

**SUPPORTING STATEMENT FOR  
APPLICATION FOR SELF-INSURANCE UNDER THE BLACK LUNG BENEFITS  
ACT**

**OMB CONTROL NO. 1240-0057**

This ICR seeks a three year extension of expiration date.

**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.**

OWCP administers the Black Lung Benefits Act (BLBA), which provides both disability and medical benefits to coal miners who are totally disabled due to pneumoconiosis (commonly called black lung disease) arising out of coal mine employment, and survivor's benefits to certain miners' dependent survivors. These benefits are generally paid by a coal mine operator who employed the miner.

To secure benefit payments, the BLBA requires covered coal mine operators to purchase insurance from a carrier authorized by the Secretary of Labor to write BLBA insurance, or to become an authorized self-insured operator in accordance with the Secretary's regulations. 30 U.S.C. § 933. OWCP determines whether a coal mine operator should be authorized to self-insure and, if so, the amount of any security the operator must post to guarantee payment of its BLBA liabilities. To make these determinations, OWCP must evaluate the operator's financial capacity and potential claims liability. This involves analyzing the nature of the operator's business, the business' structure, detailed financial information, actuarial predictions, historic rates of payments, and current claims information. The regulations implementing the self-insurance provision allow OWCP to collect this information from operators applying for (or renewing) authorization to self-insure their BLBA liabilities. (20 CFR 726.102, 726.112).

All of the information sought with this collection is in the control of the coal mine operator and, for new self-insurance applicants, its commercial insurance carriers.

**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.**

The information collected will be used by OWCP staff to determine whether a coal mine operator should be authorized (or continue to be authorized) to self-insure its BLBA liabilities and to determine the amount of security an authorized self-insurer must deposit. Forms CM-

2017 (Application or Renewal of Self-Insurance Authority) and CM-2017a (Financial Summary for Self-Insured Operators) request basic information about the applicant's business including financial information, subsidiaries it wants to cover under its self-insurance authority, basic historical claims information, how it intends to administer claims as a self-insurer, and an actuarial analysis of projected BLBA liabilities. This information allows OWCP to assess the operator's current financial health, evaluate the operator's qualifications to self-insure, and estimate its future liabilities. If this information were not collected, self-insurance authorizations could not be granted (or renewed) as required by the statute.

Form CM-2017b (Report of Claims Information for Self-Insured Operators) requests a report showing all outstanding claims against the applicant and its subsidiaries, and the particulars of each case. OWCP sets the operator's security deposit amount relative to its outstanding liabilities. If the information were not collected, there would be no way to set a new self-insurer's security deposit amount or determine whether a current self-insurer's security deposit was adequate to provide for the continued payment of benefits if the self-insurer were to become insolvent or bankrupt.

**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 to adopt this means of collection. Also, describe any consideration of using information technology to reduce burden.**

In accordance with the Government Paperwork Elimination Act, Forms CM-2017, CM-2017a, and CM-2017b will be available in an electronically interactive format on OWCP's website. Once completed and executed, the operator will have two methods for submission: (1) print the forms and required attachments in hard copy and send them to OWCP by mail or other delivery method; or (2) e-mail the forms and required attachments to OWCP. The instructions for each form specify a mailing address and e-mail address for these purposes. In addition, the instructions for Form CM-2017b (Report of Claims Information for Self-Insured Operators) advise the respondent to contact OWCP if it wishes to submit the requested information in a format other than the form (e.g., an electronic spreadsheet format). OWCP intends to accept this claims information in any format convenient for the respondent so long as the data can be extracted by OWCP's own computer systems.

**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.**

The information requested in this ICR is not duplicative of any information available elsewhere.

**5. If the collection of 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 make a self-insurer or security-deposit decision. Generally, the respondents are large coal mine operators. In any event, 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.

**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.**

Please refer to No's. 1 and 2 (see pages 1 & 2). If this information were not collected, OWCP would be unable to determine whether a coal mine operator has the financial capacity to qualify as a self-insurer or to determine the amount of security an operator must deposit to assure prompt payment of its BLBA obligations if the operator defaults or becomes insolvent. Because a coal mine operator's BLBA obligations change from year-to-year (e.g., new claims are filed, previously filed claims are paid in full) annual evaluation of the required security deposit amount is necessary.

