

## Supporting Statement

### Payment of Compensation without Award (LS-206)

OMB No.1215-0022

#### A. Justification.

1. The Office of Workers' Compensation Programs administers the Longshore and Harbor Workers' Compensation Act. The Act provides benefits to workers' injured in maritime employment on the navigable waters of the United States or in an adjoining area customarily used by an employer in loading, unloading, repairing, or building a vessel. In addition, several acts extend the Longshore Act's coverage to certain other employees.

Under sections 914(b) & (c) of the Longshore Act, a self-insured employer or insurance carrier is required to pay compensation within 14 days after the employer has knowledge of the injury or death. Upon making the first payment, the employer or carrier shall immediately notify the district director of the payment. Form LS-206 has been designated as the proper form on which report of first payment is to be made.

2. The information provided on Form LS-206 is used by OWCP district offices to determine the payment status of a given case. If the information were not collected, the OWCP would have no way of determining whether compensation payments had been made by liable insurance carriers and self-insured employers.
3. We are not aware of any improved information technology that could reduce burden. This form is electronically interactive as mandated by the Government Paperwork Elimination Act and is also available for download and printing for manual submission. Presently we receive approximately one (1) percent of our submissions of this form electronically. The community has been made aware of the capability of filing electronically from our website announcement as well as through communications with our district offices. The website address is:  
<http://www.dol.gov/esa/owcp/dlhwc/lsforms.htm>.
4. All forms in the Longshore program have been carefully

reviewed to eliminate all requests for duplicate information. The LS-206 is a unique form in that it reports the beginning of compensation payments.

5. The information is not requested from small businesses or other small entities and does not have a significant economic impact on a substantial number of small entities.
6. The information is only collected on occasion when an insurance carrier or self-insurer initiates the payment of compensation benefits to an injured claimant. It therefore cannot be collected less frequently.
7. The form is to be submitted only at such time as first payment is made in a case. Other than this exception, there are no other special circumstances.
8. The LS-206 is a basic claims form which is used by insurance carriers and self-insurers to report the start of payment of compensation benefits. It requests only basic data relating to the compensation benefits which are to be paid. Daily contact is maintained with representatives of the insurance carriers and self-insurers by OWCP district office personnel with whom the form is filed. Should any complaints be received, or suggestions for improvement be received, they are carefully evaluated and appropriate action is taken.

A Federal Register Notice inviting public comment was published on June 4, 2008; Federal Register Vol. 73 No. 108, Page 31888. No comments were received.

9. No payments or gifts are provided to respondents.
10. Records pertaining to compensation cases are covered under the Privacy Act at DOL/ESA-15. The system name is Office of Workers' Compensation Programs, Longshore and Harbor Workers' Compensation Act case files. The Privacy Act Statement will be displayed on the LS-206.
11. There are no questions of a sensitive nature.
12. Burden has been estimated to be approximately 5,250 hours. It is estimated from records maintained in the National Office that about 600 insurance carriers and self-insurers will file approximately 35 forms each for a total annual number of forms filed of 21,000. The time needed to complete the form,

including the time needed to obtain the information required by the form from existing records, has been estimated to be 15 minutes or .25 hour. This estimate is considered reasonable in light of the information required by the form, which is basically wage and payment data, which are readily available to the insurance carrier or self-insurer.

The annualized burden cost to the respondents has been estimated to be approximately \$76,125.00. This estimate is derived from use of the National Average Weekly Wage (NAWW) as computed by the Bureau of Labor Statistics and which is based on the national average earnings of production or nonsupervisory workers on private nonagriculture payrolls. Section 6(b) of the Act mandates the use of the NAWW in setting the maximum and minimum compensation rates under the Act and in determining the amount of annual adjustments due to permanent total disability and death beneficiaries. Since it is not possible to determine the specific occupation or wages for each person who will provide the information covered by this clearance, and wages can vary considerably from person to person depending on duties and length of service, use of a national average weekly wage covering all occupations appear reasonable under the circumstances. The current applicable NAWW is \$580.18. The computations are therefore as follows:  $\$580.18 \div 40 \text{ hrs} = \$14.50/\text{hr} \times 5,250 \text{ hrs} = \$76,125.00$  annualized burden cost.

13. Since 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, the only operation and maintenance costs are for printing and mailing. A mailing cost of \$.45 per response (\$.42 postage and \$.03 envelope charge) is applied as an operation cost, with a total of \$9,450.00 for the 21,000 responses. Printing costs amount to approximately \$945.00 based on a cost of \$4.50 per 100 copies for a two-sided form ( $21,000 \div 100 = 210 \times \$4.50 = \$945.00$ ). The total cost is therefore approximately \$10,395.00.
14. The cost to the government has been estimated to be approximately \$54,650.40. This estimate was determined by taking into consideration printing, distribution and analysis costs associated with the issuance and review of Form LS-206. Printing costs were determined by using a cost of \$4.50 per 100 copies for a two-sided form. Approximately 200 copies are distributed each year since companies print and stock their own supplies. Distribution costs were determined by

applying a postage and envelope charge (.42 cents for postage and .03 cents for envelopes) against the number of copies issued. Analysis and handling costs were determined by applying the hourly rate of GS-12 claims examiner (currently \$31.30/hour) to the total annual hours required for review. The annual review hours were determined by applying an estimate of .083 hour or 5 minutes for the review and analysis of each form against the 21,000 forms, which are received each year. The cost for the hourly rate for a claims examiner was derived from using the FY 2008 Salary Table for the Rest of the US. The calculations are therefore as follows:

Printing	4.50	(\$2.25 x 2)
Distribution	90.00	(200 x .45)
Analysis	54,555.90	(21,000 x .083 = 1743/hrs x \$31.30)
Total	\$54,650.40	

15. There has been an adjustment to the burden hours for this clearance. The burden hours has been reduced from 6,125 hours to 5,250 hours which is a reduction of -875 hours. The operation and maintenance costs have been reduced by -\$605.00 (from \$11,000 to \$10,395.00). The reduction in burden hours is the result of reduced reporting under the Act due to a decrease in the number of authorized carriers and self-insurers (from 700 to 600, each of whom will submit an average of 35 responses) for an estimate of 21,000 responses. The change in operation and maintenance costs is reduced due to decrease in the number of responses received since the last clearance.
16. The information collected will not be published for statistical use.
17. We are requesting a continuation of the exemption of the provisions of 5 CFR 1320.8(b)(1), which requires that a current expiration date be affixed on all OMB cleared forms. The usual OMB clearance is for 3 years. In the Longshore program, users supply and stock most forms. Large insurance carriers and self-insured employers generally print, or have their own supplies of the forms they use printed. However, small to medium carriers and employers will usually purchase their supplies from large printing companies that stock large quantities of the forms with which to fill small orders. It is difficult to estimate the amount of demand for the forms; therefore, supplies of some forms may stay in stocks for many years before they are all purchased and new supplies are

printed. Large carriers and self-insurers also print in large quantities to reduce costs. Since the Longshore program has remained stable for many years, very few, if any, changes are ever required in the forms used.

18. There are no exceptions to the certification.