

## Department of Transportation

### SUPPORTING STATEMENT

#### Procedures for Determining Vessel Services Categories For Purposes of the Cargo Preference Act

**INTRODUCTION:** This is to request the Office of Management and Budget's (OMB) three-year approval for the information collection entitled Procedures for Determining Vessel Services Categories for Purposes of the Cargo Preference Act (OMB Control No. 2133-0540), which is currently due to expire on April 30, 2018.

#### Part A. Justification

1. Circumstances that make collection of information necessary. **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.**

This information is required to administer the interagency Memorandum of Understanding (MOU) Regarding Procedures for Determining Service Categories for the Purpose of the Cargo Preference Act (CPA). The text and an explanation of the MOU are set forth in the Federal Register notice (74 FR 47308). This collection supports the DOT strategic goals of national security and economic growth.

2. How, by whom, and for what purpose is the information used. **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 Maritime Administration will use the data submitted by vessel operators to create a list of Vessel Self-Designations and determine whether the Agency agrees or disagrees with a vessel owner's designation of a vessel. It will use data submitted with re-designation requests to determine whether or not a vessel should be re-designated into a different service category.

3. Extent of automated information collection. **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.**

Electronic submission of application and supporting data is encouraged by the Maritime Administration's notice.

4. **Efforts to minimize the burden on small businesses. 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.**

There is no duplication.

5. **Efforts to minimize the burden on small businesses. If the collection of information impacts small businesses or other small entities (item 5 of OMB form 83-I), describe any methods used to minimize burden.**

While the agency does not know which vessel owners will choose to submit applications for self-designation, the agency anticipates that most of them will be small business (e.g., having fewer than 500 employees, per Small Business Administration size standards found in 13 CFR Part 121). However, the voluntary nature of the application and the small scale of the hour and financial burdens mean that small businesses impacts should be very modest.

6. **Impact of less frequent collection of information. 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.**

MARAD would be unable to make legally essential determinations of vessel service types for purposes of implementing the CPA under the terms of the MOU.

7. **Special circumstances. Explain any special circumstances that would cause an information collection to be conducted in a manner:**

- **Requiring respondents to report information to the agency more often than quarterly;**
- **Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **Requiring respondents to submit more than an original and two copies of any document;**
- **Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;--**
- **Requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**

- That includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- Requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

There are no special circumstances that require this collection of information to be conducted in a manner described above.

8. Compliance with 5 CFR 1320.8: Provide an electronic copy and identify the date, volume number and page number of publication in the Federal Register of the agency's notice, (for a 60-day and a 30-day 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 those comments. Specifically address comments received on cost and hour burden.
- Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and record keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.
- Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years--even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

MARAD published a 60-day notice and request for comments on this information collection in the Federal Register (82 FR, No. 232), dated December 5, 2017, at 57523, indicating comments should be submitted on or before February 5, 2018. No comments were received. In addition, a 30-day notice for published in the Federal Register on March 9, 2018, indicating comments should be submitted on or before April 9, 2018.

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

No payments or gifts are provided to respondents.

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

The information requested is not of a confidential nature and, consequently, no assurance of confidentiality need be given.

11. **Justification for collection of sensitive information: 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. **Estimate of burden hours for information requested: Provide estimates of the hour burden of the collection of information. The statement should:**

- **Indicate the number of respondents, frequency of responses, calculation for the individual burdens and for the total annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hour for customary and usual business practices.**
- **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in items 13 of OMB Form 83-I.**
- **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in item 14.**

Frequency: For current vessel owners who choose to submit a self-designation, the information collection would occur only once. Under the MOU, if a new vessel comes on line or a vessel owner subsequently seeks to change its designation, a new application would have to be submitted. Optional vessel re-designation requests can be submitted quarterly.

