

Department of Transportation

SUPPORTING STATEMENT

OMB #2133-0529

Application for Waiver of the Coastwise Trade Laws for Small Passenger Vessels

Since the last approval of the collection, the below changes have been made:

- MARAD is requesting that the collection's title be change from Application for Waiver of the Coastwise Trade Laws for Small Passenger Vessels to Application for Coastwise Endorsement Eligibility Determinations for Foreign-built Small Passenger Vessels. Since MARAD's document does not fully waive all the coastwise trade laws sufficient for a vessel to enter domestic operations, we respectfully request that it be considered a "determination of eligibility" rather than a waiver.
- Adjustments have been made to the hourly wages and cost for respondents (Q12) to reflect the current wages for small vessel owners for the time spent to complete their application for submission. The hourly wage has increased from \$39.19 per hour to \$43.14 for small vessel owners. The cost has increased from \$7,571.51 to \$8,334.65
- Hourly wage and cost to the Federal government (Q14) have been adjusted to reflect the current number of employees and current hourly wage. Hourly wage and cost to the Federal government (Q14) have been adjusted to reflect the current hourly wage for a GS-13 step 8 time spent for reviewing and processing applications. Also, the number of employees assigned to review and process applications has decreased from two GS-13 employees to one.
- Adjustment (Q13) in the cost of postage for three applications sent via mail (previously \$.49 (3 x \$.49 = \$1.47) to \$.58 (3 x \$.58 = \$1.74). Note: Only three applications per year are normally sent by mail. The remaining applications are filed electronically.

INTRODUCTION

This is to request the Office of Management and Budget's (OMB) three-year approval clearance for the information collection entitled, "Application for Waiver of Coastwise Trade Laws for Small Passenger Vessels" (OMB Control No. 2133-0529, which is currently due to expire on November 30, 2021. Request approval of title changed; new title, Application for Coastwise Endorsement Eligibility Determinations for Foreign-built Small Passenger Vessels

Part A. Justification

1. Circumstances that make collection of information necessary.

Section 12121 of Title 46, United States Code authorizes the Secretary of Transportation to administratively waive the U.S.-build and other requirements of 46 U.S.C. 12112, 46 U.S.C. 55102 and 46 U.S.C. 55103 for foreign-built small passenger vessels or uninspected foreign-built

passenger vessels authorized to carry no more than 12 passengers, thereby allowing such vessels to operate in the coastwise trade. In order to fulfill this requirement, it will be necessary for those wishing to receive waivers to request a waiver from the Maritime Administration and provide information about their proposed operation to ensure the foreign vessel will not have an undue adverse affect on a current U.S. vessel operator or builder. This information collection supports the Department of Transportation's strategic goal of economic growth and trade.

2. How, by whom, and for what purpose is the information used.

The information will be used by the Maritime Administration to determine if the applicant is entitled to a waiver to ensure the foreign vessel will not have an undue adverse effect on a current U.S. vessel operator or builder. This information collection supports the Department of Transportation's strategic goal of economic growth and trade.

3. Extent of automated information collection.

Electronic submission of this information collection is 100% available as an option. Respondents can submit an application on Form MA-1023 (which is available on MARAD's website at www.marad.dot.gov under Programs, Small Vessel Waiver Program) or they may submit information in any format they desire. The information is the minimum required to carry out the Government's responsibilities.

4. Efforts to identify duplication.

The Maritime Administration is the only government agency authorized to grant such waivers. Information used to process requests for such waivers is not generally submitted to other agencies.

5. Efforts to minimize the burden on small businesses.

This information collection does not have a significant impact on small businesses.

6. Impact of less frequent collection of information.

If information is not collected, the Maritime Administration will not know to whom to grant waivers and the purpose of the statute will be negated.

7. Special circumstances.

There are no special circumstances that require the collection of information to be conducted in a manner described above.

8. Compliance with 5 CFR 1320.8:

- The Maritime Administration published a 60-day notice and request for comments on this

information collection in the Federal Register (37405, Vol. 86, No. 133) on July 15, 2021, indicating comments should be submitted by September 13, 2021. No comments were received. In addition, a 30-day notice was published on _____, 2021 (_____, Vol. 86, No. __) indicating comments should be submitted by _____, 2021.

- In depth consultations / discussions are held with applicants, after submission, if submitted information is not complete.

9. Payments or gifts to respondents.

No payments or gifts are provided to respondents.

10. Assurance of confidentiality:

Respondents were not assured of confidentiality.

11. Justification for collection of sensitive information:

Not applicable. There are no questions of a sensitive nature.

