

**SUPPORTING STATEMENT**  
**U.S. Department of Commerce**  
**Economic Development Administration**  
**Trade Adjustment Assistance for Firms**  
**OMB Control No. 0610-0091**

**A. JUSTIFICATION**

**This is a request to extend the approval of the information collection.**

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

Chapters 3 and 5 of title II of the Trade Act of 1974, as amended (19 U.S.C. 2341 *et seq.*, hereafter the “Trade Act”), direct the Secretary of Commerce to accept petitions from firms that have been adversely affected by increased imports and to certify these firms as eligible to apply for Trade Adjustment Assistance (TAA) if the Secretary determines that all of the following conditions are met:

- 1) a significant reduction in the number or proportion of the workers in a firm, a reduction in their weekly wage or work hours, or an imminent threat of such reductions;
- 2) sales or production of the firm have decreased absolutely, or sales or production of an article accounting for at least 25 percent of the firm’s sales or production have decreased absolutely; and
- 3) an increase in imports of articles like or directly competitive with those produced by the petitioning firm, which has contributed importantly to the decline in employment and sales or production of that firm.

The Secretary of Commerce has delegated the authority and responsibility of administering the TAA program to the Economic Development Administration (EDA). Under the TAA program, EDA funds a national network of eleven (11) Trade Adjustment Assistance Centers (TAACs) which were established to assist the firms.

Form ED-840P, Petition by a Firm for Certification of Eligibility to Apply for Trade Adjustment Assistance, serves as a standard format for providing data on these subjects.

| [There are three phases to obtaining benefits form the TAA for Firms program.](#)

### **Certification (Application, Form ED-840P)**

The TAACs assist firms in preparing their applications for TAA benefits (Form ED-840P). Petitions are “Accepted for Investigation” if the application is completed. The names of the firms that have been accepted are published on a regular basis in the *Federal Register*. Eligible firms are then certified for TAA benefits.

In addition, EDA will hold a public hearing on an accepted petition if the petitioner, or any person, organization, or group found by EDA to have a Substantial Interest in the proceedings, submits a request for a hearing no later than ten days after the date of publication of the Notice of Acceptance in the *Federal Register*.

The form also requests that the firms provide the following supporting documentation (described in more detail in the instructions):

- a) Related firms- contact information, relationship type, and nature and amount of intercompany transactions.
- b) History of the petitioning firm: explanation of ownership, management, facilities, products, and other related information.
- c) Sales/production data: Financial reports and explanation of foreign sales, operations, output, and employment.
- d) Employment data: breakdown of monthly employment, quarterly unemployment reports submitted to the state.
- e) Customer support information: contact information of four customers and any verification of customers switching to cheaper imports.

### **Adjustment Proposal (Recovery Plan, No Forms)**

Once the firm has been certified as eligible for TAA, the TAACs work closely with company management to identify the firm’s strengths and weaknesses, and develop a customized adjustment plan designed to stimulate recovery and growth.

### **Implementation (Consultant Contracts, No Forms)**

When the adjustment plan has been approved, company management and TAAC staff will jointly identify consultants with the specific expertise required to assist the firm. The TAACs contract with private consultants, after undergoing a rigorous, competitive screening process, to implement the adjustment plan.

This collection request involves revisions that are addressed in Question 15.

**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.**

EDA uses information collected from Form ED-840P, and supporting documentation, to determine if a firm is eligible to apply for TAA. The petitions are submitted via e-mail by the TAAC, which assist the respondents in the application process. The respondents are U.S. firms adversely impacted by import competition. EDA reviews the petitions, ensures that the statutory requirements are met, and files each application. The proposals are used to determine if the firm will receive assistance.

**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.**

EDA forms are available for downloading, filling-in and printing (.pdf file format) on EDA's website at [www.eda.gov](http://www.eda.gov). The Form ED-840P and its attachments are submitted via electronic mail. However, EDA forms are not currently transaction-based. EDA anticipates that certain of its forms and other information collections will be able to be filed online when EDA begins posting application packages and other forms on [grants.gov](http://grants.gov), the electronic storefront for interactions between grant applicants and federal grant-making agencies.

