

**1Supporting Statement A**  
**30 CFR 870 - Fee Collection and Coal Production Reporting, OSM-1 Form,**  
**and Amended OSM-1 Form**  
**OMB Control Number 1029-0063**

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.

**Introduction**

This information collection clearance package is being submitted by the Office of Surface Mining Reclamation and Enforcement (OSMRE) to request renewed information collection authority under 30 CFR 870 of the OSMRE permanent regulatory program and the OSM-1 form. 30 CFR 870 contains the Federal rules governing the information to be provided by coal mining entities concerning their quarterly production and sale of coal under the Surface Mining Control and Reclamation Act of 1977 (SMCRA or the Act) as amended by P.L. 101-508.

This information collection includes the requirements of the OSM-1 form, Amended OSM-1 form, and its authorizing regulations at 30 CFR 870, as well as the coal weight determination provisions of § 870.18. OMB has previously approved this collection and assigned it control number 1029-0063.

**Specific Instructions**

A. Justification

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

The Code of Federal Regulations, 30 CFR 870, requires payments of reclamation fees by coal mine and preparation plant operators as required by section 402 of SMCRA. The maintenance of coal production records required in sections 870.12 and 870.16 are necessary for routine business purposes and do not represent a data collection burden to the operator. Section 870.18 allows an operator to reduce the weight of coal tonnage subject to the reclamation fee based on an estimate of the excess moisture present in the coal.

Section 870.15(b) requires each operator to use the mine report form OSM-1 to report tonnage of

coal sold, ownership transferred or used during the applicable calendar quarter.

**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 information is used to maintain a record of coal produced for sale, transfer, or use nationwide each calendar quarter; the method of coal removal and the type of coal, and the basis for coal tonnage reporting. Individual reclamation fee payment liability is based on this information. OSMRE auditors use this information to verify an operator's compliance with section 402 of the Act and the requirements of the regulation at 30 CFR §§ 870.18, 870.19, and 870.20. During an audit, operators must substantiate how the calculation for excess moisture was determined. Operators must retain their records for a 6-year period to allow for audit of records. During fiscal year 2016, the OSM-1 collected over \$158 million in reclamation fees. Without this collection of information OSMRE could not implement its statutory and regulatory responsibilities and collect the fee. Response to this form is mandatory.

The fees are deposited in the Abandoned Mine Reclamation Fund and used by Congress to fund the reclamation of land and water resources that were adversely affected by coal mining prior to August 3, 1977, and for other purposes as addressed in section 401 of the Act. The OSM-1 form is a vehicle utilized by OSMRE for the operators to report this information.

**Proposed Updates:**

An update to the OSM-1 form and Amended OSM-1 form to include an Unsworn statement option for companies to file their OSM-1 forms directed under 30 CFR §870.17 guidance.

An explanation of each item listed on the OSM-1 follows:

OSM-1 FORM

This information is needed to identify the coal mine operator and the associated mine:

Part 1

1. Identifies the calendar quarter and year of the report. The state and permit numbers for the report are shown here.
2. Identifies the authorized official who certifies, signs and dates the report.
3. Identifies the name, phone number and e-mail address of the person who OSM can contact who will be able to respond to questions about the report, and the reporting entity number.
4. Identifies the Total Payment the company is paying, method of payment either by

electronic funds transfer or check.

5. Identifies the notary public whose seal is affixed to the report or the option to sign the unsworn statement.

Part 2 (Part 2 must be completed for each permit number reported.)

6. Identifies the calendar quarter and year.
7. Identifies the permit number assigned to the producing mine by the State or Federal government, the mine name, and State.
  - 7 A. Identifies the Mine Safety and Health Administration (MSHA) number: the first 7 digits are assigned by MSHA, the last three are assigned by OSM.
  - 7 B. Identifies the county where the mine is located. If the mine is on Indian land, the name of the tribe appears here.
  - 7 C. Indicates that reporting on the permit can stop because coal production is complete, and all stockpiled tonnage sold, transferred or used is reported.
  - 7 D-I. Identifies permittee and operator names, addresses and taxpayer identification number.
8.
  - 8 A. Identifies the gross coal tonnage using one or all of the following: no moisture deduction, tonnage with an excess moisture deduction and/or, tonnage at a reduced rate, which is sold, transferred or used during the calendar quarter.

