

**NOTE TO REVIEWER**  
**OMB No. 1245-0003**

This submission is considered a revision of an existing collection, as the information requirements of the Labor-Management Reporting and Disclosure Act (LMRDA) are currently approved under OMB # 1245-0003, with an expiration date of August 31, 2016. The currently approved collection includes Forms LM-1, LM-2, LM-3, LM-4, LM-10, LM-15, LM-15A, LM-16, LM-20, LM-21, LM-30, and S-1.

This revision is necessary because the Department is revising the instructions to the Form LM-3 and LM-4 Labor Organization Annual Reports, in order to mandate electronic filing, as well as amend the hardship exemption process for Form LM-2 filers. The changes for the Forms LM-2, LM-3, and LM-4 apply to fiscal years beginning on or after January 1, 2017.

The Department is also amending the original ICR submitted in order to comply with the recent nationwide preliminary injunction issued by the Northern District of Texas against the recently published persuader rule amending the Form LM-10 and LM-20. The Department will apply the pre-2016 Form LM-10 and pre-2016 Form LM-20, as well as their instructions. Depending on the outcome of any potential further litigation the Department may submit a non-material change request to reinstate the forms, as the public has had an opportunity to comment on the collections. For administrative purposes, the burden remains the same.

**PAPERWORK REDUCTION ACT  
EMPLOYER AND AGREEMENT AND ACTIVITIES REPORTS  
SUPPORTING STATEMENT**

**A. JUSTIFICATION**

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

Congress enacted the Labor-Management Reporting and Disclosure Act (LMRDA), 29 U.S.C. 401 et. seq., to provide for the disclosure of information about the financial transactions and administrative practices of labor organizations. The statute also provides, under certain circumstances, for reporting by labor organization officers and employees, employers, labor relations consultants, and surety companies. In addition, the statute requires: (a) the maintenance and retention of supporting records for five years after the required reports are filed, and (b) the preservation for one year of records of elections of labor organization officers. Section 208 of the Act authorizes the Secretary of Labor to issue rules and regulations prescribing the form of the required reports and such other rules and regulations (including rules prescribing reports concerning trusts in which a labor organization is interested) as may be necessary to prevent circumvention or evasion of the reporting requirements.

The LMRDA reporting provisions were devised to protect the basic rights of labor organization members and to guarantee the democratic procedures and financial integrity of labor organizations. The 1959 Senate report on the version of the bill later enacted as the LMRDA stated clearly, "The members who are the real owners of the money and property of the organization are entitled to a full accounting of all transactions involving their property." S. Rep. No. 86-187, at 8 (1959), reprinted in 1 NLRB, Legislative History of the Labor-Management Reporting and Disclosure Act of 1959 at 397, 404 (1959). A full accounting was described as "full reporting and public disclosure of labor organization internal processes and financial operations."

The LMRDA applies to labor organizations with private sector employees working in interstate commerce within the meaning of sections 3(i) and (j) of the LMRDA, 29 U.S.C. 402(i) and (j), and labor organizations composed of U.S. Postal Service employees. Labor organizations that represent employees of the executive branch agencies of the Federal Government, the Library of Congress, the Government Printing Office, and certain employees of the U.S. Congress are subject to the standards of conduct requirements of the Civil Service Reform Act (CSRA), 5 U.S.C. 7120, the Foreign Service Act (FSA), 22 U.S.C. 4117, or the Congressional Accountability Act of 1995 (CAA), 2 U.S.C. 1301. These latter Acts and the implementing regulations at 29 CFR 457.10-.20 provide that, in administering the standards of conduct, the Department will be guided by the interpretations and policies followed by the Department of Labor in applying provisions of the LMRDA. In addition, the regulations specifically incorporate by reference the LMRDA reporting and record retention requirements of all LMRDA reports, as well as the requirement for the preservation of election records. Instructions for the forms mention corresponding recordkeeping requirements.

The following is a list of the reporting forms, their regulatory and legislative citations, and a brief description of each form's usage.

**LM-1, Labor Organization Information Report**, 29 CFR 402, 29 U.S.C. 431(a). All labor organizations are required to file an initial Form LM-1 concerning the organization and its governing rules, including copies of its constitution and bylaws, within 90 days after it becomes subject to the LMRDA, CSRA, FSA, or CAA. Labor organizations are also required to file an amended Form LM-1 to report certain changes to this information when they file the annual financial report.

**LM-2, Labor Organization Annual Report**, 29 CFR 402.5 and 403.3; 29 U.S.C. 431(b). Any labor organization whose total annual receipts are \$250,000 or more and any organization in trusteeship must file an annual financial report on Form LM-2 within 90 days after the end of its fiscal year, to disclose its financial condition and operations for the preceding fiscal year. This reporting form is also used by such labor organizations to file a terminal report if they cease to exist. This report must be filed electronically.

