

**Department of Transportation
Maritime Administration
Information Collection Request (ICR)
OMB 2133-0018
Title XI Obligation Guarantees – 46 CFR Part 298**

SUPPORTING STATEMENT

INTRODUCTION: This submission is to request a three-year extension from the Office of Management and Budget (OMB) for the information collection entitled OMB 2133-0018 (Title XI Obligation Guarantees – 46 CFR Part 298), which expires on September 30, 2024. There is a reduction in the public burden reported since the last renewal to reflect the current respondents to this collection. Additionally, the instructions for both forms associated this collection were modernized to include electronic submission procedures and clarification of previously used terminology. No new questions were added to either form. As such this collection will be submitted as *an extension with a minor change* request.

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

Under 46 United States Code (USC) Chapter (Ch.) 537, the Maritime Administration (MARAD) is authorized to execute a full faith and credit guarantee by the United States (U.S.) of debt obligations, to finance or refinance the construction or reconstruction of vessels, and to modernize and improve shipyards. Specifically, Section 53708 clarifies that prior to executing this guarantee, the Secretary of Transportation must, among other things, determine the economic soundness of a proposed project, and the financial and operating capability of the applicant. The required information is collected through OMB 2133-0018 (Title XI Obligation Guarantees – 46 Code of Federal Regulation (CFR) Part 298) (OMB 2133-0018), which is necessary to evaluate an applicant's project and capabilities, to make the required determinations, and to administer any agreements executed upon approval of loan guarantees.

Per the Reserve Fund and Financial Agreement executed as part of the award of a loan guarantee, recipients are required to submit financial information on a semi-annual basis in accordance with 46 CFR 298.13. This financial information is collected through Form MA-172 Financial Report of Maritime Carrier, which is covered under MARAD existing information collection OMB 2133-0005 (Uniform Financial Reporting Requirements) and excluded from OMB 2133-0018.

The loan guarantee program is one of MARAD's primary means of achieving the Department of Transportation's strategic goal of Global Economic Leadership set under the 2022-2026 Strategic Plan. Specifically, this program is instrumental in achieving in economic competitiveness in the maritime industry by encouraging growth in trade and enhancing the capability of the transportation system to meet national defense needs.

2. Purpose and Use of the Information Collection

MARAD personnel will use the information collected through OMB 2133-0018 to evaluate each applicant's eligibility for participation in a ship or shipyard financing loan guarantee program. To simplify data collection and processing, two separate forms are used (i.e., MA-163 (Instructions and Application for Ship Financing) and MA-163A (Instructions and Application for Shipyard Financing)). Some of the information requested is specific to either financing project, while other collected data is similar for both projects. The burden associated with each form is equal. MARAD personnel will be unable to properly evaluate and provide a decision to an applicant who submits an incomplete application. An incomplete application could result in certain marine projects not being consummated, which could negatively impact the promotion, development, and maintenance of the U.S. maritime industry, as required by 46 USC Ch. 501.

3. Automation or Use of Information Technology

The loan guarantee application is available on the internet via MARAD's website, fully accessible, and can now be completed and submitted electronically for processing. The application must be duly executed and certified by the applicant at time of electronic submission. All required attachments must be included with the application. Applicants must submit one (1) electronic copy of the completed application via the Office of Marine Financing's secure portal. Documents should be submitted in portable document format (.pdf), while financial spreadsheets should be in an unlocked Excel format (.xls or .xlsx) with formulas.

The application review process involves multiple MARAD office personnel with diverse responsibilities. As such, an effort is made to ensure that collected data is disseminated promptly to each involved program office, to facilitate an expeditious review and decision process.

4. Efforts to Identify Duplication

With the exception of the audited financial statements, no other collection compiles similar data that can be used or modified for use for this collection.

5. Impacts on Small Businesses or Other Small Entities.

Per the Small Business Administration's guidelines, collected data for this collection has a minimal impact upon small business.

6. Impact of Not Conducting or Less Frequent Collection of Information

The collected information will be used to determine the applicant's eligibility for program participation. Without the collected data MARAD personnel would be unable to properly administer both financing programs.

7. Special Circumstances Relating to the Guidelines 5 CFR 1320.5.

MARAD requires the submission of up to 10 copies of the initial application so that personnel in different MARAD may provide simultaneous and timely review and analysis of each application.

