

**Supporting Statement
for the
Shipper's Export Declaration (SED) Program**

A. JUSTIFICATION

1. Need for the Information Collection

On September 28, 1998, the Office of Management and Budget (OMB) designated the U.S. Army Corps of Engineers (Corps) as the "central collection agency" for the U.S. Foreign Waterborne Transportation Statistics program effective October 1, 1998. The U.S. Bureau of the Census (Census) was previously responsible for this program. This decision followed a review of the U.S. Foreign Waterborne Transportation Statistics program at the director of OMB. Based on the expertise of the transportation agencies involved it was determined that the program responsibility should be transferred to the Corps with operational support from the Maritime Administration (MARAD). The Corps would collect and publish the data pursuant to its authority under the 1922 River and Harbor Act (33 U.S.C. 555) by which it has historically collected and published waterborne commerce statistics.

Shipper's Export Declaration (SED) for outbound in-transit shipments were collected on Census Form 7513 (OMB number 0607-0001). The Form 7513 was approved by OMB in a consolidated supporting statement including the other SEDs (Forms 7525-V and 7525-V-Alternate (Intermodal) for the period FY98 through FY 00. The Form 7513 under the Corps ownership was approved by OMB for the period FY01 through FY03 (OMB number 0710-0013).

The transfer of the U.S. Foreign Waterborne Transportation Statistics program from Census to the Corps also transfers the responsibility for the Form 7513 to the Corps because shipments moving through the U.S. do not affect the trade balance but do affect transportation.

2. Use of the Information

The Corps uses the data from the program to satisfy its mission. The Corps is responsible for the operation and maintenance of the nation's waterway system to ensure efficient and safe passage of commercial and recreational vessels. The support and management of economically sound navigation projects are dependent upon reliable navigation data as mandated by the River and Harbor Appropriations Act of September 22, 1922 (42 Stat. 1043) as amended and codified in 33 U.S.C. 555. The data collected on this form provide baseline, essential waterborne transportation information necessary for the Corps to perform its mission.

As central collection agency for foreign waterborne transportation statistics, the Corps is responsible for meeting the needs of other federal agencies who require these data. The Maritime Administration, the U.S. Coast Guard, the Bureau of Transportation Statistics, the Environmental Protection Agency, and the Bureau of Economic Analysis also require these data.

3. Use of Information Technology

The Census Bureau utilizes automated techniques to replace the collection of export information using paper SEDs. The census Bureau operated an automated SED reporting program; the Automated Export Reporting Program (AERP) until December 31, 1999, which included the outbound in-transits (SED Form 7513). The AERP program has been replaced by another program, the Automated Export System (AES). AES does not include an outbound in-transit module. To allow the AERP automated reporting to continue, the in-transit data, as provided under the old program, may be sent electronically directly to the Corps.

Full automation efforts for Form 7513 have now been transferred to the U.S. Customs' modernization program, the Automated Commercial Environment (ACE)/International Trade Data System (ITDS), scheduled to be operational by FY 2008. "The goal of the ITDS Program is to implement an integrated, government-wide system for the electronic collection, use, and dissemination of international trade and transportation transaction data that federal agencies need to perform their missions." The Form 7513 data is currently under review for inclusion within the Export system or captured within the Multi-Modal Manifest portion.

The AERP program for in-transits had about 20 exporters or freight forwarders submitting approximately 500 responses monthly or approximately 4 percent of the responses for which outbound in-transit information is required for the 1999 calendar year.

The AERP significantly reduces response burden for the participating respondents. The Census Bureau estimated response time drops from slightly over 11 minutes for those preparing paper SED forms to approximately 3 minutes for those utilizing the automated reporting programs.

4. Non-duplication

There is no duplication of outbound in-transit information as provided on the SED Form 7513. ACE/ITDS, when fully implemented including the in-transit data, should not only provide a decrease in response burden attributable to automation, i.e., common repetitious information can be entered automatically, but also common information required by different agencies can be entered only once. For example, shipment value currently required on different agency forms need only be entered once in ACE/ITDS. We expect that as Industry, Customs and other Federal agencies work together to automate current requirements, even more duplication in requirements will be identified and eliminated.

5. Burden on Small Business

Automated outbound in-transit reporting in lieu of filing individual paper SEDs for each transaction had been approved by the Census Bureau and Customs and was allowed under the old AERP system until its termination on December 31, 1999. Electronic reporting of these data will be continued by allowing the AERP reporters to send their outbound in-transit data directly to the Corps. This continues the reduced reporting burden for those formerly in the AERP system. Outbound in-transits can also be reported in the Automated Manifest System (AMS) whenever the outbound vessel and port are known at the time of filing in the AMS.

In additions, SEDs are not required for shipments where the value of any particular commodity does not exceed \$2500, further reducing the reporting burden.

