

## Supporting Statement for Safety Approval of Cargo Containers

### A. Justification.

#### 1. Circumstances that make the collection of information necessary.

The United States is signatory to the International Convention for Safe Containers (CSC), which requires that containers be approved before shipment internationally. The Coast Guard has the responsibility of enforcing the CSC (Pub. L. 95-208, DHS Delegation No. 0170.1, Section II, para. 96). This responsibility requires that the Coast Guard promulgate regulations for the initial approval of existing and new containers. These regulations (49 CFR Parts 450-453) require that container owners and manufacturers submit information and keep records to make it possible for the Coast Guard or its appointed agents to conduct the approval process.

The reporting requirements are necessary to provide the Coast Guard the information it needs to approve new equipment and designs. The recordkeeping requirements are necessary to assist the Coast Guard in its inspections of containers following approval.

This information collection supports the following strategic goals:

#### Department of Homeland Security

- Prevention
- Protection

#### Coast Guard

- Maritime Safety
- Maritime Stewardship

#### Marine Safety, Security and Stewardship Directorate (CG-5)

- Safety: eliminate deaths, injuries, and property damage associated with commercial maritime operations.
- Human and Natural Environment: eliminate environmental damage associated with maritime transportation and operations on/around the nation's waterways.

#### 2. By whom, how, and for what purpose the information is to be used.

(a) The reporting information is used by the Coast Guard and the delegated approval authorities to:

- (1) Receive design information for review and approval,
- (2) Receive information about the continuous examination program, and
- (3) Ensure additional manufacturing runs of an approved design are not being altered in unauthorized ways.

(b) The required records are used to:

- (1) Ensure adequate documentation to verify an individual container or design type's approval,

- (2) Ensure documentation that allows the Coast Guard to monitor the continuous examination program, and
- (3) Allow free movement of U.S. containers in foreign trade. Often, foreign countries will not allow containers to pass if they are not marked showing that they have received all approvals and inspections.

3. Consideration of the use of improved information technology.

The respondents formulate their own applications because each situation is unique. These applications may be sent to the relevant authority via the applicant's preferred format (i.e., fax, email, or hardcopy). The records maintained by the owners/manufacturers are not subject to any Coast Guard restrictions. They may be stored electronically or otherwise, depending upon the organization's preference. We estimate the vast majority (approx. 98%) of records are maintained electronically.

4. Efforts to identify duplication. Why similar information cannot be used.

No similar reporting or recordkeeping data is collected by any other federal agency.

5. Methods to minimize the burden to small businesses if involved.

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

6. Consequences to the Federal program if the collection(s) was conducted less frequently.

The only collection activity that occurs on a regular basis is the recordkeeping that must be performed for the continuous examination programs. The requirement is based on the minimum burden allowed in the CSC. All other collections occur only at the introduction of a new container design.

7. Explain any special circumstances that would cause the information collection to be conducted in a manner inconsistent with guidelines.

This information collection is conducted in manner consistent with the guidelines in 5 CFR 1320.5(d)(2).

8. Consultation.

A 60-day Notice will be published in the *Federal Register* to obtain public comment on this collection.

9. Explain any decision to provide any payment or gift to respondents.

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

10. Describe any assurance of confidentiality provided to respondents.

All information collected complies with the Freedom of Information Act (FOIA) and Privacy Act. If a manufacturer or owner considers certain information proprietary (e.g., trade secret), the Coast Guard will follow the exception permitted by FOIA (5 U.S.C. 552(b)(4)) and maintain confidentiality.

11. Additional justification for any questions of a sensitive nature.

There are no questions of sensitive language.

12. Estimates of reporting and recordkeeping hour and cost<sup>1</sup> burdens of the collection of information.

Respondent Assumptions:

- There are approximately 5 container manufacturers producing containers for U.S. owners.
- There are currently 11 approval authorities issuing container approvals for the U.S. Coast Guard.
- There are currently 26 owners enrolled in the continuous examination program.
- There are approximately 10 owners not enrolled in the continuous examination program.
- Therefore, there are approximately 52 respondents involved at various stages of this collection.

**A. Reporting Requirements**

There are approximately 1,624 reporting hours annually. This estimate was derived by the following:

- (1) Organizations wishing to become approval authorities submit an application to the Coast Guard. Based upon past trends, the Coast Guard estimates that 0 approval authority applications will be submitted for review each year.
- (2) The owner or manufacturer submits an application for approval of each new container design type to the approval authority. The authority will review the application and, if approved, will permit the owner to attach the safety approval plate to the containers. The Coast Guard estimates there are 25 applications submitted each year.
- (3) An owner submits an application to the Coast Guard for approval of a continuous examination program (ACEP). Based upon past trends, the Coast Guard estimates that 1 ACEP applications will be submitted for review each year.

---

<sup>1</sup> Labor costs are from the USCG "Standard Rates" (COMDTINST 7310.1(series)).

