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Part A: Justifications
OMB No. 1901-0294

*Form FE-746R, Import and Export of Natural Gas*

**Supporting Statement for Import and Export of Natural Gas (Form FE-746R)**

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## Introduction

The U.S. Department of Energy requests a 3-year extension of Form FE-746R, “Natural Gas Imports and Exports” from the Office of Management and Budget (OMB). The collection supports the Office of Fossil Energy and Carbon Management (FECM) of the Department of Energy (DOE) in the collection of critical information on the U.S. natural gas trade associated with applications for authorization to import and export natural gas (both long-term and blanket/short-term authorizations), and monthly import/export transaction reporting requirements by approved authorization holders. The data are used to monitor the natural gas trade, assess the adequacy of energy resources to meet near and longer-term domestic demands, and support various market and regulatory analyses done by FECM.

Reporting on Form FE-746R is mandatory. Applications to import and export natural gas are required by statute for any entity wishing to engage in such transactions and provide the decision-maker and general public with the basic information used in issuing import/export authorizations and in monitoring compliance and trade. In addition to information collected pursuant to import and export applications, FECM requires, as a condition to granting anauthorization, monthly reports from prospective and actual importers and exporters of natural gas. The information collected on the monthly reports enables DOE to monitor such trade under the North American Free Trade Agreement (NAFTA), as well as other trade falling outside the parameters of NAFTA. Additionally, the trade data collected on Form FE-746R serves as the official source of statistics used in natural gas supply and demand data DOE publishes. The information collected on Form FE-746R is directly linked to DOE’s approval of an entity’s request to import or export natural gas. All entities that apply for and are awarded the right to import and export natural gas by DOE must respond to this information collection in order to retain their authorization.

The information collection discussed in this supporting statement has been reviewed considering applicable information quality guidelines. It has been determined that the information will be collected, maintained, and used in a manner consistent with OMB and DOE, and the U.S. Energy Information Administration (EIA) information quality guidelines.

**Changes to Form FE-746R**. FECM is not proposing any changes to the FE-746R data collection.

## A.1. Legal Justification

The regulation of natural gas is codified in Title 15 U.S.C. 717. Pursuant to 15 USC 717b, the Secretary of Energy is authorized to regulate the import and export of natural gas, and this authority has been delegated to the Assistant Secretary for Fossil Energy and Carbon Management. Consistent with DOE’s authority, the reports that are the subject of FE-746R are required as a condition of authorizations for import and export.

## A.2. Needs and Uses of Data

As stated above, FECM still must make a public interest finding on the natural gas import/export applications not automatically deemed to be in the public interest by statute. Because such decisions are subject to review in the Federal courts, FECM’s decision must be fully supported by the record in each case. The information and data provided in an application are essential to that record. In addition, further information and data are needed from the applicant if FECM is required to perform an environmental analysis of the proposed project. The information and data also are necessary to enable affected parties to properly evaluate the impact of a proposal on them. All applications become part of the public record and are available for inspection and copying (including availability on FECM’s website).

For those applications that do not require public interest determinations from FECM, as discussed in section 1, the information and data collected in the applications have been reduced. Applications that fall into this category must be granted by FECM and FECM’s action of issuing an authorization is merely ministerial in nature. Because FECM’s action is ministerial in nature for these cases, FECM is not required to perform an environmental analysis of those proposed imports/exports.

In addition to information collected pursuant to import and export applications, FECM requires, as a condition to granting authorization, monthly reports from prospective and actual importers and exporters of natural gas. These reports are used by FECM to monitor natural gas trade, ensure that importers and exporters are in compliance with the terms and conditions of their authorizations, and ensure that certain individual import and export arrangements continue to be in the public interest. FECM is the only official source of this trade information and therefore publishes its compilations in various formats, as well as making it available to the public via the Internet (<https://www.energy.gov/fecm/regulation>). The trade data are used extensively by other offices within DOE (e.g., EIA, Office of Policy, and Emergency Planning), the Federal Energy Regulatory Commission, other Federal agencies (e.g., Treasury, State, Commerce, Central Intelligence Agency, Federal Trade Commission, and Department of Homeland Security), State public service commissions, Congress, industry, trade publications, and investment/financial groups.

