

Supporting Statement  
for  
Information Collection Request

Reporting and Recordkeeping Requirements for  
Importation of On-highway Vehicles and Nonroad Engines, Vehicles, and Equipment

EPA ICR Number 2583.01

OMB Control Number: 2060-NEW

November 2016

Compliance Division  
Office of Transportation and Air Quality  
Office of Air and Radiation  
U.S. Environmental Protection Agency

## **1. IDENTIFICATION OF THE INFORMATION COLLECTION**

### **(a) TITLE OF THE INFORMATION COLLECTION**

Reporting and Recordkeeping Requirements for Importation of On-highway Vehicles, and Nonroad Engines, Vehicles and Equipment, OMB 2060-NEW, EPA ICR 2583.01.

### **(b) SHORT CHARACTERIZATION (ABSTRACT)**

The Clean Air Act requires that on-highway vehicles, and nonroad vehicles, engines and equipment imported into the U.S. either comply with applicable emission requirements, or qualify for an applicable exemption or exclusion. The Compliance Division (CD) in the Office of Air and Radiation maintains and makes available instruments to importers to help facilitate importation of products at U.S. Borders. EPA Form 3520-1 is used by importers of on-highway vehicles and EPA Form 3520-21 is used by importers of nonroad vehicles, engines and equipment. Currently, these two instruments are covered by two separate ICRs. EPA Form 3520-1 is covered by OMB Control Number 2060-0095, ICR Number 0010.13 and EPA Form 3520-21 is covered OMB Control Number 2060-0320, ICR Number 1723.07.

For EPA Declaration Form 3520-1, Customs and Border Patrol (CBP) regulations require importers to file the requisite information directly with CBP in a duplicate paper format at the time of entry. An exception exists for motor vehicles that are imported by the Original Equipment Manufacturer (OEM) that holds an EPA certificate of conformity for those vehicles and those vehicles are labeled accordingly. For these vehicles, an importer does not have to file the EPA Declaration Form 3520-1 with CBP at the time of entry, nor is the importer required to prepare and retain the form as part of his or her recordkeeping obligations. In all other instances, the form is required to be completed and filed with CBP at the time of entry.

For EPA Declaration 3520-21, CBP regulations currently only require that 3520-21 be made available upon request by CBP, but is not currently required to be filed with CBP at the time of entry. Unlike motor vehicle manufacturers, manufacturers that import products covered by EPA declaration form 3520-21 are currently not exempt from preparing EPA declaration form 3520-21 regardless of whether the subject goods are covered by an EPA certificate of conformity, and are therefore required to prepare the form and keep it on file for a period of five years from the date of entry.

In an effort to provide consistency in the administration of CBP's vehicle and engine imports program, so that importers of both onroad vehicles and engines, as well as stationary and nonroad engines (including engines incorporated into vehicles or equipment), are subject to the same filing and recordkeeping requirements, CBP is proposing to conform the entry filing requirements applicable to the EPA declaration form 3520-21 to those that currently exist for EPA declaration form 3520-1. Specifically, CBP is proposing to amend 19 CFR 12.74(b) to require that importers of stationary, nonroad or heavy-duty highway engines (including engines incorporated into vehicles or equipment) must file the EPA declaration form 3520-21 at the time of entry, unless exempt. CBP is proposing to exempt importers that manufacture nonroad or

stationary engines, including engines incorporated into vehicles and equipment, from the requirement to file an EPA declaration form 3520-21 at the time of entry if that importer is the Original Equipment Manufacturer (OEM) that holds a valid EPA certificate of conformity for those engines and those engines are labeled accordingly. This exemption was originally limited to manufacturers of motor vehicles covered by EPA declaration form 3520-1 because of their established history with CBP and EPA of importing vehicles and engines that are compliant with applicable emissions requirements. Although EPA has pursued enforcement actions against some certificate holders, importers of certified engines, vehicles, and equipment covered by EPA declaration form 3520-21 have generally built a similar history and therefore CBP believes that extending this exemption to those manufacturers is appropriate.

