

## Supporting Statement A

### 30 CFR Part 737 – Processing Fees for Operations on Land Where OSM is the Regulatory Authority

OMB Control Number 1029-XXXX

Terms of Clearance: New Collection

#### 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

We, the Office of Surface Mining Reclamation and Enforcement (OSM or us), are submitting this information collection clearance package to request information collection authority for 30 CFR Part 737 – Processing Fees for Operations on Land Where OSM is the Regulatory Authority. OSM is preparing rulemaking, entitled Costs Recovery for Permit Processing, Administration, and Enforcement (RIN: 1029-AC65), and is seeking a new information collection control number from the Office of Management and Budget (OMB) for this collection.

There is one section within this new Part which will contain information collection activities. Section 737.15 establishes a payment requirement for applicants to submit processing fees to us based on our cost to process various types of permit applications.

#### Specific Instructions

#### Justification

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.***

In an effort to promote fiscal responsibility, we, the Office of Surface Mining Reclamation and Enforcement (OSM), have undertaken a comprehensive review of the costs it takes to run our programs. As part of this assessment, we identified the need to update our regulations related to the permit application and related fees that we collect from the coal industry to more accurately reflect our costs. We are revising our Federal and Indian Lands Program regulations for the purpose of adjusting the existing permit fees and to assess new fees to recover the actual costs

for permit administration and permit enforcement activities provided to the coal industry. These fees are authorized under section 507(a) of the Surface Mining Control and Reclamation Act of 1977 (SMCRA) and 31 U.S.C. 9701 of the Independent Offices Appropriations Act of 1952.

- 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 fees are used to offset OSM's costs for processing various permit applications and related actions, administering those permits over their lifecycle, and enforcing those permits. The fees are applicable to permits for mining on lands where regulatory jurisdiction has not been delegated to the States. These fees would also be applicable to mining on Indian lands when OSM is the regulatory authority. The primary purpose of this regulation is to charge those who benefit from obtaining and operating under a surface coal mining and reclamation permit for our costs to review, administer, and enforce permits instead of passing those costs on to the general public.

- 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.***

The collection of information required for §737.15 is unique to each applicant and mining area. Respondents are individual mining companies who submit fees to OSM to process their applications. The fees may be submitted electronically. We anticipate that approximately 25% of the initial fees will be submitted electronically, but this rate should increase over time.

- 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.***

The information requested is unique to each applicant. There is no available information that can be used in lieu of that supplied.

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

There are no special provisions for small businesses or other small entities. OSM is requesting the minimum amount of information needed to support the program and provide the benefit.

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.***

Failure to collect the information requested under §737.15 would prevent OSM from receiving those fees authorized by SMCRA and the Independent Offices Appropriations Act of 1952 to process permits.

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.***

The collection of information for §737.15 is consistent with the guidelines at 5 CFR 1320.5(d)(2) as summarized in the instructions for this item of the supporting statement.

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.***

OSM has estimated the processing fees from discussions with our Knoxville and Western Region staff which will be preparing the fee estimates and processing the various types of permit applications.

OSM conducted extensive outreach of potential stakeholders who might be affected by this information collection and accompanying rule, or who might have an interest in this collection requirement. The stakeholders include coal mining operators, environmental groups, government agencies, and municipalities located in the States of Tennessee, Washington, and on Indian lands where OSM is the regulatory authority. In March 2012, OSM sent almost 90 stakeholders an outreach letter that summarized some concepts that we were considering regarding the restructuring of our permit fees. OSM received 13 responses from this effort. Nine responses came from the coal industry, one was from a Tribal government, one was from an environmental organization, and two were from private citizens. In general, the coal mining industry objected to any provisions that would increase their mining costs. The environmental organization and citizens supported the rule, and the Tribal government raised issues concerning costs and applicability. OSM reviewed and considered these responses as we developed the proposed rule. No stakeholder comments which OSM received were associated with paperwork reduction act requirements.

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

Not applicable. OSM does not provide 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.***

Not applicable. In general, confidential information is not provided.

**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.***

Not applicable. Sensitive questions are not asked.

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.***

Respondents are those who submit surface and underground coal mine permit applications.

Section 737.15 establishes the payment method and requires the applicant for a permit, a permit renewal, a permit for a transfer, sale or assignment of permit rights, an exploration permit, a permit for a significant revision, or a non-significant permit revision, to provide processing fees to us.

