

**Supporting Statement
CBP Regulations Pertaining to Customs Brokers
1651-0034**

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 information contained in Part 111 of the CBP regulations governs the licensing and conduct of customs brokers. An individual who wishes to take the broker exam must complete CBP Form 3124E, "Application for Customs Broker License Exam", or to apply for a broker license, CBP Form 3124, "Application for Customs Broker License". The procedures to request a local or national broker permit can be found in 19 CFR 111.19, and a triennial report is required under 19 CFR 111.30. This information collected from customs brokers is provided for by 19 U.S.C. 1641. CBP Forms 3124 and 3124E may be found at <http://www.cbp.gov/xp/cgov/toolbox/forms/>. Further information about the customs broker exam and how to apply for it may be found at http://www.cbp.gov/xp/cgov/trade/trade_programs/broker/broker_exam/

- 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 information collections identified in 19 CFR Part 111 are used by CBP to license and monitor customs brokers in order to ensure compliance with CBP laws and regulations, and to substantiate proper supervision and control. It also ensures that open lines of communications are maintained with all brokers. CBP performs this regulation function in order to protect the public because these brokers conduct customs business for members of the public.

- 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, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.**

Respondents can apply to take the broker exam using the Treasury system pay.gov. Forms 3124 and 3124E are available on the CBP website at <http://www.cbp.gov/xp/cgov/toolbox/forms/>

- 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 information is not duplicated in any other place or any other form.

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

This information collection does not have an impact on small businesses or other small entities.

- 6. Describe consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently.**

Without the information contained in 19 CFR Part 111, CBP would not be able to monitor customs brokers in order to ensure compliance with CBP laws and regulations. CBP performs this regulation function in order to protect the public because these brokers conduct customs business for members of the public.

- 7. Explain any special circumstances.**

This information collection is conducted in a manner consistent with the guidelines in 5 CFR 1320.5(c)(2).

- 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.**

Public comments were solicited through two Federal Register including a 60-day notice published on December 19, 2013 (Volume 78, Page 76851) on which no comments were received, and a 30-day notice published on March 11, 2014 (Volume 79, Page 13664) on which no comments have been received.

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

There is no offer of a monetary or material value for this information collection.

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

A SORN for the Automated Commercial System, dated December 19, 2008 (Vol. 73, Page 77759) and a PIA dated December 2, 2008 for the Automated Commercial System will be included in this ICR. There are no assurances of confidentiality provided to 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.**

There are no questions of a personal or sensitive nature.

- 12. Provide estimates of the hour burden of the collection of information.**

| INFORMATION COLLECTION | TOTAL ANNUAL BURDEN HOURS | NO. OF RESPONDENTS | NO. OF RESPONSES PER RESPONDENT | TOTAL RESPONSES | TIME PER RESPONSE |
|--|---------------------------|--------------------|---------------------------------|-----------------|-------------------|
| Application for Broker License Exam (Form 3124E) | 2,300 | 2,300 | 1 | 2,300 | 1 hour |
| Application for Broker License (Form 3124) | 300 | 300 | 1 | 300 | 1 hour |
| Triennial Report | 1,917 | 3,833 | 1 | 3,833 | .5 hours |
| National Broker's Permit Application | 500 | 500 | 1 | 500 | 1 hour |
| TOTAL | 5,017 | 6,933 | | 6,933 | |

Public Cost:

The estimated cost to the respondents is **\$1,102,778**. This is based on the estimated burden hours (5,017) multiplied (x) the average hourly rate (\$28.10) = **\$140,978**

- 13. Provide an estimate of the total annual cost burden to respondents or record**

keepers resulting from the collection of information.

There are no record keeping, capital, start-up or maintenance costs associated with this information collection.

The total amount of fees associated with this collection of information is **\$961,800**. This is calculated as follows:

The Customs brokers examination fee is- **\$460,000**. This is based on the number of responses (2300) multiplied (x) the amount of the fee (\$200) = \$460,000.

The broker license fee is- **\$6,000**. This is based on the number of respondents (300) multiplied by the amount of the fee (\$20) = \$6000.

The national permit fee is- **\$112,500**. This is based on the number of respondents (500) multiplied (x) by the amount of the fee (\$225) = \$112,500.

The triennial report fee is- **\$383,300**. This is based on the number of annual respondents (3,833) multiplied (x) by the amount of the fee (\$100) = \$383,300

- 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.**

The Government cost associated with this collection is **\$961,800**, which is covered by the fees collected. This cost was calculated by the following:

\$460,000 for the broker examination fee which is used to cover the costs for administering this exam;

\$6,000 for the broker license fee which is used to cover the costs of administering broker licenses.

\$112,500 for the national permit fee which is used to administer national permits.

\$383,300 for the triennial report which is used to administer this report.

- 15. Explain the reasons for any program changes or adjustments reported in Items 12 or 13.**

There has been no increase or decrease in the estimated annual burden hours previously reported for this information collection. There are no changes to the information collected.

- 16. For collection of information whose results will be published, outline plans for tabulation, and publication.**

This information collection will not be published for statistical purposes.

- 17. If seeking approval to not display the expiration date, explain the reasons that displaying the expiration date would be inappropriate.**

CBP will display the expiration date for OMB approval of this information collection.

- 18. “Certification for Paperwork Reduction Act Submissions.”**

CBP does not request an exception to the certification of this information collection.

- B. Collection of Information Employing Statistical Methods**

No statistical methods were employed.