

**NARRATIVE SUPPORTING STATEMENT
FOR 46 CFR PART 515**

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 information collection.

Section 19 of the Shipping Act of 1984 (Shipping Act), as modified by Public Law 105-258 (The Ocean Shipping Reform Act of 1998) and Section 424 of Public Law 105-383 (The Coast Guard Authorization Act of 1998), requires that all ocean transportation intermediaries (OTIs) in the United States be licensed by the Commission, and provide a bond, proof of insurance or other surety. Licensed non-vessel-operating common carriers (NVOCCs) must also publish a tariff of their rates and charges. These requirements are now codified in positive law at 46 U.S.C. §§ 40901-40904. NVOCCs that are not “in the United States” and not licensed must publish a tariff and provide a bond, proof of insurance or other surety. These requirements are implemented in Commission regulations contained in 46 CFR part 515.

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.

Information obtained under part 515 and the financial responsibility Forms is used for the Commission’s oversight of OTIs with respect to the finding that an applicant, or existing licensee is qualified for licensing or continues to meet the regulatory requirements of an OTI and to adequately protect the public by ensuring that OTIs have obtained acceptable evidence of financial responsibility as required by section 19 of the Shipping Act.

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.

Information is collected via an online portal or submitted electronically when applicants apply for a license or submit a registration, complete the triennial renewal, or when existing licensees or registrants change information in their previously submitted application forms.

4. Describe efforts to identify duplication.

The information requested by the Commission is necessary to the agency's licensing and registration process, and does not duplicate any information that would normally be collected elsewhere.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

This collection of information does not have a significant economic impact on a substantial number of small entities.

6. 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 information were not collected, the Commission would not have information upon which to support a finding that an applicant, or existing licensee, is qualified (or continues to be qualified) for licensing or otherwise meets the OTI regulatory requirements. Failure to collect this information would also prevent the Commission from adequately protecting the public by ensuring that OTIs have obtained acceptable evidence of financial responsibility as required by section 19 of the Shipping Act. Therefore, the Commission would be unable to fulfill its statutory mandate.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines. (a) requiring respondents to report information to the agency more often than quarterly; (b) requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; (c) requiring respondents to submit more than an original and two copies of any document; (d) requiring respondents to retain records, other than health, medical government contract, grant-in-aid, or tax records, for more than three years; (e) 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; (f) requiring the use of statistical data classification that has not been reviewed and approved by OMB; (g) that includes a pledge of confidentiality that is not supported by authority established in statute of 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; (h) requiring respondents to submit proprietary trade secrets, 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.

This information collection does not (1) require OTI respondents to report information to the agency more often than every 3 years; (2) require respondents to prepare a written response to a collection of information in fewer than 100 days after receipt of it; (3) require respondents to

submit more than an original and two copies of any document; (4) include confidentiality pledges; or (5) require respondents to submit proprietary information without the Commission protecting such information to the full extent of the law. The Commission is actively pursuing IT solutions that will facilitate secure, automated filing of OTI licensing and renewal data. Existing 46 CFR 515.33 requires that certain records be kept for five years. This requirement is consistent with the statute of limitations period for civil penalty cases, and is consistent with the requirements contained in section 13 of the Shipping Act of 1984 (46 U.S.C. 41109). Any confidential information required under this collection (such as Social Security Numbers) is protected by the Privacy Act and by security and privacy policies developed by the bureau responsible for this collection.

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 in response to the comments. Specifically address comments received on cost and hour burden. Describe efforts to consult with persons outside FMC to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or report.

The 60-day Federal Register Notice regarding this reinstatement was published May 31, 2019 at 84 FR 25274.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

Not applicable – The Commission does not provide any payments or gifts to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

The information submitted by OTIs is subject to the protections from disclosure of the Freedom of Information Act and the Privacy Act. The bureau involved in this collection of information also has strict policies in place regarding the handling of confidential or sensitive information.

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 FMC 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.

The Commission considers certain information in Form FMC-18 necessary because the Commission is determining character and experience to represent others in fiduciary capacities or assuming responsibility for the safe transportation of cargo. There are no questions of a sensitive nature in Forms FMC-48, 48A, 67, 68, 69 or 69A.

12. Provide estimates of the hour burden of the collection of information. The statement should indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, FMC should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample fewer than 10 potential respondents is desirable.

There is currently an estimated universe of approximately 6,000 OTIs under 46 CFR part 515. The Commission estimates that this collection of information imposes, in varying degrees, a reporting burden to the entire respondent universe. The burden is calculated on the estimated amount of time necessary to comply with various requirements of 46 CFR part 515, as set forth in the Attachment to this document. The Attachment shows the breakdown of the estimated burden of **3,918** hours for respondents to comply with 46 CFR part 515.

