

SUPPORTING STATEMENT
U.S. Department of Commerce
International Trade Administration
Watch Duty-Exemption and 7113 Jewelry Duty-Refund Program
OMB CONTROL NO. 0625-0134

A. JUSTIFICATION

This request is to extend the approval of this information collection.

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

Public Law 97-446, as amended by Pub. L. 103-465, Pub. L. 106-36, and Pub. L. 108-429, requires the Departments of Commerce (Commerce) and the Interior (Interior) to administer the distribution of duty-exemptions to watch producers and duty-refunds involving several million dollars per year to watch producers and jewelry producers in the insular possessions (American Samoa, Guam, U.S. Virgin Islands and the Northern Mariana Islands). The primary consideration in collecting information is the enforcement of these laws, and the information gathered is limited to that necessary to prevent abuse of the program and to permit a fair and equitable distribution of its benefits.

Form ITA-340P is used to monitor duty-free watch shipments. Forms ITA-360P and ITA-361P are necessary to implement the duty-refund program enacted by Congress.

2. Explain how, by whom, how frequently, and for what purpose the information will be used. If the information collected will be disseminated to the public or used to support information that will be disseminated to the public, then explain how the collection complies with all applicable Information Quality Guidelines.

The information is collected by and stored in the records of Commerce's Subsidies Enforcement Office (SEO).

Form ITA-340P is a permit to enter watches and watch movements into the U. S. free of duty and is used to monitor duty-free shipments and ensure that the annual company duty-free allocations are not exceeded. This permit provides the data necessary to assist in verification of duty-free shipments and make certain the allocations are not exceeded. The regulations require a copy of the permit to be transmitted to an insular government official for their records. Only if entry procedures are not transmitted electronically through Customs and Border Protections' (CBP) automated broker interface, do the regulations require a copy of the permit be sent to CBP along with other entry paperwork. The form requests shipping information and a certification signature from the company. If the CBP entry is not made electronically, however, an official of CBP will provide the entry number, date of entry and port of entry and send the permit to Commerce.

Form ITA-360P is a certificate of entitlement to a duty-refund issued by Commerce and Interior in accordance with Section 303.12(a) and (b) for watches, and Sections 303.19(a) and (b) for jewelry of Title 15 of the U.S. Code of Federal Regulations. The certificate entitling the holder to a refund is issued to the recipient by Commerce biannually. Information must be submitted by the recipient only if the certificate is transferred. This form contains no information collection other than a simple record of transactions made against the total of the certificate so that the balance can be easily maintained by the claimant.

Form ITA-361P requests the certificate of entitlement number, to whom the certificate was issued, the date of issue, the expiration date, the number and amount of the refund, to whom the refund will go, and if the transferee is affiliated with the certificate holder. This form must be used each time a certificate holder wishes to obtain a portion, or all, of the duty-refund authorized by the certificate. Consequently, one certificate holder may complete Form ITA-361P twice a year to obtain the full amount of the two entitlements and another certificate holder may choose to fill out the form several times for each certificate and receive the value of the certificate in increments. However, over the last few years SEO have found that companies generally do not opt to receive their benefits in increments. This information is needed so that Commerce can authenticate this document for CBP officials who will make the refund in accordance with Section 303.12(c) and 303.19(c). The form also requests information needed for CBP to verify duties paid on entries for which a claimant is requesting a refund against its certificate.

The information in these forms is not requested for the purpose of public dissemination.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological techniques or other forms of information technology.

SEO have worked with CBP to reduce the paperwork burden of Form ITA-340P. Through automated technology, Commerce now receives from CBP a printout of information on the watch and watch movement entries transmitted electronically through CBPs' automated broker interface. This has eliminated the need for a copy of the permit to be contained in the entry package submitted to CBP for all automated entries and Form ITA-340P may be created and stored by the companies on their computers. Although the burden has been lessened there still must be some paper or electronically stored "trail" for CBP enforcement purposes.

4. Describe efforts to identify duplication.

Because the number of respondents is small, the information is program specific, and the administration is handled by a small staff (two people) within Commerce/SEO, there is no duplication in the requests for, or processing of, information from the respondent companies.

5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize burden.

The information requested by these forms is relatively brief, and limited to only that information necessary for the proper administration and oversight of the watch and jewelry program.

The forms have been designed to contain only the essential quantitative information. There is no way to obtain such data except directly from the producer/exporters. The collection of this information does not have a significant impact on a substantial number of small businesses or other small entities.

6. Describe the consequences to the Federal program or policy activities if the collection is not conducted or is conducted less frequently.

If the information is not collected, the following consequences may occur: (a) the statutorily limited amounts of annual benefit may be exceeded; and (b) the nature of the benefit (CBP duty refunds) might encourage traffic in falsified forms.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

All three information collections are generally consistent with OMB guidelines. To the extent they are not, it is for the following reasons: requests for refunds (ITA-361P) are not required more than quarterly; if the certificate holders make such requests more frequently it is because their commercial needs and preferred arrangements so dictate. Form ITA-340P, however, is required for each duty-free shipment to ensure that the allocations are not exceeded. The frequency at which the form is submitted is not determined by Commerce but, rather, is a function of a company's own commercial decisions and actions.

8. Provide a copy of the PRA Federal Register Notice that solicited public comments on the information collection prior to this submission. Summarize the public comments received in response to that notice and describe the actions taken by the agency in response to those comments. Describe the efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

A Federal Register Notice soliciting public comments was published on January 29, 2009 (Volume 74, pg. 5143). No comments from the public were generated from this notice.

Each year Commerce and Interior staffs visit and consult with the respondents to determine areas where improvements to the information collection process can be made. In the past, changes have been made in the information collection process for Form ITA-340P after consultations with respondents. The companies have expressed no further problems with the formats of the Commerce requirements. There are no unresolved substantive or material issues stemming from these consultations.

9. Explain any decisions to provide payments or gifts to respondents, other than remuneration of contractors or grantees.

None.

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

None.

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 questions of a sensitive nature are asked.

12. Provide an estimate in hours of the burden of the collection of information.

<u>Form Number</u>	<u>Time to Complete</u>	<u>No. of Respondents</u>	<u>Responses per Respondent</u>	<u>Total No. Responses</u>	<u>Total Hours</u>
ITA-340P	6 mins	2	40	80	8
ITA-360P	1 min	4	2	8	8 mins
ITA-361P	10 mins	4	2	8	1 hr. 28mins
Total hours per year:					9 hrs. 36 mins (10 hours)

13. Provide an estimate of the total annual cost burden to the respondents or record-keepers resulting from the collection (excluding the value of the burden hours in Question 12 above).

There is no annual cost burden.

14. Provide estimates of annualized cost to the Federal government.

Expenses incurred by Commerce total approximately \$5,000, including the printing of forms and the salary costs involved in handling the forms and reviewing the data on the forms.

Total burden hours is approximately 223 per year.

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

The decrease in respondents, responses, and burden hours is primarily due to fewer companies currently involved in the program, and the remaining companies historically have had to submit significantly fewer forms. These adjustments better reflect recently updated and completed

information experienced in 2008, as well as informal feedback with the program companies conducted as part of recent annual consultations.

For example, as noted above, form ITA-340P is submitted with each duty-free shipment made by a watch producer. The watch producers currently remaining in the program on average make far fewer shipments than previous producers.

16. For collections whose results will be published, outline the plans for tabulation and publication.

The results are not published.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why display would be inappropriate.

Not applicable.

18. Explain each exception to the certification statement identified in Item 19 of the OMB 83-I.

Not applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not employ statistical methods.