

**SUPPORTING STATEMENT
RENEWAL OF OMB APPROVAL
DEFECT/NONCOMPLIANCE REPORT (CG 4917) AND
CAMPAIGN UPDATE REPORT (CG-4918)**

A. JUSTIFICATION:

1. CIRCUMSTANCES WHICH MAKE COLLECTION OF INFORMATION NECESSARY:

The Recreational Boating Product Assurance Branch (CG-54223) in the Office of Boating Safety develops and enforces compliance with U.S. Coast Guard safety standards and regulations under the authority of 46 U.S.C. Chapter 43.

Compliance enforcement includes monitoring defect notification and recall campaigns which boat and engine manufacturers conduct in accordance with 46 U.S.C. 4310 for failures to comply with applicable U.S. Coast Guard safety standards or regulations, and for defects which in the words of the Federal statutes, "create a substantial risk of personal injury to the public." Boat and "designated" associated equipment (inboard engine, outboard motor, sterndrive engine or an inflatable personal flotation device approved under 46 CFR 160.076) manufacturers use the Defect/Noncompliance Report (CG-4917) and Campaign Update Report (CG-4918) forms to provide an initial report and to report their progress in conducting recall campaigns.

Defect/Noncompliance Report (CG-4917):

According to 46 U.S.C. 4310(d) and (e) and 33 CFR 179.13(a)(2) the manufacturer shall provide the Commandant of the Coast Guard with an initial report consisting of certain information about the defect notification and recall campaign being conducted. Upon receipt of information from a manufacturer indicating the initiation of a recall, the Recreational Boating Product Assurance Branch assigns a recall campaign number, and sends the manufacturer a CG-4917 form for supplying the information. The CG-4917 form describes:

- (1) the manufacturer's reason for conducting defect notification,
- (2) the units affected by the defect or failure to comply,
- (3) the degree of danger to the public with continued use of the affected product,
- (4) the extent of the problem, and
- (5) what corrective action the manufacturer plans to take.

Alternatively, manufacturers are allowed the option of supplying the required information without using the form.

Campaign Update Report (CG-4918):

According to 33 CFR 179.15(a), a manufacturer who makes an initial report required by 33 CFR

179.13 shall send to the Commandant of the Coast Guard a follow-up report within 60 days after the initial report. The follow-up report must contain at least the following information:

- "(1) A positive identification of the initial report;
- (2) The number of units in which the defect was discovered as of the date of the follow-up report;
- (3) The number of units in which corrective action has been completed as of the date of the follow-up report;
- (4) The number of first purchasers not notified because of an out of date name or address or both; and
- (5) An updating of the information required by Section 179.13."

Section 179.15 also states "Each manufacturer shall submit any additional follow-up reports requested by the Commandant." The Recreational Boating Product Assurance Branch furnishes the manufacturer with CG-4918 forms for supplying the information.

Per an agreement with OMB, the first Campaign Update Report form (CG-4918) must be submitted within 60 days after the manufacturer submits the Defect Noncompliance Report. Additional CG-4918 forms must be submitted within 90-day intervals thereafter, until the recall campaign reaches an acceptable level of completion.

Alternatively, manufacturers are allowed the option of supplying the required information without using the form.

2. HOW, BY WHOM, HOW FREQUENTLY, AND FOR WHAT PURPOSE IS THE INFORMATION USED AND ACTUAL USE THE COAST GUARD HAS MADE OF THE INFORMATION FROM THE CURRENT COLLECTION?

The Recreational Boating Product Assurance Branch uses the information collected with the CG-4917 and CG-4918 forms to:

- (1) Assess the severity of defects and failures to comply with applicable safety standards and regulations in boats and designated associated equipment (designated in 33 CFR 179.03);
- (2) Determine the degree of danger to the public with continued use of the product without correction of the defect or noncompliance;
- (3) Determine whether a manufacturer's proposed method for correction of the defect or noncompliance is appropriate; and
- (4) Monitor the progress of manufacturer notifications of owners and corrections of affected units and determine whether the manufacturer is exercising reasonable diligence in performing those responsibilities.