The annual cost to respondents is estimated at **\$370,503**. This cost has been calculated in consideration of the time to gather information and furnish it to the Commission, as well as comply with the requirements of 46 CFR part 515. It also includes clerical time, as well as overhead and operational expenses. No time is allocated for disclosure, as there are no disclosure requirements involved in this collection.

We estimate that the response time to file these forms, including the time to gather the documents necessary to fill in the form, varies from 1 hour to a maximum of 5 hours; on average it is estimated that it takes 2 hours to complete the form. The triennial renewal takes between 3 minutes and 15 minutes; on average it is estimated that the renewal takes 10 minutes. The time to complete a financial responsibility form averages 20 minutes. The time to complete FMC-65 registration averages 15 minutes.

13. Provide an estimate for the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden already reflected on the burden worksheet).

*** The cost estimate 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 cost 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 collections 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.**

There are no additional cost burdens to respondents or recordkeepers other than those reported in item 12.

14. Provide estimates of annualized cost to the Federal government.

The cost to the Federal Government for the Commission to carry out this collection of information is estimated to be **\$1,720,339**. This includes overhead and benefits, and is based on a burden of **18,513** person-hours.

15. Explain the reasons for any program changes or adjustments reported in Items 13 (or 14) of OMB Form 83-I.

The proposed changes to the collection reflect proposed changes to Part 515 in a recent rulemaking, which include: (a) removing optional paper license application process and related reference to fee amounts; (b) clarifying language specifying who can be the Qualifying Individual in a partnership between entities other than individuals; (c) updating description of processes regarding renewals, bonds, and terminations; (d) expanding the types of applications subject to direct Commission review to include applicants employing the same officers, managers, or members of an OTI whose license was revoked or denied within the previous three years; (e) clarifying that sureties provide the organization number of OTIs with claim details for registered NVOCCs; (f) adding the submission of Form FMC-1 prior to being licensed; and (g) deleting reference to availability of the Regulated Person's Index (RPI) upon request. There has been a 38 percent increase in the number of Federal government person-hours from FY2014 to FY2018 due to a 20 percent increase in the number of licenses issued, a 12.5 percent higher volume of applications, a more thorough analysis of applicants, and the commencement of registration and license renewals in 2016 and 2017.

16. For collections whose results will be published, outline the plans for tabulation and publication.

The Commission does not intend to publish any information collected under this regulation.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why display would be inappropriate.

The Commission is not seeking approval to exclude the display of the expiration date for OMB approval of this information collection.

18. Explain each exception to the certification statement identified in Item 19 of OMB Form 83-I.

The Commission proposes no exception to the certification statement identified on OMB form 83-I.

B. Collections of Information Employing Statistical Methods

This collection of information does not employ statistical methods.

ATTACHMENT

INDUSTRY BURDEN FOR PART 515 FORMS

Requirement	Respondents (See Note 1)	Annual Instances	Average Person-hours Per Response (See Note 2)	Total Person- hours	Frequency (See Note 7)
OTI Licensing: 46 CFR 515.12					
FMC-18 electronic form (new/amended)		800	2 (see Note 3)	1600 hours	
OTI License Renewal		1,600	10 minutes (see Note 4)	267 hours	
Financial Responsibility: 46 CFR 515.22					
FMC-48 - OTI Bond (new/amended)		5,550 (see Note 5)	20 minutes (see Note 6)	1850 hours	
FMC-67 - Insurance		0	0	0	
FMC-68 - Guaranty		0	0	0	
FMC-69 Group Bond (new/amended)		64	20 minutes (see Note 6)	21 hours	
Financial Responsibility: 46 CFR 515.25					
FMC-48A Optional Rider		13	20 minutes (see note 6)	4 hours	
FMC 69A Optional Group Rider		2	20 minutes	40 minutes	
FMC-65 registration FMC-65 Renewal		150 550	15 minutes 15 minutes	38 hours 138 hours	
GRAND TOTAL		8,729		3,918 hours	

Note 1 - The total respondent universe is estimated at 6,475 (Estimated Total of OTIs at end of FY 2018).

Note 2 - For each entry in this column, the average industry person-hours must be subdivided into 3 categories, as follows:

- Recordkeeping (collecting documents);
- Reporting (completing form); and
- Disclosure (to 3rd parties, if any).

Example: FMC-18 paper form - 2 hours total consisting of: recordkeeping - 30 minutes; reporting - 1 hour 30 minutes; disclosure - 0 minutes.

Note 3 - Response time varies from 1 hour to a maximum of 5 hours. On average, it is estimated that it would take 2 hours to complete an application. The estimated average time of 2 hours is allocated as: recordkeeping - 30 minutes; reporting - 1 hour 30 minutes; and disclosure - 0 minutes.

Note 4 – Response time to complete a renewal varies from 3 minutes to 15 minutes. On average it is estimated that it would take 10 minutes to complete a renewal.

