

Supporting Statement
Record of Vessel Foreign Repair or Equipment
1651-0027

Justification:

1. 19 U.S.C. 1466(a) assesses a 50 percent ad valorem duty upon a vessel master or owner for any repairs, purchases or expenses incurred in a foreign country by a commercial vessel registered in the United States. Section 4.14(b) of the Bureau of Customs and Border Protection (CBP) Regulations requires the master of a vessel, who upon first arrival of the vessel in the United States to declare on Form CBP-226 all equipment, parts or materials purchased outside the United States so that appropriate duties may be imposed. Duties are collected on equipment, vessel repairs, parts or materials. These declarations are required under Sections 4.7 and 4.14, of the CBP Regulations (19 CFR 4.7 and 4.14) and by 19 U.S.C. 66 and 1466.
2. Form CBP-226 is used by the master or owner of a vessel to declare and file entry on equipment, repairs, parts or materials purchased for the vessel in a foreign country. This information enables CBP to assess duties on these foreign repairs, parts or materials. Failure to present the document upon first arrival in the United States not only would cause a revenue loss to the Federal Government but, if discovered, will result in penalties assessed against the master or owner of the vessel.
3. At the present time there is no means by which this information can be collected using the technological collection techniques currently in place. CBP is in the process of developing a new technology that would have the capability of collecting the information on the Form-226. This automation will be part of CBP's Automated Commercial Environment (ACE) and is planned for 2011.
4. Since the information is unique, this information is not duplicated elsewhere. It is not available in any other place or any other form.
5. There are a few small businesses that own vessels subject to this law. However, the majority of companies submitting this information are not considered small businesses. The same information must be submitted by all masters or owners, regardless of size.
6. If this information were collected less frequently, CBP would not be adhering to the revenue laws of the United States.
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 two Federal Register notice published on January 23, 2008 (Volume 73, Page 3982) and on March 25, 2008 (Volume 73, Page 15766). 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. There are no assurances of confidentiality because the information collected on this form is not confidential.
11. There are no questions of a personal or sensitive nature on this information collection.
12. Estimated Annualized Burden on the Public. The estimated annual burden associated with this collection is 1,500 hours. This is based on 200 respondents averaging 10 responses each for a total of 2,000 responses. It is estimated that each response requires 45 minutes (.75 hours) to complete.

Estimated Annualized Cost to the Public. The estimated annual costs associated with this collection is \$33,000.00. This is based on an estimated 1,500 burden hours at a cost of \$22.00 per hour.
13. Estimated Record keeping Burden on the Public. There is no record keeping requirements associated with this information collection.

Estimated Capitalization Cost Burden on the Public. There are no capitalization cost associated with this information collection.
14. Estimated Cost to the Federal Government. The estimated cost to the Government associated with collecting, analyzing and processing information collected on CBP Form 266 is \$191,400. This is based upon an estimated 6000 hours expended at an average hourly rate of \$31.90.
15. There are no changes to this information collection.
16. This information collection will not be published for statistical purposes.

17. CBP does not request an exception for displaying the expiration date of this form
 18. CBP does not request an exception to the certification of this information collection, except that we seek the approval to not display the expiration date on the form as stated above. See attached Item 19 of Form OMB 83-I.
- B. No statistical methods were employed.