Department of Transportation

SUPPORTING STATEMENT

Application and Reporting Elements for Participation in the

Tanker Security Program (TSP)

INTRODUCTION

This is to request the Office of Management and Budget (OMB) issue a 6-month emergency processing approval clearance for the information collection entitled, *Application and Reporting Elements for Participation in the Tanker Security Program*. In accordance with the Section 3511(c) of the National Defense Authorization Act for Fiscal Year 2021 (Pub. L. 116-283), MARAD was directed to accept applications for TSP Operating Agreements within 60 days of Congress appropriating funds for TSP and to award TSP Operating Agreements within 90 days of the application period closing. On March 15, 2022, the President signed into law the Consolidated Appropriations Act of 2022, which provided $60,000,000 in funding for the TSP. Thus, OMB emergency processing approval is necessary to avoid any further delay beyond the statutory June 15, 2022, deadline for MARAD to begin accepting applications.

**Part A. Justification.**

**1. Circumstances that make collection of information necessary.**

The National Defense Authorization Act for Fiscal Year 2021 (FY21 NDAA) authorized the Secretary of Transportation to establish the Tanker Security Program (TSP) comprised of a fleet of active, commercially viable, militarily useful, privately owned product tank vessels of the United States. The fleet will meet national defense and other security requirements and maintain a United States presence in international commercial shipping. The National Defense Authorization for Fiscal Year 2022 (FY22 NDAA) made minor adjustments related to the participation of long-term charters in the TSP. The TSP provides for enrollment of eligible tank vessels in the program for FY 2022 through FY 2035. A copy of the Interim Final Rule is attached.

This information collection supports the Department of Transportation’s strategic goal for National Security.

A fuel tanker study required by the fiscal year 2020 National Defense Authorization Act (FY20 NDAA) examined the sufficiency of the U.S.-flagged tanker fleet to meet National Defense Strategy (NDS) requirements. The report’s summary found there to be a substantial risk to the nation’s defense associated with a heavy reliance on foreign-flagged tankers, particularly within a contested environment. The location, timing, and specific missions associated with some tanker requirements dictate the need for U.S.- flagged assets, for which there currently are insufficient numbers available. The report’s gap analysis found a clear and critical need for a tanker security program to increase U.S.-flagged tanker capacity, to reduce the risk of reliance on foreign-flagged tankers for the most important fuel missions, and to ensure the Department of Defense (DoD) has sufficient tanker capabilities to meet NDS objectives.

In response to the FY20 NDAA Fuel Tanker Study, Congress directed in the FY21 NDAA, with minor adjustments in the FY22 NDAA, that the Secretary of Transportation, in consultation with the Secretary of Defense, establish a fleet of active, commercially viable, militarily useful, privately owned product tanker vessels to meet national defense and other security requirements and maintain a United States presence in international commercial shipping. The Maritime Administration worked with the DoD’s United States Transportation Command to identify and shape TSP requirements and timelines.

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

Program applications are submitted in written form to the Tanker Security Program, Maritime Administration, U.S. Department of Transportation, 1200 New Jersey Avenue, SE, Washington, D.C. 20590. Electronic submissions will be submitted to sealiftsupport@dot.gov. The initial application information is used by MARAD’s Office of Sealift Support to evaluate eligibility of the applicant for participation in the Tanker Security Program (TSP).

Participants will be required to follow a regimen of information submission on a monthly and annual basis. The Office of Sealift Support will use the information to monitor participant compliance with program requirements. Requests for amendments are handled in the same manner as an application.

**3. Extent of automated information collection.**

Original applications and amendments affect the qualification of the applicant to receive retainer payments under the TSP for a period of up to thirteen years and obligate the Government to make those payments in accordance with statutory authorization. The application format may be completed electronically and submitted electronically (electronic signatures will be accepted). Monthly payment vouchers and the annual financial reports will require certification signed by an authorized company representative and will also be permitted to be submitted electronically.

**4. Efforts to identify duplication.**

This collection of information has been designed to require the minimum amount of information necessary for vessel selection and administration of the TSP. The information being sought is not available through other existing or planned sources. The monthly operational verification reports filed along with a participant’s monthly voucher for payments of benefits will contain information that is not available from other sources. To the extent that a participant already files the annual financial data required under 46 CFR Part 294.31 with MARAD’s Office of Financial and Rate Approvals, that data will be accepted in lieu of an additional annual submission.

