

United States Environmental Protection Agency (EPA)
INFORMATION COLLECTION REQUEST (ICR)
Part A of the Supporting Statement
(October2019)

1. IDENTIFICATION OF THE INFORMATION COLLECTION

1(a) Title: Recordkeeping and Reporting Related to E15 (Renewal)
EPA ICR Number 2408.05
OMB Control Number 2060-0675
Docket ID Number EPA-HQ-OAR-2015-0202

1(b) Abstract

EPA regulations at 40 CFR 80 – Subpart N require recordkeeping and reporting for respondents involved in the production, transport, and dispensing of gasoline with over 10% ethanol by volume and up to 15% ethanol by volume (E15). E15 use is limited to certain 2001 model-year and newer light-duty motor vehicles. It is not allowed in motorcycles, heavy-duty vehicles, and non-road engines, which may result in increased emissions. To deter the misuse of E15 in those vehicles and engines, (1) pumps dispensing E15 are required to have prominent labels (2) the product transfer documents (PTDs) that accompany shipments of gasoline and certain gasoline blendstocks are required to have certain identifying and compliance information, (3) respondents are required to conduct quarterly compliance surveys, and (4) certain respondents are required to implement a Misfueling Mitigation Plan.

2. NEED FOR AND USE OF THE COLLECTION

2(a) Need/Authority for the Collection

Emissions from gasoline engines are a major source of air pollution. The use of E15 in engines for which it is not allowed can result in increased emissions and is prohibited by regulation at 40 CFR 80.1504(a). Sections 114 and 208 of the Clean Air Act provide authority for recordkeeping and reporting requirements to promote regulatory compliance.

2(b) Practical Utility/Uses of the Data

The PTDs and survey data will significantly aid: (1) respondents in meeting the regulatory requirements and (2) EPA in monitoring compliance.

3. NONDUPLICATION, CONSULTATIONS, AND OTHER COLLECTION CRITERIA

3(a) Nonduplication

The information in this collection is available only from the regulated parties and is specific to their business practices.

3(b) Public Notice Required Prior to ICR Submission to OMB

A notice was published in the Federal Register (84 FR 9772, March 18, 2019) seeking comment on the renewal of this collection. No relevant comments were received.

3(c) Consultations

For the current clearance we drew upon our experience with PTDs and surveys for other programs that we administer. We also consulted with Growth Energy, a trade association whose members are subject to the collection requirements and Weaver, a consulting firm to the fuel industry. Both commented that the average estimated Survey 2 payment in the following Table 1 appeared low. Growth Energy said that its high-volume ethanol producers pay about \$6,000 per year. However, it also commented that the fee per retail outlet is \$100 per year. Thus, a party with only one outlet dispensing E15 would pay only \$100 per year. There are about 1,800 retail outlets dispensing E15. This gives an annual cost of \$180,000 plus the cost to the approximately 100 manufacturers of ethanol for use in E15. Thus, we have tripled the estimated average Survey 2 cost from \$500 to \$1,500, increasing the total annual cost from \$125,000 to \$375,000. Weaver commented that the other estimates in Table 1 appeared reasonable. No public comments were received so we are, in general, proposing the same burden estimates with the exception of the annual Survey 2 cost.

3(d) Effects of Less Frequent Data Collection

This is not applicable to a PTD, as it is generated for each shipment. We believe that conducting the compliance survey less than quarterly would not allow us to take prompt corrective action if a violation were found.

3(e) General Guidelines

This information collection complies with 5 CFR 1320.5(d)(2), except that records must be retained for five years instead of three. The five-year retention is consistent with other regulations at 40 CFR 80 and respondents keep such records for at least five years as a customary business practice.

3(f) Confidentiality

Confidential business information is routinely submitted under the regulations at 40 CFR 80 and is treated in accordance with the regulations at 40 CFR 2.

3(g) Sensitive Information

This information collection does not require the submittal of any sensitive information, such as social security numbers or financial data.

4. RESPONDENTS AND THE INFORMATION COLLECTED

4(a) Respondents and SIC/NAICS Codes

The respondents to this information collection are:

- Gasoline Refiners (2911/324110)
- Ethanol Producers (2869/325193)
- Gasoline/Ethanol Importers (5172/424720)
- Gasoline/Ethanol Blenders (Terminals/Carriers), Distributors, Retailers, and Wholesale Purchaser-Consumers (5171, 5172/424710, 424720)

4(b) Information Requested & Respondent Activities

(a) Request for an Alternative Label on a Pump Dispensing E15 (40 CFR 80.1501(b)(5) – a gasoline retailer or wholesale purchaser-consumer may request that EPA approve an alternative label to the one required at 40 CFR 80.1501. There have been very few requests since the regulation took effect in 2014. We estimate two per year and 24 hours each to prepare. Since the regulation dictates the content and appearance of the label there is no “information collection” for the label and thus only the request for an alternative label is subject to this ICR.

