

**Department of Transportation
Office of the Chief Information Officer**

**Supporting Statement
Recordkeeping Requirements for LNG Facilities**

INTRODUCTION

This is to request the Office of Management and Budget's (OMB) renewed three-year approved clearance for the information collection entitled, "Recordkeeping Requirements for LNG Facilities" OMB Control Number 2137-0048, which is currently due to expire on September 30, 2008.

Part A. Justification.

1. Circumstances that make collection of information necessary.

Liquefied natural gas (LNG) is potentially dangerous and can cause explosions, fires and deaths if not handled properly. The Pipeline and Hazardous Materials Safety Administration (PHMSA) is tasked with the Federal Government's mandate to protect the public from the dangers of handling LNG.

49 U.S.C. 60102(b) states that "The Secretary of Transportation shall prescribe minimum safety standards for designing, installing, constructing, initially inspecting, and initially testing a new liquefied natural gas facility." 49 U.S.C. 49 60103(d) states that, "The Secretary of Transportation shall prescribe minimum operating and maintenance standards for a liquefied natural gas pipeline facility." Section (f) of this legislation requires, "A new liquefied natural gas pipeline facility may be operated only after the operator submits an adequate contingency plan." PHMSA LNG rules can be found under 49 CFR Part 193.

2. How, by whom, and for what purpose is the information used.

The information is used to assist Federal and state pipeline safety inspectors who audit this information when they inspect LNG facilities to ensure compliance with the regulations. The inspectors will be able to ascertain compliance with the regulations since portions of the LNG facility operator's facility are not visible once the plant is completed and in operation. The program would be unable to ensure public safety if this information were unavailable.

3. Extent of automated information collection.

The regulations are written in performance language, and the method for keeping records or developing written plan manuals is left to the discretion of the facility operator. The operator may maintain the information in any retrievable form.

4. Efforts to identify duplication.

When this regulation was promulgated in the 1980s, other government agencies were consulted to minimize any duplication. The public had opportunities to comment during the rulemaking process. Every LNG facility is particularly unique to its location, to its builder, and to its size. For this reason, no similar information is available.

5. Efforts to minimize the burden on small businesses.

The information collection does not involve small entities. To install and maintain these production and storage facilities requires considerable capital

6. Impact of less frequent collection of information.

The collection frequency is left to the discretion of the LNG facility operator and the collection is maintained as necessary.

7. Special circumstances.

Many of the recordkeeping requirements are for the life of the facility. These records allow inspectors to ensure that the facility is operated and maintained in a safe manner. These records also are used by the operator to ensure that they are using the appropriate procedures.

8. Compliance with 5 CFR 1320.8.

A 60-Day Notice requesting comments was published in the Federal Register on February 27, 2008 [73 FR 10508]. No comments pertaining to this information collection were received. A 30-Day Notice requesting comments was published in the Federal Register on May 9, 2008 [73 FR 26468]. No comments pertaining to this information collection were received.

9. Payments or gifts to respondents.

There is no payment or gift provided to respondents associated with this collection of information.

10. Assurance of confidentiality.

None of the data collected contain personally identifiable information (PII) or business confidential information. Therefore, no guarantees of confidentiality are provided to applicants.

11. Justification for collection of sensitive information.

No sensitive information is required.

12. Estimate of burden hours for information requested.

There are 101 LNG facilities operated by 78 operators (based on the user fee information) under Office Pipeline Safety (OPS) jurisdiction. The recordkeeping takes place on a daily basis at the facility level. Many of the requirements involve establishing procedures for manuals and updating as needed – an average of five recordkeepings per year, per facility. Also, training plans and records require about five recordkeepings per year. Another 30 records must be kept annually to record materials used to construct facilities. The remainder of the recordkeepings; 360 per facility, involve maintenance records. On average, maintenance activities are performed each day by operators in each facility. OPS estimates that an average LNG record takes less than 0.3 hours. Multiplying 400 records x 0.3 hours = 120 burden hours per facility. The burden hours per record has been determined by on-site inspection of the facilities. Since a great deal of the required recordkeeping is accomplished by automatic recording devices on strip charts, the incremental time to prepare a record is small. As stated above, the burden per operator is 120 hours per facility. The total hours for the entire industry is 120 hours x 101 facilities = 12,120 total hours for the industry annually.

Based on the industry-specific occupational and wage estimates provided by the U.S. Department of Labor's Bureau of Labor Statistics, the median hourly wage of an engineering manager (for NAICS 486000 – pipeline transportation) is estimated as \$48.20.¹ Using an estimated fringe benefit of about 35 percent, the recordkeeping by the LNG operators are prepared at the average rate of \$65.07 per hour. Based on the above information, the estimated annual cost burden of recordkeeping is \$65.07 (per hour) x 120 (hours) = \$7,808.40 per year. Multiplying this cost by the 101 facilities, the cost to the industry is \$7,808.40 x 101 = \$788,648.40 per year.

13. Estimate of total annual costs to respondents.

There is no cost burden to respondents except those identified in item 12 above.

14. Estimate of cost to the Federal Government.

There is no cost to the Federal government as this is a recordkeeping and not a reporting requirement.

15. Explanation of program changes or adjustments.

There is no change in burden due to the renewal of this information collection.

16. Publication of results of data collection.

No statistical aspects of these particular recordkeeping requirements are used by PHMSA.

¹ http://bls.gov/oes/current/naics3_486000.htm#b11-0000

17. Approval for not displaying the expiration date of OMB approval.

PHMSA is not seeking such approval.

18. Exceptions to certification statement.

There is no exception to PHMSA's certification of this request for information collection approval.

Attachments:

There are no attachments.

Part B. Collections of Information Employing Statistical Methods

This information collection does not employ statistical methods.

1. Describe potential respondent universe and any sampling selection method to be used.

There is no potential respondent universe or any sampling selection method being used.

2. Describe procedures for collecting information, including statistical methodology for stratification and sample selection, estimation procedures, degree of accuracy needed, and less than annual periodic data cycles.

There are no procedures for collecting information, including statistical methodology for stratification and sample selection, estimation procedures, degree of accuracy needed, and less than annual periodic data cycles.

3. Describe methods to maximize response rate.

There are no methods to maximize the response rate.

4. Describe tests of procedures or methods.

There are no tests of procedures or methods.

5. Provide name and telephone number of individuals who were consulted on statistical aspects of the information collection and who will actually collect and/or analyze the information.

There were no individuals consulted on statistical aspects of the information collection.