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

EDA is unaware of any duplication with respect to this information collection. EDA periodically reviews its information collections to ensure that there is no duplication.

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

Pursuant to the Trade Act and 13 C.F.R. Part 315, eligible applicants and eligible recipients of Adjustment Assistance include “small businesses” or “small entities” as defined by the Regulatory Flexibility Act (5 U.S.C. 601(6)) (*See* 5 C.F.R. 1320.9(c)). Accordingly, this information collection potentially involves small businesses or other small entities.

As part of this PRA process, EDA has conducted a thorough review of its forms and other information collections to minimize respondent burden. EDA collects only the minimum amount of information to effectively administer the TAA program and to monitor compliance with the Trade Act and 13 C.F.R. Part 315.

One of the roles of a TAAC is to help interested firms complete the ED-840P, assemble the required supporting documentation, and submit the completed package to EDA for consideration. This service is provided at no cost to the firm. Given their knowledge of the TAA program, the TAACs are able to discourage firms that do not meet the requirements for certification from completing the form. This service-oriented program structure assists small businesses in minimizing the burden of information collection.

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

EDA would not be able to fulfill the statutory mandate under the Trade Act if these information collections are not conducted or conducted less frequently. The information collected is essential to the effective administration of EDA's TAA program. Additionally, due to reductions in staffing and budgetary constraints, EDA must rely on this information collection in lieu of individual meetings with applicants or recipients, or in lieu of individual project site visits by EDA personnel.

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

Not Applicable.

**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.**

The Federal Register Notice soliciting public comments was published on November 20, 2008 (Vol. 73, pg. 70321). No comments were received for this notice.

EDA e-mailed the Directors of the Trade Adjustment Assistance Centers, who assist the firms in the preparation of the Form ED-840P and proposals, to request comments for improving the form and process. No comments were received as of result of this e-mailed request.

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

No payments or gifts were provided to respondents.

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

The following information is stated in the application instructions:

‘The information submitted on Form ED-840P and in accompanying documents is subject to public disclosure under the Freedom of Information Act, unless exempt from disclosure as trade secrets or privileged or confidential commercial or financial information under 5 U.S.C. § 552(b)(4).’

**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.**

Firms generally consider their customers lists as sensitive in nature. Firms submitting an ED-840P, however, must include a short list of customers, including buyer names and contact information, which have reduced their purchases from the petitioning firm. This information must be obtained in order for EDA to make one of the findings for certification which is specified in the Trade Act.

EDA must determine whether a firm’s reduction in employment along with its decline in sales or production were due to increased imports. Declines in employment and sales or production due to other factors (e.g., loss of business to another domestic producer of similar items or losses due to a general reduction in the demand for the generic products produced by the petitioning firm) would not qualify a firm for certification. EDA contacts at least three customers of a petitioning firm and asks them if they have replaced their purchases of goods from the petitioning firm with imported goods.

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

- (a) *Form ED-840P (Petition by a Firm for Certification of Eligibility to Apply for Trade Adjustment Assistance)*: Notwithstanding the reduction in respondent burden hours resulting from EDA’s streamlining of the Form ED-840P, EDA continues to estimate that it will take the average respondent approximately 8 hours to complete the petition.

EDA estimates it will receive 173 petitions annually X 8 hours = **1,384 hours**.

- (b) *Adjustment Proposals*: Normally, a TAAC undertakes the vast majority of work, in consultation with an eligible firm, to prepare an adjustment assistance proposal. EDA's role at this stage of the program is limited to overall review, comment and approval. For each TAAC, however, the preparation of a proposal is comprehensive, given the need

to tailor the proposal to each firm's particular circumstances. EDA used 120 hours as the average amount of time to complete a proposal.

EDA estimates it will receive 193 proposals annually X 120 hours = **23,160** hours.

- (c) *Hearing*: To EDA's knowledge, no party within the past ten years has requested a public hearing on a petition accepted for certification. However, to account for the possibility that EDA may receive such a request, thus 1 respondent X 1 burden hour = **1** hour.

