**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

WASHINGTON, D.C. 20460

October 14, 2021

 OFFICE OF

AIR AND RADIATION

**MEMORANDUM**

**SUBJECT:** Information Collection forInitialReporting of the Hydrofluorocarbon Allowance Allocation and Trading Program (OMB Control Number 2060-NEW; EPA ICR Number 2698.01)

**FROM: Christopher Grundler, Director**

 **Office of Atmospheric Programs**

 **Office of Air and Radiation**

**THRU: Courtney Kerwin, Director**

 **Regulatory Support Division**

 **Office of Mission Support**

**TO: OMB Desk Officer for EPA’s Office of Air and Radiation**

 **Office of Information and Regulatory Affairs**

 **Office of Management and Budget**

Pursuant to section 3507(j) of the Paperwork Reduction Act (PRA) (44 U.S.C. 3501 et seq.), as implemented in the Office of Management and Budget (OMB) regulations at 5 CFR §1320.13, the Environmental Protection Agency (EPA) is hereby requesting emergency processing of an information collection necessary to begin collecting data required by the “Phasedown of Hydrofluorocarbons: Establishing the Allowance Allocation and Trading Program under the American Innovation and Manufacturing Act” rulemaking.

This Information Collection Request (ICR) is in response to the December 27, 2020, enactment of the American Innovation and Manufacturing Act (AIM) of 2020, included in the Consolidated Appropriations Act, of 2021. The AIM Act directs EPA to address HFCs by providing new authorities to establish regulatory programs in three main areas: to phase down the production and consumption of listed HFCs, maximize reclamation and minimize releases of these HFCs and their substitutes in equipment, and facilitate the transition to next-generation technologies by restricting use of these HFCs in the sector or subsectors. This collection supports a rulemaking focusing on the first area – the phasedown of the production and consumption of HFCs.

**Information Collection is Essential to the Mission of the Agency**

This ICR will collect data required by the final rulemaking titled, “Phasedown of Hydrofluorocarbons: Establishing the Allowance Allocation and Trading Program under the American Innovation and Manufacturing Act.” Consistent with and meeting the AIM Act’s statutory directive to issue a final rule within 270 days of enactment, the rule was signed by the Administrator on September 23, 2021, and was published in the Federal Register on October 5, 2021 (see 86 FR 55116). Parts of the rulemaking became operational upon signature, and this ICR is integral for immediate implementation of the AIM Act. EPA anticipates that the following subset of forms will need to be available immediately under this ICR.

Entities must use the following forms to report as early as 11/1/2021:

1. One-time Reports for Anti-dumping/Countervailing Duties (due no later than 11/30/2021)
2. Applications for the Set-aside Pool of Allowances (due no later than 11/30/2021)
3. Petitions for Transformation or Destruction (ongoing)
4. Petitions for Destruction (Used) (ongoing)

Entities must use the following forms to report as early as 1/1/2022:

1. Request(s) for Additional Consumption Allowance(s) (ongoing)
2. Domestic Transfers of Allowances (ongoing)
3. Sales and/or Transfers of Application-specific Allowances (ongoing)
4. Conferrals of Allowances (ongoing)
5. One-time Reports for Reclaimers (due 2/14/2021)

EPA is also seeking approval to use a form on a voluntary basis to facilitate real-time review and clearance of HFC import data:

1. HFC Importer Annual Reporting Form

The most relevant subsections of the AIM Act that provide authority for this collection include subsections (d), (e), and (k).

**Information Collection Activities Involved in this Emergency Request**

EPA will leverage two existing electronic reporting systems to collect and track data for all respondents: (1) the electronic Greenhouse Gas Reporting Tool (e-GGRT) and (2) the ozone-depleting substance tracking system (ODSTS). EPA currently uses e-GGRT to collect and store data on greenhouse gases (including HFCs) in accordance with the Greenhouse Gas Reporting Program (40 CFR Part 98), while the ODSTS is used by EPA to collect and track data on ozone-depleting substances that are reported in accordance with 40 CFR Part 82. Both systems are designed to collect and store CBI in compliance with U.S. government security standards.

EPA will use the ODSTS to collect requests for set-aside allowances, antidumping and countervailing duties (AD/CVD) documentation, petitions to import used regulated substances for destruction, and the importer annual form (seeking information on the HFCs a company intends to import and their importer number). EPA will use e-GGRT to collect all other reports listed above, including a supplemental form on past HFC imports for certain set-aside allowance applications. Following submission of data through e-GGRT, the data will be migrated into the ODSTS for the purposes of allowance tracking and management, leveraging the infrastructure of the allowance tracking system implemented for ODS.

Data elements requested for respondents are consistent with 40 CFR 84.15 and 84.31 reporting requirements. Data required from importers and application-specific end-users requesting allowances from the set-aside pool are similar to those covered by the ICR titled “Collection of Information to Establish the HFC Baseline and Initial Allocations Under the AIM Act” (EPA ICR Number 2684.01). However, the information required under this ICR allows for entities who were not aware of the initial information request to provide the data required to request set-aside allowances.

**EPA Cannot Reasonably Comply with the Normal Clearance Procedures**

EPA cannot reasonably comply with the normal clearance procedures because under the “Phasedown of Hydrofluorocarbons: Establishing the Allowance Allocation and Trading Program under the American Innovation and Manufacturing Act” final rulemaking, the earliest reporting deadline for several groups of respondents, including applications for the set-aside pool of allowances and reports for Anti-dumping/Countervailing Duties is November 30, 2021. Entities are requesting these forms now so they can report.

