

Supporting Statement for Paperwork Reduction Act Submissions

OMB Control Number 1028-0060

Mine, Development, and Mineral Exploration Supplement

Expiration Date: January 31, 2007—USGS Form 9-4000-A

Terms of Clearance: “The Agency is requested to include names and contact information for several persons from outside the agency that were consulted on the burden estimates and other aspects of this IC in the supporting statement accompanying the next request for OMB approval.”

General Instructions

A Supporting Statement, including the text of the notice to the public required by 5 CFR 1320.5(a)(i)(iv) and its actual or estimated date of publication in the Federal Register, must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified in Section A below. If an item is not applicable, provide a brief explanation. When Item 17 of the OMB Form 83-I is checked "Yes", Section B of the Supporting Statement must be completed. OMB reserves the right to require the submission of additional information with respect to any request for approval.

Specific Instructions

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

The U.S. Department of the Interior (DOI) has policy responsibility for the Nation’s mineral resources and their derived industries. The National Mining and Mineral Policy Act of 1970 (Public Law 91-631; see Enclosure 1) and the National Materials and Minerals Policy, Research and Development Act of 1980 (Public Law 96-479; see Enclosure 2) make it incumbent upon the Secretary of the Interior to be informed about and to inform the Congress of important developments, including crises, in the minerals industries. The DOI’s responsibilities regarding mineral resources are discharged through a staff of scientists, including geologists, chemists and physicists; engineers; economists; and mineral commodity specialists. Many of the responsibilities are assigned to the U.S. Geological Survey (USGS).

Two fundamental activities—mining and agriculture—form the basis of the Nation’s wealth

because they furnish all the raw materials and most of the energy that are used in all other industries. Additionally, the mining industry supplies the fertilizers, pesticides, and soil conditioners that significantly enhance the performance of the agricultural sector. For those raw materials not produced domestically, supplies must be imported. This adversely affects the trade balance and, for some materials, puts U.S. industries at risk of supply disruptions because of international political developments. Imports may also compete with domestic production, thus jeopardizing U.S. jobs. Accordingly, the Government requires accurate, timely data on raw materials production and related industries to formulate policies that ensure national security and economic well-being. The USGS canvass forms are the fundamental means by which data on minerals, mining, and related materials production are obtained.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection. [Be specific. If this collection is a form or a questionnaire, every question needs to be justified.]

The data obtained from this canvass are used by Government agencies, educational institutions, research organizations, consulting firms, industry, and the public. They provide the Government with essential mining, exploration, development, and environmental impact information. Information gathered from this canvass is used by the Secretary of the DOI in his annual report to the Congress on the state of domestic mining and mineral industries as required by the National Materials and Minerals Policy, Research and Development Act of 1980. Two of the basic provisions of the Act are “the availability of materials is essential for national security, economic well-being, and industrial production” and the “extraction, production, processing, use, recycling, and disposal of materials are closely linked with natural concerns for energy and the environment.” The data also provide ways of identifying industry trends; making supply and demand analyses on varying time cycles; assembling meaningful findings, such as industry vitality; drawing conclusions; and formulating appropriate recommendations for the Government on such matters as stockpiling, tariffs, prospecting and exploration, research and development, and production incentives. Exploration data can provide a window to the future because exploration activity often takes place many years before mining begins.

This canvass covers the entire nonfuel minerals mining industry. The data collected are used to make domestic ore resource analyses. The USGS then issues, as promptly as possible, an Annual Report that provides essential information while protecting trade secrets and privileged or proprietary commercial or financial information. These data form a substantial part of the USGS’s Automated Minerals Information System (AMIS) from which mining engineers, geologists, economists, and mineral commodity specialists obtain data for use in legislative decisions, research programs, economic studies, analyses, land use, and environmental impact studies. These data are also used to respond to nationwide and international requests for minerals information.

Form USGS 9-4000-A asks respondents for information on production status, activity, and type of operations per year; type and quantity of crude material mined; type of development work;

mining methods; and exploration activity.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden [and specifically how this collection meets GPEA requirements.].

On-line electronic forms are currently under development. The completion date is dependent upon the available resources. Almost 100 OMB-approved paper forms in seven information collections administered by the USGS's Minerals Information Team must be converted with no increase in budget or personnel resources.

In addition to producing electronic versions of paper forms, the conversion process will encompass mappings of thousands of fields to the mainframe AMIS database. Extensive cross-checks on data will be automated, replacing manual processes. The electronic forms conversion effort exceeds the Government Paperwork Elimination Act (GPEA) requirements by establishing intelligent links between the input on the electronic forms and the database rather than simply transforming physical forms to electronic versions of the same.

