

## Supporting Statement A

### Mine, Development, and Mineral Exploration Supplement

OMB Control Number 1028-0060

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.

#### Specific Instructions

Justification

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

#### ***The authorities for this collection are:***

- *National Materials and Minerals Policy, Research and Development Act of 1980 (Public Law 96-479)*
- *National Mining and Minerals Policy Act of 1970 (Public Law 91-631)*

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The U.S. Department of the Interior (DOI) has policy responsibility for the Nation's mineral resources and their derived industries. The National Mining and Minerals Policy Act of 1970 (Public Law 91-631) and the National Materials and Minerals Policy, Research and Development Act of 1980 (Public Law 96-479) make it incumbent upon the Secretary of the Interior to be informed about and to inform the Congress of important developments, including crises, in the minerals industries. Many of the responsibilities regarding mineral resources are assigned to the U.S. Geological Survey (USGS), where they are discharged through a staff that includes chemists, economists, engineers, geologists, mineral commodity specialists, and physicists.

Two fundamental activities—mining and agriculture—form the basis of the Nation's wealth because

they furnish all the raw materials and most of the energy that are used in all other industries. Additionally, the mining industry supplies the fertilizers, pesticides, and soil conditioners that significantly enhance the performance of the agricultural sector. For those raw materials not produced domestically, supplies must be imported. This adversely affects the trade balance and, for some materials, puts U.S. industries at risk of supply disruptions because of global political developments. Imports may also compete with domestic production, thus jeopardizing U.S. jobs. Accordingly, the Government requires accurate, timely data on raw materials production and related industries to formulate policies that ensure national security and economic well-being. The USGS canvass forms are the fundamental means by which data on minerals, mining, and related materials production are obtained.

**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 data obtained from this collection are used by Government agencies, Congressional offices, educational institutions, research organizations, financial institutions, consulting firms, industry, and the public. They provide essential mining, exploration, and development information used to make domestic ore resource analyses.

Each company reports commodity data consistent with industry standards and as mutually agreed upon by the company and the USGS mineral commodity specialists. The USGS routinely uses this information to provide analyses and data for decision-making purposes to the Congress and various Presidential councils and commissions. The National Security Council, in particular, has frequently used USGS data in relation to materials mobilization studies and sustainability analyses.

Information gathered from this collection is used by the Secretary of the Interior in the annual report to the Congress on the state of domestic mining and mineral industries as required by the National Materials and Minerals Policy, Research, and Development Act of 1980. Two of the basic provisions of the Act are “the availability of materials is essential for national security, economic well-being, and industrial production” and the “extraction, production, processing, use, recycling, and disposal of materials are closely linked with natural concerns for energy and the environment.” The data also provide ways of identifying industry trends; making supply and demand analyses on varying time cycles; assembling meaningful conclusions concerning such important indicators as industry vitality; and formulating appropriate recommendations for the Government on such matters as stockpiling, tariffs, research and development, and production incentives. Exploration data can provide a window to the future because exploration activity often takes place many years before mining begins.

This canvass covers the entire nonfuel minerals mining industry. The data collected are analyzed and used by the USGS to make domestic ore resource analyses then issue, as promptly as possible, an Annual Report that provides essential information while protecting trade secrets and privileged or

proprietary commercial or financial information. These data form a substantial part of the USGS Automated Minerals Information System (AMIS), which the USGS uses in legislative programs, research programs, economic studies, analyses, and land use and environmental impact studies. These data are also used to respond to nationwide and global requests for minerals information.

Form USGS 9-4000-A asks respondents for information on production status, activity, and type of operations during the year; type and quantity of crude material mined; type of development work; mining methods; and exploration activity.

**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.**

On-line electronic forms are available to registered users at the minerals information forms (MIFORMS) Web site (<https://miforms.er.usgs.gov>). Immediate on-line registration is available where new respondents and new users are granted immediate access. For security purposes, additional new registrants (two or more) for the same operation will not be allowed to access past submissions on-line unless they specifically request administrative privileges to retrieve such historical data.

We expect that 15% of the universe will respond electronically. Paper forms will remain an option for submission because not all industry respondents are able or wish to transmit their data to the USGS by electronic means.

The electronic forms conversion effort continues to fulfill the Government Paperwork Elimination Act requirements by maintaining intelligent links between the electronic forms and the database.

