

**SUPPORTING STATEMENT FOR THE INFORMATION COLLECTION
REQUIREMENTS IN THE SHIPYARD EMPLOYMENT
STANDARDS (29 CFR 1915.113(b)(1) and 1915.172(d))¹
OFFICE OF MANAGEMENT AND BUDGET (OMB)
CONTROL NO. 1218-0220 (September 2008)**

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).

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 standards for the shipyard employment industry regulating hooks and shackles (29 CFR 1915.113(b)(1)) and portable air receivers and other unfired pressure vessels (29 CFR 1915.172(d)) in shipyards (i.e., “the Standards”). The paperwork provisions of the Standards specify requirements for developing and maintaining records of tests. Items 2 and 12 below describe in detail the specific information collection requirements of the Standards.

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 Standards specify two 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 reduce employees’ risk of death or serious injury by ensuring that equipment has been tested and is in safe operating condition.

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

Test Records for Hooks (paragraph 1915.113(b)(1)). This paragraph requires that the manufacturer's recommendations be followed in determining the safe working loads of the various sizes and types of hooks. If the manufacturer's recommendations are not available, the hook must be tested to twice the intended safe working load before it is initially put into use. The employer must maintain and keep readily available a certification record which includes the date of such test, the signature of the person who performed the test, and the identifier for the hook which was tested.

The records are used to assure that equipment has been properly tested. The records also provide the most efficient means for the compliance officers to determine that an employer is complying with the Standard.

Examination and Test Records for Unfired Pressure Vessels (paragraph 1915.172(d)). This paragraph requires that portable, unfired pressure vessels not built to the requirements of the American Society of Mechanical Engineers Boiler and Pressure Vessel Code, Section VIII, Rules for Construction of Unfired Pressure Vessels, 1963 be examined quarterly by a competent person and subjected to a yearly hydrostatic pressure test. A certification record of such examinations and tests shall be maintained.

The records are used to assure that equipment has been properly tested. The records also provide the most efficient means for the compliance officers to determine that an employer is complying with the Standard. OSHA does not believe that there are any unfired pressure vessels not built to the requirements of the American Society of Mechanical Engineers Boiler and Pressure Vessel Code, Section VIII, Rules for Construction of Unfired Pressure Vessels, 1963 currently in use. However, for purposes of completing this ICR, the Agency is calculating burden hours and costs for this provision.

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 Standards 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 Standards are the minimum frequencies necessary to effectively regulate equipment, 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 inadvertently use equipment that is unsafe to use, thus increasing their risk of death and serious injury.

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 July 31, 2008 (73 FR 44775, Docket No. OSHA-2008-0024) requesting public comment on its proposal to extend the Office of Management and Budget's approval of the information collection requirements contained in its Shipyard Employment Standards (29 CFR 1915.113(b)(1) and 29 CFR 1915.172(d)). This notice was part of a preclearance consultation program to provide those interested parties the opportunity to comment on OSHA's request for an extension by the Office of Management and Budget (OMB) of a previous approval of the information collection requirements found in the Standard. 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 Standards 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 Standards 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.

Burden-Hour and Cost Determinations

Estimating the number of shipyard firms and establishments, shipyard employers, and shipyard employees

The burden hours and estimated costs used in this ICR are based on the Preliminary Economic Analysis (PEA) of the proposed rule to revise subpart F of 29 CFR part 1915 (72 FR 72452) (December 20, 2007) or estimates determined by OSHA's Office of Regulatory Analysis. The Agency estimates that there are 639 establishments affected by this ICR.

These establishments vary in size, where some have no cranes at all and others have as many as six. Each crane would have two hooks. OSHA assumes an average of two cranes (four hooks) per shipyard.

Estimates of the burden hours and annual costs for each information collection requirement are shown below. Data are based upon OSHA's estimate of the time it would take an employee listed below to perform the required task. The Agency determined average wage rates using average hourly earnings for employees in Ship and Boat Building. For the relevant occupational categories, OSHA adjusted the mean hourly earnings from the *May 2006 National Industry-Specific Occupational Employment and Wage Estimates*, U.S. Department of Labor, Bureau of Labor Statistics. Occupational Employment 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.

Shipyard production employee/competent person	\$21.60
Supervisor	\$35.85

(A) Examination and Test of Hooks (paragraph 1915.113(b)(1))

This paragraph specifies that where the manufacturer's recommendations are not followed, employers must test each hook to twice its working load. The employer must prepare a certification record for each test, providing the date the test was performed, the name of the person who performed the test and an identifier of the hook tested. The certification record must be maintained and disclosed upon request to OSHA.