As ACE/ITDS becomes the central point through which export shipment data required by multiple agencies can be filed electronically, the efficiencies of centralized electronic data will become apparent resulting in reduced burden and increased facilitation of the movement of U.S. exports.

Since ACE/ITDS will collect information electronically, we expect the information will be more accurate. ACE/ITDS will collect and verify the SED information as well as transportation data and provides statistics to appropriate agencies—all in one system. Errors are corrected up front and paper copies of the SED are no longer necessary.

6. Less Frequent Collection

Less frequent collection of transportation data form the SED form 7513 would force the Corps to consider re-instituting separate reporting requirements and possibly the compiling of our own statistics.

Where Customs requires that a manifest be filed, all required SEDs must accompany that manifest (19 CFR, Customs Regulations). Separating collection of the SED or its electronic equivalent from the actual export movement would eliminate the use of the SED as an export control document for use by Customs.

In our view, reducing the frequency of reporting would serve no useful purpose since there would still be a requirement for the reporting of some information with the individual export transaction. In fact it would probably increase burden by requiring a completely separate data flow from the other SEDs.

7. Paperwork Reduction Act Guidelines

The collection is conducted in a manner consistent with OMB guidelines except that:

Response more frequently than quarterly is necessary to obtain current data for the use of the SED as an export control document by Customs.

Written response in fewer than 30 days after receipt is required, that is, exporters must present the SED to the exporting carrier prior to exportation. where Customs requires that a manifest be filed, all required SEDs must accompany that manifest (19 CFR, Customs Regulations).

8. Consultation and Public Comments

The 60-day Federal Register notice was published on December 28, 2007 (72 FR 73786). No comments were received.

The Corps is a Participating Government Agency under the ACE/ITDS modernization efforts. The Corps is working closely with Industry and Customs to incorporate the Form 7513

data within ACE/ITDS. Meetings with the Export and Multi-Modal Manifest committees have provided a forum for meeting the needs of Industry and the Corps.

The U.S. Army Corps of Engineers (Corps) and the U.S. Maritime Administration (MARAD) held a Foreign Waterborne Transportation Statistics Program (FWTSP) Public Users Requirements Workshop on March 4, 1999. The Corps and MARAD also held a FWTSP Federal Users Requirements Workshop on February 5, 1999. These workshops reconfirmed the federal and non-federal need for these data, and gave the participants the opportunity to express their concerns and offer their suggestions regarding the outbound in-transit data collections and use.

9. Gifts or Payment

The U.S. Army Corps of Engineers does not pay respondents to provide SED information.

10. Confidentiality

The SEDs are exempt from public disclosure by statute [Section 301(g), Chapter 9, Title 13, U.S.C.] and Exemptions (b)(3) and (b)(4) of the Freedom of Information Act [Title 5, U.S.C., Section 552(b)(3) and (b)(4)]. Public Law 96-275 amended Section 301 by adding Paragraph (g) to provide that "Shipper's Export Declarations (or any successor document), wherever located, shall be exempt from public disclosure unless the Secretary determines that such exemption would be contrary to the national interest." Department Organization Order 35-2A, Section 3.01a, delegated the authority to make the national interest determination to the Director, Census Bureau.

The filing of complete and accurate SEDs is mandatory under Chapter 9, Title 13, U.S.C. In addition, the preparer of the SED signs the statement on the document certifying that the information is true and correct and that the penalty provisions for violations of the U.S. laws (referenced on the SEDs) relating to exportation are understood.

Statements included in the instructions for filing the SED and the literature describing the AERP program advise shippers that response is mandatory and that the Corps keeps such information confidential under Chapter 9, Title 13, U.S.C., Section 301(g).

11. Sensitive Questions

The SEDs do not contain any questions of a sensitive nature.

12. Respondent Burden, and its Labor Costs

Respondent Burden

The following table shows the total annual responses for calendar year 2002, time required to collect information and complete the Shipper's Export Declaration forms. The hours per response also include time required for recordkeeping.

| | Annual Responses | x Hours per Response | = Total Hours |
|--------------------------------------|------------------|----------------------|---------------|
| SED Form 7513 | 93,400 | 0.1861 | 17,381 |
| AERP in-transits only (Automated) | 3,786 | 0.05 | 189 |

The estimate of approximately 11 minutes (.1861 hrs.) per document completion time for the SED form 7513 is based on historical records from Census.

The estimate of approximately 3 minutes (.05 hrs.) per electronic SED submission is based on an examination of an electronic submission as compared with preparation of paper SEDs by Census. They estimate that approximately one quarter to one third of the information reported on paper SEDs is repetitious and can be automatically inserted on electronic submissions. An example of such repetitious information is the name, address, and EIN of the exporter. In addition, many automated respondents extract preexisting information from their electronic databases eliminating the repeated lookup of information necessary for paper submissions. Finally, handling of paper SED forms and their storage is eliminated.

