

**SUPPORTING STATEMENT FOR
UNITED STATES INTERNATIONAL TRADE COMMISSION QUESTIONNAIRES
CERTAIN TEXTILE ARTICLES: TRAVEL GOODS OF TEXTILE MATERIALS**

A. Justification

1. Request– On November 16, 2007, the U.S. International Trade Commission (Commission), at the request of the Chairman of the House Committee on Ways and Means (attachment 1), instituted investigation No. 332-480, *Certain Textile Articles: Travel Goods of Textile Materials*, to provide information for 2005 and 2006 on U.S. production and shipments of certain travel goods with an outer surface of textile materials, and U.S. production and shipments of the textile materials used to make such goods.

The Commission has the responsibility of providing reports on issues affecting trade under Section 332 of the Tariff Act of 1930. Section 333(a) of the Act authorizes the Commission to obtain information. Copies of the sections of the statute that authorize the provision of reports and the collection of information are attached to the supporting statement (attachments 2 and 3).

2. Purpose– The information collected will be consolidated by the Commission in a public report and sent to the House Committee on Ways and Means by October 25, 2007. The information to be collected is critical to the Commission's task, as it will provide the requested data on U.S. production and shipments of certain travel goods with an outer surface of textile materials and U.S. production and shipments of the textile materials used to make such goods for the calendar years 2005 and 2006.

3. Technology– All available information technology has been incorporated into the questionnaire design and processing to reduce the reporting burden.

4. Non-duplication– The Commission investigation has been designed to rely to the greatest extent possible on existing publicly available data collections by other government agencies and private sources. After a thorough search of data sources for this investigation, it has been determined that no other industry, government, or academic organizations collect or publish data that are duplicative of the data requested in the questionnaires.

Although the U.S. Census Bureau (Census) collects and publishes certain data on production and shipments of textile and travel goods, these data are only available at a highly aggregated level and do not include the product-specific data required for the study.

5. Small businesses– Some of the companies that will receive a producer questionnaire are likely to be "small businesses," as specified under the Small Business Administration Rules (13 CFR Part 121). Many of the small producers are members of the Travel Goods Association, which is cooperating with the Commission on this investigation. To minimize the reporting burden, the producer questionnaires were designed to be as brief as possible, consistent with information requirements. Check-in type questions are used where appropriate to simplify questionnaire response. Also, the questionnaires indicate that carefully prepared estimates are acceptable; this should further reduce the potential burden on smaller firms that may not have the administrative resources or automated record systems of larger firms in the industry.

6. Consequences of non-collection– Due to the lack of suitable data from other sources, without this information collection, the Commission would be unable to fulfill the request of the House Committee on Ways and Means, and therefore would not be able to satisfactorily discharge its

responsibility under section 332 of the Tariff Act of 1930 (19 U.S.C. 1332(g)).

7. Special circumstances– Not applicable. This is a nonrecurring data collection.

8a. Consistency with 5 CFR 1320.6 guidelines– No special circumstances exist that require the collection to be conducted in a manner inconsistent with the guidelines of 5 CFR 1320.6. If any respondents do not maintain information in the format requested by the questionnaires, they are permitted to submit carefully prepared estimates based upon available information and their best estimates.

8b. Consultations–The Commission’s notice of submission to OMB requesting clearance under emergency approval provisions was submitted to the Federal Register on March 26, 2007 and is expected to be published on March 29, 2007. The notice was posted on the Commission’s Internet site (<http://www.usitc.gov>) on March 26, 2007.

Travel Goods of Textile Materials

From January 24 - March 8, 2007, the Commission field-tested the producers’ questionnaire for travel goods with an outer surface of textile materials with regard to the availability of data, reporting burden, product coverage and definitions, clarity of instructions, disclosure, and reporting format. The following representatives of associations and companies were consulted on the content of the questionnaires and all received copies of the questionnaire.

1. Nate Herman, Travel Goods Association (represents many of the firms that either produce or contract for the production of travel goods of textile materials), (703-797-9062)
2. Skip Kotkins, Skyway Luggage, (206-948-4916)
3. Alex Boian, Outdoor Industry Association (represents many of the firms that either produce or contract for the production of backpacks and other travel goods of textile materials), (303-327-3509)
4. Teddie Pachecho, VF Outdoor Group (Jansport), (510-347-2548)
5. Jeff Tooze, Columbia Sportswear Company, (503-985-4039)
6. Michael Korchmar, Leather Speciality Company, (239-333-1000, ext. 120)
7. Kim Ballis, Travelpro, (561-998-2824)
8. Patty Loomis, Deuter USA, (303-652-3102)
9. Steve Barker, Eagle Creek, (760-599-6500)

The following table provides comments from industry sources and actions taken during preparation of the questionnaire for producers of travel goods of textile materials.