(b) Survey Requirements (40 CFR 80.1502) – refiners, importers, ethanol producers, and blenders involved with E15 are required to participate in a survey of retail outlets, including sampling and testing of gasoline for oxygenate content and Reid Vapor Pressure. A respondent may conduct the survey itself (survey option 1), or respondents may form a consortium which arranges for an independent survey association to conduct the survey in accordance with the regulations at 40 CFR 80.1502(b)(2) – (5) (survey option 2). All respondents, now numbering 250 compared to 100 in the current clearance, have joined a sole consortium. Thus, there is only one respondent, the survey association, for survey option 2, with an estimate of 200 hours annually. As a placeholder, we estimate one respondent for survey option 1, also at 200 hours annually. However, it is highly unlikely that any respondent will choose survey option 1 as it would likely cost significantly more than participation in survey option 2. Each survey requires: (1) an annual submission to EPA of a survey program plan for approval or disapproval by EPA, (2) an annual submission to EPA of the contract with the independent surveyor and proof of funding, and (3) quarterly and annual submissions to EPA of summary survey reports. Each member of the consortium pays an annual fee to the survey association which we estimate to average \$500.

(c) Information required on a PTD (40 CFR 80.1503) – this is primarily basic information, such as names and addresses of the transferor and transferee, volume of the shipment, ethanol content, Reid Vapor Pressure, limitations on use, etc. Just about all PTDs are computer-generated and codes may be used for efficiency and simplicity. We estimate that there are 2,000 respondents

(refiners, importers, ethanol producers, and ethanol blenders) that produce 44 million PTDs annually, at an average of 1 second each to produce, for a total of 12,222 hours.

(d) Misfueling Mitigation Plan (MMP) (75 FR 68094, 68149-68150, November 4, 2010 and 76 FR 4662, January 26, 2011) – refiners, importers, ethanol producers, and blenders involved with E15 are required to implement an MMP, approved by EPA, in accordance with the requirements in the preceding FR cites. All 250 respondents are employing the MMP developed by the Renewable Fuels Association (RFA). We estimate that each will spend 8 hours annually on the MMP. The RFA MMP incorporates survey option 2 discussed in (b) above. We estimate that we will receive 100 new requests annually to approve use of the RFA MMP, at one hour each.

(e) Recordkeeping (40 CFR 80.1502(b)(3)(viii) and 80.1503(c)) – survey records and PTDs are required to be retained for five years. This is a customary business practice and thus not an information collection burden.

The above is summarized below:

Table 1

<u>Collection Activity</u>	<u>No. of Respondents</u>	<u>Annual Reports Per Respondent/Total</u>	<u>Hours Per Report/Total</u>	<u>Cost/\$116 Per Hour</u>
Alt. Pump Label	250	.001/2	24/48	\$5,568
Survey 1	250	.004/1	200/200	\$23,200
Survey 2	250	1/1	.8/200	\$23,200
Survey 2 Payment @ \$1,500	250			\$125,000
PTDs	2,000	22,000/44 million	1 sec./12,222	\$1,417,752
MMP-current	250	1/250	8/2,000	\$232,000
MMP-new requests	250	.4/100	1/100	\$11,600
TOTALS	2,000	44,000,728	14,770	\$1,841,445

5. THE INFORMATION COLLECTED – AGENCY ACTIVITIES, COLLECTION METHODOLOGY, AND INFORMATION MANAGEMENT

5(a) Agency Activities

EPA will (1) provide guidance on compliance with the regulations, (2) approve or disapprove requests for an alternative pump label, and (3) approve or disapprove survey plans annually. EPA may review the records that are required to be retained by the respondents.

5(b) Collection Methodology and Management

Survey plans and summary survey reports are submitted to EPA. EPA may request stored records for review as part of an enforcement action or to assess compliance. Information is handled in accordance with the regulations at 40 CFR 2.

5(c) Small Entity Flexibility

This information collection will not have a significant impact on small entities. There is no reporting to EPA and record retention is a customary business practice.

5(d) Collection Schedule

The quarterly and annual reports for the survey programs provide timely compliance data and enable EPA to take prompt enforcement action if significant violations are reported.

6. ESTIMATING THE BURDEN AND COST OF THE COLLECTION

6(a) Estimating Respondent Burden – See Table 1 Above

6(b) Estimating Respondent Costs

(i) Estimating Labor Costs

Four labor categories have been identified: managerial, legal, professional/technical (prof/tech), and clerical. According to the Bureau of Labor Statistics, May 2017 National Industry-Specific Occupational Employment and Wage Estimates (most recent available as of February 2019), mean wages were:

Hourly Wages

Managerial	\$68.20
Legal	\$74.10
Prof/Tech	\$66.57
Clerical	\$22.21

Doubling for company overhead and, for convenience, rounding to the nearest dollar, gives the following rates that will be used for this ICR:

Total Employer Costs

Managerial	\$136
Legal	\$148
Prof/Tech	\$133
Clerical	\$ 44

The labor mix for each task is estimated to be about 0.05 hour managerial, 0.05 hour legal, 0.7 hour professional/technical, and 0.2 hour clerical. This gives an average labor cost of about \$116 per hour, which will be used in this ICR.