This is a non-wage cost and is discussed in item 13, below.

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.***

a. Annualized Capital and Start-up Costs

The Cost Recovery rule includes a processing fee for each permit application which is a non-wage start-up cost. Each fee is individually assessed based on the specifics of the application. This fee is derived from the Federal wage cost to review the application and an additional 21% calculated for indirect costs. Wage costs were derived from discussions with our Tennessee Field Office and our Western Regional Coordinating Center. Indirect costs were calculated using OSM's Financial and Business Management System, our accounting system.

We estimated the average processing fee for each category of permit application as listed below. Refer to item 14, below, for calculations associated with the Federal wage costs.

New Permits – 4 applications x \$45,423 in average Federal wage costs to review the application + 21% indirect costs = \$219,848 (rounded) for new permit applicant fees. We anticipate a minimum Federal wage cost of \$19,318 (including indirect costs) and a maximum of \$151,602 (including indirect costs) per new permit application.

Permit Renewals – 9 applications x \$6,585 in average Federal wage costs to review the application + 21% indirect costs = \$71,712 (rounded) for permit renewals. We anticipate a minimum Federal wage cost of \$3,883 (including indirect costs) and a maximum of \$74,673 (including indirect costs) per permit renewal application.

Mid-Term Reviews – 13 reviews x \$7,228 in average Federal wage costs to review the application + 21% indirect costs = \$113,698 (rounded) for mid-term reviews. We anticipate a minimum Federal wage cost of \$3,883 (including indirect costs) and a maximum of \$74,673 (including indirect costs) per permit renewal application.

Transfer, Sale, or Assignment of Permit Rights – 6 applications x \$1,216 in average Federal wage costs to review the application + 21% indirect costs = \$8,826 (rounded) for applications for the transfer, sale, or assignment of permit rights. We anticipate a minimum Federal wage cost of \$552 (including indirect costs) and a maximum of \$9,446 (including indirect costs) per transfer, sale, or assignment of permit rights application.

Exploration Permits - 2 applications x \$2,821 in average Federal wage costs to review the application + 21% indirect costs = \$6,826 (rounded) for exploration permits. We anticipate a minimum Federal wage cost of \$109 (including indirect costs) and a maximum of \$12,824 (including indirect costs) per exploration permit application.

Significant Permit Revisions - 5 applications x \$19,532 in average Federal wage costs to review the application + 21% indirect costs = \$118,165 (rounded) for significant revisions to permits. We anticipate a minimum Federal wage cost of \$670 (including indirect costs) and a maximum of \$74,824 (including indirect costs) per significant permit revision application.

Non-Significant Permit Revisions - 151 application x \$3,302 in average Federal wage costs to review the application + 21% indirect costs = \$602,994 (rounded) for non-significant revisions to permits. We anticipate a minimum Federal wage cost of \$331 (including indirect costs) and a maximum of \$22,263 (including indirect costs) per non-significant permit revision application.

The total estimated non-wage cost is approximately \$1,142,069.

b. Operation, Maintenance and Services

There will be no non-wage operation and maintenance costs for this Part.

- 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, indirect costs, printing, and support staff), and any other expense that would not have been incurred without this collection of information.**

Estimate of Cost to the Federal Government

Oversight: There is no oversight cost associated with this collection since there is no State regulatory requirement for Part 737.

Federal Programs: OSM will process all permit applications and significant revisions in Federal Program states.

**Summary of Wage Costs of Federal Government for 30 CFR Part 737**

<b>Wage Cost for New Permits</b>	Weighted Hours to Process Application	Hourly Wage Costs w/ Benefits of 1.30 of salary(\$)	Total Average Wage Cost (\$) (rounded)	Total Minimum Wage Cost (\$) (rounded)	Total Maximum Wage Cost (\$) (rounded)
Engineer	275	55.72	** Expression is faulty **	4,458	55,720
Natural Resources Specialist	197.50	55.72	** Expression is faulty **	4,458	27,860
Hydrologist	290	55.72	** Expression is faulty **	4,458	28,974
Administrative	27	29.56	** Expression is faulty **	296	1,774
Archeologist	20	55.72	** Expression is faulty **	2,229	8,915
Manager	15	68.26	** Expression is faulty **	68	2,048
TOTAL	00		0	0	0
TOTAL + 21% indirect costs			54,962	19,318	151,602

Therefore, the average wage cost to the Federal government to process new permits, including indirect costs, is \$54,962 x 4 applications = \$219,848 (rounded).

