

**Supporting Statement  
Free Trade Agreements  
1651-0117**

**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.**

Free Trade Agreements (FTAs) are established to reduce and eliminate trade barriers, strengthen, and develop economic relations, and to lay the foundation for further cooperation to expand and enhance benefits of the agreement. These agreements establish free trade by reduced-duty treatment on imported goods.

The U.S. has entered into the following FTAs: United States-Chile Free Trade Agreement (US-CFTA) (Public Law 108-77); the Republic of Singapore (Public Law 108-78, 117 Stat. 948, 19 U.S.C. 3805 note); Australia (Public Law 108-286); Morocco (Public Law 108-302); Jordan (Public Law 107-43); Bahrain (Public Law 109-169); Oman (Public Law 109-283); Peru (Public Law 110-138, 121 Stat. 1455); Korea (Public Law 112-41); Colombia (Public Law 112-42, 125 Stat. 462); Panama (Public Law 112-43); and Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua (CAFTA-DR) (Public Law 109-53, 119 Stat. 462); ; Japan (Presidential Proclamation 9974, (Federal Register Notice (84 FR 72187))); Mexico and Canada (USMCA) (Public Law 116-113 section 101 - 195) and [Consolidated Appropriations Act of 2021 \(Public Law No: 116-260\) \(December 27, 2020\)](#)

These FTAs involve collection of data elements such as information about the importer and exporter of the goods, a description of the goods, tariff classification number, and the preference criterion in the Rules of Origin.

Respondents can obtain information on how to make claims under these FTAs at <http://www.cbp.gov/trade/free-trade-agreements>, and use a standard fillable format for the FTA submission by going to <http://www.cbp.gov/document/guides/certification-origin-template>

- 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 U.S. Customs and Border Protection (CBP) officers to document preferential tariff treatment under the provisions of the free trade agreements.

- 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 is submitted via the Document Image System into ACE. For the USMCA specifically, pre-entry information relating to compliance with the automotive rules of origin criteria is, in the short term, submitted via the USMCA application. This process will be migrated to ACE and DIS no later than 2022.

- 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.**

If this information were not collected, CBP would not be able to ensure that duty-free or reduced-duty treatment is provided on imported goods under the free trade agreements.

- 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.**

. Public comments were solicited through an interim final rule dated July 6th, 2021 (86 FR 35566).

**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.**

All data submitted and entered into ACE is subject to and protected by the Trade Secrets Act (18 U.S.C. 1905) and is considered confidential, except to the extent as otherwise provided by law. A PIA for the Automated Commercial Environment (ACE), dated July 31, 2015, and a SORN for IIS, dated July 26, 2016 (Vol. 81, Page 48826) will be included in this ICR. There are no assurances of confidentiality provided to the respondents of this information collection.

**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 and the specific uses to be made of the information.**

There are no questions of a sensitive nature.

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

<b>INFORMATION COLLECTION TITLE</b>	<b>TOTAL ANNUAL BURDEN HOURS</b>	<b>NO. OF RESPONDENTS</b>	<b>NO. OF RESPONSES PER RESPONDENT</b>	<b>TOTAL RESPONSES</b>	<b>TIME PER RESPONSE</b>
U.S.-Chile FTA	80,000	40,000	1	40,000	2 hours
U.S.-Singapore FTA	90,000	45,000	1	45,000	2 hours
U.S.-Australia FTA	40,000	20,000	1	20,000	2 hours
U.S.-Morocco FTA	8,000	4,000	1	4,000	2 hours
U.S.-Bahrain FTA	1,000	500	1	500	2 hours
U.S.-Jordan FTA	5,000	2,500	1	2,500	2 hours

U.S.-Oman FTA	200	100	1	100	2 hours
U.S.-Peru TPA	8,000	4,000	1	4,000	2 hours
U.S.-Korea FTA	400,000	200,000	1	200,000	2 hours
U.S.-Colombia TPA	80,000	40,000	1	40,000	2 hours
U.S.-Panama TPA	5,000	2,500	1	2,500	2 hours
CAFTA-DR-U.S. FTA	4,800	800	3	2,400	2 hours
JAPAN-U.S.FTA	80,000	40,000	1	40,000	2 hours
USMCA	8,600,120	4,300,060	1	4,300,060	2 hours
<b>TOTAL</b>	<b>9,402,120</b>	<b>4,699,460</b>		<b>4,701,060</b>	

**Public Cost**

The estimated cost to the respondents is \$294,004,292. This is based on the estimated burden hours (9,402,120) 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.<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.

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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.

- 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 this information collection is \$57,747,824. This is based on the number of responses that must be reviewed (4,701,060) multiplied by the time burden to review and process each response (0.166 hours) = 780,376 hours multiplied by the average hourly loaded rate for a CBP Trade and Revenue employee (\$74.00)<sup>2</sup> = \$57,747,824.

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

There has been an increase in the estimated annual burden due to compliance with the USMCA IFR.

- 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 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**

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<sup>2</sup> 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.

No statistical methods were employed.