

Supporting Statement

Section 321 E-Commerce Data

1651-0NEW

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.**

E-Commerce Pilot:

CBP faces significant challenges in targeting Section 321 shipments, while still maintaining the clearance speeds the private sector has come to expect. This is because CBP does not receive adequate advance information in order to effectively and efficiently assess the security risk of the approximately 1.8 million Section 321 shipments that arrive each day.

In the e-commerce environment, traditionally regulated parties, such as carriers, are unlikely to possess all of the information relating to a shipment's supply chain. While CBP receives some advance electronic data for Section 321 shipments from air, rail, and truck carriers (and certain other parties in limited circumstances) as mandated by current regulations, the transmitted data often does not adequately identify the entity causing the shipment to cross the border, the final recipient, or the contents of the package. Consequently, CBP may not receive any advance information on the entity actually causing the shipment to travel to the United States, such as the seller or manufacturer. Some carriers may not have this information because sellers on e-commerce platforms often contract with other entities to act as the seller. Similarly, for the consignee's name and address, a carrier might transmit information for the domestic deconsolidator, which will not allow CBP to identify in advance of arrival, the final recipient of the merchandise in the United States. With the growth of e-commerce, shipments are increasingly subject to these complex transactions, where information about the shipment is limited. As a result, CBP is less able to effectively target or identify high-risk shipments in the e-commerce environment and CBP Officers must use additional time and resources to inspect Section 321 shipments upon arrival.

CBP anticipates that Section 321 shipments will continue to grow quickly. Accordingly, CBP is initiating this voluntary Section 321 Data Pilot to test the feasibility of obtaining advance information from regulated and non-regulated entities, such as online marketplaces, as well as requiring additional advance data elements. This test will enable CBP to assess the ability of online marketplaces to transmit information to CBP that enables CBP to better use resources used in inspecting and processing these shipments and better understand the operation of

online marketplaces. Additionally, CBP is testing whether the transmission of additional advance data, beyond the data elements currently required for shipments arriving by air, truck, or rail, will enable CBP to more accurately and efficiently target Section 321 shipments. Pursuant to this test, participants will provide information that identifies the entity causing the shipment to cross the border, the ultimate recipient, and the product in the shipment with greater specificity, in advance. CBP will test the feasibility of using the additional data elements, transmitted by multiple entities for a single shipment, to segment risk. In sum, the pilot will enable CBP to determine if requiring additional data and involving non-regulated entities will enable CBP to address the threats and complexities resulting from the vast increase in Section 321 shipments, while facilitating cross-border e-commerce.

Participants in the Section 321 Data Pilot must transmit certain information for any Section 321 shipments destined for the United States for which the participant has information. The required data elements differ slightly depending on what entity is transmitting the data. In general, the required data relates to the entity initiating the shipment (e.g., the entity causing the shipment to cross the border, such as the seller, manufacturer, or shipper), the product in the package, the listed marketplace price, and the final recipient (e.g., the final entity to possess the shipment in the United States). The data elements are as follow.

1. All participants. All participants, regardless of filer type, must electronically transmit the following elements:
 - Originator Code of the Participant (assigned by CBP)
 - Participant Filer Type (e.g., carrier or online marketplace)
 - One or more of the following:
 - o Shipment Tracking Number
 - o House Bill Number
 - o Master Bill Number
 - Mode of Transportation (e.g., air, truck, rail, ocean)
2. Participating carriers. In addition to the data elements listed above in paragraph 1, participating carriers must also electronically transmit the following data elements:
 - Shipment Initiator Name and Address (e.g., the entity that causes the movement of a shipment, which may be a seller, shipper, or manufacturer, but not a foreign consolidator)
 - Final Deliver to Party Name and Address (e.g., the final entity to receive the shipment once it arrives in the United States, which may be a final purchaser or a warehouse, but not a domestic deconsolidator)
 - Enhanced Product Description (e.g., a description of a product shipped to the United States more detailed than the description on the manifest, which should, if applicable, reflect the advertised retail description of the product as listed on an online marketplace)
 - Shipment Security Scan (air carriers only) (e.g., verification that a foreign security scan for the shipment has been completed such as an x-ray image or other security screening report)

- Known Carrier Customer Flag (e.g., an indicator that identifies a shipper as a repeat customer that has consistently paid all required fees and does not have any known trade violations)
3. Participating online marketplaces. In addition to the data elements listed above in paragraph 1, participating online marketplaces must electronically submit the following data elements:
- Seller Name and Address (e.g., an international or domestic company that sells products on marketplaces and other websites), and, if applicable, Shipment Initiator Name and Address (as defined in Section II.A.2)
 - Final Deliver to Party Name and Address (as defined in Section II.A.2)
 - Known Marketplace Seller Flag (e.g., an indicator provided by a marketplace that identifies a seller as an entity vetted by the marketplace and has no known trade violations)
 - Marketplace Seller Account Number/Seller ID (e.g., the unique identifier a marketplace assigns to sellers)
 - Buyer Name and Address, if applicable (e.g., the purchaser of a good from an online marketplace. This entity is not always the same as the final deliver to party.)
 - Product Picture (e.g., picture of the product presented on an online marketplace), Link to Product Listing (e.g., an active and direct link to the listing of a specific product on an online marketplace), or Enhanced Product Description (as defined in Section II.A.2)
 - Listed Price on Marketplace (e.g., the retail price of a product that a seller lists while advertising on an online marketplace. For auction marketplaces, this price is the price of final sale.)

