

**SUPPORTING STATEMENT**  
**FOR PAPERWORK REDUCTION ACT SUBMISSIONS**

**A. JUSTIFICATION**

**Summary**

Sales of U.S. agricultural commodities covered under the Export Enhancement Program (EEP) and Dairy Export Enhancement Program (DEIP) are, despite U.S. Government involvement, considered normal commercial sales. As such, most information required for submission of offers, payment of bonuses, and enforcement and termination of agreements with the Commodity Credit Corporation (CCC) is information that would already be in the possession of the exporter and thus, readily available. The only information not normally available would be (1) the performance security and (2) the entry certificate. We cannot stress strongly enough that commercial export sales could not take place without this data. Therefore, there is no reason to assume that CCC is requiring the exporter to maintain or provide information which would not normally be a necessary factor of conducting export transactions or records maintenance for accounting or tax purposes other than that mentioned above.

**1. Explain the circumstances that make the collection of information necessary.**

The information collection is necessary to determine if potential EEP and DEIP participants are eligible to receive the benefits of the programs.

**Identify any legal or administrative requirements that necessitate the collection.**

<b>Information Required for Collection</b>	<b>Reason for Information Collection</b>	<b>Legal Requirement</b>
Qualification Requirements for Exporters - Evidence of an organized business, citizen or legal resident of the U. S.  Certification of business regarding participation in U. S. government administered programs.	Permits CCC to determine if an applicant is legally registered to conduct business in the United States.  Protects the U. S. Government from contracting with debarred or suspended companies or individuals.  (See attached template)	1494.301
Performance security.	Ensures that CCC is protected in cases of non-performance of an agreement entered into between CCC and an exporter, and that CCC is able to collect any liquidated damages which it may be due.	1494.401
Submission of Offers to CCC	Enables CCC to determine if the offer is responsive to the Invitation for Offers and	1494.501

	meets price and bonus ranges which are acceptable for the delivery as stated in the offer. In the case of multiple offers submitted by more than one exporter under an Invitation for Offers, enables CCC to determine ranking of bonuses so that awards can be made on a competitive basis.	-
Request for payment of bonus.  Entry certificate.	Enables CCC to determine if the exporter has complied with the terms of the agreement, and if they have, then determine the amount of subsidy to be granted to the exporter. Proof of entry of the commodity into the eligible foreign country enables CCC to determine if the exporter is eligible for payment of the bonus under Option B.	1494.701
Request for amendment to an agreement.	Enables CCC to determine if the proposed amendment is acceptable or may be unacceptable because the proposed changes cause the agreement to fall out of the original parameters used in reviewing the agreement.	1494.801
Dispute resolution and appeals.	Enables CCC to evaluate whether any program determinations (e.g., liquidated damages) should be reconsidered.	1494.901
Maintenance of Records	Enables CCC to review exporter documentation related to program participation.	1494.1001

A copy of 7 C.F.R. Part 1494, Subpart B is attached.

**2. Indicate how, by whom, and for what purpose the information is to be used. Indicate the actual use the agency has made of the information received from the current collection.**

Information is collected from participating U. S. exporters in order to determine the exporters' eligibility for EEP and DEIP program benefits. Information must be provided in writing and is generally collected in a letter format via facsimile. Exporters may submit original qualifications, offers and amendments via the Internet. Information is collected whenever an exporter desires to participate in the EEP or DEIP programs. This information is not shared with organizations outside of USDA.

The following explains the specific uses of the various types of information collected:

**Qualification Requirements** - Collection of information as required by 7 C.F.R. Part 1494.301 is used by CCC personnel to determine if the exporter meets the regulatory requirements for program participation.

**Performance Security** - If CCC did not require the submission of a suitable performance security as required under section 1494.401, CCC might be unable to collect monies due for liquidated damages, and thus cause CCC monetary losses.

Submission of Offers - Without the submission of offers as required under section 1494.501, CCC would be unable to determine the eligibility of export sales for the program, thus making the program of no benefit to anyone.

Request for Payment of Bonus - The information required under section 1494.701 is necessary to ensure that the exporter has exported within the terms of the agreement and is compensated only in the appropriate amount. Without this information, CCC could make payments where they were not warranted, and make payments in amounts which were excessive, thus causing substantial monetary losses to CCC and making less program funds available to other exporters who may wish to utilize the program.

Entry Certificates - The submission of entry certificates as required under section 1494.701 is the only reasonable way that CCC can be assured that exporters participating under Option B have completely performed under an agreement and that CCC has not been defrauded. (Option B allows the exporter to request payment of the bonus only after the exported eligible commodity has entered into the eligible country(s)).

