

SUPPORTING STATEMENT-PAPERWORK REDUCTION ACT (PRA)
Economic Development Administration
Trade Adjustment Assistance for Firms
OMB CONTROL NO. 0610-0091

A. JUSTIFICATION

This request is to extend the Office of Management and Budget approval.

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

Authorization for collection of petitions for certification and for public hearings is in section 251 of Chapters 3 and 5 of title II of the Trade Act of 1974, as amended (19 U.S.C. 2341 *et seq.*, hereafter the “Trade Act”). The authorization for collection of adjustment proposals is in section 252 of the Trade Act.

The Trade Act directs the Secretary of Commerce to accept petitions from firms that have been adversely affected by increased imports and to certify these firms as eligible to apply for Trade Adjustment Assistance (TAA) if the Secretary determines that all of the following conditions are met:

- 1) a significant reduction in the number or proportion of the workers in a firm, a reduction in their weekly wage or work hours, or an imminent threat of such reductions;
- 2) sales or production of the firm have decreased absolutely, or sales or production of an article accounting for at least 25 percent of the firm’s sales or production have decreased absolutely; and
- 3) an increase in imports of articles like or directly competitive with those produced by the petitioning firm, which has contributed importantly to the decline in employment and sales or production of that firm.

Form ED-840P (Petition by a Firm for Certification of Eligibility to Apply for Trade Adjustment Assistance) serves as a standard format for providing data on the preceding qualifiers. After certification for TAA for Firms, the firm is eligible to receive TAA-funded technical assistance in the form of matching funds for projects that expand markets, strengthen operations and increase competitiveness through the TAA for Firms program. Funds are not provided directly to firms; instead, EDA funds Trade Adjustment Assistance Centers (TAACs) and TAACs use funds to pay a cost-shared proportion of the cost to secure specialized business consultants.

If the petitioner or any other person or organization with substantial interest submits a request for a public hearing, the Secretary of Commerce is directed to provide for a public hearing and afford such interested persons an opportunity to produce evidence and be heard.

A firm certified under Trade Adjustment Assistance is required to file a proposal for the economic adjustment of such firm.

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 Secretary of Commerce has delegated the authority and responsibility of administering the TAA program to the Economic Development Administration (EDA). EDA received approximately 110 petitions during Fiscal Year 2014 and 115 during Fiscal Year 2015.

EDA uses information collected from Form ED-840P, and its attachments, to determine if a firm is eligible to apply for TAA. Petitions are submitted by e-mail by 11 Trade Adjustment Assistance Centers, which assist the respondents in the application process. The respondents are U.S. firms adversely impacted by import competition. EDA reviews the petitions, ensures that the statutory requirements are met, and files each application. EDA is transitioning from paper filing to electronic recording and filing.

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 Form ED-840P and its attachments are submitted via electronic mail. However, EDA forms are not currently transaction-based. EDA anticipates that certain forms and other information collections will be able to be filed online in the event EDA begins posting application packages and other forms to an electronic storefront for interactions between grant applicants and Federal grant-making agencies such as grants.gov.

4. Describe efforts to identify duplication.

EDA is unaware of any duplication with respect to this information collection. EDA periodically reviews its information collections to ensure that there is no duplication.

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

Pursuant to the Trade Act and 13 C.F.R. Part 315, eligible applicants and eligible recipients of Adjustment Assistance include “small businesses” or “small entities” as defined by the Regulatory Flexibility Act (5 U.S.C. 601(6)) (See 5 C.F.R. 1320.9(c) and the instructions provided by OMB). Accordingly, this information collection potentially involves small businesses or other small entities.

As part of this PRA process, EDA has conducted a thorough review of its forms and other information collections to minimize respondent burden. EDA collects only the minimum

amount of information to effectively administer the TAA program and to monitor compliance with the Trade Act and 13 C.F.R. Part 315.

Under the TAA program, EDA funds a national network of eleven TAACs. One of the roles of a TAAC is to help interested firms complete the ED-840P, assemble the required supporting documentation, and submit the completed package to EDA for consideration. This service is provided at no cost to the firm. Given their knowledge of the TAA program, the TAACs are able to discourage firms that do not meet the requirements for certification from completing the form. This service-oriented program structure assists small businesses in minimizing the burden of information collection.

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

EDA would not be able to fulfill the statutory mandate under the Trade Act if these information collections are not conducted or conducted less frequently. The information collected is essential to the effective administration of EDA's TAA program. Additionally, due to reductions in staffing and budgetary constraints, EDA must rely on this information collection in lieu of individual meetings with applicants or recipients, or in lieu of individual project site visits by EDA personnel.

