

**Supporting Statement
for
Safety Approval of Cargo Containers**

OMB No.: 1625-0024
COLLECTION INSTRUMENTS: Instruction

A. Justification.

1. Circumstances that make the collection of information necessary.

The United States is signatory to the International Convention for Safe Containers (CSC), which requires that containers be approved before shipment internationally. The Coast Guard has the responsibility of enforcing the CSC (Pub. L. 95-208, DHS Delegation No. 0170.1, Section II, para. 96). The Coast Guard promulgated regulations for the approval of existing and new containers. These regulations (49 CFR Parts 450-453) require that container owners and manufacturers submit information and keep records to make it possible for the Coast Guard or its appointed agents to conduct the approval process.

The reporting requirements are necessary to provide the Coast Guard the information it needs to approve new equipment and designs. The recordkeeping requirements are necessary to assist the Coast Guard in its inspections of containers following approval.

This information collection supports the following strategic goals:

Department of Homeland Security

- Prevention
- Protection

Coast Guard

- Maritime Safety
- Maritime Stewardship

Prevention Policy & Response Policy Directorates (CG-5P & CG-5R)

- Safety: eliminate deaths, injuries, and property damage associated with commercial maritime operations.
- Human and Natural Environment: eliminate environmental damage associated with maritime transportation and operations on/around the nation's waterways.

2. Purposes of the information collection.

(a) The reporting information is used by the Coast Guard and the delegated approval authorities to:

- (1) Receive design information for review and approval,
- (2) Receive information about the continuous examination program, and
- (3) Ensure additional manufacturing runs of an approved design are not being altered in unauthorized ways.

(b) The required records are used to:

- (1) Ensure adequate documentation to verify an individual container or design type's approval,
- (2) Ensure documentation that allows the Coast Guard to monitor the continuous examination program, and
- (3) Allow free movement of U.S. containers in foreign trade. Often, foreign countries will not allow containers to pass if they are not marked showing that they have received all approvals and inspections.

3. Consideration of the use of improved information technology.

The respondents formulate their own applications because each situation is unique. These applications may be sent to the relevant authority via the applicant's preferred format (i.e., fax, email, or hardcopy). The records maintained by the owners/manufacturers are not subject to any Coast Guard restrictions. They may be stored electronically or otherwise, depending upon the organization's preference. We estimate the vast majority (approx. 98%) of records are maintained electronically.

4. Efforts to identify duplication.

No similar reporting or recordkeeping data is collected by any other federal agency.

5. Methods to minimize the burden to small businesses if involved.

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

6. Consequences to the Federal program if the collection(s) was conducted less frequently.

The only collection activity that occurs on a regular basis is the recordkeeping that must be performed for the continuous examination programs. The requirement is based on the minimum burden allowed in the CSC. All other collections occur only at the introduction of a new container design.

7. Special collection circumstances.

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

8. Consultation.

A 60-day Notice (See [USCG-2014-0330], July 3, 2014, 79 FR 38051) and 30-Day Notice (September 19, 2014, 79 FR 56383) were published in the *Federal Register* to obtain public comment on this collection. The Coast Guard has not received any comments on this information collection.

9. Provide any payments or gifts to respondents.

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

10. Describe any assurance of confidentiality provided to respondents.

All information collected complies with the Freedom of Information Act (FOIA) and Privacy Act. If a manufacturer or owner considers certain information proprietary (e.g., trade secret), the Coast Guard will follow the exception permitted by FOIA (5 U.S.C. 552(b)(4)) and maintain confidentiality. The Coast Guard does not provide assurance of confidentiality unless the respondent indicates the information is considered proprietary.

11. Additional justification for any questions of a sensitive nature.

There are no questions of sensitive language.

12. Estimate of annual hour and cost burdens to respondents.

- The estimated number of annual respondents is 55.
- The estimated number of annual responses is 2,975,572.
- The estimated hour burden is 98,452 hours.
- The estimated cost burden is \$5,021,052.

The burden to respondents is provided in Appendix A. The burden calculations are base on the following data/assumptions—

Respondents:

- There are approximately 5 container manufacturers producing containers for U.S. owners.
- There are currently 10 approval authorities issuing container approvals for the U.S. Coast Guard.
- There are currently 30 owners enrolled in the continuous examination program.
- There are approximately 10 owners not enrolled in the continuous examination program.

The reporting requirements burden is derived by the following:

- Organizations wishing to become approval authorities submit an application to the Coast Guard. Based upon past trends, the Coast Guard estimates that 0 approval authority applications will be submitted for review each year.
- The owner or manufacturer submits an application for approval of each new container design type to the approval authority. The authority will review the application and, if approved, will permit the owner to attach the safety approval plate to the containers. The Coast Guard estimates there are 25 applications submitted each year.
- An owner submits an application to the Coast Guard for approval of a continuous examination program, called Approved Continuous Examination Program (ACEP). Based upon past trends, the Coast Guard estimates that 1 ACEP applications will be submitted for review each year.

