

# SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSIONS

## Statement of Registration OMB No. 1405-0002 DS-2032

### A. Justification

1. The Directorate of Defense Trade Controls (DDTC), Bureau of Political-Military Affairs, U.S. Department of State, in accordance with §§38-40 of the Arms Export Control Act (AECA) (22 U.S.C. 2778-2780) and the International Traffic in Arms Regulations (ITAR) (22 CFR Parts 120-130), has the principal missions of taking final action on license applications and agreement requests for defense trade exports and handling matters related to defense trade compliance, enforcement, and reporting. By statute, executive orders, regulation, and delegation of authority, DDTC is charged with controlling the export and temporary import of defense articles and defense services covered by the U.S. Munitions List. Further, as required by §38 of the AECA, DDTC reviews and acts upon registration requests from approximately 4,900 manufacturers and exporters of defense articles and defense services and persons brokering defense articles and services.

Under the AECA, the President is charged with the review of munitions license and agreement applications to determine, *inter alia*:

- Whether the transactions further U.S. foreign policy objectives, national security interests, and world peace;
- Eligibility of parties (*e.g.*, applicants, consignees, end-users) to participate in U.S. defense trade;
- Appropriate end-use of commodities subject to U. S. Government approval of munitions exports and transfers;
- Whether law enforcement concerns have been adequately addressed; and
- Whether the appropriateness of offers or payment of political contributions, gifts, commissions, and fees, has been adequately addressed.

The statutory authority of the President to promulgate regulations with respect to exports of defense articles and defense services was delegated to the Secretary of State by Executive Order 11958, as amended. These regulations are primarily administered by the Deputy Assistant Secretary for Defense Trade and Regional Security and the Directorate of Defense Trade Controls, Bureau of Political-Military Affairs.

Pursuant to Part 122 of the ITAR, any person who engages in the United States in the business of either manufacturing or exporting defense articles or furnishing defense services is required to register with DDTC. Pursuant to Part 129 of the ITAR, any U.S. person, wherever located, and any foreign person located in the United States or otherwise subject to the jurisdiction of the United States who engages in the business of brokering activities, is required to register with DDTC.

2. DDTC uses the information provided by registrants to meet the mandate described in item 1 above. As appropriate, such information may be shared with other U.S. Government entities. This information is currently used in the review and action on registration requests and to ensure compliance with defense trade laws and regulations. The DS-2032 has been used as evidence in legal cases involving violations of the AECA.

3. Submissions are made via a completed and signed DS-2032, with accompanying supporting documentation and payment. A copy of this form can be printed from DDTC's Web site ([www.pmdtcc.state.gov](http://www.pmdtcc.state.gov)). Currently, the collection of this information does not involve the use of automated, electronic, or other technological collection techniques. The goal is to provide a fully electronic version of this form: accessible through the DDTC Web site; on-line fillable; submission through the electronic licensing subsystem (D-Trade) of the Defense Trade Application System, DDTC's Web-based electronic form system; and payment made via *pay.gov*. This fully-electronic version is in development. In the meantime, DDTC has developed a version of the form with an electronic feature; it will enable the registrant to fill out the form on-line (although it still must be printed and mailed in). This part-electronic version of the form is enclosed with this supporting statement and, upon approval, will be made available through the DDTC Web site.

4. The information provided on the "Statement of Registration" is not duplicated in other forms.

5. Export control law and regulations are designed to safeguard U.S. Government foreign policy and national security interests and to further world peace. The law and regulations are applicable equally to large and small businesses or entities. Only persons in the business of manufacturing and exporting defense articles, providing defense services, and brokering defense articles and services are required to submit a Statement of Registration and the information provided is typically maintained by such persons for standard commercial reasons.
6. The AECA specifically requires registration of defense firms. The ITAR establishes the frequency of information collection. It would be difficult to know the business backgrounds and connections of those engaged in defense trade without the required information. Thus, it would be extremely difficult for DDTC to meet its legally mandated responsibilities that include registering persons engaged in the business of manufacturing or exporting defense articles or defense services or the brokering thereof.
7. The ITAR requires registrants to maintain records for a minimum period of five years from the expiration of a license or written approval.
8. The Department has published a notice in the *Federal Register* (73 FR 31731) in accordance with 5 CFR 1320.8(d) soliciting public comments on this collection and notifying the public that this collection has been submitted to OMB for review and approval. No public comments were received.
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 and/or manufacturing defense articles/services or brokering thereof, 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 §126.10 of the ITAR (22 CFR §126.10), which describes protection of confidentiality given to respondents' information:
  - 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 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 AECA (22 U.S.C. 2778) and, by reference, certain procedures in the Export Administration Act.
- Information required under Part 130 of the ITAR (i.e., political contributions, gifts, commissions, and fees) 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.

Furthermore, personal data such as home addresses, social security numbers, and date of birth are protected by the Privacy Act.

11. This collection solicits information (i.e., social security number, date of birth) regarded as sensitive in nature or commonly considered private, for law enforcement reasons, as provided in law (§38(b) of the AECA).

12. The Department of State has reason to believe that the information that is required for the registration process is already available to U.S. industry. It is estimated that the total number of registrants is 4,900. Since a July 2008 amendment to the regulations that allows for annual registration only, frequency of use will now be once a year. Also, as a consequence of this change, it is estimated that all 4,900 registrants will respond each year. It is estimated that a registrant would need two hours to complete this submission. Consequently, it can be reasonably assumed that cost to industry in terms of time, money, and other resources is minimal. It is estimated that the annual hour burden is 9,800 hours.

13. The cost burden to respondents is \$8,575,000 annually.

14. The 3,900 responses received by DDTC during FY 2007 accounted for approximately 4.4% of its budget of \$13 million. The estimated annualized cost to the Federal Government was \$572,600 for reviewing these Statements of Registration.

15. For Item 13(a) of OMB Form 83-I, “Number of Respondents,” has been adjusted from 3,500 to 4,900, and 13(b), “Total Annual Responses,” has been adjusted from 3,500 to 4,900. The former change is a result of reporting the total number of respondents registered with DDTC, rather than the number that would

use this information collection in a given year. The latter change is a result of an amendment to the regulations in July 2008 that provides for only one registration period option (one year). As a result of this change, “Total Annual Hours Requested” (Item 13(c)) has been adjusted from 7,000 to 9,800. Items 14b and 14c have also been adjusted, to \$8,575,000 from \$8,750,000.

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**

Not applicable. This collection of information does not employ statistical methods.