

SUPPORTING STATEMENT
U.S. Department of Commerce
National Oceanic & Atmospheric Administration
Insert Title of Collection
OMB Control No. 0648-0145

SUPPORTING STATEMENT PART A

Abstract

This request is for the extension of the currently approved information collection. No changes have been made to the collection requirements.

This information collection is for the purpose of the maintenance of exploration licenses required by the [Deep Seabed Hard Mineral Resources Act \(DSHMRA\) \(30 U.S.C. §§ 1401-1473\)](#). NOAA's regulations at [15 CFR Part 970](#) govern the issuance and maintenance of DSHMRA licenses. The NOAA Office for Coastal Management is responsible for approving and administering licenses. License applicants must submit information to ensure that the applicant meets the DSHMRA licensing standards. Licensees are required to make reports, and may request revisions, transfers, or extensions of licenses. Information required for the issuance and extension of licenses ensures that license applicants have identified areas of interest for deep seabed hard mineral exploration and production; developed plans for those activities; have the financial resources available to conduct proposed activity; and have considered the effects of the activity on the natural and human environment. This information is used to determine whether licenses should be granted or extended. Exploration licenses and commercial recovery permits under the Deep Seabed Hard Mineral Resources Act are only for activities by U.S. citizens in international waters. No license or permit applications have been received since the early 1980s, and none are expected during this collection period. Only two exploration licenses are in effect. Both are held by Lockheed Martin Corporation. The licenses are subject to annual reporting requirements and extension requests every five years.

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.

This information collection is for the purpose of the maintenance of exploration licenses required by the [Deep Seabed Hard Mineral Resources Act \(DSHMRA\) \(30 U.S.C. §§ 1401-1473\)](#). NOAA's regulations at [15 CFR Part 970](#) govern the issuance and maintenance of DSHMRA licenses. The NOAA Office for Coastal Management is responsible for approving and administering licenses. License applicants must submit information to ensure that the applicant meets the DSHMRA licensing standards. Licensees are required to make reports, and may request revisions, transfers, or extensions of licenses. Information required for the issuance and extension of licenses ensures that license applicants have identified areas of interest for deep seabed hard mineral exploration and production; developed plans for those activities; have the financial resources available to conduct proposed activity; and have considered the effects of the activity on the natural and human environment. This information is used to determine whether licenses should be granted or extended. Exploration licenses and commercial recovery permits

under the Deep Seabed Hard Mineral Resources Act are only for activities by U.S. citizens in international waters. No license or permit applications have been received since the early 1980s, and none are expected during this collection period. Only two exploration licenses are in effect. Both are held by Lockheed Martin Corporation. The licenses are subject to annual reporting requirements and extension requests every five years.

The specific CFR requirements for a license application and the DSHMRA provisions in the law are listed below.

§970.201 – Statement of financial resources. The application must contain information upon which to base a determination that the applicant will have sufficient resources to carry out the exploration plan. The information must include: (1) a description of how the applicant intends to finance the exploration program; (2) the estimated cost of the program; (3) the applicant’s most recent audited financial statement, annual report, Form 10-K filed with the Securities and Exchange Commission, and the credit and bond rating of the applicant. [30 U.S.C. 1413(c)(1)]

§970.202 – Statement of technological experience and capabilities. The application must demonstrate that the applicant has the technological capability to carry out the exploration plan. The information must include a description of the exploration and monitoring equipment to be used and a description of the experience upon which the application will rely in using the equipment. [30 U.S.C. 1413(c)(2)]

§970.203 – Exploration plan. Each application must include an exploration plan that describes the projected exploration activities during the license period. The plan must demonstrate that the efforts are likely to lead to the ability to apply for a commercial recovery permit at the end of the license period. The plan must include the following information: (1) the proposed activities to be carried out; (2) a description of the area to be explored; (3) the intended exploration schedule; (4) a description of the methods to be used; (5) a description of the technology to be used and an evaluation of the technology; (6) an estimated schedule of expenditures; (7) measures to protect the environment and monitor the effectiveness of environmental safeguards; and (8) a description of the relevant activity completed prior to the submission of the application. [30 U.S.C. 1413(a)(1)(B)]

§970.204 – Environmental and use conflict analysis. The applicant must furnish information on physical, chemical, biological, and potential use conflict on the exploration area. The information is used in preparing NOAA’s environmental impact statement. [30 U.S.C. 1419]