(ii) Estimating Non-Labor Costs

There are no capital costs. No equipment is required to be purchased to meet the collection requirements. Respondents already have the necessary computers, blending equipment, laboratory instruments, printers, and data storage systems as a customary business practice. The only operations and maintenance costs (O&M) are for the submission of reports, the submission of requests for approval, and the \$125,000 in survey fees. We estimate an annual total of 125 submissions at a cost of \$25 each for an annual O&M submission cost of \$3,125. Thus, the total annual O&M cost is estimated at \$3,125 + \$125,000 = \$128,125.

6(c) Estimating Agency Burden and Costs

We estimate that the annual Agency burden consists of 0.10 of a GS-13 professional to review and approve submissions. We estimate that the annual Agency cost for this professional full-time, including overhead, is \$200,000, or \$20,000 for this collection.

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

Table 2 - Respondent Count, Burden, and Costs

Activity	Respondents	Responses Per Respondent Per Year	Annual Responses	Hours per Response	Total Annual Hours	Labor Costs Per Response	Total Annual Labor Costs	Non-Labor Costs Per Response	Total Annual Non-Labor Costs	Full Annual Cost
		Average Respondent Labor Per Hr.	\$	116.00						
Alt. Pump label	2,000	0.0010	2	24	48	\$ 2,784	\$ 5,568	\$ -	\$ -	\$ 5,568
Survey 1	250	0.0040	1	200	200	\$ 23,200	\$ 23,200	\$ -	\$ -	\$ 23,200
Survey 2	250	1.0000	250	0.80	200	\$ 93	\$ 23,200	\$ 500	\$ 125,000	\$ 148,200
Postage			125					\$ 25	\$ 3,125	\$ 3,125
PTD	2,000	22,000	44,000,000	0.0003	12,222	\$ 0.032	\$ 1,417,752	\$ -	\$ -	\$ 1,417,752
MPP current	250	1.0000	250	8	2,000	\$ 928	\$ 232,000	\$ -	\$ -	\$ 232,000
MPP new	250	0.4000	100	1	100	\$ 116	\$ 11,600	\$ -	\$ -	\$ 11,600
Totals	2,000	22,000.36	44,000,728	0.0003	14,770	\$ 0.04	\$ 1,713,320	\$ 0.003	\$ 128,125	\$ 1,841,445

6(e) Bottom Line Burden Hours and Cost Tables

(i) Respondent Tally – There is a total of 2,604 respondents providing 44,000,366 responses (44 million are PTDs) at a burden of 14,770 hours and cost of \$1,838,230. There are annual non-labor costs of \$128,125.

(ii) The Agency Tally – the burden is estimated at 0.10 of a GS-13 professional for \$20,000 including overhead.

(iii) Variations in the Annual Bottom Line

There are none due to the constant nature of the collection requirements.

6(f) Reasons for Change in Burden

There is an increase in burden due to revisions of some estimates, the inclusion of some burdens not addressed in the current collection, and an increase in labor cost from \$101 to \$116 per hour, per the following:

<u>Activity</u>	<u>Proposed Hours/cost</u>	<u>Current Clearance</u>
Alt. Pump Label	48 hours - \$5,568	48 hour - \$4848
Survey 1	200 hours - \$23,200	not estimated
Survey 2	200 hours - \$23,200	200 hours - \$20,200
Survey 2 Payments (O&M)	\$125,000	not estimated
PTDs	12,222 hours - \$1,417,752	12,222 hours - \$1,234,444
MMP – Current	2,000 hours - \$232,000	800 hours - \$80,800
MMP – New Requests	100 hours - \$11,600	not estimated
Mailing Costs (O&M)	\$3,125	not estimated
TOTALS	14,770 hours - \$1,841,445	13,270 hours - \$1,340,292

6(g) Burden Statement

The annual public reporting and recordkeeping burden for this collection of information is estimated to be 1 second per response for each of the 44 million PTDs. Excluding the PTDs, the burden is estimated to be 3.5 hours per response. Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, disclose or provide information to or for a Federal agency. This includes the time need to review instructions; develop, acquire, install, and utilize technology and systems for the purpose of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and 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 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-2015-0202, which is available for online viewing at www.regulations.gov, or in person viewing at the Air Docket in the EPA Docket Center in Washington, DC (EPA/DC). The docket is located in the EPA West Building, 1301 Constitution Avenue, NW, Room 3334, and is open from 8:30 a.m. to 4:30 p.m., Eastern Standard or Daylight 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 Docket is (202) 566-1742.

You may use www.regulations.gov 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 EPA-HQ-OAR-2015-0202. Also, you can send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington, DC 20503, Attention: Desk Officer for EPA. Please include the EPA Docket ID Number EPA-HQ-OAR-2015-0202 and OMB Control Number 2060-0675 in any correspondence.