## A.3. Use of Technology

Companies can file the monthly reports via an online portal, by email or fax, in addition to regular mail. FECM provides 30 different worksheets, one for each transportation mode by import and export activity, in Excel file format for respondents to use for filing their reports. Also, all FECM’s regulatory decisions, statistical reports, and analyses are available on its website.

## A.4. Efforts to Identify Duplication

Each application requesting authority to import or export natural gas is unique, as is each report made on import and/or export transactions. The International Trade Data System (ITDS) operated by the U.S. Census Bureau collects some data on imports and exports of natural gas. However, ITDS does not track volumes, location of export/import, or other categories critical to our analysis. It only tracks dollar figures of the commodity. There are no other sources, either public or private, that collect such comprehensive information specific to import/export authorizations on United States’ natural gas trade.

## A.5. Provisions for Reducing Burden on Small Businesses

DOE determined that businesses that engage in the import and export of natural gas products are not small businesses. There are no small businesses reporting on this survey.

## A.6. Consequences of Less-Frequent Reporting

DOE requires monthly reporting. Applications, including supplements thereto, and reports submitted by the respondents on their own initiative are of indeterminate frequency, as are application supplements submitted at the direction of FECM. Without this data related to imports/exports, DOE would be unable to effectively carry out its duties under the law. Regarding the monthly reports of activities, less frequent reports on international natural gas trade would greatly impair DOE’s ability to monitor and analyze changes in the United States’ natural gas trade, monitor compliance with the terms of authorizations, and ensure that certain individual import or export arrangements continue to be in the public interest. Moreover, the usefulness of the data to other users, both public and private, would be significantly diminished.

## A.7. Compliance with 5 CFR 1320.5

Data are collected consistent with the guidelines in 5 CFR 1320.5 except for the number of copies required for applications not electronically submitted. Multiple copies of non-electronic applications are required to provide for full dissemination within DOE/FECM, DOE/Office of General Counsel, parties to a regulatory proceeding, and the general public. Applications are primarily submitted electronically; DOE/FECM has not processed a non-electronic application in the last two years.

## A.8. Summary of Consultations Outside of the Agency

On January 13, 2023, the Federal Register published the notice (88 Fed. Reg. 2350) soliciting comments on the extension of approval of Form FE-746R, “Natural Gas Imports and Exports,” with changes. The changes were:

1) A change to the confidentiality policy for select information reported on Form FE-746R. Specifically, FECM proposed publishing import and export prices for all forms of natural gas at the transaction level, excluding prices for domestically produced LNG exports. FECM noted that LNG export prices will continue to be aggregated for all LNG cargoes by month at each point of export.

2) A change in the confidentiality policy for Form FE-746R, such that it would read:

“Information reported on Form FE-746R is considered public information and may be publicly released in company identifiable form, except that the following information will be protected and not disclosed to the public to the extent that it satisfies the criteria for exemption under the Freedom of Information Act (FOIA), 5 USC §552, as amended, and the Department of Energy (DOE) regulations, 10 CFR §1004.11, implementing the FOIA:

* + LNG export prices;
	+ Name of the Specific Purchaser/End User for all forms of natural gas imports and exports, including LNG, for all modes of transportation except by pipeline; and
	+ Heat content for all forms of natural gas imported and exported.

Data protection methods will not be applied to the aggregate statistical data published from submissions on Form FE-746R. There may be some statistics that are based on data from fewer than three import or export transactions. In these cases, it may be possible for a knowledgeable person to closely estimate the information reported by a specific respondent.”

