

SUPPORTING STATEMENT PART A
U. S. Department of Commerce
International Trade Administration
Foreign-Trade Zone Applications
OMB Control No. 0625-0139

Abstract

This is a request for a renewal without changes of a currently approved information collection.

1The Foreign-Trade Zones Act (enacted in 1934) established the Foreign-Trade Zones Board (comprised of the Secretaries of Commerce and Treasury) to license and regulate foreign-trade zones (FTZs) in the United States. The purposes of the program are to help encourage exports and to assist firms engaged in domestic operations (ranging from warehousing to manufacturing) to compete with facilities located abroad. State and local officials use FTZs as part of their economic development efforts to maintain and increase employment by attracting international trade-related activity. There are now more than 260 U.S. communities with zones, with over 1,300 active FTZ facilities in operation.

FTZs are licensed by the FTZ Board and supervised by U.S. Customs and Border Protection (CBP). FTZ facilities are associated with ports of entry for warehousing, processing, and manufacturing operations involving foreign goods prior to their formal customs entry. Managed by public and private corporations (referred to as FTZ “grantees”) under public utility principles (published and non-discriminatory rates), FTZs provide procedures that allow firms to bring in foreign goods and materials for duty and quota-free export operations; and, while a customs entry must be made on goods entering the domestic market, savings can result from flexibility as to when and how duties are charged. Specific FTZ Board approval is required for all manufacturing conducted under zone procedures within FTZs.

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.

Before a grant of authority can be issued or a zone can be expanded, the FTZ Act and Regulations require that an application with a description of the proposed project be made to the FTZ Board (19 U.S.C. 81b and 81f; 15 CFR §400.21-26). Depending on the type of authority being requested, applicants are required to complete one of several different types of documents.

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.

Information submitted in FTZ applications is used by Board members (Commerce and Treasury officials) and their staffs; by local CBP officials (Port Directors); CBP headquarters, as an advisor to the Board; and, by the FTZ Staff in its review of the request. The information is essential for determining compliance with the FTZ Act and Regulations and formulating a recommendation or making a decision. Determining whether a proposal is in the public interest (positive net economic effect) often requires specific detailed information that only an applicant can provide.

While the information submitted in FTZ applications is used primarily by the FTZ Board members, CBP and FTZ staff in reviewing the request for FTZ benefits, the applications can also be reviewed during the public comment period by firms – or associations representing firms – that compete with products to be produced in FTZs or compete with foreign parts to be used in zone manufacturing. These firms and associations need the information in zone applications so they can analyze the proposal and determine whether it might adversely affect them. If they believe that there would be such adverse effects, these firms or groups may provide comments to the Board (indicating why the proposal should not be approved) using the information presented in the application.

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.

The response to this question should be consistent with the information provided in field 13(b)(1) of the OMB 83-I form.

FTZ applications may only be submitted electronically. The submission of the applications electronically has reduced the burden hours and cost associated with this information collection.

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.

The FTZ Board has taken a number of steps to eliminate duplication and simplify the applications submitted. The FTZ Board revised its regulations in 2012 in a manner that significantly simplified the application requirements for many program users. These steps greatly reduced the time required to prepare and submit FTZ applications. As specifically provided in the revised regulations, the application forms convert the information required in the regulations

into simple question and answer formats. Simplified formats reduce the time and other expenses required for companies to access the FTZ program. The information collected is not available from any other source.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

The size of the FTZ usually determines the size of and, therefore, the effort which goes into, an application. In this way, small businesses inherently have a lesser burden than larger businesses applying for FTZ status. In addition, the FTZ Board's revised regulations have simplified and expedited application process for manufacturing authority, which is particularly beneficial to small- and medium-sized manufacturers.

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 information that is submitted in FTZ applications is not already available to the government -- it involves material and information that can only be furnished by the applicant. If the FTZ Board did not receive this information from applicants, it could not conduct properly its obligatory analysis under the FTZ Act and Regulations.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

1The information collection is required when FTZ benefits are requested by FTZ users, the frequency and timeframe for preparation are based entirely on the applicant's needs for new or additional FTZ authority. Although the PRA guidelines indicate a three- year record-keeping period, FTZ applicants must retain a copy of their application for as long as they maintain FTZ status. This is because it is the responsibility of the applicant to ensure that the activity conducted within a zone complies with the authority approved by the FTZ Board. The specific details of each approval are described in the applications and vary substantially from zone to zone. Only one copy of the application is required to be submitted electronically. The information collection is not related to any statistical surveys, nor does it require the use of any statistical data classification. No pledge of confidentiality is required. No proprietary trade secret or confidential information is collected from respondents for which the agency cannot demonstrate that it has instituted procedures to protect the information's confidentiality by law.

8. If applicable, provide a copy and identify the date and page number of the 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.

The Federal Register notice soliciting public comments on the information collection was published on March 31, 2025 (Volume 90, Number 60, page 14242).