**LM-3, Labor Organization Annual Report**, 29 CFR 402.5 and 403.4; 29 U.S.C. 431(b). Any labor organization that is not in trusteeship whose total annual receipts are less than \$250,000, but \$10,000 or more may elect to file the simplified Form LM-3 annual report. Labor organizations qualified to use this form may also use it to file the required terminal report if they cease to exist. This report must be filed electronically, pursuant to this ICR revision.

**LM-4, Labor Organization Annual Report**, 29 CFR 402.5 and 403.4; 29 U.S.C. 431(b). Any labor organization that is not in trusteeship whose total annual receipts are less than \$10,000, may elect to file the abbreviated Form LM-4 annual report. This report must be filed electronically, pursuant to this ICR revision.

**LM-10, Employer Report**, 29 CFR Part 405, 29 U.S.C. 433(a). Any employer, who in any fiscal year has made certain payments to or other financial arrangements with a labor organization, its officers, its agents or its employees; payments to employees for the purpose of causing them to persuade other employees with respect to their bargaining and representation rights; payments for the purpose of interfering with employees in the exercise of their bargaining and representation rights or for obtaining information on employee or labor organization activities in connection with labor disputes involving their company; and arrangements (and payments made under these arrangements) with a labor relations consultant for the purpose of persuading employees with respect to their bargaining and representation rights, or for obtaining information concerning employee activities in a labor dispute involving their company is required to file an annual report on Form LM-10 within 90 days after the end of its fiscal year. This report must be filed electronically.

**LM-15, Trusteeship Report**, 29 CFR Part 408, 29 U.S.C. 461. Any labor organization that assumes a trusteeship over a subordinate labor organization is required to file an initial Form LM-15 within 30 days after imposition of the trusteeship. Any labor organization required to file the initial trusteeship report is required to file a semi-annual report on Form LM-15 during the continuance of the trusteeship.

**LM-15A, Report on Selection of Delegates and Officers**, 29 CFR Part 408, 29 U.S.C. 461. Any labor organization that assumed a trusteeship over a subordinate labor organization and filed a semiannual or terminal trusteeship report is also required to file a Report on Selection of Delegates and Officers on Form LM-15A if, during the period covered by the report, there was any: convention or other policy-determining body to which the subordinate labor organization sent delegates or would have sent delegates if not in trusteeship; or election of officers of the labor organization which imposed the trusteeship over the subordinate labor organization.

**LM-16, Terminal Trusteeship Report**, 29 CFR Part 408, 29 U.S.C. 461. Any labor organization that has assumed a trusteeship over a subordinate labor organization is required to file a terminal trusteeship report on Form LM-16 within 90 days after the termination of the trusteeship along with a terminal trusteeship financial report on Form LM-2.

**LM-20, Agreement and Activities Report**, 29 CFR Part 406, 29 U.S.C. 433(b). Any labor relations consultant or other person or organization that makes an agreement or arrangement with an employer to undertake activities with the object to persuade employees how to exercise their right to organize and bargain collectively or to supply an employer with information concerning the activities of employees or a labor organization involved in a labor dispute with the employer is required to file a report on Form LM-20 on the nature of the agreement and specific details on the activity to be performed. Form LM-20 must be filed within 30 days after entering into the agreement. This report must be filed electronically.

**LM-21, Receipts and Disbursements Report**, 29 CFR Part 406, 29 U.S.C. 433(b). Any labor relations consultant or other person or organization required to file the preceding agreement and activities report (Form LM-20) must also file a Form LM-21 report of receipts from employer(s) and disbursements made by the filer in connection with labor relations advice or services provided to employer(s) for any fiscal year during which payments were made or received as a result of the reportable agreement or arrangement. The Form LM-21 report is required to be filed within 90 days after the end of the fiscal year.

**LM-30, Labor Organization Officer and Employee Report**, 29 CFR Part 404, 29 U.S.C. 432. Any labor organization officer and employee (other than an employee performing exclusively clerical or custodial services) is required to file a Form LM-30 within 90 days after the end of his/her fiscal year if during that year the officer or employee received certain payments from, or had certain interests in:

(1) an employer whose employees the official's labor organization represents or actively seeks to represent; or

(2) an employer or a labor relations consultant to an employer that (a) is in competition with an employer whose employees the official's labor organization represents or is actively seeking to represent, (b) is a trust in which the official's labor organization is interested, (c) is a not-for-profit organization that receives or is actively and directly soliciting money, donations, or contributions from the official's labor organization, (d) is a labor organization that: (i) has employees the official's labor organization represents or is actively seeking to represent, (ii) has employees in the same occupation as those represented by the official's labor organization; (iii) claims jurisdiction over work that is also claimed by the official's labor organization; (iv) is a party to or will be affected by any proceeding in which the official has voting or policy-influencing authority; or (v) has made a payment to the official for the purpose of influencing the outcome of an internal labor organization election; or (e) has interests in actual or potential conflict with the interests of the official's labor organization or the official's duties to the labor organization; or