Respondent Cost

| | Burden Hours | Cost |
|-------------------------------------|----------------------|-----------|
| SED Form 7513 | 17,381 @ \$10 / hour | \$173,810 |
| AERP in-transit only (Automated) | 189 @ \$15 / hour | \$ 2,835 |

The estimate of \$10 / hour is roughly based on the wages of the clerks in exporter's or freight forwarder's offices who prepare the SEDs. The higher estimate of \$15 / hour is based on the higher wages of employees in the IT areas of the exporter or freight forwarders office who prepare the automated submissions.

The Corps, through the "Instructions To Fill Out Shipper's Export Declarations for I-transit Goods, Form 7513," informs preparers of the estimated time per response for preparing the SED forms. The automated reporters participating in the AERP receive copies of the "Instructions To Fill Out Shipper's Export Declarations for I-transit Goods, Form 7513."

13. Respondent Costs Other Than Burden Hour Costs

We do not expect paper SED respondents to incur any costs other than that of their time to respond. The information requested is of the type and scope normally carried in company records and no special hardware or accounting software or system is necessary to provide answers to this information collection.

Automated respondents under ACE/ITDS will be required only three extra fields for outbound reporting, which is a minimal additional burden.

14. Cost to the Federal Government

Customs bears the primary federal cost of collecting these data. Because the collection of outbound data is an integrated program, detailed costs are not available for each individual SED.

The export statistics program is estimated to cost over \$8,000,000. The number of SEDs received by Customs varies from reporting period to reporting period (monthly) depending upon international economic activity. Processing of the hard copy forms 7513 has historically cost approximately \$200,000 per year.

15. Reasons for Change in Burden

Last submission:

Burden decreasing as SED reporting decreases resulting from the decreased outbound in-transit volume. The burden for electronic forms of submission, not previously broken out the in-transits, is included as an adjustment.

| | Old | New | Difference |
|--------------------------------------|--------|--------|------------|
| SED Form 7513 | 29,424 | 17,381 | -12,043 |
| AERP in-transits only (Automated) | 313 | 189 | - 124 |

This submission is an extension and there is not a change in the burden.

16. Publication of Results

The Corps processes outbound data reported on Form 7513 for publication showing outbound vessel shipments of in-transit merchandise and publications showing U.S. waterborne exports, including in-transit shipments. These data are collected on a monthly basis and published from 60 to 90 days after the end of the month covered.

Customs is responsible for the initial collection of the SED at the port of export and its subsequent transmission to the Corps at the Waterborne Commerce Statistics center in New Orleans, LA. The collection and compilation of monthly export data is conducted on a transactional basis rather than as a statistically designed sample.

17. Non-Display of OMB Expiration Date

We do not wish to display an expiration date on the SED Form 7513. The SED forms have not changed since 1989 and we don't expect change during the proposed three year authorization period. Private printers and forms suppliers are allowed to print the SED. Changing the expiration data would needlessly force reprinting of the form.

18. Exceptions to "Certification for Paperwork Reduction Submission"

There are no exceptions.

19. SIC Codes Affected

Not Applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

1. Universe and Respondent Selection. The potential respondent universe is unknown since the universe is comprised of exporters filing SEDs on a one-time basis, regularly, and all

variations in between for commodities valued over \$2500 per Schedule B number. Census estimates that approximately 13,000 firms are engaged in in-transit shipping.

The response rate for filing SEDs approaches 100 percent since exporting carriers must submit SEDs to Customs before clearance or permission to depart is granted.

2. Procedures for Collecting Information. The Census Bureau requires SEDs to be filed for virtually all shipments valued over \$2500. The Corps compiles 7513 data for all Customs Districts.

3. Methods to Maximize Response. The filing of SEDs is mandatory under Sections 301-307, chapter 9, Title 13, U.S.C. In order to maintain a high level of quality in customs statistical operations, the census Bureau reviews operations in the various ports and provides training sessions for the Customs staff involved, including a member of the Customs staff from each region, the latter designated as statistical coordinator. The census Bureau, with the cooperation of customs, periodically conducts port audits to determine the extent of non-filing of SEDs.

4. Testing of Procedures. The Census Bureau conducts seminars on an ongoing basis in cities all over the United States to instruct the public in filing out the SED properly. These seminars provide a means of obtaining the public's views on statistical regulations governing exports.

5. Contacts for Statistical Aspects and Data Collection. The Foreign Trade Division of the Census Bureau is responsible for primary statistical design and regulations governing the statistical information required by the SED. Specifically, the following persons serve as contacts:

Overall responsibility for the Foreign Waterborne Transportation Statistics Program:

David L. Penick
Director, Waterborne Commerce Statistics Center
U.S. Army Corps of Engineers
(504) 862-1404

Overall responsibility for the Foreign Trade Statistics Program:

C. Harvey Monk, Jr.
Chief, Foreign Trade Division
(301) 457-2255