

SUPPORTING STATEMENT FOR
PAPERWORK REDUCTION ACT SUBMISSION UNDER 5 CFR PART 1320
INFORMATION COLLECTION: 2133-0509

Introduction: Request extension with change of 2133- 0509, Service Obligation Compliance Report and Merchant Marine Reserve U.S. Naval Reserve (USNR) Annual Report. Upon approval by OMB, this collection will be referred to as “Maritime Administration Annual Service Obligation Compliance Report”. The collection current expiration is September 30, 2012.

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 Maritime Education and Training Act of 1980, Public Law 96-453, imposes a service obligation on every graduate of the U.S. Merchant Marine Academy (USMMA) and every subsidized State maritime academy graduate who received a Student Incentive Payment (SIP). This service obligation is for the Federal financial assistance the graduates received as students. The information collection is necessary to determine if a graduate of the USMMA or a State maritime academy graduate who received SIP is complying with the terms of their service obligation for that year. This collection supports the Departmental strategic goal for National Security by ensuring sufficient qualified maritime personnel are available and capable to serve in the event of a national emergency.

Previously, the MA-930 form was a joint form with the Commander, Naval Surface Reserve Force (COMNAVSURFRESFOR) who required an annual report from Merchant Marine Reservists in the U.S. Naval Reserve (MMR/USNR) on the compliance of their reserve commission requirements. MARAD was notified in May 2011 that the Navy will cease to use MA-930 as their reservists' are required to report electronically.

- 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.**

Every student and graduate of the USMMA and State maritime academy (SMA) Student Incentive Payment (SIP) Program students and graduates incur a mandatory service obligation in the U.S. merchant marine. This obligation is in exchange for Federal funds utilized for the student’s education. The obligation consists of (1) completing the course of instruction at their maritime academy; (2) maintaining U.S. Coast Guard merchant mariner credentials and endorsements, (unlimited license) as an officer in the merchant marine of the United States for at least six years following graduation from an academy; (3) serving as a commissioned officer in

the U.S. Naval Reserve, the U.S. Coast Guard Reserve or any other reserve unit of an armed force of the United States for at least six years following graduation from an academy; and (4) serving as a merchant marine officer on US.-flag vessels, as an employee in a U.S. maritime-related industry ashore or as a commissioned officer on active duty in an armed force of the United States or NOAA Corps. The employment obligation is three years for State maritime academy SIP graduates and five years for USMMA graduates.

The reporting form, MA-930 is used by the graduates to report to MARAD their compliance with their service obligation. It has been revised because it is no longer a joint agency form, it is now solely for MARAD's use to monitor service obligation compliance.

MARAD reviews the graduate's record in the MARAD computer, Maritime Service Compliance System (MSCS), to determine if the graduate is in compliance. Those graduates who are found to have breached their obligation are subject to being called to active duty in the U.S. armed forces as an option, or may be required to reimburse the Federal Government for the cost of their education. And SMA graduates entering the SIP Program and signing the revised SIP contract revised in 2004 also may have an option to repay their SIP funds received.

Failure to collect this compliance information from the graduates would place MARAD in the position of being unable to monitor compliance per statutory requirements.

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 provides a total electronic option for this collection. The information is confidential and personal in nature. The electronic web-based internet system, MSCS is available for submitting annual reports or updating personal information. Students and graduates can submit the required annual information from virtually anywhere in the world, removing many burdens to submitting the information. Students, although encouraged not to, also still have the option of electronically forwarding their annual reports in an email or regular mail.

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.

There is no duplication of information collection since the content of the service obligation compliance report forms is not required of the graduates by any other source. There are no other Federal agencies collecting or maintaining the in-depth employment reporting required by Public Law 96-453.

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

The requested information does not impact small businesses or other small entities. The reporting

burden is minimized by allowing the graduate to report annually in lieu of reporting individual employment periods. For example, a graduate engaged in afloat employment may make several voyages with different steamship companies in a year.

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.

Reporting annually is considered the minimum frequency of reporting to stay within the intent of Public Law 96-453. There would be no technical or legal obstacles if the use of improved information technology were considered or used to reduce the burden.