(3) any employer for the purpose of (a) not organizing employees; (b) influencing employees in any way with respect to their right to organize; (c) taking any action with respect to the status of employees or others as members of a labor organization; (d) taking any action with respect to bargaining or dealing with employers whose employees the official's labor organization represents or is actively seeking to represent; or (e) influencing the outcome of an internal labor organization election; or

(4) a business (for example, a vendor or a service provider) that meets any of the following conditions: (a) 10% or more of its business consists of buying or selling or otherwise dealing with an employer whose employees the official's labor organization represents or is actively seeking to represent, (b) any part of its business consists of buying or selling or otherwise dealing with the official's labor organization, or (c) any part of its business consists of buying or selling or otherwise dealing with a trust in which the official's labor organization is interested.

Currently, this report can be filed manually or electronically.

**S-1, Surety Company Annual Report**, 29 CFR Part 409, 29 U.S.C. 441. Each surety company that issues a bond required by Section 502 of the LMRDA or Section 412 of the Employee Retirement Income Security Act (ERISA) is required to file a report within 150 days after the end of its fiscal year describing its bonding experience under the Acts. The report provides for detailed information on premiums, loss data, and specific items of losses occurring during the report year.

**Simplified Annual Report Format (SAFR)**, 29 CFR Part 403, 29 U.S.C. 431(b). Extremely small labor organizations (those with no assets, liabilities, receipts or disbursements during the fiscal year) are permitted to have their parent national or international labor organization file the annual financial report on their behalf in a simplified format.

**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.**

Pursuant to §205 of the LMRDA, the purpose of the reporting requirements is the public disclosure of administrative information and financial reports for covered labor organizations, labor organization employees and officers, employers, labor relations consultants, and other entities. The information supplied on the reports is used primarily by 1) labor organization members to participate in the governance of their labor organizations; 2) workers in making determinations regarding the exercise of their protected rights to organize and bargain collectively; 3) the Department of Labor and other government agencies to detect improper practices on the part of labor organizations, their officers, and/or representatives and other filers; and 4) the Congress in oversight and legislative functions. The general public, the media, and researchers may also use the information for their own purposes.

Violations of Title II and Title III LMRDA reporting requirements may be subject to civil action by the Secretary of Labor or may be referred to the Department of Justice for appropriate criminal action. Certain receipts or transactions reported may also involve violations of other Federal laws and may be referred to the Department of Justice for appropriate criminal action.

Since June 2002, an Internet Web site ([www.unionreports.gov](http://www.unionreports.gov)) makes it possible for anyone to view labor organization annual financial reports, conduct data searches, and display the results in a number of user-definable reports, free of charge. Individuals can view and print facsimiles of reports for year 2000 and later, and the reports are searchable by a variety of criteria, including labor organization name, file number, affiliation, designation name and number, and location. The Department's Office of Labor-Management Standards (OLMS) Web site ([www.olms.dol.gov](http://www.olms.dol.gov)) also features a powerful search system where users can search for specific labor organizations. Users can obtain information about labor organization officers and employees and payers and payees, define the scope of the search to be conducted, and generate a number of reports using the search results. Users can also download archive files that contain raw

data in pipe delimited format of labor organization financial information as reported for public disclosure.

Reports filed by employers, labor relations consultants, and labor organization officers and employees for year 2000 and later can also be viewed at the Web site and earlier reports can be ordered there.

Copies of every report submitted are also maintained for public inspection and copying, upon request, at the U.S. Department of Labor, Room N-1519, 200 Constitution Avenue, NW, Washington, D.C. 20210. OLMS receives approximately 281 requests per month for public disclosure of reports.

**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 burdens.**

The Department has developed an Electronic Labor Organization Reporting System (e.LORS) that utilizes electronic technology to receive, maintain, and disclose the information collected under the LMRDA. The objectives of the e.LORS system include permitting the electronic filing of Form LM-2, LM-3, LM-4, and LM-30; disclosure of reports via a searchable Internet database; improving the accuracy, completeness and timeliness of reports; and creating efficiency gains in the reporting system. Effective use of the system reduces the burden on reporting organizations, provides increased as well as more accessible and more timely information to labor organization members, and enhances LMRDA enforcement by the Department.

