

**Supporting Statement
Drawback Process Regulations
CBP Forms 7551, 7552 and 7553
1651-0075**

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 collections of information related to the drawback process are required to implement provisions of 19 CFR, Part 191 which provides for a refund of duty for certain merchandise that is imported into the United States and subsequently exported. If the requirements set forth in Part 191 are met, claimants may file for a refund of duties using CBP Form 7551, *Drawback Entry*. CBP Form 7552, *Delivery Certificate for Purposes of Drawback*, is used to record a transfer of merchandise from a company other than the importer of record and is also used each time a change to the imported merchandise occurs as a result of a manufacturing operation. CBP Form 7553, *Notice of Intent to Export, Destroy or Return Merchandise for Purposes of Drawback*, is used to notify CBP if an exportation, destruction, or return of the imported merchandise will take place. The information collected on these forms is authorized by 19 U.S.C. 1313(l). The drawback forms are accessible at <http://www.cbp.gov/xp/cgov/toolbox/forms/>.

- 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 is to be used by CBP to expedite the filing and processing of drawback claims and to maintain effective oversight over the drawback program

- 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.**

Drawback claimants have the option of submitting their claims electronically via the Automated Broker Interface (ABI) system. Approximately 75 percent of claims are submitted via ABI.

- 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.

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

Failure to collect this information would result in companies unable to file for a refund which they are entitled to.

- 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 1320.6.

- 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 including a 60-day notice published on April 6, 2011 (Volume 76, Page 19120) on which one comment was received and a 30-day notice published on July 25, 2011 (Volume 76, Page 44350) on which three comments were received.

A comment was submitted by William Hagedorn of Comstock and Theakston, Inc. Mr. Hagedorn's comments are as follows:

Comment 1

CBP Form 7551. We propose that the following wording be inserted into the existing declaration:

“that for claims filed under 19 U.S.C. 1313(p) the requirements under 19 C.F.R. 191.176 have been or will be met and”

The complete declaration would then read as follows:

“The undersigned hereby certifies that for claims filed under 19 U.S.C. 1313(p) the requirements under 19 C.F.R. 191.176 have been or will be met and that the merchandise herein described is the same kind and quality as defined in 19 U.S.C. 1313(p)(3)(B), with the designated imported merchandise or the article manufactured or produced under 1313(a) or (b), as appropriate.”

CBP Response:

CBP believes that the proposed change to certification section of the CBP Form 7551 does not cover all of the certification requirements for petroleum drawback claims under 1313(p). The limited space on the back of the form does not provide enough room to account for all the certification requirements.

Comment 2

CBP Form 7553 vis-à-vis CBP Form 7551. On the CBP Form 7553 there are five boxes, listed below, that are not pertinent to the purpose of the form, that create additional burdens for completion of the form and should therefore be eliminated from the CBP Form 7553.

- Box 2 (Drawback Entry No.);
 - Box 5 (Drawback Center);
 - Box 15 (Import Entry No.);
 - Box 17 (Drawback Amount); and
- Box 20 (Drawback to be filed as). [We use the word “filed” here even though the word on the form is “filled”. We believe that the word “filed” is what is intended here, so we will use that term in these comments. On the CBP Form 7553, the word “filled” in Box 20 should be corrected to read “filed”.]

CBP Response:

The information in boxes 2, 5, 15, and 17 are required to ensure that the merchandise being exported can be linked to the import entry and the drawback claim. Sometimes the merchandise description is very generic and the information in the above boxes is the sole means for CBP to link an export to a drawback claim. Removing the data requirements as proposed will not provide CBP the information needed to verify the accuracy of the drawback claim.

We agree that the word “filled” in box 20 of the CBP Form 7553 should be corrected to read “filed.”

Comment 3

According to the drawback statute in 19 U.S.C. 1313(r)(1), “A drawback entry and

all documents necessary to complete a drawback claim, including those issued by the Customs Service, shall be filed or applied for, as applicable, within 3 years after the date of exportation or destruction of the articles on which drawback is claimed...”.

Similarly, according to the Customs Regulations in 19 C.F.R. 191.51(e)(1), “A completed drawback claim, with all required documents, shall be filed within 3 years after the date of exportation or destruction of the merchandise or articles which are the subject of the claim”.

A drawback claim may therefore be filed at any time within 3 years after the exportation or destruction takes place. There is no statutory or regulatory exception that applies to the filing of a CBP Form 7553. There is no requirement for the filer of the CBP 7553 to have such information at the time of filing the CBP 7553 and before the CBP 7551 is filed.

