

Supporting Statement - Part A
U.S. Department Of Commerce
U.S. Census Bureau
2012 Economic Census Covering the Mining Sector
OMB Control No. 0607-0939

A. Justification

1. Necessity of Information Collection

The 2012 Economic Census covering the Mining Sector will use a mail canvass, supplemented by data from federal administrative records, to measure the economic activity of approximately 26,000 mining establishments classified in the North American Industry Classification System (NAICS). For more details on the NAICS structure, see Part A, Item 19.

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

This information collection is part of the 2012 Economic Census, which is required by law under Title 13, United States Code (U.S.C.). Section 131 of this statute directs the taking of a census at 5-year intervals. Section 224 makes reporting mandatory.

2. Needs and Uses

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

If the economic census was not conducted, the federal government would lose vital

source data and benchmarks for the national accounts, input-output tables, and other composite measures of economic activity, causing substantial degradation in the quality of these important statistics. Further, the government would lose critical benchmarks for current, sample-based economic surveys and an essential source of detailed, comprehensive economic information for use in policy-making and program administration.

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

3. Use of Information Technology

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

4. Efforts to Identify Duplication

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

5. Minimizing Burden

Relieving very small establishments from filing an economic census report reduces the burden on small businesses. Data for these small establishments are obtained from federal administrative records in lieu of economic census reports. Approximately 9,600 single-establishment mining firms will benefit from this procedure for 2012. This represents approximately 40 percent of the establishments comprising the mining universe.

In addition, approximately 1,200 small single-establishment companies that have payroll greater than the administrative record cutoff for not mailing will be sent a shortened version of the basic report form that will not include detailed inquiries such as consumption of purchased supplies and fuels, inventories, and fringe benefits data. The short form is sent to those firms in the crushed stone, sand and gravel, and crude petroleum and natural gas industries where application of the administrative record cutoff results in a large number of small establishments being included in the mail canvass. See

Attachment A for a list of industries using the short form.

As in the mining sector of the 2007 Economic Census, we will continue to allow respondents to complete a consolidated “nationwide” report form in the Support Activities for Mining (NAICS subsector 213) industries where there is considerable geographic movement of operations during the year. Only selected information will be requested on the consolidated report rather than requesting the respondent to complete a report form for each state where activities occurred. Approximately 500 establishments of multi-establishment firms will not be required to file separate reports because they will be included on the consolidated “nationwide” report.

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

6. Consequences of Less Frequent Collection

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

7. Special Circumstances

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

8. Consultations Outside the Agency

In March 2011, letters were sent to approximately 32 government agencies, mining companies, and trade associations indicating where on the Census Bureau’s website they could view and comment on the proposed 2012 Economic Census report forms. We asked these organizations to review the content relevant to their data needs and interests, and to provide recommendations on wording, reporting problems and usefulness of data. A complete list of all trade associations, mining companies, and government agencies contacted along with their comments is available upon request.

Further, we published a notice in the Federal Register on March 17, 2011 (76FR, pages 14647 and 14648), inviting public comment on our plans to submit this request. We received no comments.

9. Paying Respondents

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

10. Assurance of Confidentiality

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

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

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

11. Justification for Sensitive Questions

This information collection asks no questions of a sensitive nature.

12. Estimate of Hour Burden

The response burden for the mining sector of the 2012 Economic Census is estimated to be 72,920 work hours and to cost \$2,417,298 for fiscal year 2013. This is based on two factors: (1) the number of respondents who receive each type of report form, and (2) the average time required to complete each type of form.

We estimate that the universe of the 2012 Economic Census covering the Mining Sector will include approximately 26,000 establishments, of which approximately 9,600 will not receive a census report form. We are dividing the mail portion of the universe (the remaining 16,400) into two subsets for the purpose of data collection. Small single establishment companies in the crushed stone, sand and gravel, and crude petroleum and natural gas industries will receive a short form. All other establishments in the mail portion of the universe will receive a minerals long form. The burden for completing a 2012 Economic Census report form for the mining sector is estimated to be between 2

and 10 hours, depending upon the complexity of an establishment's operations. The general statistics items should be readily available from respondent's records. Supplies, products, and special inquiries will require more time.

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

Subset	2012 (Estimated) Number of Respondents	Average Time Required to Complete (Hours)	Estimated Hours of Respondent Burden
<i>Establishments that will not receive a census report form:</i>			
Small single-establishment firms-administrative records	9,600	0	0
<i>Establishments that will receive a census report form:</i>			
Large- and medium-sized establishments-long form	15,200	4.6	69,920
Small single-establishment companies-short form	1,200	2.5	3,000
<i>Total Mining Establishments</i>	16,400	N/A	72,920

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

13. Estimate of Cost Burden

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

14. Cost to the Federal Government

The cost to the government for this work is included in the total cost of the 2012 Economic Census, estimated to be \$665 million.

15. Reason for Change in Burden

This information collection is being submitted as a reinstatement.

16. Project Schedule

The mailing of this information collection will take place at the end of 2012, with a due date of February 12, 2013. There will be a series of mail follow-ups through July 2013, supplemented where necessary by telephone calls. Completed questionnaires will be checked in, keyed, validated by computer edits, and when necessary, reviewed by Census Bureau staff – operations that will be completed by September 2013. Tabulations and analytical materials will then be prepared and reviewed. Initial publications are scheduled for release in the first quarter of 2014, and all data dissemination should be complete by the end of 2015.

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Timetable for the Mining Sector of the 2012 Economic Census

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<u>Activity</u>	<u>Start¹</u>	<u>End¹</u>
Mail report forms.....	12/2012	12/2012
Due date for report forms.....	02/2013	02/2013
Follow-up for non-response.....	03/2013	07/2013
Receive and check in responses.....	01/2013	08/2013
Prepare and analyze tabulations.....	10/2013	05/2015
Data release.....	03/2014	02/2015
Industry Series.....	03/2014	09/2014
Geographic Area.....	11/2014	01/2015
Subject Series:		
General Summary.....	03/2015	03/2015
Product Summary.....	05/2015	05/2015
Material Summary.....	05/2015	05/2015
Industry-Product Analysis.....	02/2015	02/2015

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¹All dates are approximate (month/year)

To improve the timeliness, relevance, and usefulness of all data products, the Census Bureau plans to release the 2012 Economic Census electronically.

17. Request to Not Display Expiration Date

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

18. Exceptions to the Certification

There are no exceptions to the certification.

19. NAICS Codes Affected

For the 2012 Economic Census covering the Mining Sector, the following NAICS subsectors will be covered.

Mining

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