

SUPPORTING STATEMENT

**U.S. Department of Commerce
Economic Development Administration
Trade Adjustment Assistance for Firms
OMB Control No. 0610-0091**

A. JUSTIFICATION

This request is to extend OMB approval for these information collections.

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

The mission of the Trade Adjustment Assistance for Firms (TAAF) program is to help import-impacted U.S. firms develop and implement projects to regain global competitiveness, expand markets, strengthen operations, increase profitability, and create jobs. Historically, most firms that applied for TAAF certification have been in the manufacturing sector. The program provides direct technical assistance to support the development of business recovery plans (Adjustment Proposals) and matching funds to implement projects outlined in Adjustment Proposals.

The TAAF program funds a national network of 11 Trade Adjustment Assistance Centers (TAACs), some of which are university-affiliated and others of which are independent non-profit organizations. Using TAAF funds that are matched by firms, these TAACs provide direct technical assistance to U.S. firms negatively affected by increased imports.

In accordance with the Trade Act and EDA's regulations as set out at 13 C.F.R. part 315, EDA must verify that the following have occurred:

- 1) A significant reduction in the number or proportion of the workers in the firm, a reduction in the workers' 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, or both, of any article or service accounting for at least 25 percent of the firm's sales or production has decreased absolutely; and
- 3) an increase in imports of articles or services like or directly competitive with those produced or provided by the petitioning firm, which has contributed importantly to the decline in employment and sales or production of that firm.

Additionally, to document the connection of increased imports to declining employment and sales or production, the firm must demonstrate that its customers have reduced purchases from the firm in favor of buying items or services from foreign suppliers.

Form ED-840P (Petition by a Firm for Certification of Eligibility to Apply for Trade Adjustment Assistance) serves as a standard format for collecting data on the above eligibility

criteria. The use of Form ED-840P standardizes and limits the information collected as part of the certification process and eases the burden on applicants and reviewers alike. EDA's authorization to collect Petitions is located at section 251 of the Trade Act (19 U.S.C. § 2341(a)).

In addition, after being certified as eligible for TAAF Program assistance following submission of Form ED-840P, firms must create an EDA-approved adjustment proposal in order to receive financial assistance under the TAAF Program. The adjustment proposal is each firm's business plan to remain competitive in the current global economy. Each adjustment proposal must meet certain requirements as set out in the Trade Act and EDA's regulation at 13 C.F.R. 315.12.

Finally, the statutory authorization for the TAAF program is sunseting in two stages. First, on July 1, 2021, the TAAF program reverted to more limited eligibility criteria. Second, as of June 30, 2022, assistance could not be provided to new firms. After that date, assistance could only be provided to firms that had previously submitted a petition under the TAAF program. EDA wishes to extend the current information collection for the TAAF program so that EDA may continue to review and approve adjustment proposals from certified firms, and in case the TAAF program is re-authorized by Congress.

2. Indicate how, by whom, and for what purpose the information is to be used.

EDA uses information collected from Form ED-840P, and its attachments, to determine if a firm is eligible to apply for trade adjustment assistance. EDA received approximately 91 Petitions during Fiscal Year 2020 and 94 Petitions during Fiscal Year 2021. Petitions are submitted to EDA by e-mail by the 11 TAACs, which assist respondent firms applying for TAAF program benefits. The respondents are U.S. firms adversely impacted by import competition. EDA reviews Petitions to ensure that the TAAF program's statutory requirements are met.

EDA uses information collected from Adjustment Proposals to determine if the respondent firms' business recovery plans are reasonably calculated to materially contribute to the economic adjustment of the firm, give adequate consideration to the interests of the workers of such firms, and demonstrate that the firms will make all reasonable efforts to use their own resources for economic development. EDA received approximately 82 Adjustment Proposals during Fiscal Year 2020 and 87 Adjustment Proposals during Fiscal Year 2021.

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.

EDA permits Petitions and Adjustment Proposals to be submitted either electronically or via email to taac@eda.gov. Petitions are generally submitted electronically using a web-based application.

4. Describe efforts to identify duplication.

EDA is unaware of any duplication with respect to these information collections. The information requested is unique to the TAAF Program and is not collected elsewhere. 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 trade adjustment assistance include “small businesses” or “small entities” as defined by the Regulatory Flexibility Act (5 U.S.C. 601). Accordingly, this information collection potentially involves small businesses or other small entities.

As part of this Paperwork Reduction Act process, EDA has conducted a thorough review of its TAAF program forms and information collections to minimize respondent burden. EDA collects only the minimum amount of information to effectively administer the TAAF program and to monitor compliance with the Trade Act and 13 C.F.R. part 315.

Under the TAAF 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 TAAF 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 minimizes the burden of the information collections on small businesses.