Based on comments filed in support of the protection of individual submissions of price data submitted on Form FE-746R, DOE’s final proposal does not make changes to the existing data collection. DOE will use the exemptions under the FOIA to maintain the protection of transaction-level price data for all forms of natural gas imported and exported, including LNG, to the extent that it satisfies the criteria for exemption under the Freedom of Information Act (FOIA), 5 USC §552, as amended, and the Department of Energy (DOE) regulations, 10 CFR §1004.11, implementing the FOIA. Price data will not be published at a transaction level for all forms of natural gas imported and exported, including LNG. The final proposal balances the public interest to be served by publishing significant amounts of aggregate price data but retaining protection for transaction-level data that would cause competitive harm to natural gas importers and exporters.

Five unique comments were received. Commenters were generally in favor of maintaining data protection of price data for all forms of natural gas imported and exported. A summary of the five comments DOE received, and responses are below:

1) The American Gas Association (AGA) requests that the protections afforded to prices at import or export point for all forms of natural gas imported and exported, including LNG, in the current instructions for Form FE-746R remain in place and that DOE not remove the protections for import information. AGA also states that LNG import pricing information meets the exemption criteria in FOIA and DOE’s regulations as it is commercially sensitive information and its release on a company specific basis may cause harm.

DOE Response to AGA: Based on comments filed in support of the protection of individual submissions of price data submitted on Form FE-746R, DOE’s final proposal does not make changes to the existing data collection. DOE will use the exemptions under the FOIA to maintain the protection of transaction-level price data for all forms of natural gas imported and exported, including LNG, to the extent that it satisfies the criteria for exemption under the Freedom of Information Act (FOIA), 5 USC §552, as amended, and the Department of Energy (DOE) regulations, 10 CFR §1004.11, implementing the FOIA. Price data will not be published at a transaction level for all forms of natural gas imported and exported, including LNG. The final proposal balances the public interest to be served by publishing significant amounts of aggregate price data but retaining protection for transaction-level data that would cause competitive harm to natural gas importers and exporters.

2) Center for Liquefied Natural Gas (CLNG) opposes the proposed changes. CLNG states that price data and company-specific purchaser/end user data for all forms of imports and exports including pipeline imports/exports are commercially and financially sensitive and are entitled to protection under FOIA Exemption 4, and DOE’s regulations, as the information is “customarily and actually treated as private” by FE-746R reporting parties.

DOE Response to CLNG: Based on comments filed in support of the protection of individual submissions of price data submitted on Form FE-746R, DOE’s final proposal does not make changes to the existing data collection. DOE will use the exemptions under the FOIA to maintain the protection of transaction-level price data for all forms of natural gas imported and exported, including LNG, to the extent that it satisfies the criteria for exemption under the Freedom of Information Act (FOIA), 5 USC §552, as amended, and the Department of Energy (DOE) regulations, 10 CFR §1004.11, implementing the FOIA. Price data will not be published at a transaction level for all forms of natural gas imported and exported, including LNG. DOE would also like to note that the name of the specific purchaser/end user for all forms of natural gas imports and exports, including LNG for all modes of transportation except by pipeline will continue to be protected. DOE does not currently collect and is not proposing to collect purchaser/end user data for pipeline imports and exports. The final proposal balances the public interest to be served by publishing significant amounts of aggregate price data but retaining protection for transaction-level data that would cause competitive harm to natural gas importers and exporters.

3) Northwest Natural Gas Company, Avista Corporation, Cascade Natural Gas Corporation, Intermountain Gas Company, Montana-Dakota Utilities Co., Great Plains Natural Gas Co., a division of Montana-Dakota Utilities Co., and Puget Sound Energy, Inc. (the “Utilities”), oppose the proposed changes as they allow confidential commercial information to be made available to the public which could result in competitive harm to the Utilities, their contract counterparties, and other market participants. The Utilities, request DOE to modify the proposal to retain the current scope of assurances regarding information that is exempt from disclosure, as is reflected in the current form instructions.

