

**Supporting Statement  
Create/Update Importer Identity Form  
1651-0064**

**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 collection of the information on the Importer ID Input Record (CBP Form 5106) is the basis for establishing bond coverage, release and entry of merchandise, liquidation and the issuance of bills and refunds. Each person, business firm, government agency, or other organization that intends to file an import entry shall file CBP Form 5106 with the first formal entry or request for services that will result in the issuance of a bill or a refund check upon adjustment of a cash collection. This form is also filed for the ultimate consignee for whom an entry is being made.

CBP proposes to revise the CBP Form 5106 by gathering additional information about the company and its officers. This will enhance CBP's ability to make an informative assessment of risk prior to the initial importation, and will provide CBP with improved awareness regarding the company and its' officers who have chosen to conduct business with CBP. CBP is also requesting that the company officers whose information will be submitted on this form have importing and financial business knowledge of the company, and that they have the legal authority to make decisions on behalf of the company.

The revised form will capture more detailed company information which is in alignment with other US Government data standards and business standards. In addition to collecting information about the business structure and its officers, this detailed information will provide CBP with greater knowledge about the company and its previous business practices.

CBP also proposes to change the name of Form 5106 from Importer Input Record to Create/Update Importer Identity Form in order to more accurately reflect the information collected.

The proposed new data elements for Form 5106 are:

- 1H. If you are an importer, how many entries do you plan on filing in a year?
- 1I. How will the identification number be utilized?
- 1J. Program Code (for future use)
- 2A. Type of address (for mailing address)
- 2B. Type of address (for physical location)

- 2C. Phone number
  - 2D. Fax number
  - 2E. Email address
  - 2F. Website
  - 3A. Provide a brief business description.
  - 3B. Provide the 6-digit North American Industry Classification System (NAICS) code for this business.
  - 3C. Provide the D-U-N-S Number for the Importer.
  - 3D. Provide filer code if submitting as a broker/self-filer.
  - 3E. Year established.
  - 3G. Primary Banking Institution
  - 3H. Certificate or Articles of Incorporation – (Locator I.D.)
  - 3I. Certificate or Articles of Incorporation – (Reference Number)
  - 3J. Business Structure/company Officers
    - Company Position Title
    - Name
    - Direct Phone Number
    - Direct Email
    - Social Security Number
    - Passport Number
    - Passport Country of Issuance
    - Passport Expiration Date
    - Passport Type
- Section 4. Broker Name
- Broker Telephone Number

CBP Form 5106 is authorized by 19 U.S.C 1484 and 31 U.S.C. 7701, and provided for by 19 CFR 24.5. The current version of the form is accessible at: [http://forms.cbp.gov/pdf/CBP\\_Form\\_5106.pdf](http://forms.cbp.gov/pdf/CBP_Form_5106.pdf)

- 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.**

CBP Form 5106 is used to establish records for bond coverage, release and entry of merchandise, liquidation and issuance of bills and refunds. The proposed changes are intended to help CBP ensure that importers and consignees are engaged in legitimate import practices and to help CBP work with companies to resolve outstanding financial obligations.

A study that was conducted by the United States Government Accountability Office (GAO) on Antidumping and Countervailing Duties in May 2012 determined that between the fiscal years of 2007 and 2011, CBP assessed civil penalties in the amount of \$208 million against importers who had evaded the payment of ADD/CVD duties. Since CBP is responsible for the enforcement of the scope of the

dumping orders and the collection of the ADD/CVD duties, it is imperative that CBP is able to enhance its' ability to make a determination of risk prior to the initial importation.

The recommendation included in this GAO study was that CBP should create a policy and a mechanism for information sharing among the ports regarding the implementation of higher bond amounts, and that CBP develop and implement a plan to systematically track and report instances of evasion. Since the collection of the information on the CBP Form 5106 is the basis for establishing bond coverage, release and entry of merchandise, liquidation and the issuance of bills and refunds, the revision of this document is crucial and will enhance CBP's future efforts in the detection and the deterrence of the evasion of ADD/CVD duty.

- 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.**

This information can be transmitted electronically via the Automated Broker Interface (ABI) system. Approximately 95 percent of Importer ID Input Records are transmitted electronically. In addition, CBP is developing an app for another electronic option for importers to transmit 5106 information to CBP. The projected date for ACE implementation is December 2016.

In addition to electronic submission through ABI, which is done by a broker for an importer, CBP also developed a mobile application allowing the submission of a 5106 form directly to CBP from the importer in response to concerns raised by the customs broker and express carrier communities. The revisions to the form include additional data elements and Personally Identifiable Information (PII) that importers may not want to reveal to a broker, or that a broker may not want to handle and store. The app also allows importers to submit data quickly, when needed, without affecting the flow of shipments into the US, especially in express environments.

- 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 elsewhere.

- 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 a significant impact on small businesses.

**6. Describe consequences 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 information was collected less frequently, CBP would not be able to enforce regulatory requirements.

**7. Explain any special circumstances**

This information collection is conducted in a manner consistent with the guidelines in 5 CFR 1320.5(c)(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 dated October 9, 2014 (Volume 79, Page 61091) on which 28 comments were received, and on July 27, 2015 (Volume 80, Page 44361) on which one comment was received.

A summary of the comments and the CBP response will be included in the Supplementary Documents of this ICR.

