

Supporting Statement
Application to Establish a Centralized Examination Station
1651-0061

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.**

A Customs and Border Protection (CBP) port director decides when his or her port needs one or more Centralized Examination Stations (CES). A CES is a facility where imported merchandise is made available to CBP officers for physical examination. If it is decided that a CES is needed, the port director solicits applications to operate a CES. The information contained in the application will be used to determine the suitability of the applicant's facility; the fairness of fee structure; and the knowledge of cargo handling operations and of CBP procedures. The names of all corporate officers and all employees who will come in contact with uncleared cargo will also be provided so that CBP may perform background investigations. The CES application is provided for by 19 CFR 118.11 and is authorized by 19 USC 1499, Tariff Act of 1930.

CBP port directors solicit these applications by using port information bulletins, or sometimes local newspapers, or the internet. This collection of information applies to the importing and trade community which is familiar with import procedures and with the CBP regulations.

- 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 applications for CES's are submitted to the port director for review. The port will review each package, visit each site, and make a selection. The purpose is to choose the operation that can best handle containerized cargo for examination.

- 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.**

Due to the small number of applications submitted on an annual basis (50), it would not be cost effective to automate this application. Also, each submission is unique according to the needs and requirements of the port which would make these submissions difficult to automate. CBP has not received any complaints or comments regarding the manual submission of this application.

- 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.**

This information is collected to allow companies to apply to operate Centralized Examination Stations (CES), and to allow port directors to select the best applicant.

- 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 February 11, 2016 (Volume 81, Page 7365) on which no comments were received, and on May 13, 2016 (Volume 81, Page 29880) on which no comments have been received.

- 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 for the Automated Commercial Environment (ACE) dated July 31, 2015, and a SORN for the Import Information System, dated August 17, 2015 (Volume 80, Page 49256) will be included in this ICR. No assurances of confidentiality is 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
Application for CES	100	50	1	50	2 Hours

Public Cost

The estimated cost to the respondents is \$6,046. This is based on the estimated burden hours (100) multiplied by (x) the average loaded hourly wage rate for warehouse operators (\$60.46). CBP calculated this loaded wage rate by multiplying the Bureau of Labor Statistics' (BLS) 2014 median hourly wage rate for Transportation, Storage, and Distribution Managers (\$41.06), which CBP assumes best represents the wage for warehouse operators, by the ratio of BLS' average 2014 total compensation to wages and salaries for Management, Business, and Financial occupations (1.4725), the assumed occupational group for warehouse operators, to account for non-salary employee benefits.^{1,2}

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 \$5,514. This is based on the number of responses that must be reviewed (50) multiplied by (x) the time burden to review and process each response (2 hours) = 100 hours multiplied by (x) the average hourly loaded rate for a CBP Officer (\$55.14)³ = \$5,514.

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

There has been no increase or decrease in the estimated annual burden hours previously reported for this information collection and there are no changes to the information collected.

- 16. For collections 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.**

There is no form associated with this collection of information, so it would not be

¹ Source of median wage rate: U.S. Bureau of Labor Statistics. Occupational Employment Statistics, "May 2014 National Occupational Employment and Wage Estimates, United States- Median Hourly Wage by Occupation Code: 11-3071." Updated March 25, 2015. Available at <http://www.bls.gov/oes/2014/may/oes113071.htm>. Accessed June 15, 2015.

² The total compensation to wages and salaries ratio is equal to the calculated average of the 2014 quarterly estimates (shown under Mar., June, Sep., Dec.) of the total compensation cost per hour worked for Management, Business, and Financial occupations (62.67) divided by the calculated average of the 2014 quarterly estimates (shown under Mar., June, Sep., Dec.) of wages and salaries cost per hour worked for the same occupation category (42.56). Source of total compensation to wages and salaries ratio data: U.S. Bureau of Labor Statistics. Employer Costs for Employee Compensation. *Employer Costs for Employee Compensation Historical Listing March 2004 – December 2015*, "Table 3. Civilian workers, by occupational group: employer costs per hours worked for employee compensation and costs as a percentage of total compensation, 2004-2015 by Respondent Type: Management, business, and financial occupations." June 10, 2015. Available at <http://www.bls.gov/ncs/ect/sp/ececqrtn.pdf>. Accessed June 15, 2015.

³ CBP bases this wage on the salary and benefits of the national average of CBP Officer positions, which is equal to a GS-12, Step 4. Source: Email correspondence with CBP's Office of Administration on June 25, 2015.

appropriate to display an expiration date.

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.