An AMIS algorithm determines which canvass qualifies respondents to receive a Mine, Development, and Mineral Exploration Supplement canvass (USGS Form 9-4000-A). The batch process associated with this algorithm automatically registers respondents who currently respond via e-forms for the qualifying base canvass. The same batch process issues an e-mailed reminder notice to these respondents.

**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.**

These data are not collected by any other Federal or State agency, trade association, or other public sources. The USGS continuously reviews data collection practices with other agencies, including the U.S. Department of Labor, U.S. Department of Commerce, and U.S. International Trade Commission, as well as with industry associations such as the American Iron and Steel Institute, the Institute of Scrap Recycling Industries, the International Tungsten Industry Association, the Cobalt Development Institute,

the Gypsum Association, the Aluminum Association, the International Chromium Development Institute, the Bismuth Institute, the International Copper Study Group, and the International Lead and Zinc Study Group.

For over 120 years, the Federal Government has consistently collected mineral information while trade associations have been created and abolished. Where data are available from other sources, these data are used. Alternate data sources are not available for the mineral commodities that are canvassed.

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

The canvass form is designed to minimize the burden to all respondents by only requesting essential data. The format is common to the reporting industry.

**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.**

The USGS provides information necessary for sound Federal, State, and industry decision-making. Tabulations of volumetric data concerning domestic mining operations' use of land can be used to compare the total volume of earth disturbed with the actual crude ore mined and the resulting marketable product. These data, in conjunction with exploration and development data, are an indicator of the future mining outlook. If data were available less frequently than annually, that data simply would not be timely enough to be reliable for decisions that affect minerals vulnerability, potential environmental impacts, current trends, and future needs. These decisions, in turn, have an effect on such aspects of our economy as taxes, royalty payments, tariffs, land use, environmental regulations, water use, and transportation.

Collection of annual data allows economic analysis that can capture variations that a longer time interval could not. Collection of these data on a biennial basis would not be practical because the industry respondents do not normally have the data in a convenient format except on an annual basis. A 2-year canvass, for example, would require the respondents to alter their accounting procedures or manually add 2 years of data. This would increase their reporting burden. Also, multiyear data are less meaningful and less convenient for analysis by industry and Government agencies.

**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.

This collection is consistent with the above provisions; however, under the terms of the USGS standard for handling proprietary canvass data included in the supplementary documents, companies can and usually do specify that the data they supply be shared only in aggregated form. These terms ensure that the USGS will continue to receive proprietary data in confidence.

The canvass form is designed to ensure that respondents are not required to maintain or provide data in a format other than that in which the data are customarily maintained. The respondents are routinely asked to comment on the design of the forms and to make recommendations that help maintain consistency with industry's methods of accounting.

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.**

On September 17, 2012, a 60-day Federal Register notice (77 FR 57111) was published announcing this information collection. Public comments were solicited for 60 days ending November 16, 2012. We did not receive any public comments in response to that notice.

The canvass form is designed to collect only the required data, thus minimizing the individual response time, and to ensure that respondents are not required to maintain or provide data in a format

other than that in which the data are customarily maintained. The respondents are regularly asked to comment on the design of the form and to make recommendations that help maintain consistency with industry's methods of accounting.

USGS mineral commodity specialists are routinely contacted by Federal and State agencies, Members of Congress, trade associations, the financial community, private companies, universities, and private citizens that request general and specific data and information.

When persons outside the USGS submit requests for information, the USGS mineral commodity specialists and statistical assistants respond in a timely manner. The USGS receives and responds to several thousand e-mail and telephone inquiries each month. During these discussions and interactions, views are exchanged on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, reporting format, data elements to be recorded, disclosed, or reported, burden estimates and other aspects of this information collection. These views help the USGS to improve its data and publications.

On the basis of such feedback, information-use patterns are established commodity by commodity. Once patterns are determined, canvass forms are revised to collect data and to meet the information needs. As information request patterns change, the data collected and reported are modified. Based on industry contacts, the revisions (density and units of measure) to USGS Form 9-4004-A clarify the data being reported. Although no direct changes to the collection instrument were made, the list below identifies industry contacts consulted on the burden estimates and other aspects of this information collection in October 2012.

