

Supporting Statement for Paperwork Reduction Act Submissions
30 CFR Part 206, Subpart F—Federal Coal and
Subpart J—Indian Coal;
Part 210, Subpart B—Oil, Gas, and OCS Sulfur—General,
Subpart E—Solid Minerals, General,
Subpart H—Geothermal Resources;
Part 218, Subpart B—Oil and Gas, General,
Subpart E—Solid Minerals—General
(Form MMS-4430), Solid Minerals Production and Royalty Report
OMB Control Number 1010-0120
Current Expiration Date: August 31, 2004

General Instructions

A Supporting Statement, including the text of the notice to the public required by 5 CFR 1320.5(a)(i)(iv) and its actual or estimated date of publication in the Federal Register, must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified in Section A below. If an item is not applicable, provide a brief explanation. When Item 17 of the OMB Form 83-I is checked “Yes,” Section B of the Supporting Statement must be completed. OMB reserves the right to require the submission of additional information with respect to any request for approval.

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.

General Background

The Secretary of the U.S. Department of the Interior is responsible for collecting royalties from lessees who produce minerals from leased Federal and Indian lands. The Secretary is required by various laws to manage mineral resources production on Federal and Indian lands, collect the royalties due, and distribute the funds in accordance with those laws. The Secretary also has an Indian trust responsibility to manage Indian lands and seek advice and information from Indian beneficiaries. The Minerals Management Service (MMS) performs the royalty management functions and assists the Secretary in carrying out the Department’s Indian trust responsibility.

Minerals produced from Federal and Indian leases vary greatly in the nature of occurrence, production and processing methods, and markets served. Also, lease terms, statutory requirements, and regulations vary significantly among the different solid minerals.

When a company or an individual enters into a lease to explore, develop, produce, and dispose of minerals from Federal or Indian lands, that company or individual agrees to pay the lessor a share (royalty) of the value received from production from the leased lands. The lease creates a business relationship between the lessor and the lessee. The lessee is required to report various kinds of information to the lessor relative to the disposition of the leased minerals. Such information is similar to data reported to private and public mineral interest owners and is generally available within the records of the lessee or others involved in developing, transporting, processing, purchasing, or selling of such minerals. The information collected includes data necessary to ensure that the royalties are paid appropriately.

Specific ICR Information

This information collection request (ICR) is titled “30 CFR Part 206, Subpart F—Federal Coal and Subpart J—Indian Coal; Part 210, Subpart B—Oil, Gas, and OCS Sulfur—General, Subpart E—Solid Minerals, General, and Subpart H—Geothermal Resources; and Part 218, Subpart B—Oil and Gas, General, and Subpart E—Solid Minerals—General (Form MMS-4430, Solid Minerals Production and Royalty Report).” We changed the title of this ICR to clarify the regulatory language we are covering under 30 CFR Parts 206, 210, and 218. The previous title was “Solid Minerals Compliance and Management Process (Form MMS-4430).” We are revising this ICR to include regulatory requirements that were not previously addressed as information collection.

This ICR provides for the collection of solid minerals information. The citation at 30 U.S.C. 1713 (Attachment 1) requires the lessees, operators or other directly involved persons to submit reports and provide reasonable information as defined by the Secretary regarding solid minerals production. Other citations supporting the reporting requirement include 30 U.S.C. 189 pertaining to Public Lands, 30 U.S.C. 359 pertaining to Acquired Lands, 25 U.S.C. 396d pertaining to Indian Lands, and 43 U.S.C. 1334 pertaining to Outer Continental Shelf Lands (Attachment 2).

The MMS requires the submission of data on Form MMS-4430, Solid Minerals Production and Royalty Report (Attachment 3), and on other associated data formats described below. The MMS uses these various types of data to fulfill our financial and compliance mission requirements. The current information collection requirements provide MMS with the ability to verify that revenue due the Government is reported and paid correctly and timely under applicable laws, regulations, and lease terms. It also provides MMS with the ability to timely disburse mineral revenues to the correct recipients. The MMS collects solid minerals production and royalty data on Form MMS-4430, along with associated sales summaries, facility data, sales contracts, payment information, and additional documents. We encourage electronic submission via attachment to e-mail messages; however, hard-copy submissions are allowed.

Specific lease language varies. However, respondents agree by the lease terms to furnish statements providing the details of all operations conducted on a lease and the quantity and quality of all production from the lease at such times and in such form as the Secretary may prescribe. Currently, rules require respondents to provide accurate, complete, and timely reports for all minerals produced, in the manner and form prescribed by MMS in 30 CFR Part 206,

Subparts F and J; Part 210, Subparts B, E, and H; and Part 218, Subparts B and E (Attachment 4).

The current information collection has several components:

- **Form MMS-4430, Solid Minerals Production and Royalty Report**
Producers of coal and other solid minerals from Federal and Indian leases electronically file this form monthly. The form contains basic lease-level volume and valuation information. Additionally, the form collects non-Federal production information from the mine.
- **Contracts and Contract Amendments**
Coal and metal producers submit sales contracts, agreements, and contract amendments semi-annually. Sodium, potassium, phosphate, and other solid mineral producers, with leases containing ad valorem royalty terms, submit the required documents only if specifically requested to do so by MMS.
- **Sales Summary**
All coal producers selling coal from Federal and Indian leases must submit sales summaries. Producers of some other solid minerals produced from Federal and Indian leases also must submit sales summaries. Sales reported in sales summaries include sales from remote storage sites. Reporting requirements and timeframes in the lease terms also apply to sales summaries. Companies are required to submit sales summary data that include company-generated spreadsheets containing MMS's minimum requirements of sales information.
- **Facility Data**
Operators of wash plants, refining, ore concentration, or other processing facilities for any coal, sodium, potassium, metals or other solid minerals, submit facility data information for months in which they process or carry an inventory.

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. [Be specific. If this collection is a form or a questionnaire, every question needs to be justified.]

The MMS uses the collected information to support the Compliance and Asset Management (CAM) and Financial Management (FM) processes. The MMS also provides the Bureau of Land Management (BLM) and the Bureau of Indian Affairs (BIA) access to this information. The BLM and BIA use this data to conduct production verification, ensure lease diligence, and monitor plant efficiencies, maximum recovery, and secondary product inventories. The MMS also makes the facility data available to BIA and to State and tribal audit offices.

Form MMS-4430, Solid Minerals Production and Royalty Report
Data collected on this form is used in the following manner:

- **Distribution and Disbursement of Royalty Payments**
The MMS matches the royalty payment check or electronic funds transfer to Form MMS-4430, maintains lease accounts of payments, and ensures the distribution of data and disbursement of monies to States, American Indians, and the U.S. Treasury.
- **Allocation of Production**
Monitoring Federal and non-Federal lease production is essential for the CAM process. The MMS uses the allocation of production to assure that commingled Federal and non-Federal mineral production volumes and values summarized under one product category are allocated properly back to the lease where the raw minerals were mined.
- **BLM Production Verification and Lease Diligence Requirements**
The MMS makes production quantities, sales quantities, and inventory data available to BLM. The MMS also provides production and sales data to BIA and to State and tribal audit offices for their mineral studies and audits.
- **CAM Process**
The MMS-designed Form MMS-4430 collects the basic lease-level volume and valuation information to begin compliance review activities. The MMS compares this reported data with information from the facility data, the contracts and contract amendments, and the sales summaries to identify and resolve value, volume, and royalty rate compliance issues.

