

**SUPPORTING STATEMENT**  
**U.S. Department of Commerce**  
**International Trade Administration**  
*Implementation of Tariff Rate Quota Established Under Title V of the Trade and Development*  
*Act of 2000 for Imports of Certain Worsted Wool Fabric*  
**OMB Control No. 0625-0240**

**A. JUSTIFICATION**

**This is a request to revise and extend the information collection. The revision adds two standardized forms for the surrender/reallocation process.**

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

Title V of the Trade and Development Act of 2000 (“the Act”) created two tariff rate quotas (“TRQs”), providing for temporary reductions for three years in the import duties on limited quantities of two categories of worsted wool fabrics suitable for use in making suits, suit-type jackets, or trousers: (1) for worsted wool fabric with average fiber diameters greater than 18.5 microns (Harmonized Tariff Schedule of the United States (“HTS”) heading 9902.51.11); and (2) for worsted wool fabric with average fiber diameters of 18.5 microns or less (HTS heading 9902.51.12).

On August 6, 2002, President Bush signed into law the Trade Act of 2002, which includes several amendments to Title V of the Act. On December 3, 2004, the Act was further amended pursuant to the Miscellaneous Trade Act of 2004, Public Law 108-429, by increasing the TRQ for worsted wool fabric with average fiber diameters greater than 18.5 microns, HTS 9902.51.11, to an annual total level of 5.5 million square meters and extending it through 2007, and increasing the TRQ for average fiber diameters of 18.5 microns or less, HTS 9902.51.15 (previously 9902.51.12), to an annual total level of 5 million square meters and extending it through 2006. On August 17, 2006 the Act was further amended pursuant to the Pension Protection Act of 2006, Public Law 109-280, which extended both TRQs, 9902.51.11 and 9902.51.15, through 2009. The Emergency Economic Stabilization Act of 2008 extended the TRQ for both HTS numbers through 2014.

The Act requires the President to fairly allocate the TRQ to persons who cut and sew men’s and boys’ worsted wool suits and suit-like jackets and trousers in the United States, and who apply for an allocation.

The reduction of import duties provided by the TRQ is of considerable benefit to firms that receive TRQ allocations. It lowers these firms’ cost of production, enabling them to better compete with foreign imports.

On December 1, 2000, the President issued Proclamation 7383 that, among other things, delegates authority to the Secretary of Commerce to allocate the TRQ, and to issue regulations to implement these provisions. On January 22, 2001, the Department of Commerce published

regulations establishing procedures for allocation of the tariff rate quotas (interim final rule 66 FR 6459, 15 C.F.R. 335). On October 24, 2005, the Department of Commerce published final rule 70 FR 61363, to adopt without change the interim final rule 66 FR 6459.

The Department must collect certain information in order to carry out its responsibilities and fairly allocate the TRQ to eligible persons. Two separate information collections are required.

1. Application for TRQ License: Section 501(e) of the Act restricts allocation of imports subject to the TRQ to persons “who cut and sew men’s and boys’ worsted wool suits and suit-like jackets and trousers in the United States and who apply for an allocation based on the amount of such suits cut and sewn during the prior calendar year.” Information must be collected from applicants each year of the program 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. The Department developed application forms ITA-4139P and ITA-4140P for this purpose.

2. Surrender and Reallocation of Tariff Rate Quota: The TRQ allocations to individual recipients in any given year may be greater or less than the worsted wool fabric import requirements of such recipients. In order to ensure that the TRQ is fully utilized, a surrender and reallocation process is to be conducted in the latter part of each quota year. Information must be collected to determine the eligibility of applicants for additional quota and the amount of additional quota they shall receive. This information collection requirement is specified in Part 335 of the final rule. This information was collected as part of the previous submission. The Department has developed two standardized forms (ITA form numbers pending) for this purpose and is the basis for the revision. Use of the form simply standardizes the reporting format and makes it easier for licensees to comply with their obligations during the surrender/reallocation process.

The difference in the two forms is some licensees only apply for the 18.5 microns or less TRQ, while others apply for both TRQs. In an effort to reduce the paperwork for companies holding both licenses, the two TRQs were placed on the same form. We created a separate form for companies that only hold a license for the 18.5 microns or less TRQ to prevent confusion. This means a company has to complete only one form.

**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’s information collection requests are for (1) the application for TRQ license and (2) surrender and reallocation of Tariff Rate Quota. This information is not disseminated to the public or used to support information that will be disseminated to the public.

**a) Application for TRQ License**

The information collected on the application for TRQ license is utilized to determine the eligibility of the applicant 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. Applicant's name, address, telephone number, email address, and federal tax identification number; name of person submitting the application, and title, or capacity in which the person is acting for the applicant.