Doe Run Company  
George Moellering, SEMO - Exploration Manager  
Viburnum, MO  
Date of contact: October 22, 2012

Cotter Corporation  
Glen Williams, Vice President of Mining  
Nucia, CO  
Date of contact: October 15, 2012

Ivy Minerals, Inc., American Independence Mines &  
Minerals Company  
Conway G. Ivy, President  
Boise, ID  
Date of contact: October 15, 2012

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

No payments or gifts are made to respondents.

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

Public Law 96-479, Section 5(3) (f), ensures the confidentiality of all data reported by persons or

firms engaged in any phase of mineral or mineral-material production or large-scale consumption.

To implement Section 5(3) (f), the USGS withholds all data reported as “Company Proprietary Data,” and such data will be disclosed only in the aggregate so as not to reveal data from a single respondent. USGS policy states that absent specific company permission, aggregated data can be reported only if it represents three or more companies and if no one company accounts for more than 75% of the total or if no two companies account for more than 90% of the total. Proprietary data may only be disclosed to Congress or to Federal defense agencies upon official request for appropriate purposes and in some instances to a State government under a cooperative agreement (Memorandum of Understanding). Except in response to requests by Congress or by Federal defense agencies, proprietary data will never be disclosed without the specific permission of the company as represented in the disclosure query. The disclosure statement and query are printed on each canvass form.

The USGS standard for handling proprietary canvass data further discusses protections for USGS proprietary data including penalties associated with violations.

The records for this collection will be maintained in the appropriate Privacy Act System of Records identified as Computer Registration System. (INTERIOR/USGS-20) published at 74 FR 23430 (May 19, 2009).

**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.**

This collection does not ask for information of a sensitive nature.

**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.”**

Variations can be expected in the reporting burden for completion of this form because of the differences in operation size and accounting systems. The data sought are those routinely maintained in the course of business. For some companies with more than one plant, the submission takes the form of a consolidated report covering all company operations. This greatly reduces the reporting burden.

We estimate the total annual burden for this collection of information (includes the time for reviewing instructions, searching data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information) to be approximately 666 hours (Table 1). Approximately 887 respondents will report details of their mining and exploration operations annually. For the 887 associated responses, average completion time is 45 minutes per form.

Table 1. Consolidated estimates of annual burden (private sector)

			PRIVATE SECTOR			
	Form No.	Frequency	Number of Respondents	Responses	Completion Time	Burden Hours
1	9-4000-A	Annually	878	878	45 min	659

Table 2. Consolidated estimates of annual burden (State, local or tribal government sector)

			STATE, LOCAL OR TRIBAL GOVERNMENT SECTOR			
	Form No.	Frequency	Number of Respondents	Responses	Completion Time	Burden Hours
1	9-4000-A	Annually	9	9	45 min	7

We estimate the total dollar value of this collection to be \$19,267 (Table 3 below). We arrived at this figure by multiplying the estimated burden hours for each sector by the current dollar value (including benefits) of burden hours for each sector. This wage figure is based on the Bureau of Labor Statistics (BLS) news release USDL-12-1830 for Employer Costs for Employee Compensation—June 2012 at [http://www.bls.gov/news.release/archives/ecec\\_09112012.pdf](http://www.bls.gov/news.release/archives/ecec_09112012.pdf), dated September 11, 2012.

Table 3: Estimated Dollar Value of Respondent Annual Burden Hours

Activity	Sector	Annual Number of Responses	Total Annual Burden Hours	Dollar Value of Burden Hours (Including Benefits)	Total Dollar Value of Annual Burden Hours
Completing canvass form	Private	878	659	\$28.80	\$18,979
	State,	9	7	\$41.10	\$288

	Local or Tribal Govt				
	All	887	666		\$19,267

**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.

There is no non-hour cost burden, recordkeeping nor any fees associated with collection of this information.

**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 total annual cost to the Federal Government is \$1,430,183. This includes the operational expenses of \$425,083 (Table 4 below). Operational expenses include mailing, overhead, printing, processing, and non-Federal support.

