

**SUPPORTING STATEMENT FOR
PAPERWORK REDUCTION ACT SUBMISSION**

**Request for Advisory Opinion
OMB No. 1405-0174**

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 (USML).

Under the AECA, the President is charged with the review of munitions license applications and technical assistance and manufacturing license agreement requests 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 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 the export and the temporary import of defense articles and the provision of defense services was delegated to the Secretary of State by Executive Order

13637. These regulations are primarily administered by the Deputy Assistant Secretary of State for Defense Trade and the Directorate of Defense Trade Controls, Bureau of Political-Military Affairs.

Pursuant to ITAR §126.9, a person may request an “advisory opinion” from DDTC on whether it would be likely to grant a license or other approval for the export or approval of a particular defense article or defense service to a particular country. Advisory opinions are issued on a case-by-case basis and apply only to the particular matters presented to DDTC. These opinions are not binding on the Department of State, and may not be used in future matters before the Department. A request for an advisory opinion must be made in writing and must outline in detail the equipment, its usage, the security classification (if any) of the articles or related technical data, and the country or countries involved.

2. DDTC reviews the submitted information to determine whether it would likely grant a license or other approval for the export of a defense article or defense service.

3. Currently, there is no option of electronic submission of this information. Submissions are made via hardcopy documentation. Applicants are referred to ITAR §126.9 for guidance on information to submit regarding the request for an advisory opinion and to DDTC’s website, where a draft of the proposed electronic form may be used as guidance in the submission of information. DDTC plans to provide an electronic form that applicants may use for the purposes of obtaining an advisory opinion. Eventually, the applicant will be able to access this form from the DDTC website, complete it online, and submit it via the Internet.

4. The Department of State is unaware of any other U.S. Government requirements that would cause U.S. industry to duplicate this reporting requirement.

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.

6. The AECA and the ITAR established the frequency of information collection. The information required for the proper assessment of a proposed

permanent export request is reviewed on a case-by-case basis and is specific to the transaction under consideration. Absent this procedure for the collection of this information, the Department would not have a process of responding to requests on whether DDTC would likely grant a license or other approval for a proposed export transaction involving defense articles and defense services.

7. Respondents may be required to report information to the Department more often than quarterly because they may need to solicit the views of the Department on a more frequent basis. Also, the ITAR requires that respondents maintain records for a minimum period of five years from the expiration of a license or written approval.

8. The Department published a notice in the *Federal Register* in accordance with 5 CFR 1320.8(d) on June 2, 2015 (80 FR 31446). No comments were received.

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. The Department of State is not soliciting any information regarding questions of a sensitive nature or matters commonly considered private.

12. The Department of State has reason to believe that the information required is already available to U.S. industry in some form due to other needs and requirements (e.g., business transactional records, tax records, quality assurance and productivity, and legal issues posed by other federal laws). An estimated 166 annual responses are expected from 150 respondents. Frequency of response is on occasion. The estimated time that the respondent devotes to each submission is approximately 1 hour. The estimated annual hour burden is 166 hours. According to the U.S. Department of Labor Bureau of Labor Statistics website (www.bls.gov), the weighted wage rate category for a "Compliance Officer" is

estimated to be \$44.94 per hour (\$32.10 average wage x 1.4 multiplier). Therefore, the estimated annual burden hour cost to respondents “all occupations” is \$4,140 (166 annual burden hours x \$44.94).

13. There are no anticipated additional costs to respondents.

14. The 166 responses received by DDTC during CY 2014 accounted for approximately 0.2% of its budget of \$36 million. The estimated annualized cost to the Federal Government was \$72,000 for reviewing these applications. This estimated figure was determined by identifying the decrease in submissions since the last reauthorization of this collection, and comparing the resulting figure to the overall budget.

15. The number of respondents has been adjusted from 250 to 166, the most recent estimate. Total annual responses have been adjusted from 250 to 166. Consequently, total annual hours requested have been adjusted to 166. The revised respondent number is a more accurate figure taken directly from DDTC records.

16. The Department will not publish the information collected.

17. DDTC will display the expiration date for OMB approval of the information collection on the form.

18. The Department of State does not seek any exception to the certification statement.

B. Collections of Information Employing Statistical Methods

This collection of information does not employ statistical methods.