

SUPPORTING STATEMENT FOR  
PAPERWORK REDUCTION ACT SUBMISSION  
UNDER 5 CFR PART 1320  
INFORMATION COLLECTION: 2133-0029

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## 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.**

Quality Shipbuilding information from the Maritime Administration (MARAD) and the Navy is absolutely necessary for the Administration and Congress to formulate national shipbuilding policies. To more effectively comply with Agency directives, the Maritime Administration, in joint effort with the Naval Sea Systems command, and major U.S. commercial shipyards, needs to define and continuously monitor this country's active shipbuilding industrial base in an accurate, uniform, comprehensive and timely manner. This data collection effort will assist in addressing these problems, respond to a major request from the shipbuilding industry itself and aid in supplying quality shipbuilding information to the Office of Management and Budget for their budget analysis cycles.

In compliance with the Merchant Marine Act of 1936, as amended MARAD conducts this survey to obtain information from the shipbuilding and ship repair industry to be used primarily to determine if an adequate mobilization base exists for national defense and for use in a national emergency. The following sections directly apply:

46 U.S.C. 50102 (2007). Survey of merchant marine. (a) In general. The Secretary of Transportation shall survey the merchant marine of the United States to determine whether replacements and additions are required to carry out the objectives and policy of section 50101 of this title. The Secretary shall study, perfect, and adopt a long-range program for replacements and additions that will result, as soon as practicable, in-- (1) an adequate and well-balanced merchant fleet, including vessels of all types, that will provide shipping service essential for maintaining the flow of foreign commerce by vessels designed to be readily and quickly convertible into transport and supply vessels in a time of national emergency; (2) ownership and operation of the fleet by citizens of the United States insofar as practicable; (3) vessels designed to afford the best and most complete protection for passengers and crew against fire and all marine perils; and (4) an efficient capacity for building and repairing vessels in the United States with an adequate number of skilled personnel to provide an adequate mobilization base.

46 U.S.C. 50106 (2007). Studies on the operation of vessels. (a) Relative costs. The Secretary of Transportation shall investigate, determine, and keep current records of the relative cost of marine insurance, maintenance, repairs, wages and subsistence of officers and crews, and all other items of expense, in the operation of

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comparable vessels under the laws and regulations of the United States and those of the foreign countries whose vessels are substantial competitors of American vessels. (b) Shipyards. The Secretary shall investigate, determine, and keep current records of the number, location, and efficiency of shipyards in the United States. (c) Navigation laws. The Secretary shall examine the navigation laws and regulations of the United States and make such recommendations to Congress as the Secretary considers proper for the amendment, improvement, and revision of those laws and for the development of the merchant marine of the United States.

Specifically, this report will support the Maritime Administrative Order 72-1, Section 3.05, that charges MARAD's, Office of Business and Workforce Development with the following tasks:

- i. maintaining current records on shipyard facilities, workload, employment and suppliers in the U.S:
- ii. develop ship contract delivery dates, analysis of shipbuilder's planned and actual performance, and scheduling and expediting key event activities scheduling a mobilization ship program.
- iii. measuring shipyard capacity and production and maintaining shipyard reporting and information systems; and,
- iv. analysis of specific shipbuilding programs and extensions of contract delivery dates.

**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 central objective of this data collection effort is to provide the core information for the following reports, services, projects and database :

Shipyard Activity Report -- a report for related shipbuilding industry use that monitors current U.S. commercial ship construction and is distributed to both government agencies and private organizations;

Shipyard Reporting and Information System - a report issued upon MARAD or industry request that provides basic construction and ship characteristic information on commercial vessels built in U.S. shipyards from 1951 to present time.

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Shipyard Electronic Catalog / MAR-VIEW System- a computer program has been developed by MARAD to display shipyard facility, capability and orderbook information, this database is updated periodically.

Official Shipbuilding Information Base - database utilized in varying degrees by all the previously mentioned reports, services and projects.

Shipyard Evaluation and Analysis System (SEAS) - a computer program utilized upon MARAD, DOD, or industry request for the analysis of shipbuilding programs and U.S. shipbuilding mobilization capabilities; and,

An important function of this information is the extending of the firm work manpower curves beyond the present period to their completion in both the official shipbuilding status reports and requested SEAS runs. Most other data improvements are basically solving missing and obsolete data problems in the official shipbuilding information base. However, in addition to enhancing the performance of MARAD, the improved data is shared with the Navy, as well as other Government agencies, to ensure that similar or mutual analyses of shipbuilding programs will generate less conflict between each agency's results.

In particular, the most important function of this information is the MAR-VIEW system. This system will be utilized by the Office of the Secretary of the Department of Transportation to provide information on shipyards and their orderbooks to those with the need to know.

Without the availability of this data as it's currently being supplied the preceding reports and analyses either could not be generated or would be of significantly reduced integrity.

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. Also describe any consideration of using information technology to reduce burden.**

MARAD has provided respondents with the option of responding 100 percent via electronic means including e-mail, FAX, and spreadsheet format.

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.**

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This office is in frequent contact with counterpart offices in the Navy, MSC, Coast Guard, and private organizations to assure the information we receive available to them, thus eliminating any need for duplicative data collection efforts.

To our knowledge the U.S. shipbuilding and repair industry does not provide this type of data to any other government or private organization.

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

The annual burden for each respondent is a total of two hours of clerical work. The same level of information detail is required from all respondents, thus the already small burden cannot be effectively reduced without a loss in aggregate data integrity. This information is presently ascertained by the best means available.

