Supporting Statement
for
Waterfront Facilities Handling Liquefied Natural Gas (LNG)
and Liquefied Hazardous Gas (LHG)

[as modified by USCG-2019-0444; 1625-AC52]

OMB No.: 1625-0049
COLLECTION INSTRUMENTS: Instruction

A. JUSTIFICATION

1. Circumstances that make the collection necessary.

Coast Guard regulations in 33 CFR Part 127 provide safety standards for the design, construction, equipment, operation, maintenance, personnel training, and fire protection at waterfront facilities handling liquefied natural gas (LNG) and liquefied hazardous gas (LHG). These regulations implement the Ports and Waterways Safety Act of 1972, as amended (46 U.S.C. 70011). They are necessary to prevent or mitigate the consequences of an accidental release of LNG or LHG at a waterfront facility, reducing the likelihood of an accident and lessening potential harm to people and property.

The regulations contain the following information collection requirements:
A. 127.007 Letter of Intent (LOI)
B. 127.015 Appeals
C. 127.017 Alternatives
D. 127.019, 127.305, 127.1305 Operations Manual
E. 127.019, 127.307, 127.1307 Emergency Manual
F. 127.301, 127.1301 Certification of person in charge
G. 127.317, 127.1317 Declaration of Inspection
H. 127.409, 127.1409 Records of maintenance
I. 127.007 Waterway Suitability Assessment (WSA)
J. 127.008 Operational Risk Assessment (ORA)

The statutory authority is 46 U.S.C. 70011.

2. Purpose of the information collection.

A. The Letter of Intent (LOI) provides the U.S. Coast Guard Captain of the Port (COTP) with early notification that a facility plans to conduct bulk transfers of LNG or LHG. This initial submission supplies foundational information necessary for the COTP to become familiar with the planned facility and its operations. It also enables the COTP to begin resource allocation planning to ensure the operator complies with the requirements of 33 CFR Part 127.

B. Any person directly affected by an action taken under these regulations may submit a written appeal to the District Commander and, if unsatisfied, may further appeal to the Assistant Commandant for Prevention Policy. A written appeal is necessary for a proper evaluation.

C. An operator may request an alternative procedure, method, or equipment standard if

compliance with a requirement is impractical. The operator must submit a written request to the COTP demonstrating that the proposed alternative provides an equivalent level of safety. A written request is required for a proper evaluation.

D. The facility owner or operator must submit an Operations Manual to the COTP for review. The manual is a critical part of the inspection strategy, and transfer operations cannot begin until the COTP finds the manual compliant with section 127.305 or 127.1305. The manual allows the COTP to verify that the facility has established safe operating procedures and an effective training program.

E. The facility owner or operator must submit an Emergency Manual to the COTP for review. The manual is a key part of the enforcement strategy, and transfer operations cannot begin until the COTP finds the manual compliant with section 127.307 or 127.1307. The manual enables the COTP to verify that the facility has established effective procedures for responding to emergencies, such as fires or gas releases.

F. The facility operator must certify in writing that each person in charge of shoreside transfer operations is qualified under the regulations and must make a copy of the certification available for inspection. During routine inspections, the COTP examines these certifications to verify qualifications. This process is less burdensome than the alternatives of administering tests or observing training.

G. Before a transfer begins, the shoreside person in charge and the vessel person in charge must jointly complete a Declaration of Inspection. This checklist helps prevent human error and equipment failure, thereby reducing the risk of accidental releases. The COTP examines these forms during inspections to verify that proper procedures are followed and to identify the individuals responsible if a violation occurs.

H. The operator must conduct regular tests and inspections of the LNG and LHG transfer systems and maintain records of maintenance for 24 months. During inspections, the COTP examines these records to ensure compliance. Without these records, operators would have to wait for a Coast Guard inspector to witness the tests, increasing the burden on both the operator and the Coast Guard.

I. Owners and operators seeking to site, construct, or operate a new facility, or modify an existing one, may need to prepare a Waterway Suitability Assessment (WSA) in accordance with 33 CFR 127.007. The WSA must be submitted at least one year before transfer operations begin.