There is no other special circumstance that require this collection of information to be collected conducted in a manner described below:

- Requiring respondents to report information to MARAD more often than quarterly;
- Requiring respondents to prepare a written response in fewer than 30 days after receipt of a collection instrument;
- Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
- Requiring the use of statistical data that is not designed to produce valid and reliable results that can be generalized to the universe of study;
- Requiring the use of statistical data classification that has not been reviewed and approved by OMB;
- Requiring a pledge of confidentiality; or
- Requiring respondents to submit any proprietary or trade secrets

8. Public Comments In Response to the Federal Register Notice and Outside Consultation

MARAD published a 60-day notice and request for comments on this information collection in the Federal Register (FR 36847, Vol 89, No. 87) on May 3, 2024, indicating comments should be submitted on or before July 2, 2024. No comments were received. A 30-day notice will now be published in the Federal Register to solicit public comments.

Prior to submitting of a loan guarantee application, applicants are encouraged to meet with MARAD staff to discuss information to be included in their package. During these meetings, MARAD personnel will obtain feedback from applicants about the availability of data, frequency of collection, and the clarity of instructions. MARAD staff members also communicate with respondents about the need and reporting requirements for collected information. Revisions to the requirements are routinely discussed with maritime industry officials outside MARAD.

9. Explanation of Any Payment or Gifts to Respondents

There is no payment or gift provided to respondents.

10. Assurance of Confidentiality and Protection of Privacy

Under the existing regulation governing the loan guarantee program, the applicant is provided information relating to confidential treatment of the material supplied to MARAD, as provided in 46 Code of Federal Regulations (CFR) 298.3(d) and 5 USC 552. As the

collected information is voluntary, the applicant is not required to provide the information unless they desire to participate in the loan guarantee program.

11. Justification for Sensitive Questions

There are no questions of a sensitive nature.

12. Estimate of Annualized Burden Hours and Cost

a. Estimate of Annualized Burden Hours

An estimated 4 respondents will take approximately 150 hours each to respond once annually to Form MA-163 (Instructions and Application for Ship Financing) for a total 600 hours. On the other hand, one respondent will take 150 hours to respond once annually to MA-163A (Instructions and Application for Shipyard Financing) for a total 150 hours. Altogether, a total combined 5 respondents will take an average 150 hours each to respond once to this collection, for a total combined 750 hours, which is calculated as shown in the table below:

| Form Type | Total Respondents | | Total Responses per Respondent | | Total Responses | | Average Time Taken to Respond (Hour) | | Total Burden Hours |
|--|-------------------|---|--------------------------------|---|-----------------|---|--------------------------------------|---|--------------------|
| Form MA-163 (Instructions and Application for Ship Financing) | 4 | | | | 4 | | | | 600 |
| Form MA-163A (Instructions and Application for Shipyard Financing) | 1 | * | 1 | = | 1 | * | 150 | = | 150 |
| TOTAL | 5 | * | 1 | = | 5 | * | 150 | = | 750 |

b. Estimated Annualized Cost Burden

The Bureau of Labor and Statistics (BLS)¹ estimates that the average hourly wage for the following professionals as follows: Chief Executive (11-1011) is \$ 124.47, Accountants and Auditors (13-2011) \$ 43.65, Statisticians (15-2041) is \$52.50, Lawyers (23-1011) is \$84.84, Office Clerks, General (43-9061) is \$20.94, Office and Administrative Support Workers, All Other (43-9199) is \$22.41.

When combined the total compensation rate of 29%², the annualized hourly rate for each professional is as follows: Chief Executive (11-1011) is \$ 160.57, Accountants and Auditors

¹ The hourly wage estimate is taken from current BLS tables: https://www.bls.gov/oes/current/oes_nat.htm.