**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 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. 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.**

A Federal Register notice inviting public comment was published on March 2, 2022 (87 FR 11738). Comments were not received.

A second Federal Register notice inviting public comment was published on July 11, 2022 (87 FR 41146). OMB received one comment from SunCoke Energy, Inc. ("SunCoke"). SunCoke alleges that the information collection is not necessary because it takes issue with OWCP's process for determining the amount necessary for a self-insured operator to secure the payment of benefits for which it is liable. OWCP's regulations set forth the procedures for approving a self-insurance application and determining the amount of the security. See 20 CFR Part 726 Subpart B. Specifically, the regulations broadly authorize OWCP to collect "such further information or such evidence as [OWCP] may deem necessary." 20 CFR 726.102(b).

As acknowledged in the comment, in 2019, OWCP implemented a process that considers the operator's current and future liability for benefits based on an actuarial assessment, as well as the operator's risk of insolvency. OMB approved the collection of information for this self-insurance process at that time. OWCP sets the required security as a percentage of the total current and projected future liability based on the operator's financial risk rating. SunCoke objects to OWCP's process for determining the amount of this

percentage. The information that self-insurance applicants must submit to OWCP, however, has not changed since this Information Collection Request (ICR) was initially approved in 2019. The agency process for determining current and future liability and calculating a financial risk rating also has not changed since then. OWCP addressed comments and concerns about the necessity of this information in its supporting statement for the initial ICR in 2019. OWCP therefore declines to make any changes to the ICR in response to this comment.

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

No payments or gifts are made to respondents.

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

The information collected from respondents is exempt from public disclosure to the extent provided in 5 U.S.C. § 552(b) and the Department of Labor's implementing regulations. 20 CFR 726.113. OWCP may share the information with contractors it employs to manage data or analyze the information collected for purposes of determining whether a coal mine operator should be authorized to self-insure or the amount of the required security deposit.

**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 in this information collection.

**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.<sup>1</sup>**

- **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 13.**

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

To calculate the burdens, OWCP has used a number of respondents that is larger than anticipated. While OWCP has records for 49 self-insured operators, only 18 are currently engaged in coal production. Others have left the mining business (but still exist and should respond to the information collection) or have gone out of business entirely. OWCP does not expect those companies that have gone out of business to respond. OWCP has used this number only to be sure the burdens are not underestimated.

Form	Number of Respondents	Number of Responses per Respondent	Total Number of Responses	Avg. Burden per Response (In Hrs.)	Total Burden Hours	Hourly Wage Rate*	Total Burden Costs
CM-2017 Application/Renewal	49	1	49	2	98	\$40.89	\$4,007.22
CM-2017a Financial Summary	49	4	196	0.33333333 (20/60)	65	\$40.89	\$2,657.85
CM-2017b Report of Claims Information	49	1	49	2	98	\$79.56	\$7,796.88
<b>Unduplicated Total</b>	<b>49</b>		<b>294</b>	<b>.89</b>	<b>261</b>		

<sup>1</sup> Indicate the retention period for any recordkeeping requirements that pertain to the ICR.

\*For the CM-2017 and the CM-2017b The hourly wage of \$40.89 for accountants, taken from the May 2020 National Occupational Employment and Wage Estimates, published by the Bureau of Labor Statistics at <https://www.bls.gov/oes/current/oes132011.htm>

\*For the CM-2017b The hourly wage of \$79.56 for Financial Managers, taken from the May 2020 National Occupational Employment and Wage Estimates, published by the Bureau of Labor Statistics at <https://www.bls.gov/oes/current/oes113031.htm>.

**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, 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.**

There will be no design or software needed in order to provide the information requested on forms CM-2017, CM-2017a and CM-2017b. The information requested is contained in the respondents' current data bases in the normal course of business and is readily available.

From the 49 respondents, each will complete and submit forms CM-2017, CM-2017a and CM-2017b.

