

INFORMATION COLLECTION SUPPORTING STATEMENT

AIR CARGO SECURITY REQUIREMENTS

OMB 1652-0040

EXP. 3/31/2016

- 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. (Annotate the CFR parts/sections affected).***

The Transportation Security Administration has responsibility for air cargo security under general and specific authority of the Aviation and Transportation Security Act of 2001 (ATSA), Public Law 107-71, 115 Stat. 597 (Nov. 19, 2001). *See, e.g.*, 49 U.S.C. 44901 Under this authority, TSA is to (1) to provide for screening of all property, including U.S. mail, cargo, carry-on and checked baggage, and other articles, that will be carried aboard a passenger aircraft; and (2) to establish a system to screen, inspect, report, or otherwise ensure the security of all cargo that is to be transported in all-cargo aircraft as soon as practicable. *See* 49 U.S.C. 44901(a) and (f). TSA issued regulations under this authority in 2006. *See* 71 FR 30478 (May 26, 2006), codified at 49 CFR parts 1520, 1540, 1542, 1544, 1546, and 1548. The authority of 49 U.S.C. 44901 was amended by section 1602 of the Implementing Recommendations of the 9/11 Commission Act of 2007 (Pub.L. 110-53) (August 2007) (9/11 Act), which required TSA to establish a program to screen 100 percent of cargo transported on passenger aircraft. *See* 49 U.S.C. 44901(g). Interim final rules (IFR) were issued by TSA under this authority in 2009, codified in 49 CFR parts 1515, 1520, 1522, 1540, 1544, 1548, and 1549. *See* 74 FR 47672 (September 16, 2009). The final rule, amending in part the IFR, was published in 2011. *See* 76 FR 51848 (Aug. 18, 2011), When appropriate, some requirements have been met through provisions of TSA-approved security programs applicable to airports, aircraft operators, foreign air carriers and indirect air carriers (IACs), as set forth in 49 CFR parts 1540, 1542, 1544, 1546, and 1548.

As a result of these programs, TSA imposes screening requirements on TSA-regulated entities that enable cargo screening to be conducted throughout the air cargo supply chain, including: aircraft operators, foreign air carriers, IACs, and certified cargo screening facilities (CCSFs). As part of this, TSA submitted a new Information Collection Request (ICR) for the collections associated with these requirements, which became OMB control number 1652-0053. Although OMB control number 1652-0053 and this collection (control number 1652-0040) both involve information related to recordkeeping, cargo reporting, applying for a Security Threat Assessment (STA), and the development and updating of security programs, TSA distinguishes the two collections as follows:

- OMB control number 1652-0040 governs aircraft operators, foreign air carriers, airport operators, and IACs. It contains a requirement unique to aircraft operators, foreign air carriers, and IACs to submit known shippers into the Known Shipper Management System (KSMS).

- OMB control number 1652-0053 governs CCSFs. It contains a requirement unique to CCSFs to submit a Facility Profile Application, a Security Profile, and a Principal Attestation when applying to join the Certified Cargo Screening Program (CCSP).

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 regulations associated with this information collection require the respondents, who are certain regulated entities, to: (1) create, implement, and update as necessary security programs, provide cargo screening data, and provide data with which to vet known shippers, that must remain on file and ready for inspection by TSA personnel; (2) accomplish security training for employees and agents who have access to secure areas and keep records of such training on file and ready for inspection; and (3) conduct background checks, which include an STA on employees and agents who have access to secure cargo areas, who have unescorted access to cargo, and who screen cargo for certain aircraft operators, in order to ensure fitness for security responsibilities, and on sole proprietors, general partners, officers, directors, and certain owners of IACs or applicants to be TSA-certified as an IAC because these operations are a critical link to a secure cargo supply chain. In addition to the above, TSA is revising the collection to include a fourth requirement: select aircraft operators and foreign air carriers operating under certain amendments to their aircraft operator and foreign air carrier security programs must provide to TSA data regarding screening volumes and the methodology utilized to arrive at these volumes, as well as demonstrate progress toward full compliance with the cargo security measures specified in such amendments.

