

SUPPORTING STATEMENT  
UNITED STATES INTERNATIONAL TRADE COMMISSION QUESTIONNAIRE  
Used Electronic Products: An Examination of U.S. Exports

Part A—Justification

**1. Request for regular action**

The U.S. International Trade Commission (USITC or Commission) is seeking approval for use of a questionnaire in connection with a report it is preparing for the U.S. Trade Representative (USTR). The Commission's report, *Used Electronic Products: An Examination of U.S. Exports* (Inv. no. 332-528) ("Used Electronic Products"), was requested by the USTR on January 9, 2012. The USTR requested that the Commission transmit its report to him by February 8, 2013. Questionnaires are the primary method by which the Commission will collect information in connection with this request.

On April 4, 2012 the Commission posted its draft questionnaire on its website (<http://www.usitc.gov/332528Comments>), and published a request for public comments in the Federal Register on the draft. Public comments will be accepted through June 4, 2012.

Pursuant to section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)) and the authority delegated by the President of the United States to the USTR under Executive Order 12661, the Commission, whenever requested, "shall put at the disposal of the President "[...] all information at its command, and shall make such investigations and reports as may be requested by the President [...]." Section 333(a) of the Tariff Act of 1930 authorizes the Commission, in carrying out its functions and duties in connection with any investigation authorized by law, to obtain information, including by subpoena or other order to furnish information. Copies of section 332(g) and section 333(a) of the Tariff Act of 1930 are attached as supplementary documents.

As indicated above, the report is due to USTR by February 8, 2013. This deadline necessitates prompt issuance of questionnaires. The questionnaires are tentatively scheduled to be mailed to respondents on or before June 18, 2012 in order to allow sufficient time for each recipient to complete the questionnaire, which is due back to the Commission by July 18, 2012.

**2. Purpose**

The information collected from questionnaires will be aggregated by the Commission and presented in a public report to the USTR. The information to be collected is critical to the Commission's task in addressing the elements of the USTR's request, since such data are not publicly available. The USTR requested that the Commission prepare a report that (1) provides estimates and details of U.S. exports of used electronic products in 2011, and the share of exports compared to all used electronic products sold or processed in the United States, (2) describes U.S. companies that export used electronic products, and (3) describes the foreign enterprises that import used electronic products from the United States.

To the extent practicable, the USTR requested that the Commission's report estimate the type, volume, value, and foreign markets of significance for exports of used electronic products from

the United States; the characteristics of used electronic products exported from the United States, including product condition (e.g., working, non-working, remanufacturable, refurbishable, repairable), composition of shipments (single product type, multiple product types), and the extent to which exports are processed (broken down or stripped), or remain intact prior to exportation; the forms, activities and characteristics of domestic exporting enterprises (e.g., original equipment manufacturers, remanufacturers, refurbishers, brokers, recyclers, nonprofits, etc.) including the extent to which the exporter is foreign-invested; and factors affecting trade in used electronic products. The questionnaires will collect information and data in response to each of these elements.

The USTR specified that the Commission's report be based on a review of available data and other information, including the collection of primary data through a survey of enterprises engaged in exports of used electronic products. The use of a questionnaire to collect relevant information is thus an integral part of the USTR's request and will aid the Commission in fulfilling its statutory duty to provide the requested information.

As drafted, the questionnaire mandates a response from recipients. Pursuant to section 333(a) of the Tariff Act of 1930, the Commission is authorized to compel persons, firms, a partnership, a corporation, or an association to furnish in writing, in such detail and in such form as the Commission may prescribe, information in their possession pertaining to such investigation. Failure to require mandatory responses would likely significantly depress response rates. Without a robust response, the Commission will be unable to furnish the information requested by the USTR and will be unable to satisfactorily discharge its responsibility under section 332(g) of the Tariff Act of 1930.

### **3. Use of technology**

All available information technology has been incorporated into the questionnaire design, including the use of Adobe Form Fillable software that will allow respondents to complete the questionnaire electronically. This interactive Adobe Form, which incorporates quality control functions, submission buttons, and summation functions, will be available for download from the USITC website at <http://www.usitc.gov/UsedElectronics>. While recipients will not be required to submit their questionnaire responses electronically, they will be able to provide their responses via electronic submission of the questionnaire through a secure upload system or via email.

### **4. Non-duplication of available data**

To the extent possible, the Commission's investigation will rely on existing publicly available data. Commission staff has reached out to government, academic, and industry leaders in this sector, and have confirmed that there is no existing U.S. export data for used electronic products. Further, after a thorough background search of data sources for this investigation, it has been determined that no other industry, government, or academic organizations collect or publish data that are duplicative of the data requested in the questionnaire.

