

**Supporting Statement
Importation Bond Structure (Forms 301 and 5297)
1651-0050**

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.**

Bonds are used to ensure that duties, taxes, charges, penalties, and reimbursable expenses owed to the Government are paid; to facilitate the movement of cargo and conveyances through CBP processing; and to provide legal recourse for the Government for noncompliance with laws and regulations. Bonds are required pursuant to 19 U.S.C. 1608, and 1623; 22 U.S.C. 463; 19 CFR Part 113.

Each person who is required by law or regulation to post a bond in order to secure a Customs transaction must submit the bond on CBP Form 301 which is available at: <https://www.cbp.gov/newsroom/publications/forms?title=301&=Apply>.

Surety bonds are usually executed by an agent of the surety. The surety company grants authority to the agent via a Corporate Surety Power of Attorney, CBP Form 5297. This power is vested with CBP so that when a bond is filed, the validity of the authority of the agent executing the bond and the name of the surety can be verified to the surety's grant. CBP Form 5297 is available at: <https://www.cbp.gov/document/forms/form-5297-corporate-surety-power-attorney>.

- 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 uses bonds to ensure that duties, taxes, charges, penalties, and reimbursable expenses owed to the Government are paid; to facilitate the movement of merchandise through CBP; and to provide legal recourse for the Government for noncompliance with CBP laws. Without these documents, all imported merchandise would have to remain in physical CBP custody until compliance with all applicable laws and regulations and duties and taxes had been determined. This would disrupt the orderly flow of cargo and increase the cost of importing.

- 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 on CBP Form 5297, Power of Attorney, can be submitted via CBP's Automated Commercial Environment (ACE).

CBP Form 301 is automated into ACE.

- 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.**

The importing process would be deterred significantly because these forms allow CBP to physically release imported merchandise to importers and consignees before final determinations on duties and taxes are made.

- 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: a 60-day notice published on July 6, 2020 (Volume 85, Page 40307) on which no comments were received, and a 30-day notice published on September XX, 2020 (Volume XX, Page XXXXX) 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 the Import Information System, dated July 26, 2016 (81 FR 48826) 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

There are no questions of a sensitive nature.

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

FORM NUMBER/TITLE	TOTAL ANNUAL BURDEN HOURS	NO. OF RESPONDENTS	NO. OF RESPONSES PER RESPONDENT	TOTAL RESPONSES	TIME PER RESPONSE
5297 Power of Attorney	125	500	1	500	15 minutes (.25 hours)
301 Customs Bond	187,500	750,000	1	750,000	15 minutes (.25 hours)
TOTAL	187,625	750,500		750,500	

Public Cost

The estimated cost to the respondents is \$5,867,034. This is based on the estimated burden hours (187,625) multiplied by the average loaded hourly wage rate for importers (\$31.27). CBP calculated this loaded wage rate by first multiplying the Bureau of Labor Statistics’ (BLS) 2019 median hourly wage rate for Cargo and Freight Agents (\$21.03), which CBP assumes best represents the wage for importers, by the ratio of BLS’ average 2019 total compensation to wages and salaries for Office and Administrative Support occupations (1.4869), the assumed occupational group for importers, to account for non-salary employee benefits.¹ This figure is in 2019 U.S. dollars and CBP assumes an

¹ Source of median wage rate: U.S. Bureau of Labor Statistics. Occupational Employment Statistics, “May 2019 National Occupational Employment and Wage Estimates United States.” Updated March 31, 2020. Available at https://www.bls.gov/oes/2019/may/oes_nat.htm. Accessed June 12, 2020. The total compensation to wages and salaries ratio is equal to the calculated average of the 2019 quarterly estimates (shown under Mar., June, Sep., Dec.)

annual growth rate of 0 percent; the 2019 U.S. dollar value is equal to the 2020 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 \$7,236,052. This is based on the number of responses that must be reviewed (750,500) multiplied by the time burden to review and process each response (10 minutes or .167 hours) = 125,083 hours multiplied by the average hourly loaded rate for other CBP employees (\$57.85)² = \$7,236,052.

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

There is a decrease in the estimated annual burden hours previously reported for this information collection due to a reduction in the number of respondents. There were 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 displaying the expiration date would be inappropriate.

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

of the total compensation cost per hour worked for Office and Administrative Support occupations (\$28.1550) divided by the calculated average of the 2019 quarterly estimates (shown under Mar., June, Sep., Dec.) of wages and salaries cost per hour worked for the same occupation category (\$18.9350). 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 2019, “Table 3. Civilian workers, by occupational group: employer costs per hours worked for employee compensation and costs as a percentage of total compensation, 2004-2019.” March 2020. Available at <https://www.bls.gov/web/ecec/ececqrtn.pdf>. Accessed June 12, 2020.

² CBP bases this wage on the FY 2020 salary and benefits of the national average of other CBP positions, which is equal to a GS-12, Step 3. Source: Email correspondence with CBP’s Office of Finance on July 2, 2020.

collection.

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.