If the coal tonnage subject to fees reported under (a) is reduced based on an allowance for the percentage of moisture in excess of the inherent moisture contained in the coal, complete blocks 8b.(1)-(3), 8c. and 8d. If no excess moisture deduction is taken, the tonnage in 8d. is the same amount as the 8a. tonnage.
  - 8 B1. Indicates the quarterly percentage of total moisture.
  - 8 B2. Indicates the quarterly percentage of inherent moisture.
  - 8 B3. Indicates the quarterly percentage of excess moisture. (Subtract the quarterly inherent moisture percentage from the quarterly total moisture percentage and enter the result)
  - 8 C. Indicates the quarterly reduced tons calculated as gross tons multiplied by the excess moisture percentage  $[a \times b(3)=c]$ .
  - 8 D. Indicates the net tons that equal the gross tons minus the reduced tons  $(a - c = d)$ .

- 8 E. The rate is determined by the type of coal. The per ton reclamation fees would be determined by adding 1 through 3. If the rate claimed is not the standard rate, documentation listing the invoice number, tonnage and revenue must be attached to the OSM-1. Computation of the tonnage must be by weighted average by quarter. Copies of the original and amended invoices must be included.
- 8 F. Indicates the calculated fee. The rate multiplied by the net tons (d x e = f).
9. Indicates the total fee for this permit number (the sum of each computation in 8f).

### Part 3

10. Identifies the calendar quarter and year.
11. Identifies the permit number assigned to the producing mine by the State or Federal government, mine name, and State.
12. Identifies the mineral owner(s)' name and address.
13. Identifies the coal purchaser(s)' name and address.
14. Identifies the name and address where the coal has been delivered.

### **Amended OSM-1 FORM**

This information is needed to make changes to an OSM-1 form already submitted:

1. Identifies the authorized official who certifies, signs and dates the amended report.
2. Identifies the calendar quarter and year of the report, Reporting Entity number, permit number, MSHA number, Mine name, State, Contact name, and Telephone number.
3. **Block A (Originally reported tonnage)**

- A. Identifies the *originally reported* gross coal tonnage using one or all of the following: no moisture deduction, tonnage with an excess moisture deduction and/or, tonnage at a reduced rate, which is sold, transferred or used during the calendar quarter.

If the coal tonnage subject to fees reported under (a) is reduced based on an allowance for the percentage of moisture in excess of the inherent moisture contained in the coal, complete blocks b.(1)-(3), c. and d. If no excess moisture deduction is taken, the tonnage in d. is the same amount as the tonnage in (a).

- B1. Indicates the *originally reported* quarterly percentage of total moisture.
- B2. Indicates the *originally reported* quarterly percentage of inherent moisture.
- B3. Indicates the *originally reported* quarterly percentage of excess moisture. (Subtract the quarterly inherent moisture percentage from the quarterly total moisture percentage and enter the result.)
- C. Indicates the *originally reported* quarterly reduced tons calculated as gross tons multiplied by the excess moisture percentage [ $a \times b(3) = c$ ].
- D. Indicates the *originally reported* net tons that equal the gross tons minus the reduced tons ( $a - c = d$ ).
- E. Indicated the *originally reported* rate, which is determined by the type of coal.
- F. Indicates the *originally reported* calculated fee. The rate multiplied by the net tons ( $d \times e = f$ ).

**Block B (Amended tonnage)**

- A. Identifies the *amended* gross coal tonnage using one or all of the following: no moisture deduction, tonnage with an excess moisture deduction and/or, tonnage at a reduced rate, which is sold, transferred or used during the calendar quarter.

If the coal tonnage subject to fees reported under (a) is reduced based on an allowance for the percentage of moisture in excess of the inherent moisture contained in the coal, complete blocks b.(1)-(3), c. and d. If no excess moisture deduction is taken, the tonnage in d. is the same amount as the tonnage in (a).