Table 4. Annualized Operational Expenses and estimated costs

Operational Expenses	Estimated Cost
Printing of canvass forms	\$42
Mailing lists compilation and maintenance	\$395
Mailing operation	\$2,381
Editing, coding, tabulation	\$183,791
ADP processing	\$196,636
Electronic publication of results	\$295
Government Printing Office print costs for 2 Federal Register Notices	\$212
Electronic forms development and maintenance	\$41,331
<b>Total</b>	<b>\$425,083</b>

The total estimated cost to the Federal Government for processing and reviewing information received as a result of this collection is \$1,005,100 (Table 5 below). This includes Federal employee salaries and benefits. The table below shows Federal staff and grade levels performing various tasks associated with this information collection. We used the Office of Personnel Management Salary Table 2012-DCB ([http://www.opm.gov/oca/12tables/pdf/dcb\\_h.pdf](http://www.opm.gov/oca/12tables/pdf/dcb_h.pdf)) to determine the hourly rate. We multiplied the hourly rate by 1.5 to account for benefits (as implied by the BLS news release USDL-10-10-0774).

Table 5. Federal Employee Salaries and Benefits

1 <sup>1</sup>	2	3 <sup>2</sup>	4	5 <sup>3</sup>	6 <sup>4</sup>	7 <sup>5</sup>	8 <sup>6</sup>
Positions	Average grade	Estimated percent of time spent on collection	Estimated average hourly rate including benefits (1.5 x average hourly rate)	Estimated weighted average hourly rate including benefits (1.5 x average hourly rate)	Percent distribution of Federal employee salary/benefit cost	Estimated Federal employee salary/benefit annualized costs	Estimated Federal employee Hours (annualized)
Commodity Specialists	GS-13/8	15%	\$78.92	\$26.52	49.2%	\$494,200	6,260
Statistical Assistants	GS-6/3	70%	\$29.12	\$14.56	27.0%	\$271,300	9,320
Computer Specialists	GS-13/8	5%	\$78.92	\$3.95	7.3%	\$73,500	930
Editors	GS-12/ 8	4.5%	\$66.38	\$3.32	6.2%	\$61,900	930
Mineral Records Administrator	GS-12/8	1.5%	\$66.38	\$0.93	1.7%	\$17,300	260
Management	GS-14 /8	4%	\$93.26	\$4.66	8.6%	\$86,900	930

<b>Total Estimated of Percent time spent on collection*</b>	<b>0</b>	
<b>Estimated Total Weighted Hourly Average (\$/hr)</b>		<b>\$53.93</b>
<b>Estimated Total annual Federal employee salary/benefit cost</b>		<b>\$1,005,100</b>
<b>Total estimated hours (annualized)</b>		<b>18,630</b>

<sup>1</sup>The grades/steps in the table represent an average of several employees at several grades/steps – some of the employees may work full-time on the collection, while other employees may work part-time.

<sup>2</sup>Data collection, processing, and publication

<sup>3</sup>Column 3 x Column 4

<sup>4</sup>Column 5/Estimated total weighted hourly average

<sup>5</sup> Column 6 x Estimated Total annual Federal employee salary/benefit cost (totals rounded to nearest thousand)

<sup>6</sup> Column 7/ Column 4 (differences due to rounding)

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

We estimate that there will be 887 responses totaling 666 burden hours. This is a net increase of 168 responses and 127 burden hours from our previous request of 719 responses and 539 burden hours. The difference represents an adjustment based on our experience in administering this collection along with the types of respondent feedback, discussions, and interactions as described in our answer to item 8 above.

**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.**

The AMIS mainframe system and off-the-shelf software packages such as spreadsheets are used to compile and tabulate the data and to prepare tables for publication. National, State, and regional tabulations are prepared and published annually at <http://minerals.er.usgs.gov/minerals/> in table format from data collected by this canvass.

Tables present various aspects of crude ore production, mining methods, and development and exploration activities in the mineral industries. Statistical data are processed and analyzed by the Data Collection and Coordination Section, which also establishes timing for all key steps in the work.

Tabulation and publication of data are governed by the USGS standard for handling proprietary canvass data. Data are available via the Internet and in print for select publications in the USGS minerals information series.

The entire process, from canvass mail-out to final publication as an Annual Report in the “Minerals

Yearbook," takes about 13 months. This publication schedule allows for a very high percentage of responses.

**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.**

We will display the OMB control number and expiration date on the single form in this collection.

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

There are no exceptions to the certification statement.