

SUPPORTING STATEMENT

**Report of Issuance of Policy
1215-XXXX_(LS-570)**

A. Justification.

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

The Office of Workers' Compensation Program (OWCP) administers the Longshore and Harbor Workers' Compensation Act (LHWCA)(33 USC 901 et seq.), <http://www.dol.gov/owcp/lhwca.htm>; and its extensions; the Non-appropriated Fund Instrumentalities Act, <http://www.dol.gov/owcp/dlhwc/nfia.htm>; the Outer Continental Shelf Lands Act, <http://www.dol.gov/owcp/dlhwc/ocsla.htm> and the Defense Base Act, <http://www.dol.gov/owcp/dlhwc/dba.htm>. These Acts provide compensation benefits to injured workers. The Secretary of Labor is authorized, under the Act, to make rules and regulations to administer the Act and its extensions.

The Longshore and Harbor Workers' Compensation Act, at 33 U.S.C. §932(a) requires each employer to secure its liabilities under the Act either by purchasing a policy of insurance from an authorized carrier or by qualifying as a self-insurer. The regulations at 20 CFR §703.116 require each authorized carrier to report each policy issued by it to an employer. The information is necessary (i) to ensure compliance by employers, (ii) to bind the carrier to the liabilities of the employer under 20 CFR §703.118 and (ii) so that the districts can identify the correct carrier for claims to ensure prompt payment of compensation to injured workers.

- 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 LS-570 will be completed by the insurance carrier and forwarded to the Department for review. Longshore and Harbor Workers' Compensation staff review the completed LS-570 to identify those operators who have secured insurance for payment of Longshore benefits as required by 20 CFR 703.116.

- 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.**

In accordance with the Government Paperwork Elimination Act (GPEA), Longshore and Harbor Worker' Compensation (LHWC) recognizes the requirement that all OMB forms be made electronically interactive. The Employment Standards Administration is studying a method of providing electronic interactivity of the LS-570, which is not printed or distributed by the Department of Labor. Even though interactivity is not currently available, the Department will be able to offer the form to insurance carriers in the same manner that other LHWC forms are available, at <http://www.dol.gov/owcp/dlhwc/lsforms.htm>.

Most respondents will use the National Council for Compensation Insurance as their agent to report policies electronically at the same time that they report similar information to the several states.

- 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.**

There is no similar approved information collection form used by LHWC or Federal Government for insurance carriers to report coverage of employers.

- 5. If the collection information impacts small businesses or other small entities (Item 5 of 014B Form 83-1), describe any methods used to minimize burden.**

This collection of information does not involve small businesses.

- 6. Describe the consequence of 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.**

This information is collected on an annual basis, because 20 CFR 703.112 requires that policies be issued for one year. LHWC needs to collect this information in order to conform to the regulatory requirements of the Longshore and Harbor Workers' Compensation Act. If this information is not collected, LHWC would be in violation of the regulating requirements of the Act.

- 7. Explain any special circumstances.**

There are no special circumstances for this information 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 describe actions taken by the agency in response to these comments.**

No outside consultants were contacted concerning the use of the LS-570. The form has been in use since 1927, and there has been ample time to voice any complaints regarding its use.

A Federal Register Notice inviting public comment was published on September 10, 2009. No comments were received.

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

Respondents do not receive gifts or payments to furnish the requested information.

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

This information collection is not covered by the Privacy Act.

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;

There are no questions of a sensitive nature on this form.

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 make special surveys to obtain information on which to base burden estimates. Consultation with a sample of potential respondents is desirable. If the burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated burden and explain the reason for the variance. Generally, estimates should not include burden hours for customary and usual business practices.

The public burden estimate of this information collection is approximately 8,333 hours. This burden is based on approximately 5 minutes for retrieving the information and completing each of the around 100,000 LS-570 forms received each year. There are about 358 insurance carriers that issue approximately 100,000 policies in total.

100,000 forms X 5 minutes = 500,000 minutes
500,000 minutes ÷ 60 = 8,333 hours

The annualized burden cost to the respondents has been estimated to be approximately \$125,078.00. This estimate is derived from use of the National Average Weekly Wage (NAWW) as computed by the Bureau of Labor Statistics and which is based on the national average earnings of production or nonsupervisory workers on private nonagriculture payrolls. 33 USC 908(b) of the Longshore and Harbor Workers' Compensation Act mandates the use of the NAWW in setting the maximum and minimum compensation rates under the Act and in determining the amount of annual adjustments due to permanent total disability and death beneficiaries. Since it is not possible to determine the specific occupation or wages for each person who will provide the information covered by this clearance, e.g., Longshore workers, shipbuilders, harbor workers, ship repair persons, and other maritime workers, and wages can vary considerably from person to person depending on duties and length of service, use of a national average weekly wage covering all occupations appears reasonable under the circumstances. The current applicable NAWW is \$600.31*. The computations are therefore as follows: $\$600.31 \div 40 \text{ hrs} = \$15.01/\text{hr} \times 8,333 \text{ hrs} = \$15.01/\text{hr} \times 8,333 \text{ hrs} = \$125,078.00$ annualized burden cost.

13. Annual Costs to Respondents (capital/start-up & operation and maintenance).

Operation and maintenance costs to print and mail the form are \$520.00. This estimate is based on a cost of \$0.44 per stamp, \$0.03 per envelope, and \$0.05 per form, for a per-form cost of \$0.52.

$$100,000 \times \$0.52 = \$52,000.00$$

14. Provide estimates of annualized cost to the Federal government.

The estimated total cost to the Federal Government for processing these 100,000 sample forms is approximately \$168,577.00. The cost is figured as follows:

One data entry clerk (GS-5/8) earning \$ 20.23 per hour spending about 5 minutes reviewing the form, entering the data into the computer system, and filing the form.

$$100,000 \times 5 = 500,000 \text{ minutes} \div 60 = 8,333 \text{ hours}$$
$$8,333 \text{ hours} \times \$20.23 = \$168,577.00$$

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

This is a new collection. There are no program changes or adjustments associated with it.

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.

There are no plans to publish this collection of information.

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.

This ICR does not seek a waiver from the requirement to display the expiration date.

18. Explain each exception to the certification statement identified in Item 19 "Certification for Paperwork Reduction Act".

There are no exceptions to the certification statement.

Note to Reviewer

This procedure has been in place since the inception of the Act on March 4, 1927, predating the PRA. The carriers submitted the information directly to the District Offices using 2" X 5" cards.

These cards have not been revised since the 1970s. Carriers have printed their own supplies, often electronically produced. The Division of Longshore and Harbor Workers' Compensation did not recognize that the Paper Work Reduction applied to this form. No changes were made to these regulations following the amendments to the Act in 1984, nor in the limited additional regulations relating to security promulgated in 2005.

Recent Congressional interest in the Defense Base Act, an extension of the Longshore and Harbor Workers' Compensation Act, led to a commitment to Congress by the Deputy Secretary of Labor to automate the collection of this information. At this time the Division identified the need to remedy the lack of OMB clearance in the past and to create electronic systems which would allow the reception of data as part of the carriers' normal reporting of workers' compensation policies to the various states and eliminating duplicate reporting.