

SUPPORTING STATEMENT

A. Justification:

1. Need for the Information Collection

This is a request for OMB approval under the Paperwork Reduction Act for collection of data to be submitted by individuals when the transfer of title for Department of Defense (DoD) personal property, identified as being Munitions List Items (MLI) and Commerce Control List Items (CCLI), is involved. This End-Use Certificate (EUC) form is to be used by the Defense Reutilization and Marketing Service (DRMS), Defense Contract Management Agency (DCMA) and the Military Services. End-use checks are required by DoD Instruction 2030.08, Implementation of Trade Security Controls (TSC) for Transfers of DoD U.S. Munitions List (USML) and Commerce Control List (CCL) Personal Property to Parties Outside DoD Control; DoD 4160.21-M, Defense Materiel Disposition Manual; and the DRMS Sale By Reference pamphlet.

2. Use of the Information

All individuals/businesses wishing to acquire DoD property identified as MLI/CCLI must complete this form. It is used to ensure recipient's eligibility to conduct business with the government. The information is used to determine whether bidders are debarred; are Specially Designated Nationals (SDN) or Blocked Persons; or have violated U.S. export laws or regulations. The EUC informs the recipients that when this property is to be exported, they must comply with the International Traffic in Arms Regulations (ITAR), 22 CFR 120 et seq.; Export Administration Regulations (EAR), 15 CFR 730 et seq.; and other applicable export laws and regulations.

3. Use of Information Technology

For those individuals/firms who have the capability to access the Internet, they have the option of either downloading and mailing the EUC or submitting the form electronically.

4. Non-Duplication

There is no duplication. This is the sole office for this program.

5. Burden on Small Business

There is no significant impact on small businesses. All recipients of this kind of property undergo a clearance check before the property is transferred. References to record-keeping pertain to those records that a recipient uses and maintains in the normal course of business.

6. Consequences of Not Collecting

Individuals and countries, whose interests are counter to those of the United States, target USML and CCL property for their military utility and value. Release of this property without clearance checks poses a risk to national security. These concerns were established as a result of Congressional hearings, numerous investigations and seizures conducted by the US Customs Service, Federal Bureau of Investigation, Defense Criminal Investigative Service and US Attorney's General task forces. This EUC addresses Congressional, General Accounting Office and DoD Inspector General findings.

7. Paperwork Reduction Act Guidelines

There are no special circumstances. This collection is consistent with 5 CFR 1320.5(d)(2).

8. Consultation and Public Comments

This information was previously published in the Federal Register on March 3, 2008, pages 11397-11398 (copy attached). There were no comments received from the public. DoD Instruction 2030.08, DoD Manual 4160.21-M-1, and Defense Reutilization and Marketing Service's Sale by Reference pamphlet require this form and must be completed when USML/CCL property is being sold, exchanged, or donated. To the best of our knowledge, no complaints were received by any customer.

9. Gifts or Payment

No payments or gift will be provided to the respondents.

10. Confidentiality

Confidentiality is covered by the Privacy Act. The Privacy Act notification is on the form.

11. Sensitive Questions

This form requires recipients to provide, among other things, certain personal information as well as the name and address of their business, what they intend to do with the property, that they are not debarred or prohibited from doing business with the government, and that they will comply with federal regulations and laws regarding use, transfers and exports. In addition, the form requires that the corporate officers, directors, partners or agents separately provide similar personal information.

12. Estimates of Respondent Burden and Annual Costs

The expense to respondent consists of completing the form. DLA estimates approximately 40,000 forms are completed and returned to the government.

a. Respondent Burden.

Number of respondents	40,000
Total Annual Responses	40,000
Hours per response	.33/hr
Annual Burden	13,200

b. Estimated cost to the respondents.

Total annual burden	13,200
Average hourly cost	\$15/hr
Total annual cost to respondent:	\$198,000
(13,200x\$15/hr=\$198,000)	

13. Estimated Respondent Costs Other Than Burden Hour Costs

None. We estimate there are no capital and start-up costs and no operation and maintenance components.

14. Estimated Annual Cost to the Federal Government

Trade Security Controls are already in effect for the sale of this property; therefore, there would be no substantial increase in cost to the Government. Clerical and investigative costs would also remain the same. DLA Form 1822 is available on the Internet and is included in all DLA sponsored sales catalogs (electronic and paper) for USML/CCL surplus property.

Developmental costs:	\$1,680.00
One GS-11, 5.5 hr @ \$23.96 =	\$131.78
	Sub Total = \$1,811.78
Forms Design:	\$154.00
Gov't Coordination:	\$2,338.00
Cost to process EUC	
GS-12, 1 employee, 2080 hours/annual @ \$33.88 =	\$70,470.40
	208 hours overtime @ \$38.60 = 8,028.80
GS-9, 4 employees, 2080 hours/annual @ \$23.36 =	\$194,355.20
GS-15, 1 employee, 208 hours/annual @ \$55.25 =	\$11,492
	Sub Total to process current EUC = \$284,346.40
Total Est. Cost:	\$288,650.18

15. Reasons to Change in Burden

This is an extension of a currently approved program collection.

16. Publication of Results

This information is not for publication.

17. Non-Display of OMB Expiration Date

This approval is not being sought.

18. Exceptions to "Certification for Paperwork Reduction Submissions"

No exceptions.

B. Collection of Information Employing Statistical Methods

Collections do not employ statistical methods.