

Department of Transportation

SUPPORTING STATEMENT

Application and Reporting Elements for Participation in the Maritime Security Program

INTRODUCTION

This is to request the Office of Management and Budget's (OMB) three-year approval clearance for the information collection entitled, Application and Reporting Elements for Participation in the Maritime Security Program (OMB Control No. 2133-0525), which is currently due to expire on July 31, 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.**

Subtitle C, Title XXXV of the National Defense Authorization Act for Fiscal Year (FY) 2004, The Maritime Security Act of 2003 (MSA 2003) provides for enrollment of eligible vessels in the Maritime Security Program (MSP) for FY 2006 through FY 2015. The National Defense Authorization Act of 2013 extended the MSP from fiscal year 2016 through 2025. **A copy of the regulations reflecting Subtitle C is attached.**

This information collection supports the Department of Transportation's strategic goal for National Security.

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.**

Initial applications are submitted in written form to the Secretary of the Maritime Administration (MARAD) on behalf of the Secretary of Transportation. The initial application information is used by MARAD's Office of Sealift Support to evaluate eligibility of the applicant for participation in the MSP.

Monthly and annual reporting information is submitted directly to the Office of Sealift Support, and is used to monitor participant compliance with program requirements. Requests for amendments are handled in the same manner as an application.

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.

Original applications and amendments affect the qualification of the applicant to receive support payments under the MSP for a period of up to ten years, and obligate the Government to make those payments under specified budgetary constraints. For the application format, it may be completed electronically and submitted electronically (electronic signatures are accepted). The Monthly vouchers and reports require certification under the signature of an authorized company representative can also be submitted electronically as well as the annual financial reports.

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.

This collection has been designed to require the minimum necessary information for the selection of vessels for the MSP fleet, and implementation of the MSP. The application information is not available through other existing or planned sources. The monthly operational verification filed along with a participant's monthly voucher for payments of benefits is also not available from other sources. To the extent that a participant already files the annual financial data required under 46 CFR Part 296 with MARAD's Office of Financial and Rate Approvals, that data is accepted in lieu of an additional annual submission.

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 collection does not impact small businesses or other small entities.

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 the requested application data is not available, MARAD cannot select appropriate vessels for participation in the MSP. Since there are statutory and regulatory penalties for failure to operate as required by the MSP, the monthly operational certifications are necessary to ensure that participants are meeting their program requirements, and if not, when MARAD should take action to withhold benefits. Less frequent collection of operational verification could result in sizeable and untimely recapture requirements, which could have an adverse impact on a participant's financial standing.

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 STATUE 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.**

Vouchers for payment of MSP benefits are submitted on a monthly basis for payment under the Prompt Payment Act. Minimum days of operation are required in order to maintain eligibility for payment of benefits. Accordingly, monthly verification of operational days is required to ensure that the participant is entitled to payment of benefits for that period.

Except as noted above regarding collection of monthly operational verification, this collection does not include any special circumstances that would cause collection in any of the above identified manners.

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 in the Federal Register on February 12, 2018 (Vol. 83, No. 29, page 6086). Comments were due by April 13, 2018. No comments were received. In addition, a 30-day Federal Register notice was published in the Federal Register on May 23, 2018 (F.R. 23995, Vol. 83, No. 83). Comments are due on or before June 22, 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.**

There are no payments or gifts to the participants in the MSP other than payments due and payable by MARAD under the MSP contractors' respective MSP Operating Agreements.

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 proprietary and confidential information gathered will be kept confidential pursuant to 5 U.S.C. 552 and 46 CFR Part 7.

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.**

This information gathered is not sensitive in 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.**

Applications:

Number of Respondents	Responses Per Respondent	Total Annual Responses	Burden Hours Per Response	Total Annual Burden Hrs.
15	x	1	=	15
				x
				6
				=
				90

Number of Respondents (annual average)	Approximately 15
Frequency	One initial application
Burden	Six hours per year. This estimate is based on information readily available to an applicant, typing, review of application, and signature by an appropriate officer.