In 2006, more than 37% of total responses from the seven information collections originated from the top two forms (9-4007-A, 9-4008-A). About 50% of total responses originated from the top eight forms within these seven information collections. Priority for conversion will be given to canvasses that have the largest numbers of responses, and therefore, the most total burden hours. Other factors, such as response rate, however also will be considered.

Paper-based forms will remain an option for submission of responses because not all industry respondents are able to or wish to transmit their data to the USGS by electronic means.

Within this information collection, the conversion schedule makes available an electronic option to 100% of estimated responses by October 2007. Based on initial prototypes and knowledge of the industries, 30% of the above universe is expected to respond electronically.

Everyone will be notified of the Web option when the form comes on-line. At that time, a special mail-out will contain instructions on how to register for the Web option. Annual reminders will be sent.

Enclosure 3 is a sample template letter already mailed out for several canvass forms which notified companies about the Web option. However, the registration form to which this sample template letter refers is no longer included with the template letter for Web accessible canvasses. Immediate on-line registration is now available where new respondents and new users are granted immediate access. For security purposes, users who register on-line cannot access past submissions unless they specifically request the ability to retrieve historical data.

Enclosure 4 and Enclosure 5 are print-outs of the on-line screens where registration information

is gathered for operations and users. The screens presented are not specific to each of the seven information collections administered by the USGS's Minerals Information Team.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

If data are available from other Federal or State agencies, trade associations, or other public sources, then USGS canvasses are not conducted. The USGS continuously reviews data collection practices with other agencies, including the U.S. Department of Commerce and the U.S. Department of Labor (DOL), and the International Trade Commission, as well as with industry associations such as the American Iron and Steel Institute, the Ferroalloys Association, the Institute of Scrap Recycling Industries, the International Tungsten Association, the Cobalt Development Institute, the Gypsum Association, the Aluminum Association, the International Chromium Development Institute, the Bismuth Institute, the International Copper Study Group, and the International Lead and Zinc Study Group. Where data are available from other sources, these data are used. Alternate data sources are not available for the commodities that are canvassed.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

The canvass form is designed to minimize the burden to all respondents of which about 25% are small businesses or other small entities. Because only essential data are requested and in a format common to the reporting industry, the burden is kept to the minimum for large and small businesses. When applicable, small businesses often respond with fewer data entries than the larger organizations.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The USGS provides information necessary for sound Federal, State, and industry decisionmaking. Tabulations of volumetric data concerning domestic mining operations' use of land can be used to contrast the total volume of earth disturbed, to the actual crude ore mined, to the resulting marketable product. These data, in conjunction with exploration and development data, are an indicator of the future mining outlook. If data were available less frequently than annually, that data simply would not be timely enough to be reliable for decisions that affect minerals vulnerability, potential environmental impacts, current trends, and future needs. These decisions, in turn, have an effect on such things as taxes, royalty payments, tariffs, land use,

environmental regulations, water use, and transportation.

Collection of annual data allows economic analysis that can capture variations—a longer time interval could not. Collection of these data on a biennial basis would not be practical because the industry respondents do not normally have the data in convenient format except on an annual basis. A 2-year canvass, for example, would require the respondents to alter their spreadsheets or manually add 2 years of data. This would increase their reporting burden. Also, multiyear data are less meaningful and less convenient for analysis by industry and Government agencies.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

(a) requiring respondents to report information to the agency more often than quarterly. Trends may be detected earlier if the data are available annually rather than at a less frequent interval. Hence, the data collected by the annual canvass is absolutely necessary if the USGS is to meet current, reliable information demands of industry and Government mineral analysts who prepare annual indexes and commodity reports to meet the market analysis needs of the industry. Additionally, the data are necessary if the USGS is to meet the requirements of Public Law 91-631 for the minerals that have erratic supply, demand, value, availability, or seasonal production patterns.

(b) requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.
Not applicable in this collection.

(c) requiring respondents to submit more than an original and two copies of any document.
Not applicable in this collection.

(d) requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years.
Not applicable in this collection.

(e) in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.
Not applicable in this collection.

(f) requiring the use of a statistical data classification that has not been reviewed and approved by OMB.
Not applicable in this collection.

(g) that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use.

Under the terms of the disclosure agreement, companies can and usually do specify that the data they supply be shared only in aggregated form. These terms ensure that the USGS will continue to receive proprietary data in confidence. The canvass form is designed to ensure that respondents are not required to maintain or provide data in a format other than that in which the data are customarily maintained. The respondents are routinely asked to comment on the design of the form and to make recommendations that help maintain consistency with industry's methods of accounting.

