

## SUPPORTING STATEMENT – PART A

### 2007 ECONOMIC CENSUS COVERING THE MINING SECTOR

Note: This supporting statement covers the basic 2007 Economic Census for the Mining Sector program, including the product, material, and special inquiry sections of this report form.

#### Justification

##### 1. Necessity of Information Collection

The 2007 Economic Census covering the Mining Sector will use a mail canvass, supplemented by data from federal administrative records, to measure the economic activity of approximately 25,000 mining establishments classified in the North American Industry Classification System (NAICS). For more details on the NAICS structure, see Part A, Item 19.

The mining sector of the economic census distinguishes two basic activities: mine operation and mining support activities. The economic census will produce basic statistics for number of establishments, shipments, payroll, employment, detailed supplies and fuels consumed, depreciable assets, inventories, and capital expenditures. It also will yield a variety of subject statistics, including shipments by product line, type of operation, size of establishments and other industry-specific measures.

This information collection is part of the 2007 Economic Census, which is required by law under Title 13, United States Code (U.S.C.). Section 131 of this statute directs the taking of a census at 5-year intervals. Section 224 makes reporting mandatory.

##### 2. Needs and Uses

The economic census is the primary source of facts about the structure and functioning of the Nation's economy and features unique industry and geographic detail. Economic census statistics serve as part of the framework for the national accounts and provides essential information for government, industry, business, and the general public. The federal government uses information from the economic census as an important part of the framework for the national accounts, input-output measures, key economic indexes, and other estimates that serve as the factual basis for economic policy-making, planning, and program administration. State and local governments rely on the economic census as a unique source of comprehensive economic statistics for small geographical areas for use in policy-making, planning, and program administration. Finally, industry, business, and the general public use data from the economic census for economic forecasts, market research, benchmarks for their own sample-based surveys, and business and financial decision making.

If the economic census was not conducted, the federal government would lose vital source data and benchmarks for the national accounts, input-output tables, and other composite measures of economic activity, causing substantial degradation in the quality

of these important statistics. Further, the government would lose critical benchmarks for current, sample-based economic surveys and an essential source of detailed, comprehensive economic information for use in policy-making and program administration.

Information quality is an integral part of the pre-dissemination review of information disseminated by the Census Bureau (fully described in the Census Bureau's Information Quality Guidelines). Information quality is also integral to information collections conducted by the Census Bureau and is incorporated into the clearance process required by the Paperwork Reduction Act.

3. Use of Information Technology

Companies may satisfy their reporting requirement for this information collection by providing data on computerized self-administered census questionnaires, via the Internet, or on CD-ROM and other electronic data collection methods.

4. Efforts to Identify Duplication

The staff of the U.S. Census Bureau routinely monitors the content, coverage, and detail provided by other statistical programs in an effort to identify and eliminate unnecessary duplication. For example, the United States Geological Survey (USGS) and Department of Energy (DOE) generally collect detailed figures on the mineral products that are reported in the mining sector of the economic census product inquiry (Item 22). However, Item 22 provides only summary figures that serve to relate statistics compiled from the mining sector of the economic census to those statistics compiled from the other surveys. Product data in the mining sector of the economic census must be sufficiently detailed to enable classification of the establishment by industry and type of operation.

5. Minimizing Burden

Relieving very small establishments from filing an economic census report reduces the burden on small businesses. Data for these small establishments are obtained from federal administrative records in lieu of economic census reports. Approximately 10,000 single-establishment mining firms identified as having less than approximately 20 employees (cutoff varies by industry) will benefit from this procedure for 2007. This represents approximately 40 percent of the establishments comprising the mining universe.

In addition, approximately 2,600 small single-establishment companies that have employment greater than the administrative record cutoff for not mailing will be sent a shortened version of the basic report form that will not include detailed inquiries such as consumption of purchased supplies and fuels, inventories, and fringe benefits data. The short form is sent to those firms having between 5 and 19 employees in the crushed stone, sand and gravel, and crude petroleum and natural gas industries where application of the administrative record cutoff results in a large number of small establishments being included in the mail canvass. See Attachment C for a list of industries using the

short form.

