

**DAIRY TARIFF-RATE IMPORT QUOTA LICENSING REGULATION
SUPPORTING STATEMENT**

OMB Number: 0551-0001

1. Explain the circumstances that make the collection of information necessary. Identify and legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

The collection of information supports the Dairy Tariff-Rate Import Quota regulation (the Regulation) (7 CFR 6.20-6.37) which governs the administration of the import licensing system applicable to most dairy products subject to tariff-rate quotas (TRQs). The importation of most cheese made from cow's milk and certain noncheese dairy articles (butter, dried milks, and butter substitutes) are subject to TRQs and must be accompanied by an import license issued by the Department to enter at the lower tariff. Importers without licenses may enter these dairy articles, but are required to pay the higher tariff.

2. 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 received will be used by the Foreign Agricultural Service, Dairy Import Licensing Group, in the administration of the tariff-rate import quota licensing system for certain dairy products and the issuance of licenses in accordance with the Regulation. The Regulation requires records pertaining to an applicant's eligibility to be retained for 5 years after the end of a quota year.

Description of the Information Collection:

All information is collected electronically through the USDA/FAS computer system named DAIRIES. Forms are filled out on-line and do not exist in paper copies.

The department issues three types of import license: Historical, Nonhistorical, and Designated Importer Licenses --

FAS-923: Certification Required to Apply for Dairy Import Licenses.

All applicants for all import licenses must submit FAS-923 to the Department during the application period set forth in 7 CFR Part 6 Sections 6.20 through 6.37. The Department issues three types of licenses: historical licenses (renewable); nonhistorical licenses (non-renewable); and preferred cheese licenses issued to importers designated by the government of a foreign country.

The information collection requires applicants to certify that they meet the eligibility criteria of the Regulation, are submitting the required supporting documentation, and maintain records on file for audit and inspection purposes.

Applicants for Nonhistorical Licenses --

FAS-923A Part 1: Application for Appendix 2 Nonhistorical Cheese Licenses

Nonhistorical licenses are issued annually through a rank-order lottery system. Applicants applying to participate in the license lottery must submit this form. Licenses received cannot be renewed in the following year, but can be applied for each year. The purpose of applicant rank-ordering requests for licenses is to provide a better alignment between importers' requirements and licenses obtained. Applicants are required to request cheese licenses for specific countries by selecting circles.

(1) Under Column 1, applicant rank-order requests for a maximum of six cheese selections by filling in the circles under heading numbers 1 - 6.

(2) Under Column 2, applicants may also (but are not required to) request additional cheese selections not included under Column 1. Applicants may select up to eight different cheeses under each of the column headings high, medium, and low. Licenses for cheese requested under column 2 will not be issued until all requests under column 1 are allocated.

FAS-923B Part II: Application for Appendix 2 Nonhistorical Noncheese Licenses.

Applicants are required to fill out this form requesting up to 8 non-cheese articles by filling in circles.

Applicant rank-order requests for nonhistorical non-cheese licenses by filling in the circles under number headings 1 - 8.

All holders of importer licenses --

FAS-924A: License Surrender Form

After licenses are issued, Section 6.26 of the Regulation requires licensees to surrender by October 1 any license amount that a licensee does not intend to import that year. Licensees are required to use at least 85 percent of each net license amount. Using FAS-924A, licensees complete a table listing the license numbers and amount of each license being surrendered.

FAS-924B: Application Form for Requesting Additional TRQ Amounts

After unused license amounts are surrendered, the Department will consolidate license amounts surrendered, revoked, and canceled during the quota year. Using FAS-924B, applicants who are requesting to increase the amount of a license that they currently hold are required to fill in the circle to identify the licenses for which they are requesting an additional TRQ amount.

Also on FAS-924B, applicants who are requesting a TRQ amount for which they do not have a license are also required to fill in the circles to identify the new TRQ amount being requested. In both cases, the columns filled in are: license type, article, country of origin, license number, and amount requested.

3. 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 information 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.

Dairy Accelerated Importer Retrieval and Information Exchange System (DAIRIES) is the web-based interface system used for this collection. The program partners with other government agencies which enable importers to utilize electronic Payment and eAuthentication technologies. Internal efficiency has been achieved by replacing manual processes such as ledger entry of certified checks and scanning of application forms. The electronic forms, submitted into DAIRIES, are used to enter data for selected applications and further processed by the FAS. The DAIRIES System allows importers to access, complete, and submit all required forms. Filers are required the use of electronic process and eAuthentication technologies.

Instructions are available and are displayed in both Microsoft WORD document format and in Adobe Acrobat PDF format.

4. 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.

No duplication exists given that these forms are unique to the Dairy Import Licensing Program and the information does not exist nor is being collected elsewhere.

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

Many of the licensees are small businesses. However, filling out the electronic forms is not burdensome nor impacts them as small businesses. The number of small businesses for this collection is 595.

6. 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 information collection is necessary to determine eligibility to obtain benefits under the Regulation. Import licenses are issued annually under terms and conditions set forth in the Regulation and are valid until December 31 of each quota year. If such information were collected less frequently, the Department would not be able to issue licenses on an annual basis in compliance with the Import Regulation.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner requiring.... retaining records for more than 3 years.

The Regulation requires records pertaining to an applicant's eligibility to be retained for 5 years after the end of a quota year. Five years is standard for other Department regulations, which require audit and inspection of records of program participants whose business premises are widespread geographically and such geographic areas may not be able to be audited in less than every 5 years.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

In a Federal Register notice dated September 10, 2013 (Vol 78 No. 175 pg. 55237), the Department published a "Request for extension of the currently approved information collection." No comments on the information collection were received.

9. Explain any decision to provide any payment or gift to respondents, other than reenumeration of contractors or grantees.

No payments or gifts were offered.

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

The information requested is not of a confidential nature. There were no respondents.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

The information requested is not of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated.

The aggregate total burden hours are 479 for the information collection and recordkeeping. The estimated total number of respondents is 700, with each response requiring an average of .68 hours. The estimated total annual cost for the reporting burden of 479 hours is \$16,286 (based on a standard bookkeeping rate of \$34 per hour as estimated from Bureau of Labor wage figures).

13. Provide estimates of annualized cost to respondents for the hour burdens for collection of information, identifying and using appropriate wage rate categories.

There is no capital start up costs.

14. Provide estimates of annualized cost to the Federal government. Provide a description of the method used to estimate cost and any other expense that would not have been incurred without this collection of information.

There is no net cost to the Government. The total cost of operating the licensing program is estimated annually and a license fee is charged for each license issued to cover the estimated cost. The license fee for a forthcoming year is published in the Federal Register in September 2013.

15. Explain the reasons for any program changes or adjustment reported in Items 13 or 14 of the OMB Form 83-1.

There is an adjustment increase of 1 burden hour from 478 to 479 due to rounding in the last submission.

16. For collection of information whose results are planned to be published, outline plans for tabulation and publication.

Not applicable.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

The agency is seeking approval to not display the OMB expiration date on the forms associated with this information collection. The Department continues to request an exception for display of the OMB expiration date for reasons of economy. We maintain an inventory of forms and wish to avoid the expense of destroying all forms upon expiration and reproducing new forms with a new expiration date.

18. Explain each exception to the certification statement identified in Item 19 “Certification for Paperwork Reduction Act.”

There are no exceptions.