasoline oxygenate blenders. EFF refiners that use natural gasoline as an EFF blendstock would have information collection requirements similar those that apply to all gasoline refiners (including small gasoline refiners).

New PTD requirements (to maintain records and supply them to EPA upon request) would apply to all parties in the EFF production and distribution system regardless of whether they take advantage of the proposed flexibilities or not. These proposed PTD provisions are minimally burdensome and consistent with common business practice.

5(d) Collection Schedule

Parties that would need to register would submit registration materials on an ongoing basis. The collection schedule of the EFF program reporting requirements is shown in Table 5(d).

Table 5(d). Collection Schedule

Item	Due Date
EFF full-refiner and importer aggregate and batch reports	March 31 following the previous calendar year.
EFF full-refiner and importer attest reports	June 1 following the previous year's averaging period.
EFF bulk blender-refiner aggregate and batch reports	March 31 following the previous calendar year.
EFF bulk blender-refiner attest reports	June 1 following the previous year's averaging period.
Certified natural gasoline ethanol flex fuel blendstock refiner aggregate and batch reports	March 31 following the previous calendar year.

Certified natural gasoline ethanol flex fuel blendstock refiner attest reports	June 1 following the previous year's averaging period.
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6. Estimating the Burden and Cost of Collection

6(a) Estimating Respondent Burden

We drew upon experience implementing similar regulations among similar entities to develop estimates of the burden associated with this collection. Many of the parties with registration, reporting, and recordkeeping requirements under this proposal already participate in other EPA fuels programs. The proposed collection would affect an estimated total of 1,851 parties. The following parties are identified as part of this collection with the number of each category of respondent in parentheses:

- EFF Full-Refiners (2)
- EFF Bulk Blender-Refiners (330)
- EFF Blender Pump-Refiners (1,500)
- EFF Additive Manufacturer (10)
- NGEFFBS Refiners (7)
- R&D Applicants (1)
- Independent Survey Associations (1)

6(b) Estimating the Respondent Burden and Cost

Four labor categories are involved: managerial, technical, clerical, and legal. The estimates used the Bureau of Labor Statistics figures from "National Industry-Specific Occupational Employment & Wage Estimate "Petroleum and Coal Products Manufacturing" (March 2016). Using this method, the following wages and benefits apply by category:

Wages and Benefits

Managerial	\$57.20 per hour
Technical	\$52.99 per hour
Clerical	\$16.03 per hour
Legal	\$57.25 per hour

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

Total Employer Cost

Managerial	\$115.00 per hour
Technical	\$106.00 per hour
Clerical	\$33.00 per hour
Legal	\$115.00 per hour

It is assumed that for each hour of activity the mix will be about 0.05 hour managerial, 0.7 hour technical, 0.2 hour clerical, and 0.05 legal. This gives an average labor cost of \$93 per hour (rounded up from \$92.30), which will be used in this ICR. For purchased services related to attest engagements and some items of registration, we have doubled this hourly cost to \$186 in order to more accurately reflect the cost of a certified public accountant (CPA) or licensed professional engineer's (PE) services.

Some assumptions for the tables are consistent across parties. To estimate the number of batches of EFF that would be produced nationwide, we assumed 200 million gallons of E85 produced for the next years based on estimates used to set the 2014, 2015, 2016 RFS standards rulemaking.¹ We assumed that the typical size of batch would be based on the size of a tanker truck, which is 8,000 gallons on average. This results in 25,000 batches. Based on the estimated number of producers of EFF full-refiners plus EFF bulk blender-refiners (332), that leads to an estimate of 76 batches (25,000 divided by 332 and rounded up) per party.

¹ See 80 FR 77461 (December 14, 2015).

