

SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSIONS
UNDER 5 CFR PART 1320
Information Collection: 2133-0501

Introduction: Information Collection #2133-0501, Records Retention Schedule; request for extension; expires May 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.

The Maritime Administration (MARAD) administers a variety of programs aimed at promoting a strong U.S. Merchant Marine for the water-borne carriage of U.S. foreign and domestic commerce and for national defense purposes. In furtherance of these objectives, MARAD administers financial assistance programs for ship construction and ship operations: The Construction-Differential Subsidy (CDS) program pays subsidies for the construction or reconstruction of vessels to be operated in the foreign commerce of the United States; the Operating-Differential Subsidy (ODS) program and the Maritime Security Program pays subsidies to U.S. shipping companies to offset the higher cost of operating vessels in the foreign trade under the U.S. flag; the Title XI Federal Ship Financing Guarantees program provides direct government guarantees of private sector loans or mortgages made to finance or refinance the construction or reconstruction of U.S.-flag vessels in U.S. shipyards and for revitalization of U.S. shipyards.

The statutory requirement for the retention of records is set in Section 801, Merchant Marine Act, 1936, as amended (46 APP USC 1211). The regulations administering the intent of the statute are found in 46 CFR 380, Subpart C.

This information collection supports the Secretary of Transportation's strategic goal of economic growth and trade.

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 used to permit proper financial review of pertinent records at the conclusion of a contract when the contractor was receiving financial assistance from the government.

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.

The Maritime Administration provides a total electronic option for this collection.

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.

The Maritime Administration requires financial reporting as prescribed by generally accepted accounting principles. This provides the agency with standard terminology, defined accounting methodology, and reliability. The result is a report-by-report consistency: Financial review for compliance with legal and regulatory requirements and interpretation of operating results becomes more accurate; Analyses of the industry, its sub-segments, and individual company performance is more reputable; Compliance with financial requirements and with covenants of financial agreements is more apparent. The coordination of financial reporting requirements for the maritime industry, as well as simplifying and reducing the scope of data retained for Maritime Administration purposes, avoids duplication.

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 method of collection is business-discretionary. There is no discriminating difference of burden between businesses except that of size: The larger the business, the more information being retained.

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.

Disorderly collections would cause the Maritime Administration financial reviews to be inconsistent, time consuming and unresponsive. Collections must be on-going, timely and consistent to be purposeful. We are unaware of any legal obstacles to reducing the burden.

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.**

This information collection is not conducted in a manner which would actuate any of the above requirements or deviations.

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 recordkeeping, 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 carries on an auxiliary review of the administration of the Records

Retention Schedule through continuing relationships with program participants specifically concerning their financial information and its financial review. This has created an on-going dialogue for many years between government and clientele where comments are welcomed and discussed.

The Maritime Administration published a 60-day notice and request for comments on this information collection in the Federal Register on September 23, 2008, Vol. 73, No. 185, Page 54895, indicating comments were due by November 24, 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 records required to be retained are maintained by each company in that company's office. All the information involves financial data from business operations and is protected from disclosure. Data that may be reproduced as part of the Maritime Administration's financial working papers are considered private and confidential in compliance with the Freedom of Information Act, the Privacy Act of 1974, and OMB Circular A-108.

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 or personal 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.**

A survey was conducted at the time this information collection began. The resulting hour burden was then reported on a format similar to this one. Since that time adjustments were made in accordance with changes in the number of participants and the use of improved technology. The burden is certainly not more than is reported here.

Presently there is one subsidized carrier retaining records for two to three years (depending on the document) after final release of agreement or settlement. A new survey could be conducted to determine the hour burden of this record-keeping. However, this would be unnecessary since the requirements have not changed. Accordingly, the record-keeping burden is estimated to be 50 hours annually. Note: Record retention is a statutory requirement for the participants in the Maritime Administration's ODS program.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers 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.**

There is no cost burden by reason of Maritime Administration requirements.

(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 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.

There is no cost to the Federal Government generated by this record-keeping requirement. No purchase of services is necessary.

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

The hour burden continues to decrease due to expiring contracts and improved record-keeping technology.

16. For collections of information whose results will be published, outline plans for

tabulation and publication. Address any complex analytical techniques that will be used. 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.

Everything is confidential and nothing is published.

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.

We are not seeking approval not to display the expiration date.

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

There are no exceptions to the certificate statement.

ATTACHMENTS

- 1. PRA Statement**
- 2. 60 day Federal Register Notice**
- 3. 30 day Federal Register Notice**
- 4. References**
 - a. Section 801, Merchant Marine Act, 1936, as amended**
 - b. 46 CFR 380, Subpart C**