

# Department of Transportation

## **SUPPORTING STATEMENT**

### **APPLICATION FOR WAIVER OF COASTWISE TRADE LAWS FOR SMALL PASSENGER VESSELS**

#### **INTRODUCTION**

This is to request the Office of Management and Budget's (OMB) three-year approval clearance for the information collection entitled, "Application for Waiver of Coastwise Trade Laws for Small Passenger Vessels" (OMB Control No. 2133-0529, which is currently due to expire on May 31, 2018. Note: The number of respondents and burden hours has increased since the previous submission to an average of 138 applicants per year from 95 applicants per year due to the economic demand for tourism services in the key small vessel market areas of New York, New England, the Great Lakes and Florida. There have been more requests for the entry of new vessels into the sport fishing, sight-seeing and eco-tourism trades.

#### **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.**

Section 12121 of Title 46, United States Code authorizes the Secretary of Transportation to administratively waive the U.S.-build and other requirements of 46 U.S.C. 12112, 46 U.S.C. 55102 and 46 U.S.C. 55103 for foreign-built small passenger vessels or uninspected foreign-built passenger vessels authorized to carry no more than 12 passengers, thereby allowing such vessels to operate in the coastwise trade. In order to fulfill this requirement, it will be necessary for those wishing to receive waivers to request a waiver from the Maritime Administration and provide information about their proposed operation to ensure the foreign vessel will not have an undue adverse affect on a current U.S. vessel operator or builder. This information collection supports the Department of Transportation's strategic goal of economic growth and trade.

**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 information will be used by the Maritime Administration to determine if the applicant is entitled to a waiver to ensure the foreign vessel will not have an undue adverse effect on a current U.S. vessel operator or builder. This information collection supports the Department of Transportation's strategic goal of economic growth and trade.

**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 this information collection is 100% available as an option. Respondents can submit an application on Form MA-1023 (which is available on MARAD's website at [www.marad.dot.gov](http://www.marad.dot.gov) under Programs, Small Vessel Waiver Program) or they may submit information in any format they desire. The information is the minimum required to carry out the Government's responsibilities. Approximately 97% of the respondents have responded using an electronic format.

**4. Efforts to identify duplication. 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.**

The Maritime Administration is the only government agency authorized to grant such waivers. Information used to process requests for such waivers is not generally submitted to other agencies.

**5. Efforts to minimize the burden on small businesses. 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 a significant impact on small businesses.

**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.**

If information is not collected, the Maritime Administration will not know to whom to grant waivers and the purpose of the statute will be negated.

**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 the 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 the 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.**

The Maritime Administration published a 60-day notice and request for comments on this information collection in the Federal Register (Vol. 82, No.232) on December 5, 2017, indicating comments should be submitted by February 5, 2018. No comments were received. In addition, a 30-day notice was published on March 19, 2018 (12073, Vol. 83, No. 53) indicating comments should be submitted by April 18, 2018.

9. **Payments or gifts to respondents. Explain any decision to provide a payment or gift to respondents, other than enumeration 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.**

Respondents were not assured of confidentiality.

**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.**

Not applicable. 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 hourly 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.**

A determination of the estimated number of hours required per response was made after consideration of the minimal information requested from respondents.

<u>Number of Respondents</u>	<u>Responses Per Respondent</u>	<u>Total Responses Annually</u>	<u>Hours Per Response</u>	<u>Annual Burden Hours</u>
------------------------------	---------------------------------	---------------------------------	---------------------------	----------------------------

$$138 \quad x \quad 1 \quad = \quad 138 \quad x \quad 1 \quad = \quad 138$$

It is estimated that a small vessel owner would spend one hour of their time preparing an application. Therefore, given an estimated average salary of \$39.19 per hour for each respondent, the one-time per application labor cost to each respondent is estimated to be \$39.19.

For all respondents, time /labor cost estimate is provided below:

<u>Number of Respondents</u>	<u>Number of Responses per Respondent</u>	<u>Burden Hours Per Response</u>	<u>Hourly Rate Per Response</u>	<u>Annual Cost</u>		
138	x	1	x	1	\$39.19	\$5,408.22

Total annual cost for respondents is estimated as:  $\$5,408.22 \times 1.4$  (benefits) = \$7,571.51

\*The estimated wages of \$39.19 was taken from the BLS occupation table under the Mean hourly wage for Ship Captains, Mates and Pilots of water vessels (<https://www.bls.gov/oes/current/oes535021.htm>).

13. Estimate of total annual costs to respondents. Provide an estimate of the total annual cost 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 estimates 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 costs 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.**

(a) Total Capital and Start-Up Costs Estimate:

Startup costs to the one-time applicant for a Small Vessel Waiver from the Maritime Administration.

1. One time application fee: \$500 (138 respondents x \$500 application fee = \$69,000)
2. Postage to mail in the application \$.49 (3 x \$.49 = \$1.47). Note: Only three applications per year are normally sent by mail. The remaining applications are filed electronically.

Total cost = \$69,000+ \$1.47 = \$69,001.47

(b) Total Operation and Maintenance and Purchase of Services Estimate:

There are no operation and maintenance costs associated with this information collection.

14. Estimate of cost to the Federal government. Provide estimates of annualized cost to the federal government. Also, provide a description of the method used to estimate costs, 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.

The total annual cost to the Federal Government for processing the collection is estimated as follows:

**Annual Costs:** \$50,869.56

# of Employees	Hourly Wage	Project Time	Cost Per Response	# of Responses	Total Cost
2 (GS-13 step 5)	x \$52.66	x 2.5 hours	= \$263.33	x 138	= \$36,335.40
Benefits (Cost x 1.4) =					\$50,869.56
Total =					\$50,869.56

The hourly wage noted above is based on the GS pay scales for the government personnel working on the Maritime Administration's Small Vessel Waiver Program. Hourly wage taken from the 2018 GS Locality Pay scale for area of Washington-Baltimore-Arlington, DC-MD-VA-

WV-PA (<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2018/general-schedule/>).

**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.**

The number of respondents and burden hours has increased since the previous submission to an average of 138 applicants per year from 95 applicants per year due to the economic demand for tourism services in the key small vessel market areas of New York, New England, the Great Lakes and Florida. There have been more requests for the entry of new vessels into the sport fishing, sight-seeing and eco-tourism trades.

In addition, an adjustment in the burden cost was due to calculating the actual mean hourly wage (\$39.19 times 1.4 for benefits) for Ship Captains, Mates and Pilots of water vessels. The hourly wage used was taken from the BLS occupation table under the category of Mean hourly wage for Ship Captains, Mates and Pilots of water vessels (<https://www.bls.gov/oes/current/oes535021.htm>).

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

Not applicable. There are no plans to publish the results of the information collection for statistical purposes.

**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.**

Not applicable. The Maritime Administration is not seeking such an approval.

**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.**

Not applicable. There are no exceptions to the certificate statement.