Specifically, TSA collects and retains the following information for an STA for (a) each individual who is a general partner, officer, or director of an IAC; (b) an applicant to be TSA-certified as an IAC; (c) certain owners of an IAC or an applicant to be TSA-certified as an IAC; and (d) an individual who has responsibility for screening cargo that will be carried on an aircraft of an aircraft operator required to screen cargo under 49 CFR parts 1544 and 1546:

1. Legal name, including first, middle, and last; any applicable suffix; and any other names used.
2. Current mailing address, including residential address if different than current mailing address, and all other residential addresses for the previous five years and email address, if applicable.
3. Date and place of birth.
4. Social Security number (although provision of one's social security number is voluntary, failure to provide a Social Security number may result in delays in processing the security threat assessment).
5. Gender.
6. Country of citizenship.
7. If the applicant is a U.S. citizen born abroad or a naturalized U.S. citizen, their U.S. passport number; or the 10-digit number from the applicant's Certificate of Birth Abroad, Form DS-1350.
8. Alien registration number, if applicable.
9. The applicant's daytime telephone number.

10. The applicant's current employer(s) and the address and telephone number of the employers.

Further, TSA collects identifying information for a database for both companies and individuals whom IACs and aircraft operators have confirmed are qualified to ship cargo on passenger aircraft, referred to as "known shippers." This information is primarily collected electronically via the KSMS; however, in the event that shipper information cannot be entered into the KSMS, a manual method to capture the shipper's information is allowed under infrequent circumstances. The manual method is comprised of completion and retention of TSA Form 419H. IACs and aircraft operators enter information into the database. The information consists of:

- (1) Legal name, including first, middle, and last; any applicable suffix; and any other names used.
- (2) Current physical address.
- (3) Phone number.
- (4) Aviation Security Known Shipper Verification Forms (TSA FORM 419H) containing information about the site visit carried out by the regulated entity such as: date of the physical visit; name and address of the business; employer identifying number (EIR); verifier's name, phone number and signature; and the signature of the shipper.

Finally, TSA may collect information that an individual chooses to submit in connection with an appeal of a TSA determination on an applicant's STA.¹

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.

In accordance with the Government Paperwork Elimination Act, TSA has developed the means to collect information electronically through the Indirect Air Carrier Management Systems (IACMS). For those respondents without the resources to submit information electronically, TSA will continue to work with them so that they can submit and/or maintain the required information in a manner that best meets their particular needs. TSA has already

¹ In addition to information specified above, individuals who work for aircraft operators and who have the responsibility to screen cargo must undergo a criminal history records check (CHRC). Collections of information needed for TSA to conduct a CHRC for individuals who work for aircraft operators and who have responsibility to screen cargo are covered under the Aircraft Operator Security Program and the Model Security Program, OMB control number 1652-0003. The rule requires that the airport operator collect, control, and process fingerprints electronically, or recorded on fingerprint cards approved by the Federal Bureau of Investigation (FBI) and distributed by TSA for that purpose. The fingerprint information must be forwarded to TSA in the manner specified by TSA. TSA then transmits the fingerprints to the FBI for the CHRC. The FBI returns the results to TSA's secure Fingerprint Results Distribution website for adjudication. The FBI will make a notation that the fingerprint record has been audited and may retain a copy of the fingerprints if the copy that TSA provided is more readable than the one on record.

converted the record keeping and data collection requirements for the known shipper program from a manual to the IACMS electronic process. Each requirement for submission of information and record keeping is as prescribed in the regulated party's security program.

- 4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purpose(s) described in Item 2 above.**

No other agency requires the collection of this specific data for the purposes described in Item 2.

- 5. If the collection of information has a significant impact on a substantial number of small businesses or other small entities (Item 5 of the Paperwork Reduction Act submission form), describe the methods used to minimize burden.**

This collection does not create a significant impact on a substantial number of small businesses.

- 6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

If this collection was not conducted, key components of TSA's compliance with its statutory mandates and programs to secure the Nation's air cargo infrastructure would be hindered.

- 7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with the general information collection guidelines in 5 CFR 1320.5(d) (2).**

5 CFR 1320.5(d)(2)(i):

IACs have an obligation to submit changes in business and associated personal information within 30 days of the change to TSA, which may occur more often than quarterly.