Note 5 - This figure reflects the approximate number of annual changes made to the Proof of Financial Responsibility, including terminations, by freight forwarders and NVOCCs.

Note 6 - The estimated time of 20 minutes is allocated as: recordkeeping - 10 minutes; reporting - 10 minutes; and disclosure - 0 minutes.

Note 7 - Biennially, decade, monthly, once, semi-annually, annually, daily, hourly, on occasion, quarterly, or weekly

Estimated Burden and Costs, Including Overhead, to Respondents

1,600 person-hours (Form FMC-18) + 1,850 person-hours (Form FMC-48) +4 person-hours (Form FMC-48A) + 21 person-hours (Form FMC-69) + 176 person-hours (Form FMC 65 New/Renewal) + 267 person-hours (License Renewal) = 3,918 total person-hours

75% Transportation Manager (2,938 hours)
 25% Clerical (980 hours)

The annual salary calculations have been formulated using the Federal Government’s 2018 salary table (overhead of 109.70% has been added to the basic salary). The salary for the transportation manager was calculated using the salary of a GS 13/5 Senior Transportation Specialist, and the salary for the clerical employee was calculated using the salary of a GS 6/5 Program Assistant.

Formula: Annual salary/2087 + overhead rate = adjusted annual salary

$\$109,900/2087 = \$52.65 + 109.70\% = \$110.40 =$ Transportation Manager adjusted hourly salary

$\$46,882/2087 = \$22.46 + 109.70\% = \$47.09 =$ Clerical employee adjusted hourly salary

Employee	Hourly Salary	Number of Hours	Total
Transportation Manager	110.40	2,938	324,355
Clerical	47.09	980	46,148
TOTALS		3,918	370,503

ATTACHMENT

COST TO THE FEDERAL GOVERNMENT

FORM FMC-18 - OTI APPLICATION PROCESSING					
POSITION	FTES	HRS/WEEK	TOTAL HOURS IN FY 2018	HOURLY COST (SALARY, OVERHEAD, & BENEFITS)	TOTAL COST
BCL DIRECTOR (SES)	1	3.0	144.00	\$ 175.44	\$ 25,263.36
BCL SPECIAL ASSISTANT (GS-15)	1	3.0	144.00	\$ 155.30	\$ 22,363.20
OTI DIRECTOR (GS-14)	1	15.0	720.00	\$ 132.03	\$ 95,061.60
TRANSPORTATION SPECIALIST (GS-13)	1	7.0	336.00	\$ 111.72	\$ 37,537.92
TRANSPORTATION SPECIALIST (GS-12)	1	16.0	768.00	\$ 93.94	\$ 72,145.92
IND.ANALYST (GS-12)	6	185.0	8,880.00	\$ 93.94	\$ 834,187.20
PROGRAM SUP ASST (GS-7)	2	40.0	1,920.00	\$ 47.65	\$ 91,488.00
PROGRAM SUP SPECIALIST (GS-12)	1	28.2	1,353.60	\$ 93.94	\$ 127,157.18
TOTAL COST OTI APP PROCESSING			14,265.60		\$ 1,305,204.38
FORM FMC-18 - OTI RENEWALS PROCESSING					
POSITION	FTES	HRS/WEEK	TOTAL HOURS IN FY 2018	HOURLY COST (SALARY, OVERHEAD, & BENEFITS)	TOTAL COST
BCL DIRECTOR (SES)	1	4.0	192.00	\$ 175.44	\$ 33,684.48
BCL SPECIAL ASSISTANT (GS-15)	1	4.0	192.00	\$ 155.30	\$ 29,817.60
TRANSPORTATION SPECIALIST (GS-12)	1	12.5	600.00	\$ 93.94	\$ 56,364.00
PROGRAM SUP ASST (GS-7)	2	2.4	115.20	\$ 47.65	\$ 5,489.28
TOTAL COST OTI RENEWAL PROCESSING			1,099.20		\$ 125,355.36
FORM FMC-48,48A,69,69A - OTI BOND PROCESSING					
POSITION	FTES	HRS/WEEK	TOTAL HOURS IN FY 2018	HOURLY COST (SALARY, OVERHEAD, & BENEFITS)	TOTAL COST
TRANSPORTATION SPECIALIST (GS-13)	1	32.0	1,536.00	\$ 111.72	\$ 171,601.92
IND. ANALYST (GS-12)	1	6	288.00	\$ 93.94	\$ 27,054.72
IND.ANALYST (GS-12)	6	12.6	604.80	\$ 93.94	\$ 56,814.91
PROGRAM SUP ASST (GS-7)	2	15.0	720.00	\$ 47.65	\$ 34,308.00
TOTAL COST OTI BOND PROCESSING			3,148.80		\$ 289,779.55
TOTAL HOURS & COST			18,513.60		\$ 1,720,339.30