

Supporting Statement
Customs-Trade Partnership against Terrorism (CTPAT) and Trade
Compliance
1651-0077

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 CTPAT Program comprise of two different program divisions, CTPAT Security and CTPAT Trade Compliance. The CTPAT Security program is designed to safeguard the world's trade industry from terrorists and smugglers by prescreening its participants. The CTPAT Security program applies to United States and nonresident Canadian importers, United States exporters, customs brokers, consolidators, ports and terminal operators, carriers of cargo in air, sea and land, third party logistics providers, Mexican long haul highway carriers, and Canadian and Mexican manufacturers. The Trade Compliance program division is only available for U.S. and nonresident Canadian importers..

The CTPAT Security program application requests the following information from an applicant to the program: an applicant's contact and business information, including the number of company employees, the number of years in business, and a list of company officers.

CBP is adding the following data elements for all CTPAT partners:

- Date of Birth (DOB)
- Country of Birth
- Country of Citizenship
- Travel Document number (e.g., visa or passport number)
- Immigration status information (e.g., Alien Registration Number, Naturalization number)
- Driver's license information (e.g., state and country of issuance, number, date of issuance/expiration)
- Social Security Number
- Trusted Traveler membership type and number (e.g., FAST/NEXUS/SENTRI/Global Entry ID)
- Registro Federal de Contribuyentes (RFC) Persona Fisica (needed for Mexican Foreign Manufacturers, Highway Carriers, and Long-Haul Carriers Only). Internet Protocol (IP) Address

This collection of information is authorized by the SAFE Port Act (Pub. L. 109–

347).

The CTPAT Trade Compliance program is an optional component of the CTPAT program and adds trade compliance aspects to the supply chain security aspects of the CTPAT Security program. The CTPAT Security program is a prerequisite to applying to the CTPAT Trade Compliance program. Current CTPAT importers are given the opportunity to receive additional benefits in exchange for a commitment to assume responsibility for monitoring their own compliance by applying to the CTPAT Trade Compliance program. After a company has completed the security aspects of the CTPAT Security program and is in good standing, it may opt to apply to the CTPAT Trade Compliance component. The CTPAT Trade Compliance program strengthens security by leveraging the CTPAT supply chain requirements, identifying low-risk trade entities for supply chain security, and increasing the overall efficiency of trade by segmenting risk and processing by account.

The CTPAT Trade Compliance program is open to U.S. and non-resident Canadian importers that have satisfied both the CTPAT supply chain security and trade compliance requirements.

The CTPAT Trade Compliance program application includes questions about the following:

- Primary Point of Contact including name, title, email address, and phone number
- Business information including Company Name, Company Address, Company phone number, Company website, Company type (private or public), CBP Bond information, Importer of Record Number, and number of employees
- Information about the applicant's Supply Chain Security Profile
- Trade Compliance Profile and Internal Control Operating Procedures of the applicant
- Broker information
- Training material for Supply Chain Security and Trade Compliance
- Risk Assessment documentation and results
- Period testing documentation and results
- Prior disclosure history
- Partner Government Agency affiliation information

After an importer obtains CTPAT Trade Compliance membership, the importer will be required to submit an Annual Notification Letter to CBP confirming that they are continuing to meet the requirements of the program. This letter should include: Personnel changes that impact the CTPAT Trade Compliance program; organizational and procedural changes; a summary of risk assessment and self-testing results; a summary of post-entry amendments and/or disclosures made to CBP; and any importer activity changes within the last 12-month period.

- 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 collected is used by CTPAT to identify low risk companies. Cargo entering the U.S. from those deemed low risk can be facilitated by CBPO's at U.S. ports of entry. This will allow CBPOs to better focus on high-risk cargo through a risk management approach rather than examination of all cargo which is an impossible effort due to the high volume of cargo entering and exiting the U.S. and limited CBP resources.

- 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.**

Respondents may be submitted for both the Trade Compliance and CTPAT electronically via the CTPAT portal at: <https://ctpat.cbp.dhs.gov/trade-web/index>.