- 8. Describe efforts to consult persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported. 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.**

TSA promulgated the regulation associated with these collections after extensive consultation with industry through its Aviation Security Advisory Committee, and other Federal agencies including the Department of Transportation and the U.S. Customs and Border Protection. Frequent outreach and consultation with industry trade groups and representatives continues. TSA published a 60-day notice to seek approval of a revised information collection for the Air Cargo Security Requirements in the Federal Register. See 80 FR 77650 (December 15, 2015). Additionally, TSA published a 30-day notice for the revised information collection.

See March 17, 2016 (81 FR 14469). TSA received one comment in response to the 60-day notice. The comment inquired whether the security threat assessment conducted for the Transportation Worker Identification (TWIC), the Hazardous Materials Endorsement (HME) on a Commercial Driver's License, and the Free and Secure Trade (FAST) program remained comparable to the threat assessments required for individuals with unescorted access to cargo. TSA affirmed that it remained comparable.

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

No payments or gifts will be provided to the respondents.

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

While there are no assurances of confidentiality, information provided by individuals will be protected from disclosure to the extent appropriate under the applicable provisions of the Freedom of Information Act and the Privacy Act of 1974. Personal data will be collected and maintained in accordance with the Privacy Act. The STA application includes a Privacy Act (e) (3) notice describing the authorities for collecting the data, as well as its principal purposes, routine uses, and the effects of an individual's failure to disclose. The applicable TSA system of records notice (SORN) is DHS/TSA-002, Transportation Security Threat Assessment System, last published in the Federal Register on August 11, 2014 (79 FR 46862). Also, a Privacy Impact Assessment for the Air Cargo Security Requirements was published on April 14, 2006 on www.dhs.gov. See DHS/TSA/PIA-019 Air Cargo Program.

https://www.dhs.gov/xlibrary/assets/privacy/privacy_pia_aircargo.pdf

11. Provide additional justification for any questions of sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

There are no such questions.

12. Provide estimates of hour and cost burden of the collection of information.

TSA estimates the hour burden associated with the initial submission of security programs to be 4 hours for each of the 340 average annual new entrants of aircraft operators, foreign air carriers, and IACs for an average annual hour burden of 1,360 hours. TSA uses the national average hourly loaded wage of \$92.41² for General and Operations Managers to estimate the total annual hour burden cost of the new security program process. The total annual hour burden cost due to the application process is estimated to be \$125,678 (\$92.41 x 1,360 hours).

² Bureau of Labor Statistics, Occupational Employment and Wages, May 2014.

<http://www.bls.gov/oes/2014/may/oes111021.htm> The fully loaded wage rate is calculated using mean annual wage and the percentage of wages to total compensation, 64 percent, as found in Bureau of Labor Statistics, Employer costs per hour worked for employee compensation and costs as a percent of total compensation, March 2015. <http://www.bls.gov/news.release/ecec.t04.htm>

TSA estimates the hour burden associated with the security program renewals via IACMS to be 4 hours for each of the 4,000 IACs for an average annual hour burden of 16,000 hours (4,000 IACs x 4 hours). TSA estimates one percent of IACs (40) will file an appeal of rejected or incomplete renewals at 5 hours per appeal for an average annual hour burden of 200 hours (40 IACs x 5 hours). TSA uses the national average hourly loaded wage of \$92.41³ for General and Operations Managers to estimate the total annual hour burden cost of the new security program process. The total annual hour burden cost due to the application process is estimated to be \$1,497,042 (\$92.41 x 16,200 hours).

For the STA requirement, based on a 15-minute estimate for each of the average 98,500 annual responses, TSA estimates that the average annual burden will be 24,625 hours. TSA uses a weighted average hourly loaded wage of \$21.65⁴ of IAC workers to estimate the total annual hour burden cost of the application process. The total annual hour burden cost due to the application process is estimated to be \$533,131 (\$21.65 x 24,625 hours).

For the KSMS, given that the IAC or aircraft operator must input a name, address, and telephone number, TSA estimates it will take 2 minutes for the 476,167 electronic submissions for a total annual burden of 15,872 hours. Also for KSMS, TSA estimates it will take one hour for the 8,000 manual submissions for a total annual burden of 8,000 hours. This is a total of 23,872 hours for the IAC or aircraft operators to complete the KSMS requirements. TSA uses a weighted average hourly loaded wage of \$21.65⁵ of IAC workers to estimate the total annual hour burden cost of the application process. The total annual hour burden cost due to the KSMS requirements is estimated to be \$516,829 (\$21.65 x 23,872 hours).