Contracts and Contract Amendments

Data collected from these contracts is used in the following manner:

- **Identify Issues**
Contracts are an integral part of the CAM process and identify many issues related to value. These issues may include sales to affiliated companies or may identify monies or other considerations that may be considered as payments for production, which are royalty bearing.
- **Establish Selling Arrangements and Relationships**
The MMS extracts data affecting royalty payments from the contracts and amendments submitted by respondents. For certain minerals, MMS uses these contracts to establish all sales arrangements and the relationships each contract has to the total mine production, sales, and subsequent royalty payments. Contracts provide us with purchaser names, volumes, periods, prices, built in adjustments or escalation features, quality requirements, related considerations that may be considered a component of gross proceeds, service value in kind, transportation arrangements, measurement points, price components, and other information that may affect value for royalty purposes. Sales arrangements may give us information regarding the interrelationships between companies; therefore, whether the producer's sale is truly at arm's length. We determine value for royalty purposes by methodologies dependent on the arm's-length or non-arm's-length status of the sale.

- Establish Contract Database for Comparable Valuation
Contracts also provide MMS a database of comparable contracts to establish valuation guidelines for similar coal sales agreements.

Sales Summary

Data collected from this summary is used in the following manner:

- Purchaser Comparison to Form MMS-4430
Sales summaries provide MMS with information on purchasers of lease production. This information includes quality and quantities of production sold and total purchaser payments received by the producer.

The CAM process compares sales summary information by purchaser to Form MMS-4430 and facility data.

Facility Data

Facility data collected from the company is used as follows:

- Allowance Monitoring
Under certain lease terms, MMS permits lessees to deduct the costs of processing that enhances the value of the mineral production. The MMS monitors such costs to ensure that the allowance deductions are reasonable and consistent with regulatory standards.
- Allocation of Production
The MMS monitors raw production input and finished product output to ensure commingled Federal and non-Federal mineral production is allocated properly back to the lease where the raw minerals were mined. Companies normally maintain electronic data files of this information in their business process. The MMS acquires the data from these normal business practices. This minimizes the information collection burden on industry respondents. The facility data shows us more detailed production information by product and the prices received for those individual products.
- BLM Product Verification
The BLM uses the data to verify production during regular inspections of facilities. They also use the data to assure lease diligence and to monitor plant efficiencies, maximum recovery, and secondary product inventories. We also make facility data available to BIA and to State and tribal audit offices for their mineral studies and audits.

Additional Documents or Evidence

This data collected is used in the following manner:

- Federal and Indian lease terms allow MMS to request detailed statements, documents, or other evidence supporting our CAM responsibilities. Spot sale invoices, weigh tickets,

laboratory quality reports, transportation contracts, and service contracts are all examples of additional documents we might request. The information might further define a cost or verify a claim made by the producer. The MMS only requests this additional information as needed, and it is not as a regular submission.

Payment Information

Payment data collected is used in the FM process in the following manner:

- Each payment document (Electronic Funds Transfer or hard-copy check) associated with Form MMS-4430 must be annotated with the lessee's customer identification and the customer document identification numbers. This requirement helps MMS link the payment to the appropriate reporting so that MMS can timely disburse funds to the correct recipients.
- For each rental payment document not reported on Form MMS-4430, the lessee must include the MMS Courtesy Notice, when provided, or annotate the payment document with the customer identification number and Government-assigned lease number. This requirement helps MMS link payments with Form MMS-4430 submittals.

Some of the above reporting requirements alert us to possible compliance problems at the beginning of the CAM process, thereby allowing us to provide resolution within 3 years. Others provide MMS the capability to timely and accurately collect, account for, and disburse mineral revenues.

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 [and specifically how this collection meets GPEA requirement].

The MMS Minerals Revenue Management (MRM) is moving to fully implement the Government Paperwork Elimination Act with their reengineered business processes. The MMS provides software allowing reporters to complete Form MMS-4430 and submit encrypted and authenticated reports over the Internet or by e-mail. All other data, including the facility data, contract and subsequent amendments, and sales summaries may be submitted to MMS via attachments to e-mail messages. We encourage companies to submit this data in electronic form to facilitate receipt and storage. However, a minimum number of hard copy submissions are allowed.

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 2 above.

The MMS has several Memoranda of Understanding (MOU) with BLM and BIA. These MOU

define the responsibilities of each branch/division with respect to activities in the MRM. These MOU are effective in avoiding duplication of regulations and reporting requirements. In most cases, the information collected is unique and site specific to each operation. The MMS and BLM coordinate efforts to identify information collected by each agency. Consultations have been made with various BLM offices ensuring a reporter's burden is minimized and not duplicated.

The requirements of the current ICR 1010-0120 using Form MMS-4430, facility data, contract and contract amendments, sales summaries, payment information, and additional documents are only collected by MMS. The MMS continues to make the data available to BLM and BIA offices for review.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

This information collection does impact small companies. However, the information requested is the minimum necessary, and it places the least possible burden on industry. Respondents, including small businesses or other small entities, have the flexibility to submit information to us via hard copy or electronic submissions.

The MMS provides training free of charge to companies in various geographic areas; provides on-site instruction as needed to give firsthand explanations of reporting requirements; and also provides individual instructions on how to report this information to MMS. All solid minerals lessees are encouraged to contact MMS to better familiarize themselves with the reporting requirements.

In addition, MMS meets with the small company's information technology (IT) staffs to assist them in setting up their hardware and software configuration. The MMS provides necessary electronic reporting software interfacing with MMS financial and production application systems. The MMS provides any initial software formatting or other assistance needed to get a company started. Also, MMS covers the cost associated with the development and implementation of the company's reporting software.

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.

Necessity of Information Collection

If we did not collect the information, MMS could not carry out the mandates of 30 CFR 206.254, 206.453, 210.201, and 218.201(b). The Form MMS-4430 format is essential to solid minerals reporting. It allows MMS to fulfill its mission to collect, verify, and distribute timely, mineral revenues generated from solid minerals located on Federal and Indian lands. Monthly submission coincides with industry's normal business practices.

Additionally, by delegation of the Secretary's trust responsibilities under Indian lease terms, MMS is responsible for assuring the proper valuation of production from Indian leases. Not collecting the information would limit the Secretary's ability to discharge fiduciary duties and may also result in loss of royalty payments to the Indian lessor.

The collection of facility data, contracts and contract amendments, and sales summaries from respondents is necessary for our CAM process. Through analysis of this information, MMS determines whether the products are being valued properly for royalty purposes. Particularly of interest are provisions for compensation that might be overlooked as a portion of gross proceeds. Without the ability to review this information, MMS would not be able to assure proper product valuation.

Financial Management Strategy

The MMS goal is to disburse 98 percent of mineral revenues to recipients by the end of the month following the month of receipt, as stipulated in regulations. This information collection allows MMS to perform financial and accounting activities timely to meet this goal. The government must pay interest on any late disbursements.

CAM Strategy

The MMS goal is to complete our compliance work, including audits, within 3 years from the date the royalty payment was due. This information collection allows MMS to carry out compliance activities timely to meet this goal.

The Solid Minerals and Geothermal CAM process is premised on a compliance team with property experts that have end-to-end compliance responsibility for specific leases. Property expertise relies on the premise of receiving relevant data in a timely manner. In other words, compliance issues cannot be resolved in contemporaneous fashion unless issues are identified early in the royalty cycle. Data supplied is principally market and contract data. Most valuation issues stem from the lessee's business activities with its customers.

