

SUPPORTING STATEMENT
U.S. Department of Commerce
International Trade Administration
Implementation of Tariff Rate Quota Established Under The Tax Relief
and Health Care Act of 2006 for Imports of Certain Cotton Woven Fabrics
OMB Control No. 0625-XXXX

Section A. Justification

1. Necessity of Information Collection

Implementation of Tariff Rate Quota Established under the Tax Relief and Health Care Act of 2006 for Imports of Certain Cotton Woven Fabrics. The Tax Relief and Health Care Act of 2006 (The Act) contains provisions to assist the men's and boys' cotton shirting industry. Among these provisions, the Act creates an annual tariff rate quota providing for temporary reductions through December 31, 2009 in the import duties of cotton woven fabrics suitable for making men's and boys' cotton shirts (new Harmonized Tariff Schedule of the United States (HTS) headings 9902.52.08, 9902.52.09, 9902.52.10, 9902.52.11, 9902.52.12, 9902.52.13, 9902.52.14, 9902.52.15, 9902.52.16, 9902.52.17, 9902.52.18, and 9902.52.19). The reduction in duty is limited to 85 percent of the total square meter equivalents of all imported woven fabrics of cotton containing 85 percent or more by weight cotton used by manufacturers in cutting and sewing men's and boys' cotton shirts in the United States and purchased by such manufacturers during calendar year 2000.

Section 406(b)(1) of the Act requires the Secretary of Commerce to fairly allocate the tariff rate quota (TRQ). More specifically, the Secretary of Commerce must issue licenses and ensure that the tariff rate quota is fairly allocated to eligible manufacturers under such headings 9902.52.08 through 9902.52.19. The TRQ is effective for goods entered or withdrawn from warehouse for consumption, on or after January 1, 2007, and will remain in force through 2009. The TRQ will be allocated each year and a TRQ allocation will be valid only in the year for which it is issued.

This is requesting emergency review of this information collection. The Department must collect certain information in order to fairly allocate the TRQ to eligible persons. The failure to make public the information requirements as soon as possible, would cause the Department to delay allocation of the TRQ, until well beyond the effective date of January 1, 2007. The recipients of a TRQ allocation require sufficient time to order cotton woven fabric eligible for the TRQ from abroad, and for such merchandise to be shipped and cleared through U.S. Customs before the end of 2007, if they are to benefit from the statute as intended by Congress. The emergency review will expedite the allocation process.

The reduction of import duties provided by the TRQ will be of considerable benefit to firms that receive TRQ allocations. It will lower the firms' cost of production, enabling them to better compete with foreign imports.

The Department must collect a notarized affidavit in order to carry out its responsibilities under the Act pursuant to Section 406(b)(3) of the Act.

Application for TRQ License Section 406 of the Act restricts allocation of imports subject to the TRQ to manufacturers that cut and sew men's and boys' cotton shirts in the United States who apply based on the purchases in calendar year 2000 of cotton woven fabric containing 85 percent or more by weight cotton. Information in the form of a Notarized affidavit must be collected each year of the program from applicants to ensure they meet this requirement and to determine their fair share of the TRQ.

The information must be collected each year of the program from applicants to ensure they meet this requirement and to determine their fair share of the TRQ. The Department of Commerce will process this information and issue a license to each eligible person. The license will specify the amount of TRQ granted to each licensee.

2. Description and Practical Utility of the Information Collection Activity

The Department information requests are for application for TRQ license.

a) Application for TRQ License

The information collected on a notarized affidavit submitted by the manufacturer for a TRQ license is utilized to determine the eligibility of the respondent to participate in the program, and to determine the amount of tariff rate quota to be allocated to the applicant. The information includes:

(1) *Identification.* Company name, address, federal tax identification number, name of person submitting the application, and title, or capacity in which the person is acting for the applicant contact phone number and e-mail address.

(2) *Manufacturing Facilities.* The name and address of each plant or location in the United States where men's and boys' cotton shirts of imported woven fabric of the kind described in HTS 9902.52.08 through 9902.52.19 was cut and sewn in calendar year 2000.

