

SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT
SUBMISSIONS UNDER 5 CFR PART 1320
Information Collection: 2133-0525

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.

Subtitle C, Title XXXV of the National Defense Authorization Act for Fiscal Year 2004, The Maritime Security Act of 2003 (MSA 2003) provides for enrollment of eligible vessels in the Maritime Security Program (MSP). **A copy of the proposed regulations reflecting Subtitle C is attached.**

This information collection supports the Secretary of Transportation's national security goal.

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.

Initial applications are submitted in written form to the Secretary of the Maritime Administration (MARAD) on behalf of the Secretary of Transportation. The initial application information is used by MARAD's Office of Sealift Support to evaluate eligibility of the applicant for participation in the MSP.

Monthly and annual reporting information is submitted directly to the Office of Sealift Support, and is used to monitor participant compliance with program requirements.

Requests for amendments are handled in the same manner as an application.

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.

Original applications and amendments affect the qualification of the applicant to receive support payments under the MSP for a period of up to ten years, and obligate the Government to make those payments under specified budgetary constraints. For the application format, it may be completed electronically except for the required signatures. These must be penned-ink originals.

Monthly vouchers and reports require certification under the signature of an authorized company representative, and must also be originals. One hundred percent of the annual financial reports may be submitted electronically.

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 collection has been designed to require the minimum necessary information for the selection of vessels for the MSP fleet, and implementation of the MSP. The application information is not available through other existing or planned sources. The monthly operational verification filed along with a participant's monthly voucher for payments of benefits is also not available from other sources. To the extent that a participant already files the annual financial data required under 46 CFR Part 296 with MARAD's Office of Financial and Rate Approvals, that data is accepted in lieu of an additional annual submission.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

This collection does not impact small businesses or other small entities.

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 burden.

If the requested application data is not available, MARAD cannot select appropriate vessels for participation in the MSP. Since there are statutory and regulatory penalties for failure to operate as required by the MSP, the monthly operational certifications are necessary to ensure that participants are meeting their program requirements, and if not, when MARAD should take action to withhold benefits. Less frequent collection of operational verification could result in sizeable and untimely recapture requirements, which could have an adverse impact on a participant's financial standing.

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 data with other agencies for compatible confidential use; or**
- **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.**

Vouchers for payment of MSP benefits are submitted on a monthly basis for payment under the Prompt Payment Act. Minimum days of operation are required in order to maintain eligibility for payment of benefits. Accordingly, monthly verification of operational days is required to ensure that the participant is entitled to payment of benefits for that period.

Except as noted above regarding collection of monthly operational verification, this collection does not include any special circumstances that would cause collection in any of the above identified manners.

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 recordkeeping, 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 published a 60-day notice and request for comments in the Federal Register on March 26, 2013 (Volume 78, page 18417). Comments were due by May 28, 2013. No comments were received.

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

There are no payments or gifts to the participants in the MSP other than payments due and payable by MARAD under the MSP contractors' respective MSP Operating Agreements.

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

The proprietary and confidential information gathered will be kept confidential pursuant to 5 U.S.C. 552 and 46 CFR Part 7.

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.

This information gathered is not sensitive in 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-I.**

- **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.**

Applications:

Number of Respondents (annual average)	Approximately 15
Frequency	One initial application
Burden	Six hours per year. This estimate is based on information readily available to an applicant, typing, review of application, and signature by an appropriate officer.

Estimated one-time cost to respondent:

Computation of data, completion of application form, letter and mailing:

Est. 4 hrs. of professional (accountant) time @ \$29.33	\$117.32
Est. 2 hrs. of clerical (typist) time @ \$16.75	\$ 33.50
Copying (3 x 9 pages @ \$.40)	\$ 10.80
Postage	<u>\$ 1.70</u>
	\$163.32
Times number of applicants (annual average)	<u> x 1</u>
Total	\$163.32

Total Estimated Annual Burden Cost – $\$163.32 \times 15 = \2449.80

Annual Amendments & Revisions:

Number of Respondents: 2	(Approximately 20 over 10 years or 2 per year)
Frequency:	One amendment
Annual hour burden:	4 hours x 2 amendments = 8 hours

Estimated cost to respondent:

Computation of data, completing relevant section of application, letter and mailing:

Est. 4 hr of professional (accounting) time @ \$29.33	\$117.32
Est. 4 hr of clerical (typist) time @ \$16.75	\$ 67.00
Copying (3 x 18 pages (avg.) x \$.40)	\$ 21.60

Postage	\$ 2.70
	<u>\$208.62</u>
Total number of expected responses per year	<u> x 2</u>
Total estimated annual cost	\$417.24

Monthly and Annual Reporting Requirement:

Computation of data, preparation of reports, review and signature by appropriate official

Number of respondents per year	15
Annual burden hours 7 + 7 = 14 x 15 respondents	210
Number of responses per year 12 + 1 = 13 x 15 respondents (7 hours accountant, 7 hours clerical) (12 monthly reports, 1 annual report)	195
Est. 7 hrs. of professional (accountant) time (6 hrs for 12 monthly reports, 1 hr. for annual) @\$29.33	\$205.31
Est. 7 hrs of clerical (typist) time (6 hrs. for 12 monthly reports, 1 hr for annual) @\$16.75	\$117.25
Copying (est. avg. of 87 pages annually) 87x.40	34.80
Postage	<u>\$ 16.90</u>
	\$374.26
Times number of respondents	<u> x15</u>
Total	\$5,613.90

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers 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.

(b) Total Operation and Maintenance and Purchase of Services Estimate: There are no operation and maintenance 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. Agencies also may aggregate cost estimates from items 12, 13, and 14 in a single table.

Estimated cost to the Federal Government:

Applications:

Prepare copies of application and mailing:

Copies (9 pages x 20 x \$.40)	\$ 72.00
Mailing (20 x \$ 1.30)	\$ <u>26.00</u>
Total	\$ 98.00
Review (est. 40 hrs. ea. on 15 applications – With an avg. grade level of GS-13 @ \$51.36)	\$30,816.00
Overhead @85 percent (est.)	\$ <u>26,193.60</u>
Total	\$57,009.60
Grand Total Applications	\$57,107.60
Average annual cost over 10 years	\$ 5,710.76

Amendments & Revisions:

Review (est. 4 hrs for 20 amendments with an avg. grade level of GS-13 @\$51.36)	\$4,108.80
Overhead @ 85 percent (est.)	<u>\$3,492.48</u>
Total	\$7,601.28

Average annual cost over 10 years \$760.13

Annual & Monthly Reports:

Annual

Review (est. 30 hrs for 15 reports with an avg. Grade level of GS-13 @ \$51.36)	\$23,112.00
Overhead @ 85 percent (est.)	<u>\$19,645.20</u>
Total	\$42,757.20

Monthly

Review (est. 2hr. for 15 reports for 12 months with an average grad of GS-13 @\$51.36)	\$18,489.60
Overhead @ 85 percent (est.)	<u>\$15,716.16</u>
Total	\$34,205.76

Grand Total All Reports \$76,962.96

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

Changes reflect the general increase in costs due to inflation.

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.

There are no plans to publish the results of this information collection for statistical purposes.

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-I.

There are no exceptions to the certificate statement.