Royalty valuation issues may include, but are not limited to, the sale of production to affiliated companies, improper deductions from proceeds received by the lessee, and compensation received by the lessee for a wide variety of reasons including, for example, breach of contract. The MMS must review the lessee's normal business arrangements and evaluate those arrangements as part of the Solid Minerals CAM process. The MMS uses sales contract and other market data to establish an expected basis for evaluation of the reasonableness of the reported royalty payment.

It is through this process of establishing expected payments versus actual payments and collecting the supporting reported data that the property experts target royalty exceptions for resolution. Hence, without the required data exchange, MMS cannot engage the company contemporaneously and, therefore, timely resolve issues within the 3-year compliance time period.

Companies have commented that benefits also accrue to them due to a shortened compliance time period. Businesses agreed that records necessary to resolve compliance issues identified in the near term are more easily recovered. Moreover, personnel associated with the business arrangement that is in the review are likely to still be in the employ of the company. Finally, if the issue were resolved in the Government's favor, less late-payment interest would be due from the company.

If the required data necessary to support the CAM process is not provided by companies, MMS would resort to available published data. Published data often represents the consensus of private surveys and other statistical data, some of which is conducted by other governmental agencies such as the U.S. Geological Survey or the Federal Energy Regulatory Commission. However, using these alternative sources of data would ultimately place an additional burden on companies for several reasons.

Primarily, any value reported for royalty purposes that differs from the published price survey would need to be researched, analyzed, and resolved. Resolution of pricing issues requires contracts and sales data, such as invoices. The likelihood of a variance occurring is great, since the published data is the average of many sales by many producers to many customers. Also, the lessee may be selling at less than the average price for any number of legitimate business reasons, such as increasing market share, or growing the market against other similar or substitutable products, such as substituting coal for gas. In addition, companies also price their production differently depending on customer purchases (volume discounts), most-favored nations pricing clauses, and so forth. These and many other diverse marketing practices cannot be reflected in published price surveys.

Moreover, MMS believes numerous spurious royalty exceptions would result from the use of published or publicly available data. Experience clearly shows that, by accessing the company's sales and contract data directly, less time is spent by both MMS and the company achieving the compressed royalty compliance time frame.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

(a) requiring respondents to report information to the agency more often than quarterly.

The 30 CFR Parts 206, 210, 216, and 218 and most leases require that the respondent submit monthly royalty and production reports.

(b) requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.

Not applicable in this collection.

(c) requiring respondents to submit more than an original and two copies of any document.

Not applicable in this collection.

(d) requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than 3 years.

Solid minerals leaseholders are required by 30 CFR 212.200 to maintain records for 6 years or for longer periods if notified in writing. When an audit or investigation is underway, records must be maintained until released by written notice.

(e) 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.

Not applicable in this collection.

(f) requiring the use of statistical data classification that has been reviewed and approved by OMB.

There are no special circumstances with respect to 5 CFR 1320.5(d)(2)(v) through (viii), as the collection is not a statistical survey and does not use statistical data classification.

(g) 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.

This collection does not include a pledge of confidentiality not supported by statute or regulation.

(h) requiring respondents to submit proprietary trade secrets 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.

Respondents will be required to provide confidential/proprietary information to us under the provisions of Form MMS-4430, the facility data, contract and subsequent amendments, and sales summaries. Standard agency procedures provide strict security measures to control the use, storage, and access to such information. Information is protected in accordance with standards identified in No. 10 below.

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 in response to the PRA statement associated with the collection over the past 3 years] 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. [Please list the names, titles, addresses, and phone numbers of persons contacted.] 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.

As required in 5 CFR 1320.8(d), MMS published a 60-day review and comment notice in the *Federal Register* on March 8, 2004 (69 FR 10746) (Attachment 5).

Further outreach to nine producers showed that none of the contacts had read and/or remembered the *Federal Register* notice on the extension of this ICR. We called the nine producers and faxed copies of the notice soliciting comments to eight of the nine producers (See the chart below). Two producers commented, and the remaining had no comments.

PRODUCERS (Mineral)	CONTACT NAME	RESPONSES
BNI Coal Ltd. (Coal) P.O. Box 897 Bismarck, ND 58502	Ryan Wrolstad 701-222-8828	Telephone call followed by fax. Commented on preference to satisfy as many reporting requirements as possible via electronic means. MMS response is below.
Falkirk Mining Co. (Coal) 2000 Schafer St., Suite D Bismarck, ND 58501-1204	Patty Wagner 701-258-2200	Telephone call. Comment: Their response indicated that their company has a “no comment” policy.
Garnowich Sand and Gravel (Sand and Gravel) 3450 So. Procyon Avenue Las Vegas, NV 89102	Scott Sebbo 702-876-2777	Telephone call followed by fax. No comments.
General Chem Corp. (Sodium) P.O. Box 551 Green River, WY 82935-0551	Ken Kramer 307-872-3439	Telephone call followed by fax. No comments.
IMC Potash (Potassium) 1361 Potash Mines Road Carlsbad, NM 88220	Terry Seal 505-887-2871, X228	Telephone call followed by fax. No comments.
Nu-West Industries (Phosphate) 3010 Condra Road	Brad Torgesen 208-547-4381, X378	Telephone call followed by fax. No comments.

PRODUCERS (Mineral)	CONTACT NAME	RESPONSES
Soda Springs, ID 83276-5300		
Pacificorp (Coal) 201 So. Main, Suite 2100 Salt Lake City, UT 84140	Jeff Potter 801-220-4071	Telephone call followed by fax. Commented on burden hour estimates. MMS response is below.
Pittsburg and Midway (Coal) 4601 DTC Blvd, Suite 658 Denver, CO 80237	Jolanta Barton 303-930-4192	Telephone call followed by fax. No comments.
Westridge Resources Inc. (Coal) P.O. Box 1077 Price, UT 84501	Alden Whitehead 435-637-5385	Telephone call followed by fax. No comments.

The two comments received are from two coal companies.

First Respondent Comment

The only comments we have about your "Annual Burden Hour Chart" is that we would prefer to satisfy as many reporting requirements as possible via electronic means. Whether this would be through email or over the internet, it would be much more efficient and cost-effective for both sides. However, with the items we have been able to report electronically, we have found your system to be quite cumbersome and confusing. It would be great if you could simplify that process as it was a very convoluted system to report the small amount of information we needed to when we were mining Federal coal.

MMS Response

We agree that electronic reporting is more efficient and cost effective. From our vantage point, electronic reporting has eased the burden we used to experience in handling hard copy documents. In the case of MMS Form-4430, Solid Minerals Production and Royalty Report, electronic reporting eliminates our need to perform document error correction. Regarding the comment that our systems are cumbersome and confusing, we have designed our information collection to meet the needs we have for all producers large and small. We designed the form to handle both simpler reporting situations and more complex situations. For those who require additional assistance, MMS provides training to reporters free of charge through annual training sessions such as those we recently offered in Denver, Salt Lake City, and Albuquerque. In addition, we provide individual instruction when requested.

Second Respondent Comment

- Valuation

The mines for which this company reports information to MMS involve a non-arm's-length transaction and an outside-sales valuation. The valuation calculation requires extensive preparation of mine, tax, and corporate data. Annual burden hours to gather and calculate this data would be approximately 60 hours per mine. Reporting to MMS via Form MMS-4430 would be 30 minutes monthly for 6 hours annual hours per mine.

- Washing & Transportation

Gathering and calculating data for these allowances is roughly 4 hours per month per mine for 48 annual hours per mine. Reporting to MMS via Form MMS-4430 is 15 minutes monthly for 3 annual hours.

