

SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSIONS  
UNDER 5 CFR PART 1320  
Information Collection: 2133-0013

Introduction: Monthly Report of Ocean Shipments Moving under Export-Import Bank Financing. Information Collection OMB # 2133-0013, request for renewal; expiration date: January 31, 2009.

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.**

This information collection consolidates the existing requirement approved under OMB #2133-0013, Monthly Report of Ocean Shipments Moving Under Export-Import Bank Financing, with a new requirement under the rule, 46 CFR Part 381, covering shippers subject to section 901 of the Merchant Marine Act (Act), 1936, as amended (46 U.S.C. § 55304), as prescribed in 46 CFR Part 381.

Under 46 App. U.S.C. 55304, Public Resolution 17, 73rd Congress (PR 17), the Maritime Administration (MARAD) is responsible for monitoring and enforcing U.S.-flag shipping requirements relative to the loans and/or guarantees extended by the Export-Import Bank (Eximbank) to foreign borrowers. PR 17 requires that all shipments financed by Eximbank and that move by sea, must be transported exclusively on U.S.-flag registered vessels unless a waiver (general or statutory) is obtained from MARAD.

A general waiver permits up to fifty percent of the cargo financed under an Eximbank loan to move on the recipient's flag vessels. A statutory waiver permits an individual shipment to be transported on a third-flag vessel.

In accordance with 46 U.S.C. § 55305(d), MARAD has a legislative requirement to report annually to Congress on the shipments generated under all Federally-sponsored programs. The monthly report (see enclosed Form MA-518, Eximbank Financing Only) with bills of lading attached, provide evidence of the shipments made during the entire shipping program for the life of the loan agreement. Based on the shipping report, MARAD can determine the compliance or noncompliance of U.S.-flag shipping requirements relative to the loan agreement. MARAD reports to Congress the total shipping activities during each calendar year of the Eximbank-financed cargoes in terms of total ocean freight revenues/tonnage of the U.S. and non-U.S.-flag shipments, the U.S.-flag revenues/tonnage and the percentage of the U.S.-flag participation.

The prescribed monthly reporting form is necessary for MARAD to fulfill its legislative requirements in monitoring and enforcing PR 17 to ensure that U.S.-flag vessels receive the required percentage of ocean freight revenues/tonnage. The monthly form serves as a

uniform benchmark for MARAD, the borrower and its freight forwarder to determine the status in the equitable distribution of the shipments and the freight revenues/tonnage on a monthly basis. The information provided on the form ensures that all parties are immediately aware of any inequitable distribution that requires heavier bookings of pending cargoes on U.S.-flag vessels. Since some Eximbank credit agreements entail only a few shipments made during a compressed timeframe, such as up to a two to three month period, it is important for MARAD to be able to maintain close surveillance of the shipments to ensure compliance before the credit funds are expended. For other Eximbank credit agreements, the shipments may take place over several years, entail a change in freight forwarders and/or the introduction of subcontractors responsible for making their own shipping arrangements (C&F contracts) for equipment to be financed under the same loan agreement. In such cases, it is imperative that MARAD be able to monitor all the shipping activities of the individual parties to ensure compliance under the loan agreement.

In addition to the legislative requirements, the collection and use of this data helps achieve the Department of Transportation's National Security and Economic Growth strategic goals. It also helps achieve MARAD's strategic National Security and International Trade goals.

**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 collection will be used by MARAD to ensure compliance with the cargo preference laws by parties covered under PR 17 and 46 CFR Part 381. In addition, MARAD will use the information to report to the Congress as required by the Act, and when applicable, to provide for an informal grievance procedure, in the event there is a question or complaint pertaining to the administration of the Act as it relates to Cargo Preference matters.

The monthly and annual shipping reports, with substantiating documents, will provide the only basis for MARAD to exercise its legislative responsibility to maintain close surveillance over the shipping activities of the Eximbank-financed cargoes that are transported on U.S.-flag vessels, recipient flag vessels and on third-flag vessels according to the waivers that have been granted. The compilation of the statistics from the shipping reports forms the basis for determining compliance with PR 17 for each loan participant, and the nucleus for reporting to Congress on the shipping activities of the Eximbank program.

**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. Also, describe any consideration of using information technology to reduce burden.**

We offer a full electronic option to respondents for this information collection. However, the majority of respondents find it simpler to fill out the form manually and mail or FAX it to us.

**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.**

Duplication of this effort is unlikely since it is of interest only to the individual parties concerned. There are no national or international publications collecting or publishing this material.

The monthly shipping report consists of the prescribed reporting form with copies of bills of lading attached as evidence of the shipments that have been made. Bills of lading are commercial shipping documents that must be prepared for all shipments overseas and as such, are used in conjunction with the prescribed reporting form.

