**Justification of Change Worksheet**

**OMB No. 0581-0143**

**Export Fruit Acts**

 **7 CFR Parts 33 and 35**

**February 2017**

**SC-205 Export Form Certificate**

This Justification for Change addresses modifications to the forms currently approved under OMB No. 0581-0143, Export Fruit Acts. Federal or Federal-State Inspection Program graders complete Export Form Certificates in the process of inspecting and certifying that each shipment of fresh apples and grapes meets quality and other requirements effective under the Export Fruit Acts. The Proposed Rule published in the Federal Register on December 5, 2016 (Vol. 81, No. 233, Pages 87486-87493) explains the changes and provides opportunity for public comment. A second notice (Vol. 82, No. 13, Page 7733) published on January 23, 2017, added 60 days to the comment period, giving affected industry members more opportunity to express their views.

On September 26, 2016, OMB approved the three-year renewal of Export Fruit Acts OMB No. 0581-0143 that declared the Agricultural Marketing Service’s (AMS) intention of enacting rulemaking to automate the filing of export information according to the International Trade Data System (ITDS). This approval merged the existing FV-207 and 205 into one FV-205. This Justification for Change Worksheet effectuates those changes, and seeks to obtain OMB’s approval of the burden added as a result of the new requirements described below.

**Export Form Certificate SC-205 and SC-205-1:** AMS seeks approval to change FV-205 to SC-205 due to a change in the name of the AMS program from Fruit and Vegetable (FV) to Specialty Crops (SC). The SC-205 would allow for versions in hardcopy, electronic or Documented Quality Assurance program (SC-205-1) formats. The different formats do not affect burden. The SC-205 forms will be completed by Federal and/or Federal-State inspectors, while the SC-205-1, or Documented Quality Assurance program version, would be completed **only** by a trained representative of a company operating under the alternative Partners In Quality (PIQ) program where the company is audited at periodic intervals by Federal-State auditors. There are currently no companies operating under the alternate inspection program.

Implementation of ITDS is causing the U.S. Department of Agriculture (USDA) to modify requirements for documentation pertaining to exported apples and grapes. ITDS and its connected systems from multiple government agencies would create efficiencies by which shippers of exported apples and grapes would be required to electronically enter an Export Form Certificate number or a USDA-defined exemption code into the Automated Export System (AES). The collection of AES data is approved under the Census Bureau’s OMB No. 0607-0152.

Modified procedures would: (1) no longer require that carriers retain a copy of the SC-205; and (2) require shippers maintain and provide, upon request, a paper or electronic copy of the SC-205 to USDA when needed to monitor compliance with regulations. The SC-205 certificates completed by Federal and State graders are either handwritten, electronically generated or issued under a Documented Quality Assurance program.  Continued existence of the form on paper is necessary because some State inspection offices are not yet connected to the Federal system that enables other States to complete inspection certificates on laptop computers and electronically transmit inspection results to the Federal inspection headquarters office.

In addition to issuing the proposed rules, AMS made presentations to trade groups to make impacted shippers and exporters aware of upcoming changes and efficiencies created by the implementation of ITDS to the inspection and documentation process. Throughout 2016, AMS conducted either on-site or video linked presentations to inform an increased population of trade participants about upcoming changes. The presentations took place in border points at Nogales, AZ; Philadelphia, PA; Seattle, WA; Los Angeles and San Diego, CA; Champlain and New York, NY; and Pembina, ND. A June 2016 webinar, a December 2016 Notice to Trade and a December 2016 presentation to the joint meeting of the Chilean and American Chambers of Commerce in Washington, D.C. further communicated information to the newly affected community of produce shippers.

As a result of these actions, the total number of respondents would increase from 74 shippers (which represents 60 apple shippers and 14 grape shippers) to 200 shippers (which represents 150 apple shippers and 50 grape shippers). AMS is seeking OMB’s approval for an additional 126 respondents who would electronically enter an Export Form Certificate number or a USDA-defined exemption code into the Automated Export System.

AMS seeks approval to add 204 (69.567 for apples and 134.714 for grapes) to the previously approved 1,453 (705.433 for apples and 747.286 for grapes) for responses per respondent, for a new total of 1,657 responses per respondent. AMS also seeks to add 107,468 to the previously approved 52,882 total annual responses for a new total of 160,550 total annual responses. AMS also seeks to add 12,947.34 to the previously approved 4,381.41 total burden hours for a new total of 17,328.75 total burden hours. The time it takes for the respondent to fill out the form has decreased from 5 minutes to 3 minutes. The electronic form is faster to fill out than the paper copy, hence the decrease in time.

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|  | Number of Respondents | Number of Responses per Respondent | Total Annual Responses | Total Hours |
| Previously Approved | 74 | 1,453 | 52,882 | 4,381.41 |
| Change Increase | +126 | +204 | +107,468 | +12,947.34 |
| Record Keeping | X | X | +200 | X |
| TOTAL REQUESTED | 200 | 1,657 | 160,550 | 17,328.75 |