

Supporting Statement for Vessel Documentation

OMB No.: 1625-0027

COLLECTION INSTRUMENTS: CG-1258, CG-1261, CG-1270, CG-1280,
CG-1340, CG-1356, CG-4593, CG-5542, CG-7042, CG-7043 and Instruction

A. Justification

1. Circumstances making collection of information necessary.

Federal documentation is a type of national registration which serves to establish a vessel's: (a) nationality; (b) eligibility to engage in a particular employment; and (c) eligibility to become the object of a preferred ship's mortgage. In the field of international commerce, documentation establishes the nationality of a vessel and confers the privileges, protections, and immunities contemplated by longstanding international law and custom. The availability of capital for maritime financing hinges upon the existence of the preferred mortgage as security for loans against vessels. The collection and recordkeeping of information concerning the documentation of vessels is promulgated in the Shipping Act of 1916, as amended, section 27 of the Merchant Marine Act of 1920, as amended, (Jones Act), 46 U.S.C. Chapters 121, 123, 125, and 313.

This information collection ensures compliance with vessel documentation regulations (46 CFR parts 67 & 68) by including the lease finance options as reflected in the amendments provided by Congress under the Coast Guard and Maritime Transportation Act of 2004 (Pub. L. 108-293). These regulations address statutory amendments eliminating certain barriers to seeking foreign financing by lease for U.S.-flag vessels. They clarify the information needed to determine the eligibility of a vessel financed in this manner for a coastwise endorsement. The National Vessel Documentation Center (NVDC) performs the vessel documentation functions for the Federal Government.

This information collection supports the following strategic goals:

Coast Guard

- Mobility

Prevention Policy Directorate (CG-5P)

- Economic Growth and Trade/Mobility: Reduce interruptions and impediments that restrict the economical movement of goods and people, while maximizing safe, effective, and efficient waterways for all users.

2. Purpose of the information collection.

The information collected will establish the eligibility of a vessel to: (a) be documented as a "vessel of the United States;" (b) engage in a particular trade; and/or (c) become the object of a preferred ship's mortgage. These determinations will be made by a documentation officer of the United States Coast Guard or other authorized Coast Guard officials by comparing the information collected with the various statutory requirements imposed by the Shipping Act of 1916, as amended, section 27 of the Merchant Marine Act of 1920, as amended, (Jones Act), 46 U.S.C. Chapters 121, 123, 125, and 313. The information requested is needed to make the above-mentioned determinations, without which a vessel would be denied eligibility for benefits as listed. Also, non-maritime agencies such as the Internal Revenue Service rely on this information in determining eligibility for investment tax credits and the like.

This information collection determines if the entities that desire to avail themselves of the lease finance provisions are eligible for a coastwise endorsement in accordance with the Coast Guard and Maritime Transportation Act of 2004 (Pub. L. 108-293) statutory amendments.

3. Consideration of the use of improved technology.

Information may be submitted by mail, fax or electronically submitted via e-mail to the NVDC, depending on the type of documentation action needed. Details on e-mail & fax submissions are at—
<http://www.uscg.mil/hq/cg5/nvdc/nvdcpdf.asp>. Forms are available at—
<http://www.uscg.mil/hq/cg5/nvdc/nvdcforms.asp>. We estimate that at this time 59% of the reporting and recordkeeping requirements are done electronically.

4. Efforts to identify duplication.

There are no other Federal agencies with similar programs. Other agencies involved in maritime affairs (i.e., Maritime Administration (MARAD)) collect no similar information and in many cases must rely upon the information collected in connection with the documentation of vessels. There is no similar information available that could be used or modified for these purposes.

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

The information collection will involve some small organizations, including small businesses, individuals, non-profit organizations, municipal governments, small shipbuilders, boat dealers, and lending institutions. Due to various statutory requirements imposed by the Shipping Act of 1916, as amended, section 27 of the Merchant Marine Act of 1920, as amended, (Jones Act), 46 U.S.C. Chapters 121, 123, 125, and 313, the minimum number of requirements and the collection of information is consonant with the current statutes, the possibility of differing compliance or reporting requirements or timetables for small entities is precluded.

