

SUPPORTING STATEMENT
U.S. Department of Commerce
Bureau of Industry and Security
Report of Sample Shipments of Chemical Weapon Precursors
OMB Control No. 0694-0086

A. Justification

This is a request to extend the Office of Management and Budget approval.

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

This information collection is needed to implement certain reporting responsibilities under the Export Administration Regulations (EAR).

The United States participates in the 40 nation Australia Group to take cooperative measures against the spread and use of chemical weapons, including the coordination of nonproliferation export controls. The Group has agreed on common export control lists and continues to discuss ways of implementing export controls more effectively and increasing enforcement cooperation. Participation and support of the Australia Group efforts is a foreign policy objective of the United States.

The United States controls the export of dual-use chemicals designated by the Australia Group that can be used as chemical weapon precursors. A validated export license is required for the export of these chemicals to all destinations except Australia Group member countries. Regulations governing the export of these dual-use chemicals are contained in Part 742, 744 and 774 of the Export Administration Regulations.

Under EAR Part 774 1C350 Note 1, chemical samples may be exported under license exclusion, in exchange for a quarterly reporting requirement. The exporter is required to submit a written report for shipments of samples, as instructed –

The report must be on company letterhead stationery (titled "Report of Sample Shipments of Chemical Precursors" at the top of the first page) and identify the chemical(s), Chemical Abstract Service Registry (C.A.S.) number(s), quantity(ies), the ultimate consignee's name and address, and the date exported. The report must be sent, via courier, to the U.S. Department of Commerce, Bureau of Industry and Security, 14th and Pennsylvania Ave., NW, Room 2705, Washington, DC 20230, Attn: "Report of Sample Shipments of Chemical Precursors".

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.

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.

This information will be used to monitor sample shipments of chemical weapon precursors in order to facilitate and enforce provisions of the EAR that permit limited exports of sample shipments without a validated export license. The quarterly reports will be reviewed by the Bureau of Industry and Security (BIS) to monitor quantities and patterns of shipments that might indicate circumvention of the regulation by entities seeking to acquire chemicals for chemical weapons purposes.

The information will be reviewed and maintained by the Office of Nonproliferation Controls and Treaty Compliance (NPTC) of the Bureau of Industry and Security. The information may be used by the Office of Export Enforcement. CBTC will provide appropriate information to the Australia Group to verify U.S. compliance with the agreement and to facilitate cooperation in halting illegal shipments and CW proliferation activities.

If this information is not collected, the U.S. Government will be in noncompliance with its Australia Group commitments. Without this agreement, U.S. exporters would have to apply for a validated export license for each of these shipments. This agreement was reached after strong U.S. urging to achieve a compromise that would reduce the licensing burden on U.S. exporters.

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.

Due to the small volume of paperwork, it is not cost-effective to automate this collection. Accordingly, BIS have no plans to automate this collection.

4. Describe efforts to identify duplication.

The information is not duplicated anywhere in the Federal Government. Information about all exports from the United States is required to be filed on Shipper's Export Declarations (SED) unless the export meets an exemption under the EAR or the Bureau of Census Foreign Trade Statistics Regulations (15 CFR, Part 30). The census data is used for statistical purposes and its reports on exports are not broken down into specific chemicals. In addition, a search through thousands of SED's would be difficult and expensive. The information is not available from any other source than from the respondent.

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

The burden cannot be minimized for small businesses or for other small entities. Only complete information, as required, will assure compliance with the EAA and the EAR.

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

If this collection were submitted less frequently, it would jeopardize the U.S. Government's ability to monitor exports of these chemical weapon precursors effectively. Less frequent reports would provide a greater opportunity for violators to move shipments to their destinations before the U.S. could alert Australia Group members or take other diplomatic action to halt the shipments.

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 the guidelines in 5 CFR 1320.6.

8. Provide a copy 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 June 11, 2009, pg. 27774. No comments were received.

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

Not applicable.

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

Respondents are provided assurance of confidentiality pursuant to Section 12(c) of the Export Administration Act.

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.

Not Applicable.

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

The annual burden on the public is estimated to be **16 hours**.

Based on the number of exporters applying for licenses, it is estimated that approximately 28 responses (reports on sample shipments) will be received annually. Each response will take no more than 30 minutes to prepare.

Exporters are required to retain a copy of the response in their files. This will require no more than 5 minutes of recordkeeping.

Reports on sample shipments 28 x 30 minutes =	14 hours
Recordkeeping 28 x 5 minutes = 140 minutes or	<u>2 hours</u>
Total annual burden	16 hours

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 Question 12 above).

There are no special costs to respondents and recordkeepers resulting from this collection of information.

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

It is estimated that the annual cost to the Federal Government is approximately \$175. This figure is based on a salary of \$40 an hour for those who review the requests taking 5 minutes to review each of 28 reports. An additional \$80 is included in the total to cover the cost of compiling a report.

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

The adjustment increases in reports and burden hour are based on the actual number of reports received in calendar year 2008.

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

There are no plans to publish this information for statistical purposes.

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.

The exporter is required to submit a written report for shipments of samples on company letterhead stationery, the OMB control number and expiration cannot be provided.

18. Explain each exception to the certification statement.

Not applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.