Once the Coast Guard receives the Defect/Noncompliance Report (CG-4917), the information is entered into a database. The Recreational Boating Product Assurance Branch uses the database for the purposes of monitoring when Campaign Update Reports (CG-4918) are due; to quickly gather significant information about specific recall campaigns; to evaluate a manufacturer's diligence in conducting a campaign; and in evaluating the need for safety standards addressing specific problems.

The Coast Guard Office of Boating Safety has a contractor-run website (<http://www.uscgboating.org>) where visitors can access a variety of recreational boating safety information. One of the popular features of the site is access to a database where owners can access information concerning defect notification and recall campaigns.

3. CONSIDERATION GIVEN TO THE USE OF IMPROVED INFORMATION TECHNOLOGY

Manufacturers are not required to use the CG-4917 and 4918 forms. The Federal defect notification regulations in 33 CFR 179.13 and 179.15 specify the information the manufacturer must provide in an initial report – the Defect/Noncompliance Report (CG-4917) and in any follow-up reports – the Campaign Update Report (CG-4918). The Recreational Boating Product Assurance Branch believes use of the forms is the easiest way to collect the necessary information. However, the Coast Guard accepts information provided in other formats such as:

- (1) Narrative form such as in a letter;
- (2) Via electronic mail; or
- (3) Via facsimile.

Approximately 40 manufacturers (25% of the active recall campaigns as of November 9, 2011) send the CG-4917 and CG 4918 forms electronically. The forms are provided to the manufacturers in either Adobe Acrobat or in Microsoft Word format.

4. EFFORTS TO IDENTIFY DUPLICATION?

A search of the USCG data collections revealed no duplications of this information collection. There is no similar data collected

5. IF THE COLLECTION OF INFORMATION INVOLVES SMALL BUSINESSES OR OTHER SMALL ENTITIES, WHAT METHODS USED TO MINIMIZE THE BURDEN?

Small businesses manufacture fewer units annually, therefore minimizing burdens. At the same time, however, many small businesses or small entities might not have computers or facsimile machines and might not be able to take advantage of reductions in burdens by filing electronically.

6. CONSEQUENCE TO COAST GUARD BOATING STANDARDS PROGRAM IF CG-4917 AND CG ARE WITHDRAWN OR INFORMATION IS COLLECTED LESS

FREQUENTLY.

The information is collected quarterly from manufacturers conducting recalls of their products. A manufacturer conducting a recall campaign submits one CG-4917 form or some other type of initial report such as a letter containing the information required by 46 U.S.C. 4310(d) and 179.13. The manufacturer is then required to submit the first Campaign Update Report form within 60 days of the initial report, and additional reports every 90 days thereafter, until an acceptable number of owners have been notified and an acceptable number of units have been corrected. If the Recreational Boating Product Assurance Branch did not collect the information or collected the information less frequently, the Coast Guard would not be able to determine:

(1) Whether owners of boats, inboard engines, outboard motors or sterndrive units which failed to comply with applicable U.S. Coast Guard safety standards or contained defects which create a substantial risk of personal injury to the public were being notified by the manufacturers of those products about the existence of the recalls and potential danger with continued use of the defective products; and

(2) Whether manufacturers subject to 46 U.S.C. 4310 and 33 CFR 179 were carrying out their statutory and regulatory responsibilities.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATED TO THIS INFORMATION COLLECTION

There are no special circumstances applicable to this information collection

8. DESCRIBE EFFORTS TO CONSULT WITH PERSONS OUTSIDE THE AGENCY

A 60-day Notice was published in the Federal Register to obtain public comment on this collection (see [USCG-2011-1074]; December 12, 2011; 76 FR 77243). Additionally, a 30-day Notice was published in the Federal Register to obtain public comment on this collection (February 21, 2012; 77 FR 9949). The Coast Guard has received no comments on this information collection.

9. EXPLAIN ANY DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS, OTHER THAN REMUNERATION OF CONTRACTORS OR GRANTEES.

The Coast Guard does not provide payments or gifts to respondents in exchange for the information collected.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

There are no assurances of confidentiality for this information collection.

11. ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE:

There are no questions of a sensitive nature involved in this information collection.

12. PROVIDE ESTIMATES OF THE BURDEN OF THE COLLECTION OF INFORMATION:

Total annual first year burden hours for respondents – 252 hours

Total annual first year burden costs for respondents - \$8,064.00

Total annual follow-on burden hours for respondents – 224 hours/yr for 2 years

Total annual follow-on burden costs for respondents - \$7,168.00/yr for 2 years

Grand Total burden hours/average campaign for respondents –700 hours

Grand Total burden costs/average campaign for respondents - \$22,400.00

A summary of the recall campaigns initiated annually, since 1990 is listed below:

<u>YEAR</u>	<u>NUMBER OF CAMPAIGNS</u>
1990	52
1991	31
1992	67
1993	120
1994	77
1995	101
1996	57
1997	49
1998	52
1999	31
2000	27
2001	70
2002	65
2003	63
2004	43
2005	67
2006	77
2007	33
2008	38
2009	33
2010	<u>24</u>
	1177/21 = 56

An estimated average of four (4) reports is filed annually by each of 56 respondents for a total of 224 responses annually for an average three year campaign timeframe. The 56 respondents filing initial Defect/Noncompliance Reports each year usually vary but may include some of the same respondents from the previous year depending on whether they have new recall campaigns to report.

- one Defect/Noncompliance Report (CG-4917) and three Campaign Update Reports (CG-4918) (the first year); and
- four Campaign Update Reports/year for an average of two years.

Responses:

The Recreational Boating Product Assurance Branch estimates that it takes approximately one hour to read instructions, gather the required information, and complete a CG-4917 form.

The Recreational Boating Product Assurance Branch estimates that it takes approximately one-half hour to read instructions, gather the required information, and complete a CG-4918 form.

An average of 56 recall campaigns is conducted by boat, inboard engine, outboard motor and sterndrive unit manufacturers annually.

First Year Estimate:

CG-4917: $56 \times 1 \text{ hour} = 56 \text{ hours}$

CG-4918: $56 \times \frac{1}{2} \text{ hour} \times 3^* = 84 \text{ hours}^{**}$

Follow-on Two Year Estimate:

CG-4918: $56 \times \frac{1}{2} \text{ hour} \times 4 = 112 \text{ hours/yr} \times 2 \text{ years} = 224 \text{ hours}$

*As stated previously, per an agreement with OMB, the Recreational Boating Product Assurance Branch collects the information in the CG-4917 within 30 days, the information in the first CG-4918 within 60 days after receipt of the DNR, and additional CG-4918s every 90 days thereafter. e.g., a total of four reports the first year and four reports each additional year the campaign remains open.

**** According to OMB instructions, if the hour burden on respondents is expected to vary widely because of differences in activity, size or complexity, show the range of estimated hour burden, and explain the reasons for the variance.** Numbers of units involved in recall campaigns vary widely. A rowboat manufacturer, who was a small business entity, and whose boat failed compliance testing, might conduct a recall campaign for 10 or fewer boats. A Personal Watercraft (PWC) manufacturer, however, might conduct a recall campaign for as many as 35,000 boats. While the one hour estimate for completing the CG-4917 might be somewhat high for a manufacturer recalling 10 or fewer boats, the larger manufacturers have sophisticated, computerized databases which they can use to assemble the necessary information making one hour a reasonable estimate of the time required to gather the information, even for tens of thousands of units.

In addition, the larger manufacturers may have designed their hull identification numbering systems to specifically identify affected units. All boats are required to bear two distinct 12 character Hull Identification Numbers (HINs) (see OMB approval No. 1625-0056). The first three characters in the HIN are the Manufacturer Identification Code (MIC). Characters four through eight are a manufacturer serial number consisting of letters of the English alphabet or Arabic numerals or both. A manufacturer or importer may choose any serial number sequence as long as each boat has a different HIN. Some manufacturers use the hull serial numbers portion of their boats HINs to indicate vessel-specific information of significance to the manufacturer, such as boat type, model, type of propulsion, etc., which can help identify affected units involved in a recall campaign. The last four characters indicate month and year of manufacture and model year, enabling a manufacturer to further delineate affected units if he or she so desires.