- B1. Indicates the *amended* quarterly percentage of total moisture.
- B2. Indicates the *amended* quarterly percentage of inherent moisture.
- B3. Indicates the *amended* quarterly percentage of excess moisture. (Subtract the quarterly inherent moisture percentage from the quarterly total moisture percentage and enter the result).
- C. Indicates the *amended* quarterly reduced tons calculated as gross tons multiplied by the excess moisture percentage [a x b(3)=c].
- D. Indicates the *amended* net tons that equal the gross tons minus the reduced tons (a - c = d).
- E. Indicated the *amended* rate, which is determined by the type of coal.
- F. Indicates the *amended* calculated fee. The rate multiplied by the net tons (d x e = f).

**Block C (Difference between Block A and Block B)**

Identifies the calculated fee difference (plus or minus) between Block A and Block B. The type of payment is also identified in Block C (i.e. check or wire transfer)

4. Identifies the notary public whose seal is affixed to the report or the option to sign the unsworn statement.

**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.**

OSM uses improved information technology to reduce the burden on the respondent by providing 1) an internet-based e-filing option, 2) pre-printed paper reports, and 3) an on-line amendment form.

## **E-filing**

E-File is the product of the Single Source Coal Reporting initiative that can be accessed through the website (<https://sscr.osmre.gov/OSM.aspx>) that coal companies (respondents) may use to electronically report coal production, file quarterly Coal Reclamation Fee Reports, and pay reclamation fees through the Internet.

The system has gained in popularity since its inception in 2001, as more and more companies realize the benefits of E-Filing. During the 2016 fourth quarter report, 445 of 548 companies used electronic filing to report on 88.9% of coal mining permits.

The E-file system does much of the work that otherwise would be done by companies, including storing data from quarter to quarter and calculating amounts and totals. The system also provides companies access to reports and email reminders when deadlines approach.

In 2002, OSMRE enhanced E-File by adding the option of paying online through the Treasury Department's Pay.Gov website. This eliminated the need to pay wire transfer fees or mail a check, making payment easier to complete as well.

In 2014, OSM modified the reporting process to clarify and streamline the process for stopping reporting once coal production is complete on a permit and all production has been reported.

E-File also supports E-Government initiatives. It streamlines reporting, lowers costs and reduces dependency on paper-based processes. E-Filing helps maintain OSMRE's 99.8% collection rate of over \$158 million in FY 2016 in coal reclamation fees.

The E-File system has won awards such as the Denver Federal Executive Board's Excellence in Government Award for outstanding productivity and process improvement. The product is also well-liked by customers. One enthusiastic E-Filer wrote: "I just wanted to let you know how much I enjoy filing my OSM-1 electronically. It is much simpler and more time effective. In today's busy work schedule it makes it nice to find something that saves you time." The system saves time for OSMRE as well as for the customer.

In FY 2016, E-filing is the preferred method companies use to review and submit their OSM-1 forms. Approximately 2,202 of 2,509 OSM-1 forms have been electronically sent to companies in that period.

## **Pre-printed Paper Forms**

When the OSM-1 form is sent to the respondent, the majority of the information on the OSM-1 (i.e., company name, address, contact person, telephone number, permit number, MSHA ID, etc.) is already pre-printed on the form before it is mailed to the respondent, thus reducing the time for the company to complete the form. In addition, payments may be electronically transmitted from the company to the Department of the Treasury. A blank copy of the OSM-1 form may be

downloaded from OSMRE's website at <https://www.osmre.gov/resources/forms/OSM1.pdf>.

### **On-line Amendment Form**

OSMRE reduces paper waste by offering Amended OSM-1 forms online. An Amended OSM-1 form may be downloaded from OSM's website at <https://www.osmre.gov/resources/forms/OSM1Amended.pdf>. Amendments may also be submitted electronically through OSMRE's E-Filing program. The E-File Amended OSM-1 form automatically pre-fills a majority of the information (i.e. reporting year and quarter, master entity number, permit number, MSHA number, mine name, state, contact name, and telephone number originally reported tons and calculated fee).