For the STA recordkeeping requirement, based on a 5-minute estimate for each of the 98,500 annual responses of STA applications, TSA estimates that the total average annual burden will be 8,208 hours. TSA uses the national average hourly loaded wage of \$27.21⁶ for Administrative Assistants to estimate the total annual hour burden cost of recordkeeping of security programs. The total annual burden cost due to recordkeeping of security programs is estimated to be \$223,340 (\$27.21 x 8,208 hours).

For the cargo screening reports to be submitted by select aircraft operators and foreign air carriers operating under amendments to their security programs, TSA estimates that 10 air carriers will compile the required cargo screening information at an estimated time of one hour each per week with estimated annual burden of 520 hours (10 x 52). TSA uses a

³ Ibid.

⁴ Bureau of Labor Statistics, Occupational Employment and Wages, May 2014. A weighted average hourly wage rate is calculated using First Line Supervisors/Managers of Helpers, Laborers, and Material Movers, Hand, Laborers and Freight, Stock, and Material Movers, Hand, and Packers and Packagers, Hand, <http://www.bls.gov/oes/2014/may/oes531021.htm>, <http://www.bls.gov/oes/2014/may/oes537062.htm>, <http://www.bls.gov/oes/2014/may/oes537064.htm>, respectively. The fully loaded weighted average wage is calculated using weighted average wage and the percentage of wages to total compensation, 64 percent, as found in Bureau of Labor Statistics, Employer costs per hour worked for employee compensation and costs as a percent of total compensation, March 2015. <http://www.bls.gov/news.release/ecec.t04.htm>

⁵ Ibid.

⁶ Bureau of Labor Statistics, Occupational Employment and Wages, May 2014. <http://www.bls.gov/oes/2014/may/oes436014.htm> The fully loaded wage rate is calculated using mean annual wage and the percentage of wages to total compensation, 64 percent, as found in Bureau of Labor Statistics, Employer costs per hour worked for employee compensation and costs as a percent of total compensation, March 2015. <http://www.bls.gov/news.release/ecec.t04.htm>

weighted average hourly loaded wage of \$21.65⁷ of IAC workers to estimate the total annual hour burden cost of the application process. The total annual hour burden cost due application process is estimated to be \$11,258 (\$21.65 x 520 hours).

The combined average annual hour burden is estimated to be 74,785 hours for an average of 686,067 responses and an average annual hour burden cost of \$2,907,278.

⁷ Bureau of Labor Statistics, Occupational Employment and Wages, May 2014. A weighted average hourly wage rate is calculated using First Line Supervisors/Managers of Helpers, Laborers, and Material Movers, Hand, Laborers and Freight, Stock, and Material Movers, Hand, and Packers and Packagers, Hand, <http://www.bls.gov/oes/2014/may/oes531021.htm>, <http://www.bls.gov/oes/2014/may/oes537062.htm>, <http://www.bls.gov/oes/2014/may/oes537064.htm>, respectively. The fully loaded weighted average wage is calculated using weighted average wage and the percentage of wages to total compensation, 64 percent, as found in Bureau of Labor Statistics, Employer costs per hour worked for employee compensation and costs as a percent of total compensation, March 2015. <http://www.bls.gov/news.release/eccec.t04.htm>

The following table illustrates the hour burden estimates for the collections:

A FUNCTION	B AVERAGE ANNUAL RESPONDENT S	C AVERAGE ANNUAL RESPONSES	D TIME PER RESPONS E	E AVERAG E ANNUAL HOURS (CxD)	F HOURL Y LOADE D WAGE	G TOTAL HOUR BURDEN COST (ExF)	H TSA FORM NUMBE R	I CFR CITE
Security Programs Submissions	340	340	4 hours	1,360 hours	\$92.41	\$125,678	N/A	49 CFR 1544.101,103,10 5
Updates	4,000	4,000	4 hours	16,000 hours	\$92.41	\$1,478,56 0	N/A	49 CFR 1546.101,103,10 5
Appeals	40	40	5 hours	200 hours	\$92.41	\$18,482	N/A	49 CFR 1548.5,7
STA	98,500	98,500	15 minutes	24,625 hours	\$21.65	\$533,131	TSA Form 419F	49 CFR 1544.228, 49 CFR 1546.213, 49 CFR 1548.15,16
Known Shipper KSMS	4,000	476,167	2 minutes	15,872 hours	\$21.65	\$343,629	Web Based Entry	49 CFR 1544.239 49 CFR 1546.215
Manual Method	4,000	8,000	1 hour	8,000 hours	\$21.65	\$173,200	TSA Form 419H	49 CFR 1548.17
Recordkeeping	98,500	98,500	5 minutes	8,208 hours	\$27.21	\$223,340	N/A	49 CFR 1544.3, 49 CFR 1546.3, 49 CFR 1548.3
Cargo Reporting	10	520	1 hour per week X 52 weeks	520 hours	\$21.65	\$11,258	N/A	49 CFR 1544.3, 49 CFR 1546.3, 49 CFR 1548.3
TOTAL		686,067		74,785		\$2,907,27 8		