The recordkeeping requirements burden is derived by the following:

- Each time an approval is issued by an approval authority, the approval authority must keep the following documents for a period of 15 years:
 - o The notice of approval,
 - o A copy of the application and the final approved drawings for each approval, and
 - o The manufacturer's serial numbers and the owner's identification numbers for all containers approved.
- We estimate that the U.S. container fleet is 7.046 million¹ shipping containers. Each container must be examined every 30 months, meaning that 40% of the containers are examined in any given year. These records must be maintained by the container owners.
- In addition to recording when containers are examined, those containers that are not part of a continuous examination program must be labeled to show when the next inspection is due. It is estimated that 5% of the U.S. flag containers are not part of ACEP and will, thus, need to be labeled.
- New containers require labeling with the safety approval plate. The Coast Guard, based on discussions with delegated approval authorities, estimates that 1,000 containers are manufactured in the U.S. annually.

We estimate that an individual performing the reporting/recordkeeping work is equivalent to the GS-9. The wage rate used is in accordance with the current edition of USCG "Standard Rates" (COMDTINST 7310.1(series)) for "Out-Government" personnel.

13. Total annualized capital and start-up costs.

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

14. Estimates of annualized Federal Government costs.

The estimated annual Federal Government cost is \$528 (see Appendix B). The cost to the Federal Government is incurred during review of certain applications and programs. It takes the Coast Guard an average of 8 hours to complete each review, a task typically performed by a GS-12. The rates shown are in accordance with the current edition of COMDTINST 7310.1(series) for "In-Government" personnel.

15. Reasons for the change in burden.

¹ Based on the Drewry Maritime Research global container fleet figure of 32.9 million TEU for 2012. We estimate that the ratio between TEU and units (i.e., shipping containers) is 1/.65. We further estimate that 33% of the world container fleet is U.S. owned.

The change in burden is an ADJUSTMENT due to a change (i.e., decrease) in the estimated number of annual responses. There is no proposed change to the reporting and recordkeeping requirements of this collection. The reporting and recordkeeping requirements—and the methodology for calculating burden—remain unchanged.

16. Plans for tabulation, statistical analysis, and publication.

This information collection will not be published for statistical purposes.

17. Approval for not explaining the expiration date for OMB approval.

The Coast Guard will display the expiration date for OMB approval of this information collection.

18. Explain each exception to the certification statement.

The Coast Guard does not request an exception to the certification of this information collection.

B. Collection of Information Employing Statistical Methods.

This information collection does not employ statistical methods.

Appendix A: Total Estimated Annual Burden on Industry

| Respondents | |
|---|-----------|
| Container Manufacturers producing containers for U.S. owners | 5 |
| Approval Authorities issuing container approvals for U.S. Coast Guard | 10 |
| Owners enrolled in the Continuous Examination Program | 30 |
| Owners not enrolled in Continuous Examination Program (approximate) | 10 |
| Total Respondents | 55 |

| | Annual Respondents | Annual Total Number of Responses | Hour Burden Per Response | Wage Rate | Annual Burden |
|--|---------------------------|---|---------------------------------|------------------|----------------------|
| Reporting Burden | | | | | |
| Application to become an approval authority | 0 | 0 | 24 | \$51 | |
| Application for approval of container design | 5 | 25 | 24 | \$51 | |
| Review by approval authority of container design | 5 | 25 | 40 | \$51 | |
| Application for ACEP | 1 | 1 | 24 | \$51 | |
| Reporting - Total | | | | | |

| | Annual Respondents | Annual Total Number of Responses | Hour Burden Per Response | Wage Rate | Annual Burden |
|--|---------------------------|---|---------------------------------|------------------|----------------------|
| Recordkeeping Burden | | | | | |
| Retain container design approval by approval authority | 10 | 25 | 0.067 | \$51 | |
| Store receipt of approval for the continuous examination program | 1 | 1 | 1 | \$51 | |
| Records of periodic examinations of containers | 30 | 2,832,852 | 0.03 | \$51 | 8 |
| Label containers after each examination | 10 | 141,643 | 0.083 | \$51 | 1 |
| Label containers with the safety approval plate | 5 | 1,000 | 0.083 | \$51 | |
| Recordkeeping - Total | | | | | 9 |

| | |
|------------------------------------|--------------------|
| Total Number of Respondents | 55 |
| Total Number of Responses | 2,975,572 |
| Total Annual Hour Burden | 98,452 |
| Total Annual Cost Burden | \$5,021,052 |

Appendix B: Estimated Annual Federal Government Cost

| Item | Annual Responses | Hours per Response | Annual Hours | Wage Rate | Costs |
|--|-------------------------|---------------------------|---------------------|------------------|--------------|
| Review of the approval authority application | 0 | 8 | 0 | \$66 | \$0 |
| Review of the ACEP application | 1 | 8 | 8 | \$66 | \$528 |
| Total | | | | | \$528 |

| | |
|-------------------------------------|--------------|
| Total Annual Government Cost | \$528 |
|-------------------------------------|--------------|