

Supporting Statement A
30 CFR 870 - Fee Collection and Coal Production Reporting, the OSM-1 Form,
and the Amended OSM-1 Form

OMB Control Number 1029-0063

Terms of Clearance: None

General Instructions

A completed Supporting Statement A 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 below. If an item is not applicable, provide a brief explanation. When the question "Does this ICR contain surveys, censuses, or employ statistical methods?" is checked "Yes," then a Supporting Statement B must be completed. OMB reserves the right to require the submission of additional information with respect to any request for approval.

Introduction

This information collection clearance package is being submitted by the Office of Surface Mining Reclamation and Enforcement (OSM) to request renewed information collection authority under 30 CFR 870 of the OSM permanent regulatory program and the OSM-1 form. 30 CFR 870 contains the Federal rules governing the information to be provided by coal mining entities concerning their quarterly production and sale of coal under the Surface Mining Control and Reclamation Act of 1977 (SMCRA or the Act) as amended by P.L. 101-508.

This information collection includes the requirements of the OSM-1 form, Amended OSM-1 form, and its authorizing regulations at 30 CFR 870, as well as the coal weight determination provisions of § 870.18. OMB has previously approved this collection and assigned it control number 1029-0063.

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.***

The Code of Federal Regulations, 30 CFR 870, requires payments of reclamation fees by coal mine and preparation plant operators as required by section 402 of SMCRA. The maintenance of coal production records required in sections 870.12 and 870.16 are necessary for routine business purposes and do not represent a data collection burden to the operator. Section 870.18 allows an operator to reduce the

weight of coal tonnage subject to the reclamation fee based on an estimate of the excess moisture present in the coal.

Section 870.15(b) requires each operator to use the mine report form OSM-1 to report tonnage of coal sold, ownership transferred or used during the applicable calendar quarter.

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 information is used to maintain a record of coal produced for sale, transfer, or use nationwide each calendar quarter, the method of coal removal and the type of coal, and the basis for coal tonnage reporting. Individual reclamation fee payment liability is based on this information. OSM auditors use this information to verify an operator's compliance with Section 402 of the Act and the requirements of the regulation at 30 CFR §§ 870.18, 870.19, and 870.20. During an audit, operators must substantiate how the calculation for excess moisture was determined. Operators must retain their records for a 6-year period to allow for audit of records. During fiscal year 2010, the OSM-1 collected over \$251 million in reclamation fees. Without this collection of information OSM could not implement its statutory and regulatory responsibilities and collect the fee. Response to this form is mandatory.

The fees are deposited in the Abandoned Mine Reclamation Fund and used by Congress to fund the reclamation of land and water resources that were adversely affected by coal mining prior to August 3, 1977, and for other purposes as addressed in section 401 of the Act. The OSM-1 form is a vehicle utilized by OSM for the operators to report this information.

An explanation of each item listed on the OSM-1 follows:

OSM-1 FORM

This information is needed to identify the coal mine operator and the associated mine:

Part 1

1. Identifies the calendar quarter and year of the report. The permit numbers for the report are shown here.
2. Identifies the authorized official who certifies, signs and dates the report.
3. Identifies the notary public whose seal is affixed to the report.

4. Identifies the name, phone number and e-mail address of the person who OSM can contact who will be able to respond to questions about the report, the master entity and reporting entity numbers, and the method of payment, either by electronic funds transfer or check.
5. Identifies the Total Payment the company is paying.

Part 2 (Part 2 must be completed for each permit number reported.)

6. Identifies the calendar quarter and year.
7. Identifies the permit number assigned to the producing mine by the State or Federal government, the mine name, and State.
- 7a. Identifies the Mine Safety and Health Administration (MSHA) number: the first 7 digits are assigned by MSHA, the last three are assigned by OSM.
- 7b. Identifies the county where the mine is located. If the mine is on Indian land, the name of the tribe appears here.
- 7c. Indicates that mining is complete. A concurring State inspection report must be attached.
- 7d. Indicates all stockpiled tonnage sold, transferred or used is reported.
- 7e-j. Identifies permittee and operator names, addresses and taxpayer identification number, either Employer Identification Number or Social Security Number.
- 8a. Identifies the gross coal tonnage using one or all of the following: no moisture deduction, tonnage with an excess moisture deduction and/or, tonnage at a reduced rate, which is sold, transferred or used during the calendar quarter.