Currently, EPA makes both forms available on our website in fillable PDF format (<http://www.epa.gov/importing-vehicles-and-engines/publications-and-forms-importing-vehicles-and-engines>). While EPA does not require that the forms be submitted directly to EPA, the forms are primarily used by U. S. Customs and Border Protection (CBP) to facilitate the importation process at U.S. borders. EPA does require that the forms be kept by importers for a period of 5 years after importation to assist EPA's Office of Enforcement and Compliance Assurance (OECA) and CBP should any issues arise with any given importation.

This ICR will consolidate the two separate ICRs that currently individually cover EPA forms 3520-1 and 3520-21. The primary reason for this consolidation is due to the effort being undertaken by CBP to require electronic filing for all importers. Over the last several years, CBP has been developing the Automated Commercial Environment (ACE). By the end of 2016, ACE will become the Single Window - the primary system through which the trade community and other importers will report imports and exports. Through ACE as the Single Window, manual processes will be streamlined and automated, and paper submissions (e.g. fillable PDFs) will essentially be eliminated. However, EPA will continue to maintain the forms on our website in fillable PDF format.

EPA has been working with CBP to incorporate the information detailed on both EPA forms into ACE which effectively eliminates the forms as unique individual documents that are to be filled in and filed with CPB. Rather, importers will log into ACE and check boxes that correspond to information elements currently found on the forms. Filers of a form will also receive transaction information that will be kept by the filer.

Information collected includes identification of the importer, the entry date, the manufacturer, the test group/engine family name, engine model and serial number, EPA exemption number if applicable, and bond information if applicable, and an indication of the regulatory category of vehicle, engine, or equipment of the relevant regulatory provision under which it is being imported. The information is currently retained in document form by the importer and submitted to CBP at the time of importation. Importers must also make the information available to EPA upon request. The information is used to monitor compliance of imports with the law and regulations and to respond to inquiries from the public concerning the compliance status of specific imported engines.

EPA also makes available EPA Form 3520-8 upon request which currently covers both on-highway vehicles (OMB Control Number 2060-0095, ICR Number 0010.13), and nonroad compression ignition (CI) engines (OMB Control Number 2060-0320, ICR Number 1723.07). This form is used by independent commercial importers (ICIs) to request final admission (as opposed to initial declaration) of nonconforming vehicles or nonroad CI engines that have been brought into compliance with Federal emission requirements. Currently only light-duty vehicle importers participate in the ICI program under 40 CFR Part 85, Subpart P. Regulations for ICI imports of nonroad CI engines are set forth at 40 CFR Part 89, Subpart G. However, these regulations have become obsolete as it is cost prohibitive for ICIs to bring nonroad CI engines into compliance. As a result, the regulations have been amended to remove the ICI provisions. The cost estimates for this ICR have been amended accordingly. This form has not yet been incorporated into ACE as have forms 3520-1 and 3520-21 and will continue to be made available upon request as a fillable PDF form.

## **2. NEED FOR AND USE OF THE COLLECTION**

### **(a) NEED/AUTHORITY FOR THE COLLECTION**

Joint EPA and US Customs and Border Protection (CBP) regulations at 40 CFR 90.601 *et seq.* and 19 CFR 12.74 promulgated under the authority under the Clean Air Act (Sections 203, 208 and 213) give authority for the collection of information. The collection of this information helps ensure the compliance of imported vehicles, engines, and equipment with Federal emissions requirements, which helps meet the Agency goal of reducing air pollution. Without this information, EPA and CBP could not confirm that vehicles, engines and equipment being imported conform to the emission requirements of the Act, or are appropriately eligible for an exemption from meeting the emissions requirements of the Act.

### **(b) PRACTICAL UTILITY/USERS OF THE DATA**

While EPA does not collect the forms directly from importers, we may ask for them upon request to assist CPB and/EPA enforcement personnel for any given import for which there are questions or issues. The forms are primarily used by CBP at the time of importation to assist CBP in making determination if entry should be allowed. This information may also be used by CBP or EPA's enforcement personnel to verify that all vehicles, engines and equipment subject to Federal emission requirements have been declared upon entry or that the category of exclusion or exemption from emissions requirements has been identified in the declaration. The information is also used to identify and prosecute violators of the regulations.