The Government Paperwork Elimination Act, 44 U.S.C. 3504 (codified in note), requires public agencies to provide the public with the option of maintaining, submitting, or disclosing required information collections electronically when practicable. The Department has developed the Electronic Forms System (EFS), which is a web-based system that permits filers to complete and submit Form LM-2, LM-3, LM-4, LM-10, LM-20, and LM-30 electronically. The Department intends to update its reporting system to enable all forms to be submitted electronically in the coming years. Currently, only the Form LM-2, LM-10, and LM-20 filers are required to file electronically. This ICR revision will require Form LM-3 and LM-4 filers to file electronically, as well.

**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.**

Other than certain financial data received by the Internal Revenue Service (IRS), there is no duplication of existing labor organization reporting requirements, nor is similar information required by any other federal agency or statute.

To prevent duplication with the forms, a labor organization is not required to report a Political Action Committee (PAC) fund, if publicly available reports on the PAC's funds are filed with federal or state agencies.

The Form LM-30 requires labor organization officers and employees to report certain payments from employers. Form LM-10 requires employers to report, among other matters, certain payments to labor organization officers and employees and certain agreements and activities involving labor relations consultants. Forms LM-20 and LM-21 require labor relations consultants to report certain agreements with employers and payments pursuant to such agreements. This results in some duplicate reporting, a result mandated by Congress in designing parallel reporting schemes to facilitate compliance and public disclosure. See 29 U.S.C. §§ 432, 433.

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

OLMS reduces burden where practicable and where transparency goals would not be sacrificed. For example, the Forms LM-3 and LM-4 are less detailed than the Form LM-2 (the latter filed by the largest labor organizations) and the SAFR allows a parent national or international labor organization to file a simplified annual financial report on behalf of certain extremely small affiliated labor organizations.

**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.**

Section 207 of the LMRDA sets frequencies for filings of reports. If the information were collected less frequently, the obligations of the statute would not be met and the Department would not have current information available to make the essential public disclosure and to conduct enforcement and oversight activities.

**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 secret, 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.**

Records necessary to verify the required reports must be maintained for at least five years after the report is filed, which is the only special circumstance that requires this collection to be conducted in a manner inconsistent with the general guidelines in 5 CFR 1320.6. The five-year retention period is established by the LMRDA (LMRDA Sec. 206, 29 U.S.C. 436).

- 8. If applicable, provide a copy and identify the data 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. 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 3 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 May 20, 2015, the Department published a 60-day *Federal Register* notice seeking comment on the revision of this information collection. In the notice, the Department proposed to amend the instructions to the Forms LM-3 and LM-4 to require mandatory electronic filing of these reports, and to amend the instructions to the Form LM-2 to modify the hardship exemption process for Form LM-2 filers. See 80 FR 29096. The initial 60-day comment period was extended 30 days after a public commenter requested an extension of time. The comment period then closed on August 19, 2015. See 80 FR 42842.

The Department explained in the notice that the most efficient way to provide meaningful access to this information by interested members of the public is to require that the reports filed by small and medium-sized labor organizations be filed in electronic form. This change will benefit the filers, union members and the public, as well as the Department.

First, EFS provides significant advantages for filers. Electronic forms can significantly reduce the burden for filing the Forms LM-3 and LM-4, because they pre-populate a significant amount of informational items and are more efficient for reporting entities. Further, EFS provides error-checking functionality, as well as online, context-sensitive help, which improves the completeness of the reporting. Moreover, a filer can easily acquire a PIN and password and submit the report, free of charge, removing the burden of printing, manually reviewing and signing, and then mailing. *Id.*

Second, EFS offers numerous benefits for the public. In contrast to the efficiency of e-filing, paper reports must be scanned and processed for data entry before they can be posted online for disclosure, which delays their availability for public review. Mandatory e-filing would therefore result in more immediate availability of the reports on the OLMS public disclosure website, and improve the efficiency of OLMS in processing the reports and in reviewing them for reporting compliance. Mandatory e-filing will also improve accessibility to the LM-3 and LM-4 forms for people with disabilities. *Id.*

Third, mandatory e-filing will save the Department resources. Until recently, only the Form LM-2 was required to be submitted to OLMS electronically, and there has been good compliance with this submission requirement. Requiring Form LM-3 and LM-4 reports to be filed electronically using a web-based system provided by OLMS and making the submitted reports available on the website will decrease the number of requests for reports that must be handled manually, freeing OLMS staff for other compliance assistance and enforcement work. Furthermore, electronic filing of Form LM-3 and LM-4 reports will enable OLMS to more efficiently sort, review, and analyze data that can be used more effectively for enforcement and compliance assistance purposes. *Id.*

The Department received nine comments in response to the notice, all of which were from representatives of labor organizations. The comments all concerned the proposed revisions to the Form LM-3 and 4 instructions, exclusively, and they largely opposed the Department's proposal to revise this information collection. In general, the commenters

contend that mandatory electronic filing of the Forms LM-3 and LM-4 will be unduly burdensome on smaller labor organizations. All the comments have been carefully reviewed and considered. The Department's analysis of the comments follows:

### Review of and Response to Comments Received

Commenters stated that the smaller unions that file the Form LM-3 and LM-4 reports do not have the technology or familiarity with online registration processes to file electronic reports, so mandatory e-filing would impose an undue filing burden with no significant public purpose. They stated that many of these small labor organizations have no offices and no paid staff, and that it would be erroneous to assume that requiring electronic filing will not pose a hardship on many of these small labor organizations, nor would unions with unpaid staff benefit financially. One commenter cited to Internal Revenue Service (IRS) rules and their exemptions for e-filing. The commenters also stated that some business managers of small labor organizations may have no access to the Internet at home, and the closest public Internet access may be miles away. Some commenters asserted that unions would therefore incur costs purchasing a computer and Internet access. Business managers would have to use their phones or personal devices to file online, and some workers would jeopardize their jobs or compromise information by completing and submitting the forms at work.

One commenter stated that requiring small labor organizations with part-time administrators to file LM-3 and LM-4 reports electronically will place an undue burden on at least some of them that outweighs any potential benefit. Although at least one commenter acknowledged possible benefits, it felt that the costs outweighed the benefits. One commenter asserted that smaller unions would not be able to store reports and supporting documentation on union computers. Several commenters stated that since the Department acknowledged that there is no data on the deployment of technology, this renders the proposal unjustified, at least until it has determined the extent to which smaller unions have access to such technology. Commenters also disagreed with the proposed hardship exemption process, as the ten days was insufficient time, not an exemption or on a continuing basis, and, in their view, did not address the underlying burden. Commenters supported voluntary efforts at increasing Form LM-3 and LM-4 e-filing, with one commenter stating that the majority of those filers with the capability to file electronically, likely already are filing electronically.

The Department disagrees with the assertion that mandatory e-filing would impose a burden on smaller unions due to a lack of technological access. The Department also disagrees with the notion that most smaller unions who can file electronically already are using EFS. The only technological access that EFS requires is a computer and Internet access. No software or other equipment is required. Further, there is data that supports the proposition that the individuals, i.e. officers responsible for the submission of reports, will have access to a computer and Internet and thus will be able to submit reports electronically. For instance, according to the Census Bureau's American Community Survey, approximately 84% of U.S. households own a computer, and 73%

of U.S. households have a computer with a broadband connection to the internet.<sup>1</sup> Additionally, 98% of public libraries provide no-fee Wi-Fi access and have an average of 20 computers.<sup>2</sup>

As a result, the Department considers Internet access to be relatively easy to obtain for the overwhelming majority of filers. Indeed, a review by OLMS staff found that few unions request LM forms to be sent to them by mail for completion. Therefore, it appears that many unions that have been filing by mail have accessed and downloaded LM reports from the OLMS website, which they then print, manually review, sign, and mail. Thus, it appears many Form LM-3 and LM-4 paper filers do in fact have computer and Internet access. Electronic filing also eliminates the need for a printer, which reduces the resources needed by small unions.

Additionally, like the IRS, OLMS has exemptions from electronic filing in the case of technology constraints and hardship. Further, the IRS' mandatory electronic submission supports OLMS' view that even small exempt organizations can successfully submit required documents electronically."<sup>3</sup>

Furthermore, union officers are not required to store supporting documentation on their personal computers. While EFS allows unions that maintain electronic accounting records to import financial data from their accounting programs directly into the form they are completing, those that maintain hard copies of their records may continue to do so.

OLMS will also offer webinars and other compliance assistance and training to union officers concerning EFS, particularly to those not as familiar with online registration processes. OLMS will also continue to utilize its EFS Help Desk, and, in response to one commenter, will ensure guidance to filers to prevent an increase in delinquencies due to unfamiliarity with EFS. In this regard, the Department notes that it has already upgraded its filing system to the web-based EFS, which is much easier to navigate in comparison to the previous OLMS e-filing system. Further, the Department disagrees with the commenters who promote delaying implementation of mandatory filing in favor of seeking voluntary EFS utilization, since the Department has determined that Form LM-3 and LM-4 filers do have computer and Internet access, and the Department would increase compliance assistance and outreach regardless of mandatory e-filing.

Regarding the issue of part-time union officers not able to complete and submit reports while on their jobs, this issue exists regardless of whether filers are submitting the reports electronically. Indeed, it is less time consuming to complete the reports via EFS, even if the union official must complete the form after work hours.

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<sup>1</sup> Census Bureau's American Community Survey Provides New State and Local Income, Poverty, Health Insurance Statistics, CB14-170, September 18, 2014.