If the coal tonnage subject to fees reported under (a) is reduced based on an allowance for the percentage of moisture in excess of the inherent moisture contained in the coal, complete blocks 8b.(1)-(3), 8c. and 8d. If no excess moisture deduction is taken, the tonnage in 8d. is the same amount as the 8a. tonnage.

- 8b(1) Indicates the quarterly percentage of total moisture.
- 8b(2) Indicates the quarterly percentage of inherent moisture.
- 8b(3) Indicates the quarterly percentage of excess moisture. (Subtract the quarterly

inherent moisture percentage from the quarterly total moisture percentage and enter the result.)

- 8c. Indicates the quarterly reduced tons calculated as gross tons multiplied by the excess moisture percentage $[a \times b(3)=c]$.
- 8d. Indicates the net tons that equal the gross tons minus the reduced tons $(a - c = d)$.
- 8e. The rate is determined by the type of coal. The per ton reclamation fees would be determined by adding 1 through 3. If the rate claimed is not the standard rate, documentation listing the invoice number, tonnage and revenue must be attached to the OSM-1. Computation of the tonnage must be by weighted average by quarter. Copies of the original and amended invoices must be included.
- 8f. Indicates the calculated fee. The rate multiplied by the net tons $(d \times e = f)$.
- 9. Indicates the total fee for this permit number (the sum of each computation in 8f).

Part 3

- 10. Identifies the calendar quarter and year.
- 11. Identifies the permit number assigned to the producing mine by the State or Federal government, mine name, and State.
- 12. Identifies the mineral owner(s)' name and address.
- 13. Identifies the coal purchaser(s)' name and address.
- 14. Identifies the name and address where the coal has been delivered.

Amended OSM-1 FORM

This information is needed to make changes to an OSM-1 form already submitted:

Top Section

Identifies the calendar quarter and year of the report, Master Entity number, permit number, MSHA number, Mine name, State, Contact name, and Telephone number.

Bottom Section

Identifies the authorized official who certifies, signs and dates the amended report.

Identifies the notary public whose seal is affixed to the amended report.

Block A (Originally reported tonnage)

- a. Identifies the *originally reported* gross coal tonnage using one or all of the following: no moisture deduction, tonnage with an excess moisture deduction and/or, tonnage at a reduced rate, which is sold, transferred or used during the calendar quarter.

If the coal tonnage subject to fees reported under (a) is reduced based on an allowance for the percentage of moisture in excess of the inherent moisture contained in the coal, complete blocks b.(1)-(3), c. and d. If no excess moisture deduction is taken, the tonnage in d. is the same amount as the tonnage in (a).

- b(1) Indicates the *originally reported* quarterly percentage of total moisture.
- b(2) Indicates the *originally reported* quarterly percentage of inherent moisture.
- b(3) Indicates the *originally reported* quarterly percentage of excess moisture. (Subtract the quarterly inherent moisture percentage from the quarterly total moisture percentage and enter the result.)
- c. Indicates the *originally reported* quarterly reduced tons calculated as gross tons multiplied by the excess moisture percentage [$a \times b(3) = c$].
- d. Indicates the *originally reported* net tons that equal the gross tons minus the reduced tons ($a - c = d$).
- e. Indicated the *originally reported* rate, which is determined by the type of coal.
- f. Indicates the *originally reported* calculated fee. The rate multiplied by the net tons ($d \times e = f$).

Block B (Originally reported tonnage)

- a. Identifies the *amended* gross coal tonnage using one or all of the following: no moisture deduction, tonnage with an excess moisture deduction and/or, tonnage at a reduced rate, which is sold, transferred or used during the calendar quarter.

If the coal tonnage subject to fees reported under (a) is reduced based on an allowance for the percentage of moisture in excess of the inherent moisture contained in the coal, complete blocks b.(1)-(3), c. and d. If no excess moisture deduction is taken, the tonnage in d. is the same amount as the tonnage in (a).