- (h) requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

Not applicable in this collection.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice [and in response to the PRA statement associated with the collection over the past three years] and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported. [Please list the names, titles, addresses, and phone numbers of persons contacted.]

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years — even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

A copy of the notice that was published in the Federal Register, vol. 71, no. 167, pp. 51,208-51,209, August 29, 2006 (see Enclosure 6), is attached. No public comments were received in response to the notice.

Mineral commodity specialists contact and are routinely contacted by Federal and State agencies, members of Congress, trade associations, the financial community, private companies, universities, and private citizens that request general and specific data and information.

Typically, persons outside the USGS submit and the USGS responds to several thousand e-mail and telephone inquiries each month. By such discussions, views are exchanged on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, reporting format, and on the data elements to be recorded, disclosed, or reported. These views help the USGS to continuously improve its data and publications. Examples of industry contacts concerning reporting, interaction between mineral commodity specialists and

respondents that show responsiveness to customers' suggestions about the canvass, and persons that were consulted on the burden estimates and other aspects of this Information Collection are included below.

With the last renewal of this collection, OMB placed a term of clearance on the 2007 renewal requesting the USGS to consult with potential respondents and include their names and contact information. With this submission, the USGS has consulted with several respondents; their information is below. As a result, we are reporting 45 minutes as the average burden time per voluntary response for this canvass:

- Corky Smith, CE, Olivine Corporation 928 Thomas RD Bellingham, WA 98226
Phone: 360-733-3332, Date of contact: January 23, 2007
- Clarence T. Morgan, Owner Tufflite, Inc. 7206 North 55th Avenue #100 Glendale, AZ 85301
Phone: 623-931-3681, Date of contact: January 23, 2007
- Sergio M. Jaramillo, Vice President / Secretary Standard Industrial Minerals, Inc.
Post Office Box 10477 Reno, NV 89510 Phone: 775-324-1334, Date of contact: January 23, 2007

Although no direct changes to the collection instrument were made, timely responses to the following e-mail and telephone inquiries received between 2004 and 2007 have improved our data and publications.

- Leigh Ferrara, Mother Jones Magazine Phone: 415-321-1753,
lferrara@motherjones.com, Subject: Active Open Pit Mines, Date of contact: March 23, 2006
- Jim Davis, 3M Mining Building 235-2C-02, Phone: 651-737-1538, Fax: 651-737-7881, jddavis@mmm.com, Subject: Total production numbers for all commodities, Date of contact: October 2, 2006
- Soraya Alonso Sio, Igape, The Spain-U.S. Chamber of Commerce 1221 Brickell Avenue Suite 1540 Miami, FL 33131, Phone: 305-358-5988, Fax: 305-358-6844, igape@spainchamber.org, Date of contact: July 12, 2006

Although no direct changes to the collection instrument were made, these e-mail and telephone inquiries received between 1994 and 2003 have resulted in changes to the AMIS subsystem to meet certain information needs.

- In 2000, to respond more effectively to requests regarding underground mining on the *Mine and Quarrying Trends* Annual Review, a new work table was implemented that contains data from this Information Collection in order to produce the *Active Metal and Industrial Mineral Underground Mines in the United States (2000-2004)*

Mineral Industry Survey. Another work table was implemented that shows underground mining for the current year by State and company name.

Industry contacts:

Magnus Ericsson, Raw Materials Group

Michael Lohnert, Boeing Technology Ventures

David Porter, Contributing Editor, World Mining Equipment Journal

- In 2003, the USGS provided mineral industry crude ore production data to E.H. Pechan & Associates, Inc., a contractor of the Environmental Protection Agency (EPA), to complete the 2002 national particulate matter emissions estimates for mining and quarrying activity. These data were used in the EPA's *National Emissions Inventory (1995-2002)*. A work table implemented for crude ore mined by EPA region simplified data retrieval for such requests.

Industry contact:

Paul Hemmer, E.H. Pechan & Associates, Inc. (an EPA contractor)

- Requests concerning *total earth moved annually by each surface mine in the United States*:

Such requests have included the amount of mineral ore produced and the amount of waste (i.e., overburden) moved. One such request in 2006 originated from Dana Miyoshi, Cornerstone Management Group.

In 1994, the AMIS subsystem was modified to include data not collected by this Information Collection concerning mine and development waste produced. These data, derived from company annual reports, phone and e-mail company contacts, and ratios reported in the *Randol Mining Directory*, appear in the five-year data series in Table 1 of the *Mine and Quarrying Trends Annual Review*. This table now includes mine and development waste produced along with ore produced from development operations.

