

SUPPORTING STATEMENT
Notice of Issuance of Insurance Policy
1215-0059 (CM-921)

A. Justification.

1. The Black Lung Benefits Act as amended, and codified at 30 USC 933 (http://uscode.law.cornell.edu/uscode/html/uscode30/usc_sec_30_00000933----000-.html), requires that a responsible coal mine operator be insured and outlines the items each contract of insurance must contain. It also enumerates the civil penalties to which a responsible coal mine operator is subject, should these procedures not be followed. In addition, 20 CFR Part V, Subpart C, 726.208 - .213 (http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=/ecfrbrowse/Title20/20cfr726_main_02.tpl) requires that each insurance carrier shall report to DCMWC each policy and endorsement issued, cancelled, or renewed with respect to responsible operators. It states that this report will be made in such a manner and on such a form as DCMWC may require. It is also required that if a policy is issued or renewed for more than one operator, a separate report for each operator shall be submitted.
2. The CM-921 is completed by the insurance carrier and forwarded to the Department for review. DCMWC staff reviews the completed CM-921 to identify those operators who have secured insurance for payment of black lung benefits as required by Section 423 of the Act.
3. In accordance with the Government Paperwork Elimination Act (GPEA), DCMWC recognizes the requirement that all OMB forms be made electronically interactive. The Employment Standards Administration is studying a method of providing electronic interactivity of the CM-921, which is not printed or distributed by the Department of Labor. Even though interactivity is not currently available, the Department is able to offer the form to insurance carriers in the same manner that other DCMWC forms are available, at <http://www.dol.gov/esa/regs/compliance/owcp/cm-921.pdf>.

Although the CM-921 form is available electronically, DCMWC expects that most respondents will prefer to print, complete, and mail the forms as they have in the past. Those insurance carriers that have automated their computer programs to generate the CM-921 will likely find continued

use of that method to be more cost-effective than individually completing an online form for each coal mine operator (as stated above, separate reports are required for each operator.)

4. There is no similar approved information collection form used by DCMWC or Federal Government for insurance carriers to report coverage of coal mine operators.

5. This collection of information does not involve small businesses.

6. This information is collected on an annual basis, because 20 CFR 726.206 requires that policies be issued for one year. DCMWC needs to collect this information in order to conform to the regulatory requirements of the Black Lung Benefits Act. If this information is not collected, DCMWC would be in violation of the regulating requirements of the Act.

7. There are no special circumstances for this information collection.

8. No outside consultants were contacted concerning the use of the CM-921. The form has been in use since 1973, and there has been ample time to voice any complaints regarding its use.

A Federal Register Notice inviting public comment was published on October 3, 2006. No comments were received.

9. Respondents do not receive gifts or payments to furnish the requested information.

10. This information collection is covered by the Privacy Act System of Records ESA/DOL-6 (<http://www.dol.gov/sol/privacy/dol-esa-6.htm>) .

11. There are no questions of a sensitive nature on this form.

12. The public burden estimate of this information collection is approximately 667 hours. This burden is based on approximately 10 minutes for retrieving the information and completing each of the around 4,000 CM-921 forms received each year. There are about 60 insurance carriers that insure approximately 4,000 coal mine operators. Of these, six carriers insure about 80% (or 3,200) of the operators,

thus submitting an average of 533 CM-921s per carrier. The remaining carriers insure the remaining 800 operators, thus submitting an average of 15 CM-921s per carrier.

3,200 forms + 800 forms = 4,000 total forms

4,000 forms X 10 minutes = 40,000 minutes

40,000 minutes ÷ 60 = 667 hours

The estimated annualized cost to respondents to provide this information is \$9,678.17. This was determined by using the hourly wage of the National Compensation Survey: Occupational Wages in the United States, July 2005, published by the Bureau of Labor Statistics in August 2005, page 8, under the heading of Administrative Support (\$14.51 per hour average).

667 hours X \$14.51 per hour = \$9,678.17

13. Operation and maintenance costs to print and mail the form is \$1,880.00. This estimate is based on a cost of \$0.39 per stamp, \$0.03 per envelope, and \$0.05 per form, for a per-form cost of \$0.47.

4,000 X \$0.47 = \$1,880.00.

14. The estimated total cost to the Federal Government for processing these 4,000 sample forms is approximately \$9,327.50. The cost is figured as follows:

One data entry clerk (GS-5/8) earning \$17.50 per hour spending about 8 minutes reviewing the form, entering the data into the computer system, and filing the form.

4,000 X 8 = 32,000 minutes ÷ 60 = 533 hours

533 hours X \$17.50 = \$9,327.50

15. The total number of burden hours is unchanged since the last clearance. There have been no changes in the operation and maintenance costs since the last clearance.

16. There are no plans to publish this collection of information.

17. Because the CM-921 is printed and distributed by individual insurance companies, the data required by OMB is printed on our instruction sheet for completing the CM-921. This relieves individual carriers from the added expense of

redesigning and printing new forms every few years. This ICR does not seek a waiver from the requirement to display the expiration date.

18. There are no exceptions to the certification statement.

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