

SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSIONS

Projected Sales of Major Weapons in Support of Section 25(a)(1) of the Arms Export Control Act (Form DS-4048)

A. Justification

1. The Department of State, Office of Regional Security and Arms Transfers (RSAT), Bureau of Political-Military Affairs prepares the annual report to Congress regarding arms sales proposals covering all Foreign Military Sales (FMS) and licensed commercial exports of major weapons or weapons-related defense equipment for \$7,000,000 or more, or of any other weapons or weapons-related defense equipment for \$25,000,000 or more, which are considered eligible for approval during the current calendar year in accordance with §25 of the Arms Export Control Act (AECA) [22 U.S.C. 2765]. The Department of State, Directorate of Defense Trade Controls (DDTC), Bureau of Political-Military Affairs, is charged with the licensing of commercial exports of defense articles and defense services covered by the U.S. Munitions List, in accordance with §38 of the Arms Export Control Act. In order to obtain the statutorily required information on such projected sales of major weapons or non-major weapons, DDTC sends inquiries to the principal manufacturing defense companies. Companies are requested to submit the following about each projected sale: whether FMS or commercial, name of foreign country buyer, description of item, quantity of item and value of item. After receipt of this information from respondent companies, DDTC prepares the commercial export portion of the report and forwards it to PM/RSAT. PM/RSAT prepares the FMS portion of the report, and then compiles the two sections into one report.

2. DDTC uses the information to prepare the commercial sales portion of the report submitted to Congress.

3. The collection procedure for the above described information will afford respondents the option of submitting the requested information via an Excel electronic spreadsheet formatted with pre-defined fields (Country, Category, Item/Model Number, Letter of Offer and Agreement, Sale Type, Value, Quantity and General Description) which may be e-mailed or mailed to the Department. The respondents also have the option to provide requested information without using form DS-4048 and may submit responses by e-mail or postal mail. VCI/VO

will be eventually developing this information collection into a web based form to be collected electronically in the Defense Trade Application System (DTAS).

4. Similar information is not already available because this information is business proprietary. Thus, there is no duplication of this information.

5. Small businesses or other small entities are not requested to submit the information in item 1.

6. Absent the collection of this information, the Department would not be able to obtain a complete listing of projected sales of defense companies necessary for the above-mentioned statutorily required report for Congress.

7. There are no special circumstances concerning this collection. Respondent companies only have to report the information once a year to the Department. The International Traffic in Arms Regulations (ITAR, 22 CFR Parts 120-130) recordkeeping provision does not specify a time period for retention of this particular record. See Item 10 regarding procedures for the protection of proprietary and confidential information.

8. [A public notice 5647 was published in the Federal Register on December 20, 2006, \(volume 71, number 244\)](#) giving the public 60 days to comment on this information collection ~~was published in the Federal Register on December 20, 2006. -71 Federal Register 76418 is attached.~~ One comment was received from an individual at the Defense Security Cooperation Agency, U.S. Department of Defense, who thought there should be more than 20 respondents. [Due to a select number of defense companies in the United States, this is the reason for there is only 20 respondents; in is because there is a select number of defense companies in the United States that which](#) -are in the business of sales amounting to commercial exports of major weapons or weapons-related defense equipment for \$7,000,000 or more, or of any other weapons or weapons-related defense equipment for \$25,000,000 or more.

9. Not applicable. No payment or gift has been or will be provided to any respondent.

10. Respondents are engaged in the business of exporting defense articles/services, have registered with DDTC pursuant to the ITAR (22 CFR Subchapter M), and correspondingly use the ITAR in the regular course of business. Thus, respondents would be familiar with Section 126.10 of the ITAR,

which describes protection of confidentiality given to respondents' information as summarized below:

- Subchapter R of 22 CFR contains regulations on the availability to the public of information and records of the Department of State. The provisions of subchapter R apply to such disclosures by PM/DDTC.
- Certain information of a proprietary nature required by the Department of State in connection with the licensing process may generally not be disclosed to the public unless certain determinations relating to the national interest are made in accordance with §38(e) of the Arms Export Control Act (22 U.S.C. 2778) and, by reference, certain procedures outlined in the Export Administration Act.
- Information required under part 130 of the ITAR (*re* political contributions, fees, and commissions) is protected from general public disclosure.
- Information may be disclosed to foreign governments for law enforcement purposes or in the context of multilateral or bilateral export regimes.

11. Not applicable. The Department of State does not solicit any information regarding questions of a sensitive nature or matters commonly considered private.

12. The information requested via Form DS-4048 is collected by respondents as an aspect of their customary and usual business practices. Accordingly, gathering the required information does not involve additional burden hours. Consequently, it can be reasonably assumed the cost to industry in terms of money and other resources is minimal. It is estimated that the number of respondents is 20 and the frequency of response is once a year. Also, it is estimated that the respondent would need 60 hours to complete this specific written submission. Thus, the estimated annual hour burden is 1,200 hours.

13. There are no payments or fees collected that are associated with this information collection.

14. PM/DDTC received about 20 reports during FY06. Processing those reports accounts for approximately .001% of DDTC's budget (\$10,500). Processing those reports account for approximately \$10,500 of RSAT's budget. The total estimated annualized cost to the Federal government is \$21,000.

15. There are no changes or adjustments in Items 13. In item 14, the annual operational budget changed from \$13.6M for FY03 to \$10.5 for FY06; processing reports of DDTC FY03 budget was changed from \$13,600 to \$10,500 for FY06; processing reports of RSAT's FY03 budget was changed from \$13,600 to \$10,500 for FY06; and total estimated annualized cost to the Federal government was changed from \$27,200 for FY03 to \$21,000 for FY06.

16. Not applicable. Publication of the relevant information is not anticipated.

17. Not applicable. The Department of State intends to display the expiration date for OMB approval of the information collection.

18. Not applicable. The Department of State does not seek any exception to the statement, "Certification for Paperwork Reduction Act Submissions," of OMB 83-I.

B. Collections of Information Employing Statistical Methods

Items 1-5 are not applicable. This collection of information does not employ statistical methods.

Attachments:

- ~~1. 71 Federal Register 76418, December 20, 2006~~
- ~~2. Section 25 of the Arms Export Control Act (22 U.S.C. 2765)~~