- 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.**

Without the collection of the data, CTPAT will need to dedicate additional resources and spend more time reviewing companies for potential high-risk, which the program does not want in the program.

- 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; a corrected 60-day notice published on March 04, 2022 (87 FR 12473), on which no comments were received, and a 30-day notice published on September , 2022 (87 FR XXXXX), 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 SORN entitled, Customs-Trade Partnership against Terrorism (CTPAT), dated March 13, 2013 (Vol. 78, Page 15962), and updated SORN dated March 21, 2021, Document Citation 86 FR 15241, Pages 15241-15246, and a PIA titled, CTPAT, dated February 14, 2013, and a Notice of Approved Rule Making dated April 21, 2021, Citation : 86 FR 15136, Page 15136, Document number 2021-05650, will be included in the ICR. Also, for the Trusted Trader Program, a SORN entitled, Persons Engaged in International Trade in Customs and Border Protection Licensed/Regulated Activities, dated December 19, 2008, Vol. 73 FR, Page 77753) 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 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.**

INFORMATION COLLECTION	TOTAL ANNUAL BURDEN HOURS	NO. OF RESPONDENTS	NO. OF RESPONSES PER RESPONDENT	TOTAL RESPONSES	TIME PER RESPONSE
CTPAT	15,000	750	1	750	20 hours

Application					
Trade Compliance Application	100	50	1	50	2 hours
CTPAT Trade Compliance Program's Annual Notification Letter	100	50	1	50	2 hours
Total	15,200	850		850	

Public Cost

The estimated cost to the respondents is \$529,112. This is based on the estimated burden hours (15,200) multiplied by the average loaded hourly wage rate for importers (\$34.81). CBP calculated this loaded wage rate by first multiplying the Bureau of Labor Statistics' (BLS) 2021 median hourly wage rate for Cargo and Freight Agents (\$22.55), which CBP assumes best represents the wage for importers, by the ratio of BLS' average 2021 total compensation to wages and salaries for Office and Administrative Support occupations (1.4819), the assumed occupational group for brokers, to account for non-salary employee benefits.¹ CBP assumes an annual growth rate of 4.15% based on the prior year's change in the implicit price deflator, published by the Bureau of Economic Analysis.

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

There are no recordkeeping, 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.

¹ Source of median wage rate: U.S. Bureau of Labor Statistics. Occupational Employment Statistics, "May 2021 National Occupational Employment and Wage Estimates United States." Updated March 31, 2022. Available at https://www.bls.gov/oes/current/oes_nat.htm. Accessed May 25, 2022. The total compensation to wages and salaries ratio is equal to the calculated average of the 2021 quarterly estimates (shown under Q01, Q02, Q03, Q04) of the total compensation cost per hour worked for Office and Administrative Support occupations (\$29.6125) divided by the calculated average of the 2021 quarterly estimates (shown under Q01, Q02, Q03, Q04) of wages and salaries cost per hour worked for the same occupation category (\$19.9825). Source of total compensation to wages and salaries ratio data: U.S. Bureau of Labor Statistics. Employer Costs for Employee Compensation. "ECEC Civilian Workers - 2004 to Present." March 2022. Available at <https://www.bls.gov/web/ecec.supp.toc.htm>. Accessed May 25, 2022.

The estimated annual cost to the Federal Government associated with the review of these records is \$144,330. This is based on the number of responses that must be reviewed (850) multiplied by the time burden to review and process each response (2.5 hours) = 2,125 hours multiplied by the average hourly loaded rate for a CBP Officer ($\$67.92^2$) = \$144,330.

15. Explain the reasons for any program changes or adjustments reported in Items 12 or 13 of this Statement.

There is no change to the annual burden hours previously submitted for this collection. However, CBP will be collecting new data elements in the CTPAT Application once the new portal is implemented.

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

No statistical methods were employed.

² CBP bases this wage on the FY 2022 salary and benefits of the national average of CBP Officer Positions, which is equal to a GS-11, Step 10. Source: Email correspondence with CBP's Office of Finance on June 27, 2022.