

SUPPORTING STATEMENT

Agreement and Undertaking
1240-0039

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.

Coal mine operators desiring to be self-insurers are required by law (30 USC 933) to produce security by way of an indemnity bond, security deposit, a letter of credit, or 501(c)(21) trust. Once a company's application to become self-insured is reviewed by the Division of Coal Mine Workers' Compensation (DCMWC) and it is determined the company is potentially eligible, an amount of security is determined to guarantee the payment of benefits required by the Act. The OWCP-1 form is executed by the self-insurer who agrees to abide by the Department's rules and authorizes the Secretary, in the event of default, to file suit to secure payment from a bond underwriter or in the case of a Federal Reserve account, to sell the securities for the same purpose. A company cannot be authorized to self-insure until this requirement is met. Regulations establishing this requirement are at 20 CFR 726.110 for Black Lung.

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.

An authorized representative of a coal mine operator is required to complete this form only after the company is determined to be potentially eligible to become self-insured. The information is reviewed to insure that the correct amounts of negotiable securities are deposited or indemnity bond is purchased and that in case of default OWCP has the authority to utilize the securities or bond. If this Agreement and Undertaking were not required, OWCP would not be empowered to utilize the company's security deposit to meet its financial responsibilities for the payment of black lung benefits in case of default.

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.

The OWCP-1 is a short, concise form which requires notarized signature and is considered to be a legal document. The document is available on the internet for completion and printing for manual submission and when the respondent wishes additional copies. Because this is a controlled document to be submitted only by authorized self-insured employers and requires original notarized signatures, it is not available for electronic submission. There is no additional technology that would improve the submission process. The website where the form can be found is: <http://www.dol.gov/owcp/dcmwc/regs/compliance/blforms.htm>.

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.

There is no similar information available.

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

Due to the nature of the OWCP-1 and the requirements for self-insurance, including requiring companies to obtain financial security, small businesses are not involved.

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 required when a company or corporation first applies to become a self-insurer, and is updated whenever there is a change in the corporate name, corporate structure or the security requirement. If this Agreement and Undertaking were not required, OWCP would not be empowered to utilize the company's security deposit to meet its financial responsibilities for the payment of black lung benefits in case of default.

7. Explain any special circumstance required in the conduct

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of this information collection.

There are no special circumstances for the collection of this information.

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.

A Federal Register Notice inviting public comment was published on August 24, 2017 (82FR40169). 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 made to respondents to furnish the information.

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

This form is used exclusively by self-insured businesses to secure the payment of compensation benefits. Even though there are no provisions in the Federal Coal Mine Health and Safety Act to share this information with any other entity, DOL provides no assurance of confidentiality in the completion of form OWCP-1 by the respondent. No information covered by the Privacy Act of 1974 is collected.

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 contains 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.

The estimated burden is .25 hours or 15 minutes per form for completion and mailing for a total estimated time of 4.25 hours for 17 forms. This estimate is based on the estimated number of remaining authorized self-insured employers who will be responding. The form requires only minimal basic information, i.e., the amount of securities or the amount of the bond and the name of the bonding company. The estimate is considered reasonable considering the type of information that is requested. Accordingly, 17 forms x .25 hours = 4.25 hours.

Annualized Burden Cost: The annualized burden cost to the respondents has been estimated to be approximately \$88.40. Since the form is to be completed by various categories of employees in the coal mining industry, i.e., some clerical workers, professionals and other office personnel, it appears reasonable to use the most recent table Median Weekly Earnings of Full-time and Salary Workers for 2016 from the Bureau of Labor Standards in estimating the annualized burden cost:

http: www.bls.gov/cps/cpsaat37.htm.

Accordingly, the calculations are as follows: $\$832.00 \div 40$ hours = $\$20.80/\text{hour} \times 4.25$ hours = $\$88.40$ annualized burden cost.

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

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. A mailing cost of \$.52 per response (\$.49 postage and \$.03 envelope charge) is applied as an operation cost with a total of \$8.84 (17 x .52) for the 17 responses.

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

The cost to the government has been estimated to be approximately \$97.57. This estimate was determined by taking into consideration distribution and analysis costs associated with the issuance and review of Form OWCP-1. Mailing costs were determined by applying a postage and envelope charge (\$.49 for postage and \$.03 for envelopes) against the number of copies issued annually. Processing costs were determined by applying the hourly rate of a GS-13, step 10, supervisory claims examiner to the total annual hours required for review https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2017/RUS_h.pdf. The annual review hours were determined by applying an estimate of 5 minutes for the review and analysis of each form against the 17 forms that are received each year. The calculations are as follows:

Mailing	\$8.84 (17 x \$.52)
Processing	\$75.36 (17 x .083 = 1.41 hours x \$53.45)
Total	\$84.20

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

There has been a decrease in the estimated number of respondents from 20 to 17 due to fewer coal companies in operation.

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.

There are no plans to publish this collection of information.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

This ICR does not seek a waiver from the requirement to display the expiration date.

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

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There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods

Statistical methods are not used in this collection of information.