

SUPPORTING STATEMENT
U.S. Department of Commerce
International Trade Administration
Information on Articles for Physically or Mentally Handicapped Persons
Imported Free of Duty
OMB CONTROL NO. 0625-0118

A. JUSTIFICATION

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

On August 23, 1988, P.L. 100-418 was enacted, providing for implementation of the Nairobi Protocol to the Florence Agreement which is a United Nations Educational, Scientific and Cultural Organization treaty that provides duty-free treatment for, under specified circumstances, among other items, articles for the mentally and physically handicapped persons. The legislation provided for the implementation of some treaty provisions in a more liberal fashion than strictly required by the Protocol. Therefore, a safeguard mechanism was included in the law under which the U.S. could modify its tariff treatment of imports of articles for the handicapped in accord with the Protocol's literal terms in the event a domestic industry, or portion thereof, was being injured (manufacturing or producing a like or directly competitive article that would have an adverse impact on a domestic industry).

Also, included in the law was a provision for the Departments of Homeland Security ("DHS") and Commerce ("DOC") to collect statistical information on the duty-free import of articles for the handicapped to assist the U.S. Government ("USG") and domestic industry in assessing domestic injury. There was a typographical error in P.L. 100-418, in the statistical information section of the Nairobi Protocol, which was corrected by P.L. 100-647 enacted November 10, 1988. By a Presidential Proclamation, dated September 12, 1995, parts and accessories (except parts and accessories of braces and artificial limb prosthetics), that are specially designed or adapted for use of articles for the handicapped became eligible for duty-free treatment under the Nairobi Protocol.

The data collected through the use of Form ITA-362P would be used to assist the USG and domestic industry in assessing domestic injury.

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 form ITA-362P is used to collect data on articles for the handicapped that enter free of duty. The form is only required if duty free entry is being requested. Customs and Border Protection ("CBP") and the DOC maintain supplies of Form ITA-362P and these forms are distributed to

importers and brokers. The form is used by CBP to assess if the article qualifies as an article for the handicapped and, if so, the article enters free of duty. Once the article has been allowed to enter the U.S. free of duty, the form is sent by a CBP official to the DOC, where the data is compiled into a database. Copies of completed forms, minus question 10, are available in DOC or inspection by the public, including organizations concerned with the handicapped.

The information contained on the form will be used to determine if an industry, or portion thereof, has been injured by the duty free entry of competitive or like articles for the handicapped. Without the collection of data, there would not be sufficient data available to determine the quantity and value of the like articles that have entered the U.S. free of duty under the handicapped provision and assess whether these entries have caused injury to the domestic industry. These data have been used by Commerce, among other things, for negotiating with the European Community, providing duty-free import data requested by U.S. manufacturers, analyzing proposed legislation relating to handicapped persons and providing International Trade Commission (ITC) with comprehensive information on imports of duty-free hearing aids for a safeguard provision request. It would also be almost impossible for ITC to do an investigation to help the President determine whether duty-free treatment had caused injury to the industry without the collection of data. The data are not collected to be disseminated to the public or used to support information that will be disseminated to the public.

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.

Form ITA-362P may be completed and printed from the Statutory Import Programs Staff (“SIPS”) website at <http://ia.ita.doc.gov/sips/index.html> and select Nairobi Protocol.

The importer of the articles for the handicapped or its broker normally complete the form, which is included in the Customs entry package. The data input and processing is done using the computer software package, Visual Dbase 7.5.

The DOC is working with CBP to explore whether sufficient data is now available within CBP’s new Automated Commercial Environment (ACE) system to provide “adequate statistical information” as required by P. L. 100-418, as amended by P.L. 100-647. CBP is working on how to retrieve the data in a usable form. Until a guarantee is obtained that the data is usable, DOC will keep the collection so that our obligations under the law are met. It is hopeful that the collection of this information is paperless within a few months.

4. Describe efforts to identify duplication.

Most, if not all, the information collected is also available within the ACE system but because there is a problem with retrieving it.

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

The collection of 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.

Without the use of ITA-362P, DOC would not have the relevant data available to determine the potential impact of the duty-free entry of the article on U.S. industry and make informed trade policy decisions. Also, it would make it very difficult for domestic manufacturers to use the safeguard provision of the legislation, since they might also have difficulty obtaining needed statistical information.

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

The collection of data is consistent with the guidelines of Paperwork Reduction Act

8. Provide information 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 60-day request for comments from the public was published in the FEDERAL REGISTER (July 26, 2007, Volume 72, Number 103, page 41056). No comments were received.

As mentioned above, we are working closely with CBP in an effort to obtain the needed information through the ACE system. Contacts with respondents over the last few years have not produced any complaints, suggestions or negative feedback.

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.

The data from questions 1 through 9, on form ITA-362P, are entered on a retrieval system and, to the extent such data can be presented in an aggregated form, will be available for public inspection or release. The purpose of asking for an identifier in question 10 is to permit follow-up clarification of the data, if required, after which the identifier is discarded.

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.

The form requests no information of a sensitive or private nature.

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

The annual burden would be approximately 188 hours.

It is estimated that about 180 respondents will average 16 (15.694) responses. The associated average reporting burden per year per company would be approximately 64 minutes (4 min. x approx. 16 forms). There is no recordkeeping requirement burden.

| <u>Form Number</u> | <u>Time to Complete</u> | <u># Respondents</u> | <u># Responses</u> | <u>Total Hours</u> |
|--------------------|-------------------------|----------------------|--------------------|--------------------|
| ITA-362P | 4 minutes | 180 | 2,825 | 188-1/3 |

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 #12 above).

Not applicable.

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

The total estimated program cost include staff salary and phone use of approximately \$11,800 per year.

| | |
|--|-------|
| Telephone calls to importers or brokers to obtain information from incomplete forms. | \$100 |
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Staff time for collection, tabulation,
and interpretation of data (650 hours x \$18 per hour). \$11,700

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

There has been a marked decline in the number of forms (ITA-362P) received and, therefore, associated burdens and costs have been reduced.

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

Not applicable.

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.