

SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
9000-0061, TRANSPORTATION REQUIREMENTS

A. Justification.

1. **Administrative requirements.** FAR Part 47 and related clauses contain policies and procedures for applying transportation and traffic management considerations in the acquisition of supplies and acquiring transportation or transportation-related services. Generally, contracts involving transportation require information regarding the nature of the supplies, method of shipment, place and time of shipment, applicable charges, marking of shipments, shipping documents, and other related items.

In part, these regulations implement statutory requirements relating to transportation such as—

- The Merchant Marine Act of 1936 (46 U.S.C. 1101);
- The Cargo Preference Act of 1954 (46 U.S.C. 1241); and
- The Cargo Preference Act of 1904 (10 U.S.C. 2631).

This clearance covers the following requirements in 48 CFR Chapter 1 (FAR):

a. *Financial statement.* FAR 52.247-6, Financial Statement, as prescribed at 47.207-1(e), requires the offeror responding to solicitations for transportation or transportation-related services, to provide to the Government, upon request, a current certified statement of the offeror's financial condition.

b. *F.o.b. Origin.*

<u>FAR Clauses</u>	<u>Prescribed at</u>
• 52.247-29, F.o.b. Origin	47.303-1(c)
• 52.247-30, F.o.b. Origin, Contractor's Facility	47.303-2(c)
• 52.247-31, F.o.b. Origin, Freight Allowed	47.303-3(c)
• 52.247-32, F.o.b. Origin, Freight Prepaid	47.303-4(c)
• 52.247-33, F.o.b. Origin, with Differentials	47.303-5(c)

The clauses listed above require that the contractor mark the shipment, complete the Government bill of lading or prepare a commercial bill of lading, and distribute copies of the bill of lading. The agency may provide special instructions or request annotations for commercial bills of lading.

c. *F.o.b. Destination, etc.*

<u>FAR clauses</u>	<u>Prescribed at</u>
• 52.247-34, F.o.b. Destination	47.303-6(c)
• 52.247-35, F.o.b. Destination, Within Consignee's Premises	47.303-7(c)
• 52.247-36 F.a.s. Vessel, Port of Shipment	47.303-8(c)
• 52.247-37, F.o.b. Vessel, Port of Shipment	47.303-9(c)
• 52.247-38, F.o.b. Inland Carrier, Point of Exportation	47.303-10(c)
• 52.247-39, F.o.b. Inland Point, Country of Importation	47.303-11(c)
• 52.247-40, Ex Dock, Pier, or Warehouse, Port of Importation	47.303-12(c)
• 52.24741, C.& f. Destination	47.303-13(c)
• 52.247-42, C.i.f. Destination	47.303-14(c)
• 52.247-43, F.o.b. Designated Air Carrier's Terminal, Point of Exportation	47.303-15(c)

- 52.247-44, F.o.b. Designated Air Carrier's Terminal, Point of Importation 47.303-16(c)
- 52.247-48, F.o.b. Destination—Evidence of Shipment 47.305-4(c)

The clauses listed above impose varying requirements on the Contractor, such as—

- Prepare and distribute commercial bills of lading;
- Provide a clean dock or ship's receipt;
- Provide an on-board ocean bill of lading; or
- Provide a clean Government bill of lading and/or air waybill.

For all f.o.b. destination contracts, the Contractor is also required to retain evidence of shipment for three years after final payment under the contract, and make such evidence available to the Government for review as necessary.

d. Shipments to DoD Air or Water Terminal Transshipment Points. FAR clause 52.247-52, as prescribed at 47.305-6(f)(2), requires the contractor to advise the Government transportation office of the date on which the cargo will be ready for shipment, and provide certain information to the Government transportation office at least five days before shipping cargo to either a water port or an airport.

e. Transportation Transit Privilege Credits. FAR clause 52.247-57, as prescribed at 47.305-13(b)(4), applies if the offeror has established transit privileges with regulated common carriers. The offeror must insert rate per CWT in cents, and the destination.

f. Cargo Preference. FAR clause 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels, as prescribed at 47.507(a), is used in solicitations and contracts that may involve ocean transportation of supplies subject to the Cargo Preference Act of 1954. The contractor must submit one legible copy of a rated on-board bill of lading for each shipment to both the contracting officer and the Maritime Administration. The contractor must flow this requirement down to all subcontracts and purchase orders under the contract, except subcontracts for commercial items (see 52.212-5(e)(4) and 52.244-6(c)(4)).