(2) Production. Name and address of each plant or location where Worsted Wool Suits, Worsted Wool Suit-Type Jackets, and Worsted Wool Trousers were cut and sewn by the applicant and the name and address of all plants or locations that cut and sewed such products on behalf of the applicant. Production data, including the following: the quantity and value of the Worsted Wool Suits, Worsted Wool Suit-Type Jackets, and Worsted Wool Trousers cut and sewn in the United States by applicant, or on behalf of applicant, from fabric owned by applicant. This data must indicate actual production (not estimates) of Worsted Wool Suits, Worsted Wool Suit-Type Jackets and Worsted Wool Trousers containing at least 85 percent worsted wool fabric by weight with an average diameter of 18.5 microns or less. This data must also indicate actual production (not estimates) of Worsted Wool Suits, Worsted Wool Suit-Type Jackets and Worsted Wool Trousers containing at least 85 percent worsted wool fabric by weight with average diameter greater than 18.5 microns. Production data must be provided for the first six months of the year of the application. This data will be annualized for the purpose of making Tariff Rate Quota allocations.

(3) Worsted Wool Fabric. Data indicating the quantity and value of the worsted wool fabric used in reported production. This data will specify the amount of fabric imported and the amount of fabric purchased from domestic sources. In order to fairly allocate the tariff rate quotas, manufacturers that utilize imported worsted wool fabric in production will be provided a greater allocation than manufacturers that utilize domestic worsted wool fabric. This will allow the manufacturers that will actually use the imported fabric that is subject to the TRQ to obtain a relatively greater share of the TRQ, as compared to manufacturers that use only domestic fabric.

(4) Certification. A statement by the applicant (if a natural person), or on behalf of the applicant, by an employee, officer or agent, with personal knowledge of the matters set out in the application, certifying that the information contained therein is complete and accurate, signed and sworn before a Notary Public, and acknowledging that false representations to a federal agency may result in criminal penalties under federal law.

**(b) Surrender and Reallocation of Tariff Rate Quota**

Not later than September 30 of each Tariff Rate Quota Year, a licensee that will not

import the full quantity granted in a license during the Tariff Rate Quota Year shall surrender the allocation that will not be used to the Department for purposes of reallocation. The surrender shall be final, and shall apply only to that Tariff Rate Quota Year. Such surrender shall be made in writing by completing the standardized form designed for this purpose.

The Department will notify licensees of any amount surrendered and the application period for requests for reallocation. A licensee that has imported, or intends to import, a quantity of Worsted Wool Fabric exceeding the quantity set forth in its license may apply to receive additional allocation from the amount to be reallocated. The application shall state the maximum amount of additional allocation the applicant will be able to use.

The information collected on the surrender and reallocation application is utilized to determine the eligibility of applicants for additional quota and the amount of additional quota they shall receive. The information includes:

- (1) Identification. Licensee's name.
- (2) The amount surrendered and/or the amount requested for reallocation.

**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 Department will make the application forms available electronically through its website ([http://otexa.ita.doc.gov/wooltrq/wool\\_app.htm](http://otexa.ita.doc.gov/wooltrq/wool_app.htm)) in order to minimize the reporting burden. The application for TRQ license could contain business confidential information and must be signed and sworn before a notary public. Therefore, it does not lend itself to being submitted electronically. However, the surrender and reallocation application may be submitted via email.

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

The information requested is not available from any other source. The information is unique to each respondent and no other agency collects this information.

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

The use of standardized forms, 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.**

We would be unable to determine an applicant's eligibility for license allocation or reallocation if the information is not submitted.

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

None.

**8. Provide information 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 60-day request for comments from the public was published on July 29, 2013 (78 FR Volume 139, pages 43141-43142). No comments were received in response to the notice.

ITA analysts are in frequent contact with licensees and other interested parties and receive feedback on the operation of the program. In fact, the forms for surrender and reallocation of tariff rate quota were developed in consultation with licensees in order to create a standardized method of reporting such information.

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

None. ITA makes no 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.

The following appears on the forms: 'All responses to this collection of information are voluntary, and will be provided confidentiality to the extent allowed under the Freedom of Information Act.'

**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.**

The estimated burdens below are presented in summary form separately to account for the two information requests – application for TRQ license and request for reallocation of tariff rate quota – and the burden for record keeping.

**(a) Application for TRQ License**

The amount of time to complete application forms ITA-4139P and ITA-4140P is estimated at an average annual total of 60 hours each (3 hours per response for an average of 20 responses per year). The estimated average private sector salary for persons responding is \$35.00 per hour.