6. Consequences to the Federal program if collection were conducted less frequently.

The frequency of submission of information is the minimum consistent with the maintenance of internal records and enforcement of substantive laws in effect. Presently, the regulations clearly mandate the frequency of use, and changing the requirements would make the regulations less effective.

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-2015-1097], January 20, 2016, 81 FR 3152) and 30-Day Notice (May 9, 2016, 81 FR 28093) 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 payment or gift to respondents.

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

10. Describe any assurance of confidentiality of information.

The information collected is generally not of a type considered confidential by those supplying it. However, those forms requiring confidential information have a "Privacy Act Statement" on them. The respondent furnishes any confidential information on a voluntary basis for benefits. This information collection request is covered by the Marine Information for Safety and Law Enforcement (MISLE) Privacy Impact Assessment (PIA) and System of Records Notice (SORN). Links to the MISLE PIA and SORN are provided below:

- https://www.dhs.gov/sites/default/files/publications/privacy_pia_uscg_misle.pdf
- <https://www.gpo.gov/fdsys/pkg/FR-2009-06-25/html/E9-14906.htm>

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 annual number of respondents is 213,428.¹
- The estimated annual number of responses is 577,821.²
- The estimated annual hour burden is 77,619.
- The estimated annual cost burden is \$4,113,807.

The burden to respondents is provided in Appendix A. We estimate that the time to complete various documentation-related forms vary from about 5 to 30 minutes and that an owner/operator/agent will complete the form (see table below). The position of an owner/operator/agent is equivalent to a GS-09. The wage rate used is in accordance with the current edition of COMDTINST 7310.1(series) for "Out-Government" personnel.

Form Number / Name	Burden per Form
CG-1258 // Application for Initial, Exchange, or Replacement of Certificate of Documentation; Redocumentation with optional attachments	30 min. (0.5 hrs)
CG-1261 // Builder's Certification and First Transfer of Title	30 min. (0.5 hrs.)
CG-1270 // Certificate of Documentation	3 min. (0.05 hrs)
CG-1280 // Vessel Renewal Notification Application for Renewal	5 min. (0.084 hrs.)
CG-1340 // Bill of Sale	20 min (0.334 hrs.)
CG-1356 // Bill of Sale by Government Entity Pursuant to Court Order of Administrative Degree of Forfeiture	20 min (0.334 hrs.)
CG-4593 // Application, Consent, and Approval for Withdrawal of Application for Documentation or Exchange of Certificate of Documentation	10 min. (0.167 hrs.)
CG-5542 // Optional Application for Filing	10 min. (0.167 hrs.)
CG-7042 // Authorization for Credit Card Transaction	5 min. (0.084 hrs.)
CG-7043 // Abstract of Title / Certified COD Request	5 min. (0.084 hrs.)

¹ This figure is based upon the total number of documented vessel owners in the United States Coast Guard's Marine Information Safety and Law Enforcement (MISLE) database.

² This figure is based upon the total number of vessel documentation forms submitted to the NVDC, plus the number of Certificates of Documentation issued by the NVDC.

13. Estimate of annualized capital and start-up costs.

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

14. Estimate of annualized Federal Government costs.

The estimated annual Federal Government cost is \$12,181,843 (see Appendix B). The Coast Guard vessel documentation program costs include both staffing and non-staffing costs. Non-staffing costs include operating, building rental, IT system and postage costs.

15. Explain the reasons for change in burden.

The change in the burden is an ADJUSTMENT due to a change (i.e., increase) in the estimated annual number of responses. With one exception, there is no proposed change to the reporting or recordkeeping requirements of this collection. This ICR is revised to account for the recordkeeping burden of form CG-1270 (Certificate of Documentation (COD)). A COD is issued by the Coast Guard to a vessel owner. We estimate the recordkeeping burden of 3 minutes per response. CODs were issued in the past, but not accounted for under 1625-0027. 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. 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.