Page Number(s)	Comments/Suggestions	Adjustments to Questionnaire
pp. 1-18	Clarify references to U.S. firms producing under contract so that it is clear that the firms are both located in and producing the subject product in the United States.	Suggestion adopted.
pp. 1-18	Change “U.S. textile materials” to “U.S.-produced textile materials.”	Suggestion adopted.
pp. 1-18	Clarify the meaning of “synthetic.”	Changed all references to “synthetic” to “manmade fiber(s).”
pp. 6, 8, 10, 12, and 14	Concern that there could be a potential for double counting between contracting firms and firms that produce under contract for others.	Added separate line in each table under “Total Production” requesting data on “contract production for others in your U.S. firms.” If firms report in Table II-7 that they produce under contract for others or they contract for production with other firms, it will be possible to cross-reference the data and subtract any duplication of data.
p. 16	Add a question asking firms to identify what products, other than travel goods with an outer surface of textile materials, they produce domestically or contract out to other firms located and manufacturing in the United States.	Suggestion adopted.
p. 18	In question III-2, add “in the United States” after “may be producing textile materials.”	Suggestion adopted.
p. 18	Provide space for firms to provide additional information if they so desire.	Added the following question on p. 18: “Are there any additional comments on your firm’s operations or production that you would like to provide? (optional):”
pp. 5-6	In the definitions, item #3, remove references to the Harmonized Tariff Schedule (HTS) subheadings and replace them with verbal descriptions of what each category encompasses.	Did not remove the HTS numbers listed, as they provide guidance to what products are covered by the questionnaires and the investigation, but added the following footnote: “The HTS numbers are provided for convenience only; the written description of the products is dispositive.” Replaced the descriptive text in items 3a through 3e with more explanatory language provided by the Travel Goods Association and agreed upon by its members.
pp. 5-6	In the definitions, under items 3a through 3e, add descriptive language indicating what types of goods each category includes.	Suggestion adopted as noted above.

p. 5	Add the following note under the definition of travel goods: “This study is intended to capture U.S. production of travel goods that are made for travel or business case purposes.”	Because manufacturers may produce a number of items that could be considered dual use, added the following question after each table in part II: “Of the total production in your U.S. establishments and production contracted out to other U.S. firms as reported above for 2006, what share was accounted for by production of [product category] for: Travel _% Hiking, camping and other outdoor recreation _% Other (please specify) _%”
pp. 1-18	Ask only for production sold to retailers, directly to consumers, or sold to wholesalers to avoid the potential for double counting.	Questions already in the questionnaire (I-3 through I-5, tables II-2a through II-4a, and II-6) address the issue of double counting, and responses will be checked thoroughly to ensure that double counting is avoided.

Textile materials for use in Travel Goods of Textile Materials

From January 24 - March 8, 2007, the Commission field-tested the producers’ questionnaire for textile materials for use in travel goods of textile materials with regard to the availability of data, reporting burden, product coverage and definitions, clarity of instructions, disclosure, and reporting format. The following representatives of associations and companies were consulted on the content of the questionnaires and all received copies of the questionnaire. Please note suggestions and adjustments to the definitions for ‘travel goods of textile materials’ listed above; such changes were also adopted for use in the textile materials questionnaire.

1. Nate Herman, Travel Goods Association (represents many of the firms that either produce or contract for production of travel goods of textile materials), (703-797-9026)
2. Sara Ormand, American Manufacturing Trade Action Coalition (represents many of the domestic firms that produce fabrics), (202-452-0866)
3. David Trumbell, National Textile Association (represents many of the domestic firms that produce fabrics), (617-542-8220)
4. Mike Hubbard, National Council of Textile Organizations (represents many of the domestic firms that produce fabrics), (704-824-3522)
5. Jeff Harris, Brookwood Companies Inc., (212-551-0133)
6. Karen Edwards, Milliken & Company, (864-503-2269)

The following table provides comments from industry sources and actions taken during preparation of the questionnaire for producers of textile materials for use in travel goods of textile materials.

