

Supporting Statement
Application for Foreign Trade Zone Admission and/or Status
Designation, and Application for Foreign Trade Zone Activity Permit
1651-0029

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.**

Foreign trade zones are geographical enclaves located within the geographical limits of the United States but considered for tariff purposes to be outside the United States. Authority for establishing zones is vested in the Foreign Trade Zones Board under the Foreign Trade Zones Act of 1934, as amended (19 U.S.C. 81).

Imported and domestic merchandise of every description, unless prohibited by law, may be brought into zones for storage, manipulation, manufacture or other processing and subsequent removal for exportation, consumption in the United States or destruction. A company bringing goods into a zone has a choice of zone status (privileged/non-privileged foreign, domestic, or zone-restricted) which affects the way such goods are treated by Customs and Border Protection (CBP) and for tariff purposes upon removal to Customs Territory. The company's choice of status is usually made according to its own assessment of tariff benefit to be gained, but it must be approved by CBP. This request pertains to the following regulatory sections: 19 CFR 146.22, 146.32, 146.41, 146.44, 146.52, 146.53, and 146.66.

The Forms 214, 214A, 214B, and 214C, Application for Foreign-Trade Zone Admission and/or Status Designation, are used by companies that bring merchandise into a foreign trade zone to register the admission of such merchandise into zones, and to apply for the appropriate zone status.

Form 214A is not filled out separately by respondents-- it is simply a copy of Form 214 that CBP gives to the Census Bureau. Form 214B is a continuation sheet for the 214 for when the respondents need more room to add line items, and Form 213C is a copy of 214A.

Form CBP-216, Foreign-Trade Zone Activity Permit, is used by companies to request approval to manipulate, manufacture, exhibit or destroy merchandise in a foreign trade zone.

This collection of information applies to the importing and trade community who are familiar with import procedures and with the CBP regulations.

- 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 data provided on CBP- 214, 214A, 214B, and 214C, are used by foreign-trade zone grantees and operators and by CBP to determine whether the goods are eligible to be admitted to the zone, to supply information required by the grantee or operator to make an annual report to the Foreign-Trade Zones Board, and to enable the grantee, operator and CBP to take appropriate action in regard to the applicants' choice of zone status.

The data provided on CBP-216 is used by CBP to identify goods to be manufactured or manipulated so as to assure an adequate accounting and control of all goods leaving the zone, and by foreign-trade zone grantees and operators to assure that the Foreign-Trade Zone Regulations are faithfully observed. Failure to collect this information would render CBP incapable of determining the eligibility of the merchandise for admission, its status when admitted and ultimately the correct classification and valuation for tariff purposes and what administrative controls apply.

- 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, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.**

The information collected on these forms can be submitted via the Electronic Data Interface (EDI). Currently, 35 percent of these forms are submitted electronically. CBP is working with the trade community to raise the percentage of electronic submissions. CBP plans to develop a proposed rule that will require the Form 214 data to be submitted electronically via EDI which allows respondents to use a variety of electronic formats.

- 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.**

This information is not duplicated in any other place or any other form.

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

This information collection does not have an impact on small businesses or other small entities.

- 6. Describe consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently.**

Since this collection is made when a grantee or operator desires to make a transaction, CBP needs this information to determine zone status. If this information is not collected, it could result in a loss of revenue and possible national security breach.

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

This information is collected in a manner consistent with the guidelines of 5 CFR 1320.5(d)(2).

- 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.**

Public comments were solicited through two Federal Register notices published on September 14, 2009 (Volume 74, Page 47014) and on November 23, 2009 (Volume 74, Page 61164). One comment was received.

CBP received a letter, dated October 28, 2009, from Dennis Fixler and Ruth Bramblett at the the Bureau of Economic Analysis (BEA), Department of Commerce, in which they expressed their support for continued collection of information on these two forms. BEA uses the information to measure activity in foreign trade zones (FTZs).

A representative from the CBP program office in charge of FTZs called Ms. Bramblett on November 18, 2009 to insure that they knew that CBP planned to raise the electronic submission of this form from 35 percent to 100 percent sometime in the near future, but that there are no changes planned to the data elements collected and no changes to the current method of transmission of this information from CBP to Department of Commerce. Ms. Bramblett did not

express any concern or raise any issues with respect to the planned increase in electronic submission of the information from respondents.

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

There is no offer of a monetary or material value for this information collection.

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

There are no assurances of confidentiality provided to the respondents of this information collection.

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.

There are no questions of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information.

FORM	TOTAL ANNUAL BURDEN HOURS	NO. OF RESPONDENT S	NO. OF RESPONSES PER RESPONDENT	TOTAL RESPONSES	TIME PER RESPONSE
Form 214	New: 42,181 Old: 75,000	New: 6,749 Old: 7,500	New: 25 Old: 40	New: 168,725 Old: 300,000	15 minutes (.25 hours)
Form 216	4,167	2,500	10	25,000	10 minutes (.1667 hours)
TOTAL	New: 46,348 Old: 79,500	New: 9,249 Old: 10,000		New: 193,725 Old: 325,000	

Public Cost

The estimated cost to the respondents is \$1,297,744. This is based on the estimated burden hours (46,348) multiplied (x) hourly rate (\$28.00).

- 13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information.**

There are no record keeping, capital, start-up or 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.**

The estimated annual cost to the Federal Government associated with the review of these records is **\$1,350,636**. This is based on the number of responses (193,725)

that must be reviewed (x) the time to review and process each response (10 minutes or .166 hours) = 32,158 hours (x) the average hourly rate (\$42.00)= \$1,350,636.

- 15. Explain the reasons for any program changes or adjustments reported in Items 12 or 13.**

The burden hours were decreased as a result of better estimates by CBP. CBP did a data query to determine the exact number of these forms submitted annually.

- 16. For collection of information whose results will be published, outline plans for tabulation, and publication.**

This information collection will not be published for statistical purposes.

- 17. If seeking approval to not display the expiration date, explain the reasons that displaying the expiration date would be inappropriate.**

CBP will display the expiration date for OMB approval of this information collection.

- 18. "Certification for Paperwork Reduction Act Submissions."**

CBP does not request an exception to the certification of this information collection.

B. Collection of Information Employing Statistical Methods

No statistical methods were employed.