## **3. NONDUPLICATION, CONSULTATIONS, AND OTHER COLLECTION CRITERIA**

### **(a) NONDUPLICATION**

Because the information collected is specific to identifying the appropriate regulated category and appropriate regulatory provisions for imported vehicles, engines and equipment under the Clean Air Act, the information is uniquely specific to EPA. With the paper forms, it was not practical to combine the information contained on the forms with other programs or agencies. However, with the ACE Single Window, importers will now be able file the information electronically directly with CBP.

(b) PUBLIC NOTICE

EPA solicited public comment by means of a Federal Register Notice published on September 16, 2016 (81 FR 63758). The draft ICR was also placed in the docket. No comments were received.

(c) CONSULTATIONS

The following representatives and manufacturers of imported vehicles, engines, and equipment provided feedback on the current process. CBP is also currently piloting the ACE single window prior to deployment later in 2016. EPA will also consider feedback from the pilot to further refine burden estimates as necessary prior to finalizing this ICR.

Larry Keller  
Polaris Industries  
2100 Highway 55  
Medina, MN 55340

Jennifer Kamarek  
Compliance Specialist  
Vandegrift Customs Brokerage  
500 E. Main Street  
Norfolk, VA 23510

Kent Zielsdorf  
Caterpillar  
10 SW Washington  
Peoria, IL 61602

(d) EFFECTS OF LESS FREQUENT COLLECTION

Since reporting is done only at the time of entry, less frequent collection would seriously undermine the Agency's ability to determine whether vehicles, engines, and equipment being imported meet applicable emission requirements. Consequently, the Agency would not be able to allow entry of these products. Therefore, less frequent collection is not feasible. Note that one form per shipment may be used, provided attachments including all the information required to describe each engine is included. In addition, as CBP moves toward electronic filing, EPA

expects that electronic filing should reduce the burden for importers.

(e) GENERAL GUIDELINES

This ICR requires that ICIs notify EPA when requesting final admission for vehicles (Form 8) and this may occasionally result in reporting more often than quarterly if vehicles are tested and ready for sale more frequently than quarterly. This requirement is necessary for EPA to have the opportunity to inspect vehicles prior to release from the ICI. If EPA only required quarterly reports, either the ICI would have to hold vehicles and release them on a quarterly basis or EPA would not likely have the opportunity to inspect or require confirmatory testing of vehicles imported by the ICI.

EPA's regulations require that ICIs retain records for a period of six years from the date of entry (40 CFR 85.1507(a)). ICIs are responsible for the same emissions warranties that apply to original manufacturers, generally extending to 8 years or 80,000 miles for major emission control components. The Clean Air Act requires that light-duty vehicles meet federal emission standards throughout their useful lives, which is defined by the Clean Air Act to be 10 years or 100,000 miles (Sec. 202(d)); these requirements are implemented through the certification process for ICIs just as they are for original manufacturers. The imports regulations specify that the useful life period starts from the date that the vehicle is released to the owner by the ICI. The six year record retention requirement is the minimum considered consistent with these obligations.

(f) CONFIDENTIALITY

Any information submitted to the Agency for which a claim of confidentiality is made will be safeguarded according to policies set forth in Title 40, Chapter 1, Part 2, Subpart B - Confidentiality of Business Information (see 40 CFR 2.201 *et seq.*). The public is not permitted access to information containing personal or organizational identifiers. This collection complies with the Privacy Act of 1974 and OMB Circular A-130.

(g) SENSITIVE QUESTIONS

No sensitive questions are asked.