Annual Respondent Burden and Cost by Type of Party											
Table 1 - EFF Full-refiners											
Information Collection Activity		Hours and Cost				Total Hours and Cost					Applicable Form
Citation	Activity	Standard Industry Mix Hours/Response	Clerical Only Hours/Response	Purchased Services Hours/Response	Total Cost/Response (dollars)	Number of Respondents ¹	Number of Responses per party/year	Total Number of Responses per Year	Total Hours/Year	Total Cost/Year	
§80.1550(a)(2) and (b)	Registration: Initial Registration	8	0	0	744	2	1	2	16	1,488	NA
§80.1550(b)(3)	Registration: Registration Updates ²	2	0	0	186	1	1	1	2	186	NA
§80.1551(b)	Reporting: Annual Aggregate Reports	40	0	0	3,720	2	1	2	80	7,440	EFF0100
§80.1551(b)	Reporting: Annual Batch Reports	40	0	0	3,720	2	1	2	80	7,440	EFF0200
§80.1552(b)	Recordkeeping: Records for EFF Production ³	0	1	0	33	2	12	24	24	792	NA
§80.1553	Sampling and Testing: Sulfur, Benzene, RVP, and Distillation Test	5	0	0	465	2	76	152	760	70,680	NA
§80.1563(c)	Product Transfer Documents: Transfers of EFF	0	0.1	0	3	2	76	152	15	502	NA
§80.1569(d)	Attest Engagements: Attest Engagement Report ⁵	1	0	24	4,557	2	1	2	50	9,114	NA
GRAND TOTAL						2		337	1,027	97,642	

ASSUMPTIONS

¹Number of parties assumed to be limited since most parties would be anticipated to be bulk blender-refiners. However a small number of terminals may certify fuels as a fuel-refiner or importer.

²Assumes 33% of companies update registrations per year, rounded up to 1.

³Recordkeeping requirements assume monthly (i.e., 12 responses per year) filing.

⁴Based on experience with the sampling and testing provisions for gasoline and diesel, we estimate a cost of about \$400-500 per batch of EFF. This converts to about five hours of the standard labor mix.

⁵Attest engagements require purchased services of a CPA; however, party must also submit prepared attest engagement report to EPA.

Annual Respondent Burden and Cost by Type of Party

Table 2 - EFF Bulk Blender-refiners and Importers

Information Collection Activity		Hours and Cost				Total Hours and Cost					Applicable Form
Citation	Activity	Standard Industry Mix Hours/Response	Clerical Only Hours/Response	Purchased Services Hours/Response	Total Cost/Response (dollars)	Number of Respondents ¹	Number of Responses per Party/Year	Total Number of Responses per year	Total Hours per Year	Total Cost per Year (dollars)	
§80.1550(a)(2) and (b)	Registration: Initial Registration	10	0	0	930	330	1	330	3,300	306,900	NA
§80.1550(b)(3)	Registration: Registration Updates ²	2	0	0	186	110	1	110	220	20,460	NA
§80.1551(b)	Reporting: Annual Aggregate Reports	4	0	0	372	330	1	330	1,320	122,760	EFF0300
§80.1551(b)	Reporting: Annual Batch Reports	8	0	0	744	330	1	330	2,640	245,520	EFF0400
§80.1552(b)	Recordkeeping: Records for EFF Production ³	0	1	0	33	330	12	3,960	3,960	130,680	NA
§80.1522(c)(2) and §80.1553(g)	Sampling and Testing: RVP Testing ^{4,5}	2	0	0	186	330	1	330	660	61,380	NA
§80.1522(c)(2) and §80.1553(j)	Sampling and Testing: RVP Modeling	0.1	0	0	9	330	75	24,750	2,475	230,175	NA
§80.1562(a)(1)	Survey Participation: Participation Fees in EFF Survey Program ⁶	0	0	16	2,976	330	1	330	5,280	982,080	NA
§80.1563(c)	Product Transfer Documents: Transfers of EFF	0	0.1	0	3	330	76	25,080	2,508	82,764	NA
§80.1569(d)	Attest Engagements: Annual Attest Engagement Report ⁷	1	0	24	4,557	330	1	330	8,250	1,503,810	NA

GRAND TOTAL					330		55,880	30,613	3,686,529
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ASSUMPTIONS

¹Bulk blender-refiners are petroleum terminals and ethanol producers that make EFF using certified blendstocks and certified denatured ethanol. We estimate that there are 200 terminals and 20 ethanol plants that currently make EFF this way. We anticipate growth of about 50% over the first three years resulting in an average of around 330 parties for the first three years. We expect this number to continue to grow as the RFS volumes increase.

²Assumes 33% of companies update registrations per year.

³Recordkeeping requirements assume monthly (i.e., 12 responses per year) filing.

⁴Based on experience with the sampling and testing provisions for gasoline and diesel, we estimate a cost of about \$150-200 per batch of EFF. This converts to about two hours of the standard labor mix.