J. An owner or operator of a facility handling LNG only as a marine fuel may conduct an Operational Risk Assessment (ORA) instead of a WSA. A WSA is still required if the facility receives LNG by vessel.

3. Considerations of the use of improved technology.
Information may be submitted by mail, fax, or e-mail to the COTP at the local Coast Guard Sector Office. Contact information is available at https://www.uscg.mil/Units/Organization/. We estimate that 67% of reporting requirements are submitted electronically.

4. Efforts to identify duplication.
The Coast Guard monitors state and local regulatory activity in this field. To date, we have not identified any equivalent state, local, or other federal programs that require this information.

5. Methods used to minimize the burden to small businesses if involved.
These requirements are not expected to have a significant economic impact on small entities, as few are involved in the costly and highly technical operations of LNG and LHG waterfront facilities. The appeal and alternatives provisions (sections 127.015 and 127.017) are intended to reduce the burden by allowing entities to request less burdensome procedures when justified.

6. Consequences to the Federal program if collection were conducted less frequently.
A, D, E, F. The LOI, Operations Manual, and Emergency Manual are one-time submissions. The certification for persons in charge is completed when a new individual is qualified. Less frequent collection would be equivalent to no collection.

B, C. Appeals and requests for alternatives are submitted as needed. Less frequent collection would deny operators the ability to have their requests considered.

G. Declarations of Inspection are completed for each transfer. Less frequent collection would prevent the COTP from verifying that proper procedures are followed for each transfer, increasing the risk of an incident.

H. Maintenance records are created when an event occurs. Less frequent recording would delay facility operations until a Coast Guard representative could verify compliance.

I. A WSA is a risk-based assessment to address safety and security concerns. Less frequent collection would prevent operators' requests from being considered.

J. An ORA is a risk-based assessment for LNG fueling facilities. Less frequent collection would prevent operators' requests from being considered.

7. Special collection circumstances.
This information collection is conducted in a manner consistent with the guidelines in 5 CFR 1320.5(d)(2).

8. <u>Consultation</u>.

The Coast Guard published on October 5, 2020, a Notice of Proposed Rulemaking (NPRM) entitled “Operational Risk Assessments for Waterfront Facilities Handling Liquefied Natural Gas as Fuel, and Updates to Industry Standards” (LNG-WSA-ORA) [USCG-2019-0444; RIN 1625-AC52; 85 FR 62651]. The rulemaking proposed to—

- amend its regulations concerning waterfront facilities handling liquefied natural gas (LNG) and liquefied hazardous gas (LHG). The proposed rule would make the following three changes. First, the proposed rule would be revised to allow waterfront facilities handling LNG as fuel to conduct an operational risk assessment instead of a waterway

suitability assessment (WSA) without first obtaining Captain of the Port approval. Second, the proposed rule would update incorporated technical standards to reflect the most recent editions available to the public. These updated industry standards would only apply to waterfront facilities handling LNG and LHG that are constructed after the implementation date of the final rule. Third, the proposed rule would require waterfront facilities handling LNG that must comply with the WSA requirements to provide information to the Coast Guard on the nation of registry for, and the nationality or citizenship of officers and crew serving on board, vessels transporting natural gas that are reasonably anticipated to be servicing that facility.

The NPRM 60-day comment period closed on December 4, 2020. The Coast Guard received no collection of information-related comments to the NPRM. On February 2, 2022, the LNG-WSA-ORA Final Rule was published [87 FR 5660].

9. Provide any payment or gift to respondents.
There is no offer of monetary or material value for this information collection.

10. Describe any assurance of confidentiality provided to respondents.
There are no assurances of confidentiality for this information collection. This request is covered by the Marine Information for Safety and Law Enforcement (MISLE) Privacy Impact Assessment (PIA) available at:

- https://www.dhs.gov/sites/default/files/publications/privacy_pia_uscg_misle.pdf

11. Additional justification for any questions of a sensitive nature.
This collection does not contain questions of a sensitive nature.

12. Estimates of annual hour and cost burdens to respondents.

- The estimated number of respondents is 127.
- The estimated number of responses is 3,638.
- The estimated hour burden is 6,708 hours.
- The estimated cost burden is $437,303.