§970.205 – Vessel safety. The application must contain an affirmation that any U.S. flag vessel used in the exploration activities will possess a currently valid Coast Guard Certificate of Inspection. If a foreign flag vessel is to be used, applicable safety certificates must be obtained (SOLAS 60: International Convention for the Safety of Life at Sea, 1960 and SOLAS 74: International Convention for Safety of Life at Sea, 1974). [30 U.S.C. 1422]

§970.206 – Statement of ownership. The application must include information to demonstrate that the applicant is a U.S. citizen. The information includes: the name, address, and telephone number of the U.S. citizen responsible for exploration operations; a description of the citizen engaging in the exploration (whether the citizen is an actual person, partnership, corporation, etc.); state of incorporation; name of registered agent and place of business; certificate of incorporation or articles of association; and the name of each member of an association. [30 U.S.C. 1413(a)(1)]

§970.207 – Antitrust information. The application must contain sufficient information for an antitrust

review by the Attorney General and the Federal Trade Commission. This may include: a copy of each agreement between participating parties; identity of any affiliate; for any affiliate, the parent or subsidiary engaged in related production, purchase, or sale; annual tonnage and dollar value of minerals and metals purchased, sold, or produced for the two preceding years; copies of annual reports; and copies of documents submitted to the Securities and Exchange Commission. [30 U.S.C. 1413(d)]

§970.208 – Fee. A fee payment of \$100,000 must accompany each application to cover NOAA’s administrative costs for reviewing and processing the application [30 U.S.C 1414]

The information submitted with a request for a revision or extension of an exploration license or exploration plan will be used by NOAA to prepare a written finding that the revision or extension will comply with the requirements of the Act and regulations.

The information submitted with an application for an issuance, transfer, extension or revision of a license is also used by NOAA to fulfill its function under the Act for consultation and cooperation with other Federal agencies in relation to their programs and authorities, in order to reduce the number of separate actions required to satisfy Federal agencies’ responsibilities.

The information submitted in the annual report is used by NOAA to ensure that the licensee is diligent in following its approved exploration plan and to prepare a Biennial Report to Congress (Note that the requirement for NOAA to submit the Biennial Report to Congress has been suspended because of the present low level of activity under the two NOAA-issued licenses.)

The specific information that may be required after issuance of the license is:

§970.510 – Objections to terms, conditions, and restrictions (TCRs). The licensee may file a notice of objection to any TCR within 60 days after a notice of issuance or transfer of a license. Any notice of objection must indicate the legal or factual basis for the objection and must provide information relevant to any underlying factual issues deemed by the licensee as necessary to NOAA’s decision on the objection. [30 U.S.C. 1415(b)(3)]

§970.513 – Revision of a license. During the term of the license the licensee may submit an application for a revision of either the license or the exploration plan associated with it [30 U.S.C. 1415(c)(2)]

§970.516 – Approval of license transfers. A licensee may submit a request for a license transfer. The proposed transferee will be deemed an applicant for a license and will be subject to the requirements and procedures of an original license application. [30 U.S.C. 1413(a)]

§970.522 – Monitoring requirements. Each exploration license requires the licensee to monitor the environmental effects of its activities in accordance with NOAA’s guidelines and to submit data and other information as necessary to permit evaluation of the environmental effects. [30 U.S.C. 1424]

Some of NOAA’s information requirements are consolidated with NOAA’s regulations for commercial recovery in 15 CFR 971.

§971.801 – Records to be maintained and information to be submitted by licensees. In addition to the other information specified, the licensee must keep such records, consistent with standard accounting principles, as NOAA may specify for each license. Such records must include information which will fully disclose expenditures for exploration for, or commercial recovery of, hard mineral resources in the

area under license or permit, and any other information which will facilitate an effective audit of these expenditures. The licensee will be required to submit to the Administrator, upon request, data or other information the Administrator may reasonably need for purposes of: (1) making determinations with respect to the issuance, revocation, modification, or suspension of the license or permit in question; (2) evaluating the effectiveness of license or permit TCRs; (3) compliance with the biennial Congressional report requirements contained in section 309 of the Act; and (4) evaluation of the exploration or commercial recovery activities conducted by the licensee.