⁵We believe that bulk blender-refiners would rely upon the proposed RVP modeling compliance tool to calculate the RVP for batches of EFF. Bulk blender-refiners may elect to sample and test for RVP in the rare cases so it is captured here as a potential cost for this collection.

⁶Based on our experience with implementing the E15 and RFG compliance surveys, we estimate the annual survey fee for bulk blender-refiners to be around \$3,000. This translates to about 16 hours of purchased services.

⁷Attest engagements require purchased services of a CPA; however, party must also submit prepared attest engagement report to EPA.

Annual Respondent Burden and Cost by Type of Party

Table 3 - EFF Blender Pump-Refiners

Information Collection Activity		Hours and Cost				Total Hours and Cost					Applicable Form
Citation	Activity	Standard Industry Mix Hours/Response	Clerical Only Hours/Response	Purchased Services Hours/Response	Total Cost/Response (dollars)	Number of Respondents ¹	Number of Responses per Party	Total Number of Responses per Year	Total Hours per Year	Total Cost per Year (dollars)	
§80.1552(c)	Recordkeeping: PTDs from Parent Fuels ²	0	1	0	33	1,500	12	18,000	18,000	594,000	NA
§80.1562(a)(1)	Survey Participation: Participation Fees in EFF Survey Program ³	0	0	1	186	1,500	1	1,500	1,500	279,000	NA
GRAND TOTAL						1,500		19,500	19,500	873,000	

ASSUMPTIONS

¹Currently estimate around 500 blender pump-refiners. Anticipate rapid growth in the number of retail stations over the next three years with an annual average of 1,500 stations.

²Recordkeeping requirements assume monthly (i.e., 12 responses per year) filing.

³Based on our experience with implementing the E15 compliance survey, we estimate the annual survey fee for a blender pump-refiner to be around \$100-200 per year. This translates to about one hour of purchased services.

Annual Respondent Burden and Cost by Type of Party

Table 4 - NGEFFBS Refiners

Information Collection Activity		Hours and Cost				Total Hours and Cost					Applicable Form
Citation	Activity	Standard Industry Mix Hours/Response	Clerical Only Hours/Response	Purchased Services Hours/Response	Total Cost/Response (dollars)	Number of Respondents ¹	Number of Responses per Party/Year	Total Number of Responses per year	Total Hours per Year	Total Cost per Year (dollars)	
§80.1524(b)-(e)	Sampling and Testing: Sulfur, Benzene and RVP Testing ²	5	0	0	465	7	115	805	4,025	374,325	NA
§80.1550(a)(2) and (b)	Registration: Initial Registration	16	0	0	1,488	7	1	7	112	10,416	NA
§80.1550(b)(3)	Registration: Registration Updates ³	2	0	0	186	3	1	3	6	558	NA
§80.1551(b)	Reporting: Annual Aggregate Reports	4	0	0	372	7	1	7	28	2,604	EFF0500
§80.1551(b)	Reporting: Annual Batch Reports	40	0	0	3,720	7	1	7	280	26,040	EFF0600
§80.1552(b)	Recordkeeping: Records for EFF Production ⁴	0	1	0	33	7	12	84	84	2,772	NA
§80.1563(c)	Product Transfer Documents: Transfers of NGEFFBS	0	0.1	0	3	7	115	805	81	2,657	NA
§80.1569(d)	Attest Engagements: Annual Attest Engagement Report ⁵	1	0	24	4,557	7	1	7	175	31,899	NA
GRAND TOTAL						7		1,725	4,791	451,271	

ASSUMPTIONS

¹This group includes the current producers of denaturant grade natural gasoline, some additional petroleum refiners, and some NGL processors. We estimate that 5 parties now exist and that a couple additional parties would enter the market to certify batches of natural gasoline for EFF production. We assumed an average of 7 NGEFFBS refiners over the next three years.

²Assume the typical batch certification of NGEFFBS is 300,000 gallons. This is based on 10 rail cars worth of natural gasoline. We believe 90% of the volume would be transported this way to terminals. The other 10% would be based on 8,000 gallon trucks and go to ethanol plants. Based on 200 million gallons of EFF with an average of 74% ethanol content, as assumed in RFS RVO Rule, this leads to 52 million gallons. This leads to a total of 806 batches. Divided by 7 refiners, this is approximately 115 batches per refiner.

³Assumes 33% of companies update registrations per year, this is rounded up to 3 per year.

⁴Recordkeeping requirements assume monthly (i.e., 12 responses per year) filing.