(3) *Affidavit.* An affidavit from an officer of the manufacturer that the manufacturer is eligible to receive a license and stating the quantity of imported woven fabrics of cotton containing 85 percent or more by weight cotton purchased during calendar year 2000 for

use in the cutting and sewing men's and boys' shirts in the United States. For purposes of an affidavit described in this subsection, the date of purchase shall be (a) the invoice date if the manufacturer is not the importer of record; and (b) the date of entry if the manufacturer is the importer of record.

At the conclusion of the application the applicant must attest that All information contained in the application is complete and correct and no false claims, statements or representations have been made. Applicants should be aware that, generally, pursuant to 31 U.S.C. 3729 persons providing false or fraudulent claims, and pursuant to 18 U.S.C. 101, persons making materially false statements or representations, are subject to civil or criminal penalties, respectively.

(e) *Confidentiality.* Any business confidential information provided pursuant to this section that is marked **business confidential** will be kept confidential and protected from disclosure to the full extent permitted by law.

(f) *Record Retention.* The applicant shall retain records substantiating the information provided in 'xxx.3(d)(2) and (3) for a period of 3 years and the records must be made available upon request by an appropriate government official.

3. Minimizing Burden

The Department will not require the manufacturers to fill out any forms. However, application for TRQ license requires a notarized affidavit that could contain business confidential information and must be signed and sworn before a notary public and therefore do not lend themselves to be mailed electronically.

4. Non-Duplication

The information requested is not available from another source. The information is unique to each respondent and no other agency collects this information. Therefore there is no chance for duplication.

5. Minimizing the Burden for Small Business

The use of standardized criteria, instructions, and certifications are utilized to help ensure that the burden on small businesses is minimized. In addition, the amount of information requested has been reduced to the minimum necessary to evaluate viable applications.

6. Consideration of Alternatives

We would be unable to determine an applicant's eligibility for license allocation or reallocation if the information is not submitted. There is no available alternatives for the information asked for the modification, and comments on the modifications of tariff rate quotas.

7. Paperwork Reduction Act Guidelines

The information will be collected consistent with Paperwork Reduction Act guidelines.

8. Consultations

The Department has consulted with representatives of the cotton shirting industry regarding the application process. There are no unresolved substantive or material issues stemming from these consultation efforts. In addition, a request for comments from the public is included in the Interim Final Rule that will be published in the Federal Register. A Federal Register soliciting public comment (published on May 9, 2007; Vol. 72, page 26334) by May 31, 2007.

9. Incentives to Respondents

None. ITA makes no payments or gifts to potential applicants.

10. Assurance of Confidentiality

None. Any business confidential information provided pursuant to this section that is marked business confidential will be kept confidential and protected from disclosure to the full extent permitted by law. To the extent business confidential information is provided, a non-confidential submission shall also be provided, in which business confidential information is summarized or, if necessary, deleted.

11. Justification for Sensitive Information

No questions of a sensitive nature are requested.

12. Estimation of Burden Hour Costs

It is estimated that 10 applications will be submitted per year. The average amount of time to complete, process the application and maintain the necessary records is estimated at 1 hour. The estimated average private sector salary for persons responding is \$50 per hour.

	Time to Complete	No. of Respondents	No. of Responses	Total Hours	Hourly Cost	Total Cost
Respondent=s Burden Hours and Cost						
Affidavit and Application	1 hr.	10	10	10	\$50	\$500

13. Estimation of Respondent's Costs

No costs beyond costs of hour burden described above and estimated costs of phone calls are anticipated.

14. Estimation of Government's Costs

The amount of time to review and process applications and affidavits is estimated at an average annual total of 100 hours (10 hours per response X 10 responses per year). The estimated average public sector salary for persons processing the application is \$35 per hour.

	Time to Review and Process	No. of Respondents	No. of Responses	Total Hours	Hourly Cost	Total Cost
Government=s Burden Hours and Cost						
Affidavit and Application	10 hrs.	10	10	100	\$35	\$3,500

15. Rationale for Program Change or Adjustments

New collection mandated by Section 406 of the Tax Relief and Health Care Act of 2006.

16. Uses of Analytical Methodology

This collection of information does not employ statistical methods

17. Reasons for Not Displaying Expiration Data

None.

18. Rationale for Exceptions to Certification Statement

None.

SECTION B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection of information does not employ statistical methodologies.