Different entities may transmit different data elements for the same shipment. In addition to the above required data elements, participants may voluntarily provide the following optional data elements:

- HTS Number;
- Retail Price in Export Country;
- Shipper Name;
- Shipper Address;
- Shipper Phone Number;
- Shipper Email Address;
- Shipment Initiator Phone Number;
- Consignee Name;
- Consignee Address;
- Consignee Phone Number;
- Consignee Email Address;
- Marketplace Name;
- Buyer Account Number;
- Buyer Address;
- Seller Phone Number;
- Buyer Phone Number;

- Marketplace Website;
- Buyer Name;
- Buyer Confirmation Number;
- Buyer Email Address;
- Carrier Name;
- Known Carrier Customer;
- Merchandise/Product Weight; and,
- Merchandise/Product Quantity.
- Listed Price on Marketplace

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.

This information will help CBP better target examination resources toward shipments that might pose a violation risk. By testing this information, CBP will take its first step in determining whether to amend the regulations to mandate specific data elements for shipments eligible for Section 321 release. Furthermore, this test will help CBP understand the utility of collecting data from non-traditional parties and will enable CBP to make an informed decision on whether to mandate future information collection from these parties or other non-traditional parties (such as collection of information from a foreign seller through a designated portal).

It's important to note that this information will not be used for release purposes, only for shipment security and violation detection purposes. However, CBP may provide a benefit such as sharing information on specific violations that are discovered within the confines of the test to the pilot participants.

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.

E-Commerce Data is submitted electronically through the Automated Targeting System.

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 collected in any other form, and therefore is not duplicated elsewhere.

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

The burdens associated with this information collection has been minimized as much as possible given the circumstances.

- 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, longer delays in processing shipments into the United States would result. This would prove to be costly and time consuming to the importers. Further, it could lead to increased risks to the revenue, health and safety of the United States if imported commerce was released without proper screening of import information.

- 7. Are there 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 published on September 13, 2019 (84 FR 48363) on which no comments were received, and on November 15, 2019 (84 FR 62548) 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 Automated Targeting System, dated January 13, 2017, and a SORN for Automated Targeting System, dated May 22, 2012 (77 FR 30297), will be included in this ICR.

- 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 on this collection.

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

| COLLECTION | TOTAL BURDEN HOURS | NUMBER OF RESPONDENTS | NUMBER OF RESPONSES PER RESPONDENT | TOTAL ANNUAL RESPONSES | TIME PER RESPONSE |
|------------------|--------------------|-----------------------|------------------------------------|------------------------|-------------------|
| E-Commerce Pilot | 1,944 | 20 | 70,000 | 1,400,000 | 5 seconds |
| TOTAL | 1,944 | 20 | | 1,400,000 | |

Public Cost

The estimated cost to the respondents is \$59,856. This is based on the estimated burden hours (1,944) multiplied by the average loaded hourly wage rate for importers (\$30.79). CBP calculated this loaded wage rate by first multiplying the Bureau of Labor Statistics’ (BLS) 2018 median hourly wage rate for Cargo and Freight Agents (\$20.77), which CBP assumes best represents the wage for importers, by the ratio of BLS’ average 2018 total compensation to wages and salaries for Office and Administrative Support occupations (1.4824), the assumed occupational group for importers, to account for non-salary employee benefits.^{1,2} This figure is in 2018 U.S. dollars and CBP assumes an annual growth rate of 0 percent; the 2018 U.S. dollar value is equal to the 2019 U.S. dollar value.

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

¹ Source of median wage rate: U.S. Bureau of Labor Statistics. Occupational Employment Statistics, “May 2018 National Occupational Employment and Wage Estimates United States.” Updated April 2, 2019. Available at https://www.bls.gov/oes/2018/may/oes_nat.htm. Accessed June 4, 2019.

² The total compensation to wages and salaries ratio is equal to the calculated average of the 2018 quarterly estimates (shown under Mar., June, Sep., Dec.) of the total compensation cost per hour worked for Office and Administrative Support occupations (\$27.3350) divided by the calculated average of the 2018 quarterly estimates (shown under Mar., June, Sep., Dec.) of wages and salaries cost per hour worked for the same occupation category (\$18.4400). 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 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.” March 2019. Available at <https://www.bls.gov/web/ecec/ececqrtn.pdf>. Accessed June 4, 2019.

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 \$7,205,562. This is based on the number of responses that must be reviewed (1,400,000) multiplied by the time burden to review and process each response (5 minutes or 0.083 hours) = 116,200 hours multiplied by the average hourly loaded rate for a CBP Trade and Revenue employee (\$62.01)³ = \$7,205,562.

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

This is a new Information Collection Request.

- 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 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.

B. Collection of Information Employing Statistical Methods

No statistical methods were employed.

³ CBP bases this wage on the FY 2019 salary and benefits of the national average of CBP Trade and Revenue positions, which is equal to a GS-12, Step 6. Source: Email correspondence with CBP's Office of Finance on June 12, 2019.