### **5. Impact on small businesses**

The Commission estimates that due to the nature of the U.S. used electronics industry, a large proportion of its respondents to the questionnaire will be small businesses, as specified under the

Small Business Administration Rules (13 CFR Part 121). However, the smallest firms (firms employing fewer than 10 employees) were eliminated from our sampling population (for further detail, please see Justification Part B, page 2). To minimize the reporting burden, the questionnaire was designed to be as brief as possible, consistent with information requirements. The questionnaire is segmented by used electronic recycling activities and skip logic is employed to ensure that respondents only complete the relevant sections. Check-in-the-box and list selection response options are also used where appropriate to simplify the questionnaire. In addition, the questionnaire indicates that carefully prepared estimates are acceptable, which should further reduce the potential burden on smaller firms that may not have sufficient administrative resources or automated record-keeping systems.

#### **6. Consequences of non-collection**

Due to the lack of suitable data from other sources, without this information collection, the Commission will be unable to fulfill the USTR's request and therefore will be unable to satisfactorily discharge its responsibility under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)).

#### **7. Frequency of data collection**

This is a one-time, nonrecurring data collection.

#### **8a. Consistency with 5 CFR 1320.6 guidelines**

No special circumstances exist that require the collection to be conducted in a manner inconsistent with the guidelines of 5 CFR 1320.6. If any respondents do not maintain information in the format requested by the questionnaire, they are requested to submit carefully prepared estimates based upon available information.

#### **8b. Consultations with affected public**

The Commission's 60 day notice requesting public comment was published in the Federal Register on March 30, 2012. The notice and other information related to this study were published on the Commission's Internet site at <http://www.usitc.gov/332528Comments>.

The Commission's 30 day notice of submission to OMB requesting clearance was published in the Federal Register on May 17, 2012. The notice is also posted on the Commission's Internet site at [http://www.usitc.gov/research\\_and\\_analysis/What\\_We\\_Are\\_Working\\_On.htm](http://www.usitc.gov/research_and_analysis/What_We_Are_Working_On.htm). No public comments have been received to date.

Commission staff also field tested the questionnaire from March 26 to April 6, 2012, with regard to the availability of data, reporting burden, product coverage and definitions, clarity of instructions, disclosure, and reporting format. The following representatives of associations and companies were consulted on the content of the questionnaire and all field testers received copies of the draft questionnaire.

1. Richard Abramowitz, Waste Management, [rabramowitz@wm.com](mailto:r Abramowitz@wm.com)
2. Brad Wiggin, Metalwave, [brad@metalwaveinc.com](mailto:brad@metalwaveinc.com)
3. Willie Cade, PC Rebuilders & Recyclers, [willie@pcrr.com](mailto:willie@pcrr.com)

4. Renee St. Denis, Sims Metals, [Renee.St.Denis@simsmm.com](mailto:Renee.St.Denis@simsmm.com)
5. Jim Levine, Regency Technologies, [jimlevine@regencytechnologies.com](mailto:jimlevine@regencytechnologies.com)
6. Lauren Roman, TransPlanet, [lroman@ban.org](mailto:lroman@ban.org)
7. Craig Boswell, HOBI International Inc., [cboswell@hobi.com](mailto:cboswell@hobi.com)
8. Lane Epperson, HiTech Assets, Inc., [lane@htassets.com](mailto:lane@htassets.com)
9. Leona Lewis, Best Buy, [Leona.Lewis@bestbuy.com](mailto:Leona.Lewis@bestbuy.com)

The attached table (Field Test Comments for questionnaire in support of “Used Electronic Products: An Examination of U.S. Exports”) provides comments from industry sources acquired through field testing and actions taken in response to those comments. Question numbers refer to the April 4<sup>th</sup> draft of the questionnaire, published on the Commission’s website noted on page 1.

#### **9. Payments or gifts**

Not applicable. Questionnaire recipients will not be provided with any payments or gifts for their responses.

#### **10. Assurances of confidentiality**

On the first page of the questionnaire, the Commission provides recipients with an assurance of confidentiality, indicating that: “The Commission has designated as “confidential business information” the information you provide in the response to this questionnaire, to the extent that such information would reveal the operations of your firm and is not otherwise available to the public. The Commission will not disclose such confidential business information except as provided for in section 9 of this questionnaire. Information received in response to this questionnaire will be aggregated with information from other questionnaire responses and will not be published in a manner that would reveal the operations of your firm.”

