

**Supporting Statement
Drawback Process Regulations
1651-0075**

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 collections of information related to the drawback process are required to implement provisions of 19 CFR, Part 191 which provides for a refund of duty for certain merchandise that is imported into the United States and subsequently exported. If the requirements set forth in Part 191 are met, claimants may file for a refund of duties using CBP Form 7551, *Drawback Entry*. CBP Form 7552, *Delivery Certificate for Purposes of Drawback*, is used to record a transfer of merchandise from a company other than the importer of record and is also used each time a change to the imported merchandise occurs as a result of a manufacturing operation. CBP Form 7553, *Notice of Intent to Export, Destroy or Return Merchandise for Purposes of Drawback*, is used to notify CBP if an exportation, destruction, or return of the imported merchandise will take place. The information collected on these forms is authorized by 19 U.S.C. 1313(l). The drawback forms are accessible at <http://www.cbp.gov/newsroom/publications/forms>

This collection of information applies to the importing and trade community who are 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 information is to be used by CBP to expedite the filing and processing of drawback claims and to maintain effective oversight over the drawback program

- 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.**

Drawback claimants have the option of submitting their claims electronically via the Automated Broker Interface (ABI) system or by paper at the appropriate drawback center. Information regarding the ABI can be found at

<https://www.cbp.gov/trade/acs/abi/contact-info>

- 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.

- 6. Describe consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently.**

Failure to collect this information would result in companies being unable to file for a refund which they are entitled to.

- 7. Explain any special circumstances.**

This information is collected in a manner consistent with the guidelines of 5 CFR 1320.6.

- 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 including a 60-day notice published on January 19, 2018 (Volume 83, Page 2813) on which no comments were received and a 30-day notice published on March 30, 2018 (Volume 83, Page 13765) 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.**

This collection is not affected by the Privacy Act and is not impacted by a PIA or

SORN. No assurances of confidentiality are 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 associated with this collection.

- 12. Provide estimates of the hour burden of the collection of information.**

FORM NUMBER/TITLE	TOTAL ANNUAL BURDEN HOURS	NO. OF RESPONDENTS	NO. OF RESPONSES PER RESPONDENT	TOTAL RESPONSES	TIME PER RESPONSE
7551 Drawback Entry	29,652	2,516	20.205	50,836	35 minutes (.5833 hours)
7552 Delivery Certificate for Drawback	22,000	2,000	20	40,000	33 minutes (.55 hours)
7553 Notice of Intent to Export/Destroy Merchandise	1,650	150	20	3,000	33 minutes (.55 hours)
TOTAL	53,302	4,666		93,836	

Public Cost

The estimated cost to the respondents is \$1,601,192. This is based on the estimated burden hours (53,302) 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 recordkeepers resulting from the collection of information.

There are no capital or start-up 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 \$1,448,827. This is based on the number of responses that must be reviewed (93,836) multiplied by (x) the time burden to review and process each response (15 minutes or .25 hours) = 23,459 hours multiplied by (x) the average hourly loaded rate for a CBP Trade and Revenue employee (\$61.76)⁴ = \$1,448,827.

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

There has been a decrease in the estimated annual burden hours previously reported for this information collection based on updated agency estimates to the number of respondents for CBP Form 7551, and there are no changes to the information being collected.

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/ececrtn.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.

4 CBP bases this wage on the FY 2017 salary and benefits of the national average of CBP Trade and Revenue positions, which is equal to a GS-13, Step 3. Source: Email correspondence with CBP's Office of Finance on June 14, 2017.

16. For collection of information whose results will be published, outline plans for tabulation, and publication.

This information collection will not be published.

17. If seeking approval to not display the expiration date, explain the reasons that displaying the expiration date would be inappropriate

CBP does not seek approval to not display the 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.