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

Not Applicable.

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 Federal Register Notice soliciting public comments was published on March 17, 2016 (81 Fed. Reg. 14421).

EDA e-mailed the Directors of the Trade Adjustment Assistance Centers, who prepare the Form ED-840P, to request comments for improving the form. No comments were received as of result of this e-mailed request.

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

No payments or gifts were provided to respondents.

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

No confidentiality assurance was required.

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.

Firms generally consider their customer lists as sensitive in nature. Firms submitting an ED-840P, however, must include a short list of customers, including buyer names and contact information, which have reduced their purchases from the petitioning firm. This information must be obtained in order for EDA to make one of the findings for certification which is specified in the Trade Act.

EDA must determine whether a firm's reduction in employment along with its decline in sales or production were, at least in part, due to increased imports. Declines in employment and sales or production due to other factors (e.g., loss of business to another domestic producer of similar items or losses due to a general reduction in the demand for the generic products produced by the petitioning firm) would not qualify a firm for certification. The Trade Adjustment Assistance Centers contact at least two customers of a petitioning firm and ask them if they have replaced their purchases of goods and/or services from the petitioning firm with imported goods and/or services.

12. Provide an estimate in hours of the burden of the collection of information.

- (a) Form ED-840P (Petition by a Firm for Certification of Eligibility to Apply for Trade Adjustment Assistance): EDA continues to estimate that it will take the average respondent approximately 8 hours and 12 minutes to complete the petition. This burden estimate has remained constant since EDA's last submission. The estimated cost burden to a petitioning firm is \$358. EDA used \$40 per hour as the estimate for the average cost of professional and support staff involved in preparing the petition. EDA estimates total non-labor costs at \$30 per response. Between FY 2007 and FY 2015, EDA received between 85 and 311 petitions annually. EDA estimates it will receive up to 500 petitions annually going forward, for an annual total burden of 4,100 hours costing \$164,000 in labor, and annual non-labor costs at \$15,000.00, for a total annual cost of \$179,000. EDA believes that the number of petitions will increase going forward for three reasons: 1) the decline in the economy has increased demand for the program's services and 2) On June 29, 2015, the President signed into law the Trade Preferences Extension Act (P.L. 114-27). Title IV of that Act, entitled the "Trade Adjustment Assistance Reauthorization Act of 2015" and referred to herein as the "TAA Reauthorization Act,"

among other things, effectively reinstates the expanded TAAF program that was authorized as part of the Trade and Globalization Adjustment Assistance Act of 2009 (TGAAA) and retroactively restored by the Trade Adjustment Assistance Extension Act of 2011 (TAAEA). As a result, service firms are again eligible for TAAF and firms may use expanded lookback periods for determination of eligibility. This increases the pool of potential applicants for TAA certification.

Petitions for certification are required under 13CFR 315.8(b) which states,

“A Firm seeking certification shall complete a Petition by a Firm for Certification of Eligibility to Apply for Trade Adjustment Assistance (Form ED–840P or any successor form).”

- (b) *Adjustment Proposals*: The requirement for an adjustment proposal is described in 13 CFR 315.16, which states,

“EDA must receive the Adjustment Proposal within two (2) years after the date of the certification of the Firm...”

Normally, a TAAC undertakes the vast majority of work, in consultation with an eligible firm, to prepare an adjustment assistance proposal. EDA’s role at this stage of the program is limited to overall review, comment and approval. For each TAAC, however, the preparation of a proposal is comprehensive, given the need to tailor the proposal to each firm’s particular circumstances. EDA used 120 hours as the average amount of time to complete a proposal. The estimated cost burden in preparing a proposal is \$4,950. EDA used \$40 per hour as the estimate for the average cost of professional and support staff involved in preparing the proposal and a \$150 non-labor cost per response. EDA estimates it will receive 300 proposals annually, for an annual total burden of 36,000.00 hours costing \$1,440,000.00 in labor per year, and annual non-labor costs of \$45,000.00, for a total annual cost of \$1,485,000.00.

