

Supporting Statement A

Production Estimate (2 forms: 9-4042-A and 9-4124-A)

OMB Control Number 1028-0065

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 (30 U.S.C. 1601 et seq.)*
- *National Mining and Minerals Policy Act of 1970 (30 U.S.C. 21(a))*
- *Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.)*

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 in sufficient quantities, supplies must be imported. This adversely affects the U.S. balance of trade 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.

The Production Estimate forms (USGS Forms 9-4042-A and 9-4124-A) are very important for commodities that do not have monthly or quarterly canvasses. Obtaining estimated production, shipments, and value data are essential to deriving reliable data for the annual Mineral Commodity Summaries publication that routinely gets distributed to every member of the U.S. Congress. The estimated production data from the Production Estimate forms also are extremely important for many annual commodities where final company data were not received in time to include in the annual Minerals Yearbook chapters. Sometimes the estimated data that a company submitted are all the information that could be 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. 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 30 U.S.C. 1601 et seq. Two of the basic provisions of the Act are “the availability of materials is essential for national security, economic well-being, and industrial protection” 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. The availability, production, supply and value of some of the minerals are highly variable and must be analyzed more often than on an annual basis.

The canvasses in this collection cover production and consumption in 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, various publications that provide essential information while carefully protecting trade secrets and privileged or proprietary commercial or financial information. These data form a substantial part of the internal USGS **Minerals Information Data System** (MIDS), 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.

Furthermore, the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.) requires the Secretary to collect data on strategic and critical materials to assist in determining stockpile goals. The Secretary assigned this responsibility for data collection to the **U.S. Bureau of Mines** (USBM) and transferred the responsibility to the USGS after the USBM was abolished in 1996.

Uses of the Information

The U.S. **Department of Commerce** (DOC) uses these USGS data in studies of minerals mobilization, to recommend trade policy and to resolve disputes under the International Trade Administration, to assist in export development, to develop materials research, to develop annual data on the output of U.S. industries, to develop global mineral production and trade data, and to derive gross domestic product estimates by industry and by State under the Bureau of Economic Analysis.

The U.S. **Department of State** (DOS) uses USGS data to support global commodity negotiations, to analyze relations with foreign mineral producers, to recommend tariffs and quotas, and to develop a global minerals database.

The U.S. Agency for International Development uses USGS data to assist in determining which minerals are of interest to the United States for development in developing nations.

The Federal Trade Commission and the **U.S. International Trade Commission** (USITC) use USGS data in studies of antitrust activities, unfair trade practices, and false advertising or misrepresentation of mineral goods or commodities.

The U.S. **Department of Defense** (DOD) uses USGS data to determine research on materials and minerals within research laboratories of the Army, Navy, and the Air Force, sea lanes that must be

protected, Defense Production Act Title III projects; **National Defense Stockpile** (NDS) goals and specifications; details of procurement, storage and disposal; and suppliers of mineral commodities.

The Federal Reserve Board uses USGS data to develop periodic (monthly, quarterly, and annual) indicators of industrial production and capacity and capacity utilization.

The National Science Foundation, the National Academy of Sciences, the National Academy of Engineering, and the National Research Council use USGS data to ensure maximum benefits from all mineral research.

The U.S. Department of Transportation, the Interstate Commerce Commission, and the U.S. Army Corps of Engineers use USGS data to determine national and State transportation requirements for the minerals industry.

In addition to the use of USGS data by the majority of Federal Government departments, reports and information are in demand by many types of organizations, including the following:

- Participating companies
- Electric utilities
- Export associations
- State governments
- Industrial marketing groups
- Financial institutions
- Global industry associations
- Domestic trade associations
- Industrial and agricultural sectors
- The general public, especially academic, consulting, and legal organizations
- Minerals management companies

Sectors of the public that use the data collected by the USGS include, but are not limited to: concrete, construction, metals, ceramics, refractories, electric utilities, electronic engineering, chemical, coal, paper, rubber, plastics, and agricultural industries. The USGS customer base (recipients of these data) is well over 35,000 entities and increases considerably each year.

The Department of Energy, the Department of Homeland Security, the World Bank, the Federal Highway Administration, and most of our sister agencies within the DOI also rely on these data. The data collected are used to determine the economic health of the Nation, factored into the gross domestic product, and used in forecasts and trend projections in the building and construction industries, which are closely linked to the issue of rebuilding the infrastructure of the country. This information is not available from any other source.

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, which collect the same data as the paper forms, are available to registered users at the **Minerals Information Data System** Web site (<https://mids.er.usgs.gov>). Immediate on-line registration is available where new users are granted immediate access. For security purposes, additional new users (two or more) for the same operation will be notified automatically by email if another user signs up for the same operation.

We expect that 11.7% of the universe for this information collection will continue to be registered to respond electronically. Paper forms will remain an option for submission because not all industry respondents are able to or wish to transmit their data to the USGS by electronic means.

A computer algorithm determines which canvass qualifies respondents to receive a Production Estimate canvass (USGS Form 9-4042-A or 9-4124-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. To avoid duplication, the USGS reviews data collection practices with other agencies, including the U.S. Department of Labor, DOC, and USITC , as well as 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.

