

SUPPORTING STATEMENT
FOR
UNITED STATES INTERNATIONAL TRADE COMMISSION QUESTIONNAIRE
TEXTILES AND APPAREL: EFFECTS OF SPECIAL RULES FOR HAITI
ON TRADE MARKETS AND INDUSTRIES

A. Justification

1. Request

On December 20, 2006, President Bush signed into law the Tax Relief and Health Care Act of 2006 (TRHCA) (Public Law No. 109-432). Title V of the TRHCA, which may also be cited as the Haitian Hemispheric Opportunity through Partnership Encouragement Act (HHOPE), directs the Commission to institute an investigation on the effects of providing special rules for imports of apparel from Haiti on trade markets and industries involving textiles and apparel in Haiti, the countries described in clauses (ii) and (iii) of section 213A(b)(2)(C) of the Caribbean Basin Economic Recovery Act, and the United States. The Commission is required to provide its report by June 20, 2008.

2. Purpose

The information collected will be consolidated by the Commission in a public report and sent to the Congress by June 20, 2008. The information to be collected is critical to the Commission's task, as it will provide data on the status of the Haitian apparel assembly industry following the application of the special rules for imports of apparel from Haiti.

3. Technology

All available information technology has been incorporated into the questionnaire design, including the use of the MS Word Form feature, and processing to reduce the reporting burden. There are no technical and legal obstacles to such efforts.

4. Non-duplication

The Commission's investigation will also rely on existing publicly available data to the extent possible. Publicly available data on the apparel assembly industry in Haiti itself, however, is minimal. After a thorough background search of data sources for this investigation, it has been determined that no other industry, government, or academic organizations collect or publish data which are duplicative of the data requested in the questionnaires.

Certain data on Haitian apparel assembly operations were collected by the U.S. Department of State Embassy in Port-au-Prince for the purposes of a non-classified cable (PORT AU PRINCE 001858) transmitted to United States on September 29, 2006. While this cable provides some very basic industry statistics, it does not fully describe the apparel assembly industry nor does it answer the statutorily-mandated research requested of the Commission in the TRHCA. Contact Elizabeth Jaffee, Haiti Desk Officer (JaffeeEE@state.gov) at the U.S. Department of State.

5. Non-applicability

Data from existing sources (such as the Department of Commerce and the Bureau of the Census) which could be modified for use in the report are being used to the maximum extent possible. Data in other areas simply do not exist in a form which could be modified to meet project needs.

6. Small businesses

Some of the companies that will receive a questionnaire would be considered "small businesses," but for the fact that they do not operate places of business in the United States and do not operate primarily within the United States, nor make significant contributions to the U.S. economy through payment of taxes. Still considering the size of these apparel assembly operations in Haiti, the

questionnaire was designed to be as brief as possible and to be able to be completed electronically. The Haiti Manufacturers Association has volunteered to help coordinate responses from its members who represent the vast majority of apparel assembly operators in Haiti. Additionally, certain U.S. and Canadian firms that contract for apparel assembly in Haiti with the Haitian firms have agreed to assist their contractors with the completion of the questionnaire. will. Although most apparel assembly operators in Haiti conduct business in English, staff at the Commission intends to provide a courtesy French translation of the questionnaire for those that request it.

7. Frequency

Not applicable. This is a nonrecurring data collection.

8. 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.

9. Consultations

The questionnaires were field tested during June 12 through July 12, 2007, with regard to availability of data, reporting burden, product coverage, clarity of instructions, disclosure, and reporting format. George Sassine, Haiti Manufacturers Association (509-257-1920) and Jean Edouard Baker, Assembly Owner (305 431-0544) both received copied of the proposed questionnaire for comment. Neither provided the Commission with comments for revision on the proposed questionnaire. The Haiti Manufacturers Association misunderstood instructions and distributed the proposed questionnaires to select key apparel assembly operator members for further comment. The Commission received a completed questionnaire response from Andrew Ansaldi III of Island Apparel SA. Island Apparel's early response indicates that firms, once the document is distributed for actual completion, will be able to provide the requested data. None of the other contacted association members provided comment.

10. Confidentiality

The first page of the Producer and Purchaser questionnaires states: "the Commission will not publish or release confidential business information submitted in response to this questionnaire in its report in a manner that would reveal the individual operations of the firm supplying the information except in accordance with the notice given in the instructions manual." On page 2 of the questionnaire's instructions, confidentiality is further addressed under "Confidentiality." The authority for accepting submissions of information as confidential is codified under 19 CFR 201.6.

11. Sensitive information

Information on issues of a sensitive nature involving persons is not being sought.

12. Project cost

The estimated total cost to the Federal Government for Investigation No. TR-5003-1 is \$506,501. This cost is based upon an estimate of the total direct cost of the investigation, which primarily consists of staff time. The cost data were not annualized; the investigation will be conducted (and the costs incurred) from February, 2007 to June, 2008.

The estimated cost to the respondents of the information collection for the entire period of study is \$3,000. These data are based upon the estimated total number of burden hours that will be placed on respondents by the information collection. The burden hour estimate was multiplied by the average hourly cost per employee to convert it into dollars.

13. Response burden

The Commission attempted to reduce burden on respondents by designing the questionnaires so that firms can easily complete the requested information electronically. Most of the requested data being collected are largely qualitative in nature and should require relatively little time to complete.

The Commission estimates that each producer will require 15 hours to complete the requested information including time to gather and synthesize the information requested. This estimate is based on past Commission experience with similar questionnaires. Given that the total universe of apparel operators in Haiti does not apparently exceed 20 firms, the total burden hours equal 300 for this proposed questionnaire. The burden on individual respondents may vary slightly.

14. Change in burden

This is a change in burden to comply with the TRHCA of 2006 and is a one time collection of data not publicly available.

15. 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 questionnaire is scheduled to be mailed on or after mid-July 2007. The respondents are requested to respond by late August, 2007. The report incorporating the questionnaire information will be used in relation to the Commission's hearing on this investigation scheduled for November 8, 2007, and then, in turn, in the Commission's eventual report to Congress on June 20, 2008.

B. Collections of Information Employing Statistical Methods

Producer

Not applicable. This information collection does not employ statistical methods. Each known producer of apparel in Haiti will receive a questionnaire. A response rate of 50-70 percent is anticipated since most producers are members of the Haiti Manufacturers Association, which is cooperating in this study.