13. Provide an estimate of the total annual start up and capital costs resulting from the collection of information.

TSA assumes the industry will be responsible for paying a fee for each STA of \$41 for the three years in the collection period. The average annual cost to the industry for STA fees is \$4,038,500 (98,500 x \$41). The STA fee covers the variable costs of performing terrorism checks. The fee is paid to TSA and fully covers the cost of vetting, adjudication, maintenance and management.

14. Provide estimates of annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, and other expenses that would not have been incurred without this collection of information.

TSA Principal Security Inspectors review updates and new submissions to the IACSSP. TSA estimates this review takes 2 hours and 15 minutes per IAC. Each of the 4,000 IACs must renew annually. The total hour burden for the Federal Government for this task is 9,000 (2.25 hours x 4,000 IACs). The cost burden is based on the average loaded hourly wage rate for an SV I/J band TSA employee, which is \$65.66 per hour. The estimated cost to TSA to review the updates required of IACSSP and new submissions is \$590,940 (9,000 x \$65.66) annually.

Each of the 10 carriers will be providing cargo reports every three months to their International Industry Representative (IIR) at TSA. The TSA Office of Global Strategies, Cargo Compliance division estimates this employee would spend 2 hours per carrier to

review the report and act on any findings, or 80 hours annually (2 hours review per carrier quarterly report x 10 carriers x 4 quarters). The cost burden is based on the average loaded hourly wage for an IIR, which is an SV J band employee, which is \$72.29 per hour. The estimated cost to TSA to review the cargo reports is \$5,783 (80 × \$72.29) annually.

TSA will incur annual costs for KSMS of \$6,500,000 for outside Business Vetting Services which includes sharing of every physical address file of companies in the US that requests their goods to fly on passenger aircraft. These costs also include the perpetual vetting of each company 24/7, and notification to any industry entity who tenders cargo of a change of status other than Known for any company. Operations and Maintenance cost are \$1,200,000 annually which funds stakeholder requirements, security patching and upgrades, and minor usability enhancements. The total annual costs for KSMS are estimated to be \$7,700,000 (\$6,500,000 + \$1,200,000).

The annual cost to the government for conducting this collection of information is \$8,296,723 (\$590,940 + \$5,783 + \$7,700,000).

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

On June 19, 2014, TSA removed the cargo reporting requirements contained within TSA's Security Programs that mandated domestic/foreign air carriers and certified cargo screening facilities submit information regarding the amount of cargo screened. These requirements were removed, because all cargo is now required to be screened at 100% per the 9/11 Act. However, the cargo reporting information is still required for certain aircraft operators and foreign air carriers, who have requested that their security programs be amended to perform certain operations. TSA has issued a limited number of these security program amendments. Aircraft operators and foreign air carriers operating under these amendments must provide to TSA data, regarding screening volumes and the methodology utilized to arrive at these volumes, as well as demonstrate progress toward full compliance with the cargo security measures specified in such amendments. As such, TSA is seeking a revision of this ICR to specifically include cargo reporting requirements for these regulated parties. This change will result in a decrease of the annual cargo reporting burden, moving from 7,384, as reported in the last ICR submission, to 520 annual hours.

Also, TSA has obtained better estimates from the program offices which have resulted in a lower burden, moving from an overall 1,083,302 to 686,067 annual responses, and 86,061 to 74,785 annual burden.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The results will not be published.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

No such approval is being sought.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

There are no exceptions.