Table 1. The annual reporting burden.

<b>Item</b>	<b>Respondents</b>	<b>Frequency</b>	<b>Hours</b>	<b>Hours/Year</b>
Application to become an approval authority	0	0	24	0
Application for approval of container design	5	25	24	600
Review by approval authority of container design.	5	25	40*	1,000
Application for ACEP	1	1	24	24
<b>Total</b>				<b>1,624 hours/year</b>

\* This burden per response estimate was revised from 6 to 40, base on input from AAs.

## **B. Recordkeeping Requirements**

There are approximately 101,879 recordkeeping hours annually. This estimate was derived by the following:

(1) Each time an approval is issued by an approval authority, the approval authority must keep the following documents for a period of 15 years:

- The notice of approval,
- A copy of the application and the final approved drawings for each approval, and
- The manufacturer's serial numbers and the owner's identification numbers for all containers approved.

(2) There are approximately 16.6 million containers in the world fleet.<sup>2</sup> Of these it is estimated that about 45% (7.46 million) are U.S. flag containers. Each container must be examined every 30 months, meaning that approximately 3.00 million containers are examined in any given year. These records must be maintained by the container owners.

(3) In addition to recording when containers are examined, those containers that are not part of a continuous examination program must be labeled to show when the next inspection is due. It is estimated that 5% of the U.S. flag containers (373,000 containers total or approximately 149,200 containers in any given year) are not part of ACEP and will, thus, need to be labeled.

(4) New containers require labeling with the safety approval plate. The Coast Guard, based on discussions with delegated approval authorities, estimates that 1,000 containers are manufactured in the U.S. annually.

<sup>2</sup> This figure was extrapolated from the information in a United Nations Economic and Social Council report which provided data for the world fleet at mid 2005, and the estimated container population used during the last periodic renewal. See United Nations Economic and Social Council, Economic Commission for Europe, Inland Transport Committee, "New Developments in Intermodal Transport and Logistics," Informal document No. 2 (2007), Geneva, 5-6 March 2007. p.4.

Table 2. The annual recordkeeping burden.<sup>3</sup>

<b>Item</b>	<b>Respondents</b>	<b>Frequency</b>	<b>Hours</b>	<b>Hours/year</b>
Retain container design approval by approval authority	11	25	0.167	4
Store receipt of approval for the continuous examination program	1	1	1	1
Records of periodic examinations of containers	26	3,000,000	0.03	90,000
Label containers after each examination	10	149,200	0.083	12,384
Label containers with the safety approval plate	5	1,000	0.083	83
<b>Total</b>				<b>102,472 hours/year</b>

### C. Total Cost to the Public

Reporting Hours .....	1,624
Recordkeeping Hours .....	102,472
Total Public Hour Burden .....	104,096

We estimate that the average wage rate for the people performing the work required for these submissions will be \$45/hour, which is equivalent to the GS-9 out-of-government hourly rate from USCG “Standard Rates” (COMDTINST 7310.1(series)). This yields a total cost to the public of **\$4,684,320/year**.

#### 13. Estimates of annualized capital and start-up costs.

There are no capital, start-up or maintenance costs associated with this information collection.

#### 14. Estimates of annualized Federal Government costs.

The hour and cost burdens to the Federal Government are incurred during review of certain applications and programs.

<sup>3</sup> Numbers in this table were rounded for easier understanding.

Table 3. Federal Government Hour Burden.

<b>Item</b>	<b>Frequency</b>	<b>Hours</b>	<b>Hours/year</b>
Review of the approval authority application	0	0	0
Review of the ACEP application	1	8	8
<b>Total</b>			<b>8 hours/year</b>

We estimate that an individual at the GS-12 level will perform these reviews. This is equivalent to the in-government hourly rate of \$58/hour from the USCG “Standard Rates” (COMDTINST 7310.1(series)). Therefore, the total cost to the government equates to **\$464/year**.

15. Explain the reasons for the change in burden.

The change in burden is an ADJUSTMENT due to a decrease in the number of U.S. flag containers, manufacturers and owners. There is no proposed change to the reporting and recordkeeping requirements of this collection. The reporting and recordkeeping requirements and the methodology for calculating burden remain unchanged, with one exception. Based on input from approval authorities, we revised the “Review by approval authority of container design” burden per response estimate from 6 to 40 hours.

16. For collections of information whose results are planned to be published for statistical use, outline plans for tabulation, statistical analysis, and publication.

This information collection will not be published for statistical purposes.

17. Explain the reasons for seeking not to display the expiration date for OMB approval of the collection of information.

The Coast Guard will display the expiration date for OMB approval of this information collection.

18. Explain each exception to the certification statement.

The Coast Guard does not request an exception to the certification of this information collection.

**B. Collection of Information Employing Statistical Methods.**

This information collection does not employ statistical methods.