***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.***

See item 3 above on the Single Source Coal Reporting initiative.

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

The SMCRA does not provide exceptions to the reporting requirements for small businesses. All operators of coal mining operations, including coal preparation plants, are required to report coal production information on a quarterly basis and pay a reclamation fee on the gross tonnage of coal produced for sale, transfer or use. This tonnage may be reduced by a percentage of excess moisture estimated to be contained in the coal. Nevertheless, as stated previously, OSMRE is taking steps to minimize the reporting burden on all businesses. Some examples of these steps are: pre-printing of company information on the paper OSM-1 form, pre-populating the company data on the E-Filing form and E-Filing automation of tonnage and moisture calculations for coal companies.

This includes all operators removing more than 250 tons of coal within any 12 consecutive calendar month period. Operators are only required to report the minimum identifying and location information and the tonnage of coal sold, transferred or used during the calendar quarter. An operator who takes an excess moisture allowance must report quarterly percentages of total and inherent moisture and the percentage of excess moisture reduction taken. This collection includes the time required for respondents to gather the data for the OSM-1 Form, including excess moisture content, and prepare and submit the OSM-1.

As in the case of all requests for information, the information requested is limited to the minimum necessary to comply with the requirements of the Act.



**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 402 of the Act requires the submission of information on a quarterly basis. If this information collection effort was not made each calendar quarter, the basis for the statutorily mandated quarterly payment of reclamation fees would not be documented. Moreover, without this reporting, OSM would be unable to determine the State and Tribal shares of the Abandoned Mine Reclamation Fund.

For those operators taking a coal moisture deduction, the information collection requirement in this regulation is initiated at the option of the operator when he/she decides to take an allowance for excess moisture. In order to take the allowance the operator must demonstrate by standard laboratory analysis what is the excess moisture content of the coal. The regulations specify that the documentation (laboratory results) shall be updated as necessary to establish the continuing validity of the excess moisture content allowance. OSM has issued technical guidance on acceptable tests and frequency for their use. OSM generally accepts a monthly equilibrium moisture test to establish inherent moisture on a coal sample taken from a single coal seam, or a composite sample from multiple seams mined in each month of the first 24 months a coal seam is in continuous operation to establish a baseline. An annual update of this baseline is required. Since July 1, 1993, OSM has also accepted a quarterly inherent moisture amount based on a single equilibrium moisture test taken during the calendar quarter.

**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.**

Operators must submit information quarterly and retain their records for a 6-year period to allow for the audit of tax records. Courts have ruled that the AML fee is an excise tax. Beyond these

exceptions, guidelines in 5 CFR 1320.5(d)(2) are not exceeded.

**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.

The following eight coal companies were consulted on June 5, 2017, regarding the OSM-1 Form

**E-Filing Companies:**

MARFORK COAL CO INC  
(304) 369-8524

LIBERTY FUELS COMPANY LLC  
(601) 737-7017

SOUTHEASTERN LAND LLC  
(606) 395-6825

FIEG BROTHERS  
(814) 893-5270

**Paper Filing Companies:**

MINE RITE COAL CO INC  
(606) 297-6217

BIG D ENTERPRISES INC  
(276) 679-1090

BEECHWOOD COAL LLC  
(301) 689-0488

ROBERT SHINGARA  
(570) 847-4151

Two of the eight companies surveyed used the moisture calculation on the OSM-1 form and both E-filed their OSM-1 form with multiple permits. One company sampled and tested inherent moisture every delivery, and the other company reported at least quarterly. These two companies reported that it took no more than 10 minutes to E-file the moisture data on OSMRE's SSCR website that is done using an automatic inherent moisture calculator included when OSM-1 filing. All companies obtain and retain coal reporting data via spreadsheet and hard copies.

None of the eight companies contacted expressed concern with the information requested, the frequency of collection, understanding the instructions, or with the elements being collected.

