

Supporting Statement
CBP Regulations Pertaining to Customhouse Brokers
1651-0034

A. Justification

1. The information contained in Part 111 of the CBP Regulations (19 CFR 111) governs the licensing and conduct of customs brokers. Brokers are required to provide certain reports to CBP. For example, 19 CFR 111.30(d)(1) provides that each broker file a written status report with CBP every three years on February 1, along with the fee prescribed in Part 111.09(d). In addition, the procedures to apply for a license (19 CFR 111.12) and to take the brokers examination (19 CFR 111.13) require information collections on CBP Forms 3124 and 3124E. There is also a permit application procedure (19 CFR 111.19) that requires the brokers to submit information to CBP, plus 19 USC 1641.
2. The information collections identified in 19 CFR Part 111 are used by CBP to monitor Customhouse brokers in order to ensure compliance with CBP laws and regulations, and to substantiate proper supervision and control. It also ensures that open lines of communications are maintained with all brokers.
3. The Broker Management Branch is working with the ACE (Automated Commercial Environment) Development Team to automate this feature by 2012.
4. The information contained in this notice is not duplicated elsewhere.
5. No additional consideration has been given to small businesses or entities.
6. Without the information contained in 19 CFR Part 111 CBP would not be able to monitor Customhouse brokers in order to ensure compliance with CBP laws and regulations, and would not be able to substantiate proper supervision and control.
7. This information collection is conducted in a manner consistent with the guidelines in 5 CFR 1320.5(c)(2).
8. Public comments were solicited through a Federal Register notice published on October 18, 2007 (Volume 72, Page 59104) and on January 16, 2008 (Volume 73, Page 2929). As of this submission no comments have been received.
9. There is no offer of a monetary or material value for this information collection.
10. Confidentiality of the information requested is assured under the Privacy Act. Moreover, agency policy forbids the relinquishing of information secured under this regulation.

11. There are no questions of a personal or sensitive nature.

12. Estimated Reporting Burden on the Public - The total estimated number of burden hours for this collection is 5, 017 hours. These estimated hours were calculated as follows: an average 2300 annual applicants for the Customs Brokers License Examination (annually), 300 Customs Broker License applications (annually), 500 National Permit applications (annually) - all requiring one hour each. In addition, 11,500 respondents must file a Triennial Status Reports requiring one-half hour each, every three years (11,500 Triennial Report x .5 hours= 5,750 hours every 3 years 5,750 hours ÷ 3 years= 1,917 hours annually).

Table A.12: Estimated Annualized Burden Hours

Type of Respondent	Form Number	No. of Respondents	No. of Responses per Respondent	Avg. Burden per Response (in hours)	Total Annual Burden (in hours)
Customs Brokers License Examination	CBP Form 3124E	2300	1	1	2300
Application for Brokers License	CBP Form 3124	300	1	1	300
National Permit Applicants	N/A	500	1	1	500
Triennial Report	N/A	3833	1	.50	1916.5
Total		6933			5016.5 or 5017

13. Estimated Record Keeping Burden on the Public. There is no recordkeeping burden associated with this information collection.

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

There are fees associated with this information collection. The cost to the respondents is **\$961,800** based on the following:

\$200 - Customs Brokers License Examination fee (2300 x \$200 = **\$460,000**),

\$20 – Customs Broker fee (300 x \$20 = **\$6000**)

\$225 - National Permit fee (500 x \$225 = **\$112,500**)

\$100 – Triennial Status Report (11,500 /3 = 3,833 x \$100 = **\$383,300**).

Therefore, the public cost for this information collection is 460,000 + 6,000 + 112,500 + 383,300 = **\$961,800**.

14. Estimated Cost to the Federal Government.

Customs Brokers License Examination Development – Seven GS-13s (7 x \$33.19/hr x 80 hours) = 18,586; and three GS-14s (3 x \$39.23/hr. x 80 hours) = 9,414. Plus \$157,000 (contract with vendor through OPM) = **\$182,000 (15,586 + 9,414 + 157,000)**.

Customs Broker License application processing – one GS-13 (\$33.19 x (3) three hours per application x 300 applicants) = \$29,871; and one GS-14 @ (\$39.23 x (1) one hour per application x 300 applicants) = \$11,769. Combined totals = **\$41,640** (**29,871 + 11,769**).

National Permit fee and application processing - one GS-13 (\$33.19 x (2) two hours per application x 500 respondents) = \$33,190; and one GS-14 @ (\$39.23 x (1) one hour per application x 500 respondents) = \$19,615. Combined totals = **\$52,805** (**33,190 + 19,615**).

Triennial Status Report – two GS-13s (\$66.38 x (2) two hours each per report x 3833 respondents = \$508,869) plus one GS-14 (\$39.23 x (1) one hour per report x 3833 respondents = \$150,368) = **\$659,237**.

The total cost to the Government is estimated at **\$935,682**.

15. There was a slight decrease in costs to the public (\$1,080,200 in 2004 to \$961,800 in 2008) because the fee for the Triennial Status Report was miscalculated in CBP's 2004 submission.
 16. This information collection will not be published for statistical purposes.
 17. CBP has displayed the expiration date on these forms.
 18. There are no exceptions to the certification statements identified in Item 19 on the 83-i.
- B. No statistical methods were employed.