**5. Efforts to minimize the burden on small businesses.**

This collection does not impact small businesses or other small entities.

**6. Impact of less frequent collection of information.**

If the requested application data is not made available, MARAD will have no basis to select tanker vessels for participation in the TSP. Since there are statutory and regulatory penalties for failure to operate as required by the TSP, the monthly operational certifications are necessary to ensure that participants are meeting their program requirements and if not, when MARAD should take action to withhold benefits. The monthly voucher certifications require participants to affirm their compliance with operating days, regulations, rulings, and provisions of the TSP. Less frequent collection of operational verification could result in U.S.-flag tankers not available to provide the Department of Defense with assured access to U.S.-flag sealift capacity during armed conflicts and other emergencies.

**7. Special circumstances.**

Vouchers for payment of TSP benefits are submitted on a monthly basis for payment under the Prompt Payment Act, 31 U.S.C. section 3901. Minimum days of operation are required in order to maintain eligibility for payment of benefits. Accordingly, monthly verification of operational days is required to ensure that the participant is entitled to payment of benefits for that period.

In accordance with the Section 3511(c) of the National Defense Authorization Act for Fiscal Year 2021 (Pub. L. 116-283), MARAD must accept applications for TSP Operating Agreements within 60 days of Congress appropriating funds for TSP and must award TSP Operating Agreements within 90 days of the application period closing.  The Department of Defense, and MARAD would likely want to commence operation of approved vessels under TSP Operating Agreements as soon as practicable following award of the TSP Operating Agreements. MARAD must have the appropriate billing and information processes approved and ready to implement on the first day of TSP Operating Agreement validity.  Thus, MARAD requires this emergency approval process to ensure that a program vital to national security does not endure undue delay in implementation.

**8. Compliance with 5 CFR 1320.8:**

MARAD is presently seeking emergency processing approval in accordance with 5 CFR 1320.13 and is not planning to publish a notice in the *Federal Register* for comments until after the emergency collection is approved and only then following a PRA ICN in the normal course.

**9. Payments or gifts to respondents.**

There are no payments or gifts to the participants in the TSP other than payments due and payable by MARAD under the TSP contractors’ respective TSP Operating Agreements.

**10. Assurance of confidentiality:**

The proprietary and confidential information gathered will be kept confidential pursuant to 5 U.S.C. 552 and consistent with DOT Freedom of Information Act implementing regulations 46 CFR Part 7.

**11. Justification for collection of sensitive information:**

The information gathered is not sensitive as provided above.

**12. Estimate of burden hours for information requested:**

**Applications:**

A total of 10 respondents will each take approximately six (6) hours to complete the TSP application. Therefore, the total annual burden for the computation of data and completion of the application form is 60 hours, which is illustrated in the table below:

This estimate is based on the maximum amount of companies that have suitable vessel(s) to support the program. A similar methodology is used in MARAD’s existing Maritime Security Program (MSP)[[1]](#footnote-2).

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Number of Respondents** | \* | **Responses Per Respondent** | = | **Total Annual Responses** | **\*** | **Burden Hours Per Response** | **=** | **Total Annual Burden Hours** |
| 10 |  | 1 |  | 10 |  | 6 |  | 60 |

*This estimate is based on information readily available to an applicant, typing, review of application, and signature by an appropriate officer.*

**Estimated annualized cost burden**:

The Department of Labor website (<https://www.bls.gov/oes/current/oes_nat.htm>) shows that the average hourly wage rate for a Professional Accountant is $40.37, while the rate for a Secretary (Clerical Typist) is $ 19.75.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Estimated Annualized Burden Cost to Respondents for the Computation of Data and Completion of Application Form** | | | | | |
| **Professional Accountant time 13-2011** | **Average Hourly Wage Rate** |  | **Total Annual Burden Hours** |  | **Estimated Total** |
|  | $40.37 | \* | 30 | **=** | $1,211.10 |
| **Secretary (Clerical Typist) Time 43-6014** |  |  |  |  |  |
|  | $19.75 | \* | 30 | **=** | $592.50 |
| **Combined Total** | | | **60** |  | **$1,803.60** |

