

**SUPPORTING STATEMENT FOR THE  
INFORMATION COLLECTION REQUIREMENTS OF THE  
DERRICKS STANDARD (29 CFR 1910.181)<sup>1</sup>  
OFFICE OF MANAGEMENT AND BUDGET (OMB)  
CONTROL NO. 1218-0222 (May 2007)**

## **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 main objective of the Occupational Safety and Health Act of 1970 (i.e., “the Act”) is to “assure so far as possible every working man and woman in the Nation safe and healthful working conditions and to preserve our human resources” (29 U.S.C. 651). To achieve this objective, the Act authorizes “the development and promulgation of occupational safety and health standards” (29 U.S.C. 651).

Section 6(b)(7) of the Act specifies that “[a]ny standard promulgated under this subsection shall prescribe the use of labels or other appropriate forms of warning as are necessary to insure that employees are apprised of all hazards to which they are exposed, relevant symptoms and appropriate emergency treatment, and proper conditions and precautions of safe use or exposure.” This provision goes on to state that “[t]he Secretary, in consultation with the Secretary of Health and Human Services, may by rule promulgated pursuant to section 553 of title 5, United States Code, make appropriate modifications in the foregoing requirements relating to the use of labels or other forms of warning . . . as may be warranted by experience, information, or medical or technological developments acquired subsequent to the promulgation of the relevant standard” (29 U.S.C. 655).

With regard to recordkeeping, the Act specifies that “[e]ach employer shall make, keep and preserve, and make available to the Secretary . . . such records . . . as the Secretary . . . may prescribe by regulation as necessary or appropriate for the enforcement of this Act . . .” (29 U.S.C. 657). The Act states further that “[t]he Secretary . . . shall prescribe such rules and regulations as [he/she] may deem necessary to carry out [his/her] responsibilities under this Act, including rules and regulations dealing with the inspection of an employer’s establishment” (29 U.S.C. 657).

Under the authority granted by the Act, the Occupational Safety and Health Administration (i.e., “OSHA” or “the Agency”) published at 29 CFR 1910.181 a safety standard for general industry regulating the operation of derricks (i.e., “the Standard”). The paperwork provisions of the

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<sup>1</sup>The purpose of this Supporting Statement is to analyze and describe the burden hours and cost associated with the Standard that contain paperwork requirements; this Supporting Statement does not provide information or guidance on how to comply with, or how to enforce, the Standard.

Standard specify requirements for marking the rated load on derricks, preparing certification records to verify the inspection of derrick ropes, and posting warning signs while the derrick is undergoing adjustments and repairs. Certification records must be maintained and disclosed upon request. Items 2 and 12 below describe in detail the specific information collection requirements of the Standard.

**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.**

The Standard specifies several paperwork requirements. The following sections describe who uses the information collected under each requirement, as well as how they use it. The purpose of these requirements is to prevent death and serious injuries among employees by ensuring that the derrick is not used to lift loads beyond its rated capacity and that all the ropes are inspected for wear and tear.

- Marking the Rated Load and Capacity (paragraphs (c)). Paragraph (c)(1) requires that for permanently installed derricks a clearly legible rating chart be provided with each derrick and securely affixed to the derrick. Paragraph (c)(2) requires that for non-permanent installations, the manufacturer provide sufficient information from which capacity charts can be prepared by the employer for the particular installation. The capacity charts must be located at the derrick or at the jobsite office. The data on the capacity charts provide information to the employees to assure the derricks are used as designed and not overloaded or used beyond the range specified in the charts.
- Posting of Signs During Maintenance or Repair (paragraph (f)). Paragraph (f)(2)(i)(d) requires that warning or out of order signs be placed on the derrick hoist while adjustments and repairs are being performed.
- Rope Inspections (paragraph (g)). Paragraph (g)(1) requires employers to thoroughly inspect all running rope in use, and to do so at least once a month and to prepare a record to certify that the inspection was done. In addition, before using rope which has been idle for at least a month, it must be inspected as prescribed by paragraph (g)(3) and a record prepared to certify that the inspection was done. The certification records must include the inspection date, the signature of the person conducting the inspection, and the identifier of the rope inspected. Employers must keep the certification records on file and available for inspection. The certification records provide employers, employees, and OSHA compliance officers with assurance that the ropes are in good condition.
- Disclosure of Charts Under Paragraph (c) and Inspection Certification Records Under Paragraph (g). Requires the disclosure of charts and inspection certification records if requested during an OSHA inspection.

**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.**

Employers may use automated, electronic, mechanical, or other technological information collection techniques, or other forms of information technology (e.g., electronic submission of responses) when establishing and maintaining the required records. The Agency wrote the paperwork requirements of the Standard in performance-oriented language ( i.e., in terms of what data to collect, not how to record the data).

