

**SUPPORTING STATEMENT FOR
PAPERWORK REDUCTION ACT SUBMISSION
OMB # 1405-0104**

DS-1504

A. JUSTIFICATION

1. Exemption from customs duties is a privilege enjoyed by foreign diplomatic missions, consular offices, and designated international organizations (collectively referred to as “foreign missions”) regarding shipments of merchandise for the foreign missions and foreign mission personnel on assignment in the United States. The provisions of the Vienna Conventions on Diplomatic and Consular Relations and various bilateral agreements protect these privileges. Under the Foreign Missions Act of 1982 (as amended), 22 U.S.C. 4301 *et seq.*, the Department of State’s Office of Foreign Missions (OFM) is given the authority to grant privileges and benefits, based on reciprocity. The application form provides OFM with the necessary information to provide and administer the benefit effectively and efficiently.
2. The collected information is used by OFM in determining the eligibility of merchandise for exemption from duties otherwise imposed by the Bureau of Customs and Border Protection (CBP) on imported goods. In some cases, the reciprocal relationship between the United States and other nations requires that some type of duty or restriction on importation be imposed. The information on this form provides OFM the basis upon which to determine, in cooperation with CBP, the proper handling of diplomatic shipments.
3. OFM utilizes improved information technology to internally process requests for duty-free customs clearance. Upon receipt of a properly submitted DS-1504, OFM staff enters the data into the Office of Foreign Missions Information System (TOMIS) to track requests and produce processing volume metrics at monthly, quarterly and annual intervals. Currently, foreign missions can access the DS-1504 form on the OFM website in Portable Document Format (PDF), which provides a data-input and print feature for clean and legible paper copies. Internal to the Department, the DS-1504 is accessible via the e-Forms application for intradepartmental sharing. OFM is working on an electronic option that will allow for end-to-end electronic processing of this form. OFM is in the first phase of development of an electronic DS-1504 that will allow streamlined data entry from a dynamic form. Input in the electronic form will directly populate the TOMIS system and fully comply with the Government Paperwork Elimination Act. The e-1504 project requires cooperation from the Bureau of Customs and Border Patrol and is in its initial stages at the time of this submission.
4. Form DS-1504 is submitted by foreign missions to request customs clearance for imports of supplies, personal and household effects, automobiles, and purchases from bonded warehouses by entitled foreign missions or their personnel. In all cases, foreign missions may only apply for duty-free entry privileges by using this information collection form. Each application represents a separate transaction and any duplicated information is

limited to that which is necessary to identify the foreign mission and consignee, both to verify eligibility and for auditing purposes.

5. The collection of information involves no small businesses or other small entities.
6. The collection could not be conducted less frequently since it is necessary for the provision of a benefit obtained from OFM under the Foreign Missions Act. The information included in the DS-1504 must be collected each time a foreign mission wishes to request a bonded warehouse purchase or to import duty-free, anything other than office supplies, printed matter or certain items of token value that are representative of the country's culture.
7. The quantity of the information gathered on the Form DS-1504 varies somewhat according to the commodity being imported. The frequency of collection depends on the number of duty-free import requests submitted by a foreign mission. Form DS-1504 consists of an original with five copies. It is distributed as follows: the original is sent to the International Affairs Division of the Bureau of Customs and Border Protection, Department of Homeland Security; the first copy is validated and returned to the foreign mission; the second copy is sent to the Customs Unit at the Port of Entry; the third copy is retained by U.S. Customs' central files; the fourth copy is OFM's file copy, and the final copy is retained by the foreign mission when the document is submitted to OFM.
8. A Notice of Information Collection was published in the Federal Register on November 7, 2007 soliciting comments on the collection of information prior to submission to OMB. No comments were received from the public during the 60-day comment period.

The Department's efforts to consult with persons outside the agency constitute a continuing dialogue with U.S. Customs and Border Protection, focusing on improvements in methods for processing. As the next generation of electronic DS-1504 submission develops over the next three years, OFM will consult with CBP and the foreign missions community to make the process as user-friendly and seamless as possible.
9. No payment or gift has been or will be provided to any respondent.
10. No assurance of confidentiality is mandated or provided. Office policy is that the information is disclosed only on a need-to-know basis. The Office of Foreign Missions provides verbal assurance to foreign missions that information will be stored in accordance with safeguards for Sensitive But Unclassified documents, and will be withheld from disclosure to the maximum extent permissible under the Freedom of Information Act since foreign diplomatic and consular personnel do not fall under jurisdiction of Privacy Act of 1947 that allows release of such information.
11. This item is not applicable. The Department of State does not solicit any information regarding questions of a sensitive nature or matters commonly considered private.
12. The estimates of the hour burden of the collection of information are as follows:
 - a. Number of respondents: The United States maintains bilateral and multilateral diplomatic relations with approximately 350 foreign missions. We estimate that the form will take 30 minutes to complete.

- b. The frequency of response is on occasion. The reporting burden varies according to the size of the foreign mission and the frequency of rotation of foreign mission personnel.
 - c. The total number of DS-1504 forms submitted during the 2006 calendar year was approximately 7,800.
13. There are no payments or fees collected that are associated with this information collection.
 14. The annualized cost to the Federal Government for collection of the information is the cost of printing the six-part form plus labor costs associated with form distribution, processing and reportage. The annual printing costs approximated by Multimedia Services at the Department of State amounts to \$1500.00. All OFM staff members involved in any aspect of the Customs Duty-Free Program were surveyed in order to determine the hours allocated, the average hourly pay rate, and all other related labor costs. Figures for 2006 labor costs comprise the total salary of two staff, including benefits, which is approximately \$122,000. The greatest fluctuations in cost for the foreseeable future depend on two variables. The first is the increase or decrease in the volume of submissions from foreign missions. This will require adjustments in the number of forms printed and the amount of time OFM staff dedicates to the processing of the form. The second is the cost of developing e-Government solutions for the DS-1504 collection, which are undetermined at present. The total cost to the Federal Government is estimated to be \$123,500.
 15. It is estimated that there will be a decrease in the total number of responses from the currently held 13,200 to 7,800. Due to the change in burden time of the form from 15 minutes to 30 minutes, there will be a program change in total burden hours from 3,300 hours to 3,900 hours.
 16. No plans exist to publish the information collected for statistical purposes.
 17. The OMB expiration date will be displayed.
 18. Not applicable.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not employ statistical methods.