As in the mining sector of the 2002 Economic Census, we will continue to allow respondents to complete a consolidated “nationwide” report form in the Support Activities for Mining (NAICS subsector 213) industries where there is considerable geographic movement of operations during the year. Only selected information will be requested by state on the consolidated report rather than requesting the respondent to complete a report form for each state where activities occurred. Approximately 500 establishments of multi-establishment firms will not be required to file separate reports because they will be included on the consolidated “nationwide” report.

The use of administrative record information in lieu of mailing forms to small businesses, consolidated reports, and the use of the shortened version of the report form are described in more detail in Part B of this supporting statement.

#### 6. Consequences of Less Frequent Collection

The economic census is conducted at five-year intervals as required by Title 13, USC, Section 131. If this information collection was conducted less frequent, it would diminish the timeliness and usefulness of the statistics produced. This would cause a corresponding deterioration in the national accounts, input-output tables, economic indexes, and other composite measures that rely on source data and benchmarks from the economic census. Similarly, less frequent collection would diminish the usefulness of the economic census as a source of comprehensive information for economic policy-making, planning, and program administration.

#### 7. Special Circumstances

This information collection will be conducted in a manner consistent with Office of Management and Budget (OMB) guidelines and there are no special circumstances.

#### 8. Consultations Outside the Agency

In April 2006, letters were sent to approximately 75 government agencies, mining companies, and trade associations indicating where on the Census Bureau’s website they could view and comment on the proposed 2007 Economic Census report forms. We asked these organizations to review the content relevant to their data needs and interests, and to provide recommendations on wording, reporting problems, usefulness of data, and comments on related issues for the 2007 Economic Census. A complete list of all trade associations, mining companies, and government agencies contacted along with their comments is available upon request. Attachment A provides a list of selected trade associations, mining companies, and government agencies contacted in this effort, their comments, and the Census Bureau’s response.

Further, we published a notice in the Federal Register on September 26, 2006 (71FR, pages 56104 and 56105), inviting public comment on our plans to submit this request. One comment was received and the Census Bureau deemed irrelevant to the collection process.

9. Paying Respondents

The Census Bureau does not pay respondents and does not provide them with gifts in any form to report requested information in the economic census.

10. Assurance of Confidentiality

The report forms for this information collection provide respondents with the following assurance of confidentiality:

**YOUR RESPONSE IS REQUIRED BY LAW.** Title 13, United States Code, requires businesses and other organizations that receive this questionnaire to answer the questions and return the report to the Census Bureau. By the same law, **YOUR CENSUS REPORT IS CONFIDENTIAL.** It may be seen only by persons sworn to uphold the confidentiality of Census Bureau information and may be used only for statistical purposes. Further, copies retained in respondents' files are immune from legal process.

Similar guarantees will be included in the cover letter that accompanies the report form. The statutory basis for these assurances of confidentiality is Title 13, USC, Section 9. All activities relating to the collection and dissemination of economic census data satisfy requirements of this law. The U.S. Census Bureau also satisfies the requirements of the Privacy Act of 1974, when applicable.

11. Justification for Sensitive Questions

This information collection asks no questions of a sensitive nature.

12. Estimate of Hour Burden

The response burden for the mining sector of the 2007 Economic Census is estimated to be 63,540 work hours and to cost \$1,567,532 for fiscal year 2008. This is based on two factors: (1) the number of respondents who receive each type of report form, and (2) the average time required to complete each type of form.