At a minimum, licensees must submit an annual written report within 90 days after each anniversary of the license issuance or transfer, discussing exploration or commercial recovery activities and expenditures. The report must address diligence requirements of 970.602 and environmental monitoring to address 970.522) and 970.702(a). [30 U.S.C. 1423, 1418]

§971.802- Request for confidential treatment of documents received by NOAA. A licensee requesting confidential treatment of information considered to be protected under the Trade Secrets Act (18 U.S.C. 1905) or of financial information that is privileged or confidential must submit a written request at the time the information is submitted. Request must state the period of time for which confidential treatment is requested, and must include the name, mailing address, and telephone number of agent of the submitter who is authorized to receive notice of requests for disclosure of the information. [30 U.S.C. 1423(c)]

NOTE: Given that a person interested in obtaining a license now would not have the "security of tenure" to any areas for deep seabed exploration due to the lack of U.S. accession to the Law of the Sea Treaty, and therefore, would have difficulty obtaining financing for the large capital expenditures that exploration would require, license applications are not expected or encouraged. Therefore, no instructions for license applications have been posted.

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.

For license applications, information collected would be used to determine license eligibility. See the answer to Question 1 for the type of information requested to determine eligibility. Note that no license applications have been submitted since the 1990s and none are expected in the current collection period.

Annual reports provide an update on the activities of the license holder pursuant to the license over the previous year. These reports are used to determine whether the license holder is exercising diligence in pursuing authorized exploration.

License extension requests are made every five years pursuant to statute and are used to confirm the continued interest of the license holder in maintaining the license, along with requesting approval of any changes to the exploration plan for the license.

Collected information can be submitted in any form that the license holder chooses. All information can be submitted by electronic means to the NOAA Office for Coastal Management by email to a designated point of contact.

Information submitted by applicants is usually not shared with other agencies within or outside of NOAA or publicly disseminated unless requested.

The information collection is pursuant to statutory and regulatory requirements and have not changed

over time.

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.

There are no forms or specified format for this information collection. Applicants and license holders may submit information in any format and by any means. Electronic submission by email to a designated point of contact in the NOAA Office for Coastal Management is the norm.

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 Question 2.

This information collection is specific to activities by the applicant or license holder related to exploration for hard minerals on the seabed of international waters. The information collected is not available from any other source than the applicant or license holder. No other federal agency has overlapping jurisdiction with this information collection either for collection purposes or use by the agency. If another agency needed the information, NOAA would provide the information rather than the agency requesting itself as NOAA is the only agency that has jurisdiction over these activities. As both of the licenses in effect are held by the same entity and administered as a single license, there is no duplication in the collection of information for the two licenses.

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

Due to the capital-intensive nature of the activities authorized under DSHMRA exploration licenses, only large business are capable of showing the financial and technical capacity to pursue these activities. No small businesses are affected by this information collection.

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.

License applications and the extension of licenses are required by statute. If the statutory requirement for licensing were to be eliminated, there would be no oversight of mining by U.S. companies in international waters with conflicting international claims resulting. The statutory requirement for extension requests ensures that companies do not lock-up and sit on areas without pursuing exploration or mining. Annual reports could be submitted less frequently or eliminated altogether but this would require a change in regulations.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner inconsistent with OMB guidelines.

Applicants and license holders may be required to submit financial information that the applicants and license holders desire to be withheld from public disclosure. Applicants and license holders are requested to segregate this information from other information collections, and mark the information as

business propriety and confidential. NOAA will withhold this information from public release to the extent permitted by law;

Section 970.200 of the regulations requires 30 copies of an application for issuance or transfer of a license to be submitted to NOAA. Consultations are required with a number of other agencies, and the number of copies aid in the application's timely review. If an applicant finds this too burdensome, the regulations provide for a waiver of the number of copies. This requirement has been identified as outdated and unnecessary; however, since no new license applications have been received since the early 1980s and none are expected during this collection period, a change to this requirement is not being considered at this time.

This collection will be conducted in a manner consistent with all other OMB guidelines.

8. If applicable, provide a copy and identify the date and page number of publications 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.

The 60-day FRN for information collection 0648-0145, Deep Seabed Mining Exploration Licenses, published in the Federal Register on April 23, 2021 (86 FR 21706). The public comment period expired on June 22, 2021. No public responses to the FRN were received,

NOAA reached out to the one DSHMRA license holder 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. No response was received.