The following two coal companies were consulted on June 14<sup>th</sup>, 2017 regarding the Amended OSM-1 Form:

**Paper Filing Company:**

Warrior Met Coal Mining  
(205) 554-6224

**E-Filing Company:**

Princess Polly Anna & JCT ENT  
(303) 667-3775

On August 16, 2017, OSMRE published in the Federal Register (82 FR 38933) a notice requesting comments from the public regarding the need for the collection of information, the accuracy of the burden estimate, ways to enhance the information collection, and ways to minimize the burden on respondents. This notice gave the public 60 days in which to comment. However, no comments were received.

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

OSMRE provides no payments or gifts to respondents.

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

Counsel has determined that the information to be collected is not confidential and can be disseminated to the public without limitation.

**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.**

There are no questions of a sensitive nature on the OSM-1 form or Amended OSM-1 Form. All information is protected to the extent authorized or required by the Privacy Act and the Freedom of Information Act as provided for in Section 870.16 (c).

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

**\*Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**

**\*If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens.**

**\*Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included under "Annual Cost to Federal Government."**

### **Reporting, Recordkeeping, and Reviewing Burden**

Total Annual Responses is: **2,509**

Total Annual Burden Hours: **329**

Total Annual Wage Costs: **\$25,139**

### **Estimate of Burden to Respondents:**

#### ***OSM-1 Form-***

Number of responses: **8,033**

In four reporting quarters in FY 2016, there were approximately 2,509 OSM-1 forms sent out consisting of 8,033 permits based on the Coal Fee Collection Management System. Approximately 2,020 Electronic OSM-1 forms consisted of 7,156 permits, and 489 Paper

OSM-1 forms consisting of 877 permits.

Frequency of responses: **Quarterly**

Annual Hour burden: **327 hours**

E-filers – 239 hours annually [7,156 permits x 2 (minutes) divided by 60 (to get rounded hours).]

Paper filers- 88 hours annually [877 permits x 6 (minutes) divided by 60 (to get rounded hours).]

Based on those companies surveyed, it will take a total of 2 minutes to fill out an electronic OSM-1 form on one permit and only 6 minutes to submit the paper OSM-1 form per one permit with preprinted information. (The e-file OSM-1 is shorter than the paper form because most of the e-file forms are pre-populated with respondent information). Also, operators have been preparing the OSM-1 form for so long they normally just verify the numbers without reviewing instructions.

Annual Wage Costs to Respondent: **\$35,600**

Cost for E-Filers: 239 hours x \$91.99 per hour = \$21,986

Cost for Paper Filers: 88 hours x \$91.99 per hour = \$8,095

Explanation of Respondent hourly salary figure of \$91.99 per hour:

The mean hourly wage was \$65.71 for a Financial Manager in the Coal Mining industry according to the Bureau of Labor Statistics (BLS) plus a benefits factor of 1.4 of salary as implied by the Bureau of Labor Statistics news release USDL-17-1222, EMPLOYER COSTS FOR EMPLOYEE COMPENSATION—June 2017, dated September 8, 2017 (<http://www.bls.gov/news.release/pdf/eccec.pdf>).

## **OSM-Form Part 2- Coal Moisture Deduction**

Number of respondents: **3,615**

*\*included in the 8,033 number of respondents for the OSM-1 form*

45 % of 8,033 permits will use the Coal Moisture Deduction based the survey results taken which concluded that 14 out of 31 permits took out the excess moisture deduction.

Frequency of response: **Quarterly**

Annual Hour burden: **60 hours**

*\*included in the 327 annual hour burden on OSM-1 form*

3,615 permits x 1 (minutes) divided by 60 (to get rounded hours).

The survey results concluded that it took one minute to complete the coal moisture deduction.

Annual Wage Costs to Respondent: **\$5,519**

*\*included in the total OSM-1 wage cost for \$35,600 listed above.*

60 hours x \$91.99 per hour

### **Amended OSM-1 Form**

Number of respondents: **24**

In four reporting quarters in FY 2016, 24 companies filed an Amended OSM-1 form. 23 companies representing 96 % of filed Amended OSM-1 form electronically using the E-Filing system, and 1 company submitted a paper amended OSM-1 form.