**4. THE RESPONDENTS AND THE INFORMATION REQUESTED**

(a) RESPONDENTS/NAICS CODES

Information collected is from individual importers and both small and large companies who import, or import and manufacture nonroad engines and recreational vehicles. The NAICS codes for the respondents are as follows:

Light-duty Vehicles

423110 Automobile and Other Motor Vehicle Merchant Wholesalers

441200 Other Motor Vehicle Dealers.

Non-road compression ignition engines

333618 Manufacturers of nonroad diesel engines  
333111 Manufacturers of farm machinery and equipment  
333112 Manufacturers of lawn and garden tractors (home)  
333924 Manufacturers of industrial trucks  
333120 Manufacturers of construction machinery  
333131 Manufacturers of mining machinery and equipment  
333132 Manufacturers of oil and gas field machinery and equipment  
811112, 811198 Commercial importers of vehicles and vehicle components  
33631 Manufacturers of motor vehicle gasoline engine and engine parts  
336312 Manufacturers of gasoline engine and engine parts  
33639 Manufacturers of other motor vehicle parts

Small nonroad spark-ignition engines

333618 Other engine equipment manufacturing  
336312 Gasoline engine and engine parts manufacturing  
336999 Other transportation equipment manufacturing  
336911 Motorcycle, bicycle and parts manufacturing

Marine outboard and personal watercraft engines

333618 Manufacturers of marine spark ignition engines  
333112 Manufacturers of recreational marine vessels  
336611 Ship building and repair  
336612 Boat building  
336999 Other marine outboard and personal watercraft manufacturing  
441222 Motorcycle, boat, and other motor vehicle dealers

Locomotive engines

333618 Manufacturers of locomotives and locomotive engines  
48211, 482111, 482112 Railroad owners and operators  
488210 Engine repair and maintenance

Large marine compression-ignition engines

333618 Manufacturers of marine diesel engines  
33661, 346611 Ship and boat building; ship building and repair  
811310 Engine repair and maintenance  
483 Water transportation, freight and passenger  
336612 Boat building (watercraft not built in shipyards and typically of the type suitable or intended for personal use)  
441222 Motorcycle, boat, and other motor vehicle dealers

Recreational vehicles, including snowmobiles, all-terrain vehicles, and certain high-speed utility

vehicles

336991	Motorcycle manufacturers
336999	Snowmobile and all-terrain vehicle manufacturers
441222	Motorcycle, boat, and other motor vehicle dealers

Large nonroad spark-ignition engines

333618	Manufacturers of new nonroad spark-ignition engines
333111	Manufacturers of farm equipment
333112	Manufacturers of construction equipment
333924	Manufacturers of industrial trucks
811310	Engine repair and maintenance

(b) INFORMATION REQUESTED

(i) Data Items

The data requested in reports include:

- vehicle or engine identification number (all 3 forms)
- vehicle or engine make (all 3 forms)
- vehicle or engine model (all 3 forms)
- model year of the vehicle or engine (all 3 forms)
- port of entry (all 3 forms)
- date of entry (all 3 forms)
- entry number (all 3 forms)
- importer name, address and telephone number (all 3 forms)
- broker name, address and telephone number (optional) (3520-1, 3520-21)
- owner name, address and telephone number (optional) (3520-1, 350-21)
- identification of the type of vehicle or engine by regulatory category (3520-21)
- identification of the provision under which the vehicle or engine is being imported (3520-1, 3520-21)
- EPA exemption number, if applicable (3520-1, 3520-21)
- Bond information, if applicable (3520-21)

(ii) Respondent Activities

To complete the collection, the respondent would:

- read form instructions
- collect data and complete forms

**Information Requirements for Importation of Motor Vehicles and Motor Vehicle Engines**

INFORMATION REQUIREMENTS

CITATION



## I. ICI requirements

- Reporting 85.1505(a)
- Application for final admission (certified) 85.1506(c),(g)(4)
- Reasonable assistance during inspection, including copies of records or documents 85.1506(b)(2)
- Application for final admission (modification/test) 85.1509(b)
- Repair and retest 85.1509(g)
- Maintenance instructions, attestation, parts list 85.1510(a)
- Altitude compensator instructions, attestation 85.1510(b)
- Emission warranties, attestation 85.1510(c)
- Emission labeling, attestation 85.1510(d)
- Fuel economy labeling, attestation 85.1510(e)
- Gas guzzler tax forms, attestation 85.1510(f)
- Reply to notice of suspension or revocation 85.1513(f)(3)(ii), 85.1513(f)(3)(iv), 85.1513(f)(6)
- Request for hearing 85.1513(f)(3)(iii)