**TOTAL: Respondents/responses: 367; Burden hours: 24,545.**

**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).**

There is no additional cost burden.

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

The estimated total annualized costs to the Federal government for these information collections are approximately **\$40,250**.

- (a) *Form ED-840P (Petition by a Firm for Certification of Eligibility to Apply for Trade Adjustment Assistance)*: **\$24,000**; The cost associated with review of Form ED-840P for eligibility certification is based on 30 percent of a project officer's salary (\$50,000) and one-fifth of an attorney's annual salary (\$100,000). Printing the form and publishing monthly *Federal Register* notices, which list the firms from which EDA has accepted petitions for investigations, adds an additional \$7,000 per year.
- (b) *Adjustment Proposals*: **\$16,250**; The costs associated with review of adjustment proposals is based 30 percent of a project officer's salary (\$50,000) and one-eighth of an attorney's annual salary (\$100,000).
- (c) *Hearing*: **\$0**; To EDA's knowledge, no party within the past 13 years has requested a public hearing on a petition accepted for certification. Therefore, EDA estimates zero

government burden for this collection of information.

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

In an effort to streamline the certification process and improve the assessment of the Trade Adjustment Assistance for Firms program three general changes were made to the proposed ED-840P form. These three changes include facilitating electronic submission of the form, additional questions that help track the firm's progress and industry conditions, and clarification of the instructions for filling out the form.

The proposed ED-840P form will include an electronic version, as well as a paper version.

- The electronic version is an Adobe fill-able form that can be e-mailed to EDA.
- The form includes the e-mail address to which it can be submitted, [TAAC@eda.doc.gov](mailto:TAAC@eda.doc.gov). In order to transition more communications from conventional postal delivery services to electronic mail, the e-mail address of the firm's contact person is requested in the proposed form.
- The form automatically calculates percent changes in employment, net sales, and imports. Also, the form automatically calculates cost share and total assistance requested, which is intended to reduce error and applicant burden.
- There are several dropdown menus in the form to facilitate the input of common information, such as the Trade Adjustment Assistance Centers' (TAACs) contact information.

The proposed Form ED-840P includes additional questions under items 1, 6, 7, 8, and 11.

- Item 1 requests the e-mail address of the firm's contact person. Item 11 asks for the e-mail address of the individual who helped the firm prepare the petition. The changes to Items 1 and 11 facilitate communication with the petitioning firms and the TAACs.
- Item 6 asks that the applicant identify the number of months for an interim decline in sales. Item 8 requests the percentage change in average employment and information on the type of employment decline. The change in average employment is automatically calculated in the electronic version of the form. Changes to Items 6 and 8 provide information needed for the Eligibility Reviewer to make quick assessments and, therefore, service clients more quickly.
- The Data Universal Numbering System (DUNS) number and five-digit NAICS are requested on Item 7. Changes to Item 7 permits identification of import-impacted industries through NAICS rather than the [Standard Industrial Classification](#) (SIC) information and tracking of the petitioning firm's progress through DUNS information.

Aside from corrections to minor grammatical errors and formatting, a few of the instructions for filling out the ED-840P form were updated and edited for clarity.

The changes listed above are not estimated to change the burden hours.

The adjustments are due to a reduction in the number of respondents/responses and a correction of miscalculation of the burden hours from the previous submission.

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

As required by the Trade Act, each month EDA publishes a notice in the *Federal Register* listing TAA petitions accepted for investigation. This notice lists the firm's name, address, principal products, and acceptance date of the petition. EDA does not publish any other information collected in the petition.

Further specific details of information collected from respondents will generally not be published. However, some of the information collected may be published in aggregate form as part of EDA's annual report, Government Performance and Results Act reporting, EDA's Balanced Scorecard or other summary report.

**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.**

EDA is not requesting such OMB approval.

**18. Explain each exception to the certification statement identified in Item 19 of the OMB 83-I.**

No exceptions are requested.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

This information collection does not employ statistical methods. EDA is not aware of any statistical sampling methods that might reduce burden or improve the accuracy of results.