

**SUPPORTING STATEMENT FOR
PAPERWORK REDUCTION ACT SUBMISSION UNDER 5 CFR PART 1320
INFORMATION COLLECTION: 2133-0514**

Introduction: Information Collection #2133-0514, Determination of Fair and Reasonable Rates for Carriage of Agriculture Cargoes on U.S.-flag Commercial Vessels; request for renewal;
Justification

- 1. Explain the circumstances that make the collections 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.**

Section 901 (b) (1) of the Merchant Marine Act, 1936, as amended (Act) requires that at least 75% of certain government sponsored agriculture bulk and packaged cargoes be shipped on U.S.-flag vessels to the extent that such vessels are available at fair and reasonable rates. Pursuant to 46 CFR Part 381, Government agencies must comply with Section 901 (b) (1) and must submit data to the Maritime Administration (MARAD) on U.S. and foreign-flag carriage of preference cargoes under their control. Part 382 requires U.S. operators to submit specific data to MARAD regarding fair and reasonable guideline rates for the carriage of preference cargoes on U.S.-flag vessels. The collection of vessel data contributes toward the U.S. Department of Transportation's strategic goal of National Security.

The information requested on the "Vessel Data & Capital Cost" form corresponds to information required in 46 CFR Part 382.2(b) (1-7). The information requested on the "Post Voyage Report" form corresponds to information required in 46 CFR Part 382.2(c) (1-4).

- 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.**

This collection of information requires U.S.-flag operators to submit vessel-operating costs and capital costs data to MARAD officials on an annual basis. The collection is used by MARAD to calculate fair and reasonable rates for U.S.-flag vessels engaged in the carriage of preference cargoes. The current collection of information is used to calculate fair and reasonable guideline rates.

The "Vessel Data & Capital Cost" form provides us with guidance as to the vessel's measurements, i.e., what is the vessel's Panama Canal or Suez Canal tonnage, vessel deadweight, fuel consumption, etc. It also provides the capital cost expenses for the vessel and thus allows us to calculate the vessel's average daily capital costs. This information is critical to determining the fair and reasonable cost of a specific voyage.

The "Post Voyage Report" form provides information on specific details and costs of specific voyages for specific vessels. This historical guideline rate information is used to review trends and costs for the shipment of preference cargoes from specific origins to specific destinations. For example, average waiting time to load or discharge at a port.

- 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.**

MARAD provides a total electronic option for this collection. We are encouraging U.S. – flag operators to file their Vessel Operating Costs, Vessel Capital Costs and Post Voyage Reports via E-mail. During the past year the number of reports filed by E-mail has increased by more than 30%.

Many of the particulars provided on the "Vessel Data & Capital Cost" form remain unchanged from year to year. An operator could enter the data in once and update it annually, as required. This could save time and money for the operators.

- 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.**

No other Federal agency is involved with the collection of this type of data, namely, vessel operating costs and vessel capital costs. A survey of the Catalog of Federal Domestic Assistance does not reveal a program similar to this collection.

- 5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize burden.**

The information collected is not expected to have other than a minimal impact upon small businesses as the applicants generally exceed the Small Business Administration's criteria for small business. Every effort has been made in designing this information collection to minimize the burden. MARAD encourages the filing of vessel data & capital cost by E-mail.

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 the burden.

Operators are required to submit the specified data not later than April 30 of each year or whenever they wish to have a new vessel participate in the cargo preference trades. The information is updated not less than once every 12 months. The data is to be submitted for each vessel participating in the cargo preference trades. Operators are asked to verify the data on an annual basis. If nothing has changed, i.e., vessel characteristics or capital costs, the operator only needs to sign the form. Since the data involves fluctuating costs, less frequent collection would lead to inaccuracies.

This information is used to determine the average daily operating costs, average daily capital costs and average vessel speed and fuel consumption for each of our four categories. These average costs and speeds are used to determine the fair and reasonable guideline rates.

Post-voyage reports are required to be filed on January 1 and July 1 of each year for voyages that were completed within the past 12 months. The data is analyzed twice a year and the reported costs are used to determine the load port costs, load port stevedoring costs, discharging costs and canal transits for voyages to and from specific regions.