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purpose(s) described in 2 above.**

The requirements to collect and maintain information are specific to each employer and employee involved, and no other source or agency duplicates these requirements or can make the required information available to OSHA (i.e., the required information is available only from employers).

**5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe the methods used to reduce the burden.**

The information collection requirements specified by the Standard do not have a significant impact on a substantial number of small entities.

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

The Agency believes that the information collection frequencies required by the Standard are the minimum frequencies necessary to effectively regulate derricks, and thereby, fulfill its mandate “to assure so far as possible every working man and woman in the nation safe and healthful working conditions and to preserve our human resources” as specified in the Act at 29 U.S.C. 651. Accordingly, if employers do not perform the required information collections, or delay in providing this information, employees may not have the information they need about the lifting limits of the derrick or the condition of ropes, thus potentially increasing the risk of death and serious injury to employees.

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

- **Requiring respondents to report information to the agency more often than quarterly;**
- **Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **Requiring respondents to submit more than an original and two copies of any document;**
- **Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **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;**

- **Requiring the use of statistical data classification that has not been reviewed and approved by OMB;**
- **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; or**
- **Requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can prove that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

No special circumstances exist that require employers to collect information using the procedures specified by this item. The requirements are within the guidelines set forth in 5 CFR 1320.5.

**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 before submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to those comments, specifically address comments received on cost and hour burdens.**

**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, revealed, or reported.**

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

As required by the Paperwork Reduction Act of 1995 (44 U.S.C. 3506(c)(2)(A)), OSHA published a notice in the Federal Register on March 23, 2007 (72 FR 13825, Docket No. OSHA-2007-0025) requesting public comment on its proposal to extend the Office of Management and Budget's approval of the information collection requirements found in the Standard on Derricks (29 CFR 1910.181). This notice was part of a preclearance consultation program that provided the general public and government agencies with an opportunity to comment. The Agency received no comments in response to its notice.

**9. Explain any decision to provide any payments or gift to respondents, other than reenumeration of contractors or grantees.**

The Agency will not provide payments or gifts to the respondents.

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

The paperwork requirements specified by the Standard do not involve confidential information.

**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.

None of the provisions in the Standard require sensitive information.

**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 13.**

### **Burden-Hour and Cost Determinations**

Based on discussions with industry sources, derricks are no longer being manufactured for use in general industry. Further, there are few existing derricks, most likely being used in quarries, scrap metal yards, and possibly lumber yards. For these reasons, OSHA believes that there are no more than 500 derricks in use in general industry. Of this total, approximately 90 percent (450 derricks) are in full-time service (i.e., used more than once a month) and the remaining 50 derricks are in the category of idle or standby (i.e., not in use for one month or more at a time). This information is based on previous discussions by staff with an employer representative who served on American National Standards Institute B30 Safety Standard Committee for Cableways, Cranes, Derricks, Hoists, Jacks and Slings.

The Agency determined average wage rates using average hourly earnings. For the relevant occupational categories, OSHA adjusted the mean hourly earnings from the June 2005 *National Compensation Survey* by the Bureau of Labor Statistics to allow for fringe benefits, which comprise about 29.4 percent of total compensation in the private sector. With wages comprising 70.6 percent of employee compensation, the Agency multiplied wages by 1.4 (1/0.706) to derive total hourly employee compensation. Therefore, the costs of labor used in this analysis are estimates of total hourly compensation. These estimates are:

\$36.43 for a Mechanical Engineer  
\$45.54 for a Supervisory Mechanical Engineer

**(A) Marking the Rated Load and Capacity (paragraph (c))**

Manufacturers of derricks determine and provide the information required in paragraphs (c)(1) and (c)(2). For derricks used as permanent installations, the rating chart, with the required information, is permanently affixed to the derrick and cannot be removed. If the derrick is not part of a permanent installation, the required information is provided to the purchaser (the employer) so that the employer can keep or post the information. The manufacturer provides or posts the charts with the required information as a usual and customary business practice. The paperwork burden to the employer under these provisions, therefore, would be minimal. Only those employers using derricks as part of a non-permanent installation will incur a burden to maintain and/or post the information. OSHA assumes a mechanical engineer will perform this task. OSHA estimates that few derricks used in the general industry will be used in a non-permanent installation. For purposes of calculating the burden, OSHA will use an upper bound estimate of 10% (50) of all derricks which the Agency estimates would fall into the category of needing the information kept or posted at the jobsite as opposed to permanently affixed charts. Since the information is given to the employer by the manufacturer, the burden is only for the time it would take to maintain the charts on file, which the Agency estimates is one minute (.02 hour) for each chart.