- b(1) Indicates the *amended* quarterly percentage of total moisture.
- b(2) Indicates the *amended* quarterly percentage of inherent moisture.
- b(3) Indicates the *amended* quarterly percentage of excess moisture. (Subtract the quarterly inherent moisture percentage from the quarterly total moisture percentage and enter the result.)
- c. Indicates the *amended* quarterly reduced tons calculated as gross tons multiplied by the excess moisture percentage [$a \times b(3) = c$].
- d. Indicates the *amended* net tons that equal the gross tons minus the reduced tons ($a - c = d$).
- e. Indicated the *amended* rate, which is determined by the type of coal.
- f. Indicates the *amended* calculated fee. The rate multiplied by the net tons ($d \times e = f$).

Block C (Difference between Block A and Block B)

Identifies the calculated fee difference (plus or minus) between Block A and Block B. The type of payment is also identified in Block C (i.e. check or wire transfer)

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.***

OSM uses improved information technology to reduce the burden on the

respondent. When the OSM-1 form is mailed to the respondent, the majority of the information on the OSM-1 (i.e., company name, address, contact person, telephone number, permit number, MSHA ID, etc.) is already pre-printed on the form before it is mailed to the respondent, thus reducing the time for the company to complete the form. In addition, payments may be electronically transmitted from the company to the Department of the Treasury. A blank copy of the OSM-1 form may be downloaded from OSM's website at <http://www.osmre.gov/forms/pdf/OSM1.pdf>.

OSM reduces paper waste by offering Amended OSM-1 forms online. An Amended OSM-1 form may be downloaded from OSM's website at <http://www.osmre.gov/forms/FileHandler.ashx?id=17&Type=.pdf>. Amendments may also be submitted electronically through OSM's E-Filing program. The E-File Amended OSM-1 form automatically pre-fills a majority of the information (i.e. reporting year and quarter, master entity number, permit number, MSHA number, mine name, state, contact name, and telephone number originally reported tons and calculated fee).

OSM's E-Filing program passed a milestone in May 2005, when 319 companies used the E-Filing System to report on 51% of coal mining permits. In fiscal year 2007 an average of 423 companies used the E-Filing System to report an average of 68% of coal mining permits. In fiscal year 2010, an average of 490 companies used the E-Filing System to report an average of 82.3% of coal mining permits.

E-File is a website (<http://sscr.osmre.gov/>) that coal companies (respondents) may use to electronically report coal production, file quarterly Coal Reclamation Fee Reports, and pay reclamation fees through the Internet.

The system has gained in popularity since its inception in 2001, as more and more companies realize the benefits of E-Filing. During the 2010 fourth quarter report, 494 of 741 companies used electronic filing, meeting OSM's goal of having more than half of permits reported through E-File. In fact, 98% of all fees for the latest quarter were reported through the website and 43% of all fees for the latest quarter were paid online through Pay.Gov.

The E-file system does much of the work that otherwise would be done by companies, including storing data from quarter to quarter and calculating amounts and totals. The system also provides companies access to reports and email reminders when deadlines approach.

In 2002, OSM enhanced E-File by adding the option of paying online through the Treasury Department's Pay.Gov website. This eliminated the need to pay wire transfer fees or mail a check, making payment easier to complete as well.

E-File supports E-Government initiatives. It streamlines reporting, lowers costs and reduces dependency on paper-based processes. E-Filing helps maintain

OSM's 99.93% collection rate of over \$251 million per year in coal reclamation fees.

The E-File system has won awards such as the Denver Federal Executive Board's Excellence in Government Award for outstanding productivity and process improvement. The product is also well-liked by customers. One enthusiastic E-Filer wrote: "I just wanted to let you know how much I enjoy filing my OSM-1 electronically. It is much simpler and more time effective. In today's busy work schedule it makes it nice to find something that saves you time." The system saves time for OSM as well as for the customer.

Since June 2000, OSM has been proactively working with respondent companies to reduce the number of reports that have to be filed. OSM identifies potential permits that may be inactivated, conducts appropriate research, and inactivates permit accounts when companies no longer have to report coal production.