<http://www.census.gov/newsroom/press-releases/2014/cb14-170.html>

<sup>2</sup> Laura Clark, *Broadband Quality in Public Libraries*, American Library Association, April 2015.

[http://www.ala.org/offices/sites/ala.org/offices/files/content/Speed\\_Test\\_FINAL\\_0.pdf](http://www.ala.org/offices/sites/ala.org/offices/files/content/Speed_Test_FINAL_0.pdf)

<sup>3</sup> See: <https://www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-e-File-e-Postcard>.

Rather than increasing burden on Form LM-3 and LM-4 filers, the Department has concluded that EFS provides significant advantages for filers, regardless of whether they have paid staff, which actually reduce burden. EFS does not rely on third-party software or require the purchase of digital signatures; instead, EFS is a secure, web-based system that uses electronic signatures, for which the filing organization's two principal officers register, along with the union, to obtain a personal identification number (PIN) when they first register, and then a new PIN for every subsequent filing year. Electronic forms can significantly reduce the burden for filing the Forms LM-3 and LM-4, because they pre-populate a significant amount of informational items and are more efficient for reporting entities. Further, EFS provides error-checking functionality, as well as online, context-sensitive help, which improves the completeness of the reporting. Moreover, a filer can easily acquire a PIN and password and submit the report, free of charge, removing the burden of printing, manually reviewing and signing, and then mailing the forms. As detailed in its last ICR renewal for OMB #1245-0003, and in the notice, Form LM-3 unions filing previously in paper format will experience a reporting burden hour reduction from an estimated 52 hours to 38.74 hours. With the existing, unchanged 64 recordkeeping burden hours, the total hour burden to complete the Form LM-3 is estimated to be 102.74 hours, a reduction from the previous total of 116 hours.<sup>4</sup>

For those filers that, nevertheless, experience unanticipated technical difficulties, the Department will permit them to claim a temporary hardship exemption. Such process will enable the filer to submit a paper report by the required due date, with an electronic report submitted within ten business days after their required due date. Additionally, in response to comments received, for those filers who do not have easy access to a computer and the Internet, the Department will provide a continuing hardship exemption procedure, modeled after the existing procedures used by Form LM-2 filers. Although the Department initially proposed only a temporary hardship exemption process, the Department considers the additional process necessary for at least the initial period of mandatory electronic filing for Form LM-3 and LM-4 filers. Indeed, filers of the recently revised Form LM-10 and Form LM-20 reports will also have a continuing hardship exemption application process, also modeled after the Form LM-2 process. Such a process allows a continuing exemption for a period of less than one year, after a timely application processed and approved by OLMS pursuant to the procedure outlined in the instructions included within this ICR revision. The Department will reconsider the necessity of the continuing hardship exemption process for future ICR revisions and renewals.

The Department, however, is finalizing its proposed amendment to the Form LM-2 instructions, eliminating the continuing portion of the hardship exemption process, leaving just the temporary hardship exemption. The Department did not receive any comments on this aspect of its proposal, and it adopts the modifications to the Form LM-2 hardship process without any change. The temporary hardship exemption process is explained in the instructions to the forms that accompany this ICR revision

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<sup>4</sup> The Department did note in its notice that first-time Form LM-3 and LM-4 e-filers will incur a one-time burden of one hour, as they read the revised instructions and familiarize themselves with EFS. See 80 FR 29099, fn. 4.

request.

Finally, as explained in the notice, mandatory e-filing for Form LM-3 and LM-4 filers provides considerable improvements for the public in terms of timely posting, access, and efficiency, particularly for those with disabilities. It will also save the Department resources.

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

The Department does not provide any payment or gift to respondents.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy. (Note: If the submission will serve as Joint ICR and Privacy Impact Assessment per OMB Memorandum 03-22, Section II.D, the relevant justification shall be included as part of the agency's response to this Item)**

The contents of the reports filed pursuant to the LMRDA reporting requirements are, by law, public information. Therefore, no assurances of confidentiality are 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.**

No sensitive information is collected on the forms.

**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.**
- **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 in Item 14.**

Table 1 details the annualized reporting and recordkeeping burden for all LMRDA public disclosure forms, and Table 2 details the annualized corresponding respondent cost estimates for such forms. The estimated number of reports in Table 1 reflects filing figures based on the average number of reports received in recent years, with the exception of the Form LM-10, 20, and 21 reports, which derive from the recent final rule amending the Form LM-10 and 20. See 81 FR 15924.