- Reporting of Sales Summary and Facility Data

Preparing 2 hours monthly for 24 annual hours. Reporting 15 minutes monthly for 3 annual hours.

The above numbers do not reflect adjustments to previous reports which are on an on-going basis.

MMS Response

We agree. Burden hour estimates have been adjusted, as needed, to show the following:

- To complete and submit MMS Form-4430, the respondent's estimated time is 30 minutes per response;
- To report washing or transportation allowances on MMS Form-4430, the respondent's estimated time is 15 minutes per response; and
- To submit sales summaries, the respondent's estimated time is 15 minutes per response.

The MMS continues to meet with respondents, collectively and individually, to discuss requirements and implementation strategies.

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

We will not provide payment or gifts to respondents in this collection.

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

Commercial or financial information provided to MMS relative to minerals removed from Federal and Indian leases may be proprietary. Trade secrets and proprietary and other information are protected in accordance with standards established by the Federal Oil and Gas Royalty Management Act of 1982, as amended (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552 (b)(4)) and Department regulations (43 CFR 2). The Indian Minerals Development Act of 1982 (25 U.S.C. 2103) provides that all information related to any Indian minerals agreement covered by the Act in the possession of the Department shall be held as privileged proprietary information. Storage of proprietary information and access to it are controlled by strict security measures.

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.

The collection does not include sensitive or private questions.

12. Provide estimates of the hour burden of the collection of information. The statement should:

(a) 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.

There are approximately 114 respondents (Federal and Indian reporters) that are required to submit the information (see Attachment 6). We expect approximately 5,757 responses from these 114 reporters. We estimate the total annual burden is 1,747 reporting hours due to CAM's historical data and actual feedback from a coal customer. The burden estimates include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. There are no recordkeeping burden hours. Responses are generally monthly. Refer to the chart below for a breakout of the burden.

(b) If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.

The hour burden for Form MMS-4430 is provided in the burden chart below. There is only one form with this information collection.

(c) 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.

We estimate the total annual cost to respondents is \$87,350 (\$50 x 1,747 hours = \$87,350) based on a cost factor of \$50 per hour. There are no additional recordkeeping costs.

SECTION A.12 BURDEN BREAKDOWN

Citation 30 CFR	Reporting & Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
<i>Part 206, Subpart F—Federal Coal Valuation Standards</i>				
206.254	Quality and quantity measurement standards for reporting and paying royalties. * * * Coal quantity information shall be reported on appropriate forms required under 30 CFR part 216 and on the Solid Minerals Production and Royalty Report, Form MMS-4430, as required under 30 CFR part 210.	25 minutes	816 reports	340
206.257 (b)(1)	Valuation standards for ad valorem leases. (b)(1) * * * The lessee shall have the burden of demonstrating that its contract is arm’s-length. * * *	PRODUCE RECORDS The Office of Regulatory Affairs (ORA) determined that the audit process is not covered by the Paperwork Reduction Act of 1995 (PRA) because MMS staff asks non-standard questions to resolve exceptions.		0
206.257 (b)(3)	Valuation standards for ad valorem leases. (3) * * * When MMS determines that the value may be unreasonable, MMS will notify the lessee and give the lessee an opportunity to provide written information justifying the lessee’s reported coal value.	PRODUCE RECORDS The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		0

Citation 30 CFR	Reporting & Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
206.257 (b)(4)	Valuation standards for ad valorem leases. (4) The MMS may require a lessee to certify that its arm's-length contract provisions include all of the consideration to be paid by the buyer, either directly or indirectly, for the coal production.	PRODUCE RECORDS The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		0
206.257 (d)(2)	Valuation standards for ad valorem leases. (2) Any Federal lessee will make available upon request to the authorized MMS or State representatives, to the Inspector General of the Department of the Interior or other persons authorized to receive such information, arm's-length sales value and sales quantity data for like-quality coal sold, purchased, or otherwise obtained by the lessee from the area.	PRODUCE RECORDS The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		0
Part 206, Subpart F—Federal Coal Washing Allowances				
206.259 (a)(1)	Determination of washing allowances. (a) <i>Arm's-length contracts.</i> (1) * * * The lessee shall have the burden of demonstrating that its contract is arm's-length. * * *	PRODUCE RECORDS The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		0
206.259 (a)(1)	Determination of washing allowances. (a) <i>Arm's-length contracts.</i> (1) * * * the washing allowance shall be the reasonable actual costs incurred by the lessee for washing the coal * * *.	20 minutes	12 lines	4
206.259 (a)(3)	Determination of washing allowances. (a) <i>Arm's-length contracts.</i> * * * (3) * * * When MMS determines that the value of the washing may be unreasonable, MMS will notify the lessee and give the lessee an opportunity to provide written information justifying the lessee's washing costs.	PRODUCE RECORDS The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		0
206.259 (b)(1)	Determination of washing allowances. (b) <i>Non-arm's-length or no contract.</i> (1) * * * the washing allowance will be based upon the lessee's reasonable actual costs. * * *	45 minutes	48 lines	36
206.259 (c)(1)(i)	Determination of washing allowances. (c) <i>Reporting requirements—</i> (1) <i>Arm's-length contracts.</i> (i) The lessee must notify MMS of an allowance based on incurred costs by using a separate line entry on the Form MMS-4430.	Burden hours covered under § 210.201.		0

Citation 30 CFR	Reporting & Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
206.259 (c)(1)(ii)	Determination of washing allowances. (c) <i>Reporting requirements</i> —(1) <i>Arm’s-length contracts.</i> * * * (ii) The MMS may require that a lessee submit arm’s-length washing contracts and related documents. * * *	PRODUCE RECORDS The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		0
206.259 (c)(2)(i)	Determination of washing allowances. (c) <i>Reporting requirements</i> —* * * (2) <i>Non-arm’s-length or no contract.</i> (i) The lessee must notify MMS of an allowance based on the incurred costs by using a separate line entry on the Form MMS-4430.	Burden hours covered under § 210.201.		0
206.259 (c)(2) (iii)	Determination of washing allowances. (c) <i>Reporting requirements</i> — * * * (2) <i>Non-arm’s-length or no contract.</i> * * * (iii) Upon request by MMS, the lessee shall submit all data used to prepare the allowance deduction. * * *	PRODUCE RECORDS The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		0
206.259 (e)(2)	Determination of washing allowances. (e) <i>Adjustments.</i> * * * (2) The lessee must submit a corrected Form MMS-4430 to reflect actual costs, together with any payment, in accordance with instructions provided by MMS.	Burden hours covered under § 210.201.		0
Part 206, Subpart F—Federal Coal Transportation Allowances				
206.262 (a)(1)	Determination of transportation allowances. (a) <i>Arm’s-length contracts.</i> (1) * * * The lessee shall have the burden of demonstrating that its contract is arm’s-length.* * *	PRODUCE RECORDS The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		0
206.262 (a)(1)	Determination of transportation allowances. (a) <i>Arm’s-length contracts.</i> (1) * * * the transportation allowance shall be the reasonable actual costs incurred by the lessee for transporting the coal * * *.	20 minutes	240 lines	80
206.262 (a)(3)	Determination of transportation allowances. (a) <i>Arm’s-length contracts.</i> * * * (3) * * * When MMS determines that the value of the transportation may be unreasonable, MMS will notify the lessee and give the lessee an opportunity to provide written information justifying the lessee’s transportation costs.	PRODUCE RECORDS The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		0