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.

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 on October 15, 2008, (FR Vol. 73, No. 200 at 61191; copy attached) indicating comments should be submitted by December 15, 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.**

Pursuant to the Freedom of Information Act, data submissions are considered confidential; commercial or financial information is not to be disclosed to the public (5 U.S.C. 552(b)(4)). A provision is included in the regulation under which data is held in confidence.

- 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 14.**

Vessel Data and Capital Cost Form

Number of <u>Respondents</u>		Responses Per <u>Respondent</u>	=	Total Responses <u>Annually</u>	x	Hours Per <u>Response</u>	=	Total Hours <u>Annually</u>	x	Avg. Hrly. <u>Wage</u>	=	Total Annual <u>Costs</u>
25	x	4		100	x	1		100	x	\$40.00		\$4,000

It is estimated that an employee in each of the below listed areas spends a total of one hour of their time collecting and assimilating the information submitted with each response. Therefore, given an average salary of \$40.00 per hour, the cost per response per year is estimated as follows:

1 Accountant, Auditor or Bookkeeper; 1 Accounting Clerk
Average salary @ \$40.00 x 100 total annual hours = \$4,000 total annual costs.

Post Voyage Report Form:

Number of <u>Respondents</u>		Responses Per <u>Respondent</u>	=	Total Responses <u>Annually</u>	x	Hours Per <u>Response</u>	=	Total Hours <u>Annually</u>	x	Avg. Hrly. <u>Wage</u>	=	Annual <u>Costs</u>
25	x	5		125	x	4		500	x	\$40		\$20,000

It is estimated that an employee in each of the below listed areas spends a total of 4 hours of their time collecting and assimilating the information submitted with each response. Therefore, given an average salary of \$40.00 per hour, the cost per response per year is estimated as follows:

1 Accountant, Auditor or Bookkeeper; 1 Accounting Clerk
Average salary @ \$40.00 x 500 total annual hours = \$20,000 total annual costs.

It is estimated that the 25 respondents will submit approximately five Post Voyage Report Forms per year. The estimated annual responses for the 25 respondents total 125 responses and the annual burden totals 500 hours.

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 operation and maintenance and purchase of services 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:

Vessel Data & Capital Cost Form:

One-time Costs: There are no one-time costs associated with this collection of information.

Annual Costs: \$7,400

It is estimated that one employee receives the annual statements, enters the amount in the database, and files the statements. Time required for these tasks are 60 minutes and the hourly rate is \$74.00 (includes overhead).

<u>Number of Employees</u>	<u>Hourly Wage</u>	<u>Project Time</u>	<u>Cost Per Application</u>
1	\$40.00	1 hour	= \$40.00
Overhead at 85%			= \$34.00
Sub-total			= \$74.00
Times 100 responses per year			= \$ 7,400

Post – Voyage Reports (PVRs) Forms

One-time Costs: There are no one-time costs associated with this collection of information.

Annual Costs: \$18,500

On a semi-annual basis, it is estimated that two employees are employed in mailing PVR requests, following up with operators, receiving the PVRs and entering the information in the database. Averaged cost reports are developed as a result of this information. Time required for these tasks are two hours and the hourly rate is \$296.00 for two employees (includes overhead).

<u>Number of Employees</u>	<u>Hourly Wage</u>	<u>Project Time</u>	<u>Cost Per Application</u>
2	\$40.00	2 hour	= \$160.00
Overhead at 85%			= \$136.00
Sub-total			= \$296.00
Times 125 responses per year			= \$37,000

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

There have been no program changes in the past two years. Costs have been adjusted to reflect actual employees working on the particular job.

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 data collected will not be published and will be kept confidential.

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

Not applicable

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.

ATTACHMENTS

1. PRA Statement and Forms
2. 60 day Federal Register Notice
3. 30 day Federal Register Notice
4. References
 - A. Section 901 (b) (1) of the Merchant Marine Act, 1936
 - B. 46 CFR Part 381
 - C. 46 CFR Part 382.2 (b) and (c)