INFORMATION COLLECTION SUPPORTING STATEMENT

Imposition and Collection of Passenger Civil Aviation Security Service Fee
OMB Control Number 1652-0001
Exp. 3/31/2025

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. (Annotate the CFR parts/sections affected).***

   To help defray the Federal government's costs of providing civil aviation security services, the Transportation Security Administration (TSA) is required to impose the September 11th Security Fee on passengers of air carriers and foreign air carriers (collectively referred to as "carriers"). *See* 49 U.S.C. 44940. This requirement is implemented under TSA regulations in 49 CFR part 1510. Consistent with 49 U.S.C. 44940(a), the regulations require that the fee be imposed on passengers with air transportation or intrastate air transportation originating at an airport within the United States. *See* 49 CFR 1510.5(a). The regulations require carriers to collect the fees from passengers and remit collections monthly to TSA. *See* 49 CFR 1510.9 and 49 CFR 1510.13. This fee is collected to partially offset Federal Government costs of providing aviation security through TSA programs.

   This collection is necessary because of the requirements of 49 CFR 1510.17 for carriers to submit quarterly reports to TSA and to retain the information for 3 years. These reports are used to confirm that the fees are being collected as required by the regulation. Information collected during a given fiscal year (October 1 through September 30) needs to be retained for three subsequent fiscal years to effectively establish compliance. For example, information collected during fiscal year 2020 should be retained through fiscal year 2023. The retained information should include the quarterly reports remitted to TSA, and the calculations and allocations performed to remit reports to TSA – such as the amounts imposed on, collected from, and refunded to passengers. *See id.*

   Effective January 23, 2003, TSA suspended a requirement under 49 CFR 1510.15 for each air carrier that collects security service fees from more than 50,000 passengers to submit to TSA an annual independent audit, performed by an independent certified public accountant, of its security service fee activities and accounts because of the relative burdens and benefits of independent audits for this fee. *See* 68 FR 3192 (Jan. 23, 2002). Should the auditing requirement be reinstated, the requirement would include information and documents reviewed and prepared for the independent audit, including (1) the accountant's working papers, notes, worksheets, and other relevant documentation used in the audit and (2) if applicable, the specific information leading to the accountant's opinion, including any determination that the accountant could not provide an audit opinion. Although TSA suspended the independent audit requirement, TSA conducts audits of the carriers and, therefore, requires carriers to retain and provide the same information as required for the quarterly reports and independent audits. *See* 49 CFR 1510.19.

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.***

   TSA collects the information related to the September 11th Security Fee to monitor air carrier compliance with the fee requirements, for auditing purposes, and to track performance measures.

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. [Effective 03/22/01, your response must SPECIFICALLY reference the Government Paperwork Elimination Act (GPEA), which addresses electronic filing and recordkeeping, and what you are doing to adhere to it. You must explain how you will provide a fully electronic reporting option by October 2003, or an explanation of why this is not practicable.]***

   Carriers have the latitude and flexibility to maintain the required information in a manner that best meets their particular needs, which includes electronic maintenance and submission of this information. Reports may be submitted electronically via https://pfdps.tsa.dhs.gov/s/. Alternatively, carriers may print and submit a written form (TSA Form 2052, available at https://www.tsa.gov/sites/default/files/TSA_Form_2504.pdf). Thus, this collection is in compliance with the Government Paperwork Elimination Act. Electronic signatures are not applicable to this program. TSA estimates that carriers maintain approximately 95 to 99 percent of the records electronically.

   TSA completed a usability test on the information collection. The purpose of the test was to determine the accuracy of the burden estimate, the use of plain language in the electronic collection instructions and the functionality of the electronic collection. The test included seven participants with each participant completing two electronic submissions. All of the participants were familiar with the information being collected but were not familiar with the electronic information submission process. The test indicated the average submission time was less than 2 minutes and all submissions were completed in under 2 minutes. Overall, the participants found the instructions to be clear and that the electronic collection functioned properly. The participants had no questions and did not make any recommendations to the information collection language or functionality.

4. ***Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purpose(s) described in Item 2 above.***

   This information is not collected elsewhere in any form; therefore it is not a duplicative collection.

5. ***If the collection of information has a significant impact on a substantial number of small businesses or other small entities (Item 5 of the Paperwork Reduction Act submission form), describe the methods used to minimize burden.***

   This information collection does not have an impact on small business or other small entities.

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 burden.***

   The fee is established under 49 U.S.C. 44940 to partially offset Federal Government costs of providing aviation security through TSA programs. Under paragraph 44940(e)(4), TSA is authorized to "require the provision of such information as the Administrator … decides is necessary to verify that fees have been collected and remitted at the proper times and in the proper amounts." Consistent with this authorization, TSA uses the collected information to ensure that carriers are properly imposing and collecting the fee from each passenger and submitting the fee to TSA in a timely manner. The lack of this information could result in incomplete audit results and the inability to manage air carrier compliance. The loss of revenue from an inability to detect failure to comply would affect the amount of revenue intended to be collected to offset government costs, including the costs of providing civil aviation security by TSA.

7. ***Explain any special circumstances that require the collection to be conducted in a manner inconsistent with the general information collection guidelines in 5 CFR 1320.5(d)(2).***

   This collection is conducted consistent with 5 CFR 1320.5(d)(2).

8. ***Describe efforts to consult persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported. 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.***

   As required by 5 CFR 1320.8(d), TSA published a 60-day notice for comment, on September 4, 2024 (89 FR 71918), and a 30-day notice on November 25, 2024 (89 FR 92960). The agency received no comments.

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

   TSA does not provide payments or gifts to the respondents.

