

**SUPPORTING STATEMENT**  
**U.S. Department of Commerce**  
**International Trade Administration**  
**Canadian Softwood Lumber Import Licensing System**  
**OMB CONTROL NO. 0625-XXXX**

**A. JUSTIFICATION**

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

On October 12, 2006, the Softwood Lumber Agreement (SLA 2006) went into effect. The agreement ended five years of litigation over antidumping and countervailing duty cases regarding Canadian softwood lumber administered by the Department of Commerce (Commerce). [The SLA 2006](#) is in ROCIS and [can also be accessed electronically at http://www.ustr.gov/assets/World\\_Regions/Americas/Canada/asset\\_upload\\_file847\\_9896.pdf](#). The SLA 2006 also settled numerous pieces of litigation before U.S. courts, North American Free Trade Agreement panels and the World Trade Organization. <sup>1</sup>See [www.ustr.gov](#) for more information. The policy of the United States is to avoid a recurrence of this major trade dispute by ensuring that the SLA 2006 continues to operate effectively. To that end, the Canadian Softwood Lumber Import Licensing System will collect information from importers about entries of Canadian softwood lumber covered by the SLA 2006. The information collected will be the basis for monitoring compliance with the SLA 2006.

<sup>1</sup>An import license system is necessary for Commerce, ITA's Office of Import Administration (OIA) to better monitor compliance with the terms of the SLA 2006. The information that is relevant to the provisions of the SLA 2006, but not otherwise collected by U.S. Customs and Border Protection (CBP) upon entry of merchandise subject to the SLA 2006 – particularly the date of shipment as defined by the SLA 2006, the export price, whether the export price was adjusted to account for the \$500/mbf (thousands of board feet) cap, the relevant exchange rate, and whether the merchandise was remanufactured. By collecting this information, the United States will be able to better monitor compliance of subject entries with the terms of the SLA 2006 and identify compliance issues that potentially threaten the viability of the SLA 2006 before, for example, the volume and value of the imports at issue grow to a magnitude that makes resolution untenable.

**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 listed in Attachment 1 (supplementary document in ROCIS) will be required from all importers of softwood lumber from Canada as defined in the scope of the SLA 2006 prior to, or at the time of, entry into the United States. This information is necessary for OIA to adequately monitor compliance of imports of covered merchandise with the terms of the SLA

2006. The system will collect some information not otherwise collected and some information collected on the CBP entry summary, which will facilitate linking import license information with entry summary information. There will be no fee for the license. It is anticipated that CBP will require the license number generated by the successful submission of the import license form when a broker or importer files the entry summary (Customs Form 7501) with CBP (which happens within 10 business days of importation). The license can be obtained up to 30-days prior to importation.

The information will likely be used at least on a monthly basis. Aggregate import statistics (quantity and value data), excluding all company information and aggregated to a point where imports cannot be traced to individual companies, may be shared with the public on the ITA website.

As explained in the preceding paragraphs, the information gathered has utility. ITA will retain control over the information and safeguard it from improper access, modification, and destruction, consistent with ITA standards for confidentiality, privacy, and electronic information. See response #10 of this Supporting Statement for more information on confidentiality and privacy. Prior to dissemination, the information will be subjected to quality control measures and a pre-dissemination review consistent with ITA's Information Quality Guidelines (found at <http://www.ita.doc.gov/ITAIqs.pdf>) and pursuant to Section 515 of Public Law 106-554.

**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 form for the Canadian Softwood Lumber Import License will be available to all importers through an Internet website. While importers without an Internet hookup can be accommodated via facsimile, all license applications can be completed and submitted electronically on-line. Using electronic submission as the basis for this system will allow for the quickest and most efficient means for collecting the required information and aggregating the information submitted in the form.

**4. Describe efforts to identify duplication.**

CBP entry summaries do not collect the relevant shipment date, or export price information that are the reference points for the application of the export measures to each entry under the terms of the SLA 2006. The United States does not otherwise collect this information about imports of softwood lumber from Canada.

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

The information collected is directed at Canadian softwood lumber producers, importers, and brokers. It is estimated that about 1,450 importers, defined as small businesses, will be affected by these regulations and compliance will not impose a significant burden. Most brokerage companies that are currently involved in filing required documentation for importing goods into the United States, specifically CBP documentation, are accustomed to CBP automated systems. Today, more than 99 percent of CBP filings are handled electronically. The great majority of softwood lumber importers that are small businesses use brokers and file their entry summaries electronically; those small businesses that do not use brokers account are responsible for a very small amount of entries.

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

Failure to collect information relevant to the terms of the SLA 2006 about softwood lumber imports from Canada, would disrupt the policy goals and objectives of the United States as signified by the terms of the SLA 2006. As a result, unmonitored imports of softwood lumber from Canada could result in undetected breaches of the terms of the SLA 2006, that grow to a magnitude that makes resolution untenable and that potentially threaten the viability of the SLA 2006. ~~The Canadian Softwood Lumber Import License information is necessary for the United States Government (USG) to better monitor softwood lumber import data from Canada.~~

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

The information collected will be consistent with the 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.**

[Commerce has submitted](#) an interim final [rule](#) (RIN 0625-AA76) [to OMB](#). The rule soliciting public comment will be published after OMB approval. [Commerce expects the rule to publish by the end of May.](#)

Commerce's Import Administration staff, together with staff from the Office of the United States Trade Representative, CBP, and the Department of State, regularly consults with representatives from the U.S. softwood lumber industry and will continue to keep the industry informed regarding the levels of imports of Canadian softwood lumber and potential violations of the export measures established by the SLA 2006.

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

No payments or gifts are being offered to the respondents. Major importers and brokers will be required to submit this information as a condition of importation.

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

To the extent that the information submitted by the parties contains trade secrets, Commerce will protect such information from disclosure, including disclosure pursuant to requests under the Freedom of Information Act, as required by the Trade Secrets Act, 18 U.S.C. § 1905. [This information will be given to importers on the electronic form required to apply for a license.](#)

**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.**

It is estimated that 5,000 brokers and importers will apply for a license. Each importer or broker must complete the form for each entry of the subject merchandise. The estimated number of 360,000 licenses will be issued each year. The average time to complete the form is estimated to be 10 minutes. This estimate includes the time necessary to complete the form using information that is necessary for the completion of the other documents required for entry of the product into the United States. It is not expected the response time to vary widely because some of the same information is used to fill out other CBP documents filed at the time of entry. The estimated average private sector salary for persons responding is \$20.00 per hour.

**Estimated Number of Respondents = 5,000 (72 responses per respondent).**

**Estimated Total Number of Responses = 360,000.**

**Estimated Time per Responses = 10 minutes.**

**Estimated Total Burden Hours = 60,000.**

Cost to Respondents: Total Hours (60,000) x Average Salary (\$20/hour) = \$1,200,000.

**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).**

None.

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

The estimated cost to the Federal government for persons processing the licenses is \$25 per hour.

**Estimated Total Number of Responses = 360,000.**

**Estimated Time per Response = 30 seconds.**

**Estimated Total Hours = 3,000.**

**Estimated Cost per Hour = \$25.**

**Estimated Total Cost to the Federal government = \$75,000.**

Processing and issuance of the license is done electronically. A quick check for obvious errors in the submitted information is required.

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

This is a new collection of information.

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

Information collected in the Canadian Softwood Lumber Import License form will be summarized and examined by Commerce officials to better monitor compliance of covered imports with the terms of the SLA 2006. It is not expected that the summarization and examination of the information will require complex analytical techniques.

**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.

## **SECTION B: COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS**

This collection of information does not employ statistical methodologies.