

**Supporting Statement  
NAFTA Regulations and Certificate of Origin  
1651-0098**

**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.**

On December 17, 1992, the U.S., Mexico and Canada entered into an agreement, "The North American Free Trade Agreement" (NAFTA). The provisions of NAFTA were adopted by the U.S. with the enactment of the North American Free Trade Agreement Implementation Act of 1993 (PL. 103-182). The objectives of the NAFTA are to eliminate barriers to countries, facilitate conditions of fair competition within the free trade area, liberalize significantly conditions for investments with the free trade area, and establish effective procedures for the joint administration of the NAFTA and the resolution of disputes. 19 CFR Part 181 provides the regulatory requirements for the submission of the NAFTA Certificate of Origin, CBP Form 434, in order to claim eligibility under NAFTA for preferential treatment.

The CBP Form 446, NAFTA Verification of Origin Questionnaire, is a questionnaire that CBP personnel use to gather sufficient information to verify a claim for preferential tariff treatment.

The CBP is adding Form 447, North American Free Trade Agreement Motor Vehicle Averaging Election, is a form used to gather the information required by 19 CFR 181 Appendix, Section 11, (2) Information Required When Producer Chooses to Average for Motor Vehicles. The addition of this form will provide CBP with additional information that will assist in processing NAFTA claims for motor vehicles and will provide claimants with instructions.

This collection of information involves 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 Mexican or Canadian Exporter will be required to file a certificate and provide it to the importer if a claim is being made for entry under the NAFTA. Importers are required to have a copy of the certificate on file at the time they make a claim for NAFTA and to provide it to CBP upon request.

Form 447 shall be completed for each category set out in the Regulation that is chosen by the producer of a motor vehicle referred to in 19 CFR Part 181, Section 13 of the Regulations (Special Regional Value Content Requirements) in filing an election pursuant to subsection 13 (4). Form 447 shall be completed by the vehicle manufacturer and it is used when targeting vehicle manufacturers for verification and audit by Regulatory Audit.

- 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.**

Automation of the Form 434 forms would not be cost effective because importers keep them on file and only submit them to CBP upon request. However, most of the forms are simply kept on file and not submitted.

Automation of the Form 446 would not be cost effective because manufacturers submit them only in the unlikely event that they are requested.

Automation of the Form 447 would not be cost effective because its volume is so low. Last year, only 14 forms were submitted by 11 companies and we anticipate those numbers to remain constant.

Forms 434 and 446 are fillable forms on the CBP website and can be accessed at <http://www.cbp.gov/xp/cgov/toolbox/forms/> . When Form 447 is approved by OMB, it will be also be posted as a fillable form on the same site.

- 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.**

If the information in these three forms were not collected, CBP could neither comply with the regulations nor carry out its responsibilities under the North American Free Trade Agreement.

**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 February 1, 2010 (Volume 75, Page 5100) and on May 20, 2010 (Volume 75, Page 28277-). As of this submission, no comments have been received.

**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.**

<b>INFORMATION COLLECTION</b>	<b>TOTAL ANNUAL BURDEN HOURS</b>	<b>NO. OF RESPONDENTS</b>	<b>NO. OF RESPONSES PER RESPONDENT</b>	<b>TOTAL RESPONSES</b>	<b>TIME PER RESPONSE</b>
<b>Form 434</b> NAFTA Certificate of Origin	30,000	40,000	3	120,000	15 minutes (.25 hours)
<b>Form 446</b> NAFTA Questionnaire	300	400	1	400	45 minutes (.75 hours)
<b>Form 447</b> NAFTA Motor Vehicle Averaging Election	14	11	1.28	14	60 minutes (1 hour)
<b>TOTAL</b>	<b>30,314</b>	<b>40,411</b>		<b>120,414</b>	

**Public Cost**

The estimated cost to the respondents is \$848,792. This is based on the estimated burden hours (30,314) multiplied (x) the average hourly rate (\$28.00).

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

CBP requests or otherwise receives approximately 2,214 (1800 Form 434s, 400 Form 446s, & 14 Form 447s) of these forms from importers and vehicle producers to review. The estimated annual cost to the Federal Government associated with reviewing these forms is **\$46,494**. This is based on 30 minutes (.5 hours) to review each form x the number of forms (2,214) for a total of 1,107 hours multiplied (x) the average hourly rate (\$42.00) = \$46,494.

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

The increase in the burden hours is a result of the addition of Form 447- NAFTA Motor Vehicle Averaging Election. The addition of this form will provide CBP with additional information that will assist in processing NAFTA claims for motor vehicles and will provide claimants with detailed instructions.

**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.