

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. 0625-0260

A. JUSTIFICATION

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

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 The TRQ is effective for goods entered or withdrawn from warehouse for consumption, on or after January 1, 2007, and will remain in force through 2009.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.

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 (ITA-4156P) 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 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. 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 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 '336.3(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. 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.

The 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 completed electronically.

4. Describe efforts to identify 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 no duplication has been identified

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

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

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

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

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

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 request for comments from the public was published in the Federal Register (October 17, 2007: page 58808, Volume 72). No comments were generated from this announcement.

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 was included in the Interim Final Rule published in the Federal Register (July 24, 2007: page 40235, Volume 72). No comments were generated from this announcement.

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

None. ITA does not provide payments or gifts to potential applicants.

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

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. 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 requested.

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

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.

	<u>Respondent's Burden Hours and Cost</u>					
	Time to Complete	No. of Respondents	No. of Responses	Total Hours	Hourly Cost	Total Cost
Affidavit	1 hr.	10	10	10	\$50	\$500

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).

No costs beyond costs of hour burden described above.

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

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 ITA analysts verify the data in the affidavit against the companies' imports entries for the entire year. This can number in the hundreds. The affidavit information is compiled to allocate the annual TRQ. The information is entered in a computer system and coded correctly so each company can withdraw against their allocated TRQ. Analysts also have to compose licenses and accompanying letter to be sent to each applicant. The TRQ information is then relayed to the U.S. Census Bureau for input into their computer system.

Government's Burden Hours and Cost

	Time to Review and Process	No. of Respondents	No. of Responses	Total Hours	Hourly Cost	Total Cost
Affidavit	10	10	10	100	\$35	\$3,500

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

The estimated cost of \$500 was mistakenly entered in previous submission. An adjustment is required to remove this from the request.

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

This collection results will not be 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.

None.

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

None.

SECTION B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection of information does not employ statistical methodologies.