**6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing the burden.**

The Government Performance and Results Act require Federal agencies to establish performance goals and measures to assess progress being made toward achieving intended program outcomes. Performance goals are contained in the DOT Performance Plan and Maritime Administration Performance Plan with DOT. The survey of the shipbuilding industry and the collection of data on a quarterly basis is essential to our ability to answer the questions asked by the Office of the Secretary and the Congress regarding the performance goals.

In addition, regularly required informational responses to Congress would be severely impacted. Even more importantly, the current health of an industry, as well as economic well-being, which is critical to our national defense posture, cannot be surveyed any less frequently without significant loss of data reliability.

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

- **requiring respondents to report information to the agency more often than quarterly;**

At this time, there are no special circumstances that would require the collection of information more frequently than quarterly.

- **requiring respondents to prepare a written response to a collection of**

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**information in fewer than 30 days after receipt of it;**

We ask the respondents to provide us with the requested data 25 days from the date of request. This facilitates the timely availability of data and the timely dissemination of the data to management and other Government agencies.

- **requiring respondents to submit more than an original and two copies of any document;**

Respondents are requested to submit only an original document.

- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**

No retention requirements are put on the respondents.

- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**

This data collection is not subject to statistical methods or analysis.

- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**

The data collection has been previously approved by OMB.

- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing data with other agencies for compatible confidential use; or**

Data is shared with other government agencies on a need to know basis.

- **requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

Not applicable.

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- 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.**

MARAD published a 60-day notice and request for comments on this information collection in the Federal Register (76 F.R., No. 136), dated July 15, 2011, at 41860, indicating comments should be submitted on or before September 13, 2011. No comments were received.

**Describe 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 record-keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.**

**Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every three years - even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

MARAD employees communicate with the Shipbuilder's Council of America, Naval Sea Systems Command, and major U.S. commercial shipyards in an effort to define and continuously monitor this country's active U.S. shipbuilding industrial base. The basic content of this report is agreeable to all the concerned parties. Several respondents have verified that the requested shipbuilding data is indeed readily accessible and maintained as a matter of standard bookkeeping and management practice.

- 9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

Not applicable, no payments are provided.

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

The data requested is readily available in the shipbuilding industry, however, upon occasion, it might be considered business sensitive. For that reason, MARAD's policy is to

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limit access to raw data to in-house use. This approach has been mutually agreed upon with the respondents.

- 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.**

The information requested is not of a sensitive nature.

- 12. Provide estimates of the hour burden of the collection of information. The statement should:**

- Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated burden and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**

Current number of respondents: 200

Annual number of responses per respondent: 4

Annual burden per respondent: 2 hour (average)

Again, this shipbuilding data is readily available in the shipbuilding industry. The estimated time consumed for collecting, compiling and typing the requested shipbuilding data, on average, for this report per response is as follows:

Collection of data      15 minutes

Compilation of data      5 minutes

Typing of data or clerical help 10 minutes

TOTAL 30 minutes

A shipyard's reporting burden may vary from a high of 45 minutes to a low of 15 minutes depending upon the quantity of major oceangoing vessels being constructed in each shipyard.

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- **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in item 13 of OMB Form 83-I.**

Not Applicable

- **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in item 14.**

2 hours / respondent = \$70.00 (@ estimated billing rate of  
\$35/hour)

Times 200 respondents = \$14,000.00 Total Annual cost

- 13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in items 12 and 14).**
- **The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.**
  - **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking**

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containing the information collection, as appropriate.

- **Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

The estimated annual cost burden to respondents per response is as follows:

- (a) Total Capital and Start-Up Costs Estimate: None
- (b) Total Operation and Maintenance and Purchase of Services Estimate:  
None

- 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. Agencies also may aggregate cost estimates from items 12, 13, and 14 in a single table.**

**The total annual cost to the Federal Government for processing the collection is estimated as follows:**

4 mailing costs of 75 envelopes (@ \$.44 each)	\$ 132.00
400 pages of printings (\$0.10 each)	\$ 40.00
Return mailing of data	\$ 52.80
100 hours compilation time (estimated billing of \$35/hr.)	<u>\$3,500.00</u>
TOTAL	\$3,724.80

Since this is a voluntary form submittal on the part of the respondents, the noted participation level indicates the number of shipyards which are anticipated to provide us information this number can be expected to and does vacillate over time. The basic burden per respondent has not changed.

- 15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of OMB Form 83-I.**

Not Applicable. There are no changes.

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- 16. For collections of information whose results are planned to be published for statistical use, outline plans for tabulation, statistical analysis, and publication. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates and other actions.**

Data is entered into a computerized database presented in tabular and graphic forms. One report is prepared - Shipyard Activity Report

Data collection effort commences:	January 1 April 1 July 1 October 1
End of collection period:	January 25 April 25 July 25 October 25
Publication of reports:	March 1 June 1 September 1 December 1

As previously mentioned in the Justification, the requested shipbuilding data will be utilized in MARAD's shipbuilding reports, services, projects and database. Only the official shipbuilding information base, SEAS projects, the official shipbuilding status report require all the data supplied by this report. The remaining shipbuilding reports, projects and services use only those sections of the submitted form that are pertinent. Additionally, all shipbuilding information received is shared with NAVSEA.

Quarterly shipbuilding information will be requested via electronic mail, and by regular mail where electronic distribution is not feasible, at the beginning of each quarter. Twenty-five days are allowed for responses and fifteen days are allowed for data implementation. The actual publication dates of the official quarterly shipbuilding status report and shipyard activity report are respectively, two months after the end of each quarter.

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

Not applicable.

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- 18. Explain each exception to the certification statement identified in Item 19, “Certification for Paperwork Reduction Act Submissions,” of OMB Form 83-I.**

Not applicable.