

**SUPPORTING STATEMENT
U.S. Department of Commerce
Bureau of Industry and Security
Export and Reexport Controls for Iraq
OMB CONTROL NO. 0694-0129**

A. JUSTIFICATION

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

Section 15(b) of the **Export Administration Act (EAA)** of 1979, as amended, authorizes the President and the Secretary of Commerce to issue regulations to implement the EAA including those provisions authorizing the control of exports of U.S. goods and technology to all foreign destinations, as necessary for the purpose of national security, foreign policy and short supply, and the provision prohibiting U.S. persons from participating in certain foreign boycotts. Export control authority has been assigned directly to the Secretary of Commerce by the EAA and delegated by the President to the Secretary of Commerce. This authority is administered by the Bureau of Industry and Security through the Export Administration Regulations (EAR). The EAA is not permanent legislation, and when it has lapsed due to the failure to enact a timely extension, Presidential executive orders under the **International Emergency Economic Powers Act (IEEPA)** have directed and authorized the continuation in force of the EAR.

The primary purpose of this collection is to expedite exports and reexports of items controlled under the EAR to civil infrastructure rebuilding projects in Iraq. The name given this expedited license is the Special Iraq Reconstruction License (SIRL).

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.

Part 747 of the EAR codifies the how, who, frequency and purpose of this collection.

A Special Iraqi Reconstruction License (SIRL) package is submitted to BIS by a company wishing to export or reexport commodities and technical data for infrastructure rebuilding projects in Iraq. The SIRL package has a number of components that are covered under two separate collection authorities. The Multipurpose Application form BIS-748P, 748P-A and 748P-B are approved under OMB Control No. 0694-0088. The other components necessary to process a SIRL are covered under this collection and include the following documents:

- a- a narrative statement that identifies all parties to the proposed transaction
- b- a detailed description of the project
- c- the identity of the funding entity
- d- the contract or work order which formed the basis of the proposed transaction

- e- any identification number or project code for that contract or work order
- f- explanation of how the project will contribute to the reconstruction of Iraq
- g- explain any potential security associated with the items to be exported or reexported
- h- written statement from one or more funding agencies addressing whether the transaction is likely to pose security issues
- i- certification that items will not be used in any prohibited proliferation activities described in the EAR
- j- for items that will remain in the control of the exporter, a commitment to return all items to the United States when the authorized project or activity is complete, excluding those items that are consumed in Iraq.

These documents are used by the Bureau of Industry and Security as the basis for decisions to grant licenses for export or reexport of items covered by the Commerce control list. These decisions are typically made on a case-by-case basis and are dependent upon both the information provided in the data submission and the policies in effect at the time of the transaction. In some cases, this information is shared with other Federal agencies such as the Department of Defense, State Department, and Department of Energy, to obtain their recommendations on these decisions.

The Section 515 Information Quality Guidelines apply to this information collection and comply with all applicable information quality guidelines, i.e., OMB, Department of Commerce, and specific operating unit guidelines.

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.

BIS has redesigned the legacy Simplified Network Application Process (SNAP) system to enhance security, support electronic submission of supporting documents and provide increased functionality (SNAP-R). BIS currently receives approximately 85% of all submissions electronically through the new SNAP-R system. The remaining 15% is either submitted on paper or via a service provided by a private vendor.

4. Describe efforts to identify duplication.

The information received when applying for an export or reexport license is unique to each application. The information is not duplicated anywhere else in Government nor is it available from any other source.

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

The information required when applying for an export or reexport license must be submitted by exporters or their designated agents, regardless of size. This procedure, as part of the EAR, is governed by national security, foreign policy and proliferation of weapons of mass destruction requirements. BIS maintains an active seminar and counseling program to help all businesses understand and comply with BIS requirements.

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

If this information were submitted less frequently, it could result in exports to unapproved consignees with the possibility that illegal shipments would be made to countries of concern.

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 require the 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.

The notice requesting public comment was published in the Federal Register on November 27, 2007, pg. 66135. No comments were received.

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

There are no plans to provide payments or gifts to respondents.

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

Export licensing information submitted to the Department is protected from release to the public under Article 12(c) of the EAA. The respondents are given confidentially assurances as part of the application process.

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.

There are no questions of a sensitive nature.

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

There are approximately **19** burden hours associated with this collection of information. The cost to the public is estimated at **\$570**. This is based on exporters spending 19 hours at a cost of \$30 an hour.

The time needed to provide the nominal export license application information is covered in existing information collection authority entitled, Simplified Network Application Processing+ System (SNAP+) and the OMB 0694-0088 Multipurpose Application. The time required to provide data unique to SIRL applications is described as follows:

Commodity Classification documentation - SIRL applicants must provide copies of commodity classifications associated with each item to be exported or reexported. It is estimated that an average of 5 controlled commodities will be listed on each application, and that all 5 commodities will have been previously classified. Assuming that it takes 3 minutes to generate a copy of each classification, the estimated burden per SIRL is 15 minutes = **1 hour and 15 minutes**.