Citation 30 CFR	Reporting & Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
206.262 (b)(1)	Determination of transportation allowances. (b) <i>Non-arm's-length or no contract.</i> —(1) * * * the transportation allowance will be based upon the lessee's reasonable actual costs. * * *	45 minutes	24 lines	18
206.262 (c)(1)(i)	Determination of transportation allowances. (c) <i>Reporting requirements</i> —(1) <i>Arm's-length contracts.</i> (i) The lessee must notify MMS of an allowance based on incurred costs by using a separate line entry on the Form MMS-4430.	Burden hours covered under § 210.201.		0
206.262 (c)(1)(ii)	Determination of transportation allowances. (c) <i>Reporting requirements</i> —(1) <i>Arm's-length contracts.</i> * * * (ii) The MMS may require that a lessee submit arm's-length transportation contracts, production agreements, operating agreements, and related documents. * * *	PRODUCE RECORDS The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		0
206.262 (c)(2)(i)	Determination of transportation allowances. (c) <i>Reporting requirements</i> —(2) <i>Non-arm's-length or no contract.</i> (i) The lessee must notify MMS of an allowance based on the incurred costs by using a separate line entry on Form MMS-4430.	Burden hours covered under § 210.201.		0
206.262 (c)(2) (iii)	Determination of transportation allowances. (c) <i>Reporting requirements</i> —(2) <i>Non-arm's-length or no contract.</i> * * * (iii) Upon request by MMS, the lessee shall submit all data used to prepare the allowance deduction. * * *	PRODUCE RECORDS The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		0
206.262 (e)(2)	Determination of transportation allowances. (e) <i>Adjustments.</i> * * * (2) The lessee must submit a corrected Form MMS-4430 to reflect actual costs, together with any payments, in accordance with instructions provided by MMS.	Burden hours covered under § 210.201.		0

Citation 30 CFR	Reporting & Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
Part 206, Subpart J—Indian Coal Valuation Standards				
206.453	Quality and quantity measurement standards for reporting and paying royalties. * * * Coal quantity information shall be reported on appropriate forms required under 30 CFR part 216 and on the Solid Minerals Production and Royalty Report, Form MMS-4430, as required under 30 CFR part 210.	25 minutes	48 reports	20
206.456 (b)(1)	Valuation standards for ad valorem leases. (b)(1) * * * The lessee shall have the burden of demonstrating that its contract is arm's-length. * * *	PRODUCE RECORDS The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		0
206.456 (b)(3)	Valuation standards for ad valorem leases. (b)(3) * * * When MMS determines that the value may be unreasonable, MMS will notify the lessee and give the lessee an opportunity to provide written information justifying the lessee's reported coal value.	PRODUCE RECORDS The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		0
206.456 (b)(4)	Valuation standards for ad valorem leases. (b)(4) MMS may require a lessee to certify that its arm's-length contract provisions include all of the consideration to be paid by the buyer, either directly or indirectly, for the coal production.	PRODUCE RECORDS The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		0
206.456 (d)(2)	Valuation standards for ad valorem leases. (d)(2) An Indian lessee will make available upon request to the authorized MMS or Indian representatives, or to the Inspector General of the Department of the Interior or other persons authorized to receive such information, arm's-length sales and sales quantity data for like-quality coal sold, purchased, or otherwise obtained by the lessee from the area.	PRODUCE RECORDS The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		0

Citation 30 CFR	Reporting & Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
Part 206, Subpart J—Indian Coal Washing Allowances				
206.458 (a)(1)	Determination of washing allowances. (a) <i>Arm's-length contracts.</i> (1) * * * the washing allowance shall be the reasonable actual costs incurred by the lessee for washing the coal * * *. However, before any deduction may be taken, the lessee must submit a completed page one of Form MMS-4292, Coal Washing Allowance Report, in accordance with paragraph (c)(1) of this section. A washing allowance may be claimed retroactively for a period of not more than 3 months prior to the first day of the month that Form MMS-4292 is filed with MMS, unless MMS approves a longer period upon a showing of good cause by the lessee.	Burden covered by OMB Control Number 1010-0074.		0
206.458 (a)(3)	Determination of washing allowances. (a) <i>Arm's-length contracts.</i> * * * (3) * * * When MMS determines that the value of the washing may be unreasonable, MMS will notify the lessee and give the lessee an opportunity to provide written information justifying the lessee's washing costs.	PRODUCE RECORDS	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.	0
206.458 (b)(1)	Determination of washing allowances. (b) <i>Non-arm's-length or no contract.</i> (1) * * * the washing allowance will be based upon the lessee's reasonable actual costs. * * * However, before any estimated or actual deduction may be taken, the lessee must submit a completed Form MMS-4292 in accordance with paragraph (c)(2) of this section. A washing allowance may be claimed retroactively for a period of not more than 3 months prior to the first day of the month that Form MMS-4292 is filed with MMS, unless MMS approves a longer period upon a showing of good cause by the lessee. * * *	Burden covered by OMB Control Number 1010-0074.		0
206.458 (c)(1)(i)	Determination of washing allowances. (c) <i>Reporting requirements.</i> (1) <i>Arm's-length contracts.</i> (i) With the exception of those washing allowances specified in paragraphs (c)(1)(v) and (c)(1)(vi) of this section, the lessee shall submit page one of the initial Form MMS-4292 prior to, or at the same time, as the washing allowance determined pursuant to an arm's-length contract is reported on Form MMS-4430, Solid Minerals Production and Royalty Report. * * *	Burden covered by OMB Control Number 1010-0074.		0

Citation 30 CFR	Reporting & Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
206.458 (c)(1)(iii)	Determination of washing allowances. (c) <i>Reporting requirements.</i> (1) <i>Arm's-length contracts.</i> * * * (iii) After the initial reporting period and for succeeding reporting periods, lessees must submit page one of Form MMS-4292 within 3 months after the end of the calendar year, or after the applicable contract or rate terminates or is modified or amended, whichever is earlier, unless MMS approves a longer period (during which period the lessee shall continue to use the allowance from the previous reporting period).	Burden covered by OMB Control Number 1010-0074.		0
206.458 (c)(1)(iv)	Determination of washing allowances. (c) <i>Reporting requirements.</i> (1) <i>Arm's-length contracts.</i> * * * (iv) MMS may require that a lessee submit arm's-length washing contracts and related documents * * *.	PRODUCE RECORDS	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.	0
206.458 (c)(2)(i)	Determination of washing allowances. (c) <i>Reporting requirements.</i> * * * (2) <i>Non-arm's-length or no contract.</i> (i) With the exception of those washing allowances specified in paragraphs (c)(2)(v) and (c)(2)(vii) of this section, the lessee shall submit an initial Form MMS-4292 prior to, or at the same time as, the washing allowance determined pursuant to a non-arm's-length contract or no contract situation is reported on Form MMS-4430, Solid Minerals Production and Royalty Report * * *.	Burden covered by OMB Control Number 1010-0074.		0
206.458 (c)(2)(iii)	Determination of washing allowances. (c) <i>Reporting requirements.</i> * * * (2) <i>Non-arm's-length or no contract.</i> * * * (iii) For calendar-year reporting periods succeeding the initial reporting period, the lessee shall submit a completed Form MMS-4292 containing the actual costs for the previous reporting period. If coal washing is continuing, the lessee shall include on Form MMS-4292 its estimated costs for the next calendar year. * * * Form MMS-4292 must be received by MMS within 3 months after the end of the previous reporting period, unless MMS approves a longer period (during which period the lessee shall continue to use the allowance from the previous reporting period).	Burden covered by OMB Control Number 1010-0074.		0
206.458 (c)(2)(vi)	Determination of washing allowances. (c) <i>Reporting requirements.</i> * * * (2) <i>Non-arm's-length or no contract.</i> * * * (vi) Upon request by MMS, the lessee shall submit all data used by the lessee to prepare its Forms MMS-4292 * * *.	PRODUCE RECORDS	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.	0