<b>Wage Cost for Permit Renewals</b>	Weighted Hours to Process Application	Hourly Wage Costs w/ Benefits of 1.30 of salary(\$)	Total Average Wage Cost (\$) (rounded)	Total Minimum Wage Cost (\$) (rounded)	Total Maximum Wage Cost (\$) (rounded)
Engineer	37.78	55.72	** Expression is faulty **	1,114	27,860
Natural Resources Specialist	31.11	55.72	** Expression is faulty **	557	13,930
Hydrologist	32.22	55.72	** Expression is faulty **	1,114	14,487
Administrative	16.89	29.56	** Expression is faulty **	355	296
Archeologist	4.44	55.72	** Expression is faulty **	0	4,458
Manager	3	68.26	** Expression is faulty **	68	683
TOTAL	0		0	0	61,713
TOTAL + 21%			7,968	3,883	74,673

indirect costs					
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Therefore, the average wage cost to the Federal government to process permit renewals, including indirect costs, is  $\$7,968 \times 9 \text{ applications} = \$71,712$  (rounded).

<b>Wage Cost for Mid-Term Reviews</b>	<b>Weighted Hours to Process Application</b>	<b>Hourly Wage Costs w/ Benefits of 1.30 of salary(\$)</b>	<b>Total Average Wage Cost (\$) (rounded)</b>	<b>Total Minimum Wage Cost (\$) (rounded)</b>	<b>Total Maximum Wage Cost (\$) (rounded)</b>
Engineer	40.77	55.72	** Expression is faulty **	1,114	27,860
Natural Resources Specialist	33.46	55.72	** Expression is faulty **	557	13,930
Hydrologist	36.92	55.72	** Expression is faulty **	1,114	14,487
Administrative	16.46	29.56	** Expression is faulty **	355	296
Archeologist	6.15	55.72	** Expression is faulty **	0	4,458
Manager	3	68.26	** Expression is faulty **	68	683
TOTAL	0		0	0	0
TOTAL + 21% indirect costs			8,746	3,883	74,673

Therefore, the average wage cost to the Federal government to process mid-term reviews, including indirect costs, is \$8,746 x 13 applications = \$113,698 (rounded).

<b>Wage Cost for Transfer, Assignment or Sale of Permit Rights</b>	<b>Weighted Hours to Process Application</b>	<b>Hourly Wage Costs w/ Benefits of 1.30 of salary(\$)</b>	<b>Total Average Wage Cost (\$) (rounded)</b>	<b>Total Minimum Wage Cost (\$) (rounded)</b>	<b>Total Maximum Wage Cost (\$) (rounded)</b>
Engineer	3.14	55.72	** Expression is faulty **	56	1,114
Natural Resources Specialist	3.57	55.72	** Expression is faulty **	0	2,507
Hydrologist	4.57	55.72	** Expression is faulty **	56	2,229
Administrative	14.86	29.56	** Expression is faulty **	310	296
Archeologist	1.43	55.72	** Expression is faulty **	0	1,114
Manager	1	68.26	** Expression is faulty **	34	546
TOTAL	0		0	0	7,807
TOTAL + 21% indirect costs			1,471	552	9,446

Therefore, the average wage cost to the Federal government to process Transfer, Assignment or Sale of Permit Rights, including indirect costs, is  $\$1,471 \times 6$  applications =  $\$8,826$  (rounded).

<b>Wage Cost for Exploration Permits</b>	<b>Weighted Hours to Process Application</b>	<b>Hourly Wage Costs w/ Benefits of 1.30 of salary(\$)</b>	<b>Total Average Wage Cost (\$) (rounded)</b>	<b>Total Minimum Wage Cost (\$) (rounded)</b>	<b>Total Maximum Wage Cost (\$) (rounded)</b>
Engineer	10.25	55.72	** Expression is faulty **** Expression is faulty **	0	2,229
Natural Resources Specialist	20	55.72	** Expression is faulty **	0	4,458
Hydrologist	11.50	55.72	** Expression is faulty **	56	2,229
Administrative	5	29.56	** Expression is faulty **	0	296
Archeologist	5	55.72	** Expression is faulty **	0	1,114
Manager	1	68.26	** Expression is faulty **	34	273
TOTAL	0		0	0	0
TOTAL + 21% indirect costs			3,413	109	12,824

Therefore, the average wage cost to the Federal government to process exploration permits, including indirect costs, is \$3,413 x 2 applications = \$6,826 (rounded).

