

Supporting Statement
Deferral of Duty on Large Yachts Imported for Sale
1651-0080

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.**

This collection of information is required to ensure compliance with 19 U.S.C. 1484b, which provides that an otherwise dutiable yacht that exceeds 79 feet in length, is used primarily for recreation or pleasure, and had been previously sold by a manufacturer or dealer to a retail customer, may be imported without the payment of duty if the yacht is imported with the intention to offer it for sale at a boat show in the United States. The statute provides for the deferral of payment of duty until the yacht is sold but specifies that the duty deferral period may not exceed 6 months. This collection of information is provided for by 19 CFR 4.94a and 19 CFR 4.95, which requires the submission of information to CBP such as the name and address of the owner of the yacht, the dates of cruising in the waters of the United States, information about the yacht, and the ports of arrival and departure.

There is no CBP form that is utilized to facilitate the deferral of duty for large yachts. The requirements of 19 CFR § 4.94a, states the importers obtain a single-entry bond and provide it to CBP, along with a certification that states the boat is imported for sale at a boat show. CBP places the bond in a suspense file for verification, and that within six months the vessel is either exported or entered with applicable duties paid.

There is currently no automated process to track Boat Show Bonds, therefore, each port of entry would have to track their bond counts. The program office has to reach out and coordinate with each different seaport directors.

- 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.**

This information is submitted so that the importer of the yacht can certify to CBP that the yacht will be sold. That information is also used by CBP officers to defer duties under 19 U.S.C. 1484b.

- 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.

This collection is submitted by paper to the local port director only 50 times per year so it would not be cost-effective to automate it.

- 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.**

Failure to collect this information would deter CBP's enforcement of applicable laws and regulations.

- 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 60-day FRN published on February 15, 2023 (88 FR 9890) on which no comments were received and a 30-day FRN published April 27, 2023 (88 FR 25668) 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.**

The DHS/CBP/PIA-003(b) for the Automated Commercial Environment, dated July 31, 2015, updated March 2020, and the DHS/CBP-001 SORN for Import Information System, dated July 26, 2016 (Vol. 81, Page 48826), will be included in this ICR. There are no assurances of confidentiality provided to respondents.

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, 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.**

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
Deferral of Duty on Large Yachts Imported for Sale	50	50	1	50	60 minutes (1 hour)

Public Cost

The estimated cost to the respondents is \$1,741. This is based on the estimated burden hours (50) 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 record keeping, 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.

The estimated annual cost to the Federal Government associated with the review of these documents is \$543. This is based on the number of responses that must be reviewed (50) multiplied by the time burden to review and process each response (0.16 hours) = 8 hours multiplied by the average hourly loaded rate for a CBP Officer (\$67.92)² = \$543.

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

There has been no increase or decrease in the estimated annual burden hours previously reported for this information collection and no changes to the information collected or the method of collection.

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.

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.supptoc.htm>. Accessed May 25, 2022.

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.

- 17. If seeking approval to not display the expiration date, explain the reasons that displaying the expiration date would be inappropriate.**

There is no form involved with this collection of information.

- 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.