Citation 30 CFR	Reporting & Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
206.458 (c)(4)	Determination of washing allowances. (c) <i>Reporting requirements.</i> * * * (4) Washing allowances must be reported as a separate line on the Form MMS-4430, unless MMS approves a different reporting procedure.	Burden hours covered under § 210.201.		0
206.458 (e)(2)	Determination of washing allowances. (e) <i>Adjustments.</i> * * * (2) The lessee must submit a corrected Form MMS-4430 to reflect actual costs, together with any payment, in accordance with instructions provided by MMS.	Burden hours covered under § 210.201.		0
Part 206, Subpart J—Indian Coal Transportation Allowances				
206.461 (a)(1)	Determination of transportation allowances. (a) <i>Arm's-length contracts.</i> (1) * * * the transportation allowance shall be the reasonable, actual costs incurred by the lessee for transporting the coal * * *. However, before any deduction may be taken, the lessee must submit a completed page one of Form MMS-4293, Coal Transportation Allowance Report, in accordance with paragraph (c)(1) of this section. A transportation allowance may be claimed retroactively for a period of not more than 3 months prior to the first day of the month that Form MMS-4293 is filed with MMS, unless MMS approves a longer period upon a showing of good cause by the lessee.	Burden covered by OMB Control Number 1010-0074.		0
206.461 (a)(3)	Determination of transportation allowances. (a) <i>Arm's-length contracts.</i> * * * (3) * * * When MMS determines that the value of the transportation may be unreasonable, MMS will notify the lessee and give the lessee an opportunity to provide written information justifying the lessee's transportation costs.	PRODUCE RECORDS	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.	0
206.461 (b)(1)	Determination of transportation allowances. (b) <i>Non-arm's-length or no contract.</i> (1) * * * the transportation allowance will be based upon the lessee's reasonable actual costs * * *. However, before any estimated or actual deduction may be taken, the lessee must submit a completed Form MMS-4293 in accordance with paragraph (c)(2) of this section. A transportation allowance may be claimed retroactively for a period of not more than 3 months prior to the first day of the month that Form MMS-4293 is filed with MMS, unless MMS approves a longer period upon a showing of good cause by the lessee * * *.	Burden covered by OMB Control Number 1010-0074.		0

Citation 30 CFR	Reporting & Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
206.461 (c)(1)(i)	Determination of transportation allowances. (c) <i>Reporting requirements.</i> (1) <i>Arm's-length contracts.</i> (i) With the exception of those transportation allowances specified in paragraphs (c)(1)(v) and (c)(1)(vi) of this section, the lessee shall submit page one of the initial Form MMS-4293 prior to, or at the same time as, the transportation allowance determined pursuant to an arm's-length contract is reported on Form MMS-4430, Solid Minerals Production and Royalty Report.	Burden covered by OMB Control Number 1010-0074.		0
206.461 (c)(1)(iii)	Determination of transportation allowances. (c) <i>Reporting requirements.</i> (1) <i>Arm's-length contracts.</i> * * * (iii) After the initial reporting period and for succeeding reporting periods, lessees must submit page one of Form MMS-4293 within 3 months after the end of the calendar year, or after the applicable contract or rate terminates or is modified or amended, whichever is earlier, unless MMS approves a longer period (during which period the lessee shall continue to use the allowance from the previous reporting period). Lessees may request special reporting procedures in unique allowance reporting situations, such as those related to spot sales.	Burden covered by OMB Control Number 1010-0074.		0
206.461 (c)(1)(iv)	Determination of transportation allowances. (c) <i>Reporting requirements.</i> (1) <i>Arm's-length contracts.</i> * * * (iv) MMS may require that a lessee submit arm's-length transportation contracts, production agreements, operating agreements, and related documents. * * *	PRODUCE RECORDS The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		0
206.461 (c)(2)(i)	Determination of transportation allowances. (c) <i>Reporting requirements.</i> * * * (2) <i>Non-arm's-length or no contract.</i> (i) With the exception of those transportation allowances specified in paragraphs (c)(2)(v) and (c)(2)(vii) of this section, the lessee shall submit an initial Form MMS-4293 prior to, or at the same time as, the transportation allowance determined pursuant to a non-arm's-length contract or no contract situation is reported on Form MMS-4430, Solid Minerals Production and Royalty Report * * *.	Burden covered by OMB Control Number 1010-0074.		0

Citation 30 CFR	Reporting & Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
206.461 (c)(2)(iii)	Determination of transportation allowances. (c) <i>Reporting requirements.</i> * * * (2) <i>Non-arm's-length or no contract.</i> * * * (iii) For calendar-year reporting periods succeeding the initial reporting period, the lessee shall submit a completed Form MMS-4293 containing the actual costs for the previous reporting period. * * * Form MMS-4293 must be received by MMS within 3 months after the end of the previous reporting period, unless MMS approves a longer period (during which period the lessee shall continue to use the allowance from the previous reporting period).	Burden covered by OMB Control Number 1010-0074.		0
206.461 (c)(2)(vi)	Determination of transportation allowances. (c) <i>Reporting requirements.</i> * * * (2) <i>Non-arm's-length or no contract.</i> * * * (vi) Upon request by MMS, the lessee shall submit all data used to prepare its Form MMS-4293 * * *.	PRODUCE RECORDS	The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.	0
206.461 (c)(4)	Determination of transportation allowances. (c) <i>Reporting requirements.</i> * * * (4) Transportation allowances must be reported as a separate line item on Form MMS-4430, unless MMS approves a different reporting procedure.	Burden hours covered under § 210.201.		0
206.461 (e)(2)	Determination of transportation allowances. (e) <i>Adjustments.</i> * * * (2) The lessee must submit a corrected Form MMS-4430 to reflect actual costs, together with any payment, in accordance with instructions provided by MMS.	Burden hours covered under § 210.201.		0
Part 210, Subpart B—Oil, Gas, and OCS Sulfur—General				
210.52 (a)	Report of sales and royalty remittance. (a) You must submit a completed Form MMS-2014 (Report of Sales and Royalty Remittance) to MMS with: * * *.	Burden covered by OMB Control Number 1010-0140.		0