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

There are no assurances of confidentiality provided to the respondents for this information collection. Privacy Impact Assessment (PIA) coverage is provided under DHS/ALL/PIA-006 General Contact Lists. (June 15, 2017).

11. Provide additional justification for any questions of sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

TSA does not ask questions of a sensitive nature.

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

TSA has estimated that 188 total respondent carriers will spend approximately 1 hour on quarterly reports, for a total of 752 hours per year. Should the audit requirement be reinstated, TSA estimates that 113 carriers of the 188 total respondent carriers, collect fees from more than 50,000 passengers annually, and will be required to submit annual audits. These carriers will spend approximately 20 hours on audit preparation, for a total of 2,260 hours annually. The total annual hour burden for quarterly reports and annual audits is estimated at 3,012 hours. TSA estimates the total annual responses to be 301 (188 plus 113, should the annual audit requirement be reinstated).

	Number of Air Carriers	Hours per Response	Yearly Response	Total Hours of Burden
1	188 (Reporting)	1 hour	4 (Quarterly)	752
2	113 (Audit)	20 hours	1	2,260
Total				3,012

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

TSA estimates that the 188 air carriers will each incur an average cost of $473.96 annually to satisfy the quarterly reporting requirement. This estimate includes $402.96 in labor[1] for preparation of each quarterly reports (4 reports x $100.74 per hour, each quarterly report is estimated to take 1 hour to prepare), and $71.00 in annual records storage related costs. TSA estimates an aggregate annual cost of $89,104.48 ($473.96 cost x 188 air carriers) for all air carriers to prepare, store, and submit quarterly reports and a cost of $267,313.44 for the three-year extension period requested.

[1] TSA estimates wages using wages for Managers in the Scheduled Air Transportation Industry. BLS, May 2023 National Industry-Specific Occupational Employment and Wages, NAICS 481100 Scheduled Air Transportation, 11-0000 Management Occupations, https://www.bls.gov/oes/2023/may/naics3_481000htm#11-0000. TSA calculates a fully loaded wage rate by calculating a private sector load factor for the transportation sector. BLS, Employer Costs for Employee Compensation, March 2024 Data (released June 2024), Table 5. All Private Industry Workers, Production, transportation, and material moving. https://www.bls.gov/news.release/archives/ecec_06182024.htm. Accessed August 12, 2024.

Per-Carrier Annual Reporting Requirement Cost

Reports	Cost Per Hour	Prep Time	Storage Cost	Postage	Formula	Total Costs
4	$100.74	1 hr.	$71	$0	(4 x $100.74 x 1) + $71 + (4 x $0)	$473.96

Industry-wide Reporting Requirement Cost

Year	# of Air Carriers	Average Cost	Aggregate Cost
1	188	$473.96	$89,104.48
3	188	$89,104.48	$267,313.44

TSA estimates the "expected cost" associated with an independent audit requirement for 113 air carriers. This estimate includes $3,431.00 in labor for preparation of an annual audit (20 hours x $167.81 per hour), $71.00 in annual records storage related costs, and $3.80 for postage to submit the report. TSA estimates an aggregate annual cost of $387,703.00 ($3,431 cost x 113 air carriers) for all air carriers to prepare, store, and submit the annual report. Because TSA suspended the independent audit requirement in 2003, the costs estimate takes into account the likelihood an annual audit would be required. TSA assumes the likelihood of an annual audit is once every 20 years based on the fact that an independent audit has not been required since inception of the fee. Thus, the aggregate annual "expected cost" of an independent audit requirement is $19,385.15 ($387,703.00 total cost x 5% likelihood of audit) and a likely cost of $58,155.45 for the three-year extension period requested.

Per-Carrier Annual Audit Requirement Cost

Report	Cost Per Hour	Prep Time	Storage Cost	Postage	Formula	Total Costs
1	$167.81	20	$71	$3.80	(1 x $167.81 x 20) + $71 + $3.80)	$3,431.00

Industry-wide Audit Requirement Cost

Year	# of Air Carriers	Average Cost	Likelihood of Audit to Occur[2]	Aggregate Cost
1	113	$3,431	5%	$19,385
3	113	$10,293	5%	$58,115

14. Provide estimates of annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, and other expenses that would not have been incurred without this collection of information.

TSA hosts a data portal to electronically collect quarterly information. TSA has already incurred the development costs for creating this data collection portal. As such, the costs TSA would incur on an ongoing basis are limited to operations and maintenance of the collection portal. The estimated cost to the Federal Government of collecting this information through the data portal is $200,000 annually. Presently the portal is hosted and

[2] Based on historical observation that an audit has not been performed in the last 22 years of implementation. Assuming one occurs in the present, TSA extrapolates this rate to estimate the expected average annual and three-year cost from an industry-wide audits. 5% = 1 ÷ 20 years,

maintained in-house by TSA. TSA expects that the average annual cost of maintaining this system will remain approximately $200,000 annually for future fiscal years.

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

TSA has adjusted industry cost estimates to consider updated estimated number of air carriers subject to the regulation as indicated in the ICR. Previously, TSA estimated 170 respondents and based its cost estimates on that number. In this ICR, TSA estimates the regulation would affect 188 affected air carriers and has made adjustments to the calculations to be consistent with that estimate. Additionally, labor rates and other cost items were updated to consider the most current pricing.

TSA has adjusted the costs to the Federal Government to be consistent with recent cost estimates related to TSA to operate and maintain the platform. Previously TSA estimated annual operations and maintenance costs of the data portal at $200,000. TSA continues to estimate an annual operations and maintenance cost of the data portal at $200,000.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

This information collection will not be published for statistical purposes.

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.

TSA is not seeking approval to not display the expiration date for OMB approval of this information collection.

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

TSA does not request an exception to the certification of this information collection.