<b>Wage Cost for Significant Permit Revisions</b>	<b>Weighted Hours to Process Application</b>	<b>Hourly Wage Costs w/ Benefits of 1.30 of salary(\$)</b>	<b>Total Average Wage Cost (\$) (rounded)</b>	<b>Total Minimum Wage Cost (\$) (rounded)</b>	<b>Total Maximum Wage Cost (\$) (rounded)</b>
Engineer	57.60	55.72	** Expression is faulty **	223	8,915
Natural Resources Specialist	104	55.72	** Expression is faulty **	0	20,059
Hydrologist	168	55.72	** Expression is faulty **	223	28,974
Administrative	7.60	29.56	** Expression is faulty **	74	296
Archeologist	12	55.72	** Expression is faulty **	0	2,229
Manager	4	68.26	** Expression is faulty **	34	1,365
TOTAL	00		0	0	0

TOTAL + 21% indirect costs			23,633	670	74,824
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Therefore, the average wage cost to the Federal government to process permits with significant, including indirect costs, is  $\$23,633 \times 5 \text{ applications} = \$118,165$  (rounded).

<b>Wage Cost for Non-significant Permit Revisions</b>	<b>Weighted Hours to Process Application</b>	<b>Hourly Wage Costs w/ Benefits of 1.30 of salary(\$)</b>	<b>Total Average Wage Cost (\$) (rounded)</b>	<b>Total Minimum Wage Cost (\$) (rounded)</b>	<b>Total Maximum Wage Cost (\$) (rounded)</b>
Engineer	8.75	55.72	** Expression is faulty **	84	2,229
Natural Resources Specialist	26.50	55.72	** Expression is faulty **	28	11,144
Hydrologist	8	55.72	** Expression is faulty **	84	2,229
Administrative	4.25	29.56	** Expression is faulty **	44	296
Archeologist	12.50	55.72	** Expression is faulty **	0	2,229
Manager	1	68.26	** Expression is faulty **	34	273
TOTAL	0		0	0	0
TOTAL + 21% indirect costs			3,993	331	22,263

Therefore, the average wage cost to the Federal government to process permits with non-significant revisions is \$3,302 + 21% indirect costs x 151 applications = \$602,994 (rounded).

The total cost to the Federal government to process respondent applications with 21% indirect costs (derived from OSM's Financial and Business Management System, our accounting system), is \$1,142,069.

There is an additional Federal government cost not subsumed by respondents which is the initial burden for OSM to develop the processing fee estimate. We estimate average wage cost to the Federal government as follows:

<b>Developing the Processing Fee Estimates</b>	<b>Weighted Hours to Process Application</b>	<b>Hourly Wage Costs w/ Benefits of 1.30 of salary(\$)</b>	<b>Total Wage Cost (\$) (rounded)</b>
Engineer	.5	55.72	** Expression is faulty **
Natural Resources Specialist	.25	55.72	** Expression is faulty **
Hydrologist	.5	55.72	** Expression is faulty **

Manager	.25	68.26	** Expression is faulty **
TOTAL	0		0

Therefore, the wage cost to the Federal government to develop the processing fee estimate for each application is \$87. The cost for OSM to prepare the processing fee estimates for all applications is 177 x \$87 = \$15,399. This cost is not subsumed by respondents.

The cost to the Federal government is approximately \$1,142,069 + \$15,399 = \$1,157,468.

Federal government wage rates are based on U.S. Office of Personnel Management Salary Table 2012-RUS located at [http://www.opm.gov/oca/12tables/html/RUS\\_h.asp](http://www.opm.gov/oca/12tables/html/RUS_h.asp). Benefits have been calculated using OSM's Financial and Business Management System which calculates benefits at 1.30 of salary.

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

This is a new information collection request based on the Cost Recovery rulemaking. OSM is requesting OMB approval for \$1,142,069 in non-wage costs and no burden hours for this collection as a program change.

**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.**

Not applicable. OSM has no plans to publish the 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.**

Not applicable. OSM is not seeking a waiver from the requirement to display the expiration date of the OMB approval of the information collection.

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

Not applicable. There are no exceptions to OMB's *Certification for Paperwork Reduction Act Submissions*.