

**Supporting Statement  
NAFTA Regulations and Certificate of Origin  
1651-0098**

**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.**

On December 17, 1992, the U.S., Mexico and Canada entered into an agreement, "The North American Free Trade Agreement" (NAFTA). The provisions of NAFTA were adopted by the U.S. with the enactment of the North American Free Trade Agreement Implementation Act of 1993 (PL. 103-182).

CBP Form 434, *North American Free Trade Certificate of Origin*, is used to certify that a good being exported either from the United States into Canada or Mexico or from Canada or Mexico into the United States qualifies as an originating good for purposes of preferential tariff treatment under the NAFTA. This form is completed by exporters and/or producers and furnished to CBP upon request. CBP Form 434 is provided for by 19 CFR 181.11 and is accessible at:

<http://www.cbp.gov/sites/default/files/documents/CBP%20Form%20434.pdf>

CBP Form 446, *NAFTA Verification of Origin Questionnaire*, is used by CBP personnel to gather sufficient information from exporters and/or producers to determine whether goods imported into the United States qualify as originating goods for the purposes of preferential tariff treatment under NAFTA. CBP Form 446 is provided for by 19 CFR 181.72 and is accessible at:

<http://www.cbp.gov/sites/default/files/documents/CBP%20Form%20446.pdf>

CBP Form 447, *North American Free Trade Agreement Motor Vehicle Averaging Election*, is used to gather information required by 19 CFR 181 Appendix, Section 11, (2) "Information Required When Producer Chooses to Average for Motor Vehicles". This form is provided to CBP when a manufacturer chooses to average motor vehicles for the purpose of obtaining NAFTA preference. CBP Form 447 is accessible at: <http://www.cbp.gov/sites/default/files/documents/CBP%20Form%20447.pdf>

This information is collected from members of the trade community who are familiar with the CBP regulations.

- 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.**

CBP uses the information on Forms 434, 446, and 447 to determine if imported goods are entitled to preferential tariff treatment under NAFTA.

- 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.**

Automation of CBP Forms 434, 446 and 447 is planned for the Automated Commercial Environment by 2017.

Forms 434, 446 and 447 are fillable forms on the CBP website and can be accessed 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.**

If the information on these three forms was not collected, CBP could not comply with regulatory requirements or carry out its responsibilities under the North American Free Trade Agreement.

- 7. Explain any special circumstances.**

This information is collected in a manner consistent with the guidelines of 5 CFR 1320.5(d)(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 notices published on May 16, 2014 (Volume 79, Page 28532) on which no comments were received, and on July 11, 2014 (Volume 79, Page 40128) 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 PIA for the Automated Commercial System (ACS) dated December 2, 2008, and a SORN for ACS/ACE, dated December 19, 2008 (Vol. 73, Page 77759) will be included in this ICR. No assurances of confidentiality are 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 sensitive nature.

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

<b>INFORMATION COLLECTION</b>	<b>TOTAL ANNUAL BURDEN HOURS</b>	<b>NO. OF RESPONDENTS</b>	<b>NO. of RESPONSES per RESPONDENT</b>	<b>TOTAL RESPONSES</b>	<b>TIME PER RESPONSE</b>
<b>Form 434</b> NAFTA Certificate of Origin	30,000	40,000	3	120,000	15 minutes (.25 hours)
<b>Form 446</b> NAFTA Questionnaire	300	400	1	400	45 minutes (.75 hours)
<b>Form 447</b> NAFTA Motor Vehicle Averaging Election	14	11	1.28	14	60 minutes (1 hour)
<b>TOTAL</b>	<b>30,314</b>	<b>40,411</b>		<b>120,414</b>	

\*The NAFTA Certificate of Origin (Form 434) is kept in the claimant's files and only submitted upon request by CBP. An average of about 750 Certificates of Origin are submitted each year. CBP requests submission of the form if more documentation is needed to establish that goods are entitled to duty-free treatment under NAFTA.

**Public Cost**

The estimated cost to the respondents is \$863,949. This is based on the estimated burden hours (30,314) multiplied (x) the average hourly rate (\$28.50).

**13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.**

There are no record keeping, capital, start-up or 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.**

The estimated annual cost to the Federal Government associated with reviewing these forms is \$24,166. This is based on 30 minutes (.5 hours) to review each form x the number of responses submitted (750 Certificates of Origin, 400 NAFTA Questionnaires and 14 Motor Vehicle Averaging = 864 responses) for a total of 432 hours multiplied (x) by the average hourly rate (\$55.94) = \$24,166.

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

There no increases or decreases to the burden hours and 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.