

**Supporting Statement
Record of Vessel Foreign Repair or Equipment Purchase
1651-0027**

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.**

19 U.S.C. 1466(a) provides for a 50 percent *ad valorem* duty assessed on a vessel master or owner for any repairs, purchases, or expenses incurred in a foreign country by a commercial vessel registered in the United States. CBP Form 226, Record of Vessel Foreign Repair or Equipment Purchase, is used by the master or owner of a vessel to declare and file entry on equipment, repairs, parts, or materials purchased for the vessel in a foreign country. This information enables CBP to assess duties on these foreign repairs, parts, or materials. CBP Form 226 is provided for by 19 CFR 4.7 and 4.14 and is accessible at: <http://www.cbp.gov/sites/default/files/documents/CBP%20Form%20226.pdf>.

- 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 collected on CBP Form 226 enables CBP to assess the proper amount of duties on these foreign repairs, parts, or materials.

- 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.**

The current vessel repair process is not conducive to automation because Form 227 is presented at the dock when the ship arrives. It is then reviewed by the CBP officer who either boards the vessel or checks the ship's log to verify the foreign repairs that were made and the materials that were used.

Automation of this process is dependent on CBP's ability to verify that the vessel

stopped at one of the known overseas vessel repair facilities and the nature of the repairs that were made and the materials used. Currently CBP does not have connectivity to any automated system or database to verify this information. Therefore, the manual process CBP currently uses is the most effective process of vessel repair verification.

- 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 this data was collected less frequently, CBP would not be able to assess duties on these foreign repairs, parts, or materials.

- 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, including a 60-day FRN published on May 16, 2014 (Volume 79, Page 28533) and a 30-day notice published on July 11, 2014 (Volume 79, Page 40127) on which one comment was received.

We received a letter from the Grand River Navigation Company, Inc. in which the following issues were raised:

Comment: The current time estimate of 45 minutes is too short and 180 minutes to 200 minutes would be more realistic.

Response: CBP concurs although we believe 180-200 minutes might be too long for an average time. We will raise the time per response from 45 minutes to 2 hours. We will revise this submission to reflect that.

Comment: Form 226 should not be required when there is no duty collected.

Response: The regulations (10 CFR 4.14) requires the filing of Form 226 for vessels in engaged in equipment purchases and repairs to American vessels. There are no changes planned to these regulations at this time.

We also received a letter from Evelyn Suarez at the Suarez Firm. In her letter she makes the following points:

Comment: The current estimated time per response of 45 minutes is too short.

Response: CBP concurs and will raise the estimated time to 2 hours.

Comment: In regards to the completion of CBPF 226, CBP asks for unnecessary information and should consider elimination of the required declaration for work subject to free trade agreements when the work is not subject to duty.

Response: Although certain countries with which the U.S. has entered into a free trade agreement are not subject to duty under the vessel repair statute, certain free trade agreements between the U.S. and other countries may only reduce the duties on vessel repair expenditures. Therefore, CBP needs to collect this information to determine the final amount of duties based on the applicable free trade agreement schedule for phasing in duty reductions. As a result, all repairs and purchases be declared and entered.

Comment: An automated system for Form 226 would be helpful.

Response: Automation of this process is dependent on CBP's ability to verify that the vessel stopped at one of the known overseas vessel repair facilities and the nature of the repairs that were made and the materials used. Currently CBP does not have connectivity to any automated system or database to verify this information. Therefore, the manual process CBP currently uses is the most effective process of vessel repair verification.

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 dated December 2, 2008, and a SORN 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.

INFORMATION COLLECTION	TOTAL ANNUAL BURDEN HOURS	NO. OF RESPONDENTS	NO. OF RESPONSES PER RESPONDENT	TOTAL RESPONSES	TIME PER RESPONSE
CBP Form 226	2,200	100	11	1,100	2 hours

Public Cost

The estimated cost to the respondents is \$105,292. This is based on the estimated burden hours (2,200) multiplied (x) by the average hourly rate (\$47.86).

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.

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 the review of these records is \$11,269. This is based on the number of responses (1,100) that must be reviewed (x) the time to review and process each response (.166 hours) = 182 hours (x) the average hourly rate (\$61.92) = \$11,269.

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

The burden hours were increased from 825 hours to 2,200 hours based on public comments that we received that stated the 45 minute response time for Form 226 was too short. As a result of these comments we increased the time per response to 2 hours.

There are no changes to the information collected or to the number of responses.

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.