- (c) *Hearing*: To EDA’s knowledge, no party within the past 13 years has requested a public hearing on a petition accepted for certification. However, to account for the possibility that EDA may receive such a request, we estimate one respondent and one burden hour for this collection of information. Public hearings are allowed under 13 CFR 315.9 which states,

“EDA will hold a public hearing on an accepted petition if the petitioner or any interested Person found by EDA to have a Substantial Interest in the proceedings **submits a request for a hearing no later than ten (10) days after the date of publication of the notice of acceptance in the FEDERAL REGISTER...**”

Table 1. Burden Hours for TAAF Petitions for Certification (Form ED-840P) and Adjustment Proposals (APs)

| | Petitions (Form ED- 840P) | APs | Hearing |
|------------------------------|--|---------------|----------------|
| Hours per response | 8 hr 12 min | 120 | 1 |
| Estimate of annual responses | 500 | 300 | 1 |
| Total annual hours | 4,100 | 36,000 | 1 |

Table 2. Labor Cost for TAAF Petitions for Certification (Form ED-840P) and Adjustment Proposals (APs)

| | Petitions (Form ED-840P) | APs | Hearing |
|-------------------------------|-------------------------------------|-----------------------|----------------|
| Hours per response | 8.2 | 120 | 1 |
| Labor costs/ hour/ response | \$40.00 | \$40.00 | \$40.00 |
| Non-labor costs/hour/response | \$3.66 | \$1.25 | \$1.25 |
| Total cost/ response | \$358.00 | \$4,950.00 | \$41.25 |
| Estimate of annual responses | 500 | 300 | 1 |
| Total labor costs | \$164,000.00 | \$1,440,000.00 | \$40.00 |
| Total non-labor costs | \$15,000.00 | \$45,000.00 | \$1.25 |
| Total Annual Cost | \$ 179,000.00 | \$1,485,000.00 | \$41.25 |

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 #12 above).

There are no additional cost burdens to TAACs or firms resulting from the collection of this information, other than the costs identified in Item 12.

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

The estimated total annualized costs to the Federal government for these information collections are approximately \$271,400. These estimates are based on the results of EDA's restructuring of its TAA program operations and staffing in headquarters.

- (a) *Form ED-840P (Petition by a Firm for Certification of Eligibility to Apply for Trade Adjustment Assistance)*: \$235,400; The cost associated with review of Form ED-840P for eligibility certification is based on 95 percent of a project officer's salary (\$60,000) 97 percent of an attorney's annual salary (\$100,000), and 50 percent of a director's salary

(\$120,000). Printing the form and publishing monthly *Federal Register* notices, which lists the firms from which EDA has accepted petitions for investigation, adds an additional \$7,000 per year.

- (b) *Adjustment Proposals*: \$48,000; The costs associated with review of adjustment proposals is based on 80 percent of a project officer’s salary (\$50,000), two percent of an attorney’s annual salary (\$100,000), and 5 percent of a director’s salary (\$120,000).
- (c) *Hearing*: \$2,800; To EDA’s knowledge, no party within the past 15 years has requested a public hearing on a petition accepted for certification. However, to account for the possibility that EDA may receive such a request, we estimate one respondent and one burden hour for this collection of information.

Table 3. Costs to the Government for TAAF Petitions for Certification and Adjustment Proposals (APs)

| Position/ Item | Annual Salary/Cost | Petitions (ED-840P Form) | | APs (No Forms) | | Hearing | | Total |
|-------------------------|--------------------|--------------------------|------------------|----------------|-----------------|-----------|----------------|------------------|
| | | % of time | Cost | % of time | Cost | % of time | Cost | |
| AP Examiner | \$50,000 | 0% | \$0 | 80% | \$40,000 | 0% | | \$40,000 |
| Certification Examiner | \$60,000 | 99% | \$59,400 | 0% | \$0 | 1% | \$600 | \$60,000 |
| Attorney | \$100,000 | 97% | \$97,000 | 2% | \$2,000 | 1% | \$1,000 | \$100,000 |
| Director | \$120,000 | 50% | \$60,000 | 5% | \$6,000 | 1% | \$1,200 | \$67,200 |
| Federal Register Notice | \$7,000 | 100% | \$7,000 | 0% | \$0 | 0% | | \$7,000 |
| Total | | | \$223,400 | | \$48,000 | | \$2,800 | \$274,200 |

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

Not Applicable.

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

As required by the Trade Act, each month EDA publishes a notice in the *Federal Register* listing TAA petitions accepted for investigation. This notice lists the firm’s name, address, principal products, and acceptance date of the petition. EDA does not publish any other information collected in the petition.

Further specific details of information collected from respondents will generally not be published. However, some of the information collected may be published in aggregate form as

part of EDA's annual report, GPRA reporting, EDA's Balanced Scorecard or other summary report.

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.

EDA is not requesting such OMB approval.

18. Explain each exception to the certification statement.

No exceptions are requested.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not Applicable.