Single Source Coal Reporting:

In Fiscal Year 2002, OSM joined a Source Coal Reporting pilot project with other federal regulatory agencies, State regulatory agencies, and an industry coalition group in the design of a single source reporting form. The project allows coal companies to report their coal production, fee and safety data to OSM, MSHA, the IRS and the State of Pennsylvania's Department of Environmental Protection, using an internet-based filing system. OSM modified its E-Filing website to allow companies to report excise taxes to the Internal Revenue Service, and safety and production data to the Mine Health and Safety Administration and the Commonwealth of Pennsylvania, while filing quarterly Coal Reclamation Fee Reports with OSM. The system consolidates reporting to multiple agencies and reduces redundant reporting.

In 2005, the partner agencies developed a strategy for implementing a more sustainable version of Single Source Coal Reporting and received funding from the Small Business Administration under the Business Gateway Initiative. The system was developed using a commercial off-the-shelf forms/reporting engine being tested by the Department of the Interior for electronic authentication. Unfortunately, the technology did not provide the anticipated ease-of-use that reporting companies expected. Also, we found that although the tax and safety data being collected from companies was similar, if not the same, the data was being reported by different people at the companies and it was a burden for them to have to coordinate their reporting with each other. The results showed that there was little advantage to combining the reporting of tax and safety data. Subsequently, OSM and the Internal Revenue Service began exploring ways to simplify tax and fee related reporting on a smaller, simpler scale. This was accomplished through OSM's Single Source Coal Reporting website which allows companies to report both Quarterly Coal Reclamation Fee Data to OSM

and excise tax data to the IRS.

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.***

See item 3 above on the Single Source Coal Reporting initiative.

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

The SMCRA does not provide exceptions to the reporting requirements for small businesses. All operators of coal mining operations, including coal preparation plants, are required to report coal production information on a quarterly basis and pay a reclamation fee on the gross tonnage of coal produced for sale, transfer or use. This tonnage may be reduced by a percentage of excess moisture estimated to be contained in the coal. Nevertheless, as stated previously, OSM is taking steps to minimize the reporting burden on all businesses. Some examples of these steps are: pre-printing of company information on the paper OSM-1 form, pre-populating the company data on the E-Filing form and E-Filing automation of tonnage and moisture calculations for coal companies.

This includes all operators removing more than 250 tons of coal within any 12 consecutive calendar month period. Operators are only required to report the minimum identifying and location information and the tonnage of coal sold, transferred or used during the calendar quarter. An operator who takes an excess moisture allowance must report quarterly percentages of total and inherent moisture and the percentage of excess moisture reduction taken. This collection includes the time required for respondents to gather the data for the OSM-1 Form, including excess moisture content, and prepare and submit the OSM-1.

As in the case of all requests for information, the information requested is limited to the minimum necessary to comply with the requirements of the Act.

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.***

Section 402 of the Act requires the submission of information on a quarterly basis. If this information collection effort was not made each calendar quarter, the basis for the statutorily mandated quarterly payment of reclamation fees would not be documented. Moreover, without this reporting, OSM would be unable to determine the State and Tribal shares of the Abandoned Mine Reclamation Fund.

For those operators taking a coal moisture deduction, the information collection requirement in this regulation is initiated at the option of the operator when he decides to take an allowance for excess moisture. In order to take the allowance the operator must demonstrate by standard laboratory analysis what is the excess moisture content of the coal. The regulations specify that the documentation (laboratory results) shall be updated as necessary to establish the continuing validity of the excess moisture content allowance. OSM has issued technical guidance on acceptable tests and frequency for their use. OSM generally accepts a monthly equilibrium moisture test to establish inherent moisture on a coal sample taken from a single coal seam, or a composite sample from multiple seams mined in each month of the first 24 months a coal seam is in continuous operation to establish a baseline. An annual update of this baseline is required. Since July 1, 1993, OSM has also accepted a quarterly inherent moisture amount based on a single equilibrium moisture test taken during the calendar quarter.

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 a 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 secrets, 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.***

Operators must submit information quarterly and retain their records for a 6-year period to allow for the audit of tax records. Courts have ruled that the AML fee is an excise tax. Beyond these exceptions, guidelines in 5 CFR 1320.5(d)(2) are not exceeded.

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.

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 may preclude consultation in a specific situation. These circumstances should be explained.

