

# 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 the Arms Export Control Act (AECA) (22 U.S.C. 2751 *et seq.*) 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 other requests for defense trade transactions via commercial channels, ensuring compliance with the statute and regulations, and collecting various types of reports. By statute, Executive Order, regulation, and delegation of authority, DDTC is charged with controlling the export and temporary import of defense articles, the provision of defense services and the brokering thereof which are covered by the U.S. Munitions List. Further, as required by §38 of the AECA, DDTC reviews and acts upon registration requests from approximately 12,000 manufacturers, exporters, and brokers of defense articles and defense services.

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

- Whether the transactions are consistent with 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 appropriate offers or payment of political contributions, gifts, commissions, and fees, have 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 and accompanying support documentation and payment. The DS-2032 may be accessed from DDTC's Web site ([www.pmdtdc.state.gov](http://www.pmdtdc.state.gov)) and filled out online. However, respondents must then print the form and submit it to DDTC in hardcopy. DDTC plans on enabling electronic submission of the form by the end of 2012. In the meantime, and as a first step toward complete electronic submission of the registration application, it has enabled electronic payment of registration fees. (Respondents are asked to provide electronic payment data on the DS-2032, for the purposes of collating the registration payment with the registration form.) A copy of the form is attached.

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

5. The AECA and ITAR 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 will publish a notice in the *Federal Register* 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.

9. No payment or gift has been or will be provided to any respondent.

10. Respondents are engaged in the business of exporting or temporarily importing 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, which describes protection of confidentiality given to respondents' information. Other than provisions for confidentiality or nondisclosure included in the Freedom of Information Act, the ITAR, or other Federal regulations, no promises of confidentiality have been made to the respondent.

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), and by Executive Order 9397.

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. The Department estimates that the total number of registrants is 12,000 with an estimated 12,000 of them responding each year. Frequency of use is once a year. Also, the Department estimates that a registrant would need one hour to complete

this submission. Consequently, it can be reasonably assumed that cost to industry in terms of time, money, and other resources is minimal. The Department estimates that the annual hour burden is 12,000 hours.

13. The cost burden to respondents for FY 2011 was \$35,866,720.

14. The 12,000 responses received by DDTC during FY 2011 accounted for approximately 9.8% of its budget of \$36 million. The estimated annualized cost to the Federal Government was \$3,530,160 for reviewing these Statements of Registration. Although DDTC collected approximately \$36 million in registration fees for FY 2011, DDTC is restricted in how registration fees may be spent.

15. For Item 13(a) of Form DS-83-I, "Number of Respondents," has been adjusted from 10,440 to 12,000, and 13(b), "Total Annual Responses," has been adjusted from 9,600 to 12,000. Total Annual Hours Requested (Item 13(c)) has been adjusted from 9,600 12,000. Items 14b and 14c have also been adjusted to \$35,866,720 from \$40,875,470 reflecting the registration fees collected in FY 2011.

16. Publication of the relevant information is not anticipated.

17. The Department of State intends to display the expiration date for OMB approval of the information collection.

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

## **B. Collections of Information Employing Statistical Methods**

This collection of information does not employ statistical methods.