² Per BLS Employee Compensation Memo, the total compensation rate for the private sector is 29%, :<https://www.bls.gov/news.release/pdf/ecec.pdf>

(13-2011) is \$ 56.31, Statisticians (15-2041) is \$67.73 Lawyers (23-1011) is \$109.44 , Office Clerks, General (43-9061) is \$ 27.01, Office and Administrative Support Workers, All Other (43-9199) is \$28.91. Therefore the total annualized cost burden for all individuals associated with preparing and submitting data in response to this collection is \$ 83,889.25, which can be calculated as show in the table below:

| Title and Code of Respondents | Average Hourly Wage Rate With 29% Compensation | | Number of Employees | | Total Compensation Rate for Employees | | Total Annualized Burden Hours | | Total Annualized Cost Burden |
|--|--|---|---------------------|---|---------------------------------------|---|-------------------------------|---|------------------------------|
| Chief Executive (11-1011) | \$ 160.57 | | 1 | | \$ 160.57 | | 100 | | \$ 16,057.00 |
| Accountants and Auditors (13-2011) | \$ 56.31 | | 1 | | \$ 56.31 | | 225 | | \$ 12,669.75 |
| Statisticians (15-2041) | \$ 67.73 | | 2 | | \$ 135.46 | | 225 | | \$ 30,478.50 |
| Lawyers (23-1011) | \$ 109.44 | * | 2 | = | \$ 218.88 | * | 100 | = | \$ 21,888.00 |
| Office Clerks, General (43-9061) | \$ 27.01 | | 1 | | \$ 27.01 | | 50 | | \$ 1,350.50 |
| Office and Administrative Support Workers, All Other (43-9199) | \$ 28.91 | | 1 | | \$ 28.91 | | 50 | | \$ 1,445.50 |
| TOTAL | | | | | | | 750 | | \$ 83,889.25 |

13. Estimate of Total Annual Cost Burden to Respondents and/or Record Keepers

a. **The Estimated Annual Cost:** The total annual cost for respondents to respond to this collection is \$25,000, which is calculated as follows:

$$\$5,000 \text{ (Total application fee per respondent)} * 5 \text{ (Total respondents)} = \$ 25,000.00$$

b. **Total Operation and Maintenance and Purchase of Services:** There are no operational and maintenance and/or purchase of service costs associated with this information collection.

14. Estimate of Federal Government Costs

The total annual cost to the Federal Government for processing applications associate with this collection is \$ 483,453.75.

According to the Office of Personnel Management (OPM)³ wage tables, the hourly wage

³ The hourly Federal Government wage is taken from OMB 2024 wage tables: https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/24Tables/html/DCB_h.aspx

rate for one GS-14 -Step 5 employee with a Washington-Baltimore-Arlington locality pay is \$ 75.70. When combined with the Federal Employee Compensation rate of 31%⁴, the total hourly wage rate for this employee is \$99.17. Therefore, the total cost for 15 GS 14 (Step 5) employees in various areas of the Maritime Administration who spend an average of 65 hours of their time collecting and assimilating information submitted for five applications annually, can be calculated as shown in the table below:

| FTE Grade and Step | Average Hourly Wage Rate with 31% Compensation | | Total Employees | | Total Cost for each Employee | | Total Hours (per application) | | Total Cost Per application |
|--------------------|--|---|-----------------|---|------------------------------|---|-------------------------------|---|----------------------------|
| GS 14 (Step 5) | \$ 99.17 | * | 15 | = | \$ 1,487.55 | * | 65 | = | \$96,690.75 |

| Total Cost to Process an Application | | Total Applications | | Total Federal Government Wages |
|--------------------------------------|---|--------------------|---|--------------------------------|
| \$96,690.75 | * | 5 | = | \$ 483,453.75 |

15. Explanation of Program Changes or Adjustments

Since the last renewal, there has been change in the public burden reported in this collection. Specifically the total respondents and burden hours have reduced from 10 and 1,500 hours in 2021, to 5 respondents and a total of 750 hours respectively in the current renewal.

16. Publication of Data Collection Results

All information supplied in part I of the application will be released for public information purposes only. Specifically, data supplied in Parts II through V of both applications will be subject to disclosure under the provisions of the Freedom of Information act (FOIA), 5 USC 552.

17. Display of the OMB Expiration Date

MARAD is not seeking approval to omit displaying the expiration date for this collection

18. Exceptions to the Certification Statements

There are no exceptions to this certificate statement.

⁴ Per BLS Employee Compensation Memo, the total compensation rate for the Federal Government is 31%, :<https://www.bls.gov/news.release/pdf/ecec.pdf>