**Agency Has Taken All Practicable Steps to Consult with Affected Parties in Order to Minimize Burden**

EPA has held numerous meetings with stakeholders since publication of the proposed rulemaking “Phasedown of Hydrofluorocarbons: Establishing the Allowance Allocation and Trading Program under the American Innovation and Manufacturing Act” (86 FR 27150, May 19, 2021). Further, EPA has been working with stakeholders to review their data and refine the regulatory approach for the final rule published October 5, 2021 (86 FR 55116). This review and consultation, including with other relevant federal agencies under Executive Order 12866 review and since, have informed the development of these forms.

**Requested Time Period for OMB Action**

EPA requests that OMB take action on this request by October 22, 2021. Delaying collection of this data beyond this date could hinder regulated entities’ ability to comply with the timelines established in the HFC Allocation Final Rule (86 FR 55116).

**Cost Estimates/Burden**

The respondent universe for this ICR is assumed to cover the period from November 2021 through April 2022 and is based on a review of data available in e-GGRT, the ODSTS, ACE, and the HFC subsector market characterizations (docket ID EPA-HQ-OAR-2021-0044). The cost estimates and burden are based on EPA’s experience collecting similar activity data on HFCs and ODS under the GHGRP (74 FR 56260; October 30, 2009) and 40 CFR part 82, respectively. EPA does not anticipate any capital or operations and maintenance costs.

**Respondent Burden**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Respondent Type**  |  **Activity**  |  **Responses per Respondent**  |  **Technical Hours per Response**  |  **Total Hours per Respondent**  |  **Technical Cost per Respondent**  | **Respondents per Activity** |  **Number of Responses**  |  **Total Respondent Hours**  |  **Total Respondent Costs**  |
| HFC Producers | Provide certification to third party (conferrer) | 1 | 2.0 | 2.0 | $244 | 5 | 5 | 10 | $1,222 |
| HFC Importer | Submit one-time AD/CVD report | 1 | 2.0 | 2.0 | $244 | 305 | 305 | 610 | $74,542 |
| Submit one-time set-aside allowance request | 1 | 6.0 | 6.0 | $733 | 40 | 40 | 240 | $29,328 |
| Submit historic import/export data | 1 | 32.0 | 32.0 | $3,910 | 20 | 20 | 640 | $78,208 |
| Petition to import HFCs for transformation/destruction | 16 | 2.0 | 32.0 | $3,910 | 8 | 128 | 256 | $31,283 |
| Petition to import used HFCs for destruction | 1 | 6.0 | 6.0 | $733 | 4 | 4 | 24 | $2,933 |
| Provide certification to third party (conferrer) | 1 | 2.0 | 2.0 | $244 | 5 | 5 | 10 | $1,222 |
| HFC Exporter | Submit request for additional consumption allowances | 2 | 6.0 | 12.0 | $1,466 | 2 | 4 | 24 | $2,933 |
| HFC Supplier | Submit conferral request | 1 | 6.0 | 6.0 | $733 | 10 | 10 | 60 | $7,332 |
| Provide certification to third party (conferee) | 1 | 2.0 | 2.0 | $244 | 10 | 10 | 20 | $2,444 |
| Provide certification to third party (conferrer) | 4 | 2.0 | 8.0 | $978 | 10 | 40 | 80 | $9,776 |
| HFC Reclaimers | Submit one-time report | 1 | 40.0 | 40.0 | $4,888 | 68 | 68 | 2,720 | $332,384 |
| HFC Fire Suppression Agent Recyclers | Submit one-time report | 1 | 40.0 | 40.0 | $4,888 | 10 | 10 | 400 | $48,880 |
| HFC Transfers | Submit inter-company transfer request | 2 | 6.0 | 12.0 | $1,466 | 8 | 16 | 96 | $11,731 |
| Submit request to sell/convey HFCs | 1 | 6.0 | 6.0 | $733 | 2 | 2 | 12 | $1,466 |
| Application-Specific Allowance Holders | Submit conferral request | 2 | 6.0 | 12.0 | $1,466 | 20 | 40 | 240 | $29,328 |
| Provide certification to third party (conferee) | 2 | 2.0 | 4.0 | $489 | 20 | 40 | 80 | $9,776 |
| Submit one-time set-aside allowance request | 1 | 6.0 | 6.0 | $733 | 10 | 10 | 60 | $7,332 |
| Submit one-time report | 1 | 38.0 | 38.0 | $4,644 | 10 | 10 | 380 | $46,436 |
| **Total** |  |  |  |  |  |  | **797** | **5,962** | **$728,556** |

 Note: Labor rate is estimated at $122.20/hour based on $58.19 (increased by 110% to account for fringe and benefits), the hourly wage rate for professional and related persons, derived from Bureau of Labor Statistics Employer Cost and Employee Compensation. Totals may not sum due to independent rounding.

**Agency Burden**

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **Number of Activities** | **Total Hours** | **Total Cost** |
|
| Review Data for Reporting Completeness and Compliance |  542  |  721  | $72,954 |
| Process Transfer Reports | 18 |  20  | $1,890 |
| Review Petitions to Import HFCs | 132 |  211  | $19,104 |
| Review Set Aside Allowance Requests | 50 |  413  | $38,953 |
| Provide Reporting Guidance | 13 |  52  | $4,884 |
| Conduct Stakeholder Outreach Efforts | 1 |  184  | $18,216 |
| **TOTAL** |   |  1,600  | $156,001 |