

**Supporting Statement
Prior Disclosure
1651-0074**

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 Prior Disclosure program establishes a method for a potential violator to disclose to CBP that they have committed an error or a violation with respect to the legal requirements of entering merchandise into the United States, such as underpaid tariffs or duties, or misclassified merchandise. The procedure for making a prior disclosure is set forth in 19 CFR 162.74 which requires that respondents submit information about the merchandise involved, a specification of the false statements or omissions, and what the true and accurate information should be. A valid prior disclosure will entitle the disclosing party to the reduced penalties pursuant to 19 U.S.C. 1592(c)(4).

The respondents to this information collection are members of the trade community who are familiar 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 information is to be used by CBP officers to verify and validate the commission of a violation of 19 U.S.C. 1592 by the disclosing party. A valid prior disclosure may entitle the disclosing party to reduced penalties pursuant to 19 U.S.C. 1592(c)(4). A prior disclosure may be submitted orally or in writing to CBP. A written prior disclosure must be addressed to the Commissioner of Customs, have conspicuously printed on the face of the envelope the words "prior disclosure," and be presented to a Customs officer at the Customs port of entry of the disclosed violation. The elements of a valid prior disclosure are contained in the Customs Regulations in Part 162.74, which sets forth the specific information that must be provided in order for a prior disclosure to be considered valid.

- 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.**

It would be difficult to automate the submission of this information because respondents must send in a check which accounts for underpaid tariffs, duties, or misclassified merchandise that accompanies their prior disclosure. The information that is collected by CBP is stored in the CBP Seized Currency and Asset Tracking System (SEACATS).

- 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 a significant impact on a substantial number of small businesses.

- 6. Describe consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently.**

Failure to collect this information would mean that the CBP would be unable to provide the legally required reduced penalty benefits to a party who wishes to make a valid written prior disclosure of the commission of a violation of 19 U.S.C. 1592.

- 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 published on October 4, 2019 (Volume 84, Page 53164) on which no comments were received and on December 12, 2019 (Volume 84, Page 67950) 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 SORN, dated December 19, 2008, 73 FR 77778 for the Treasury Enforcement Communication System (TECS), will be included in this ICR. PIA coverage provided by the forthcoming CBP Seized Currency and Asset Tracking System (SEACATS) PIA. Additional SORN coverage is provided by DHS/CBP-013 - Seized Assets and Case Tracking System, December 19, 2008 73 FR 77764. There are no assurances of confidentiality provided to the 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 sensitive nature associated with this collection.

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
Prior Disclosure	3,500	3,500	1	3,500	60 minutes (1 hour)

Public Cost

The estimated cost to the respondents is \$297,185. This is based on the estimated burden hours (3,500) multiplied by the average loaded hourly wage rate for attorneys (\$84.91). CBP calculated this loaded wage rate by first multiplying the Bureau of Labor Statistics' (BLS) 2018 median hourly wage rate for Lawyers (\$58.13), which CBP assumes best represents the wage for attorneys, by the ratio of BLS' average 2018 total compensation to wages and salaries for Professional and Related occupations (1.4606), the assumed occupational group for attorneys,

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 record keepers resulting from the collection of information.

There are no capital or start-up 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 \$434,070. This is based on the number of responses that must be reviewed (3,500) multiplied by the time burden to review and process each response (2 hours) = 7000 hours multiplied by the average hourly loaded rate for a CBP Trade and Revenue employee (\$62.01)³ = \$434,070.

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

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

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 Professional and Related occupations (\$56.4675) 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 (\$38.6600). 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.

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.

displaying the expiration date would be inappropriate

There is no form associated with this collection so it is not appropriate to display the expiration date.

18. "Certification for Paperwork Reduction Act Submissions."

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.