The proposed rule under FAR Case 1999-024 proposes to require flow down to certain commercial subcontracts, if ocean cargoes are clearly destined for eventual military or Government use.

2. **Uses of information.** The information is used by the contracting officer, the Government transportation office, or the Maritime Administration to ensure proper and timely shipment of Government supplies, and to ensure compliance with cargo preference statutes.

3. **Consideration of information technology.** We use improved information technology to the maximum extent practicable. Where both the Government agency and contractors are capable of electronic interchange, the contractors may submit this information collection requirement electronically.

4. **Efforts to identify duplication.** This requirement is issued under the Federal Acquisition Regulation (FAR), which has been developed to standardize Federal procurement practices and eliminate unnecessary duplication.

5. **If the collection of information impacts small businesses or other entities, describe methods used to minimize burden.** The burden applied to small businesses is the minimum consistent with applicable laws, Executive orders, regulations, and prudent business practices.

6. **Describe consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently.** Collection of information on a less frequent basis is not practical. Information is required with the offer, on a per shipment basis, or upon request of the contracting officer, as appropriate.

7. **Special circumstances for collection.** Collection is consistent with guidelines in 5 CFR 1320.6.

8. **Efforts to consult with persons outside the agency.** Under the procedures established for development of the FAR, agency and public comments were solicited and each comment addressed before finalization of the text. A notice was published in the *Federal Register* at 73 FR 75402 on December 11, 2008, which made this requirement available to the public and requested comments. No comments were received.

9. **Explanation of any decision to provide any payment or gift to respondents, other than reenumeration of contractors or**

guarantees. There will be no payment or gift to respondents, other than remuneration of contractors.

10. Describe assurance of confidentiality provided to respondents. This information is disclosed only to the extent consistent with prudent business practices and current regulations.

11. Additional justification for questions of a sensitive nature. No sensitive questions are involved.

12. Estimated annual reporting burden and cost to the public. For detailed breakout of the current burden and the proposed increases from the currently approved burden, see the matrix at TAB A.

Number of respondents	65,000
Number of responses per respondent per year	x <u>21.32</u>
Total annual responses	1,385,800
Average hours per response	x <u>.048</u>
Total response burden hours	66,518
Average wages + overhead	x <u>\$42*</u>
Total cost to the public	\$2,793,756

*\$24/hr + 75%OH

13. We estimate no annual cost burden other than the burdens shown in Items 12 and 14.

14. **Estimated annual cost to the Government.** For detailed breakout of the cost to the Government of the current requirements and proposed increases see the matrix at TAB A.

Total responses to Govt.	1,385,800
Govt. hours/response	.12
Total burden hours	166,296
Average wages + overhead (\$20/hr + 100% OH)	x <u>\$40</u>
Total Government cost	\$6,651,840

15. **Explain reasons for program changes or adjustments reported in Item 13 or 14.** The total estimated public burden of 66,518 is an increase of 648 hours from the 65,870 hours approved in 2003. This adjustment is due to a mathematical correction and adjustment.

16. **Outline plans for published results of information collections.** Results of this information collection will not be published.

17. **Approval not to display expiration date.** We do not seek approval not to display the expiration date for OMB approval of the information collection.

18. **Explanation of exception to certification statement.**
Not applicable.

B. Collections of Information Employing Statistical Methods.

Statistical methods are not used in this information collection.