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

No remuneration of any kind is provided to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy. If the collection requires a systems of records notice (SORN) or privacy impact assessment (PIA), those should be cited and described here.

No PII is collected. Confidential financial information, such as expenditure plans, may be submitted by license applicants and holders. This information will be held as confidential so long as it is segregated from non-confidential information and marked as confidential with a request to withhold the information from public disclosure. This request will be honored to the extent the law permits as determined by the NOAA Office of General Counsel.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior or 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 information of a sensitive nature is collected as part of this information collection.

12. Provide estimates of the hour burden of the collection of information.

Information Collection	Type of Respondent (e.g., Occupational Title)	# of Respondents/year (a)	Annual # of Responses / Respondent (b)	Total # of Annual Responses (c) = (a) x (b)	Burden Hrs / Response (d)	Total Annual Burden Hrs (e) = (c) x (d)	Hourly Wage Rate (for Type of Respondent) (f)	Total Annual Wage Burden Costs (g) = (e) x (f)
License application	Corporate VP	-0-	-0-	-0-	2000-4000	-0-	\$89.40*	-0-
Annual Report	Corporate VP	1	1	1	40-377	40-377	\$89.40*	\$3,576-\$33,703
License extension (once every five years)	Corporate VP	1	1	1	20/100	20/100	\$89.40*	\$1,788/\$8940
Totals				2		60/477		\$5364/\$42,607

*Wage estimate derived based on the Bureau of Labor Statistics Occupational Outlook Handbook wage estimate for Chief Executives (11-1011) at \$197,840 annual salary or \$89.40 hourly.

An application could take from 2,000 – 4,000 hours, depending on the complexity of the request. This estimate is based on the fact that much of the information required would otherwise be needed by the applicant anyway for management purposes and to obtain funding. NOAA has not received any applications in over 35 years and expects no new applications in the PRA approval period being requested.

Although, there are two active DSHMRA exploration licenses, both are held by a single license holder who submits one annual report and a single license extension request for both licenses. The 2021 annual report was 146 pages in length with several appendices of published studies. It is estimated that a report of this length would take a maximum of 377 hours of staff time to prepare although it is likely to be substantially less given that it is likely that much of the information in the report is taken from reports made for other purposes. There is no prescribed length for annual reports. In 2014, the annual report submitted by the license holder was 17 pages which was found to be sufficient to meet the DSHMRA reporting requirement. For the purposes of estimating the paperwork burden of the license holder, the 17-page length of the 2014 annual report has been used with an estimate of 40 hours to prepare the report.

The estimated total time to prepare an extension request which includes an exploration plan is 100 hours. Extension requests are required to be submitted every five years. Annualized, this amounts to 20 hours per year.

The annual total time for license holders to prepare paperwork related to meeting the requirements of DSHMRA is 60 hours (40 hours per annual report and 20 hours (on an annualized basis) for extension requests).

The estimated cost in staff time to prepare the annual report (40 hours) and the annualized hourly burden for an extension request (20 hours) is \$5,364.

13. Provide an estimate for 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 already reflected on the burden worksheet).

There are no capital/start-up or ongoing operation/maintenance costs associated with this information collection. Beyond hourly wages, there is no additional cost burden to applicants. Record keeping is not required. Equipment used by the respondents is the same as ordinarily found in a business office. As noted in the answer to Question 12, the annual reports are largely derived from reports generated for business-related rather than governmental information collection purposes.

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.

Cost Descriptions	Grade/Step	Loaded Salary /Cost	% of Effort	Fringe (if Applicable)	Total Cost to Government
Federal Oversight	GS-14	\$130,189	≥ 1%		≥ \$1,301
Contractor Cost					-0-
Travel					-0-
Other Costs:					-0-
TOTAL					≥ \$,1301

15. Explain the reasons for any program changes or adjustments reported in ROCIS.

There are no changes to the information collection since the last OMB approval.

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.

None of this information is 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.

There are no forms used for this information collection.

18. Explain each exception to the certification statement identified in “Certification for Paperwork Reduction Act Submissions.”

The agency certifies compliance with [5 CFR 1320.9](#) and the related provisions of [5 CFR 1320.8\(b\)\(3\)](#).