Form #	Time to Complete	# of Respondents	# of Responses	Total Hours	Hourly Cost	Total Cost
Respondent's Burden Hours and Cost						
ITA-4139P	3 hrs.	20	20	60	\$35	\$2,100
ITA-4140P	3 hrs.	20	20	60	\$35	\$2,100

Total average cost per year to Respondents: \$4,200

Average Annual Respondent's Burden Hours: 120

**(b) Request for Reallocation of Tariff Rate Quota**

The amount of time to complete surrender/reallocation forms is estimated at an average annual total of 20 hours (1 hour per response for an average of 20 responses per year). The estimated average private sector salary for persons responding is \$35.00 per hour.

Form	Time to Complete	# of Respondents	# of Responses	Total Hours	Hourly Cost	Total Cost
Respondent's Burden Hours and Cost						
18.5 Microns or Less	1 hr.	10	10	10	\$35	\$350
Greater than 18.5 Microns	1 hr.	10	10	10	\$35	\$350

Total average cost per year to Respondents: \$700

Average Annual Respondent’s Burden Hours: 20

**(c) Record Keeping**

The applicant shall retain records substantiating the information provided in the application for TRQ license for a period of three years and the records must be made available upon request by an appropriate government official. The average amount of time keep records substantiating the information provided in the applications for TRQ is estimated at one hour. The estimated average public sector salary for persons keeping the records is \$25.00 per hour.

Time to Complete	# of Respondents	Total Hours	Hourly Cost	Total Cost
Respondent’s Burden Hours and Cost				
1 hr.	20	20	\$25	\$500

Total estimated Cost to Respondents: \$500

Total Respondent’s Burden Hours: 20

**Total Estimated Annual Respondents’ Burden Hours and Costs:**

<u>Item</u>	<b>Total Hours</b>	<b>Total Costs</b>
a. Application for TRQ License	120	\$4,200
b. Request for Reallocation of Tariff Rate Quota	20	700
c. Record Keeping	<u>20</u>	<u>500</u>
<b>Total:</b>	<b>160</b>	<b>\$5,400</b>

**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 Question 12 above).**

Postage/delivery services and telephone calls for assistance from ITA analysts may be required. The total annual cost for these services is estimated at \$450.

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

The estimated burdens below are presented in summary form separately to account for the two information requests – application for TRQ license and request for reallocation of tariff rate quota – and the burden for reviewing records.

**(a) Application for TRQ License**

The amount of time to review and process application forms ITA-4139P and ITA-4140P is estimated at an average annual total of 800 hours (20 hours per response for an average of 40 responses per year). The estimated average public sector salary for persons processing the applications is \$35.00 per hour.

ITA-4139P & ITA-4140P	Time to Review and Process	# of Respondents	# of Responses	Total Hours	Hourly Cost	Total Cost
Government's Burden Hours and Cost						
Annual Average	20 hrs.	20	40	800	\$35	\$28,000

Total average cost per year to Government: \$28,000

Average Annual Government's Burden Hours: 800

**(b) Request for Reallocation of Tariff Rate Quota**

The amount of time to review and process surrender/reallocation forms is estimated at an average annual total of 200 hours (10 hours per response for an average of 20 responses per year). The estimated average public sector salary for persons processing the forms is \$35.00 per hour.

18.5 Microns or Less & Greater than 18.5 Microns	Time to Review and Process	# of Respondents	# of Responses	Total Hours	Hourly Cost	Total Cost
Government's Burden Hours and Cost						
Annual Average	10 hrs.	10	20	200	\$35	\$7,000

Total average cost per year to Government: \$7,000

Average Annual Government's Burden Hours: 200

**(c) Record Keeping**

The applicant shall retain records substantiating the information provided in the application for TRQ license for a period of three years and the records must be made available upon request by an appropriate government official. The average amount of time to review the records is estimated at ten hours. The estimated average public sector salary for persons reviewing the records is \$35.00 per hour.

Time to Complete	# of Respondents	Total Hours	Hourly Cost	Total Cost
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Government's Burden hours and Cost



10 Hours	20	200	\$35	\$7,000
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Total estimated Cost to Government \$7,000

Total Government's Burden Hours: 200

**Total Estimated Annual Government Burden Hours and Costs:**

<u>Item</u>	<b>Total Hours</b>	<b>Total Costs</b>
a. Application for TRQ License	800	\$28,000
b. Request for Reallocation of Tariff Rate Quota	200	7,000
c. Record Keeping	<u>200</u>	<u>7,000</u>
<b>Total:</b>	<b>1,200</b>	<b>\$42,000</b>

**15. Explain the reasons for any program changes or adjustments.**

Forms for surrender and reallocation of tariff rate quota have been developed in order to create a standardized method of reporting such information. However, the estimated burden remains the same.

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

This collection of information does not employ statistical methods and is not 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. Explain each exception to the certification statement.**

None.

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

This collection of information does not employ statistical methodologies.