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;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **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;**
- **requiring the use of a statistical data classification that has not been reviewed and 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 of data with other agencies for compatible confidential use; or**
- **requiring respondents to submit proprietary trade secrets, 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.**

There are no special circumstances that would require this information collection to be conducted in a manner covered by the specific conditions described in 7 above.

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.**

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.

The Maritime Administration will publish a 60-day notice and request for comments on this information collection in the Federal Register on March 7, 2012, Vol. 77, No. 45, Page 13693, indicating comments were due by May 7, 2012. No comments were received.

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

No payment or gift is provided to respondents.

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

A Privacy Act Notice is contained in the service obligation contract that each student signs. This notice states that any information provided by the graduate will not be divulged without prior written authorization to anyone other than persons involved in monitoring the service obligation (e.g., school officials, employers, DOD, U.S. Coast Guard and NOAA). Further, the only information released is that which is specific to the request. The revised form has also omitted the graduates social security numbers, and replaced it with a U.S. Coast Guard reference number, unique to each student, and issued with the graduates merchant mariner credentials.

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 agency has no questions on these forms which are 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.**
- **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 83-1.**
- **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 13.**

The burden hour costs related to this collection of information are as follows:

Number of Respondents		Responses Per Respondent	=	Total Response Annually	Hours Per Response	=	Total Hours Annually
1,400	x	1	=	1,400	20 minutes	=	467 hours

Computation - (1400 x 1 = 1400 x 20 = 2800 ÷ 60 = 467)

The time required for the 1,400 respondents to submit and forward each one-time request to MARAD/USMMA is approximately 20 minutes.

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 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.**

(a) Total Capital and Start-Up Costs Estimate: There are no capital or start-up costs associated with this information collection. However, the estimated annual cost of preparing and submitting request is: regular postage \$0.44 plus envelope \$0.20 equals \$0.64 x 440 respondents equals; \$281.60; and certified postage \$2.67 plus envelope \$0.20 equals \$2.87 x 25 respondents equals \$71.75). The total cost for postage and envelope cost \$353.35.

(b) There are no Operation and Maintenance and Purchase costs.

- 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 Service Obligation Compliance Report form (MA-930) is estimated as follows:

1 GS-12 (USMMA) Career Service Program Specialist to analyze compliance reports (\$87,929 per year x 55% of time)	\$48,361.00
1 GS-9 Program Analyst (USMMA) To analyze compliance reports	\$9,806.00

(\$65,376 per year x 15% of time)

1 GS-14, Program Officer (MARAD) To analyze compliance reports (\$130,000 per year x 10% of time)	\$ 13,000.00
1 GS-9, Secretary (MARAD) Assistant functions (\$62,000 per year x 20% of time)	\$ 12,400.00
Total Employee Cost	<u>\$83,567.00</u>

Cost of Employees	\$ 83,567
Overhead @85%	<u>\$ 71,032</u>
Total Employee cost	\$154,599

The estimated annual Operation and Maintenance (O&M) cost with maintaining the MSCS system that holds the information collected is \$81,172 and enhancements (one time cost) for the MSCS estimated at \$37,445.

Yearly maintenance cost of MSCS:	\$ 81,172
One-time cost for enhancements:	\$ 37,445
Cost of Employees:	\$154,599
Total Cost to the Govt.	\$273,216

15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of the OMB Form 83-1.

The adjustment was due to a reduction in the number of respondents. *MARAD's Form MA-930 is no longer a joint form with the U.S. Naval Reserve. It is used only by MARAD to monitor maritime academy graduates service obligations. The form is solely a MARAD form. Therefore, this collection is an extension with change. Upon approval by OMB, this collection will be referred to as "Maritime Administration Annual Service Obligation Compliance Report".

16. For collections of information whose results will be published, outline plans for tabulation, and publication. Address any complex analytical techniques that will be used. 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.

The information collected is intended for internal use only. There are no plans to publish any information for statistical use.

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

Approval is not requested to not display the expiration date.

- 18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-1.**

There are no exceptions to the certificate statement.