

SUPPORTING STATEMENT
U.S. Department of Commerce
International Trade Administration
Watch Duty-Exemption and 7113 Jewelry Duty-Refund Program
OMB Control No. 0625-0134

A. JUSTIFICATION

This request is to extend the approval of this information collection.

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

Public Law (Pub. L.) 97-446, as amended by Pub. L. 103-465, Pub. L. 106-36, and Pub. L. 108-429, requires the Departments of Commerce (Commerce) and the Interior to administer the distribution of duty-exemptions to watch producers and duty-refunds involving several million dollars per year to watch producers and jewelry producers in the insular possessions (American Samoa, Guam, U.S. Virgin Islands and the Northern Mariana Islands). The primary consideration in collecting information is the enforcement of these laws, and the information gathered is limited to that necessary to prevent abuse of the program and to permit a fair and equitable distribution of its benefits. Form ITA-340P is used to monitor duty-free watch shipments. Forms ITA-360P and ITA-361P are necessary to implement the duty-refund program enacted by Congress.

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 information is collected by and stored in the records of the Subsidies Enforcement Office (SEO) of the Department of Commerce. The information in these forms is not requested for the purpose of public dissemination.

Form ITA-340P is a permit to enter watches and watch movements into the U. S. free of duty and is used to monitor duty-free shipments and ensure that the annual company duty-free allocations are not exceeded. This permit provides the data necessary to assist in verification of duty-free shipments and make certain the allocations are not exceeded. The regulations require a copy of the permit to be transmitted to an insular government official for their records. Only if entry procedures are not transmitted electronically through Customs and Border Protections' (CBP) automated broker interface, do the regulations require a copy of the permit be sent to CBP along with other entry paperwork. The form requests shipping information and a certification signature from the company. If the CBP entry is not made electronically, however, an official of CBP will provide the entry number, date of entry and port of entry and send the permit to Commerce.

Form ITA-360P is a certificate of entitlement to a duty-refund issued by Commerce and Interior in accordance with Section 303.12(a) and (b) for watches and Sections 303.19(a) and (b) for jewelry of Title 15 of the U.S. Code of Federal Regulations. The certificate entitling the holder to a refund (ITA-360P) is issued to the recipient by Commerce biannually. Information must be submitted by the recipient only if the certificate is transferred. This form contains no information collection other than a simple record of transactions made against the total of the certificate so that the balance can be easily maintained by the claimant.

Form ITA-361P requests the certificate of entitlement number, to whom the certificate was issued, the date of issue, the expiration date, the number and amount of the refund, to whom the refund will go, and if the transferee is affiliated with the certificate holder. The form must be used each time a certificate holder wishes to obtain a portion, or all, of the duty-refund authorized by the certificate. Consequently, one certificate holder may complete Form ITA-361P twice a year to obtain the full amount of the two entitlements and another certificate holder may choose to fill out Form ITA-361P several times for each certificate and receive the value of the certificate in increments. However, over the last few years we have found that companies generally do not opt to receive their benefits in increments. This information is needed so that Commerce can authenticate this document for CBP officials who will make the refund in accordance with Section 303.12(c) and 303.19(c). The form also requests information needed for CBP to verify duties paid on entries for which a claimant is requesting a refund against its certificate in accordance with Section 303.12(c) and 303.19(c).

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.

We do not currently receive “paperless” electronic submissions due to the need to maintain the confidentiality of proprietary business information that is routinely submitted by the respondents. The form is sent to each watch and jewelry producer biannually via mail or email.

4. Describe efforts to identify duplication.

The information is program-specific and is available only for the respondent companies thus no duplication has been identified.

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

Forms ITA-360P and ITA-361P are used to administer the duty-refund. Form ITA-340P is to monitor the duty-exemption allocations. The information requested by these forms is relatively

brief, and limited to only that information necessary for the proper administration and oversight of the watch and jewelry program. The respondents are one firm engaged in the manufacture of watches and one firm engaged in the manufacture of jewelry. The forms have been designed to contain only the essential quantitative information. There is no way to obtain such data except directly from the producer/exporters. The collection of this information does not have a significant impact on a substantial number of small businesses or other small entities.

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

If the information is not collected, the following consequences may occur: (a) the statutorily limited amounts of annual benefit may be exceeded; and (b) the nature of the benefit (CBP duty refunds) might encourage traffic in falsified forms.

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

All three information collections are consistent with OMB guidelines. To the extent they are not, it is for the following possible reasons: requests for refunds (ITA-361P) are not required more than quarterly; if the certificate holders make such requests more frequently it is because their commercial needs and preferred arrangements so dictate. Form ITA-340P, however, is required for each duty-free shipment to ensure that the allocations are not exceeded. The frequency at which form ITA-340P is submitted is not determined by Commerce but, rather, is a function of a company's own commercial decisions and actions.

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 announced in the Federal Register on March 27, 2015 (Volume 80, Number 36, pg. 16361). No comments were generated from this announcement.

The Subsidies Enforcement Director or senior level staff regularly consults and visits with the companies to determine areas where improvements to the information collection process can be made. In the past, we have made changes in the information collection process for Form ITA-340P after consultations with respondents. The companies have expressed no further problems with the formats of the Commerce requirements. There are no unresolved substantive or

material issues stemming from these consultations.

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

None.

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

None.

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.

<u>Form Number</u> <u>Hours</u>	<u>Time to Complete</u>	<u>No. of Respondents</u>	<u>Responses per Respondent</u>	<u>Total No. of Responses</u>	<u>Total</u>
ITA-340P	6 mins	1	30	30	3 hours
ITA-360P	1 min	1	1	2	4 mins
ITA-361P	10 mins	1	1	2	40 mins
Total hours per year:			32	34	3hrs 44 mins (4 hours in ROCIS)

The respondent is one firm engaged in the manufacture of watches for a total of one respondent. Form 340P is only filled out by the watch producer; both watch and jewelry producers fill out Forms 360P and 361P.

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).

Not applicable.

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

Expenses incurred by Commerce total \$1,103 including the printing of forms and the salary costs involved in handling the forms and reviewing the data on the forms. Total burden: approximately 18 hours per year.

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

The adjustment decreases are due to fewer participants in the program since the previous submission.

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

The results are 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.

Not applicable.

18. Explain each exception to the certification statement.

Not applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Collection does not employ statistical methods.