We estimate that the universe of the 2007 Economic Census covering the Mining Sector will include approximately 25,000 establishments, of which approximately 10,000 will not receive a census report form. We are dividing the mail portion of the universe (the remaining 15,000) into two subsets for the purpose of data collection. Single establishment companies with 5 to 19 employees in the crushed stone, sand and gravel, and crude petroleum and natural gas industries will receive a short form. All other establishments in the mail portion of the universe will receive a minerals long form. The

burden for completing a 2007 Economic Census report form for the mining sector is estimated to be between 2 and 10 hours, depending upon the complexity of an establishment's operations. The general statistics items should be readily available from respondent's records. Supplies, products, and special inquiries will require more time. The various subsets of the universe are outlined below:

The various subsets of the universe are outlined in the chart below:

<b>Subset</b>	<b>2007 (Estimated) Number of Respondents</b>	<b>Average Time Required to Complete (Hours)</b>	<b>Estimated Hours of Respondent Burden</b>
<i>Establishments that will not receive a census report form:</i>			
Small single-establishment firms-administrative records	10,000	0	0
<i>Establishments that will receive a census report form:</i>			
Large- and medium-sized establishments-long form	12,400	4.6	57,040
Small single-establishment companies-short form	2,600	2.5	6,500
<i>Total Mining Establishments</i>	15,000	N/A	63,540

The amount of information requested from each subset varies. A detailed description of the subsets of the mineral universe, as outlined above, is provided (see Part B2.A).

Attachment B contains a copy of one mining long and short form and corresponding information sheet. Attachment D contains a draft of all the mining forms.

### 13. Estimate of Cost Burden

We do not expect respondents to incur any costs other than that of their time to respond. The information requested is of the type and scope normally carried in company records and no special hardware or accounting software or system is necessary to provide answers to this information collection. Therefore, respondents are not expected to incur any capital and start-up costs or system maintenance costs in responding. Further, purchasing of outside accounting or information collection services, if performed by the respondent, is part of usual and customary business practices and not specifically required for this

information collection.

14. Cost to the Federal Government

The cost to the government for this work is included in the total cost of the 2007 Economic Census, estimated to be \$503 million.

15. Reason for Change in Burden

The increase in burden is attributable to the information collection being submitted as new.

16. Project Schedule

The mailing of this information collection will take place at the end of 2007, with a due date of February 12, 2008. There will be a series of mail follow-ups through July 2008, supplemented where necessary by telephone calls. Completed questionnaires will be checked in, keyed, validated by computer edits, and when necessary, reviewed by Census Bureau staff – operations that will be completed by September 2008. Tabulations and analytical materials will then be prepared and reviewed. Initial publications are scheduled for release in the first quarter of 2009, and all data dissemination should be complete by the end of 2011.

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Timetable for the Mining Sector of the 2007 Economic Census

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<u>Activity</u>	<u>Start<sup>1</sup></u>	<u>End<sup>1</sup></u>
Mail report forms.....	12/2007	12/2007
Due date for report forms.....	02/2008	02/2008
Follow-up for nonresponse.....	03/2008	07/2008
Receive and check in responses.....	01/2008	08/2008
Prepare and analyze tabulations.....	10/2008	05/2011
Data release.....	03/2009	02/2011
Industry Series.....	06/2009	09/2009
Geographic Area.....	11/2009	01/2010
Subject Series:		
General Summary.....	03/2010	03/2010
Product Summary.....	05/2010	05/2010
Material Summary.....	05/2010	05/2010
Industry-Product Analysis.....	02/2010	02/2010

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<sup>1</sup>All dates are approximate (month/year)

To improve the timeliness, relevance, and usefulness of all data products, the Census Bureau plans to release the 2007 Economic Census electronically.

17. Request to Not Display Expiration Date

The assigned expiration date will be displayed on all report forms used in this information collection.

18. Exceptions to the Certification

There are no exceptions to the certification.

19. NAICS Codes Affected

For the 2007 Economic Census covering the Mining Sector, the following NAICS subsectors will be covered.

Mining

- 211 Oil and Gas Extraction
- 212 Mining, except Oil and Gas
- 213 Support Activities for Mining