Respondents: It is estimated the owners or operators of up to 120 U.S.-registered vessels, and an unknown but larger number of foreign-registered vessels, could possibly apply for self-designation and/or re-designation. It is important to note that, under the MOU, vessel owners are not required to do so. Vessel owners who are

satisfied with MARAD’s existing designation presumably would not submit an application. Consequently, MARAD believes that a significantly smaller number than the maximum potential number of respondents will actually submit applications.

Burden Estimate: This estimate assumes a range of between 10 and 200 actual applications, in which case the number of burden hours involved would vary from 2.5 – 50 hours assuming one-quarter hour per application. Assuming an approximate cost of \$50 per hour to perform the information collection tasks, this would result in a range of costs from \$125 to \$2,500 for the self-designation application process. These are essentially one-time costs, aside from potential applications for voluntary re-designation in the future. While MARAD believes that the actual number of applications received will be nearer the lower end of this range, the range is provided to account for the uncertainty surrounding the decisions of vessel owners.

<u>Number of Respondents</u>	x	<u>Responses Per Respondent</u>	=	<u>Total Responses Annually</u>	x	<u>Hours Per Response</u>	=	<u>Total Hours Annually</u>				
200		1		200		0.25		50				
<u>Number of Respondents</u>	x	<u>Per Response</u>	x	<u>Cost Per Hour</u>	x	<u>Number of Hours</u>	=	<u>Cost Annually</u>	x	<u>Benefits</u>	=	<u>Total Annual Cost</u>
200		1		\$37.68		0.25		\$1,884.00		1.4		\$2,637.60

\*Hourly mean wage for Ship and Boat Captains and Vessel Operators was taken from the BLS National Occupational Employment and Wage Estimates table ([https://www.bls.gov/oes/current/oes\\_nat.htm#53-0000](https://www.bls.gov/oes/current/oes_nat.htm#53-0000)).

13. Estimate of total annual costs to respondents. Provide an estimate of total annual costs burden to respondents or recordkeepers resulting from the collection of information. (Do not include the costs of any hour burden shown in Items 12 and 14).

- **Include a breakdown for total capital/start up costs and operation/maintenance. The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record**

storage facilities.

- **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**
- **Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

Nothing beyond what is stated in Item 12 above.

- 14. Estimate of costs to the Federal government. 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. Agencies also may aggregate cost estimates from items 12, 13, and 14 in a single table.**

<u>Number of Employees</u>	<u>Hourly Wage</u>	<u>Project Time</u>	<u>Benefits</u>	<u>Cost Per Application</u>
1 GS-14 step 3	\$58.57	.25	1.4	\$ 20.50
1 GS-8 step 2	\$25.21	.17	1.4	\$ 6.00
Subtotal				<u>\$ 26.50</u>
Times 200 responses per year				\$5,300.00

The estimated maximum Total Annual Costs to the Federal Government: \$5,300.00

\*Hourly rates for the government employees were verified via the 2018 GSA Wage table for the locality pay area of Washington-Baltimore-Arlington, DC-MD-VA-WV-PA (total increase 2.29%).

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

On average, over the previous 3 years, MARAD has added approximately 200 vessels each year to the list which underpins the ‘Procedures for Determining Vessel Service Categories for Purposes of the Cargo Preference Act’. Each vessel is submitted by the ocean carrier, or a vessel broker, by means of an individual e-mail (i.e., the RESPONSE) to our offices. We re-confirm our position that MARAD receives approximately 200 responses per year.

As to the time required to submit each individual response, the medium of e-mail has greatly sped up the internal process for responses. We re-confirm our position that a maximum time required per each response is approximately 15 minutes.

- 16. Publication of results of data collection. For collections or 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.**

MARAD will publish a list of the self-designations submitted by vessel owners at [http://www.marad.dot.gov/documents/MAR730\\_MasterVesselListforCargoPreference.pdf](http://www.marad.dot.gov/documents/MAR730_MasterVesselListforCargoPreference.pdf) as provided in the MOU.

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

Approval is not requested to not display the expiration date.

- 18. Exceptions to certification statement. 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 to the certificate statement.