DOE Response to the Utilities: Based on comments filed in support of the protection of individual submissions of price data submitted on Form FE-746R, DOE’s final proposal does not make changes to the existing data collection. DOE will use the exemptions under the FOIA to maintain the protection of transaction-level price data for all forms of natural gas imported and exported, including LNG, to the extent that it satisfies the criteria for exemption under the Freedom of Information Act (FOIA), 5 USC §552, as amended, and the Department of Energy (DOE) regulations, 10 CFR §1004.11, implementing the FOIA. Price data will not be published at a transaction level for all forms of natural gas imported and exported, including LNG. The final proposal balances the public interest to be served by publishing significant amounts of aggregate price data but retaining protection for transaction-level data that would cause competitive harm to natural gas importers and exporters.

4) Public Citizen, Inc. requests that the Name of the Specific Purchaser/End User for all forms of natural gas imports and exports, including LNG, for all modes of transportation except by pipeline be subject to public release in company identifiable form.

DOE Response to Public Citizen: Based on comments filed in support of the protection of individual submissions of price data and the Name of the Specific Purchaser/End User submitted on Form FE-746R, DOE’s final proposal does not make changes to the existing data collection. DOE will use the exemptions under the FOIA to maintain the protection of transaction-level price data for all forms of natural gas imported and exported, including LNG, to the extent that it satisfies the criteria for exemption under the Freedom of Information Act (FOIA), 5 USC §552, as amended, and the Department of Energy (DOE) regulations, 10 CFR §1004.11, implementing the FOIA. Price data will not be published at a transaction level for all forms of natural gas imported and exported, including LNG. DOE would also like to note that the name of the specific purchaser/end user for all forms of natural gas imports and exports, including LNG for all modes of transportation except by pipeline will continue to be protected. DOE does not currently collect and is not proposing to collect purchaser/end user data for pipeline imports and exports. The final proposal balances the public interest to be served by publishing significant amounts of aggregate price data but retaining protection for transaction-level data that would cause competitive harm to natural gas importers and exporters.

5) Mexico Pacific Limited, LLC (MPL) does not oppose the continued collection of information relating to imports and exports of natural gas. However, it strongly opposes the proposed changes to Form FE-746R that would result in certain natural gas import and export price data being considered public information, while other data remains exempt from public disclosure.MPL urges DOE to reconsider and rescind the proposal insofar as it would require the disclosure in company-identifiable form of export and import prices other than prices of LNG exports and that could cause a competitive disadvantage against the export of U.S. natural gas from non-U.S. facilities.

DOE Response to MPL: Based on comments filed in support of the protection of individual submissions of price data submitted on Form FE-746R, DOE’s final proposal does not make changes to the existing data collection. DOE will use the exemptions under the FOIA to maintain the protection of transaction-level price data for all forms of natural gas imported and exported, including LNG, to the extent that it satisfies the criteria for exemption under the Freedom of Information Act (FOIA), 5 USC §552, as amended, and the Department of Energy (DOE) regulations, 10 CFR §1004.11, implementing the FOIA. Price data will not be published at a transaction level for all forms of natural gas imported and exported, including LNG. The final proposal balances the public interest to be served by publishing significant amounts of aggregate price data but retaining protection for transaction-level data that would cause competitive harm to natural gas importers and exporters.

FECM personnel are in frequent contact with companies filing applications and reports using Form FE-746R. FECM accepts the companies’ views on applications, data collection, and data availability; and answers questions and provides guidance, at the request of these companies, about how to complete applications and reports, when they need to be filed, and related issues. Consultations occur with different companies at different intervals, but consultations in general with companies occur on a monthly basis, and often more frequently.

## A.9. Payments or Gifts to Respondents

Payments or gifts will not be provided to respondents as incentives to report data to DOE.

