

**SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSIONS  
UNDER 5 CFR PART 1320  
Information Collection: 2133-0006**

**"Request for Transfer of Ownership, Registry, and Flag, or Charter, Lease, or Mortgage of U.S.  
Citizen Owned Documented Vessels"**

**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.**

Pursuant to 46 U.S.C. 56101 and 56103, the Maritime Administration (MARAD) is required to approve the sale, transfer, charter, lease, or mortgage of U.S. documented vessels to non-citizens, or the transfer of such vessels to foreign registry and flag, or the transfer of foreign flag vessels by their owners as required by various contractual requirements.

This information collection is in support of the Department of Transportation's strategic goal for National Security by retaining vessels under U.S. documentation, ownership or control for purposes of national defense, maintenance of an adequate merchant marine, foreign policy considerations or national interests.

- 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 will be used on occasion by MARAD when there is a prospective foreign transfer of a U.S.-flag vessel. As such, this information will assist in the determination as to whether the vessel proposed for transfer will initially require retention under the U.S.-flag statutory regulations.

In such instances, the Office of Sealift Support receives the applications, they are then reviewed by various MARAD specialists to ensure that all information and documentation are adequate and that the applicants have met all approval criteria. Afterwards, MARAD coordinates with the Department of Defense, U.S. TRANSCOM, to obtain the required clearances before approval is granted.

- 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.**

Consideration has been given to using improved information technology to reduce public burden by allowing the submission of applications electronically, utilizing electronic signatures. Currently, applicants may submit applications via facsimile to initially begin the process. However, respondents are required to follow-up with a submission of the original application containing original signatures.

**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.**

We have been unable to identify duplication of this collection. Search of the Catalog of Federal Domestic Assistance has not shown any similar maritime programs or information needs.

**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 application format has been developed in such a manner as to minimize the burden on small businesses and individuals.

**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.**

MARAD requires the collection only when a vessel owner submits an application for a prospective foreign transfer of a U.S.-flag vessel. If this data collection were not conducted, MARAD would not have the information required to make a determination as to whether the vessel is needed for continued operation under U.S.-flag, and could not monitor the status of the U.S. Merchant Marine nor submit annual reports to Congress.

**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 Federal Register notice and request for comments on this information collection in the Federal Register on April 6, 2009, (74 FR 15590) indicating comments should be submitted on or before June 5, 2009. A comment dated June 5, 2009 was received suggesting that the Maritime Administration amend its forms, MA-29, MA-29-A and MA-29-B to reference the applicability of the Toxic Substance Control Act, and 40 CFR 761.97, thereby reflecting the statutory and regulatory constraints regarding the export of United States documented vessels for scrapping or refit outside the United States. The Maritime Administration responded by stating ...given the mandate to (a) approve the transfer of a United States documented vessel to a person who is not a citizen of the United States, and (b) approve the placement of a United States documented vessel under the authority of a foreign country by a person who is not a citizen of the United States. Federal agencies generally may perform only those duties authorized by statute. We believe that amending the forms would accomplish very little because the overwhelming majority of requests from ship owners for vessel transfers are for ordinary transfers and not for scrapping vessels outside the United States. Also we stated that to deal with the issue of vessels being transferred for scrapping outside the United States, we have instituted a procedure of providing written notification to the Environmental Protection Agency (EPA) of all foreign vessel transfer approvals at the time they are issued by MARAD. This will provide information to the EPA on where and when any demolition will take place. In addition, when an application for transfer includes a vessel leaving the U.S. registry for subsequent foreign disposal, the owner and/or buyer of the vessel are advised that the vessel may be subject to the TSCA and EPA implementing regulations.

In addition, there are frequent communications (both written and verbal) with applicants, their attorneys, representatives or agents. The communications involve status of applications, requests for application forms, and requests for additional information about the foreign transfer program. To date, no complaints or problems have been expressed and no suggestions have been received concerning changes to the collection requirements.

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

**contractors or grantees.**

This item is not applicable since MARAD does not make payments or gifts of any kind to any respondent.

**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 unless the applicant has advised MARAD that the information provided is of a confidential nature.

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.**

No information of a sensitive nature is required.

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.**

As required by 46 U.S.C. 56101 and 56103, MARAD has authority to approve the sale, charter, lease, etc., of U.S.-flag vessels to non-citizens, and for the transfer of said vessels to foreign registry and flag. The applications must be filed by the registered owner if the vessel is being transferred to foreign registry or if being sold for scrapping in a foreign country. Rarely is more than one application received more than once a year from the same applicant. When this does occur, it is generally in the form of multiple applications, such as the foreign transfer of four or five barges to the same purchaser. In such instances, the processing fee is adjusted to more accurately reflect the time it takes to process the applications.

It takes each applicant approximately 2 hours to complete and forward their application to MARAD for approval. It takes approximately 60 applicants a total of approximately 120 hours response time. Therefore, it is estimated that the total annual hours of burden are as follows:

<u>Number of Respondents</u>	<u>Responses Per Respondent</u>	=	<u>Total Responses Annually</u>	X	<u>Hours Per Response</u>	=	<u>Total Hours Annually</u>
60 x	1		60		2		120

Cost to Respondent = 120 hours (annually) at \$24.99 per hour = \$2,998.80

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 rule-making 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.**

The estimated annual cost burden to the 60 respondents who submit one response each requiring two hours per response is as follows:

(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:

None.

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:

One-time Costs: \$ None

Annual Costs: \$60,639.00

It is estimated that specialists within the Office of Sealift Support spends a total of seven hours performing the following tasks:

- Reviewing applications and notifying program offices
- Recording, preparing clearance forms and internal action memoranda
- Updating records, notifying applicant
- Transmitting Contracts/Orders

It is estimated that two MARAD program specialists from the Office of Sealift Support, and one attorney from the Office of Chief Counsel will review the applications for clearance and authorization of transfer.

It is estimated that one program official from the Department of Defense, U.S. TRANSCOM, spends a total of two hours conducting a final review and clearance of applications at an hourly rate of \$33.84.

<u>Number of Employees</u>	<u>Hourly Wage</u>		<u>Project Time</u>		<u>Cost Per Application</u>
1 MA	\$40.86	x	3 hours	=	\$163.44
1 MA	\$57.42	x	4 hours	=	\$172.26
1 MA	\$47.64	x	3 hours	=	\$142.92
1 DOD	\$33.84	x	2 hour	=	\$ 67.68
				=	<u>536.30</u>
Overhead at 85%				=	<u>\$ 464.35</u>
Sub-total				=	\$1010.65
Times 60 responses per year				=	\$ 60,639.00

Maximum Total Annual Cost to Federal Government: \$60,639.00

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

The number of applications requesting the Maritime Administration’s approval for the transfer to foreign ownership, registry and flag has decreased. The owners of these vessels are maintaining them longer in the U.S. fleet before disposing or selling them.

**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.**

There are no plans to publish the results of the information collection for statistical purposes.

- 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 an approval.

- 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 certification statement.