

**Supporting Statement**  
**Create/Update Importer Identity Form (CBP Form 5106)**  
**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 “Create/Update Importer Identity Form”, commonly referred to as the “[CBP Form 5106](#)” is the basis for establishing bond coverage, release and entry of merchandise, liquidation and the issuance of bills and refunds. Members of the trade community use the Create/Update Importer Identification Form to register an entity as an Importer of Record (IOR) on the Automated Commercial Environment. Registering as IOR with CBP is required if an entity intends to transact Customs business and be involved as an importer, consignee/ultimate consignee, any individual or organization involved as a party, such as 4811 party, or sold to party on an informal or formal entry. The number used to identify an IOR is either an Internal Revenue Service (IRS) Employer Identification Number (EIN), a Social Security Number (SSN), or a CBP-Assigned Number. By collecting, certain information from the importer enables CBP to verify the identity of the importers, meeting IOR regulatory requirements for collecting information. 19 CFR 24.5.

Importers, 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 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:

<https://www.cbp.gov/newsroom/publications/forms?title=5106>

- 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. Information on this form supports the Automated Commercial Environment’s (ACE) IOR information

program, and the importer vetting process by allowing for more in-depth review and analysis to establish the IOR's identity. The information provided on the 5106 is the basis for entering a new importer/ principal into CBP's ACE database, which will provide for subsequent customs transactions. These include the entry and release of merchandise, liquidation, and issuance of bills and refunds. The information collected is 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 and protect the Revenue.

**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. A completed CBP Form 5106 can also be submitted by email to [cbp.bondquestions@dhs.gov](mailto:cbp.bondquestions@dhs.gov) or to the Entry Division at the importer's local port of entry. However, approximately 95 percent of Importer ID Input Records are transmitted electronically. Automated CBP Form 5106 capability was deployed on March 16, 2019. Licensed Customs Brokers who have access to the CBP Form 5106 ABI functionality are able to request and update CBP-Assigned Numbers. Self-Filers are also able to use the 5106 ABI functionality to create or update IORs that are connected to their entity, including IORs associated with CBP-Assigned Numbers.

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 and protect the Revenue.

- 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 September 23, 2020 (85 FR 59815) and on December 03, 2020 (85 FR 78142) on which no comments were 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 (Volume 81, Page 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, 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

**Public Cost**

The estimated cost to the respondents is \$7,035,750. This is based on the estimated burden hours (225,000) multiplied by the average loaded hourly wage rate for brokers (\$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 brokers, 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 brokers, to account for non-salary employee benefits.<sup>1</sup> This figure is in 2019 U.S. dollars and CBP assumes an 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 recordkeepers resulting from the collection of information.**

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<sup>1</sup> 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](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.) 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.

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 annual cost to the Federal Government associated with the review of these records is \$8,677,500. This is based on the number of responses that must be reviewed (300,000) multiplied by the time burden to review and process each response (0.5 hours) = 150,000 hours multiplied by the average hourly loaded rate for other CBP employees (\$57.85)<sup>2</sup> = \$8,677,500.

- 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, and 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 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.

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<sup>2</sup> 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.