

**Supporting Statement
Cost Submission
1651-0028**

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.**

Customs and Border Protection (CBP) has a responsibility of examining records of the importing public for the purpose of determining compliance with CBP laws and regulations. Computed value is used for related companies that have no transaction value or importers who have assembly operations performed abroad. Among the activities subject to review are claims under various conditionally duty free tariff provisions such as those governing importations of fabricated United States components assembled or processed abroad. This collection complies with the laws and regulations governing importations under subheadings 9801.00.10, 9802.00.40, 9802.00.50, 9802.00.60 and 9802.00.80 of the Harmonized Tariff Schedule of the United States (HTSUS) 19 USC 1401a. and 19 U.S.C. 1509, 19 CFR 10.11-10.24, 19 CFR 141.88 and 19 CFR 152.106.

- 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.**

CBP uses the Form CBP-247 to support the efforts of both import specialists and regulatory auditors. The import specialist is responsible for the correct classification and value of the imported merchandise which determines whether the merchandise is dutiable and the amount of the duty. The auditor verifies the information contained in the Form CBP-247. This information is obtained from the importer by either the import specialist or by a regulatory auditor. The cost submission may be transmitted to the Office of Regulatory Audit, after cursory review by the import specialist, as a basis for audit. If not previously obtained, the cost submission is usually requested by Regulatory Audit at the initiation of the audit when it is explained in detail to the importer. The information provided on the CBP-247 is used to substantiate actual costs that are necessary to establish the appraised value. The CBP Service is obligated to appraise imported merchandise under 19 U.S.C. 1401a.

- 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.**

Automation of this information collection is planned for 2011 as part of CBP's Automated Commercial Environment (ACE).

- 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.**

This information is not duplicated in any other place or any other form.

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

This information collection does not have a significant impact on a substantial number of small businesses.

- 6. Describe consequences 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.**

If the information were not collected, verification of compliance with CBP value laws could not be completed, thereby placing an additional burden on the importer during the time of audit.

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

This information is collected in a manner consistent with the guidelines of 5 CFR 1320.6.

- 8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

Public comments were solicited through a Federal Register notices dated October 18, 2007 (Volume 72, Page 59104) and January 16, 2008 (Volume 73, Page 2929). As of this submission, no comments have been received.

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

There is no offer of a monetary or material value for this information collection.

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

No special assurance of confidentiality is provided with this information collection.

- 11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

There are no questions of a sensitive nature associated with this collection.

- 12. Provide estimates of the hour burden of the collection of information.**

The estimated burden for this information collection is 50,000 hours. This is based on 1,000 respondents who average an estimated 50 hours to complete the CBP-247.

The cost to the respondents is estimated to be \$1,089,000.00, based on an estimated 50,000 hours burden at an hourly rate of \$21.78.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.

There is no recordkeeping burden associated with this collection. Also, there are no capitalization or start-up costs associated with 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

The estimated cost to the Federal Government associated with performing the reviews, processing the CF 247 and administrative expenses is \$1,350,104. This is based upon 48,218 burden hours at an average hourly rate of \$28.00.

15. Explain the reasons for any program changes or adjustments reported in Items 12 or 13 of this Statement.

There are no changes or adjustments to this information collection.

16. For collection of information whose results will be published, outline plans for tabulation, and publication.

This information collection will not be published.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

This form displays the expiration date.

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

There are no exceptions to the certification statements identified in Item 19 on the 83-i.

B. Collection of Information Employing Statistical Methods

No statistical methods were employed.