

SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION

A. JUSTIFICATION

1. Circumstances requiring the collection of the information.

The importation of most cheese made from cow's milk and certain noncheese dairy articles (butter, dried milks, and butter substitutes) are subject to Tariff-rate Quotas (TRQS) and must be accompanied by an import license issued by the Department to enter at the lower tariff. Licenses are issued in accordance with the Department's Import Licensing Regulation (7 CFR Part 6). Importers without licenses may enter these dairy articles, but are required to pay the higher tariff.

2. Purpose of information to be used.

The information received will be used by the Foreign Agricultural Service, Import Licensing Group, in the administration of the tariff-rate import quota licensing system for certain dairy products and the issuance of licenses in accordance with the Import Regulation.

Description of the Information Collection:

Applicants for Historical, Nonhistorical, or Designated Importer Licenses --

FAS-923 (Rev. 7-96): Certification Required to Apply for Dairy Import Licenses.

All applicants for all import licenses must submit FAS-923 to the Department during the application period set forth in 7 CFR Part 6 Sections 6.20 through 6.37. The Department issues three types of licenses: historical licenses (renewable); nonhistorical licenses (non-renewable); and preferred cheese licenses issued to importers designated by the government of a foreign country.

The information collection requires applicants to certify that they meet the eligibility criteria of the Regulation, are submitting the required supporting documentation, and maintain records on file for audit and inspection purposes.

Applicants for Nonhistorical Licenses --

FAS-923A (Rev. 7-96) Part 1: Application for Appendix 2 Nonhistorical Cheese Licenses

Nonhistorical licenses are issued annually through a rank-order lottery system. Licenses received cannot be renewed in the following year, but can be applied for each year. The purpose of applicant rank-ordering requests for licenses is to provide a better alignment between importers' requirements and licenses obtained. Applicants are required to request cheeses licenses for specific countries by filling in circles.

(1) Under Column 1, applicant rank-order requests for a maximum of six cheese selections by filling in the circles under heading numbers 1 - 6.

(2) Under Column 2, applicants may also (but are not required to) request additional cheese selections not included under Column 1. Applicants may select up to eight different cheeses under each of the column headings high, medium, and low. Licenses for cheese requested under column 2 will not be issued until all requests under column 1 are allocated.

FAS-923B (Rev. 7-96) Part II: Application for Appendix 2 Nonhistorical Noncheese Licenses.

Applicants are required to request up to 8 non-cheese articles by filling in circles.

Applicant rank-order requests for nonhistorical non-cheese licenses by filling in the circles under number headings 1 - 8.

All holders of importer licenses --

FAS-924A: License Surrender Form

After licenses are issued, Section 6.26 of the Regulation requires licensees to surrender by October 1 any license amount that a licensee does not intend to import that year. Licensees are required to use at least 85 percent of each net license amount. Using FAS-924A, licensees complete a table listing the license numbers and amount of each license being surrendered.

FAS-924B: Application Form for Requesting Additional TRQ Amounts

After unused license amounts are surrendered, the Department will consolidate license amounts surrendered, revoked, and canceled during the quota year. Using FAS-924B, applicants who are requesting to increase the amount of a license that they currently hold are required to fill in the circle to identify the licenses for which they are requesting an additional TRQ amount.

Also on FAS-924B, applicants who are requesting a TRQ amount for which they do not have a license are also required to fill in the circles to identify the new TRQ amount being requested. In both cases, the columns filled in are: license type, article, country of origin, license number, and amount requested.

3. Use of improved information technology.

The Dairy Accelerated Importer Retrieval and Information Exchange System (DAIRIES) is a web-based interface system. The program partners with other government agencies which enable importers to utilize the electronic Payment and eAuthentication technologies. Internal efficiency has been achieved by replacing manual processes such as ledger entry of certified checks and scanning of application forms. The forms are used to enter data for selected applications and then submitted to the DAIRIES database for further processing. The DAIRIES System allows importers to access, complete, and submit the following forms:

The “e” after the form number represents, the use of electronic process and eAuthentication technologies.

FAS-923-e Certification Required to Apply for Dairy Import Licenses

FAS-923-Ae Application for NonHistorical Cheese Licenses

FAS-923-Be Application for NonHistorical NonCheese Licenses

FAS-924-Ae License Surrender Form

FAS-924-Be Application for Requesting Additional Tariff-Rate Quota (TRQ) amounts.

FAS-923e Certification Required to Apply for Dairy Import Licenses. This screen uses a scroll bar on the right to move up and down the screen. The information on this application will be supplied from the database after login. In some cases, ownership information will need to be entered. If editing is required, the bottom of the screen has an edit function button. The applicant will click on the Submit This Application button without having to enter any information if the supplied information is correct. When the certification form is submitted, it will go through a validation process to ensure that the data entered is valid before being accepted into the DAIRIES database.

