

SUPPORTING STATEMENT
CERTIFICATE FOR QUOTA ELIGIBILITY (CQE)
15 CFR Part 2011

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY. Explain circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate action of each statute and regulation mandating or authorizing the collection of information.

Imports of raw cane sugar are subject to a tariff-rate import quota (TRQ) allocated on a country-by-country basis to foreign countries. A U.S. certificate for quota eligibility (CQE) issued by USDA and authenticated by a certifying authority in the foreign country permits entry of raw cane sugar under the TRQ (Attachment 1).

Legal Requirements – TRQ Quota Quantity, Allocation, and CQEs.

Chapter 17 of the Harmonized Tariff Schedule of the United States (HTS) Additional U.S. Note 5 (Attachment 2):

- (1) Additional U.S. Note 5 (a) (i) of Chapter 17 requires the Secretary of Agriculture (the Secretary) to establish a TRQ for raw cane sugar (entered under HTS 1701.12.10 and HTS 1701.13.10) during each fiscal year with a minimum TRQ amount of 1,117,195 metric tons, raw value (Attachment 6). Raw sugar, as defined by the subheading note of Chapter 17, is “sugar whose content of sucrose by weight, in a dry state, corresponding to a polarimeter reading of less than 99.5 degrees.”
- (2) Additional U. S. Note 5 (a) (ii) authorizes the establishment of a higher TRQ amount whenever the Secretary believes that domestic supplies of sugars may be inadequate to meet domestic demand at reasonable prices.
- (3) Additional U. S. Note 5 (b) (1) states that the TRQ established by the Secretary for raw cane sugar may be allocated among supplying countries and areas by the United States Trade Representative (USTR) (Attachment 7).
- (4) Additional U.S. Note 5 (b) (iv) authorizes the USTR to promulgate a regulation to provide for TRQ raw cane sugar allocations, including the issuance of a CQE to accompany sugar imported from any country for which an allocation has been provided.

15 CFR 2011:

As a condition to enter a shipment of TRQ raw cane sugar, U.S. Customs and Border Protection (CBP), Department of Homeland Security, requires that imports be accompanied by a CQE (Form FAS-961) (Attachment 1). Rules governing the distribution of CQEs and

administration of the CQE program were promulgated by the USTR and codified in Title 15 of the Code of Federal Regulations, Part 2011, Subpart A (Attachment 5).

TRQ AND CQES for FY 2013:

(1) The Secretary of Agriculture established the TRQ for raw cane sugar at 1,117,195 metric tons for fiscal year 2013 on September 7, 2012 (Attachment 6).

(2) USTR allocated the raw cane sugar TRQ among 40 foreign supplying countries based on historical trade between 1975 and 1981 (Attachment 7).

2. PURPOSE AND ACTUAL USE OF AN INFORMATION COLLECTION. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

The information collection (CQE): The CQE (Form FAS-961 with three carbons) requires the following information to be provided (Attachment 1):

- (1) country of origin or area of the eligible raw cane sugar;
- (2) quota period;
- (3) quantity of raw cane sugar to be exported;
- (4) details of the shipment (shipper, vessel, port of loading); and
- (5) additional details if available at the time of shipment (consignee, address of consignee, expected date of departure, expected date of arrival in the U.S., expected port of arrival).

A CQE must be signed by a certifying authority in the foreign country (as defined in sec. 2011.102 of the Regulation (Attachment 5) and have an affixed seal or other form of authentication.

Purpose of the CQE: U.S. Customs and Border Protection (CBP) uses the CQE as the principal document to track imports of raw cane sugar entered into the United States or withdrawn from a bonded warehouse, after having been imported under the TRQ for raw cane sugar. The CQE must be presented to CBP to qualify to enter imports under the TRQ at a low or free-duty tariff under HTS 1701.12.10 and HTS 1701.13.10.

CBP decrements the quantity of raw cane sugar specified on a CQE against the aggregate TRQ amount and the specific TRQ country allocation at the time imports are entered for consumption. The principal purpose of the CQE is to facilitate entry of raw cane sugar imports by ensuring that both the aggregate TRQ and also the TRQ country allocations cannot be oversubscribed – CQE quantities are restricted to TRQ levels. Sugar shipped to a country other than the United States, refined in a third country, and transshipped to the United States, is not eligible for entry into the United States under a CQE. By enforcing the limit on TRQ raw cane sugar imports, the CQEs serve as an integral element in maintaining the integrity of the domestic price support program for raw cane sugar.

Procedure: Prior to October 1 (fiscal year), the Department's Foreign Agricultural Service (FAS) assigns a number to each CQE that is distributed via a courier service to those U.S. Embassies where the host country has a TRQ allocation. CQEs are kept in secured/locked files in Embassy offices until a certifying authority (e.g., trade association, foreign government agency) requests a CQE for a shipment of raw cane sugar to be entered under that country's TRQ allocation. Embassy officials enter the name of the foreign country and requested quantity (not to exceed 10,000 short tons per CQE) on the CQE, and release the CQE to the certifying authority. The certifying authority completes the information collection on the CQE and authenticates its accuracy. The U.S. Embassy maintains records of TRQ quantities released to certifying authorities on CQE forms to record the declining TRQ allocation balance. When the remaining TRQ amount is zero, the Embassy issues no further CQEs for that fiscal year. Copies of CQEs are retained by the Embassy and returned to USDA/FAS headquarters in Washington, DC for recordkeeping.