Customs position might be that the completion of a CBP Form 7553 does not require the prior filing of a CBP Form 7551, but only requires a few items of information that also happen to be found on a CBP Form 7551. However, if this is Customs position, it ignores the fact that in order to include this information on the CBP Form 7553 the exporter must first determine the statutory provision that will be applicable, then designate imports in a manner that takes account of any specific provisions in the statute or regulations relative to that statutory provision, then accurately calculate the drawback due. These steps constitute the major parts in the preparation of a drawback claim.

CBP Response:

CBP needs this information on each specific form in order to verify compliance, particularly with respect to the exports associated with the drawback claim.

Comment 4

Many exporters who are not covered by a Waiver of Prior Notice of Intent to Export must sometimes export merchandise on short notice for one reason or another. Similar situations exist for companies who need to destroy merchandise and are not covered by any waiver. Companies in both of these situations, in order to protect those exportations or destructions for drawback, are placed at a disadvantage because they do not have the time required to essentially prepare a drawback claim before they prepare and file a CBP Form 7553. Thus the requirement to complete boxes 2, 5, 15, 17 and 20 on the CBP Form 7553 can discriminate against exporters who do not have a Waiver of Prior Notice of Intent to Export or against companies who need to destroy merchandise on short notice.

CBP Response

It is not a requirement that a CBP Form 7551 be filed concurrently with the CBP Form 7553. Under the drawback laws, companies have three years from the date of export to file a claim for drawback.

Comments were also received from Ed Van Eck of C.J. Holt Drawback Brokerage. These comments were in response to the 60-day federal register notice of April 6, 2011, but they were dated and received well after the close of the comment period. However, these comments are identical to the comments filed by the other comments (Comstock and Theakston), and they will be included in this ICR. Note that Comstock and Theakston and C.J. Holt are the same company. We also received a comment on the 30-day notice from the American Association of Exporters and Importers (AAEI) which are also identical to the Comstock Theakston/C.J. Holt comments.

Comments were submitted from Tom Ferramosca on 30-day FRN are as follows:

Comment:

The import entry port code is unnecessary on Forms 7551 and 7552 because each entry number is unique and the port code is already resident in the Customs computer system. Requiring that information on the forms and in electronic claim transmission is burdensome because it causes unnecessary rejections when the code is incorrectly entered. Correcting the port code error can be time consuming and leads to processing delays for both the public and Customs. Furthermore the port code is not required on Form 7553.

CBP Response:

CBP needs submission of the import entry port code because many of the designated entries are older entries, and therefore would be difficult for CBP to retrieve without adding a significant burden for manual searches for the corresponding port code. Also, CBP would not be able to determine if the port code for Puerto Rico is designated, even if a manual search was conducted.

Comment:

The import date should also not be required on Forms 7551 and 7552 nor should it be required for electronic claim transmissions via Automated Broker Interface.

CBP Response:

Submission of the import date is needed for CBP to verify that the drawback claim is submitted in the allowable statutory time period. Like the import entry port code, if the date is not submitted as part of the claim, CBP would have to manually research old import entries, which would slow the process down significantly.

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 is no PII related to 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 associated with this collection.

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

FORM NUMBER/TITLE	TOTAL ANNUAL BURDEN HOURS	NO. OF RESPONDENTS	NO. OF RESPONSES PER RESPONDENT	TOTAL RESPONSES	TIME PER RESPONSE
7551 Drawback Entry	70,000	6,000	20	120,000	35 minutes (.583 hours)
7552 Delivery Certificate for Drawback	22,000	2,000	20	40,000	33 minutes (.55 hours)
7553 Notice of Intent to Export/Destroy Merchandise	1,650	150	20	3,000	33 minutes (.55 hours)
TOTAL	93,650	8,150		163,000	

Public Cost

The estimated cost to the respondents is \$1,873,000. This is based on the estimated burden hours (93,650) multiplied (x) hourly rate (\$20.00).

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

There are no capital or start-up 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 cost to the Federal Government associated with this collection is **\$1,711,500**. This is based on the number of responses (163,000) multiplied (x) by the average time to process each response (.25 hours) = 40,750 hours multiplied (x) by the average hourly rate (\$42.00) = \$1,711,500.

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

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

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

This information collection will not be published.

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

CBP does not seek approval to not display the expiration date.

- 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.

