

Supporting Statement

Payment of Compensation without Award (LS-206) OMB No.1240-0043

This request seeks to revise Payment of Compensation without Award (Form LS-206) to allow for on-line submissions. To improve upon the capabilities for the public to submit DLHWC documents, OWCP is launching the Secure Electronic Access Portal (SEAPortal), which will allow the user to upload all forms directly into the case file.

A. Justification.

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

The Office of Workers' Compensation Programs administers the Longshore and Harbor Workers' Compensation Act. The Act provides benefits to workers' injured in maritime employment on the navigable waters of the United States or in an adjoining area customarily used by an employer in loading, unloading, repairing, or building a vessel. In addition, several acts extend the Longshore Act's coverage to certain other employees.

Under sections 914(b) & (c) of the Longshore Act, a self-insured employer or insurance carrier is required to pay compensation within 14 days after the employer has knowledge of the injury or death. Upon making the first payment, the employer or carrier shall immediately notify the district director of the payment. Form LS-206 has been designated as the proper form on which report of first payment is to be made.

2. **Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

The information provided on Form LS-206 is used by OWCP district offices to determine the payment status of a given

case. If the information were not collected, the OWCP would have no way of determining whether compensation payments had been made by liable insurance carriers and self-insured employers.

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.**

To improve upon the capabilities for the public to submit DLHWC documents, OWCP is launching the Secure Electronic Access Portal (SEAPortal), which will allow the user to upload all forms (including this one) directly into the case file.

We are not aware of any additional improved information technology that could potentially reduce burden. This form is electronically interactive as mandated by the Government Paperwork Elimination Act. The form is currently available on the Internet where it can be form-filled and printed for submission. The website is <http://www.dol.gov/owcp/dlhwc/ls-206.pdf>.

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 A.2 above.**

All forms in the Longshore program have been carefully reviewed to eliminate all requests for duplicate information. The LS-206 is a unique form in that it reports the beginning of compensation payments.

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

The information is not requested from small businesses or other small entities and does not have a significant economic impact on a substantial number of small entities.

6. **Describe the consequence of Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

The information is only collected on occasion when an insurance carrier or self-insurer initiates the payment of compensation benefits to an injured claimant. It therefore cannot be collected less frequently.

7. **Explain any special circumstances.**

The form is to be submitted only at such time as first payment is made in a case. Other than this exception, there are no other special circumstances.

8. **If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8 (d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments.**

The LS-206 is a basic claims form that is used by insurance carriers and self-insurers to report the start of payment of compensation benefits. It requests only basic data relating to the compensation benefits that are to be paid. Daily contact is maintained with representatives of the insurance carriers and self-insurers by OWCP district office personnel with whom the form is filed. Should any complaints be received, or suggestions for improvement be received, they are carefully evaluated and appropriate action is taken.

A Federal Register Notice inviting public comment was published on Jun 9, 2014 [79 FR 33004]. No comments were received.

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

No payments or gifts are provided to respondents.

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

To the extent records pertaining to specific compensation cases are disclosed, they are protected under the Privacy Act. Otherwise, the information collected is not protected under the Privacy Act.

11. **Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, 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.

12. **Provide estimates of the hour burden of the collection of information. The statement should:**

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not make special surveys to obtain information on which to base burden estimates. Consultation with a sample of potential respondents is desirable. If the burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated burden and explain the reason for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**

Burden has been estimated to be approximately 4,200 hours. It is estimated from records maintained in the National Office that about 600 insurance carriers and self-insurers will file approximately 28 forms each for a total annual number of forms filed of 16,800. The time needed to complete the form, including the time needed to obtain the information required by the form from existing records, has been estimated to be 15 minutes or .25 hour. This estimate is considered reasonable in light of the information required by the form, which is basically wage and payment data, which are readily available to the insurance carrier or self-insurer.

16,800 forms X .25 hours per form = 4,200 burden hours

The annualized burden cost to the respondents has been estimated to be approximately \$70,686.00. This estimate is derived from use of the National Average Weekly Wage (NAWW) as computed by the Bureau of Labor Statistics and which is based on the national average earnings of production or nonsupervisory workers on private nonagriculture payrolls. Section 6(b) of the Act mandates the use of the NAWW in setting the maximum and minimum compensation rates under the Act and in determining the amount of annual adjustments due to permanent total disability and death beneficiaries. Since it is not possible to determine the specific occupation or wages for each person who will provide the information covered by this clearance, and wages can vary considerably from person to person depending on duties and length of service, use of a national average weekly wage covering all occupations appear reasonable under the circumstances. The current applicable NAWW is \$673.34.

The computations are therefore as follows:

$\$673.34/40 \text{ hrs} = \$16.83/\text{hr}$.

$\$16.83 \times 4,200 \text{ hrs} = \$70,686.00 \text{ annualized burden cost}$.

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

Since this information collection does not require the use of systems or technology for generating, maintaining or disclosing the data above that which would already be kept as a customary business practice, the only operation and maintenance costs are for printing and mailing. A mailing cost of \$.52 per response (\$.49 postage and \$.03 envelope charge) is applied as an operation cost, with a total of \$8,736.00 for the 16,800 responses. Total cost to respondents is \$8,736.00. Since it is unclear whether and how many times the electronic filing option will be used for this form, the DOL has currently based the burden estimate on an assumption that all responses will be mailed.

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

The cost to the government has been estimated to be approximately \$54,172.44. This estimate was determined by

taking into consideration analysis costs associated with the review of Form LS-206. Analysis costs were determined by applying the hourly rate of a GS-12, Step 6 claims examiner (currently \$38.85/hour) to the total annual hours required for review. The annual review hours were determined by applying an estimate of .083 hour or 5 minutes for the review and analysis of each form against the 16,800 forms, which are received each year. The cost for the hourly rate for a claims examiner was derived from using the [FY 2014 Salary Table for the Rest of the US](#). See page 33.

The calculations are therefore as follows:

16,800 forms x .083hrs/form = 1,394.4hrs.
 1,394.4 x \$38.85 = \$54,172.44

15. Explain the reasons for any program changes or adjustments.

There has been no adjustment to the burden hours for this clearance (4,200). The operation and maintenance costs have increased by \$84 (from \$8,652 to \$8,736) due to an increase in the cost of postage. The form has been slightly modified to include the date that claimants' payments began.

In addition, to improve upon the capabilities for the public to submit DLHWC documents, OWCP is launching the Secure Electronic Access Portal (SEAPortal), which will allow the user to upload all forms (including this one) directly into the case file. There will be no cost to use this electronic document upload feature and no registration will be required. Use of this submission option will not be required; it will only be an option that will be available along with mailing or faxing. At this time, however, there will be no change in time burden or cost estimates currently established for this collection since this is an option only and it is unclear whether and how many times it will be used for this form, until the portal is actually available and being used.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection information, completion of report, publication dates, and other actions.

The information collected will not be published for statistical use.

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.**

The agency will display the expiration date.

18. **Explain each exception to the certification statement in ROCIS.**

There are no exceptions to the certification.

B. Collections of Information Employing Statistical Methods

Statistical methods are not used in these collections of information.