Based on the public comments CBP received, the following changes were made to the proposed 5106:

- The estimated average time to complete this form was increased from 30 minutes to 45 minutes;
  - The Quick Response (QR) Code was placed in the upper left corner of the document to provide users with a quick link to the form on the Internet;
  - In the Type of Action section of the form, the statement, "If a continuous bond is on file, a rider must accompany this change document" was removed because it is no longer necessary with e-Bonds.
- 1) In Section 1E of Form 5106 which involves CBP-Assigned numbers, the instructions were clarified to include the statement, "If you have elected to request a

CBP-Assigned Number in lieu of your SSN, you must provide your SSN in Section 3J of this form.”

- 2) In Section 1I of Form 5106, which involves how the identification number will be utilized, a statement was added in the instructions to clarify that if the role of the party is not listed, respondents can select “Other” and then list the specific role for the party. (ex., Transportation carrier, Licensed Customs Brokerage Firm, Container Freight Station, Commercial Warehouse/Foreign Trade Zone Operator, Container Examination Station or Deliver to Party).
- 3) In Section 1J thru 1M (Program Codes) of Form 5106, a statement was added in the instructions to clarify that current, active participants in CBP Partnership Program(s) (C-TPAT, ISA, etc.) must provide the program code in Block 1J thru Block 1M, and the information that is contained in Section 3 will not be required.
- 4) In Section 3, Company Information, the instructions were amended to clarify that the following fields are optional:
  - In Section 3C DUNS Number for the Importer;
  - In Section 3F Related Business Information- the IRS number is optional if this number is not available;
  - In Section 3J Business Structure/ Beneficial Owner/Company Officers, the following fields are optional:
    - Social Security Number
    - Passport Number
    - Country Issuance
    - Expiration Date
    - Passport Types

**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 the Import Information System, dated August 17, 2015 (Volume 80, Page 49256) will be included in this ICR. 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 personal or sensitive nature.

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

INFORMATION COLLECTION	TOTAL ANNUAL BURDEN HOURS	NO. OF RESPONDENTS	NO. OF RESPONSES PER RESPONDENT	TOTAL RESPONSES	TIME PER RESPONSE
Importer ID Import Record (Form 5106)	225,000	300,000	1	300,000	45 minutes

CBP proposes to increase the time per response from 15 minutes to 45 minutes as a result of adding these new data elements which increases the burden hours from 75,000 to 225,000.

**Public Cost**

The estimated cost to the respondents is \$6,628,500. This is based on the estimated burden hours (225,000) multiplied (x) the estimated average hourly loaded rate for importers/brokers (\$29.46). CBP calculated this loaded wage rate by multiplying the Bureau of Labor Statistics' (BLS) 2014 median hourly wage rate for Cargo and Freight Agents (\$19.89), which CBP assumes best represents the wage for importers/brokers, by the ratio of BLS' average 2014 total compensation to wages and salaries for Office and Administrative Support occupations (1.4813), the assumed occupational group for importers/brokers, to account for non-salary employee benefits.<sup>1,2</sup>

**13. Provide an estimate of the total annual cost burden to respondents or**

<sup>1</sup> Source of median wage rate: U.S. Bureau of Labor Statistics. Occupational Employment Statistics, "May 2014 National Occupational Employment and Wage Estimates, United States- Median Hourly Wage by Occupation Code: 43-5011." Updated March 25, 2015. Available at <http://www.bls.gov/oes/2014/may/oes435011.htm>. Accessed June 15, 2015.

<sup>2</sup> The total compensation to wages and salaries ratio is equal to the calculated average of the 2014 quarterly estimates (shown under Mar., June, Sep., Dec.) of the total compensation cost per hour worked for Office and Administrative Support occupations (24.66) divided by the calculated average of the 2014 quarterly estimates (shown under Mar., June, Sep., Dec.) of wages and salaries cost per hour worked for the same occupation category (16.6475). 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 – December 2015*, "Table 3. Civilian workers, by occupational group: employer costs per hours worked for employee compensation and costs as a percentage of total compensation, 2004-2015 by Respondent Type: Office and administrative support occupations." June 10, 2015. Available at <http://www.bls.gov/ncs/ect/sp/ececqrtn.pdf>. Accessed June 15, 2015.

**recordkeepers resulting from the collection of information.**

There are no recordkeeping, capitalization or start-up costs associated with this 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 cost associated with collecting the information is \$8,532,000. This is based on an estimated time to process each response (30 minutes) multiplied (x) by the total annual responses (300,000) = 150,000 hours, multiplied (x) by the average hourly loaded rate of a general CBP employee (non-Officer) \$56.88 = \$8,532,000.<sup>3</sup>

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

CBP proposes to revise Form 5106 by adding new data elements. The new data elements are described in paragraph one of this Statement and a draft of the new form will be included in this ICR. CBP proposes to increase the time per response from 15 minutes to 45 minutes as a result of adding these new data elements which increases the burden hours from 75,000 to 225,000.

- 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 for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

CBP will display the expiration date for OMB approval of this information collection.

- 18. Explain each exception to the certification statement.**

CBP does not request an exception to the certification of this information collection.

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<sup>3</sup> CBP bases this wage on the salary and benefits of the national average of general, non-Officer/frontline CBP positions, which is a GS-12, Step 5. Source: Email correspondence with CBP's Office of Administration on June 25, 2015.

## **B. Collection of Information Employing Statistical Methods**

No statistical methods were employed.