

**Supporting Statement
CBP Regulations Pertaining to Customs Brokers
1651-0034**

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 information contained in Part 111 of the CBP regulations governs the licensing and conduct of customs brokers. An individual who wishes to take the broker exam must complete CBP Form 3124E, "Application for Customs Broker License Exam," or to apply for a broker license, CBP Form 3124, "Application for Customs Broker License." The procedures to request a local or national broker permit can be found in 19 CFR 111.19, and a triennial report is required under 19 CFR 111.30. This information collected from customs brokers is provided for by 19 U.S.C. 1641. CBP Forms 3124 and 3124E may be found at <http://www.cbp.gov/xp/cgov/toolbox/forms/>. Further information about the customs broker exam and how to apply for it may be found at <https://www.cbp.gov/trade/programs-administration/customs-brokers>

- 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 collections identified in 19 CFR Part 111 are used by CBP to license and monitor customs brokers in order to ensure compliance with CBP laws and regulations, and to substantiate proper supervision and control. It also ensures that open lines of communications are maintained with all brokers. CBP performs this regulation function in order to protect the public because these brokers conduct customs business for members of the public.

- 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.**

Respondents can apply to take the broker exam using the Treasury system pay.gov. Forms 3124 and 3124E are available on the CBP website at <http://www.cbp.gov/xp/cgov/toolbox/forms/> and shall be submitted to the local port director.

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.**

Without the information contained in 19 CFR Part 111, CBP would not be able to monitor customs brokers in order to ensure compliance with CBP laws and regulations. CBP performs this regulation function in order to protect the public because these brokers conduct customs business for members of the public.

7. **Explain any special circumstances.**

This information collection is conducted in a manner consistent with the guidelines in 5 CFR 1320.5(c)(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 including a 60-day notice published on April 5, 2017 (Volume 82, Page 16603) on which no comments were received, and a 30-day notice published on July 14, 2017 (Volume 82, Page 32562) 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 SORN dated December 19, 2008 (Volume 73 FR 77753) will be submitted with this ICR. A PIA for the ITDS, dated July 14, 2006 will be submitted with 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, 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 personal or 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 Broker License Exam (Form 3124E)	2,300	2,300	1	2,300	1 hour
Application for Broker License (Form 3124)	750	750	1	750	1 hour
Triennial Report	2,275	4550	1	4550	.5 hours
National Broker's Permit Application	200	200	1	200	1 hour
TOTAL	5,525	7,800		7,800	

Public Cost:

The estimated cost to the respondents is \$165,971. This is based on the estimated burden hours (5,525) multiplied by (x) the average loaded hourly wage rate for brokers (\$30.04). CBP calculated this loaded wage rate by first multiplying the Bureau of Labor Statistics' (BLS) 2016 median hourly wage rate for Cargo and Freight Agents (\$20.15), which CBP assumes best represents the wage for

brokers, by the ratio of BLS' average 2016 total compensation to wages and salaries for Office and Administrative Support occupations (1.4762), the assumed occupational group for brokers, to account for non-salary employee benefits.^{1,2} CBP then adjusted this figure, which was in 2015 U.S. dollars, to 2017 U.S. dollars by applying a 1.0 percent annual growth rate to the figure, as recommended by the U.S. Department of Transportation's value of travel time guidance.³

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

Fee Charge. For informational purposes, the total amount of fees associated with this collection of information is **1,053,500**. This is calculated as follows:

The Customs brokers' examination fee is- **\$460,000**. This is based on the number of responses (2300) multiplied (x) the amount of the fee (\$200) = \$460,000.

The broker license fee is- **\$150,000**. This is based on the number of respondents (750) multiplied by the amount of the fee (\$200) = \$150,000.

The national permit fee is- **\$20,000**. This is based on the number of respondents (200) multiplied (x) by the amount of the fee (\$100) = \$20,000.

The triennial report fee is- **\$455,000**. This is based on the number of annual respondents (4550) multiplied (x) by the amount of the fee (\$100) = \$455,000

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.

1 Source: U.S. Bureau of Labor Statistics. Occupational Employment Statistics, "May 2016 National Occupational Employment and Wage Estimates, United States- Median Hourly Wage by Occupation Code." Updated March 31, 2017. Available at http://www.bls.gov/oes/2016/may/oes_nat.htm. Accessed June 20, 2017.

2 The total compensation to wages and salaries ratio is equal to the calculated average of the 2016 quarterly estimates (shown under Mar., June, Sep., Dec.) of the total compensation cost per hour worked for Office and Administrative Support occupations (\$25.3575) divided by the calculated average of the 2016 quarterly estimates (shown under Mar., June, Sep., Dec.) of wages and salaries cost per hour worked for the same occupation category (\$17.1775). 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 – March 2017, "Table 3. Civilian workers, by occupational group: employer costs per hours worked for employee compensation and costs as a percentage of total compensation, 2004-2017 by respondent type." June 20, 2017. Available at <http://www.bls.gov/ncs/ect/sp/ececqrtn.pdf>. Accessed June 20, 2017.

3 Source: U.S. Department of Transportation, Office of Transportation Policy. *The Value of Travel Time Savings: Departmental Guidance for Conducting Economic Evaluations Revision 2 (2015 Update)*, "Table 4 (Revision 2-corrected): Recommended Hourly Values of Travel Time Savings." April 29, 2015.

<http://www.transportation.gov/sites/dot.gov/files/docs/Revised%20Departmental%20Guidance%20on%20Valuation%20of%20Travel%20Time%20in%20Economic%20Analysis.pdf>. Accessed June 20, 2017.

Collecting and Processing Cost \$ 1,053,500
Total Cost to Government \$ 1,053,500

The estimated cost of each program to CBP, which is recovered by the collection of fees, is calculated by multiplying the estimated number of respondents multiplied by the fee charge, (which includes the suggested hourly rate for clerical, officer and managerial time with benefits, plus a percent for the estimated overhead cost for printing, stocking and distributing and processing of these forms).

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

There has been an increase in the estimated annual burden hours previously reported for this information collection due to more individuals applying and attaining a broker's licenses and more individuals providing triennial fees. There are no changes to the information collected.

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.