

Supporting Statement
Customs-Trade Partnership against Terrorism (C-TPAT) and the
Trusted Trader Program
1651-0077

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 C-TPAT Program is designed to safeguard the world's trade industry from terrorists and smugglers by prescreening its participants. The C-TPAT Program applies to United States importers, customs brokers, consolidators, port and terminal operators, carriers, and foreign manufacturers.

Respondents apply to participate in C-TPAT using an on-line application at: <https://ctpat.cbp.dhs.gov/trade-web/index>. The C-TPAT Program application requests an applicant's contact and business information, including the number of company employees, the number of years in business, and a list of company officers. This collection of information is authorized by the SAFE Port Act (P.L.109-347).

CBP proposes to establish a collection of information for a new program known as the Trusted Trader Program. CBP formulated this program in coordination with members of the trade community and Partner Government Agencies (PGAs). The Trusted Trader Program will involve a unification of supply chain security aspects of the current C-TPAT Program plus internal controls to integrate supply chain security and trade compliance. The goals of the Trusted Trader Program are to strengthen security by leveraging the C-TPAT supply chain requirements and validation, identify low-risk trade entities for supply chain security and trade compliance, and increase the overall efficiency of trade by segmenting risk and processing by account.

The Trusted Trader Program applies to importer participants that who satisfied C-TPAT supply chain security and trade compliance requirements.

The Trusted Trader application will include questions about the following:

- Name and contact information for the applicant;
- Business information including business type, CBP Bond information, and number of employees;
- Information about the applicant's Supply Chain Security Profile; and

Trade Compliance Profile and Operating Procedures of the applicant. Respondents will apply to participate in the Trusted Trader Program using an on-line application available through the C-TPAT portal at: <https://ctpat.cbp.dhs.gov/trade-web/index>. The Trusted Trader Program application will include the following data elements:

After an importer obtains Trusted Trader Program membership, the importer will be required to submit an Annual Notification Letter to CBP confirming that they are continuing to meet the requirements of the Trusted Trader Program. This letter should include: personnel changes that impact the Trusted Trader Program; organizational and procedural changes; a summary of risk assessment and self-testing results; a summary of post-entry amendments and/or disclosures made to CBP; and any importer activity changes within the last 12-month period.

- 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 is to be used by CBP officers to assist in the release of merchandise at certain high-risk locations and to enhance CBP's ability to assess the threat of certain commercial transactions more effectively.

- 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.**

Applicants wishing to be considered for C-TPAT submit their information through an online application through the C-TPAT portal at: <https://ctpat.cbp.dhs.gov/trade-web/index>.

CBP is also developing an online Trusted Trader application as part of the C-TPAT portal.

- 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.

Failure to collect this information would result in CBP discontinuing the C-TPAT Program and/or Trusted Trader Program, which would have a negative impact on the trade community by increasing the processing time at ports of entry.

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 March 9, 2015 (Volume 80, Page 12510), on which one comment were received, and on August 31, 2014 (Volume 80, Page 52485), on which no comments have been received.

A letter was received from AAEL, dated May 7, 2015. AAEL strongly supports the implementation of the Trusted Trader Program. Their comments were as follows:

Comment: Is the Trusted Trader application a separate task from the C-TPAT application? Are the two applications intended to separate the security from compliance aspects?

CBP Response: Currently, the Trusted Trader application is not a programmed function within the C-TPAT web portal, the system where the C-TPAT application is located. CBP is programming the Trusted Trader application to be part of the C-TPAT portal so the applications for the two programs will be a more cohesive process. Most Trusted Traders will be existing C-TPAT partners and require only the supplemental Trusted Trader form/application portion to be completed.

Comment: We think the number of estimated Trusted Trader applications (75) is a little high and that the estimated time to complete the application of 90 minutes is an underestimate.

CBP Response: We have re-examined these issues and agree with AAEL. We will change the estimated number of annual applicants to 50 and raise the time to complete the application from 90 minutes to 2 hours.

Comment: We believe the estimated time to complete the Annual Notification Letter (1 hour) is an underestimate.

CBP Response: We agree and will raise the estimate to 2 hours.

Comment: We believe the estimated number of yearly C-TPAT applicants (2,541) is too high and the estimated time to complete the application (5 hours) is too low.

CBP Response: We have re-examined these issues and agree with AAEL. We will lower the estimated number of annual applicants to 750 and raise the time to complete the application from 5 hours to 20 hours.

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 entitled, Customs-Trade Partnership against Terrorism (C-TPAT), dated March 13, 2013 (Vol. 78, Page 15962) and a PIA titled, C-TPAT, dated February 14, 2013, will be included in the ICR. Also, for the Trusted Trader Program, a SORN entitled, Persons Engaged in International Trade in Customs and Border Protection Licensed/Regulated Activities, dated December 19, 2008, Vol. 73 FR, Page 77753) will be included in this ICR. There are no assurances of confidentiality provided to the respondents of this information collection.

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, 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
C-TPAT Application	15,000	750	1	750	20 hours
Trusted Trader Program Application	100	50	1	50	2 hours
Trusted Trader Program's Annual Notification Letter	100	50	1	50	2 hours
Total	15,200	850		850	

Burden hours were added for the Trusted Trader Application and the Trusted Trader Annual Notification Letter.

In response to public comments, the numbers in the chart were revised as follows:

- The estimated number of annual respondents for the C-TPAT application was lowered from 2,541 to 750; and
- The estimated time to complete the C-TPAT application was increased from 5 hours to 20 hours;

Public Cost

The estimated cost to the respondents is **\$446,880**. This is based on the estimated total burden hours (15,200) multiplied by (x) the average hourly rate of respondents (\$29.46).

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

There are no recordkeeping, 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 **\$118,872**. This is based on the number of responses (850) that must be reviewed multiplied by (x) the time to review and process each response (2.5 hours) = 2,125 hours multiplied by (x) the average hourly rate of a CBP Officer (\$55.94) = \$118,872.

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

Burden hours were added for the Trusted Trader Application and the Trusted Trader Annual Notification Letter. In response to public comments, the estimated number of annual respondents for the C-TPAT application was lowered from 2,541 to 750, and the estimated time to complete the C-TPAT application was increased from 5 hours to 20 hours.

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.