Citation 30 CFR	Reporting & Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
Part 210, Subpart E—Solid Minerals, General				
210.201	How do I submit Form MMS-4430, Solid Minerals Production and Royalty Report? (a) <i>What to submit.</i> (1) You must submit a completed Form MMS-4430 for-- * * *. (Burden hours for citations, 206.259(c)(1)(i), 206.259(c)(2)(i), 206.259(e)(2), 206.262(c)(1)(i), 206.262(c)(2)(i), 206.262(e)(2), 206.458(c)(4), 206.458(e)(2), 206.461(c)(4), and 206.461(e)(2), are included in this citation's burden hours due to the submission process.)	30 minutes	1,668 reports	834
210.202	How do I submit sales summaries? (a) <i>What to submit.</i> (1) You must submit sales summaries for all coal and other solid minerals produced from Federal and Indian leases and for any remote storage site from which you sell Federal or Indian solid minerals * * *.	15 minutes	1,140 sales summaries	285
210.203	How do I submit sales contracts? (a) <i>What to submit.</i> You must submit sales contracts, agreements, and contract amendments for the sale of all coal and other solid minerals produced from Federal and Indian leases with ad valorem royalty terms * * *.	1 hour	30 sales contracts	30
210.204	How do I submit facility data? (a) <i>What to submit.</i> (1) You must submit facility data if you operate a wash plant, refining, ore concentration, or other processing facility for any coal, sodium, potassium, metals, or other solid minerals produced from Federal or Indian leases with ad valorem royalty terms * * *.	15 minutes	360 facility data submissions	90
210.205	Will I need to submit additional documents or evidence to MMS? (a) Federal and Indian lease terms allow us to request detailed statements, documents, or other evidence necessary to verify compliance * * *. (b) We will request this additional information as we need it * * *.	PRODUCE RECORDS The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		0
Part 210, Subpart H—Geothermal Resources				
210.351	Required recordkeeping. * * * [Geothermal] Records may be maintained on microfilm, microfiche, or other recorded media that are easily reproducible and readable. * * *	MAINTAIN RECORDS Burden covered under OMB 1010-0140.		0
210.352	Payor information forms. [geothermal] The Payor Information Form (Form MMS-4025) must be filed for each Federal lease on which geothermal royalties (including byproduct royalties) are paid. * * *	This form is no longer used by MMS.		0
210.353	Special forms and reports. [geothermal] The MMS may require submission of additional information on special forms or reports. * * *	1 hour	1 submission	1

Citation 30 CFR	Reporting & Recordkeeping Requirement	Hour Burden	Average No. Annual Responses	Annual Burden Hours
210.354	Monthly report of sales and royalty. A completed Report of Sales and Royalty Remittance (Form MMS-2014) must be submitted each month once sales or utilization of [geothermal] production occur, * * *.	Burden covered by OMB Control Number 1010-0140.		0
Part 218, Subpart B—Oil and Gas, General				
218.52 (a) and (c)	How does a lessee designate a Designee? (a) If you are a lessee under 30 U.S.C. 1701(7), and you want to designate a person to make all or part of the payments due under a lease on your behalf under 30 U.S.C. 1712(a), you must notify MMS or the applicable delegated State in writing of such designation * * *. (c) If you want to terminate a designation you made under paragraph (a) of this section, you must provide to MMS in writing before the termination * * *.	Burden covered by OMB Control Number 1010-0107.		0
218.57 (a)(2)	Providing information and claiming rewards. (a) <i>General.</i> * * * (2) If a person has any information he or she believes would be valuable to MMS, that person (“informant”) should submit the information in writing, in the form of a letter * * *.	30 minutes	1 submission	0.5
218.57 (b)(3)(i)	Providing information and claiming rewards. (b) <i>Claim for reward.</i> * * * (3) To file a claim for reward the informant must: (i) Notify the Director, MMS * * * that he/she is claiming a reward.	30 minutes	1 submission	0.5
Part 218, Subpart E—Solid Minerals—General				
218.201 (b)	Method of payment. You must tender all payments * * *, except as follows: * * * (b) For Form MMS-4430 payments, include both your customer identification and your customer document identification numbers on your payment document * * *.	20 seconds	1,368 payments	8
TOTAL BURDEN			5,757	1,747

13. Provide an estimate of the total annual [non-hour] 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).

(a) The cost estimate should be split into two components: (1) a total capital and start-up cost component (annualized over its expected useful life) and (2) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information [including filing fees paid]. 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.

(b) If cost estimates are expected to vary widely, agencies should present ranges of cost burden 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.

(c) 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.

We have identified no paperwork cost burdens for this collection of information.

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. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

We estimate the Federal government will spend 4,532 hours. Based on \$50 per hour, the annualized cost to the Federal Government is \$226,600. Refer to the chart below for the cost breakdown.

The Solid Minerals and Geothermal CAM team of MMS employs 19 full-time employees. They collect, analyze, and resolve compliance issues using end-to-end processes, which eliminates hand-offs that would otherwise occur between functionally-aligned units. Under the end-to-end CAM process, the Solid Minerals and Geothermal CAM team members perform reporting and compliance work in a fully integrated process. Therefore, the MMS starts the compliance process with collecting and analyzing reported data. A clear distinction between these individual elements of an integrated workflow is unknown.

Section A.14 Annualized Cost to the Federal Government

30 CFR Section	Reporting or Recordkeeping Requirement	MMS Processing Time/ Request	Annual Number of Requests	Total MMS Processing Time	Cost to Federal Government
<i>Part 206, Subpart F—Federal Coal Valuation Standards</i>					
206.254	Quality and quantity measurement standards for reporting and paying royalties. * * * Coal quantity information shall be reported on appropriate forms required under 30 CFR part 216 and on the Solid Minerals Production and Royalty Report, Form MMS-4430, as required under 30 CFR part 210.	50 minutes	816 reports	680 hours	\$34,000
<i>Part 206, Subpart F—Federal Coal Washing Allowances</i>					
206.259 (a)(1)	Determination of washing allowances. (a) <i>Arm’s-length contracts.</i> (1) * * * the washing allowance shall be the reasonable actual costs incurred by the lessee for washing the coal * * *.	50 minutes	12 lines	10 hours	\$500
206.259 (b)(1)	Determination of washing allowances. (b) <i>Non-arm’s-length or no contract.</i> (1) * * * the washing allowance will be based upon the lessee’s reasonable actual costs. * * *	50 minutes	48 lines	40 hours	\$2,000
206.259 (c)(1)(i)	Determination of washing allowances. (c) <i>Reporting requirements—(1) Arm’s-length contracts.</i> (i) The lessee must notify MMS of an allowance based on incurred costs by using a separate line entry on the Form MMS-4430.	Burden hours covered under § 210.201.			0
206.259 (c)(2)(i)	Determination of washing allowances. (c) <i>Reporting requirements—(2) Non-arm’s-length or no contract.</i> (i) The lessee must notify MMS of an allowance based on the incurred costs by using a separate line entry on the Form MMS-4430.	Burden hours covered under § 210.201.			0

30 CFR Section	Reporting or Recordkeeping Requirement	MMS Processing Time/ Request	Annual Number of Requests	Total MMS Processing Time	Cost to Federal Government
206.259 (e)(2)	Determination of washing allowances. (e) <i>Adjustments.</i> * * * (2) The lessee must submit a corrected Form MMS-4430 to reflect actual costs, together with any payment, in accordance with instructions provided by MMS.	Burden hours covered under § 210.201.			0
Part 206, Subpart F—Federal Coal Transportation Allowances					
206.262 (a)(1)	Determination of transportation allowances. (a) <i>Arm’s-length contracts.</i> (1) * * * the transportation allowance shall be the reasonable actual costs incurred by the lessee for transporting the coal * * *.	50 minutes	240 lines	200 hours	\$10,000
206.262 (b)(1)	Determination of transportation allowances. (b) <i>Non-arm’s-length or no contract—</i> (1) * * * the transportation allowance will be based upon the lessee’s reasonable actual costs. * * *	50 minutes	24 lines	20 hours	\$1,000
206.262 (c)(1)(i)	Determination of transportation allowances. (c) <i>Reporting requirements—</i> (1) <i>Arm’s-length contracts.</i> (i) The lessee must notify MMS of an allowance based on incurred costs by using a separate line entry on the Form MMS-4430.	Burden hours covered under § 210.201.			0
206.262 (c)(2)(i)	Determination of transportation allowances. c) <i>Reporting requirements—</i> (2) <i>Non-arm’s-length or no contract.</i> (i) The lessee must notify MMS of an allowance based on the incurred costs by using a separate line entry on Form MMS-4430.	Burden hours covered under § 210.201.			0
206.262 (e)(2)	Determination of transportation allowances. (e) <i>Adjustments.</i> * * * (2) The lessee must submit a corrected Form MMS-4430 to reflect actual costs, together with any payments, in accordance with instructions provided by MMS.	Burden hours covered under § 210.201.			0