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 its statutory mandates under the Trade Act if these information collections were not conducted or were conducted less frequently. The information collected is essential to the administration of the TAAF program.

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

There are no special circumstances that would require the information collection to be conducted in a manner inconsistent with OMB guidelines.

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.

On June 24, 2022, EDA published a Federal Register notice (FRN) that solicited public comments on this information collection (87 FR 13571). No public comments were received in response to the FRN that solicited public comments on this information collection.

In particular, EDA solicited views from persons outside the agency on topics including but not limited to: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden (including hours and cost) of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

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

No gifts or payments are made to any respondent, other than disbursements of cooperative agreement funds made by EDA to recipients to eligible firms under the TAAF Program.

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

Petitions and Adjustment Proposals frequently include confidential commercial information. As required under 13 C.F.R. § 315.3, EDA will follow the Department of Commerce procedures set forth at 15 C.F.R. § 4.9 for the submission of confidential commercial information. Respondents must clearly mark and designate as confidential any confidential commercial information.

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.

Respondent firms generally consider their customer lists to be 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 determine whether increased imports have contributed importantly to a firm’s decrease (or threatened decrease) in employment and a firm’s decline in sales and/or production, as required under the Trade Act (19 U.S.C. § 2341(c)(1)(C)). 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 TAACs generally contact at least two customers of a petitioning firm and ask the customers if they have replaced their purchases of goods and/or services from the petitioning firm with imported goods and/or services.

12. Provide estimates of the hour 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 estimates that it will take the average respondent approximately 53 hours to complete a Petition. The estimated cost burden to a petitioning firm is \$3,128.06. This figure is calculated using \$59.02 per hour (cost assumes application of U.S. Bureau of Labor Statistics third quarter 2021 mean hourly employer costs for employee compensation for professional and related occupations). EDA estimates the agency will receive up to 150 petitions annually, for an annual total burden of 7,950 hours costing \$469,209 in labor costs.
- (b) *Adjustment Proposals:* EDA estimates that it will take the average respondent 120 hours to complete an Adjustment Proposal. The estimated cost burden in preparing a proposal is \$7,082.40. This figure is calculated using \$59.02 per hour (cost assumes application of U.S. Bureau of Labor Statistics third quarter 2021 mean hourly employer costs for employee compensation for professional and related occupations). EDA estimates that the agency will receive 150 Adjustment Proposals annually, for an annual total burden of 18,000 hours costing \$1,062,360 in labor costs.

Table 1. Estimated Total Annual Cost to Respondents for TAAF Petitions (Form ED-840P) and Adjustment Proposals.

	Petitions (Form ED-840P)	Adjustment Proposals
Hours per response	53	120
Labor costs/ hour/ response	\$59.02	\$59.02
Estimate of annual responses	150	150
Total labor costs	\$469,209	\$1,062,360

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 \$254,140.

- (a) Form ED-840P (Petition by a Firm for Certification of Eligibility to Apply for Trade Adjustment Assistance): \$158,733; The cost associated with review of Form ED-840P for eligibility certification is based on 80 percent of a program analyst’s salary (\$89,834 – GS 12, Step 1) 10 percent of an attorney’s annual salary (\$126,233 – GS 14, Step 1), and 50 percent of a director’s salary (\$148,484– GS 15 – Step 1).
- (b) Adjustment Proposals: \$95,407; The costs associated with review of adjustment proposals is based on 80 percent of a program analyst’s salary (\$106,823 – GS 13, Step 1), two percent of an attorney’s annual salary (\$126,233 – GS 14, Step 1), and five percent of a director’s salary (\$148,484– GS 15 – Step 1).

Table 1. Estimated Total Annual Cost to the Government for TAAF Petitions (Form ED-840P) and Adjustment Proposals.

<i>Position/ Item</i>	<i>Annual Salary/Cost</i>	Petitions (Form ED-840P)		Adjustment Proposals		<i>Total</i>
		<i>% Of Time</i>	<i>Cost</i>	<i>% Of Time</i>	<i>Cost</i>	
AP Examiner	\$106,823	0%	\$0	80%	\$85,458	\$85,458
Certification Examiner	\$89,834	80%	\$71,867	0%	\$0	\$71,867
Attorney	\$126,233	10%	\$12,623	2%	\$2,525	\$15,148
Director	\$148,484	50%	\$74,242	5%	\$7,424	\$81,666
Total			\$158,733		\$95,407	\$254,140

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

There are no program changes or adjustments.

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 TAAF petitions accepted for investigation. This notice lists the firm's name, address, and principal products, and the 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 the TAAF annual report, 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 seeking approval to not display the expiration date of OMB approval for the information collections.

18. Explain each exception to the certification statement.

There are no exceptions to the certification statement.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

EDA does not employ statistical methods to collect data using these forms.