The burden to respondents is provided in Appendix A. The appendix includes the annual number of respondents and responses, as well as the estimated annual hour burden and cost (totals may not sum due to independent rounding) for 2020 which reflects the publication year of the NPRM. For the wage rates, we used the Bureau of Labor Statistics (BLS) wage rate for General and Ops Managers (11-1021) [May 2020, mean hourly wage, loaded 50%, and rounded],[1] Installation, Maintenance and Repair Occupations (Major Group) (49-0000) [May 2020, mean hourly wage, loaded 50%, and rounded],[2] and Office Clerks, General (43-9061) [May 2020, mean hourly wage, loaded 50%, and rounded].[3]

A description of assumptions for each collection element is below.

[1] https://www.bls.gov/oes/2020/may/oes111021.htm accessed May 2020

[2] https://www.bls.gov/oes/2020/may/oes490000.htm accessed May 2020

[3] https://www.bls.gov/oes/2020/may/oes439061.htm accessed May 2020

A. LOI: An LOI is required once, unless the facility is modified, deactivated, or changes ownership. We estimate 6% of facilities submit a new or revised LOI annually.

B. Appeals: Appeals are rare. We estimate 1% of respondents will submit an appeal annually.

C. Alternatives: We estimate 0% of facilities will submit a request for an alternative annually.

D. Operations Manual Development: Operations Manuals only need to be developed once during the lifetime of a facility. We estimate that about 3% of facilities will be replaced by newer facilities in a given year.

E. Operations Manual Amendments: Certain changes to facility systems will require facility owners to amend their Operations Manual. We estimate that about 6% of facilities will update their Operations Manual annually

F. Emergency Manual Development: Emergency Manuals only need to be developed once during the lifetime of a facility. We estimate that about 3% of facilities will be replaced by newer facilities in a given year.

G. Emergency Manual Amendment: Certain changes to facility systems will require facility owners to amend their Emergency Manual. We estimate that about 6% of facilities will update their Emergency Manual annually.

H. Person in Charge Qualification and Certification: We estimate a 33% employee turnover rate for the four Persons in Charge at each facility, requiring an average of 1.33 new certifications per facility each year.

I. Declaration of Inspection: We estimate that each facility conducts approximately 26 transfers per year.

J. Maintenance Records: Each facility must conduct and record a series of tests and inspections. The number of respondents and responses equals the total number of facilities.

K. Waterway Suitability Assessment (WSA): A WSA is required for new facilities or modifications to existing ones. We estimate 2% of facilities will submit a WSA each year.

L. Operational Risk Assessment (ORA): An ORA is an option for waterfront facilities that handle LNG as fuel. We estimate 3 facilities will submit an ORA each year.

13. Total of annualized capital and start-up costs.
There are no capital, start-up or maintenance costs associated with this information collection.

14. Estimates of annualized Federal Government costs.
The estimated annual Federal Government cost is $48,185 (see Appendix B). We estimate that a Lieutenant Commander (LCDR, O-4) will conduct all WSA reviews. We estimate that a combination of Lieutenant (LT, O-3), Lieutenant Junior Grade (LTJG, O-2) and Petty Officers

(E-6 & E-5) will conduct other requirement reviews. For calculation purposes, we average O-3 & O-2 wage rates (Officers), as well as E-6 & E-5 wage rates (Enlisted). The wage rates shown are in accordance with the 2020 edition of COMDTINST 7310.1(series) for "In-Government" personnel.

15. Explain the reasons for the change in burden.
The change in burden is a PROGRAM CHANGE due to the 1625-AC52 rulemaking and an ADJUSTMENT due to an increase in the facility population that will result in a change (i.e., increase) in the estimated annual hour burden. The reporting and recordkeeping requirements, and the methodology for calculating burden, remain unchanged.

16. Plans for tabulation, statistical analysis, and publication.
This information collection will not be published for statistical purposes.

17. Approval to not display expiration date.
The Coast Guard will display the OMB approval expiration date for this information collection.

18. Exception to the certification statement.
The Coast Guard does not request an exception to the certification of this information collection.

B. Collection of Information Employing Statistical Methods
This information collection does not employ statistical methods.