**Burden hours:** 50 derricks x .02 hour = 1 hour

**Cost:** 1 hour x \$36.43 = \$36

**(B) Posting of Signs During Maintenance or Repair (paragraph (f))**

Employers are required to assure that warning or out of order signs are placed on the derrick and hoist before adjustments and repairs are started. Based on OSHA staff expertise, it is estimated that all derricks are either adjusted or repaired at least quarterly and that it takes an engineer approximately three minutes (.05 hour) to place a warning or out of order sign on the derrick.

**Burden hours:** 500 derricks x 4 times annually x .05 hour = 100 hours

**Cost:** 100 hours x \$36.43 = \$3,643

**(C) Rope Inspections (paragraph (g))**

Employers must inspect all running rope (rope on derricks in use) at least once a month and all other rope (idle rope) before it is used. OSHA assumes that a mechanical engineer will take 10 minutes (.17 hour) to inspect the rope and 3 minutes (.05 hour) to develop and maintain the certification record of each inspection. It is estimated that 90% of the derricks (450) are in use at any given time and the rope is inspected monthly; the rope on the other 50 derricks is idle rope which must be inspected before being placed back into service. OSHA estimates that 6 times a year the idle rope will be brought into service, requiring that an inspection of it be made. After the inspection, the employer will have to prepare and maintain a certification record. Therefore, the burden is estimated as follows:

**Burden hours:** (450 in use ropes x 12 monthly inspections x .22 hour = 1,188) +

(50 idle ropes x 6 inspections per year x .22 hour = 66) =  
1,254 hours

**Cost:** 1,254 hours x \$36.43 = \$45,683

**(D) Disclosure of Charts and Inspection Certification Records (paragraphs (c) and (g))**

OSHA estimates that approximately 7 derricks covered by the Standard<sup>2</sup> will be subject to an OSHA inspection where the employer will be required to disclose certification records annually (see Item 14 below). This is estimated to take a supervisor 2 minutes (.03 hour) per disclosure.

**Burden hours:** 7 inspections x .03 hour = 1 hour (rounded)

**Cost:** 1 burden hour x \$45.54 = \$46

**13. Provide an estimate of the total annual 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 service component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. 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 collections 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.**

Item 12 above provides the total cost of the information collection requirements specified by the Standard.

**14. Provide estimates of the 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**

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<sup>2</sup> The Agency estimated the number of inspections by determining the inspection rate (1.4%) for the total number of derricks regulated under the Standard in general industry (i.e., 500 x 1.4% = 7 derricks).

**without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 into a single table.**

OSHA estimates that a compliance officer (GS-12, step 5), with an hourly wage rate of \$36.26, spends about five minutes (.08 hour) during an inspection reviewing the documents required by the Standard. The Agency determines that its compliance officers will inspect approximately 7 employers who use derricks regulated by the Standard during each year covered by this ICR (see footnote number 2). OSHA considers other expenses, such as equipment, overhead, and support staff salaries, to be normal operating expenses that would occur without the paperwork requirements specified by the Standard. Therefore, the total cost of these paperwork requirements to the Federal government is:

$$\text{Cost: } 7 \text{ inspections} \times .08 \text{ hour} \times \$36.26 = \$20$$

**15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-1.**

The Agency is requesting an adjustment decrease of the burden hours of the information collection requirements in the Standard from 25,104 to 1,356 for a total decrease of 23,748 burden hours. Table 1 describes each of the requested burden hour adjustments.

**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.**

OSHA will not publish the information collected under the Standard.

**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.**

No forms are available for the Agency to display the expiration date.

**18. Explain each exception to the certification statement identified in Item 19 "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-1.**

OSHA is not seeking an exception to the certification statement specified by Item 19 of the OMB 83-1.

**Table 1: Requested Burden Hour Adjustments**

<b>Information Collection Requirement</b>	<b>Current Burden Hours</b>	<b>Requested Burden Hours</b>	<b>Adjustment</b>	<b>Cost Under Item 12</b>	<b>Responses</b>	<b>Explanation of Adjustment</b>
<b>Marking Rated Load and Capacity (1910.181(c))</b>	20	1	-19	\$36	50	The adjustment decrease is due to a reduction in the number of derricks used in general industry.
<b>Posting of Signs During Maintenance or Repair (1910.181(f))</b>	0	100	100	\$3,643	2,000	The Agency conducted a review of the entire Standard and has now determined that this particular provision is subject to the implementing rules and regulations of PRA-95.
<b>Rope Inspections (1910.181(g))</b>	25,080	1,254	-23,826	\$45,683	5,700	The total number of rope inspections reduced based on a decrease in the number of derricks in general industry.
<b>Disclosure of charts and inspection certification records under (c) and (g)</b>	4	1	-3	\$46	7	The Agency has determined that approximately 7 inspections may be conducted by OSHA. The time estimated for disclosure is (2 minutes or .03 hour).
<b>TOTALS</b>	<b>25,104</b>	<b>1,356</b>	<b>-23,748</b>	<b>\$49,408</b>	<b>7,757</b>	