Records: In order to provide Campaign Update Reports (CG-4918), the manufacturer would need to keep records of:

- (1) Number of units which might contain the problem;
- (2) Number of first purchasers notified;
- (3) Number of dealers/distributors notified;
- (4) Number of units corrected or repaired;
- (5) Number of units inspected and were not affected; and
- (6) Number of owners who refused the offer for correction.

However, there is no other specific recordkeeping requirement associated with the CG-4917 or CG-4918.

The Recreational Boating Product Assurance Branch estimates one-half hour per report form for recordkeeping.

First Year Estimate:

CG-4917: $56 \times \frac{1}{2} \text{ hour} = 28 \text{ hours}$

CG-4918: $56 \times \frac{1}{2} \text{ hour} \times 3 = 84 \text{ hours}$

Follow-on Two Year Estimate:

CG-4918: $56 \times \frac{1}{2} \text{ hour} \times 4 = 112 \text{ hours/yr} \times 2 \text{ years} = 224 \text{ hours}$

First year burden hours:

Responses: 140 hours

Recordkeeping: 112 hours

Total: 252 hours

Follow-on burden hours:

Responses: $112 \text{ hours/yr} \times 2 \text{ years} = 224$

Recordkeeping: $112 \text{ hours/yr} \times 2 \text{ years} = 224$

Total: 448 hours

Grand total burden hours/average campaign: 700 hours

	Response Burden Hours	Recordkeeping Burden Hours	Total Burden Hours	Response Burden Costs	Recordkeeping Burden Costs	Total Burden Costs
First Year	140	112	252	\$4,480.00	\$3,584.00	\$8,064.00
Second Year	112	112	224	\$3,584.00	\$3,584.00	\$7,168.00
Third Year	112	112	224	\$3,584.00	\$3,584.00	\$7,168.00
Totals	364	336	700	\$11,648.00	\$10,752.00	\$22,400.00

13. PROVIDE AN ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS OR RECORDKEEPERS RESULTING FROM THE COLLECTION OF INFORMATION.

Total annual first year cost burden to respondents = \$4,480.00 (responses) + \$3,584.00 (recordkeeping) + \$386.96(postage) = \$8,450.96

Total annual follow-on cost burden to respondents = \$3,584.00 (responses) + \$3,584.00 (recordkeeping) + \$98.56(postage) = \$7,266.56 (average two year time)

Preparation Cost for Responses:

The Recreational Boating Product Assurance Branch estimates that it takes approximately one hour to read instructions, gather the required information, and complete a CG-4917 form.

The Recreational Boating Product Assurance Branch estimates that it takes approximately one-half hour to read instructions, gather the required information, and complete a CG-4918 form.

First Year Estimate:

CG-4917: 56 x 1 hour = 56 hours

CG-4918: 56 x ½ hour x 3 = 84 hours

Follow-on Two Year Estimate:

CG-4918: 56 x ½ hour x 4 = 112 hours x 2 years = 224 hours

Estimated \$32.00 per hour cost for a secretary*

*GS-4 outside Government per COMDTINST 7310.1M dtd. 31 AUG 2011

First Year Estimate:

CG-4917: $56 \times 1 \text{ hour} \times \$32.00 = \$1,792.00$

CG-4918: $56 \times \frac{1}{2} \text{ hour} \times 3 \times \$32.00 = \$2,688.00$

Follow-on Two Year Estimate:

CG-4918: $56 \times \frac{1}{2} \text{ hour} \times 4 \times \$32.00 = \$3,584.00/\text{yr} \times 2 \text{ years} = \$7,168.00$

Total annual first year preparation cost burden to respondents = \$4,480.00

Total annual follow-on preparation cost burden to respondents = \$3,584/yr for 2 years

Grand Total preparation cost burden/average campaign to respondents = \$11,648.00

Recordkeeping Cost:

The Recreational Boating Product Assurance Branch estimates one-half hour per report form for recordkeeping.