Amendments - Without the information required under section 1494.801, CCC would be unable to evaluate requests for changes to the original agreement, changes which in most cases are either necessary for the exporter to perform or else are requested at the behest of the foreign buyer, thus severely restricting the flexibility of the program and thwarting its goal.

Appeals - The appeal process as outlined in section 1494.901 gives the exporter the opportunity to appeal any determinations made by CCC that may have an adverse impact upon the financial position of the exporter.

Record Keeping - For a period of five years after CCC agrees to the cancellation of an exporter's performance security for an Agreement, the exporter must maintain accurate records showing sales and deliveries of the eligible commodity exported in connection with the Agreement. The regulation gives USDA officials the authority to review these records during exporters' regular business hours.

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.

As part of the work mandated by the Government Paperwork Elimination Act, FAS/Export Credits is working with information technology staff to develop an on-line system which exporters can use for program participation. This system will allow exporters to submit bid offers, requests for amendments, etc. on-line rather than in paper format. FAS is requesting approval of these screens, which are attached to this submission. Once this approval is received, final development of the system is complete, and the DEIP program is re-announced, this system will be implemented with the public."

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.

According to the performance security requirements set forth under C.F.R. section 1494.401, CCC has allowed exporters to use a single "generic" performance security for all offers and agreements under any Invitation for Offers issued under the program. Prior to this, CCC required exporters to submit a performance security for each Invitation for Offers under which they wished to submit offers.

No similar information required by the program is available.

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 information required from any size entity does not vary, and thus does not lend itself to making special provisions for small businesses.

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.

CCC would be unable to determine if export sales under the EEP and DEIP would be eligible for bonus and therefore could not operate the program.

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

requiring respondents to report information to the agency more often than quarterly.

Prior to the submission of an offer to CCC in response to an Invitation, the exporter must establish performance security as required under section 1494.401. To support a request for the cancellation of performance security furnished in connection with an agreement, the exporter must provide to CCC evidence of the export of the eligible commodity as provided by section 1494.701(c). In the case of Option B (which allows the exporter to request payment of the bonus only after the exported eligible commodity has entered into the eligible country(s)), the exporter is required to provide both evidence of export as well as entry of the eligible commodity into the eligible country(s).

requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.

There are no such special circumstances.

requiring respondents to submit more than an original and two copies of a document.

There are no such special circumstances.

requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years.

Program participants, e.g. exporters, are required to retain all records in connection with export sales under the EEP and DEIP for 5 years after CCC agrees to the cancellation of an exporter's performance security for an agreement. This requirement under section 1494.1001 (b) is necessary so that the Secretary of Agriculture or the Comptroller General of the United States may have full access to such records for reasons of upholding and protecting the interests of the United States Government.

in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.

There are no such special circumstances.

requiring the use of a statistical data classification that has not been reviewed and approved by OMB.

There are no such special circumstances.

that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use.

There are no such special circumstances.

requiring respondent to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

There are no such special circumstances.

8. 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.

A Federal Register Notice was published July 12, 2006, Vol. 71, No. 133, page 39280. No public comments were received in conjunction with the solicitation of public comments as required by 5 CFR 1320.8(d). The following individuals/organizations were consulted regarding this information collection:

Mr. Don Street; M.E. Franks; 610-989-9688  
Ms. Sandra Tung;JLS Inc.; 416-315-8413  
Ms. Victoria Montoya, Gerber, CA; 858-587-0400

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

There has been no such decision.

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

No such assurances are given.

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.

No such questions are asked.

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

The attached chart entitled "Hour Burden for Collection of Information" details this requirement for the EEP and DEIP. The total annual burden is 47 hours.

In FY 2006, Information Collection and Record Keeping was performed by 9 respondents. There were a total of 85 responses with each response requiring an estimated 0.55 hours per transaction. This is because the information provided to CCC under 7 C.F.R. Part 1494 would be readily available to program participants in the normal course of conducting their business. This amount of time should not present an impediment to program participation. The estimated annualized cost to respondents for the hour burden of information collection is \$3,995 based on an hourly wage of \$25.00.

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

There are no capital/start-up or ongoing operation/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, and any other expense that would not have been incurred without this collection of information.

The annualized cost to the Federal Government is estimated at \$86,944 and is attributed to the salary costs of officials administering the program. Twelve staff ranging from Grade 7 to 15 are involved in program administration.

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

The decrease in burden hours from 1,089 to 47 is due to a reduction in U.S. exporter participation in export subsidy programs due to price fluctuations in U.S. and foreign markets.

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.

No results are expected to be 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.

There are no plans to seek such approval.

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

There are no exceptions.

B. Collections of Information Employing Statistical Methods.

None.