OSHA estimates that the manufacturer's recommendations will be available and followed for 90% of all the hooks, leaving only 10% of the hooks without manufacturer's recommendations to follow. In those situations, the shipyard will either have to call the manufacturer and get the information or test the hook to obtain the information. OSHA bases this assumption on previous conversations with a representative of the Crosby Group (the largest manufacturer of hooks and other rigging equipment). Crosby Group confirmed that the manufacturer's recommendations are provided at the time of sale, but a small percentage of the users lose those recommendations and must contact the manufacturer (whose ID is on the hook) to establish the working load of the hook. OSHA assumes that some of the users will choose to test the hook to twice its intended working load rather than call the manufacturer to obtain the information. Therefore, OSHA estimates that it will take about 20 minutes (.33 hour) per hook for a shipyard production worker/competent person to conduct the test to determine the working load and an additional 3 minutes (.05 hour) to develop and maintain the certification record for a total of 23 minutes (.38 hour). If the user elects to obtain the information from the manufacturer instead of performing the test, it will take about 35 minutes per hook to make the necessary phone calls and get the information, according to the Crosby Group. The time, thus, is averaged at 28 minutes (.47 hour). A shipyard production worker will make the phones call or conduct the test.

Burden hours: 639 establishments/shipyards x 4 hooks/shipyard x 10% x .47 hour = 120 hours

Cost: 120 burden hours x \$21.60 = \$2,592

(B) Examination and Test Records of Unfired Pressure Vessels (paragraph 1915.172(d))

As discussed under Item 2, OSHA does not believe that there are any unfired pressure vessels not built to the requirements of the American Society of Mechanical Engineers Boiler and Pressure Vessel Code, Section VIII, Rules for Construction of Unfired Pressure Vessels, 1963 currently in use; therefore, there would be no burden hours and costs for this paragraph.

However, for purposes of this ICR, OSHA maintains that each shipyard will have, on average, four portable, unfired pressure vessels (UPVs) and that it will take 13 minutes (.22 hour) for a competent person to conduct the quarterly examination of the vessel and to generate and maintain a certification record of the examination. In addition, OSHA estimates that it will take 18 minutes (.3 hour) per vessel for a competent person to conduct the yearly hydrostatic pressure test of the vessels and to generate and maintain a certification record of the results of the test.

Burden hours: Quarterly: 639 establishment/shipyards x 4 vessels x 4 tests/year x .22 hour = 2,249 hours

Cost: 2,249 burden hours x \$21.60 = \$48,578

Burden hours: Yearly: 639 establishments/shipyards x 4 vessels x .3 hour = 767 hours

Cost: 767 burden hours = x \$21.60 = \$16,567

(C) Disclosure of Certification Records

OSHA believes that approximately 9 establishments/shipyards covered by the Standard² may be subject to an OSHA inspection and the employer may be required to disclose certification records annually (see Item 14 below). OSHA estimates that it will take a supervisor 2 minutes (.03 hour) to disclose records of hook tests and another 2 minutes (.03) to disclose certification records of the examinations of unfired pressure vessels, for a total of 4 minutes (.07 hour).

Burden hours: 9 inspections x .07 hour = 1 (rounded)

Cost: 1 burden hour x \$35.85 = \$36

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 collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondent (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 Standards.

³The Agency estimated the number of inspections by determining the inspection rate (1.4%) for all establishments/shipyards under the jurisdiction of the Act (including both Federal OSHA and approved state-plan agencies), and then multiplying the total number of establishments/shipyards regulated under the Standard (i.e., 639) by this percentage (i.e., 639 establishments/shipyards x 1.4% = 9 establishment/shipyards inspected).

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), 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 into a single table.

OSHA estimates that a compliance officer (GS-12, step 5), with an hourly wage rate of \$37.89, spends about five minutes (.08 hour) during an inspection reviewing the documents required by the Standard. The Agency has determined that its compliance officers will inspect approximately 9 establishments/shipyards regulated by the Standard during each year covered by this ICR (see (C) under number 12). 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:

$$\text{Cost: } 9 \text{ inspections} \times .08 \text{ hour} \times \$37.89 = \$27$$

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

OSHA is proposing to decrease the existing burden hour estimate for the collection of information requirements specified by the Standards from 3,520 hours to 3,137 hours, a total decrease of 383 hours. This proposed adjustment decrease is a result of a decline in the number of establishments/shipyards from 717 to 639 based on updated data.

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 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 appropriate.

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

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

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