

**Supporting Statement  
CBP Regulations Pertaining to Customs Brokers  
1651-0034**

**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.**

The information contained in Part 111 of the CBP regulations governs the licensing and conduct of customs brokers. Specifically, an individual who wishes to take the broker exam would complete CBP Form 3124E, "Application for Customs Broker License Exam"; or to apply for a broker license, CBP Form 3124, "Application for Customs Broker License" must be completed. The procedures to request a local or national broker permit can be found in 19 CFR 111.19, and a triennial report is required under 19 CFR 111.30. The information collected from customs brokers is provided for by 19 USC 1641. CBP Forms 3124 and 3124E may be found at <http://www.cbp.gov/xp/cgov/toolbox/forms/>. Further information about the customs broker exam and how to apply for it may be found at [http://www.cbp.gov/xp/cgov/trade/trade\\_programs/broker/broker\\_exam/notice\\_of\\_exam.xml](http://www.cbp.gov/xp/cgov/trade/trade_programs/broker/broker_exam/notice_of_exam.xml)

- 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 collections identified in 19 CFR Part 111 are used by CBP to license and monitor customs brokers in order to ensure compliance with CBP laws and regulations, and to substantiate proper supervision and control. It also ensures that open lines of communications are maintained with all brokers. CBP performs this regulation function in order to protect the public because these brokers conduct customs business for members of the public.

- 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.**

CBP is in the process of streamlining the broker licensing process from a manual process to an automated process. We plan to use the equipment and automated capabilities of the Global On-line Enrollment System (GOES), which is OMB

collection 1651-0121. Automation of the information collected for brokers is planned for late 2012 or early 2013.

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.**

Without the information contained in 19 CFR Part 111 CBP would not be able to monitor customs brokers in order to ensure compliance with CBP laws and regulations, and would not be able to substantiate proper supervision and control. CBP performs this regulation function in order to protect the public because these brokers conduct customs business for members of the public.

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

This information collection is conducted in a manner consistent with the guidelines in 5 CFR 1320.5(c)(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 including a 60-day notice published on November 1, 2010 (Volume 75, Page 67094) on which no comments were received, and a 30-day notice published on January 3, 2011 (Volume 76, Page 163) on which one comment was received.

A comment was submitted directly to OMB from UPS Supply Chain Solutions, Inc. Their comment was as follows:

UPS Supply Chain Solutions recommends that the Triennial Report regulations be modified to remove the requirement for reporting of employees with the Triennial Report (currently outlined in 19 CFR 111.28(b)) and establish a new regulation to allow for the regular reporting of employees to a central location, not each District office. We have no objection to continuing to report the name, social security number, date and place of birth and current home address for each current brokerage employee, but would like to this to be centrally managed by U.S. Customs & Border Protection (CBP).

CBP's response is that we are working with the brokerage community to redo the entire broker regulations (19 CFR Part 111) and that we will bring this issue up as part of our discussions and analysis with the brokers on how Part 111 should be revised. CBP is not necessarily opposed to the suggestion made by the commenter, but if we revise the regulations for 19 CFR 111.28(b)), it will probably be part of a larger revision to Part 111. Any revisions to Part 111 would have to be accomplished through an NPRM and Final Rule.

**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.**

A SORN dated December 19, 2008 (Volume 73 FR 77753) will be submitted with this ICR.

**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 personal or sensitive nature.

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

INFORMATION COLLECTION	TOTAL ANNUAL BURDEN HOURS	NO. OF RESPONDENTS	NO. OF RESPONSES PER RESPONDENT	TOTAL RESPONSES	TIME PER RESPONSE
Application for Broker License	2,300	2,300	1	2,300	1 hour

Exam (Form 3124E)					
Application for Broker License (Form 3124)	300	300	1	300	1 hour
Triennial Report	1,917	3,833	1	3,833	.5 hours
National Broker's Permit Application	500	500	1	500	1 hour
<b>TOTAL</b>	<b>5,017</b>	<b>6,933</b>		<b>6,933</b>	

### Public Cost

The cost to the respondents is **\$961,800** based as follows:

Customs brokers examination fee- **\$460,000**. This is based on the number of responses (2300) multiplied (x) the amount of the fee (\$200) = \$460,000.

The broker license fee is- **\$6,000**. This is based on the number of respondents (300) multiplied by the amount of the fee (\$20) = \$6000.

The national permit fee- **\$112,500**. This is based on the number of respondents (500) multiplied (x) by the amount of the fee (\$225) = \$112,500.

The triennial report fee- **\$383,300**. This is based on the number of annual respondents (3,833) multiplied (x) by the amount of the fee (\$100) = \$383,300

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

The costs associated with this information collection are specified in Item #12 of this Statement.

**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.**

There are no costs associated with this collection of information because CBP collects the fees described in item #12 of this Statement to cover its costs.

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

There has been no increase or decrease in the estimated annual burden hours previously reported for this information collection. There are no changes to the information collected.

**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.