

**SUPPORTING STATEMENT FOR  
PAPERWORK REDUCTION ACT SUBMISSION UNDER 5 CFR PART 1320  
IC 2133-0509**

**Maritime Administration Annual Service Obligation Compliance Report`**

*Since the last approval of the collection, there were no program changes or adjustments to the collection. Hourly wage for the respondents and the Federal Government have been updated to reflect the current hourly wages for both parties.*

**Introduction:** This is to request the Office of Management and Budget's (OMB) three-year approval clearance for the information collection entitled, Maritime Administration Annual Service Obligation Compliance Report, OMB Control No. 2133-0509, which is currently due to expire on February 28, 2022.

**A. Justification**

**1. Explain the circumstances that make the collection of information necessary.**

The Maritime Education and Training Act of 1980, Public Law 96-453, imposes a service obligation on every graduate of the U.S. Merchant Marine Academy (USMMA) and every subsidized State maritime academy graduate who received a Student Incentive Payment (SIP). This service obligation is for the Federal financial assistance the graduates received as students. The information collection is necessary to determine if a graduate of the USMMA or a State maritime academy graduate who received SIP is complying with the terms of their service obligation for that year. This collection supports the Departmental strategic goal for National Security by ensuring sufficient qualified maritime personnel are available and capable to serve in the event of a national emergency.

**2. Indicate how, by whom, and for what purpose the information is to be used.**

Every student and graduate of the USMMA and State maritime academy (SMA) Student Incentive Payment (SIP) Program graduates incur a mandatory service obligation in the U.S. merchant marine. This obligation is in exchange for Federal funds utilized for the student's education. The obligation consists of (1) completing the course of instruction at their maritime academy; (2) maintaining U.S. Coast Guard merchant mariner credentials and officer endorsements (unlimited license) as an officer in the merchant marine of the United States for at least six years following graduation from an academy; (3) serving as a commissioned officer in the U.S. Naval Reserve, the U.S. Coast Guard Reserve or any other reserve unit of an armed force of the United States for at least eight years following graduation from an academy; and (4) serving as a merchant marine officer on U.S.-flag vessels, as an employee in a U.S. maritime-related industry ashore or as a commissioned officer on active duty in an armed force of the United States or NOAA Corps. The employment obligation is three years for State maritime academy SIP graduates and five years for USMMA graduates.

The reporting form, MA-930 is used by the graduates to report to MARAD their compliance with their service obligation.

MARAD reviews the graduate's record in the MARAD computer system, Maritime Service Compliance System (MSCS), to determine if the graduate is in compliance with their service obligation. Those graduates who are found to have breached their obligation are subject to being called to active duty in the U.S. armed forces or may be required to reimburse the Federal Government for the cost of their education. SMA graduates entering the SIP Program and signing the SIP contract revised in 2018 also may be required to repay their SIP funds received.

Failure to collect this compliance information from the graduates would place MARAD in the position of being unable to monitor compliance per statutory requirements.

**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.**

MARAD provides a total electronic option for this collection. The information is confidential and personal in nature. The electronic web-based internet system, Maritime Service Compliance System (MSCS), is available for submitting annual reports or updating personal information. Graduates can submit the required annual information from virtually anywhere in the world, removing many burdens to submitting the information. Graduates, although encouraged not to, also still have the option of electronically forwarding their annual reports in an email or by regular mail.

**4. Describe efforts to identify duplication.**

There is no duplication of information collection since the content of the service obligation compliance report forms is not required of the graduates by any other source. There are no other Federal agencies collecting or maintaining the in-depth employment reporting required by Public Law 96-453.

**5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.**

The requested information does not impact small businesses or other small entities. The reporting burden is minimized by allowing the graduate to report annually in lieu of reporting individual employment periods. For example, a graduate engaged in afloat employment may make several voyages with different steamship companies in a year.

**6. Describe the consequence 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 the burden.**

Reporting annually is considered the minimum frequency of reporting to stay within the intent of Public Law 96-453. There would be no technical or legal obstacles if the use of improved information technology were considered or used to reduce the burden.