The following nine coal companies were consulted in May 2011 regarding the OSM-1 Form:

E-Filing Companies:

Ruth Collins	CDR Operations Inc 606-439-1446 ext.16
Re’Nae Wilson	Alden Resources LLC 606-523-9760
Marion Gantt	National Coal of Alabama Inc 205-221-4676 ext.225
John Nolan	Illinois Coal Recovery LLC 618-426-3662

Paper Filing Companies:

Paige Lewis	Birmingham Coal & Coke Co Inc 205-408-5881
Jim Thornburg	Laurel Mountain Resources LLC 304-553-0413
William Klingensmith	Neiswonger Construction Inc 814-764-3455
Stacey Miller	Tri Star Mining Inc

301-463-6660

Barbara Pletcher

Hoffman Mining Inc
814-445-2563

Of the nine companies surveyed, four paper filing companies and three e-filing companies used the moisture calculation on the OSM-1 Form. Two companies that reported inherent moisture sampled and tested for every delivery, and all seven companies reported at least quarterly. Upon being asked how the moisture data was being obtained and held, all seven companies responded that a database or spreadsheet was maintained on a daily basis or per shipment. Additionally, upon being asked how long it took to retrieve moisture data for the OSM-1 Form, all seven companies reported taking less than 5 minutes.

None of the nine companies contacted expressed concern with the information requested, the frequency of collection, understanding the instructions, or with the elements being collected.

The following three coal companies were consulted in September 2011 regarding the Amended OSM-1 Form:

Paper Filing Companies:

Michael Svonavec

Svonavec Inc
814-445-7324

E-Filing Companies:

Sandie Chastain

Kopper Glo Fuel Inc
865-824-2749

Veronica Clay

McCoy Elkhorn Coal Corp
804-783-6273

On May 17, 2011, OSM published in the Federal Register (76 FR 28454) a notice requesting comments from the public regarding the need for the collection of information, the accuracy of the burden estimate, ways to enhance the information collection, and ways to minimize the burden on respondents. This notice gave the public 60 days in which to comment. However, no comments were received.

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

Not applicable. OSM provides no payments or gifts to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis

for the assurance in statute, regulation, or agency policy.

Counsel has determined that the information to be collected is not confidential and can be disseminated to the public without limitation.

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.***

There are no questions of a sensitive nature on the OSM-1 form or Amended OSM-1 Form. All information is protected to the extent authorized or required by the Privacy Act and the Freedom of Information Act as provided for in Section 870.16 (c).

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.***
 - * 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 under "Annual Cost to Federal Government."***

Reporting, Recordkeeping, and Reviewing Burden

a. Estimate of Burden to Respondents:

There are a total of 2,571 permits expected to receive OSM-1 forms each quarter based on Fiscal Year 2010 data from the Coal Fee Collection Management System. 2,115 permittees (82%) are expected to file their OSM-1 electronically using the E-Filing system, and 456 permittees will submit the paper form. Coal operators are expected to take the excess moisture deduction on 722 permits for

each quarter authorized under section 870.18. To reduce the burden, most of the items on the OSM-1 are preprinted on the paper form or pre-populated on the electronic form by OSM before the form is sent to the permittee.

Based on those contacted in item 8 above, it will take a total of 15 minutes for a permittee to fill out the paper OSM-1 form and only 1 minute for a permittee to fill out and submit the E-File OSM-1 form. (The amount of time to prepare the e-file OSM-1 is so small because so much of it is automated. Also, operators have been preparing the OSM-1 form for so long they normally just verify the numbers without reviewing instructions.)

In addition, it takes an additional 5 minutes for permittees to complete the excess moisture deduction data in either format and report it on the OSM-1 form.

For the 2010 reporting year, 97 permittees (4%) filed an Amended OSM-1 form. Of the 97 permittees to amend their OSM-1, 69 permittees (71%) filed their Amended OSM-1 form electronically using the E-Filing system, and 28 permittees (29%) submitted the paper amended form.

Based on those contacted in item 8 above, it will take a total of 5 minutes for a permittee to fill out the paper Amended OSM-1 form, and 10 minutes for a permittee to fill out the E-File Amended OSM-1 form. The additional time required to E-File the Amended form is due to respondents' unfamiliarity with the electronic filing form.

456 permittees filing the paper OSM-1 x 4 quarterly reports x 15 minutes per report divided by 60 = 456 hours.

