

**Supporting Statement
Drawback Process Regulations
1651-0075**

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 collections of information related to the drawback process are required as per 19 CFR part 190 (Modernized Drawback), which provides for refunds of duties, taxes, and fees for certain merchandise that is imported into the United States where there is a subsequent related exportation or destruction. All claims for drawback, sometimes referred to as TFTEA-Drawback, must be filed electronically in the Automated Commercial Environment (ACE), in accordance with the Trade Facilitation Trade Enforcement Act of 2015 (TFTEA) (Pub. L. 114–125, 130 Stat. 122), and in compliance with the regulations in part 190, 181 (NAFTA Drawback) and 182 (USMCA Drawback). Specific information on completing a claim is available in the drawback CBP and Trade Automated Interface Requirement (CATAIR) document at:

<https://www.cbp.gov/document/guidance/ace-drawback-catair-guidelines>.

CBP Form 7553, Notice of Intent to Export, Destroy or Return Merchandise for Purposes of Drawback (NOI), documents both the exportation and destruction of merchandise eligible for drawback. The NOI is the official notification to CBP that an exportation or destruction will occur for drawback eligible merchandise. The CBP Form 7553 has been updated to comply with TFTEA-Drawback requirements and is accessible at <http://www.cbp.gov/newsroom/publications/forms>.

Relevant Regulations and Statutes:

Title 19, part 190 - <https://ecfr.io/Title-19/Part-190>

19 USC 1313 -

<https://www.govinfo.gov/content/pkg/USCODE-2011-title19/pdf/USCODE-2011-title19-chap4-subtitleII-partI-sec1313.pdf>

19 USC 1313 authorizes the information collected on the CBP form 7553 as well as in the ACE system for the electronic drawback claim.

The New Data Elements in ACE for Drawback include the following:

1. Substituted Value per Unit
2. Entry Summary Line Item Number
3. Bill of Materials/Formula

4. Certificate of Delivery/Drawback Eligibility Indicator
5. Import Tracing Identification Number (ITIN)
6. Manufacture Tracing Identification Number (MTIN)
7. Certification for Valuation of Destroyed Merchandise
8. Substituted Unused Wine Certification
9. Certification of Eligibility for AP and/or WPN Privilege(s)
10. Identification of Accounting Methodology
11. Indicator for Notice of Intent to Export or Destroy
12. Indicator for Waiver of Drawback Claim Rights

New data elements added to the CBP Form 7553:

1. Continuation sheet(#15-19)
2. Line item number added (#15)
3. Rejected merchandise box added (#20)
4. Instructions were edited to comply with TFTEA-Drawback requirements

This collection of information applies to the individuals and companies in the trade community who are and are not familiar with drawback, importing and exporting procedures, and with the CBP regulations.

Please note that CBP Forms 7551 and 7552 are both abolished. From February 24, 2019, onward, TFTEA-Drawback, as provided for in part 190, is the only legal framework for filing drawback claims. No new drawback claims may be filed under the paper-based processes previously provided for in part 191 (Drawback). Sections 190.51, 190.52, and 190.53 provide the requirements to submit a drawback claim electronically. The provisions of part 190 are similar to the provisions in part 191, except where necessary to outline all the data elements for a complete claim (previously contained in CBP form 7551) and modify those requirements to comply with TFTEA-Drawback. CBP form 7552, Certificates of Delivery and Certificates of Manufacturing & Delivery will no longer be requested or accepted to demonstrate the transfer of merchandise. Sections 190.10 and 190.24 require that any transfers of merchandise must be evidenced by business records, as defined in section 190.2.

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 to expedite the filing and processing of drawback claims and to maintain effective oversight over the drawback program. CBP receives and reviews drawback information submitted by the trade from the ACE system.

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.

All drawback claims must be filed electronically through a CBP-authorized Electronic Data Interchange system. The drawback claims are accepted via our Automated Commercial Environment (ACE) system. In order to file a drawback claim, a company has to either have a direct communications to ACE, hire a broker to submit the information through a direct communication connection to ACE, or self-file through a service provider that provides the software and ACE connection for a company to submit the information to CBP. Information for first time drawback filers can be found at <https://www.cbp.gov/trade/drawback/drawback-reminder-manual-filers>

When the CBP Form 7553 is required, filers must submit the form to a CBP Officer (CBPO) at the port of intended examination, destruction, or redelivery prior to exporting or destroying the merchandise. Upon receipt of a complete form, a CBPO will make a determination as to whether the merchandise will be examined prior to export, or the destruction will be witnessed. The form will be returned to the company, indicating CBP's decisions on examination, destruction or waiver (indicating that CBP has made a determination not to examine the merchandise prior to export or witness the destruction). CBPOs are not required to maintain a copy. This is because the company is required to submit the signed form into CBP's Digital Image System (DIS). After this form is returned by CBP, it should be uploaded as an attachment to the company's drawback claim in DIS, along with proof of exportation or destruction, and submitted for acceptance in Automated Commercial Environment (ACE). This form is a required document that must be provided to CBP within 24 hours of the filing of the drawback claim in order to fulfill the complete claim requirements (if the claimant does not have one-time waiver (OTW) or waiver of prior notice (WPN) privileges

Drawback filers can submit supporting documentation for drawback claims to CBP through the Document Image System (DIS). Instead of providing a physical copy of the CBP form 7553, users should submit an electronic version of a document (i.e. PDF or JPEG). This process as well as submitting the claim electronically allows CBP personnel to receive and review documentation in a timelier manner than with paper counterparts.

- 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.

Failure to collect this information would prevent CBP from processing claims from affected domestic producers that petitioned for or supported the issuance of the order or finding under which the duties were assessed.

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 30, 2020 (Volume 85, Page 68905) on which no comments were received, and on January 11, 2021 (Volume 86, Page 1986) 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 ACE, dated July 31, 2015, and a SORN for Import Information System, dated July 26, 2016 (Vol. 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 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
7553 Notice of Intent to Export/Destroy Merchandise	1,650	150	20	3,000	33 minutes (.55 hours)
TOTAL	1,650	150		3,000	

Public Cost

The estimated cost to the respondents is \$51,596. This is based on the estimated burden hours (1,650) 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.¹ 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 record keepers resulting from the collection of information.

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.) 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 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 \$55,500. This is based on the number of responses that must be reviewed (3,000) multiplied by the time burden to review and process each response (15 minutes or .25 hours) = 750 hours multiplied by the average hourly loaded rate for a CBP Trade and Revenue employee (\$74.00)² = \$55,500.

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

CBP Form 7552 and 7551 are no longer in use and have been removed from this collection, based on the removal of the two forms, the burden has been reduced 36,932 hours. There is no change to the burden hours for CBP Form 7553.

- 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, explain the reasons that displaying the expiration date would be inappropriate.**

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

² CBP bases this wage on the FY 2020 salary and benefits of the national average of CBP Trade and Revenue positions, which is equal to a GS-13, Step 5. Source: Email correspondence with CBP’s Office of Finance on July 2, 2020.