

**SUPPORTING STATEMENT
INTERIM CAPITAL CONSTRUCTION FUND AGREEMENT AND FAMILY OF
FORMS
OMB CONTROL NO. 0648-0090**

A. JUSTIFICATION

1. Explain the circumstances that make the collection of information necessary.

This request is a renewal of this information collection.

The [Merchant Marine Act of 1936](#), as amended by P.L. 91-469 and P.L. 99-514, provides for the administration of a Capital Construction Fund (CCF) Program by the National Oceanic and Atmospheric Administration's (NOAA's) National Marine Fisheries Service (NMFS). The law requires that applicants enter into formal agreements with the Secretary of Commerce. The agreements allow the fishermen to defer taxable income from operation of their fishing vessels, if the money is placed into an account to fund the construction, reconstruction, or replacement of a fishing vessel. The program requirements are detailed at [50 CFR Part 259](#). The agreement is a contract between the Secretary of Commerce and the agreement holder specifying the obligations of each party. Schedule A identifies the vessel which generates the fishing income that is eligible for deposit in to a CCF account. Schedule B specifies the construction, acquisition, or reconstruction objectives planned under the agreement. The Certificate of Construction/Reconstruction certifies the completion of Schedule B objectives.

2. Explain how, by whom, how frequently, and for what purpose the information will be used. If the information collected will be disseminated to the public or used to support information that will be disseminated to the public, then explain how the collection complies with all applicable Information Quality Guidelines.

NMFS collects information to determine whether an applicant is eligible for a formal agreement:

- Specific information about the vessel and its characteristics are needed to clearly identify the vessel affected by the agreement.
- Information on type of gear, fishery, and areas of operation is required because program benefits are limited for certain fisheries and because NMFS must track where the assistance is going to in the industry.
- Information on ownership and percentage of ownership is used to determine eligibility and the proper allocation of cost to the agreement vessel.
- Information on the bank or other institution at which the CCF account will be established is needed for enforcement purposes.
- Principle mortgage balance and depreciable basis are used to determine limitations of costs of objectives for compliance with program regulations.
- Objective costs are limited to the lesser of the principle mortgage balance or depreciable basis as of the beginning of the year in which the objective commenced.

- Dates and times for completion and the specific types of improvements to the vessel are needed to determine compliance with regulations, which impose time restrictions for beginning and completing objectives.

As explained in the preceding paragraphs, the information gathered has utility. NMFS will retain control over the information and safeguard it from improper access, modification, and destruction, consistent with NOAA standards for confidentiality, privacy, and electronic information. See response to Question 10 of this Supporting Statement for more information on confidentiality and privacy. The information collection is designed to yield data that meet all applicable information quality guidelines. Although the information collected is not expected to be disseminated directly to the public, results may be used in scientific, management, technical or general informational publications. Should NMFS decide to disseminate the information, it will be subject to the quality control measures and pre-dissemination review pursuant to [Section 515 of Public Law 106-554](#).

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological techniques or other forms of information technology.

Fillable forms can be downloaded from the CCF Web page: http://www.nmfs.noaa.gov/mb/financial_services/ccf.htm. Forms are also mailed or faxed in response to telephone requests.

Some items could be electronically submitted, such as the “Certificate of Construction/Reconstruction.” The Program Automated Data Processing (ADP) system will be modified to accept these. The ADP system is an Oracle database that tracks each CCF program participant’s personal data, CCF financial information, incoming and outgoing correspondence, Schedule A vessels and Schedule B objectives. The modifications needed to allow for collection of data electronically are still in the planning stages. Some other items could be electronically submitted but there would be no real benefit because supporting documentation is required.

4. Describe efforts to identify duplication.

NMFS is solely responsible for the program. Some requirements for financial (tax) and vessel registration documents duplicate data submitted to other agencies, but NMFS accepts copies of this documentation.

5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize burden.

The requirements are the minimum to ensure eligibility and compliance with program regulations. No special provisions for small businesses are made.

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

The information is only collected once and is initiated by the respondent to obtain program benefits. If all of the information was not gathered, NMFS could not be certain of the applicant's eligibility for an agreement, track program activity, or ensure compliance with other requirements.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

The collection is consistent with OMB guidelines.

8. Provide information on the PRA Federal Register Notice that solicited public comments on the information collection prior to this submission. Summarize the public comments received in response to that notice and describe the actions taken by the agency in response to those comments. Describe the 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.

A Federal Register Notice published on March 10, 2010 (75 FR 11115) solicited public comments on the information collection; no comments were received on the collection.

Consultation with program users, their accountants, and attorneys, as well as with the Internal Revenue Service, is ongoing about all aspects of the program including information collection.

9. Explain any decisions to provide payments or gifts to respondents, other than remuneration of contractors or grantees.

No payment or gift to respondents is provided.

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

The information collected is confidential under the Magnuson-Stevens Fishery Conservation and Management Act, as amended in 2006, and [NOAA Administrative Order 216-100](#), which sets forth procedures to protect confidentiality of fishery statistics. In addition, 50 CFR 259.38(b) states: "All CCF information received by the Secretary shall be held strictly confidential, except that it may be published or disclosed in statistical form provided such publication does not disclose, directly or indirectly, the identity of any fundholder."

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.

No sensitive questions are asked.

12. Provide an estimate in hours of the burden of the collection of information.

The estimated total annual burden is as follows:

500 respondents x 1 agreement x 4 hrs/agreement (application, 30 minutes; Schedule A, 1 hour; Schedule B for Construction, Acquisition and/or Mortgage Payments, 1 hour; Schedule B for Qualified Vessel for Reconstruction, 1 hour; agreement document 30 minutes) = 2,000 hours.

500 respondents x 1 Certificate of Construction/Reconstruction x 1 hr/certificate = 500 hours.

TOTALS = 500 unduplicated respondents, 1,000 responses, and 2,500 hours.

The cost of the response time to the public is estimated to be \$24/hr, for a total of \$60,000.

13. Provide an estimate of the total annual cost burden to the respondents or record-keepers resulting from the collection (excluding the value of the burden hours in Question 12 above).

Annualized costs per respondent are estimated at \$6.50 for the agreement (\$3.75 for postage and \$2.75 for copying), totaling \$3,250 for 500 responses, and \$0.74 for the certificate (\$.44 for postage and \$0.30 for copying), totaling \$370 for 500 responses, for a total cost of \$3,620.

14. Provide estimates of annualized cost to the Federal government.

Number of responses x average time to review x average salary of reviewer/hr plus 35% overhead= \$37,638.

$$\begin{aligned} 1,000 \times 1 \text{ hr} \times \$27.88 &= \$27,880 \\ + 35\% \times \$27,880 &= 9,758 \end{aligned}$$

\$37,638.

15. Explain the reasons for any program changes or adjustments.

Hours have been adjusted to match the times stated on the forms, resulting in an increase adjustment of 250 hours. Due to increased postage and copying costs, the total reporting/recordkeeping costs have increased from \$3,180 to \$3,620.

16. For collections whose results will be published, outline the plans for tabulation and publication.

The information collected is not published.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why display would be inappropriate.

Not Applicable.

18. Explain each exception to the certification statement.

Not Applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Statistical methods are not used for this collection.