

Supporting Statement
Application for Foreign Trade Zone Admission and Status Designation
1651-0029

A. Justification

1. Foreign trade zones are geographical enclaves located within the geographical limits of the United States but considered for tariff purposes to be outside the United States. Authority for establishing zones is vested in the Foreign Trade Zones Board under the Foreign Trade Zones Act of 1934, as amended (19 U.S.C. 81).

Imported and domestic merchandise of every description, unless prohibited by law, may be brought into zones for storage, manipulation, manufacture or other processing and subsequent removal for exportation, consumption in the United States or destruction. A business firm bringing goods to a zone has a choice of zone status (privileged/nonprivileged foreign, domestic, or zone-restricted) which affects the way such goods are treated for Bureau of Customs and Border Protection (CBP) and tariff purposes upon removal to CBP Territory. The firm's choice of status is usually made according to its own assessment of tariff benefit to be gained by it, but it must be approved by CBP except to the extent that it may not be approved by law. This request pertains to the following regulatory sections: 19 CFR 146.22, 146.32, 146.41, 146.44, 146.52, 146.53, and 146.66.

The Form CBP-214, 214A, 214B, and 214C, Application for Foreign-Trade Zone Admission and/or Status Designation, are used by business firms which bring merchandise into a foreign trade zone, to register the admission of such merchandise to zones and to apply for the appropriate zone status.

The Form CBP-216, Foreign-Trade Zone Activity Permit, is used by business firms to request approval to manipulate, manufacture, exhibit or destroy merchandise in a foreign trade zone.

2. The data provided on CBP- 214, 214A, 214B, and 214C, are used by foreign-trade zone grantees and operators and by CBP to determine whether the goods are eligible to be admitted to the zone, to supply information required by the grantee or operator to make an annual report to the Foreign-Trade Zones Board, and to enable the grantee, operator and CBP to take appropriate action in regard to the applicants' choice of zone status. The statistical data is used by the Census Bureau to obtain data on merchandise movements into and out of zones.

The data provided on CBP-216 are used by CBP to identify goods to be manufactured or manipulated so as to assure an adequate accounting and control of all goods leaving the zone, and by foreign-trade zone grantees and operators to assure that the Foreign-Trade Zone Regulations are faithfully observed. Failure to collect this information would render CBP incapable of determining the eligibility of the merchandise for admission, its status when admitted and ultimately the correct classification and valuation for tariff purposes and what administrative controls apply.

3. The information in this collection will be eventually collected electronically utilizing the Automated Commercial Environment (ACE), which is under development. Its implementation of electronic submission is scheduled for 2011.
4. This information is not collected elsewhere and, therefore, is not duplicated.
5. No specific consideration has been given to small businesses or entities.
6. Since this collection is made when a grantee or operator desires to make a transaction, CBP needs this information to determine zone status. If this information is not collected, it could result in a loss of revenue and possible national security breach.
7. This information collection is conducted in a manner consistent with the guidelines in 5 CFR 1320.6.
8. Public comments were solicited through two Federal Register notices dated, August 17, 2006 and October 19, 2006. As of this submission, one public comment was received which supported the renewal of these forms.
9. There is no offer of a monetary or material value for this information collection.
10. In accordance with agency policy, this information is kept in a secure location with access limited to CBP officers who have an official "need to know."
11. There are no questions of a personal and sensitive nature.
12. Estimated Annualized Burden on The Public is 79,500 hours, based on the following:
 - CF 214 - 7,500 respondents, who average 40 responses each for a total of 300,000 responses. Each response requires an estimated .25 hours (15 minutes) for a total of 75,000 hours; and

- CF 216_- there are an estimated 2,500 respondents who average an estimated 10 responses each for a total of 25,000 responses. Each response requires an estimated .1667 hours (10 minutes) for a total of 4,500 hours.

Estimated Annualized Cost on the Public. The estimated cost to the respondents is \$2,000,000.00, based on 79,500 burden hours at an hourly rate of \$25.00 per hour.

13. Estimated Record Keeping Burden on the Public. There is no record keeping burden requirement for this collection..

Estimated Capitalization Cost Burden on the Public. There is no capitalization cost associated with this collection.

14. The Estimated cost to the Federal Government for processing, analyzing and printing for this information collection is \$95,850. This is based on an estimated 3,195 hours expended at an hourly rate of \$30.00.
15. There are no changes to this collection of information.
16. This information collection will not be published for statistical purposes.
17. We will put the expiration date on the form when we receive a Notice of Action from OMB with the new date.
18. CBP does not request an exception to the certification of this information collection.

B. No statistical methods were employed.