SIRL Supporting Documentation - In support of an application for a SIRL, applicants must submit:

- a- a narrative statement that identifies all parties to the proposed transaction
- b- a detailed description of the project
- c- the identity of the funding entity
- d- the contract or work order which formed the basis of the proposed transaction any identification number or project code for that contract or work order
- f- explanation of how the project will contribute to the reconstruction of Iraq
- g- explain any potential security associated with the items to be exported or reexported.
- h- written statement from one or more funding agencies addressing whether the transaction is likely to pose security issues

- i- certification that items will not be used in any prohibited proliferation activities described in the EAR
- j- for items that will remain in the control of the exporter, a commitment to return all items to the United States when the authorized project or activity is complete, excluding those items that are consumed in Iraq, absent specific permission from BIS; or
- k- certification that parties to the transaction will obtain authorization from BIS prior to transferring within Iraq or reexporting items to end-users not authorized under the SIRL, unless they would not require BIS authorization to the new country of destination

It is estimated to take 1 hour and 45 minutes to develop and gather the above information in support of a SIRL application = **8 hours and 45 minutes**.

Post-Validity period Report - Applicants must submit a report to BIS verifying completion of the project or indicating that the project has been halted. The report should contain the SIRL reference number, the project completion date, and verification that items exported under the SIRL were, as applicable, consumed during use, returned to the U.S., reexported to a third country, or transferred to a party within Iraq for whom the applicant has received authorization from BIS. The report must also include the reference numbers of the licenses received for the reexport or transfer within Iraq, if required. It is estimated to take 30 minutes to develop this report for each approved SIRL = **2 hours and 30 minutes**.

Disposal of Unused Goods - For items not consumed in the project, the applicant must either return the unused goods, apply for BIS authorization to reexport the items out of Iraq, or request written authorization from BIS to transfer the items to an end-user not identified on the End-User Appendix. It is estimated that 58 minutes are required to develop and submit the required documentation (under an existing approved information collection authority entitled Multipurpose Application Form using form BIS748-P) to dispose of items exported but not consumed in the SIRL project. In addition, it is estimated to take an average of 20 minutes to write a letter to BIS requesting authority to transfer or dispose of unused items exported under each SIRL. Because the first method (using form 748-P) is more than offset by the implementation of the SIRL, no additional burden is incurred. However, it is estimated that the method involving writing a letter to BIS will occur 3 times annually and require 1 hour (3 x 20 minutes = **1 hour**) of annual public burden.

Changes to a SIRL - Applicants must obtain prior approval from BIS for changes made to their SIRL that involve the consignee name or address, adding consignees, adding items, changes to end-user information or additional end-user added, and/or license holder ownership or control. SIRL license holders must submit a written request for such changes. Changes that must be reported to BIS within 30 days but that do not require prior BIS approval include changes to the license holder address, contact information, license value, removal of consignees, items or end-users from the SIRL. It is estimated that applicants will apply for an average of 3 changes per SIRL. Each change will require 20 minutes, or 1 hour per SIRL = **5 hours**.

This estimate is based on BIS receiving 5 SIRL requests annually. BIS only received 1 SIRL request in calendar year 2007. The previous estimate was based on 25 SIRL requests annually. A table summarizing the burden estimate for SIRL submissions follows:

Activity	Quantity per submission	Time per response	Annual responses	Annual burden hours
Commodity Classification documentation	5	3 minutes	5	1.25
SIRL Supporting Documentation	1	105 minutes	5	8.75
Completion Report	1	30 minutes	5	2.50
Disposal of Unused Goods	.6	20 minutes	3	1.00
Changes to a SIRL	3	20 minutes	15	5.00
Total				18.5 (19)

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).

It is estimated that respondents will incur annual recordkeeping costs totaling \$525. This is based on the costs of owning and storing a filing cabinet. It is estimated that a filing cabinet will use 1.5 sq. ft of office space. It is also estimated that the cost of rental space will be \$35/sq. ft./yr. This estimate was derived from the average office space cost of two buildings, one costing \$40/sq. ft. and the other costing \$30/sq. ft. Given the enormous logistical and financial capability required of businesses qualified to bid on an Iraq reconstruction project, it is reasonably estimated that there will not be more than 5 SIRL license holders. It is assumed these 5 license holders will have more than 1 SIRL project and will use this same filing cabinet to store records of all their SIRL licenses.

Record keeping (1.5 sq. ft. X \$35 sq. ft./yr. x 5 SIRL license holders) **\$262.50**

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

The annual cost to the Federal Government is approximately **\$150**. This is based on a licensing officer spending 1 hour to review 5 applications at \$30 per hour:

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB 83-I.

The burden to the public has been reduced for SIRLs because BIS has not received or issued as many SIRLs as it originally anticipated. This reduction is an adjustment.

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

There are no plans to publish information obtained under this collection.

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 identified in Item 19 of the OMB 83-I.

Not applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not utilize statistical methods.