12. Estimate of burden hours for information requested:

A determination of the estimated number of hours required per response was made after consideration of the minimal information requested from respondents.

| <u>Number of Respondents</u> | | <u>Responses Per Respondent</u> | = | <u>Total Responses Annually</u> | x | <u>Hours Per Response</u> | = | <u>Annual Burden Hours</u> |
|------------------------------|---|---------------------------------|---|---------------------------------|---|---------------------------|---|----------------------------|
| 138 | x | 1 | = | 138 | x | 1 | = | 138 |

It is estimated that a small vessel owner would spend one hour of their time preparing an application. Therefore, given an estimated average salary of \$43.14 per hour for each respondent, the one-time per application labor cost to each respondent is estimated to be \$43.14.

For all respondents, time/labor cost estimate is provided below:

| <u>Number of Respondents</u> | | <u>Number of Responses per Respondent</u> | x | <u>Burden Hours Per Response</u> | x | <u>Hourly Rate Per Response</u> | = | <u>Annual Cost</u> |
|------------------------------|---|---|---|----------------------------------|---|---------------------------------|---|--------------------|
| 138 | x | 1 | x | 1 | x | \$43.14 | = | \$5,953.32 |

Total annual cost for respondents is estimated as: \$43.14 x 1.4 (benefits) = \$8,334.65

*The estimated wages of \$43.14 was taken from the BLS occupation table under the Mean hourly wage for Ship Captains, Mates and Pilots of water vessels (https://www.bls.gov/oes/current/oes_nat.htm#00-0000).

13. Estimate of total annual costs to respondents.

(a) Total Capital and Start-Up Costs Estimate:

1. One-time application fee for submitting an application for Coastwise Endorsement Eligibility Determinations for Foreign-built Small Passenger Vessels is \$500 (138 respondents x \$500 application fee = \$69,000)
2. Postage to mail in the application \$.58 (3 x \$.58 = \$1.74). Note: Only three applications per year are normally sent by mail. The remaining applications are filed electronically.

Total cost = \$69,000+ \$1.74 = \$69,001.74

(b) Total Operation and Maintenance and Purchase of Services Estimate:

There are no operation and maintenance costs associated with this information collection.

14. Estimate of cost to the Federal government.

The total annual cost to the Federal Government for processing the collection is estimated as follows:

Annual Costs: \$29,598.24

| <u># of Employees</u> | <u>Hourly Wage</u> | <u>Project Time</u> | <u>Cost Per Response</u> | <u># of Responses</u> | <u>Total Cost</u> |
|-----------------------|--------------------|---------------------|--------------------------|-----------------------|-------------------|
| 1 (GS-13 step 8) x | \$61.28 x | 2.5 hours | = \$153.20 | x 138 | = \$21,141.60 |
| | | | | Benefits (Cost x 1.4) | = \$29,598.24 |
| | | | | Total | = \$29,598.24 |

The hourly wage noted above is based on the GS pay scales for the government personnel working on the Maritime Administration's Small Vessel Waiver Program. Hourly wage taken from the current GS Locality Pay scale for area of Washington-Baltimore-Arlington, DC-MD-VA-WV-PA: https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2021/DCB_h.pdf.

15. Explanation of program changes or adjustments.

There were no program changes reported since the collection's last approval by OMB. Adjustments in Q12 have been made to the hourly wages and cost for respondents to reflect the current wages for small vessel owners for the time spent to complete their application for submission. The hourly wage has increased from \$39.19 per hour to \$43.14 for small vessel owners. The cost has increased from \$7,571.51 to \$8,334.65.

Since the last approval of the collection, the cost for the federal government has decrease from \$50,869.56 to \$29,598.24 due to the reduction in the number of federal employees reviewing and processing applications. The number of employees has changed from two GS-13 employees to one GS-13 employee. Also, the federal government hourly wage has been adjusted to reflect the current hourly wage for the GS-13 step 8 time spent for reviewing and processing applications.

In addition, since the last approval, MARAD is requesting the title of the collection be changed to ‘Application for Coastwise Endorsement Eligibility Determinations for Foreign-built Small Passenger Vessels’. MARAD is executing this name change proposal because while MARAD determination provides a variance from the U.S.-build requirement of the coastwise laws for the smallest of passenger vessels, it does not fully waive the coastwise laws to the extent that an applicant, and determination recipient, may immediately commence domestic trade. Since MARAD’s document does not fully waive all the coastwise trade laws sufficient for a vessel to enter domestic operations, the agency respectfully requests that it be considered a “determination of eligibility” rather than a waiver.

16. Publication of results of data collection.

Not applicable. There are no plans to publish the results of the information collection for statistical purposes.

17. Approval for not displaying the expiration date of OMB approval.

Not applicable. The Maritime Administration is not seeking such an approval.

18. Exceptions to certification statement.

Not applicable. There are no exceptions to the certificate statement.