

Supporting Statement
Application for Foreign-Trade Zone Admission and/or Status
Designation, and Application for Foreign-Trade Zone Activity Permit
1651-0029

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.**

Foreign trade zones (FTZs) are geographical enclaves located within the geographical limits of the United States but for tariff purposes are considered to be outside the United States. Imported merchandise may be brought into FTZs for storage, manipulation, manufacture, or other processing and subsequent removal for exportation, consumption in the United States, or destruction. A company bringing goods into an FTZ has a choice of zone status (privileged/non-privileged foreign, domestic, or zone-restricted), which affects the way such goods are treated by Customs and Border Protection (CBP) and treated for tariff purposes upon entry into the customs territory of the United States.

CBP Forms 214, 214A, 214B, and 214C, which make up the *Application for Foreign-Trade Zone Admission and/or Status Designation*, are used by companies that bring merchandise into an FTZ to register the admission of such merchandise into FTZs and to apply for the appropriate zone status. Form 214A is not filled out separately by respondents; it is simply a copy of Form 214 that CBP gives to the Census Bureau. Form 214B is a continuation sheet for Form 214 that respondents use when they need more room to add line items to the form. Form 214C is a copy of Form 214A.

CBP Form 216, *Foreign-Trade Zone Activity Permit*, is used by companies to request approval to manipulate, manufacture, exhibit, or destroy merchandise in an FTZ.

These FTZ forms are authorized by 19 U.S.C. 81 and provided for by 19 CFR 146.22, 146.32, 146.39, 146.40, 146.41, 146.44, 146.52, 146.53, and 146.66. These 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 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 data provided on CBP Forms 214, 214A, 214B, and 214C is used by FTZ grantees and operators and by CBP to determine whether designated goods are eligible to be admitted into the FTZ, to supply information required by the grantee or operator, and to enable the grantee, operator, and CBP to take appropriate action in regard to the applicant's choice of zone status.

The data provided on CBP Form 216 is used by CBP to identify goods to be manufactured or manipulated in order to assure an adequate accounting and control of all goods leaving the FTZ, and to assure compliance with the FTZ regulations.

- 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.**

The information collected on these forms can be submitted via the Electronic Data Interface (EDI).

For those making paper submissions, the Form 214A (statistical copy) may be a photocopy of the Form 214.

- 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.**

Since this collection is made when a grantee or operator desires to make a transaction, CBP needs this information to determine zone status. If this information is not collected, it could result in a loss of revenue and a possible national security breach.

7. Explain any special circumstances.

This information is collected in a manner consistent with the guidelines of 5 CFR 1320.5(d)(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 notices, including a 60-day notice published on May 18, 2018 (Volume 83, Page 23286) on which no comments have been received, and a 30-day notice published on September 19, 2018, (Volume 83, Page 47345) 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 PIA for the Automated Commercial Environment (ACE), dated July 31, 2015, and a SORN for IIS, dated July 26, 2016 (Vol. 81, Page 48826) will be included in 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 sensitive nature.

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

FORM	TOTAL ANNUAL BURDEN HOURS	NO. OF RESPONDENTS	NO. OF RESPONSES PER RESPONDENT	TOTAL RESPONSES	TIME PER RESPONSE
Form 214	42,181	6,749	25	168,725	15 minutes (0.25 hours)
Form 216	4,167	2,500	10	25,000	10 minutes (0.16667 hours)
TOTAL	46,348	9,249		193,725	

Public Cost

The estimated cost to the respondents is \$1,379,316. This is based on the estimated burden hours (46,348) multiplied by (x) the average loaded hourly wage rate for importers (\$29.76). CBP calculated this loaded wage rate by first multiplying the Bureau of Labor Statistics’ (BLS) 2017 median hourly wage rate for Cargo and Freight Agents (\$20.11), which CBP assumes best represents the wage for importers, by the ratio of BLS’ average 2017 total compensation to wages and salaries for Office and Administrative Support occupations (1.4801), the assumed occupational group for importers, to account for non-salary employee benefits.^{1,2} This figure is in 2017 U.S. dollars and CBP assumes an annual growth rate of 0 percent; the 2017 U.S. dollar value is equal to the 2018

¹ Source: U.S. Bureau of Labor Statistics. Occupational Employment Statistics, “May 2017 National Occupational Employment and Wage Estimates, United States- Median Hourly Wage by Occupation Code.” Updated March 30, 2018. Available at https://www.bls.gov/oes/2017/may/oes_nat.htm. Accessed June 11, 2018.

² The total compensation to wages and salaries ratio is equal to the calculated average of the 2017 quarterly estimates (shown under Mar., June, Sep., Dec.) of the total compensation cost per hour worked for Office and Administrative Support occupations (\$26.2600) divided by the calculated average of the 2017 quarterly estimates (shown under Mar., June, Sep., Dec.) of wages and salaries cost per hour worked for the same occupation category (\$17.7425). 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 2018, “Table 3. Civilian workers, by occupational group: employer costs per hours worked for employee compensation and costs as a percentage of total compensation, 2004-2018 by respondent type.” March 2018. Available at <https://www.bls.gov/web/ecec/ececqrtn.pdf>. Accessed June 11, 2018.

U.S. dollar value.

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

There are no record keeping, capital, start-up, or maintenance 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 \$2,028,848. This is based on the number of responses that must be reviewed (193,725) multiplied by (x) the time burden to review and process each response (10 minutes or .166 hours) = 32,158 hours multiplied by (x) the average hourly loaded rate for a CBP Trade and Revenue employee (\$63.09)³ = \$2,028,848.

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

There has been no increase or decrease in the estimated annual burden hours previously reported for this information collection and 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

³ CBP bases this wage on the FY 2018 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 1, 2018.

collection.

B. Collection of Information Employing Statistical Methods

No statistical methods were employed.