On the basis of such feedback, information-use patterns are established commodity by commodity. Once patterns are determined, canvass forms are revised to collect data and to meet the information needs. As information request patterns change, the data collected and reported are modified.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No payments or gifts are made to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

Public Law 96-479, Section 5(3) (f), ensures the confidentiality of all data reported by persons or firms engaged in any phase of mineral or mineral-material production or large-scale consumption. The disclosure of data shall be in aggregated form so as not to reveal data from a single person or firm.

To implement Section 5(3) (f), the USGS withholds all data reported as “Company Proprietary Data,” and data are disclosed only in the aggregate. Additionally, tests are performed on aggregated data to ensure confidentiality. The USBM standard, which is contained in “Handling Proprietary Survey Data” which was adopted by the USGS, states that absent specific company permission, aggregated data can be reported only if it represents three or more companies and if no one company accounts for more than 75% of the total or if no two companies account for more than 90% of the total. Proprietary data may only be disclosed to Congress or to Federal defense agencies upon official request for appropriate purposes and in some instances to a State government under a cooperative agreement. A disclosure statement and query are printed on each canvass form.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

Sensitive data are not sought.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- * Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden

estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.

- * If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.
- * Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.

Variations can be expected in the reporting burden for completion of this form because of the differences in operation size and accounting systems. The data sought are those routinely maintained in the course of business. For some companies with more than one plant, the submission takes the form of a consolidated report covering all company operations. This greatly reduces the reporting burden.

Public reporting burden for this collection of information includes the time for reviewing instructions, searching data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Approximately 617 respondents report details of their mining and exploration operations annually. For the 617 associated responses, completion time averages 45 minutes per form. Requested are 463 total annual hours burden (617 responses x 0.45 hour average burden per form) for reporting and recordkeeping. This is a voluntary collection.

The annualized cost to respondents for the hour burden for this collection of information is estimated to be \$13,890 on the basis of an average labor cost of \$30 per hour and 463 total annual hours requested.

13. Provide an estimate of the total annual [non-hour] cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

- * The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information [including filing fees paid]. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling,

drilling and testing equipment; and record storage facilities.

- * If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
- * Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

This supporting statement covers a voluntary canvass form pertaining to a set of industries that are widely diverse in size and mode of operation. The cost and time required to make a detailed canvass-by-canvass estimate for this section would be very high, and, in light of the following factors, would not be worthwhile. A negligible non-hour cost burden exists.

- a) These are long-established canvasses. Because the requested data are normally maintained in the course of routine operations, no respondents are believed to have purchased equipment or services specifically to answer this canvass.
- b) The data requested are of the sort kept by companies for their own purposes; the USGS does not ask for data that would not normally be at hand. Providing selected data to the USGS is incidental to business operations.
- c) Only the largest companies might need to purchase office equipment or hire services specifically for the purpose of answering Federal Government questionnaires. In those cases, the demand for data records needed by the USGS would be dwarfed by the volume of records needed by other Government agencies; for example, the EPA, the Internal Revenue Service, and the DOL.

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

Annualized cost to the Federal Government is estimated at \$21,745 based on estimated costs for the following expenses:

- Printing of canvass forms
- Mailing lists compilation and maintenance
- Mailing operation
- Editing, coding, tabulation
- ADP processing
- Electronic publication of results

15. Explain the reasons for any program changes or adjustments.

There are currently 566 burden hours in the USGS inventory for this collection. Owing to fluctuations in numbers of respondents, 463 burden hours are currently requested on this Submission—a net adjustment decrease of 103 burden hours. The decreased number of responses is attributed to the following:

- The decrease in U.S. mining.
- Improved targeting—Respondents have been eliminated that no longer exist or that will not resume production.
- Company consolidation of reports to save reporting time.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The AMIS mainframe program and off-the-shelf software packages are used to compile and tabulate the data and to prepare tables for publication.

Tables present various aspects of crude ore production, mining methods, and development and exploration activities in the mineral industries. Economic changes are incorporated and industry trends and activities are studied. Statistical data are processed and analyzed by the Data Collection and Coordination Section, which also establishes timing for all key steps in the work.

Tabulation and publication of data are governed by the USGS standard for “Handling Proprietary Survey Data.” Data are available via the Internet and in print for select publications in the USGS minerals information series. The entire process, from canvass mail-out to final

publication as an Annual Report in the “Minerals Yearbook,” takes about 13 months. This publication schedule maintains a very high percentage of responses.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

Not applicable.

18. Explain each exception to the certification statement, "Certification for Paperwork Reduction Act Submissions."

Not applicable.