**Annual Amendments & Revisions:**

A total of 10 respondents will each take four (4) hours to complete amendments and/or revisions to their application. Therefore, the total annual burden for amendments and revisions is 80 hours, which is included in the table below:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Number of Respondents** | **\*** | **Responses Per Respondent** | **=** | **Total Annual Responses** | **\*** | **Burden Hours Per Response** | **=** | **Total Annual Burden Hours** |
| 10 |  | 2 |  | 20 |  | 4 |  | 80 |

Estimated annualized cost to respondents:

The Department of Labor website (<https://www.bls.gov/oes/current/oes_nat.htm>) shows that the average hourly wage rate for a Professional Accountant is $40.37, while the rate for a Secretary (Clerical Typist) is $ 19.75.

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| --- | --- | --- | --- | --- | --- |
| **Estimated Annualized Cost Burden to Respondents for Amendments and Revisions** | | | | | |
| **Professional Accountant time 13-2011** | **Average Hourly Wage Rate** |  | **Total Annual Burden Hours** |  | **Estimated Total** |
|  | $40.37 | \* | 40 | **=** | $1,614.80 |
| **Clerical Typist Time 43-6014** |  |  |  |  |  |
|  | $19.75 | \* | 40 | **=** | $790.00 |
| **Combined Total** | | | **80** |  | **$2,404.80** |

**Monthly Reporting Requirement for Payment Voucher:**

A total 10 respondents will each take one (1) hour to complete the required monthly payment voucher for a total 12 times per year. Therefore, the total annual burden to complete the payment voucher is 120 hours, which is included in the table below:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Number of Respondents** | **\*** | **Responses Per Respondent** | **=** | **Total Annual Responses** | **\*** | **Burden Hours Per Response** | **=** | **Total Annual Burden Hours** |
| 10 |  | 12 |  | 120 |  | 1 |  | 120 |

**Annual Reporting (Financial Report)**

A total of 10 respondents will each take two hours to complete the required the financial report once annually. Therefore, the total annual burden to complete the payment voucher is 20 hours, which is included in the table below:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Number of Respondents** | **\*** | **Responses Per Respondent** | **=** | **Total Annual Responses** | **\*** | **Burden Hours Per Response** | **=** | **Total Annual Burden Hours** |
| 10 |  | 1 |  | 10 |  | 2 |  | 20 |

**Estimated annualized cost to respondent for the Monthly and Annual Reporting Requirements:**

The Department of Labor website (<https://www.bls.gov/oes/current/oes_nat.htm>) shows that the average hourly wage rate for a Professional Accountant is $40.37, while the rate for a Secretary (Clerical Typist) is $ 19.75.

The total combined burden hours to compete monthly and annual reporting requirements is 140 hours calculated as follows:

120 (total annual burden hours for monthly reporting) + 20 (total annual burden hours for financial reporting) = 140 hours

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Estimated Annualized Cost Burden to Respondents for the Monthly and Annual Reporting Requirements** | | | | | |
| **Professional Accountant time 13-2011** | **Average Hourly Wage Rate** |  | **Total Annual Burden Hours** |  | **Estimated Total** |
|  | $40.37 | \* | 70 | **=** | $ 2,825.90 |
| **Clerical Typist Time 43-6014** |  |  |  |  |  |
|  | $19.75 | \* | 70 | **=** | $1382.50 |
| **Combined Total** | | | **140** |  | **$4,208.40** |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Total Annualized Cost** | | | | | | | | | | |
| **Computation of Data Completion of Application** | **+** | **Combined Annual Amendments and Revisions** | **+** | **Combined Monthly Voucher and Annual Financial Reporting** | **=** | **Combined Total** | **\*** | **Multiplied by Benefits Multiplier** | **=** | **Estimated Grand Total** |
| **$1,803.60** |  | **$2,404.80** |  | **$4,208.40** |  | **$8,416.80** |  | **1.4** |  | **$11,783.52** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Total Number of Respondents**  **(Annual average)** | **Total Responses** | **Total Burdens Hours** | **Total Annualized Respondent Cost** |
| **10** | **160** | **280** | **$11,783.52** |