A public comment was received specific to the Information Collection pertaining to production notifications. Specifically, the commenter stated that the FTZ Board should require additional information from applicants related to current job figures for proposed FTZ sites to track job retention and/or expansion, and to provide the Alternative Site Framework Minor Boundary Modification application as a fillable PDF including an electronic signature line for the grantee. The comment provided did not pertain to cost or hour burden of the Information Collection. The comments were considered; however, the additional information proposed in the comments is not necessary for the FTZ Board's review of the request and would therefore add burden to applicants without providing better outcomes in the decision process.

The Foreign Trade Zones Board staff is in contact with zone grantees on a continuous basis throughout the year and welcomes feedback regarding the information collection. Several grantee outreach sessions are conducted every year in order to consult with grantees regarding the reporting requirements, accuracy of instructions and reporting requirements.

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

There are no payments or gifts to respondents¹.

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

Respondents' submissions generally do not contain confidential data. If it were necessary for applicants to submit proprietary data, the regulations (15 CFR §400.54(c)) enable the FTZ Board to assure the confidentiality of the data. (In such cases, the FTZ staff would first attempt to find a non-confidential alternative that would be acceptable to the respondent.)

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

1Information of a sensitive nature is not requested from grantees.

12. Provide estimates of the hour burden of the collection of information. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated.

A) Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.

BURDEN HOURS

The estimated burden hours for the collection of information for FTZ applications ranges from 3.5 hours to 131 hours per response, and is broken down as follows, depending on the type of application - each type of application is treated separately:

Information Collection Instrument	Burden Hours per Application (a)	Number of Applications (b)	Total Burden Hours (a) X (b) = C
New Zone Application	131 hours	2	262 hours
Reorg/Exp Application	99 hours	11	1,089 hours
Subzone Application	4 hours	21	84 hours
Production Notification	5.5 hours	50	275 hours
Production Application	34 hours	3	102 hours
Minor Modification Application	3.5 hours	200	700 hours
Application for Waiver	9 hours	1	9 hours
Totals		288 Applications	2,521 Total Burden Hours

B) Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories.

The total annualized cost in burden hours to respondents for submitting the IC is found in the following table. The cost was calculated using the median hourly wage of “Other Management Occupations, 11-9000”, \$50.01 per hour, from the Bureau of Labor Statistics website.¹

¹ <https://data.bls.gov/oes/#/industry/000000>

Information Collection Instrument	Annual Responses (a)	Total Burden Hours (b)	Wage Rate (c)	Total Annualized Costs
New Zone Application	2	262	\$50.01 hr.	\$13,102.62
Reorg/Exp Application	11	1,089	\$50.01 hr.	\$54,460.89
Subzone Application	21	84	\$50.01 hr.	\$ 4,200.84
Production Notification	50	275	\$50.01 hr.	\$13,752.75
Production Application	3	102	\$50.01 hr.	\$ 5,101.02
Minor Modification	200	700	\$50.01 hr.	\$35,007.00
Application for Waiver	1	9	\$50.01 hr.	\$ 450.09
Totals	288	2,521		\$126,075.21

13. Provide estimates of the total annual cost burden to respondents or record keepers resulting from the collection of information, (do not include the cost of any hour burden shown in items 12 and 14). The cost estimates should be split into two components: (a) a total capital and start-up cost component annualized over its expected useful life;

There are no capital and start-up costs associated with this information collection.

and (b) a total operation and maintenance and purchase of services component.

FTZ applications are only submitted electronically, so the only cost incurred resulting from the collection would be for certain types of applications that have application fees as follows: expansion of zone = \$1,600 dollars; new zone = \$3,200 dollars; subzone = \$4,000 or \$6,500 dollars. There is no fee to submit production notifications, production applications, minor boundary modifications or waivers.

IC Instrument	Application Fee (a)	Number of Applications (b)	Total Annual Cost (a)x(b) = C
New Zone Application	\$3,200	2	\$6,400
Reorg/Exp Application	\$1,600	11	\$17,600
Subzone (Warehousing)	\$4,000	15	\$60,000
Subzone (Production)	\$6,500	6	\$39,000
Totals			\$123,000

14. Provide estimates of annualized cost to the Federal government. Provide a description of the method used to estimate cost and any other expense that would not have been incurred without this collection of information.

The annualized cost to the Federal government in salaries for the FTZ Board staff to review and process 288 FTZ applications (New Zone applications, Reorganization/Expansion applications, Subzone applications, Production Notifications, Production applications, Minor modifications and applications for Waivers) can be found in the following table:

Federal Oversight Cost (GS Staff)	Total Hours	Hourly Rate	Total
GS 15 Review Cost	539 hours	\$77	\$41,503
GS-13 Review Cost	2,849 hours	\$66	\$188,034
GS-9 Review Cost	317 hours	\$32	\$10,144
Total			\$239,681

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

There are no significant program changes or adjustments. The median hourly wage rate was increased to reflect updates published by the Bureau of Labor Statistics.

16. For collections of information whose results are planned to be published, outline plans for tabulation and publication.

The information collection is not published.

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.

The OMB number and expiration date will be displayed on the forms.

18. Explain each exception to the certification statement identified in Item 19 "Certification for Paperwork Reduction Act."

A. Certification Statement

This collection does not employ statistical methods.