## Recordkeeping

- Certification, modification, test, purchase, sale, storage, registration, importation 85.1507
- Owners or ultimate purchasers 85.1508(b)
- Maintenance instructions, parts list, altitude compensator instructions, emission warranties, emission labeling, fuel economy labeling 85.1510

## II. Requirements applying to all importers

- Notification of conditional admission 85.1504(a)
- Request for prior approval (exemption), request for extension of exemption 85.1511(b),(g)
- Request for prior approval (exclusion) 85.1511(c)-(g)
- Attestations, copy of paid invoice 85.1512(f)
- Claim of confidentiality 85.1514

## **Information Requirements for Importation of All Nonroad Vehicles, Engines, and Equipment**

### INFORMATION REQUIREMENTS

### CITATION

## I. Requirements applying to all importers

General provisions	1068.301
Applying for Exemptions or Exclusions	1068.305
Available Exclusions	1068.310
Permanent Exemptions	1068.315
Temporary Exemptions	1068.325
Penalties for Violations	1068.335
Restrictions to Assigning a Model Year	1068.360

## **5. THE INFORMATION COLLECTED--AGENCY ACTIVITIES, COLLECTION METHODOLOGY, AND INFORMATION MANAGEMENT**

### (a) AGENCY ACTIVITIES

The Compliance Division does not collect the forms themselves, but rather makes them available to importers and CBP to facilitate entry of goods at the port. CD and/or EPA's enforcement office may ask for them upon request to assist CPB and/or EPA enforcement personnel for any given import for which there are questions or issues. The forms are primarily used by CBP at the time of importation to assist CBP in making determination if entry should be allowed.

### (b) COLLECTION METHODOLOGY AND MANAGEMENT

CBP and EPA use the information to facilitate entry at the port to assess if vehicles, engines, and equipment meet EPA requirements, or are eligible for an applicable exemption. EPA does not collect the forms from importers. As described above, CBP is moving toward the electronic collection of the data elements contained on the forms that will streamline the reporting and recordkeeping burdens. With the implementation of ACE, importers will receive a transaction number which they will be required to maintain so that they importation records can be retrieved from the ACE database if needed.

### (c) SMALL ENTITY FLEXIBILITY

Small entities are required to submit the information covered by this ICR when applicable. There is no exemption for small entities.

### (d) COLLECTION SCHEDULE

The information is not subject to a collection schedule, but is collected at the time of entry and, in the event of an ICI import, when the vehicle is ready for approval by EPA of final admission.

## **6. ESTIMATING THE BURDEN AND COST OF THE COLLECTION**

## 6(a) ESTIMATING RESPONDENT BURDEN (Hours)

Each form is estimated to take 0.5 hours to complete. Completing required post-certification testing for ICIs estimated at 23 hours per test. EPA estimates .25 hours each for recordkeeping.

## 6(b) ESTIMATING RESPONDENT COST

### (i) Labor Costs

Rates for engineering managers, mechanical engineers, and secretaries (except legal, medical, and executive) are from the May 2014 BLS National Occupational Employment and Wage Estimates ([http://www.bls.gov/oes/current/oes\\_nat.htm](http://www.bls.gov/oes/current/oes_nat.htm), accessed February 8, 2016). With a 160% overhead multiplier, these are \$106.94, \$67.02, and \$27.87, respectively. Test labor costs are \$61.73 per hour

### (ii) Capital/Start-up Costs

Capital/start-up costs are predominantly incurred by ICIs during the required certification process, which is covered by other ICRs. ICIs in the on-road program typically obtain the necessary testing and certification work from a broker, who also provides testing services, or who obtains from a testing facility the test results necessary for the final importation form.

### (iii) Operations and Maintenance Costs

This cost is estimated as a component of overall broker activities to import a vehicle or engine, and incorporates a \$2 per form recordkeeping cost for broker form retention.