**7. Explain any special circumstances.**

There are no special circumstances that would require this information collection to be conducted in a manner covered by the specific conditions described in 7 above.

**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.**

The Maritime Administration published a 60-day notice and request for comments on this information collection in the Federal Register on August 17, 2021, Vol. 86, No. 86, Page 46075, indicating comments were due by October 18, 2021. No comments were received. In addition, a 30-day notice was published on \_\_\_\_\_, 2021, Vol. 86, No. \_\_\_\_\_, Page \_\_\_\_\_, indicating comments are due by \_\_\_\_\_, 2021.

N/A. Circumstances have not occurred in the past 3 years for consultation.

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

No payment or gift is provided to respondents.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

A Privacy Act Notice is contained in the service obligation contract that each student signs. This notice states that any information provided by the graduate will not be divulged without prior written authorization to anyone other than persons involved in monitoring the service obligation (e.g., school officials, employers, DOD, U.S. Coast Guard and NOAA). Further, the only information released is that which is specific to the request. The revised form has also omitted the graduate's social security number, and replaced it with a U.S. Coast Guard reference number, unique to each student, and issued with the graduate's merchant mariner credentials.

**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.**

The agency has no questions on these forms which are of a sensitive nature.

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

The burden hour related to this collection of information are as follows:

<u>Number of Respondents</u>	<u>Responses Per Respondent</u>	<u>Total Response Annually</u>	<u>Hours Per Response</u>	<u>Total Hours Annually</u>
2,100 x	1 =	2,100	20 minutes	= 700 hours

The time required for the 2,100 respondents to submit and forward each one-time request to MARAD is approximately 20 minutes.

Computation – (2,100 x 1 = 2,100 x 20 = 42000 ÷ 60 = 700)

Assigning respondents an opportunity cost of \$21.54\* for their time (burden) to complete the application is: 2100 x 20 x \$21.54/60 = \$15,078 x 1.4 (benefits) = \$21,109.20

Total burden cost for respondents is \$21,109.20.

\*Wage was taken from the BLS wage table national median hourly wage for Secretary/Administrative Assistant 43-6010 ([https://www.bls.gov/oes/current/oes\\_nat.htm](https://www.bls.gov/oes/current/oes_nat.htm))

**13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information.**

(a) Total Capital and Start-Up Costs Estimate: There are no capital or start-up costs associated with this information collection.

**14. Provide estimates of annualized cost to the Federal Government.**

The total annual cost to the Federal Government for processing the Service Obligation Compliance Report form (MA-930) is estimated as follows:

1 GS-14 step 5 Management Analyst Analyze compliance reports (\$138,866 per year x 80% of time)	\$111,092.80
1 GS-13 step 3 Compliance Specialist Analyze compliance reports (\$110,603 per year x 55% of time)	\$ 60,831.65
1 GS-12 step 3 Compliance Specialist Analyze compliance reports (\$93,013 per year x 35% of time)	<u>\$ 32,554.55</u>
<b>Total Employee Cost</b>	<b>\$204,479.00</b>

Cost of Employees - \$204,479.00  
Benefits - \$204,479 x 1.4 = \$286,270.60  
Total cost for Employees is **\$286,270.60**

The estimated annual Operation and Maintenance (O&M) cost with maintaining the MSCS system that holds the information collected is \$192,282.00 and enhancements (one-time cost) for the MSCS estimated at \$787,494.00.

Yearly maintenance cost of MSCS:	\$ 192,282.00
Enhancements (one-time cost)	\$ 787,494.00
Cost of Employees:	<u>\$ 286,270.60</u>
<b>Total Cost to the Govt.</b>	<b>\$1,266,046.60</b>

**15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of the OMB Form 83-1.**

Since the last approval of the collection, there were no program changes. Updates to the respondents' hourly wage and the hourly wages for the Federal Government have been made to reflect the current hourly wages for both parties.

**16. For collections of information whose results will be published, outline plans for tabulation, and publication.**

The information collected is intended for internal use only. There are no plans to publish any information for statistical use.

**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.**

Approval is not requested to not display the expiration date.

**18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-1.**

There are no exceptions to the certificate statement.