

**Responses to OMB Comments –
3072-0012 46 CFR Part 540 - Application for
Certificate of Financial Responsibility**

Supporting Statement

- **Number of responses.** How did FMC arrive at its estimate of 645 responses? We recommend FMC detail how the estimate for 645 responses relates to the universe of 45 respondents. Additionally, we recommend FMC briefly describe why the number of responses has changed since the last package.

Reply:

The Commission estimated the number of reports that performance and casualty certificate holders file annually based on a review of FY 2010 submissions. All certificate holders are required to file semi-annual statements to report any changes since their initial application. Certificate holders that established financial responsibility with an escrow account are required to provide weekly, monthly, and quarterly reports. In addition to required reports, certificate holders may file reports to change the financial coverage amount, change the type of financial responsibility instrument or terminate their financial coverage. Certificate holders arrive at such business decisions independently based upon their unique business circumstances. Thus, the number of such reports can vary from year to year and cannot be accurately predicted.

- **Recordkeeping burden.** How did FMC arrive at its estimate of 934 recordkeeping hours? We recommend how recordkeeping activities relate to the IC's.

Reply:

The Commission estimated the cumulative amount of time required of certificate holders to prepare and submit each information collection based upon an estimate of the submissions received in FY 2010. A majority of the information collections require the calculation, verification and submission of a passenger vessel operator's unearned passenger revenue, which is money collected from passengers as deposits for cruises or payment of fares for voyages that have not yet been performed. This unearned passenger revenue is the basis for the amount of financial responsibility a passenger vessel operator is required to provide.

The amount of recordkeeping hours primarily declined from the previous submission due to a decline in passenger vessel operators electing to use an escrow agreement as their financial instrument. Because escrow agreements have the most stringent reporting requirements, i.e., weekly recomputation certificates, a decline in those instruments results in a more substantial decline in the burden for that IC than occurred with other ICs. Conversely, an increase in the filing of escrow agreements will result in a substantial increase in reports received. As the type of financial instrument used to satisfy the Commission's passenger vessel financial responsibility requirements is determined as a business decision by the passenger vessel operator, the associated burden can vary as well.

- **Definitions.** What is the relationship between filing fees, certificates, and amendments? As a non-expert reader, I do not understand the exact process by which annual certification takes place.

Reply:

Certification is not annual. When a passenger vessel operator first seeks to enter the Commission's passenger vessel financial responsibility program, the operator files an initial application. Each vessel must have its own Certificate (Performance) to advertise water transportation in the United States and a Certificate (Casualty) to embark passengers from a U.S. port. There is an application fee of \$2,767 for an initial Certificate (Performance) and \$1,206 for an initial Certificate (Casualty). To add subsequent vessels to the Commission's passenger vessel program, the application fees are \$1,382 for a Certificate (Performance) and \$605 for a Certificate (Casualty). There are no filing fees to amend an application.

Instruments

- **Line length.** For all instruments, when providing a line for a respondent to fill in the blank, please consider appropriate lengths. For example, FMC-133A has a short line for the name of the applicant, and many lines on FMC-132B unnecessarily extend onto multiple lines.

Reply:

The FMC plans to revise the passenger vessel forms related to performance in this Information Collection (IC) as part of the Commission's Notice of Proposed Rulemaking in Docket No. 11-16, *Passenger Vessel Financial Responsibility Requirements for Nonperformance of Transportation*. A separate clearance request will be submitted shortly in support of those revisions to this IC. We believe that these concerns have been addressed in the revisions being proposed.

- **Formatting.** Please consider making spacing and capitalization consistent within and across forms. For example, FMC-133A has no space between parts 4 and 5. FMC-133A also contains no parenthetical instructions after the fill in the blank lines in part 5. Because of spacing, I found it unclear who should fill out the "Signature and Title" line at the end of FMC-132A.

Reply:

See above reply.

- **FMC-131 issues.** As a non-expert reader of FMC-131, I found it difficult to ascertain which boxes I should check at which times. We recommend FMC add spaces between options, as opposed to presenting choices on the same text line. Additionally, might FMC incorporate the questions for parts 18 to 22 into previous sections? Finally, the alignment of choices is inconsistent throughout the form, and FMC could better utilize colons to indicate lists.

Reply:

See above reply.