⁵Attest engagements require purchased services of a CPA; however, party must also submit prepared attest engagement report to EPA.

Annual Respondent Burden and Cost by Type of Party											
Table 5 - EFF Additive Manufacturers											
Information Collection Activity		Hours and Cost				Total Hours and Cost					Applicable Form
Citation	Activity	Standard Industry Mix Hours/Response	Clerical Only Hours/Response	Purchased Services Hours/Response	Total Cost/Response (dollars)	Number of Respondents ¹	Number of Responses per Party/Year	Total Number of Responses per year	Total Hours per Year	Total Cost per Year (dollars)	
§80.1552(b)	Recordkeeping: Records for EFF Production ²	0	1	0	33	10	12	120	120	3,960	NA
§80.1563(c)	Product Transfer Documents: Transfers of EFF Additives	0	0.1	0	3	10	76	760	76	2,508	NA
GRAND TOTAL						10		880	196	6,468	

ASSUMPTIONS

¹Based on our experience with the gasoline and diesel fuels and fuels additives programs, we estimate that there would be approximately 10 EFF additive manufacturers.

²Recordkeeping requirements assume monthly (i.e., 12 responses per year) filing.

Annual Respondent Burden and Cost by Type of Party

Table 6 - R&D Applicant

Information Collection Activity		Hours and Cost				Total Hours and Cost					Applicable Form
<i>Citation</i>	<i>Activity</i>	<i>Standard Industry Mix Hours/Response</i>	<i>Clerical Only Hours/Response</i>	<i>Purchased Services Hours/Response</i>	<i>Total Cost/Response (dollars)</i>	<i>Number of Respondents¹</i>	<i>Number of Responses per Party/Year</i>	<i>Total Number of Responses per year</i>	<i>Total Hours per Year</i>	<i>Total Cost per Year (dollars)</i>	
§80.1556	Reporting: R&D Applications	8	0	0	744	1	1	1	8	744	NA
GRAND TOTAL						1		1	8	744	

ASSUMPTIONS

¹Based on experience with R&D exemptions in other EPA fuels programs, we estimate that we would only have 1 applicant per year.

Annual Respondent Burden and Cost by Type of Party											
<i>Table 7 - Independent Survey Association</i>											
Information Collection Activity		Hours and Cost				Total Hours and Cost					Applicable Form
<i>Citation</i>	<i>Activity</i>	<i>Standard Industry Mix Hours/Response</i>	<i>Clerical Only Hours/Response</i>	<i>Purchased Services Hours/Response</i>	<i>Total Cost/Response (dollars)</i>	<i>Number of Respondents¹</i>	<i>Number of Responses per Party/Year</i>	<i>Total Number of Responses per year</i>	<i>Total Hours per Year</i>	<i>Total Cost per Year (dollars)</i>	
§80.1562(a)(3)(iv)	Reporting: Potential Non-compliance Reports ²	1	0	0	93	1	58	58	58	5,394	NA
§80.1562(a)(3)(vi)	Recordkeeping: EFF Survey Records ³	1	0	0	93	1	12	12	12	1,116	NA
§80.1562(a)(4)	Plan Submission: EFF Survey Program Annual Plan	80	0	0	7,440	1	1	1	80	7,440	NA
§80.1562(a)(5)	Reporting: Quarterly Survey Results Report	40	0	0	3,720	1	4	4	160	14,880	NA
§80.1562(a)(5)	Reporting: Annual Survey Results Report	40	0	0	3,720	1	1	1	40	3,720	NA
GRAND TOTAL						1		76	350	32,550	

ASSUMPTIONS

¹Based on our experience implementing compliance surveys in other programs, 1 independent surveyor is contracted to implement such programs.

²To estimate number of potential non-compliance reports, we assumed about 2,000 samples collected and the historical non-compliance rate of 2.9% as seen in other compliance programs. This results in 58 potential non-compliance reports.

³Recordkeeping requirements assume monthly (i.e., 12 responses per year) filing.