Estimated one-time cost to respondent:

Computation of data, completion of application form, letter and mailing:

Est. 4 hrs. of professional (accountant) time @ \$36.89	\$147.56
Est. 2 hrs. of clerical (typist) time @ \$19.22	<u>\$ 38.44</u>
Total	\$186.00
Times number of applicants (annual average)	<u> x 1</u>
Total	\$186.00

Total Estimated Annual Burden Cost – \$186.00 x 15 = \$2,790.00

Annual Amendments & Revisions:

Number of Respondents		Responses Per Respondent		Total Annual Responses		Burden Hours Per Response		Total Annual Burden Hrs.
2	x	1	=	2	x	4	=	8

Number of Respondents: 2
Frequency: One amendment
Annual hour burden: 4 hours x 2 amendments = 8 hours

Estimated one-time cost to respondent:

Computation of data, completing relevant section of application, letter and mailing:

Est. 4 hr of professional (accounting) time @ \$36.89	\$147.56
Est. 4 hr of clerical (typist) time @ \$19.22	\$ 76.88
Total	\$224.44
Total number of expected responses per year	<u> x 2</u>
	\$448.88
Total number of responses times 1.4 (benefits)	
Total Estimated Annual Cost	\$448.88

Monthly Reporting Requirement:

Number of Respondents		Responses Per Respondent		Total Annual Responses		Burden Hours Per Response		Total Annual Burden Hrs.
15	x	12	=	180	x	1	=	180

Number of Respondents: 15
Number of Responses: 1
Frequency: Monthly
Monthly burden hour per respondent: 1

Annual Reporting (Financial Report)

Number of Respondents		Responses Per Respondent		Total Annual Responses		Burden Hours Per Response		Total Annual Burden Hrs.
15	x	1	=	15	x	2	=	30

Number of Respondents: 15
Number of Responses: 1
Frequency: Annually
Annual burden hour per respondent: 2

Estimated cost to respondent for the Monthly and Annual Reporting Requirements:

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: There are no capital or start-up costs associated with this information collection.

(b) Total Operation and Maintenance and Purchase of Services Estimate: The cost of copying and mailing applications, amendments, and monthly/annual reporting is:

Applications:

Copying (3 applications x 9 pages @ \$.40)	=	\$10.80
Postage		<u>\$ 1.76</u>
		\$12.56
Total Cost: \$12.56 x 15	=	<u>\$188.40</u>

Amendments (2)

Copying (3 x 18 pages (avg.) x \$.40)	=	\$21.60
Postage	=	<u>\$ 4.47</u>
Total	=	\$26.07
Total Cost: \$26.07 x 2	=	<u>\$52.14</u>

Monthly and Annual Reporting

Copying (est. avg. of 87 pages annually) 87 x .40	=	\$34.80
Postage	=	<u>\$17.00</u>
Total	=	\$51.80
Total Cost: \$51.80 x 15 = \$777.00 x 12	=	<u>\$9,324.00</u>

Estimated Grand Total (Cost): \$188.40 + 52.14 + \$9,324.00 = \$9564.54 x 1.4 (benefits) = \$13,390.35

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.

Estimated cost to the Federal Government: **\$107,386.72**

Applications:

Applications are provided electronically:

Copies		\$ 00
Mailing		\$ 00
Total		\$ 00

<u>Review</u> (est. 40 hrs. ea. on 15 applications – With an avg. grade level of GS-13 @ \$51.48)	=	\$30,888.00
Estimated Total - \$30,888.00 x 1.4	=	\$43,243.20

Amendments & Revisions:

Review (est. 4 hrs for 20 amendments with an avg. grade level of GS-13 @\$51.48)		\$4,118.40
Estimated Total - \$4,118.40 x 1.4	=	\$5,765.20

Annual & Monthly Reports:

<u>Annual</u>		
Review (est. 30 hrs for 15 reports with an avg. Grade level of GS-13 @ \$51.48)	=	\$23,166.00
Estimated Total \$23,166.00 x 1.4	=	\$32,432.40

Monthly

Review (est. 2hr. for 15 reports for 12 months with an average grade of GS-13 @\$51.48)	=	\$18,532.80
Total - \$18,532.80 x 1.4	=	\$25,945.92

Estimated Grand Total for All Reports = \$107,386.72

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 change in the cost to respondents is due to agency adjustments to reflect the current wage for an accountant and typist working in the private sector.

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.

There are no plans to publish the results of this 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.**

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.