**5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.**

The information collected generally does not involve small businesses. The burden to the respondent is insignificant, since it consists of providing a copy of shipping documents.

**6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

Once shipments commence, the bulk of the shipping activity may take place during a compressed timeframe of two to six months, with limited time or cargo remaining to correct any imbalance of the required U.S.-flag participation. Accordingly, any reduction in the frequency of the shipping reports would severely restrict MARAD's ability to take corrective action and could result in significantly reducing the U.S.-flag participation below the legal requirement with no remedy available. In such cases, MARAD would have to advise Eximbank and other entities of the U.S.-flag imbalance in the shipping program by which time the involved parties may have already made a final disbursement and would encounter difficulty in recouping the funds on the equipment transported on the foreign-flag vessels.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner:**

- requiring respondents to report information to the agency more often than quarterly;
- requiring respondents to prepare a written response to a collection of information

in fewer than 30 days after receipt of it;

- requiring respondents to submit more than an original and two copies of any document;
- requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
- in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;
- requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
- that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing data with other agencies for compatible confidential use; or
- requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

With the exception of the monthly reporting requirement there are no special circumstances that require the collection of information to be conducted in a manner described above.

- 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.**

**Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and record-keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.**

**Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every three years - even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

The Maritime Administration published a 60-day notice and request for comments on this information collection in the Federal Register August 8, 2008, Vol. 73, No. 154, Page 46358, indicating comments should be submitted on or before October 7, 2008. No comments were received.

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

No payments or gifts are provided to respondents.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

The information requested is not of a confidential nature and, consequently, no assurance of confidentiality need be given.

**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.**

Not applicable. There are no questions of a sensitive nature.

**12. Provide estimates of the hour burden of the collection of information. The statement should:**

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated burden and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**
- **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in item 13 of OMB Form 83-I.**
- **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for**

**information collection activities should not be included here. Instead, this cost should be included in item 13.**

The potential respondent universe consists of all Export-Import Bank loan recipients and other shippers subject to the Act as well as designated representatives charged with the responsibility of monthly and annual reporting. These can be a contractor, freight forwarder, supplier, etc. Currently there are approximately 28 respondents who will submit information on a monthly basis and an estimated 2 additional respondents who will submit information on an annual basis. The information collection procedure requires that the designated reporting party include data on all voyages (U.S. and foreign-flag) taking place during the month and year in the form of a properly notated and legible copy of the rated on-board ocean carrier bill-of-lading.

Frequency of reporting is monthly and annual. It is estimated that the required time for providing the requested information is approximately 30 minutes per response. Data is usually prepared by a senior bill-of-lading clerk (average salary \$31,200).

A determination of the estimated number of hours required per response was made after consultation with the respondents indicated above. Therefore, it is estimated that the total annual hours of burden are as follows:

	Number of Respondents		Responses Per Respondent		Annually		Total Responses	Hours Per Response	Total Hours
(PR 17)	28	x	12	=	336	x	0.5	=	168
	2	x	1	=	2		.5	=	1
									Total: 169

Total Annual Burden Hr Costs: 169Hrs x \$15(Per Hr) = \$2535.

**13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in items 12 and 14).**

- **The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software;**

monitoring, sampling, drilling and testing equipment; and record storage facilities.

- **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**
  - **Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**
- (a) Total Capital and Start-Up Costs Estimate: There are no capital or start-up costs associated with this information collection.
- (b) Total Operation and Maintenance and Purchase of Services Estimate: There are no operational and maintenance or purchase of service 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. Agencies also may aggregate cost estimates from items 12, 13, and 14 in a single table.**

The total annual cost to the Federal Government for processing the collection is estimated as follows:

Annual Costs: \$15,321.54

It is estimated that 1 employee receives the monthly reports, reviews the reports and accompanying bills-of-lading and performs calculations to arrive at control percentages. Time required for these tasks is an estimated 60 minutes and the hourly rate is \$49.00.

<u>Number of Employees</u>	<u>Hourly Project Wage</u>	<u>Cost Per Time</u>	<u>Application</u>
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	1	x	49.00 x 0.5 hour	=	\$ 24.50
Overhead at 85%				=	\$ 20.83
Sub-total					= \$ 45.33
Times 338 responses per year				=	\$15,321.54

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

The time required to process the data into the computer has decreased.

**16. For collections of information whose results are planned to be published for statistical use, outline plans for tabulation, statistical analysis, and publication. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates and other actions.**

The information collected is to be used, by MARAD, to ensure compliance with the cargo preference laws by parties covered under 46 CFR Part 381, to report to the Congress as required by law, and when applicable to provide for an information grievance procedure.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

MARAD is not seeking such approval.

**18. Explain each exception to the certification statement identified in Item 19. "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.**

Not applicable. There are no exceptions to the certificate statement.