2,115 permittees filing the OSM-1 electronically x 4 quarterly reports x 1 minute per report divided by 60 = 141 hours.

722 permits taking the moisture deduction x 4 quarterly reports x 5 minutes average per report divided by 60 = 241 hours.

28 permittees filing the paper Amended OSM-1 form x 5 minutes average per amended report divided by 60 = 3 hours

69 permittees filing the Amended OSM-1 form electronically x 10 minutes average per report divided by 60 = 12 hours

Therefore, the total burden for all respondents is 853 hours annually. This represents a reduction from the previous estimate of 1,643 hours annually from three years ago.

b. Estimated Wage Cost to Respondents:

OSM estimates that coal mine financial managers will require approximately 853 hours to prepare and submit the OSM-1 and Amended OSM-1 forms on a yearly basis. OSM estimates that each financial manager would make \$64.64 per hour including benefits computed at 1.4 of salary and derived from Bureau of Labor Statistics [http://www.bls.gov/oes/current/naics4_212100.htm and BLS news release, EMPLOYER COSTS FOR EMPLOYEE COMPENSATION — MARCH 2011 (released June 8, 2011), USDL-11-0849. (See www.bls.gov/news.release/pdf/ecec.pdf)].

At \$64.64 per hour, the cost to all permittees would be \$55,138, and broken down as follows:

Cost for Paper Filers:

$$456 \text{ hours} \times \$64.64 \text{ per hour} = \$29,476$$

Cost for E-Filers:

$$141 \text{ hours} \times \$64.64 \text{ per hour} = \$9,114$$

Cost for Filers taking the Coal Moisture Deduction:

$$241 \text{ hours} \times \$64.64 \text{ per hour} = \$15,578$$

Cost for Paper Amended OSM-1 filers:

$$3 \text{ hours} \times \$64.64 \text{ per hour} = \$194$$

Cost for Paper Amended OSM-1 filers:

$$12 \text{ hours} \times \$64.64 \text{ per hour} = \$776$$

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 already reflected in item 12.)***

**** 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 for form processing). 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.*

Total annual non-wage cost burden to respondents:

a. Annualized capital and start-up costs

The information collection requirements of the OSM-1 form do not involve any capital or start-up costs apart from expenditures associated with customary business practices in the mining industry.

b. Operation and maintenance costs

For those operators who take inherent moisture deductions there is a \$100 lab fee. Therefore, 772 permits x 4 filings per year x \$100 = \$288,800.

- 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.***

The Federal government receives 2,571 quarterly responses and 97 annual Amended OSM-1 forms, totaling 10,381 per year. Data entry clerks require 6 minutes to review each electronic submission, or 846 hours; 14 minutes per paper response, or 426 hours; 5 minutes to review each electronic amended submission, or 6 hours; and 15 minutes per paper amend, or 7 hours, for a total of 1,285 total hours annually. An average salary based on the current rate for GS 9 data entry clerks in Denver, Colorado, where OSM's financial management office is located, is \$36.60, including 1.5 multiplier for benefits (https://www.opm.gov/oca/11tables/html/den_h.asp). Therefore, the Federal cost

is \$36.60 x 1,285 hours = \$47,031 per year to process the OSM-1 and Amended OSM-1.

15. Explain the reasons for any program changes or adjustments in hour or cost burden.

This information collection request will result in a decrease of 790 hours. This is due to an adjustment caused by a reduction of 116 respondents and an increase in the use of E-filing by coal companies and increased proficiency in using E-filing. This request also includes a programmatic increase of 15 hours to include submission of the Amended OSM-1 form inadvertently omitted from previous collection requests. This request results in the following burden changes:

	1,643 hours currently approved
+	15 hours due to a program change (omission of the Amended OSM-1)
-	805 hours due to adjustments
	853 hours requested

This request includes a non-wage cost burden of \$288,800 previously omitted for lab analyses conducted for those operators conducting inherent moisture calculations.

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.

This is an ongoing information collection with no ending date and no plans for publication.

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. The OSM-1 form contains the expiration date.

18. Explain each exception to the topics of the certification statement identified in "Certification for Paperwork Reduction Act Submissions."

Not applicable. No exceptions are being requested.