*NOTE: The Tanker Security Program (TSP) application is sent electronically in PDF (fillable format) to the applicants. Applicants have an option of returning the completed applications via email or printing a hardcopy and returning to MARAD via U.S. postage service.*

*\*Wages for the accountant and clerical worker was taken from the BLS May 2021 National Occupational Employment and Wage Estimates table; https://www.bls.gov/oes/2021/may/oes\_nat.htm*

*(13-2011 Accountants & Auditors) (43-6014 Secretaries & Admin. Assistants)*

**13. Estimate of total annual costs to respondents.**

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

(b) Total Operation and Maintenance and Purchase of Services Estimate: The cost of copying and mailing applications, amendments, and monthly/annual reporting is:

|  |  |
| --- | --- |
| **Applications (10 responses)** | |
| Copying (3 applications x 10 pages @ $.19 (Per price from FedEx[[2]](#footnote-3)) | $5.70 |
| Envelope @ .25 each (Per estimate from STAPLES)[[3]](#footnote-4) | $.25 |
| Postage ($.60 per stamp (Per USPS estimate[[4]](#footnote-5)) \* 3 stamps per application) | $1.80 |
| Combined Total | $7.75 |
| **Total Cost** ($7.75 (cost per respondent) \* 10 (total responses) | **$77.50** |

|  |  |
| --- | --- |
| **Amendments and Revisions (20 responses)** | |
| Copying (3 applications x 10 pages @ $.19) | $5.70 |
| Envelope @.25 each | $.25 |
| Postage ($.60 \* 3 stamps per application) | $1.80 |
| Combined Total | $7.75 |
| **Total Cost** ($18.20 (cost per respondent) \* 20 (total responses) | **$155.00** |

|  |  |
| --- | --- |
| **Monthly and Annual Reporting (130 responses)** | |
| Copying (est. avg. of 69 pages annually) =  4 (total pages per monthly report) \* $ .19 (cost to copy each page) = $ .76 \* 12 responses per respondent = **$9.12**  21 (pages for annual report)\* .19 ( cost to copy each page)= **$3.99** | Total combined copying costs for monthly and annual reporting is: **$ 13.11** |
| Envelope: small envelope @ $ .13 [[5]](#footnote-6)  Monthly report: $.13 (cost per small envelope) \* 12 responses per respondent = **$ 1.56**  Annual report: $.25 (cost per large envelope) \*1 response per respondent = **$.25** | Total combined cost of envelope for monthly and annual reporting is: **$ 1.81** |
| Monthly Report  Postage : $.60 (1 stamp per report) \* 12 (total reports per year): **$ 7.20**  Annual Report Postage: ($.60 \* 3 stamps per application) \* 1 (report per year): **$ 1.80** | Total combined cost of postage for monthly and annual reporting is **$ 9.00** |
| Combined total cost burden for monthly and annual report per respondent | **$23.92**= $17.88 (mailing cost for monthly report per respondent) +$ 6.04 (mailing cost for annual report per respondent) |
| **Combined Total Cost for All Responses** | **130** |
| Total Monthly Reporting Costs: $9.12 + $1.56 + $7.20 = $17.88 (total combined mailing cost) \* 120 (total responses per year) = **$2,145.60**  Total Annual Reporting Cost: $3.99 + $.25 + $1.80 = $ 6.04 \* 10 (total responses per year)=  **$60.4** | **$2,206.00** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Other Total Combined Annual Cost Burden to Respondents** | | | | | | |
| **Applications (10 responses)** | **+** | **Amendments (20 responses)** | **+** | **Monthly and Annual Reporting (130 responses)** | **=** | **Combined Total** |
| $ 77.50 |  | $155.00 |  | $2,206.00 |  | $2,438.50 |

**14. Estimate of cost to the Federal government.**

Estimated cost to the Federal Government: **$68,869.47**

[*SALARY TABLE 2022-DCB (opm.gov)*](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/DCB_h.pdf)

|  |  |
| --- | --- |
| **Applications** | |
| Applications are provided electronically | |
| Copies | $0.00 |
| Mailing | $0.00 |
| IT Costs | $0.00 |
| Total | $0.00 |

|  |  |
| --- | --- |
| **Applications** | |
| Review | |
| Review (est. 30 hrs. ea. on 10 applications [[6]](#footnote-7)–  With an avg. grade level of GS-13 Step 5 @ $58.01) | $17,403 |