FAS-923-Ae Application for NonHistorical Cheese Licenses. This screen uses a scroll bar on the right to move up and down the screen. Each applicant is allowed to select up to six licenses in the first group, and eight “high” licenses, eight “medium” licenses, and eight “low” licenses on subsequent groups. To see a list of the available licenses, a drop down window is available; clicking on each group makes selections. When the information is correct, the applicant will click on the Submit This Application button. When the application is submitted, it goes through a validation process to ensure that the data entered is valid before being accepted into the DAIRIES database.

FAS-923-Be Application for NonHistorical NonCheese Licenses. This screen uses a scroll bar on the right to move up and down the screen. Each applicant is allowed to select up to eight licenses. Using the drop down window, the licenses will be selected. When the information is correct, the applicant will click on the Submit This Application button. When the application is submitted, it will go through a validation process to ensure that the data entered is valid before being accepted into the DAIRIES database.

FAS-924-Ae License Surrender Form. When an importer selects this option from the main menu, it will retrieve all licenses for the license holder in the DAIRIES system for the current year. The license amount and license balance will be displayed. An option on the list of the

selected licenses will allow the importer to select any of his or her licenses to be surrendered and to enter the surrendered amount. When the information is correct, the applicant will click on the Submit This Application button. When the application is submitted, it will go through a validation process to ensure that the data entered is valid before being accepted into the DAIRIES database.

FAS-924-Be Application for Requesting Additional TRQ amounts. When an importer selects this option from the main menu, it will retrieve all licenses for the license holder in the DAIRIES system. After selections of licenses to receive additional TRQs are made, a list of the selected licenses will appear. After reviewing and entering amounts of additional TRQs to be requested for each license, the importer will click on the Continue button. The importer also has the option to select additional amounts for new licenses. When the information is correct, the applicant will click on the Submit This Application button. When the application is submitted, it will go through a validation process to ensure that the data entered is valid before being accepted into the DAIRIES database.

Instructions are available and are displayed in both Microsoft WORD document format and in Adobe Acrobat PDF format.

4. Efforts to identify duplication.

The request for information under the final rule does not duplicate any other Departmental requirements.

5. Impact on small business.

Not applicable. The information collection request is for standard information regarding an applicant's business, and copies of U.S. Customs Service or U.S. Bureau of the Census import/export documents which an applicant would have obtained in the normal conduct of business.

6. Consequences if information collection were less frequent.

The information collection is necessary to determine eligibility to obtain benefits under the Import Regulation. Import licenses are issued annually under terms and conditions set forth in the Regulation and are valid until December 31 of each quota year. If such information were collected less frequently, the Department would not be able to issue licenses on an annual basis in compliance with the Import Regulation.

7. Any special circumstances that would cause an information collection to be conducted in a manner requiring.... retaining records for more than 3 years...

The Regulation requires records pertaining to an applicant's eligibility to be retained for five years after the end of a quota year. Five years is standard for other Department regulations, which require audit and inspection of records of program participants whose business premises are widespread geographically and such geographic areas may not be able to be audited in less than every five years.

8. Federal Register notice required by 5 CFR 1320(d), soliciting comments on the information

collection prior to submission to OMB.

In a Federal Register notice of July 28, 2006 (62 F.R. 14112), the Department published a revision of the currently approved information collection. Comments on the notice were requested by September 26, 2006. No comments were received.

9. Decision to provide any payment to respondents.

No payments or gifts were offered.

10. Assurance of confidentiality to respondents.

The information requested is not of a confidential nature.

11. Justification for questions of a sensitive nature.

The information requested is not of a sensitive nature.

12. Estimate of the hour burden of the information collection.

The aggregate total burden in hours is 291 based on the estimates below.

<u>Estimates</u>	<u>FAS-923, 923A, 923B (Rev. 7-96) (one form)</u>	<u>FAS- 924A, 924B (one form)</u>
Est. number of respondents.....	540.00	140.00
Est. responses per respondent...	1.00	1.00
Est. hours per response and record keeping.....	0.50	0.15
Est. total annual burden in hours...	270.00	21.00

13. Estimate of dollars spent for capital start up costs.

There are no capital start up costs.

14. Estimate of the dollar cost to the Federal Government.

There is no cost to the Government. The total cost of operating the licensing program is estimated annually and a license fee is charged for each license issued to cover the estimated cost. The license fee for a forthcoming year is published in the Federal Register on September 1, 2006.

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

The currently approved total annual burden hours of 426 will be decreased by 135 hours to 291.

The estimated decrease in burden hours is due to the agency's participation in the on-line program DAIRIES, which cuts response time for electronic form FAS-923e, 923Ae, and 923Be from .75 to .50 hours per response time. The increase in annual responses is to correct the previous submission. The number of respondents 540 was used instead of total responses of 680.

16. Plans for tabulation and publication plans.

Not applicable.

17. Reason for seeking approval not to display the expiration date for OMB approval of the information collection.

The Department continues to request an exception for display of the OMB expiration date for reasons of economy. We maintain an inventory of forms and wish to avoid the expense of destroying all forms upon expiration and reproducing new forms with a new expiration date.

18. Explain each exception to the certification statement identified in item 19 on OMB Form 83-1.

There are no exceptions.