On page 29 of the questionnaire, the Commission states that: “Section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)) provides that the Commission may not release information which it considers to be confidential business information unless the party submitting such information had notice, at the time of submission, that such information would be released by the Commission, or such party subsequently consents to the release of the information. The undersigned acknowledges that information submitted in this questionnaire response and throughout this investigation may be used by the USITC, its employees, and contract personnel who are acting in the capacity of USITC employees, for the purposes of developing or maintaining the records of this investigation or related proceedings for which this information is submitted, or in internal audits and in investigations relating to the programs and operations of the USITC pursuant to 5 U.S.C. Appendix 3.” The Commission also notes that: “The USTR has asked that the Commission not include any confidential business information in the report it transmits to him.”

#### **11. Sensitive information**

The Commission is not seeking information on issues of a sensitive nature involving persons or firms.

#### **12. Respondents’ projected cost burden**

The Commission has reduced the reporting burden on respondents by limiting the length and complexity of the questionnaire. Furthermore, the questionnaire only contains questions that the Commission believes to be readily available from firms' existing records and not all sections will apply to all firms.

The reporting burden is estimated to be:

Number of respondents:	(No.)	5,500
Frequency of response:	(No.)	1
Annual burden per respondent:	(hours)	2.5
Total burden:	(hours)	13,750

These estimates are based on reported response statistics from recently completed, similar surveys that the Commission has executed. It is estimated that completing the questionnaire, including time to gather necessary information, would take approximately 2.5 hours depending on the size and complexity of the firm. The burden on individual respondents may vary. The actual burden experienced by individual firms will likely be lower than 2.5 hours because not all sections of the questionnaire apply to all firms. Moreover, the total burden is likely to be considerably lower because the total response rate will likely be less than 100 percent.

The Commission has included a notice of the above response burden averages in the questionnaire, along with a request that respondents send comments to the Commission and to OMB.

The combined annualized cost to all respondents for the estimated hour burdens identified above is as follows:

$$\text{Cost} = 13,750 \text{ hours} \times \$68.27^* \text{ per hour} = \$938,712.50$$

\*This is the same hourly cost estimate used in item 14 below. The Commission projects that this is an accurate hourly cost estimate for personnel who will likely complete the questionnaire.

### **13. Annual public response burden**

This is a one-time collection of information and therefore the total recurring annual cost burden is zero.

a. Total capital and start-up cost component: The Commission does not expect any capital and start-up costs because all information likely already exists in firms' records storage facilities.

b. Total operation and maintenance and purchase of service component: The Commission does not expect respondents will need to purchase any services in completing the questionnaire.

### **14. Federal change in burden**

The estimated total cost to the Federal Government is \$74,570 as detailed below. No new equipment will be purchased because existing equipment will be used to process the questionnaires.

The estimated number of work hours includes designing the questionnaires, soliciting field test comments, editing results (i.e., contacting respondents after completion of the questionnaires to clarify responses), and compiling and tabulating questionnaire responses.

Personnel cost*	= \$68,955
Operational costs**	= <u>\$22,000</u>
Total cost	= \$74,570

\*The hourly figure was approximated by dividing the Commission's average salary level (\$142,000) by the number of work hours per year (2,080), which is equivalent to an average cost of \$68.27 per hour. Personnel costs also include three weeks of two full time staff members to follow up with respondents. This time includes calls to questionnaire recipients from Commission staff to ensure that organizations reply to the questionnaire and that responses received are accurate. The Commission estimates that 770 personnel hours will be spent on the questionnaire, which is approximately 35 percent of the total personnel hours the Commission budgeted for the study.

\*\*Operational costs include printing, mailing, and statistical consultant fees.

#### **15. Program change justification**

The Commission currently imposes no reporting burden on firms with respect to U.S. exports of used electronic products. The burden on firms increased because of a request from the USTR to provide a report on U.S. exports of used electronic products. Such data are not publicly available. This is a one-time collection for such data. The USTR's request letter is attached as a supplemental document.

#### **16. Project plan and schedule**

After receiving completed questionnaires, Commission staff will edit and review each response for accuracy, resolve any questions with the respondent, and tabulate the returns. Data will be analyzed, compiled in a form that will not reveal the individual operations of any respondent, and prepared for publication. The questionnaire is scheduled to be mailed on or before June 18, 2012. The respondents are requested to respond by July 18, 2012. The report, incorporating questionnaire information, will be transmitted to the USTR on February 8, 2013.

#### **17. Non-display of expiration date**

Not applicable, the expiration date appears on page 1 of the Commission questionnaire.

#### **18. Exceptions to certification statement to form OMB 83-I**

Not applicable.