

SUPPORTING STATEMENT

Agreement and Undertaking  
1240-0039

This ICR seeks to extend the Agreement and Undertaking ICR.

**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.**

Per 30 U.S.C. 901, Congress finds and declares that there are a significant number of coal miners living today who are totally disabled due to pneumoconiosis arising out of employment in one or more of the Nation's coal mines; that there are a number of survivors of coal miners whose deaths were due to this disease; and that few States provide benefits for death or disability due to this disease to coal miners or their surviving dependents. It is, therefore, the purpose of this ICR, to coal miners who are totally disabled due to pneumoconiosis and to the surviving dependents of miners whose death was due to such disease; and to ensure that in the future adequate benefits are provided to coal miners and their dependents in the event of their death or total disability due to pneumoconiosis. Coal mine operators desiring to be self-insurers are required by law (30 U.S.C. 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. 20 CFR 726.110.

**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 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 available in form-fillable PDF format on OWCP's website: <http://www.dol.gov/owcp/dcmwc/regs/compliance/blforms.htm>. Operators have the option of returning the form by email or in hard copy.

**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.**

This information collection contains only that information required for OWCP to authorize a coal mine operator to self-insure its Black Lung Benefits Act liabilities. Generally, the respondents are large coal mine operators, although some self-insurers may be considered small entities under the current Small Business Administration size standards. This collection does not impose additional burdens on small businesses or other small entities because coal mine operators routinely maintain the information requested in the normal course of business as part of their usual business practices or as part of self-insuring its liabilities. Moreover, as described below, the burden on respondents is expected to be minimal.

**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 coal mine operator 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, it could make it more difficult for OWCP 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 of this information collection:**

- **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 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.**

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.**

**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.**

A Federal Register Notice inviting public comment was published on December 23, 2020 (85 FR 84009). 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. The Black Lung Benefits Act and its implementing regulations necessitate this

information collection. 30 U.S.C. 933; 20 CFR 726.110. 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.**
- **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.**

#### **Estimated Annualized Respondent Cost and Hour Burden**

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 currently 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 \$97.45. 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 2019 from the Bureau of Labor Standards in estimating the annualized burden cost: [http: www.bls.gov/cps/cpsaat39.htm](http://www.bls.gov/cps/cpsaat39.htm).

Accordingly, the calculations are as follows:  $\$917.00 \div 40 \text{ hours} = \$22.93/\text{hour} \times 4.25 \text{ hours} = \$97.45$  annualized burden cost.

Activity	No. of Respondents	No. of Responses per Respondent	Total Responses	Average Burden (Hours)	Total Burden (Hours)	Hourly Wage Rate	Total Burden Cost
OWCP-1	17	1	17	.25	4.25	\$97.45	\$414
<i>Total</i>	<i>17</i>		<i>17</i>		<i>4</i>		<i>\$414</i>

**13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 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 service 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.**

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. Approximately 75% of the 17 respondents e-mail their completed OWCP-1, leaving four responses sent by mail ( $17 \times 75\% = 12.5$ , rounded up to 13). A mailing cost of \$.58 per response (\$.55 postage and \$.03 envelope charge) is applied as an operation cost with a total of \$2.32 ( $4 \times .58$ ) for the 4 responses.

**14. Provide estimates of the 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), any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 into a single table.**

The cost to the government has been estimated to be approximately \$89.99. 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 (\$.55 for postage and \$.03 for envelopes) against the number of copies issued annually. Processing costs were determined by applying the hourly rate (\$56.83) of a GS-13, step 10, supervisory claims examiner to the total annual hours (1.41) required for review [https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2020/RUS\\_h.pdf](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2020/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	\$2.32 ( $17 \times \$.58$ )
Processing	\$80.13 ( $17 \times 5 = 85/60 = 1.41 \text{ hours} \times \$56.83$ )
Total	\$82.45

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

There has been no change in the estimated number of respondents. Minor changes were made to the OWCP-1 form such as, updating punctuation and the authorizing statute in the top paragraph on page 1 of the form.

**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.**

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.