## 6(c) ESTIMATING AGENCY BURDEN AND COST

The imports program is administered by EPA's Compliance Division. Forty percent of one Full Time Equivalent employee (FTE), GS 12/3; twenty percent of one Senior Environmental Employment (SEE) Program employee<sup>1</sup> (about 400 hours); and a portion of the work assignment under a government contract are allocated to imports activities. Based on the 2016 Office of Personnel GS pay schedule for Detroit, EPA estimates a forty percent annual salary of \$32,691 for the EPA FTE, and \$13,200 for the SEE. We then multiply the hourly rate by the standard government benefits multiplication factor of 1.6, for a cost of \$52,556 for the EPA FTE, plus \$21,120 for the SEE, and \$85,000 for the contractor.

## 6(d) ESTIMATING THE RESPONDENT UNIVERSE AND TOTAL BURDEN COSTS

Reporting, Recordkeeping, and Testing for Form 3520-8: 1,985 hrs

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<sup>1</sup> The SEE Program is an employment program for older workers authorized by the Environmental Programs Assistance Act, passed by Congress in 1984, and provides employment opportunities to senior citizens aged 55 and over.

Reporting and Recordkeeping Burdens, Forms 3520-1 and 3520-21:	12,000 hrs
Total Hours	13,985 hrs
Recording, Recordkeeping, and Testing for Form 3520-8:	\$179,192
Reporting and Recordkeeping Burdens, Forms 3520-1 and 3520-21:	\$334,440
Total Cost	\$513,633

#### 6(e) BOTTOM LINE BURDEN HOURS AND COST TABLES

##### (i) Respondent Tally

The information collection will involve an estimated 14,810 respondents and 24, 446 responses at an estimated labor cost of \$513,633 and a capital/startup and O&M cost of \$48,064.

##### (ii) The Agency Tally

The total EPA estimated burden is \$158,676 and includes FTE, SEE, and contractor activities to support imports activities.

#### 6(f) REASONS FOR CHANGE IN BURDEN

EPA is establishing new burden estimates as we combine the burden estimates for the two separate ICRs that currently cover the forms. As with prior ICRs that covered these forms, this combined ICR bases the burdens on an estimate of the actual forms that may be filled in and provided to CBP by importers. Because EPA does not collect the forms, nor does CBP having a tracking system to count the actual number of paper forms they collect, the number of responses is being carried over from the previous approved ICRs. ~~As CBP is now requiring electronic filing of this data later this year,~~ we expect to be able to more accurately estimate the information collection burden in future ICRs. However, regarding the federal costs identified in this new ICR, they are slightly lower than previous ICRs because EPA expects to spend less contract dollars on imports program support as CBP goes to electronic filing. Respondent burden is estimated to slightly higher due to an increase in Independent Commercial Importers (ICIs) using form 3520-8 for importation of on road vehicles.

#### 6(g) BURDEN STATEMENT

The annual public reporting and recordkeeping burden for this collection of information is estimated to average 45 minutes per response (30 minutes for reporting and 15 minutes for recordkeeping). Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able

to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control numbers for EPA's regulations are listed in 40 CFR part 9 and 48 CFR chapter 15.

To comment on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including the use of automated collection techniques, EPA has established a public docket for this ICR under Docket ID Number EPA-HQ-OAR-2016-0094, which is available for online viewing at [www.regulations.gov](http://www.regulations.gov). This site can be used to submit or view public comments, access the index listing of the contents of the public docket, and to access those documents in the public docket that are available electronically. When in the system, select "search," then key in the Docket ID Number identified above. EPA Docket Center, Environmental Protection Agency, Mailcode 28221T, 1200 Pennsylvania Ave., NW., Washington, DC 20460.

EPA's policy is that all comments received will be included in the public docket without change including any personal information provided, unless the comment includes profanity, threats, information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute.

Comments can also be sent to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington, D.C. 20503, Attention: Desk Officer for EPA. Please include the EPA Docket ID EPA-HQ-OAR-2016-0094 and OMB Control Number 2060-NEW in your correspondence.