CM-2017 and CM-2017b will be completed and submitted annually ( $2 \times 49 = 98$ ).

CM-2017a will be completed and submitted quarterly by the 49 respondents ( $49 \times 4 = 196$ ). It is estimated that half of these respondents will submit their completed forms by electronic method ( $196 / 2 = 98$ )

CM-2017a requires that the operator submit with the form an actuarial report on their projected BLBA liabilities once every three years (unless special circumstances require a report sooner). Some of the 49 operators will already have prepared these reports in the normal course of business. As noted above, other self-insured operators who are out of business will not be respondents. Thus, OWCP has based this burden calculation on approximately one-half of the potential pool, or 20 respondents. OWCP estimates, based on the charges it has recently incurred for actuarial reports (which range from approximately \$4,000 to \$6,000), that a coal-mine operator would pay an average of \$5,000 per report. Since submission of a report would, in general, only be required once every three years, the annual cost is an average of \$1,667. Thus, OWCP estimates the annual burden at \$34,000 ( $20 \times \$1,667 = \$34,000$ )

The remaining half (98) of the respondents will submit their completed forms by mailing them.

CM-2017	20 (rounded down from 20.4)	\$.58 (\$0.55 postage + .03 envelope) = \$11.60
CM-2017a	98	.58 (\$0.55 postage + .03 envelope) = \$56.84
CM-2017b	20 (rounded down from 20.4)	.58 (\$0.55 postage + .03 envelope) = \$11.60

The total annual costs to respondents is \$34,080.

**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), and 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 total Federal cost estimate for the three forms is estimated at \$15,865.80.

CM-2017

The Federal cost estimate of \$7,523.46 was determined for an average annual usage of 49 forms as follows:

mailing	30 x \$.58 per form = \$17.40
	(\$0.55 postage plus \$0.03 envelope)
	The remaining 19 forms will be

sent to the respondent electronically.

processing A GS-13/1 (\$51.18 per hour) spends 180 minutes processing each of the 49 forms.  
[https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/DCB\\_h.pdf](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/DCB_h.pdf)  
 $49 \times 180 = 147 \text{ hours} \times \$51.18 = \$7,523.46$

CM-2017a

The Federal cost estimate of \$3,326.70 was determined for an average annual usage of 196 forms as follows:

mailing 98 x \$.58 per form = \$56.84  
 (\$.55 postage plus \$.03 envelope)  
 The remaining 98 forms will be sent to the respondent electronically.

processing A GS-13/1 (\$51.18 per hour) spends 20 minutes processing each of the 196 forms.  
[https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/DCB\\_h.pdf](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/DCB_h.pdf)  
 $196 \times 20 = 3,920 \text{ min} / 60 = 65 \text{ (65.33 rounded down) hours} \times \$51.18 = \$3,326.70$

CM-2017b

The Federal cost estimate of \$5,015.64 was determined for an average annual usage of 49 forms as follows:

mailing 30 x \$.58 per form = \$17.40  
 (\$.55 postage plus \$.03 envelope)  
 The remaining 19 forms will be sent to the respondent electronically.

processing A GS-13/1 (\$51.18 per hour) spends 120 minutes processing each of the 53 forms.  
[https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/DCB\\_h.pdf](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/DCB_h.pdf)  
 $49 \times 120 = 98 \text{ hours} \times \$51.18 = \$5,015.64$

**Federal Cost Summary**

CM-2017	\$7,523.46
CM-2017a	\$3,326.70
+CM-2017b	\$5,015.64
<b>Total Federal Cost</b>	<b>\$15,865.80 (\$15,866 rounded)</b>

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

The estimated number of self-insure applicants has decreased from 53 to 49. The respondents estimated annualized value of the burden hours has decreased due to the number of applications for self-insurance received. Annual costs to respondents (Item 13) decreased because the number of applicants are lower.

**16. For collections of information whose results will be published, outline plans for tabulations, 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.**

There are no plans to publish data collected under this request.

**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 information collection request does not seek a waiver from the requirement to display the expiration date

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

There are no exceptions to the certification statement.

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

Statistical methods are not used in these collections of information.