First Year Estimate:

CG-4917: $56 \times \frac{1}{2} \text{ hour} = 28 \text{ hours}$

CG-4918: $56 \times \frac{1}{2} \text{ hour} \times 3 = 84 \text{ hours}$

Follow-on Two Year Estimate:

CG-4918: $56 \times \frac{1}{2} \text{ hour} \times 4 = 112 \text{ hours/yr} \times 2 \text{ years} = 224 \text{ hours}$

Estimated \$32.00 per hour cost for a secretary*

*GS-4 outside Government per COMDTINST 7310.1M dtd. 31 AUG 2011

First Year Estimate:

CG-4917: $56 \times \frac{1}{2} \text{ hour} \times \$32.00 = \$896.00$

CG-4918: $56 \times \frac{1}{2} \text{ hour} \times 3 \times \$32.00 = \$2,688.00$

Follow-on Two Year Estimate:

CG-4918: $56 \times \frac{1}{2} \text{ hour} \times 4 \times \$32.00 = \$3,584.00/\text{yr} \times 2 \text{ years} = \$7,168.00$

Total annual first year recordkeeping cost burden to respondents = \$3,584.00

Total annual follow-on recordkeeping cost burden to respondents = \$3,584/yr for 2 years

Grand Total recordkeeping cost burden/average campaign to respondents = \$10,752.00

Postage cost:

According to 179.13 and 179.15, the initial report (CG-4917) and any follow-up reports (CG-4918) to the Commandant shall be sent by first class mail or certified mail:

If first class mail = \$0.44 per response*

If certified mail = \$5.59 per response (\$2.65 + postage)**

* ** It's not realistic to average the two, so costs computed based on more expensive method.

Three costs make up the \$5.59 USPS Certified Mail rates:

1. First-Class Postage \$0.44 (this is a letter size envelope, up to 1 oz in weight)
2. Certified Mail Fee \$2.85
3. Return Receipt (Green Card) \$2.30

Total Cost per Letter \$5.59

First Year Estimate:

CG-4917: $56 \times \$5.59 = \313.04

CG-4918: $56 \times 3 \times .44 = \73.92 (Almost all reports sent first-class mail)

Follow-on Two Year Estimate:

CG-4918: $56 \times 4 \times .44 = \98.56 (Almost all reports sent first-class mail)

14. TOTAL ESTIMATED COST TO FEDERAL GOVERNMENT

The estimated annual cost to the Federal Government is \$1,456.82.

Estimated printing costs: Less than \$20.00 annually.

Cost of man-hours: \$1,436.82

The estimated average number of respondents annually is 56. It takes an estimated five (5) minutes to review and enter the information collected on a Defect/Noncompliance form (CG-4917) into the computer and an estimated five (5) minutes to review and enter the information collected on each Campaign Update Report:

Estimated average cost per man-hour = \$77.00

$56 \times 20/60 = 18.66 \times \$77.00 = \$1436.82 + \20.00 (for forms) = \$1,456.82

15. EXPLAIN REASONS FOR PROGRAM ADJUSTMENTS: This is an ADJUSTMENT due to an increase in burden. This increase is due to a correction from the previous renewal submission. Because of the error in ROCIS previously submitted, although there have been fewer recall campaigns in the past three years, it will show as an increase. This is partially a function of the number of boats that fail compliance testing at the Coast Guard test facility. It is also a function of economic forces; in a down economy there are fewer boat manufacturers and in turn a fewer number of recalls. There has been no change to the information being collected.

16. OUTLINE PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION: The collection of this information does not involve statistical evaluation or publication.

17. DISPLAY OF EXPIRATION DATE. USCG will display the expiration date for OMB approval of this information collection.

18. EXPLAIN EACH EXCEPTION TO THE CERTIFICATION STATEMENT IDENTIFIED IN ITEM 19 OF OMB FORM 83-1.

B. DESCRIPTION OF COLLECTIONS OF INFORMATION THAT EMPLOY STATISTICAL METHODS: The collection of this information does not involve statistical methods,