Page Number(s)	Comments/Suggestions	Adjustments to Questionnaire
p. 4	Clarify whether export shipments should be included as exports or as domestic shipments if the	Changed the definition of exports to the following (new text in bold): “Shipments

	customer is U.S.-based.	to destinations outside of the United States, regardless of the location of the customer , including shipments to related firms.”
p. 8	Ask whether fabrics are purchased from other firms for laminating, bonding, or coating, and the share of any such fabrics that are imported.	Suggestion adopted. Added a question in table II-1d.

9. Payments or gifts– Not applicable. Questionnaire recipients will not be provided with any payments or gifts for their responses.

10. Confidentiality– The first page of both producer questionnaires states: “The commercial and financial data furnished in response to this questionnaire that reveal the individual operations of your firm will be treated as confidential by the Commission to the extent that such data are not otherwise available to the public and will not be disclosed except as described in the certification paragraph below, and as may be required by law.” On page 2 of the instructions for the questionnaires, confidentiality is further addressed under “Nondisclosure of confidential business information.” Submissions of information as confidential are accepted under 19 CFR 201.6.

11. Sensitive information– Information on issues of a sensitive nature involving persons is not being sought.

12. Response burden– The Commission attempted to reduce burden on respondents by designing the questionnaires so that firms can easily identify those sections which apply to their operations. Some of the requested data being collected are largely qualitative in nature and should require relatively little time to complete.

The Commission estimates the following burden will be placed on respondents:

<u>U.S. travel goods of textile materials producers’ questionnaire</u>		
Number of respondents	(No.)	127
Frequency of response:	(No.)	1
Annual burden per respondent:	(hours)	6
Total burden:	(hours)	762
<u>U.S. textile materials producers’ questionnaire</u>		
Number of respondents	(No.)	39
Frequency of response:	(No.)	1
Annual burden per respondent:	(hours)	8
Total burden:	(hours)	312

These estimates are based on past Commission experience with similar questionnaires and from consulting with potential respondents. The burden on individual respondents may vary widely. The variance is due to the following reason:

The questionnaires are constructed so that meaningful data can be obtained from firms with complex business operations; many sections of the questionnaires may not apply to respondents with comparatively simple operations.

The Commission included a notice of the above response burden averages in the questionnaires,

along with a request that respondents send comments to the Commission and to OMB. The Commission used the standard format recommended by OMB.

The combined annualized cost to all respondents for the estimated hour burdens identified above is as follows:

$$\text{Cost} = 2283 \text{ hours} \times \$53.43^* \text{ per hour} = \$57,384$$

*This is the same hourly cost used in item 14 below. The Commission projects that this is an accurate cost estimate of personnel who will likely complete the questionnaires.

13. Estimated Annual Cost Burden to Respondents and Recordkeepers– The total annual cost burden is zero, as explained below.

a. Total capital and start-up cost component.–The Commission does not expect any capital and start-up costs because all information already exists in records storage facilities in offices and resides with the firms' personnel.

b. Total operation and maintenance and purchase of service component.–The Commission does not expect respondents will need to purchase any services in completing the questionnaires.

14. Annualized Cost to the Federal Government– The estimated total cost to the Federal Government is \$183,973 as detailed below. No new equipment will be purchased because existing equipment will be used to process the questionnaires.

The estimated number of work hours includes designing the questionnaires, soliciting field test comments, editing results (i.e., contacting respondents after completion of the questionnaires to clarify responses), and compiling and tabulating questionnaire responses.

$$\text{Cost} = 3,380 \text{ hours} \times \$53.43^* \text{ per hour} = \$180,593$$

*The hourly figure was approximated by dividing the Commission's average salary level (\$111,135) by the number of work hours per year (2,080).

15. Change in burden– This is a new, one-time, information collection for a new investigation. The change in burden is 1074 hours for both questionnaires combined.

16. Project plan and schedule– After receiving the completed questionnaires, the Commission's staff will edit and review each response for accuracy, resolve any questions with the respondent, and tabulate the returns. Data will be analyzed, compiled in a form that will not reveal the individual operations of any respondent, and prepared for publication. The questionnaires are scheduled to be mailed on or before April 19, 2007. The respondents are requested to respond by May 22, 2007. The report incorporating the questionnaire information will be submitted to the House Ways and Means Committee by October 25, 2007.

17. Non-display of expiration date– Not applicable.

18. Exceptions to certification statement to form OMB 83-I– Not applicable.

B. Collections of Information Employing Statistical Methods

This proposed information collection does not employ statistical methods because the use of statistical methods would not reduce burden or improve the accuracy of results.