Annual Respondent Burden and Cost by Type of Party					
<i>Table 8 - Summary of ICR Burden</i>					
<i>Party Type</i>	<i>Number of Respondents</i>	<i>Total Number of Responses per Year</i>	<i>Total Hours/Year</i>	<i>Average Annual Respondent Burden in Hours</i>	<i>Total Cost/Year</i>
EFF Full-Refiners	2	337	1,027	514	\$97,642
EFF Bulk Blender-Refiners	330	55,880	30,613	93	\$3,686,529
EFF Blender Pump-Refiners	1,500	19,500	19,500	13	\$873,000
NGEFFBS Refiners	7	1,725	4,791	684	\$451,271
EFF Additive Manufacturers	10	880	196	20	\$6,468
R&D Applicants	1	1	8	8	\$744
Independent Survey Associations	1	76	350	350	\$32,550
GRAND TOTAL	1,851	78,399	56,485	31	\$5,148,203

6(c) Estimating the Agency Burden and Costs

EPA would generate company and facility registration number(s) for new registrants and notify them of these numbers, which would appear on reports. Report formats and instructions/guidance would be prepared by EPA personnel. Reports would be processed by contractors and must be reviewed by EPA personnel using automated processes to the greatest extent practical. Reporting parties would be contacted if there is a problem with their submission. We would have to develop forms for the reporting requirements for many of the parties covered in the proposed rulemaking. We have provided sample reporting templates in the docket for the proposed rulemaking.

This supporting statement considers all EPA costs associated with accepting new registrants and new reports associated with the proposed EFF program in REGS rule. Based on our experience with similar programs that regulate gasoline and diesel fuel under the CAA as a guide, we have assumed a half-time GS-7 clerical worker (0.5), one half-time GS-13 technical worker (0.5), and a GS-15 manager working one-eighth of his/her time managing this project (0.125). By labor category, this results in annual costs of \$92,000 for technical, \$46,000 for clerical, and \$32,000 for management.²

Since we are using the CDX, some costs incurred by EPA will be tied to the number of registrants who send us reports. Specifically, there is an annual "subscription cost" associated with the use of CDX that is passed on to the EPA program office and we estimate that registrants due to the proposed EFF program would cost approximately \$50,000 per year. We anticipate an increase of \$25,000 in annual contract costs related to registration and reporting activities related

² These estimates are derived from "OPM Salary Table 2016-DCB," effective January 2016. This table may be found at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2016/DCB.pdf>. The extreme of step 10 was assumed for all categories. All values were multiplied by 1.6 (which is a common factor utilized in ICRs to account for overhead costs). Values are rounded to the nearest thousand.

to the proposed EFF program. We anticipate IT development and testing costs at \$150,000 divided by three years to yield an annual cost of \$50,000. Adding the following values results in an annual estimated EPA burden as follows:

One GS-13 technical employee (half-time) =	\$ 96,000
One GS-7 clerical worker (half-time) =	46,000
One GS-15 manager (1/8 time) =	32,000
Annual CDX subscription fee =	50,000
Annual contract costs =	25,000
Testing and development=	50,000
TOTAL =	\$299,000

As with all items in this supporting statement, we strongly encourage comment on the estimated EPA burden and on the EPA activities associated with this proposed information collection.

6(d) Estimating the Respondent Universe

We estimated the number of regulated entities for this proposed ICR by drawing upon our experience regulating the same or similar entities under the other EPA fuels programs. Where possible, we used estimates based on parties that have expressed interest in a particular portion of the proposed REGS rule.

6(e) Bottom Line Burden Hours and Costs

From the tables, we estimate the following annual totals:

TOTAL NO. OF RESPONDENTS:	1,851
TOTAL NO. OF RESPONSES:	78,399
TOTAL BURDEN HOURS:	56,485
TOTAL COST TO RESPONDENTS:	\$5,148,203

6(f) Burden Statement

Because the universe of respondents to the EFF program is quite diverse, there is no “typical” respondent. The annual burden is estimated to average between 8 and 684 hours per respondent, depending on the information collection requirements of the particular party. The average annual burden across all parties is 31 hours, and the average number of hours per response is estimated to be approximately 1 hour.

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 EPA'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 No. EPA-HQ-OAR-2016-0041, 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). The docket is located in the William Jefferson Clinton Building West, 1301 Constitution Avenue, NW, Room 3334, Washington, DC, and is open from 8:30 a.m. to 4:30 p.m., Eastern Standard Time, Monday through Friday, excluding legal holidays. The telephone number for the Reading Room is (202) 566-1744, and the telephone number for the Air and Radiation Docket and Information Center 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 No. 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 No. EPA-HQ-OAR-2016-0041 and OMB Control Number 2060-AS66 in any correspondence.