The burden hours per form are unchanged from prior estimates, as provided in the forms' accompanying instructions, and as identified in the ICR revision associated with the aforementioned rulemaking revising Forms LM-10 and 20. *Id.* The Department reduced the estimated burden for Forms LM-2, LM-3, and LM-4, previously, as the result of its release of its Electronic Forms System (EFS). In October 2010, OLMS successfully launched its second-generation electronic filing program, EFS, which does not rely on third-party software or require the purchase of digital signatures; instead, EFS is a secure, web-based system that uses electronic signatures which the filing organization's two principle officers register for, along with the union obtaining a personal identification number (PIN) each year. EFS not only represents a significant cost savings, but a time savings as well.

The burden estimates provided in the below tables are identical to those of the Department's most recent revision for OMB #1245-0003, associated with the aforementioned Form LM-10 and 20 rulemaking. Although the Department is now amending the Form LM-3 and LM-4 instructions to require electronic filing via EFS, as well as amend the hardship exemption process for Form LM-2 filers, the Department made EFS available to Form LM-3 and LM-4 filers in 2011, anticipating that virtually all filers would take advantage of it. As a result, for its last three-year ICR renewal, in August 2013, the Department already estimated the cost savings associated with such electronic filing. The Department used identical burden hour estimates in its recent ICR revision associated with the Form LM-10 and 20 rulemaking. Although the Department anticipated that all Form LM-3 and LM-4 filers would utilize EFS, this amended ICR would mandate such filing, thus enabling all such filers to actualize the previously estimated burden reductions. Further, the Department does not estimate any burden change for Form LM-2 filers, as virtually no filers have utilized the hardship exemption process in recent years.

**TABLE 1  
ANNUALIZED REPORTING AND RECORDKEEPING BURDEN**

Form	Responses	Hours Per Response for Reporting	Reporting Burden Hours	Hours per Response for Recordkeeping	Recordkeeping Burden Hours	Total Hours
LM-1	213	0.83	176.8	0.09	19.2	196.0
LM-2	6,073	140.20	851,434.5	390.00	2,368,470.0	3,219,904.5
LM-2 Subsidiary Reporting*	577	18.00	10,386.0	69.71	40,222.7	50,608.7
LM-3	12,039	38.74	466,390.9	64.00	770,496	1,236,886.9
LM-4	7,387	7.18	53,038.7	2.00	14,774	67,812.7
LM-10 <sup>5</sup>	2,777	2.03 <sup>6</sup>	5,647	0.42 <sup>7</sup>	1,157	6,804
LM-15	310	1.50	465.0	0.33	102.3	567.3
LM-15A	33	0.33	10.9	0.03	1.0	11.9
LM-16	79	0.33	26.1	0.02	1.6	27.7
LM-20 <sup>8</sup>	4,194 <sup>9</sup>	1.38 <sup>10</sup>	5,802	0.25	1,049	6,851
LM-21	358	0.50	179	0.08	28.6	207.6
LM-30	1,474	1.67	2,461.6	0.33	486.4	2,948.0
S-1	75	0.50	37.5	0.08	6.0	43.5
SARF**	1,825	0.17	310.3	0.03	54.8	365.1
Total Annualized	37,414	--	1,396,366.3	--	3,196,868.6	4,593,234.9

Note: Some numbers may not add due to rounding.

\* The burden described here is for those Form LM-2 filers that also have subsidiary organizations. The burden for Form LM-3 subsidiary reporting is included in the Form LM-3 burden numbers.

<sup>5</sup> This figure includes the estimated 476 reports that OLMS expects to receive on the pre-2016 version of the Form LM-10, prior to the July 1, 2016 applicability date for the final rule that revises the Form LM-10 and LM-20 reporting requirements. OLMS derived this estimate by taking the average number of Form LM-10 reports from fiscal years 2011-2015 and dividing in half, since the old form will be the only form available and required for the first half of 2016. See: [http://www.dol.gov/olms/regs/compliance/enforcement\\_data.htm](http://www.dol.gov/olms/regs/compliance/enforcement_data.htm). The Department does not anticipate pre-2016 Form LM-10 reports past the first year of the new rule, although the Department may receive some delinquent reports for prior years on the old form. The Department will remove the pre-2016 Form LM-10 from the ICR at the conclusion of the next three-year ICR renewal period.

<sup>6</sup> This is an approximate per hour figure derived from the estimated reporting burden of 122 minutes divided by 60 minutes in an hour. The product in the next column is derived from the non-rounded figure.

<sup>7</sup> This is an approximate per hour figure derived from the estimated recordkeeping burden of 25 minutes divided by 60 minutes in an hour. The product in the next column is derived from the non-rounded figure.

