

**Supporting Statement
Drawback (19 CFR 191)
CBP Forms 7551, 7552 and 7553
1651-0075**

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.**

The collection of information related to the Drawback Process is required to implement provisions of the Customs Modernization Act of 1995 and the recently amended drawback regulations that include provisions for drawback penalties. Under the drawback laws, claimants can file for a refund of duties using CBP Form 7551, if the imported merchandise was manufactured and exported from the U.S. The Delivery Certificate for Purposes of Drawback (CBP Form 7552) is required by 19 CFR 191.10 and 191.24 to record a transfer from a company other than the importer of record. This Certificate is also used each time a change to the imported merchandise occurs as a result of a manufacturing operation, and is a necessary part of the drawback claim when the claim is based on such a transfer. The notice of exportation (CBP Form 7553) is required by 19 CFR 191.71, which requires the claimant to file a Notice of Intent to Export, Destroy, or Return Merchandise for Purposes of Drawback. It is also required by 19 CFR 191.51(a), which states a claim is complete if it has several documents, to include a Notice of Intent Export. Proof of exportation is required for a claimant to receive drawback. In order to save time, money, filing space, and paperwork for the claimant, CBP authorized the export summary procedure whereby the dates of exportation for various shipments are listed in order and consolidated and filed with CBP at one time. Supporting export documentation must be maintained by the claimant to establish that exportation occurred. The administrative authority to collect the information is pursuant to 19 U.S.C. 1313(l). This is an optional procedure to satisfy the proof of exportation pursuant to 19 CFR Part 191.73

- 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.**

The information is to be used by CBP officers to expedite the filing and processing of drawback claims, while maintaining necessary enforcement information to maintain effective administrative oversight over the drawback program. It also

serves to verify the transfer(s) of imported merchandise from the importer of record to the exporter of the imported; and to provide an audit trail for imported merchandise that is subjected to a manufacturing process(es); and to determine if an examination or verification is warranted. Discrepant exam findings will also be noted on the Notice of Intent, which would preclude a claimant from filing an improper claim for duty drawback. This information will improve the process in which information is received regarding exportation, destruction or return of merchandise; resulting in the claimants receiving their drawback refunds faster. The claimant must prove exportation before benefit of drawback will be allowed. The chronological summary saves time and money for CBP and claimants alike and there is an efficient use of paper and clerical time involved. CBP is able to quickly verify dates of exportation, since the oldest date is listed first, to see that claims filed under 19 U.S.C. 1313 are timely.

- 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.**

Drawback claimants have the option of submitting their claims electronically to CBP. Electronic filings are submitted to CBP on a disk. Most claimants make electronic submissions as opposed to submitting their claims in hard copy. Approximately 75 percent of claims are submitted electronically.

- 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.

Failure to collect this information would result in the participating companies unable to file for a refund that they are entitled to.

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 two Federal Register notices published on March 25, 2008 (Volume 73, Page 15764) and on June 27, 2008 (Volume 36545-36546). Three comments were received.

Two letters were received from the American Association of Exporters and Importers (AAEI) and one from Comstock & Theakston, Inc. The co-chair of the AAEI Drawback and Duty Deferral Committee and the President of Comstock & Theakston, Inc. were contacted on separate occasions by CBP's Trade Policy and Programs Office via email and/or telephone to discuss their comments. These parties had similar comments; therefore, responses to their suggested changes to CBP Form 7551 – Drawback Entry, CBP Form 7552 – Delivery Certificate for Purposes of Drawback, and CBP Form 7553 – Notice of Intent to Export, Destroy or Return Merchandise for Purposes of Drawback, will be address as a whole. In general, all of their suggestions were considered and the majority of the changes were incorporated into all three drawback form revisions.

With respect to the CBP Form 7551, Drawback Entry, CBP will: 1) add a box to capture Harbor Maintenance Tax (HMT) amount claimed; 2) eliminate the "ESP" (Export Summary Procedure) box; 3) change the title of the current "Drawback Section" box to "Drawback Statutory Provision"; and 4) clarify purported confusing phrase in a declaratory statement on page two from "disposed of" to "exported or destroyed."

With regard to the CBP Form 7552, Delivery Certificate for Purposes of Drawback, CBP will: 1) correct the legal citation on page two to read, "19 U.S.C. 1313(j)(2)" and 2) add two check boxes in "Exhibits" section for Harbor Maintenance Tax and Other Taxes/Fees.

With respect to the CBP Form 7553, Notice of Intent to Export, Destroy or Return Merchandise for Drawback Purposes (NOI), CBP will: 1) separate "Method of Destruction/Location" into two boxes that will be, "Method of Destruction" and "Location of Destruction"; 2) add citation, 26 U.S.C. 5062(c) to "Distilled Spirits, Wine or Beer under" check box within "Drawback to be filed as" box; 3) change instructions for "Drawback Entry No." to indicate this field is not mandatory, but is necessary to expedite processing of associated drawback claim. Both parties stated that location of merchandise prior to exportation or destruction is irrelevant. CBP disagrees with this position and contends there is an operational need to identify where the goods for export are actually located. Commenters also stated that there should be no need to indicate the import entry number, drawback amount being claimed, and "drawback to be filed as" (type of drawback that NOI will be used for) because these elements may not be known at the time of exportation. CBP maintains that these fields of information should be provided to the best of the exporter's ability, given the information it has available at the time of exportation. Providing this information demonstrates a level of reasonable care exercised on the part of the form preparer. Also, CBP uses this information to fulfill its trade compliance goals.

All related form instructions will be updated to reflect aforementioned changes.

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.**

FORM NUMBER/TITLE	TOTAL ANNUAL BURDEN HOURS	NO. OF RESPONDENTS	NO. OF RESPONSES PER RESPONDENT	TOTAL RESPONSES	TIME PER RESPONSE
7551 Drawback Entry	70,000	6000	20	120,000	35 minutes (.583 hours)
7552 Delivery Certificate for Drawback	22,000	2000	20	40,000	33 minutes (.55 hours)
7553 Notice of Intent to Export/Destroy Merchandise	1,650	150	20	3,000	33 minutes (.55 hours)
TOTAL	93,650	8,150		163,000	

Public Cost

The estimated cost to the respondents is \$1,873,000. This is based on the estimated burden hours (93,650) multiplied (x) hourly rate (\$20.00).

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

There are no capital or start-up costs associated with this information collection.

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 information.

The estimated cost to the Federal Government associated with this collection is \$1,750,000. This is based on the estimated hours expended (50,000) multiplied (x) hourly rate (\$35.00).

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

The burden hours were increased due to revisions to Form 3551 that were suggested by the public.

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, explain the reasons that displaying the expiration date would be inappropriate

CBP does not seek approval to not display the expiration date.

18. "Certification for Paperwork Reduction Act Submissions."

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.