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

The canvass forms are 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. If data were available less frequently than annually, the monitoring of stockpile materials for national defense would be impeded by the gap in statistics. The level of domestic and foreign productivity and economic fluctuation would be much less apparent or missed, and that data simply would not be timely enough to be reliable for decisions that affect minerals vulnerability, potential environmental impacts, current economic 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 convenient format except on an annual basis. A 2-year canvass, for example, would require 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 other 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 (see the USGS brochure entitled "Proprietary Data—How They are Protected at the U.S. Geological Survey), 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 forms are 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 April 19, 2016, a 60-day Federal Register notice (81 FR 23004) was published announcing this information collection. Public comments were solicited for 60 days ending June 20, 2016. We did not receive any public comments in response to that notice.

As part of the routine canvassing process, respondents are regularly asked to comment on the design of the forms and to make recommendations that help maintain consistency with industry's methods of accounting. 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 collection and publications.

On the basis of such feedback, information-use patterns are established commodity by commodity. Once patterns are determined, the 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. The list below identifies industry contacts who were consulted on the burden estimates and other aspects of this information collection in June 2016. These industry contacts had no suggested

changes to the form or burden estimate.

Corry Peat Products Company
Roger Roth, President
Corry, PA
Date of contact: June 7, 2016

Baker Hughes
Jim Vernon, Director of Supply Chain Drilling and
Completion Fluids
Houston, TX
Date of contact: June 8, 2016

Chemtura Corporation
Mark Poss, Accounting Supervisor
Eldorado, AR
Date of contact: June 7, 2016

Curtis A. Sampson
Russ Sampson, Business Manager
Prior Lake, MN
Date of contact: June 7, 2016

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 the 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. Except in response to requests by Congress or by Federal defense agencies for appropriate purposes and in some instances to a State government under a cooperative agreement (Memorandum of Understanding), 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 of the two canvass forms.

The USGS standard for handling proprietary canvass data included in the supplementary document, Proprietary Data Brochure, further discusses protections for USGS proprietary data including penalties associated with violations.

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.**

Variations can be expected in the reporting burden for completion of these forms 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.

Based on our previous experience and consultation with industry contacts as summarized in response 8, we estimate the total annual burden for this collection of information (including 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 440 hours. Approximately 1,761 respondents will report production details of their mining operations annually. The average completion time is 15 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	9-4042-A	Annually	773	773	15 min	193
2	9-4124-A	Annually	988	988	15 min	247
TOTALS			1,761	1,761		440

We estimate the total dollar value of this collection to be \$13,948 (Table 2 below). We arrived at this figure by multiplying the estimated burden hours for the private sector by the current dollar value (including benefits) of burden hours for the private sector, \$31.70. This wage figure is based on the Bureau of Labor Statistics news release USDL-16-0463 for Employer Costs for Employee Compensation—December 2015 at http://www.bls.gov/news.release/archives/ecec_03102016.pdf, dated March 10, 2016.

Table 2: 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 forms	Private	1,761	440	\$31.70	\$13,948
	All	1,761	440		\$13,948

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 \$218,936. This includes the operational expenses of \$54,443 (Table 3 below) and the Federal labor expenses of \$164,493 in Table 5. Operational expenses include mailing, overhead, printing, processing, and non-Federal support.

Table 3: Annualized Operational Expenses and estimated costs

Operational Expenses	Estimated Cost
Printing of canvass forms	\$182
Mailing lists compilation and maintenance	\$783
Mailing operation	\$1,885
Editing, coding, tabulation, analyzing	\$28,208
ADP processing	\$22,835
Electronic publication of results	\$550
Total	\$54,443

The total estimated cost to the Federal Government for processing and reviewing information received as a result of this collection is \$164,000 (Table 4 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 2016-DCB (http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2016/DCB_h.pdf) for the Washington, D.C. – Baltimore Locality Pay Area to determine the hourly rate. We multiplied the hourly rate by 1.6 to account for benefits (as implied by the BLS news release USDL-15-2329).

Table 4: Federal Employee Salaries and Benefits

1 ¹	2	3	4 ²	5	6
Positions	Average grade and step	Estimated average hourly rate without benefits	Estimated Federal employee Hours (annualized)	Estimated average hourly rate including benefits (1.6 x average hourly rate)	Estimated Federal employee salary/benefit annualized costs
Mineral Commodity Specialists	GS-13/8	\$54.46	510	\$87.14	\$44,441
Statistical Assistants	GS-6/3	\$20.09	2,370	\$32.14	\$76,172
Computer Specialists	GS-13/8	\$54.46	170	\$87.14	\$14,814
Editors	GS-12/8	\$45.79	150	\$73.26	\$10,989
Mineral Records Administrator	GS-12/8	\$45.79	50	\$73.26	\$3,663
Management	GS-14 /8	\$64.35	140	\$102.96	\$14,414
Totals			3,390		\$164,493

¹ 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.

² Column 6 / Column 5 (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 1,761 responses totaling 440 burden hours. This is a net increase of 147 responses and 37 burden hours from our previous request of 1,614 responses and 403 burden hours. The difference represents an adjustment in estimated resources and corresponding burden hours based upon our experience in administering this program over the last 3 years.

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 MIDS 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 these canvasses.

Tables present various aspects of commodities, such as production of products together with industry stocks. Economic changes are incorporated and industry trends and activities are studied. Statistical data are processed and analyzed by the USGS National Minerals Information Center's Data Collection and Analysis 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.

Annual data are generally published within 9 months from the end of the reporting year. 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 both forms 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.