*2022 OPM Salary Table for Washington-Baltimore-Arlington locality:* [*https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/DCB\_h.pdf*](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/DCB_h.pdf)

|  |  |
| --- | --- |
| **Applications** | |
| Amendments & Revisions | |
| Review (est. 4 hrs. for 20 amendments with  an avg. grade level of GS-13 Step 5 @ $58.01) | $4,640.80 |

*OPM Salary Table* [*https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/DCB\_h.pdf*](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/DCB_h.pdf)

|  |  |
| --- | --- |
| **Annual & Monthly Reports** | |
| Annual Review | |
| Review (est. 30 hrs. ea. on 10 reports –  With an avg. grade level of GS-13 Step 5 @ $58.01) | $17,403 |

|  |  |
| --- | --- |
| **Annual & Monthly Reports** | |
| Monthly Review | |
| Review (est. 2hr. for 10 reports for 12 months  with an average grade of GS-13 Step 5 @ $58.01) | $13,922.40 |

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Estimated Grand Total (Cost) For All Reports** | | | | | | | | | | | | |
| **Applications Review** | **+** | **Amendments & Revisions** | **+** | **Annual Reporting** | **+** | **Monthly Review** | **=** | **Combined Total** | **\*** | **Benefits Multiplier** | **=** | **Estimated Grand Total** |
| **$17,403** |  | **$4,640.80** |  | **$17,403** |  | **$13,922.40** |  | **$53,369.20** |  | **1.4** |  | **$74,716.88** |

*Include salary costs based on hours, benefits (salary costs times 1.4), and the like.*

**15. Explanation of program changes or adjustments.**

Subtitle B, Title XXXV of the National Defense Authorization Act for Fiscal Year (FY) 2021, authorizes the creation of a new Tanker Security Program (TSP) to establish a fleet of active, commercially viable, militarily useful, privately owned product tank vessels to meet national defense and other security requirements and maintain a United States presence in international commercial shipping. The TSP provides for enrollment of eligible tank vessels in the program for FY 2022 through FY 2035.

**16. Publication of results of data collection**.

There are no plans to publish the results of this information collection for statistical purposes.

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

Approval is not requested to not display the expiration date.

Explain any reasons that display of OMB's expiration date would be inappropriate.

There are no exceptions to the certificate statement.

**18. Exceptions to certification statement.**

*Explain only if any items from Page 2 of the OMB Form 83-I apply.*

Does not apply.

1. Active MARAD collection with similar calculation, *OMB 2133-0525 (Elements for Participation in the Maritime Security Program)***:** <https://www.reginfo.gov/public/Forward?SearchTarget=PRA&textfield=2133-0525&Image61.x=0&Image61.y=0> [↑](#footnote-ref-2)
2. *Price estimates for copying applications were compiled from FedEx:* [*https://www.office.fedex.com/default/copies.html*](https://www.office.fedex.com/default/copies.html) [↑](#footnote-ref-3)
3. *Price estimates for envelopes were compiled from Staples:* [*https://www.staples.com/Quality-Park-10-x-13-Brown-Kraft-Extra-Heavyweight-Clasp-Envelopes-100-Box/product\_426678*](https://www.staples.com/Quality-Park-10-x-13-Brown-Kraft-Extra-Heavyweight-Clasp-Envelopes-100-Box/product_426678) [↑](#footnote-ref-4)
4. *Price estimates for postage costs were compiled from USPS:* [*https://www.usps.com/*](https://www.usps.com/) [↑](#footnote-ref-5)
5. *Price estimate for small envelope is based on Staples:* [*Staples EasyClose Security Tinted #10 Business Envelopes, 4 1/8" x 9 1/2", White, 100/Box (50308) | Staples*](https://www.staples.com/Staples-Easy-Close-10-Security-Tint-Envelopes-100-Box-394057-19037/product_394057) [↑](#footnote-ref-6)
6. Active MARAD collection with similar calculation, *OMB 2133-0525 (Elements for Participation in the Maritime Security Program)***:** <https://www.reginfo.gov/public/Forward?SearchTarget=PRA&textfield=2133-0525&Image61.x=0&Image61.y=0> [↑](#footnote-ref-7)