## A.10. Provisions for Protection of Information

Form FE-746R will use the following data protection statement:

Information reported on Form FE-746R is considered public information and may be publicly released in company identifiable form except that the following information will be protected and not disclosed to the public to the extent that it satisfies the criteria for exemption under the Freedom of Information Act (FOIA), 5 USC §552, as amended, and the Department of Energy (DOE) regulations, 10 CFR §1004.11, implementing the FOIA.

* + Transaction-level prices at import or export point for all forms of natural gas imported and exported, including LNG;
	+ Name of the Specific Purchaser/End User for all forms of natural gas imports and exports, including LNG, for all modes of transportation except by pipeline; and
	+ Heat content for all forms of natural gas imported and exported.

Disclosure limitation procedures will not be applied to the aggregate statistical data published from submissions on Form FE-746R. There may be some statistics that are based on data from fewer than three import or export transactions. In these cases, it may be possible for a knowledgeable person to closely estimate the information reported by a specific respondent.

## A.11. Justification for Sensitive Questions

There are no questions of a sensitive nature in the Import and Export of Natural Gas data collections.

## A.12. Estimate of Respondent Burden Hours and Cost

The public reporting burden of the monthly reports is estimated to range from 0.25 hours to 5 hours per response (averaging 3 hours).

DOE expects to receive a total of 4,752 monthly reports each year (396 active authorizations times 12 months per year). DOE expects the annual total burden for this information collection to be 14,256 hours annually (see Table A1 below). The burden estimate includes time for follow-up on survey responses to clarify any questions about information reported. Given this, DOE estimates the total annual cost to the respondents to be $1,245,404 (14,256 hours times $87.36/hour, rounded to the nearest dollar).

An average cost of $87.36 per hour is used because that was the average loaded (salary plus benefits) cost for an EIA employee as of January 1, 2023. DOE assumes that the survey workforce at companies completing applications and reports is comparable to the EIA workforce.

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| **Table A1. Estimated Respondent Burden** |
|  **DOE Form Number/Title**  | **Annual Reporting Frequency** | **Annual Number of Respondents** | **Annual number of responses** | **Burden Hours Per Response** | **Annual Burden Hours** |
| Form FE-746\* | 12 | 396 | 4,752 | 3 | 14,256 |
| **Total** | 12 | 396 | 4,752 | 3 | 14,256 |

\* The estimated number of monthly reports is based on the potential number of active authorizations (396) times 12 monthly reports per year for each authorization. Respondents submitting applications would also be submitting monthly reports; therefore, the number of application respondents is not added to the number of active authorizations (396) in the total number of respondents, as displayed in column three of this table.

## A.13. Annual Cost to the Federal Government

Information requested as part of applications and monthly reports is expected to be available as part of a company’s business records. Therefore, DOE envisions no additional start-up or on-going costs to be incurred as a result of this information collection other than the costs associated with the hours to complete the reporting requirements. The cost of burden hours to the government is estimated to be $1,245,404 (14,256 burden hours times $87.36 per hour).

## A.14. Changes in Burden

Since this information is kept in the normal course of business and is readily available, there are no changes in the reporting burden for Form FE-746R.

## A.15. Reasons for Changes in Burden

There are no changes in burden.

## A.16. Collection, Tabulation, and Publication Plans

The application information is not tabulated or published. It is made available through publicly available docket files (including availability on DOE’s website *(https://www.energy.gov/fecm/articles/electronic-docket-room-e-docket-room)****.*** The monthly reports of import/export activities are due 30 calendar days after the end of each calendar month. The data are tabulated and published within 60 days of the date of submission.

## A.17. OMB Number and Expiration Date

The OMB control number is published in the orders issued to authorization holders. The OMB control number and the expiration date are shown on the front page of the monthly report form (Form FE-746R).

## A.18. Certification Statement

This information collection request complies with the certification requirements under 5 CFR 1320.9