3. USE OF AUTOMATED, ELECTRONIC, MECHANICAL OR OTHER TECHNOLOGICAL COLLECTION TECHNIQUES. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

Automation of the process is limited to recordkeeping. CBP officials at the port of entry record the import data collected from a CQE into the automated Customs quota system. Data entered at ports remain preliminary until approved by CBP officials in Washington, DC. Final data is published on CBP's Web site: (www.cbp.gov/xp/cgov/import/textiles_and_quotas/commodity/) on an approximately weekly basis.

No other automation collection technique is being considered for electronic submission of CQE information or availability of CQEs on the Internet, because CQEs are secure documents. CQEs have a monetary value (i.e., the differences between the domestic and world price of sugar). If electronic copies of blank CQEs were available on the Internet, unauthorized sources could download CQEs, and ship raw cane sugar under the TRQ without meeting the requirements of the Regulation. The availability of CQEs electronically could result in creating a market for downloaded CQEs and negate the operation of the current CQE system with invalid CQEs.

4. EFFORTS TO IDENTIFY DUPLICATION

Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in item 2 above.

There is no duplication of information or data available elsewhere.

5. IMPACT ON SMALL BUSINESSES.

If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-1), describe any methods used to minimize burden.

Most of the data collected does not originate in firms defined as small businesses. Foreign certifying authorities are generally government-related entities or government-endorsed trade associations. On the import side, there are seven major U.S. sugar refiners which account for all raw cane sugar imports.

6. CONSEQUENCES IF THE INFORMATION COLLECTION IS NOT CONDUCTED.

Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The data collected on CQE forms is required by the CQE Regulation and cannot be collected less frequently.

7. SPECIAL CIRCUMSTANCES

Explain any special circumstances that would cause an information collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly;**
CQE's are issued continuously throughout the fiscal year as raw cane sugar is exported to the United States.
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

There are no other special circumstances.

8. FEDERAL REGISTER NOTICE REQUIRED BY 5 CFR 1320.8 (D) AND EFFORTS TO CONSULT WITH PERSONS OUTSIDE THE AGENCY REGARDING THE INFORMATION COLLECTION. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comment received on cost and hour burden.

A *Federal Register* notice was published on June 21, 2013, (78 FR 37516). No comments were received. (See Attachment 9)

9. PAYMENTS OR GIFTS TO RESPONDENTS.

Respondents do not receive any payment or gifts for participation in the reporting program.

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

CBP maintains the confidentiality of the data on the quantity of imports entered by individual firms and related business confidential information provided on CQEs.

11. JUSTIFICATION FOR QUESTIONS OF A SENSITIVE NATURE.

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.

There are no questions of a private sensitive nature.

12. ESTIMATE OF THE HOUR BURDEN OF THE INFORMATION COLLECTION.

The public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The annual costs are estimated at \$4,802 (204 hours at an average cost of \$23.54 per hour for the foreign certifying authority).

Table: Estimated Annual Reporting and Recordkeeping Burden	
Number of respondents	40 – Number of countries receiving a TRQ allocation
Number of responses annually per respondent	31
Total annual responses	1,240
Total annual burden in hours	204

13. ESTIMATE OF DOLLARS SPENT FOR CAPITAL START UP COSTS.

There exists no capital start up cost.

14. ESTIMATE OF DOLLAR COST TO THE FEDERAL GOVERNMENT.

FY 2012 labor costs reflected streamlining of the process. In Washington, DC, a GS-15 Division Director and a GS-13 International Trade Specialist earned an estimated \$349 and \$1,776, respectively, to manage CQEs. GS-8 Program Assistants in U.S. Embassies accounted for an estimated \$1,653 to handle CQEs at their duty stations. (See Attachment 8) Printing outlays totaled only \$413 due to an inventory of extra forms. Shipping the forms required \$395.

15. REASONS FOR PROGRAM CHANGES OR ADJUSTMENTS IN ITEM 13/14 OF OMB FORM 83-1.

There is a change in the number of responses from 1224 to 1240 due to rounding in the last approval of a nonsubstantive change.

16. PLANS FOR EVALUATION AND PUBLICATION OF THE INFORMATION COLLECTION. For collection of information whose results will be published, outline plans for tabulation, and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The information collection is tabulated by CBP, which aggregates individual shipments under CQEs. CBP then publishes total imports and country imports entered under the TRQ on web site. (www.cbp.gov/xp/cgov/import/textiles_and_quotas/commodity/)

17. REASONS FOR SEEKING APPROVAL NOT TO DISPLAY THE EXPIRATION DATE. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

There is no request.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT IN ITEM 19 ON OMB FORM 83-1.

There are no exceptions.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

The collection of data does not employ statistical methods.