Frequency of response: **Quarterly if needed.**

Annual Hour burden: **2 hours**

23 companies filing the Amended OSM-1 form electronically x 5 minutes average per report divided by 60 (to get rounded hours) = 2 hours

1 company filing the paper Amended OSM-1 form x 15 minutes average per amended report by 60 (to get rounded hours) = 0 hours

Based on those contacted in item 8 above, 5 minutes to fill out the E-File Amended OSM-1 form and it will take a total of 15 minutes to fill out the paper Amended OSM-1 form.

Annual Wage Costs to Respondents: **\$183.98**

Cost for E-filed Amended OSM-1's:

2 hours x \$91.99 = \$183.98

Cost for Paper Amended OSM-1 filers:

0 hours x \$91.99= \$0

**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.*

Total annual non-wage cost burden to respondents:

A. Annualized capital and start-up costs

The information collection requirements of the OSM-1 form do not involve any capital or start-up costs apart from expenditures associated with customary business practices in the mining industry.

B. Operation and maintenance costs

For those operators who take inherent moisture deductions there is a \$100 lab fee. Therefore,  $3,615 \times \$100 = \$361,500$ .

**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.**

Annual Burden Dollars to the Federal government: \$17,595

\$55.33 x 318 hours

Explanation of how estimates were calculated:

The Federal government received 2,020 E-filed OSM-1 forms and 23 Amended E-filed OSM-1 forms. Data entry clerks require 6 minutes to review each electronic submission and 5 minutes to review each electronic amended submission totaling 204 hours.

$$2,020 \times 6 \text{ minutes divided by } 60 \text{ minutes (to get rounded hours)} = 202 \text{ hours}$$

$$23 \times 5 \text{ minutes divided by } 60 \text{ minutes (to get rounded hours)} = 2 \text{ hours}$$

The Federal government received 489 paper filed OSM-1 forms, and 1 Amended Paper filed OSM-1 form. Data entry clerks require 14 minutes to review each paper submission and 15 minutes per paper amend submission totaling 114 rounded hours.

$$489 \times 14 \text{ minutes divided by } 60 \text{ minutes (to get rounded hours)} = 114 \text{ hours}$$

$$1 \times 15 \text{ minutes divided by } 60 \text{ minutes (to get rounded hours)} = 0 \text{ hours}$$

Explanation of OSM data clerks hourly salary figure per hour:

An average salary based on the current contract rate paid by OSMRE’s Division of Financial Management for accounting technician staffing is \$55.33, per hour. This hourly rate includes all benefits under the contract.

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

There were two significant changes in the total hour burden in comparison to the previous OSM-1 renewal in 2014. The first change was a reduction of 452 total responses which was primary caused by a 759 decrease of OSM-1 form submissions and a 355 increase of companies utilizing the Calculated Moisture deduction that reduces their AML fee per ton of coal mined. The second change was primary due to a decrease of burden hours in filing OSM-1 forms as more companies have transitioned to the E-file system that is very automated and user-friendly. See summary chart below that list changes from the last OSM-1 form renewal.

<b>Responses</b>	<b>FY 2013</b>	<b>FY 2016</b>	<b>Difference</b>
OSM-1	8,792	8,033	-759
Amended OSM-1	72	24	-48
Coal Moisture Deductions	<u>3,260</u>	<u>3,615</u>	<u>+355</u>
Totals	<b>12,124</b>	<b>11,672</b>	<b>-452</b>

<b>Burden Hours</b>	<b>FY 2013</b>	<b>FY 2016</b>	<b>Difference</b>
OSM-1	533	327	-206
Amended OSM-1	6	2	-4
Coal Moisture Deductions	<u>272</u>	<u>60</u>	<u>-212</u>
Totals	<b>811</b>	<b>389</b>	<b>-422</b>

This collection also demonstrates an increase in non-wage costs of \$35,500 due to an increase in



the number of respondents who take the coal moisture deduction which requires a lab analysis (a \$100 lab fee).

**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.**

This is an ongoing information collection with no ending date and no plans for publication.

**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 OSM-1 form contains the expiration date.

**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 "Certification for Paperwork Reduction Act Submissions."