<sup>8</sup> This figure includes the estimated 282 reports that OLMS expects to receive on the pre-2016 version of the Form LM-20, prior to the July 1, 2016 applicability date for the final rule that revises the Form LM-10 and LM-20 reporting requirements. OLMS derived this estimate by taking the average number of Form LM-20 reports from fiscal years 2011-2015 and dividing in half, since the old form will be the only one available and required for the first half of 2016. See:

[http://www.dol.gov/olms/regs/compliance/enforcement\\_data.htm](http://www.dol.gov/olms/regs/compliance/enforcement_data.htm). The Department does not anticipate pre-2016 Form LM-20 reports past the first year of the new rule, although the Department may receive some delinquent reports for prior years on the old form. The Department will remove the pre-2016 Form LM-20 from the ICR at the conclusion of the next three-year ICR renewal period.

<sup>9</sup> The Department estimates that the 4,194 revised Form LM-20 responses will be submitted by an estimated 358 respondents.

<sup>10</sup> This is an approximate per hour figure derived from the estimated reporting burden of 83 minutes divided by 60 minutes in an hour. The product in the next column is derived from the non-rounded figure.

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Table 2 shows estimates of the annualized cost to respondents for the hour burdens for the information collection. These estimates are identical to those made in the recent ICR revision associated with the Form LM-10 and 20 rulemaking. Source information for non-labor organization salaries, as used in the most recent ICR submission, derives from the Occupational Employment and Wages Survey, 2011 survey (released in March 2012), Table 1, from the Bureau of Labor Statistics (BLS), Occupational Employment Statistics (OES) Program. Source information for labor organization salaries, as used in the most recent ICR submission, is taken directly from annual reports filed with the Department and retrievable through e.LORS. Source information for the Forms LM-10, 20, and portions of the LM-21, derive from the final rule. Further, the Department determined the total compensation (salary plus fringe benefits) for each position by increasing each of the hourly wage rates. The “responses” and “burden hours” in Table 2 reflect totals described in Table 1.

**TABLE 2  
ANNUALIZED RESPONDENT COST ESTIMATES**

<b>Form</b>	<b>Responses</b>	<b>Burden Hours</b>	<b>Monetized Burden Hour Cost</b>
LM-1	213	196	\$6,640
LM-2	6,073	3,219,905	\$150,433,962
LM-2 Subsidiary Reporting*	577	50,609	\$1,428,166
LM-3	12,039	1,236,887	\$42,907,610
LM-4	7,387	67,813	\$2,298,183
LM-10	2,777	6,804	\$629,567
LM-15	310	567	\$33,827
LM-15A	33	12	\$840
LM-16	79	28	\$1,959
LM-20	4,194	6,851	\$633,932
LM-21	358	208	\$19,254
LM-30	1,474	2,948	135,926
S-1	75	44	\$2,194
SARF**	1,825	365	\$9,498
Annualized	37,414	4,593,235	\$198,541,558

Note: Some numbers may not add due to rounding.

\* The burden described here is for those Form LM-2 filers that also have subsidiary organizations. The burden for Form LM-3 subsidiary reporting is included in the Form LM-3 burden numbers.

\*\* Simplified Annual Report Format

- 13. Provide an estimate of the total annual cost burden to respondents or record-keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items A.12 and A.14).**
- **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. 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 are no operation and maintenance costs to respondents or recordkeepers resulting from the collection of information beyond the cost of the burden hours addressed in Item 12. Any capital investments including computers and software that are usual and customary expenses incurred by persons in the normal course of their business are excluded from the regulatory definition of burden as capital investments.

- 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. Agencies**

**also may aggregate cost estimates from Items A.12, A.13, and A.14 in a single table.**

Table 3 provides a summary of federal costs associated with the information collections included in OMB # 1245-0003, as most recently approved. Federal estimated costs include costs for contractors and operational expenses such as equipment, overhead, and printing as well as salaries and benefits for the OLMS staff in the National Office and field offices who are involved with reporting and disclosure activities. These estimates include time devoted to: (a) receipt and processing of reports; (b) disclosing reports to the public; (c) obtaining delinquent reports; (d) reviewing reports, (e) obtaining amended reports if reports are determined to be deficient; and (f) providing compliance assistance training on recordkeeping and reporting requirements.

The OLMS national and field staff costs were derived from the GS scale. OLMS derived the other costs, associated with contractors, office space, and overhead and supplies, from its operating budget.

**TABLE 3**

**ANNUALIZED FEDERAL COST ESTIMATES**

National Office	\$1,825,935
Field Offices	<u>\$3,279,173</u>
Total	\$5,105,108

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

There are no changes from the previous ICR revision.

**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.**

OLMS publishes the information collected pursuant to the LMRDA as reported. The submitted reports are made public via the OLMS website or upon request. While the public may download data from the published reports, OLMS does not post analyses of the data on its website.

**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 Department is not seeking an exemption from the display of the expiration date of the OMB approval of the information collection.

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

The Department is not requesting any exceptions to the certification statement required by the Paperwork Reduction Act. The Department is able to certify compliance with all provisions.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

This information collection does not employ statistical methods.