30 CFR Section	Reporting or Recordkeeping Requirement	MMS Processing Time/ Request	Annual Number of Requests	Total MMS Processing Time	Cost to Federal Government
Part 206, Subpart J—Indian Coal Valuation Standards					
206.453	Quality and quantity measurement standards for reporting and paying royalties. * * * Coal quantity information shall be reported on appropriate forms required under 30 CFR part 216 and on the Solid Minerals Production and Royalty Report, Form MMS-4430, as required under 30 CFR part 210.	50 minutes	48 reports	40 hours	\$2,000
Part 206, Subpart J—Indian Coal Washing Allowances					
206.458 (c)(4)	Determination of washing allowances. (c) <i>Reporting requirements.</i> * * * (4) Washing allowances must be reported as a separate line on the Form MMS-4430, unless MMS approves a different reporting procedure.	Burden hours covered under § 210.201.			0
206.458 (e)(2)	Determination of washing allowances. (e) <i>Adjustments.</i> * * * (2) The lessee must submit a corrected Form MMS-4430 to reflect actual costs, together with any payment, in accordance with instructions provided by MMS.	Burden hours covered under § 210.201.			0
Part 206, Subpart J—Indian Coal Transportation Allowances					
206.461 (c)(4)	Determination of transportation allowances. (c) <i>Reporting requirements.</i> * * * (4) Transportation allowances must be reported as a separate line item on Form MMS-4430, unless MMS approves a different reporting procedure.	Burden hours covered under § 210.201.			0

30 CFR Section	Reporting or Recordkeeping Requirement	MMS Processing Time/ Request	Annual Number of Requests	Total MMS Processing Time	Cost to Federal Government
206.461 (e)(2)	Determination of transportation allowances. (e) <i>Adjustments.</i> * * * (2) The lessee must submit a corrected Form MMS-4430 to reflect actual costs, together with any payment, in accordance with instructions provided by MMS.	Burden hours covered under § 210.201.			0
Part 210, Subpart E—Solid Minerals, General					
210.201	How do I submit Form MMS-4430, Solid Minerals Production and Royalty Report? (a) <i>What to submit.</i> (1) You must submit a completed Form MMS-4430 for— * * * (Burden hours for citations, 206.259(c)(1)(i), 206.259(c)(2)(i), 206.259(e)(2), 206.262(c)(1)(i), 206.262(c)(2)(i), 206.262(e)(2), 206.458(c)(4), 206.458(e)(2), 206.461(c)(4), and 206.461(e)(2), are included in this citation’s burden hours due to the submission process.)	1 hour	1,668 reports	1,668 hours	\$83,400
210.202	How do I submit sales summaries? (a) <i>What to submit.</i> (1) You must submit sales summaries for all coal and other solid minerals produced from Federal and Indian leases * * *.	30 minutes	1,140 sales summaries	570 hours	\$28,500
210.203	How do I submit sales contracts? (a) <i>What to submit.</i> You must submit sales contracts, agreements, and contract amendments for the sale of all coal and other solid minerals produced from Federal and Indian leases with ad valorem royalty terms.	8 hours	30 sales contracts	240 hours	\$12,000

30 CFR Section	Reporting or Recordkeeping Requirement	MMS Processing Time/ Request	Annual Number of Requests	Total MMS Processing Time	Cost to Federal Government
210.204	How do I submit facility data? (a) <i>What to submit.</i> (1) You must submit facility data if you operate a wash plant, refining, ore concentration, or other processing facility for any coal, sodium potassium, metals, or other solid minerals produced from Federal or Indian leases with ad valorem royalty terms, regardless of whether the facility is located on or off the lease.	2 hours	360 facility data submissions	720 hours	\$36,000
Part 210, Subpart H—Geothermal Resources					
210.353	Special forms and reports. [geothermal] The MMS may require submission of additional information on special forms or reports. * * *	1 hour	1 submission	1 hour	\$50
Part 218, Subpart B—Oil and Gas, General					
218.57 (a)(2)	Providing information and claiming rewards. (a) <i>General.</i> * * * (2) If a person has any information he or she believes would be valuable to MMS, that person (“informant”) should submit the information in writing, in the form of a letter * * *.	30 minutes	1 submission	0.5 hour	\$25
218.57 (b)(3)(i)	Providing information and claiming rewards. (b) <i>Claim for reward.</i> * * * (3) To file a claim for reward the informant must: (i) Notify the Director, MMS, * * * that he/she is claiming a reward.	30 minutes	1 submission	0.5 hour	\$25
Part 218, Subpart E—Solid Minerals--General					
218.201 (b)	Method of payment. You must tender all payments * * *, except as follows: * * * (b) For Form MMS-4430 payments, include both your customer identification and your customer document identification numbers on your payment document * * *.	15 minutes	1,368 payments	342 hours	\$17,100
Totals				4,532 hours	\$226,600

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I?

The current OMB inventory is 1,452 hours. The new total burden hours are 1,747. The total burden hour increase is 295 hours reflecting recalculation of burden hours, recognition of burden hours now exempt by ORA, and burden hours not included in the previous total. Specific changes are identified as follow:

- Adjustments
 - Adjustment increase of 34 burden hours to account for 30 CFR 210.201 due to current customer feedback and historical information;
 - Adjustment decrease of 75 burden hours to account for 30 CFR 210.202 due to current customer feedback and historical information;
 - Adjustment decrease of 150 burden hours to account for 30 CFR 210.203 due to current customer feedback and historical information;
 - Adjustment decrease of 20 burden hours to account for a reduction for 30 CFR 210.205 because the citation has been determined as an exempt compliance process by ORA since the last renewal; and
 - Adjustment increase of 6 burden hours to account for an increase for 30 CFR 218.201(b) due to recalculation.

- Program Change
 - Program Change increase of 498 burden hours for 30 CFR 206 citations for previously overlooked reporting requirements;
 - Program Change increase of 1 burden hour for 30 CFR 210.353 to account for a possible submission; and
 - Program Change increase of 1 burden hour for 30 CFR 218.57(a)(2) and (b)(3)(i) to account for a possible submission.

In summary, there is a net adjustment decrease of 205 hours, and a program change increase of 500 hours for an overall burden hour increase of 295.

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.

The MMS publishes annually the aggregated production and royalty data, for the benefit of the public, industry, States and Indians, and other interested parties. No sensitive, confidential, or proprietary data are released. Publication of aggregated data continues.

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.*

MMS will display the OMB approval expiration date on Form MMS-4430.

18. *Explain each exception to the certification statement identified in Item 19, “Certification for Paperwork Reduction Act Submissions,” of OMB Form 83-I.*

To the extent that the topics apply to this collection of information, we are not making any exceptions to the “Certification for Paperwork Reduction Act Submissions.”

B. Collection of Information Employing Statistical Methods

This section is not applicable. We will not employ statistical methods in this information collection.