

**SUPPORTING STATEMENT FOR
PAPERWORK REDUCTION ACT SUBMISSION**

**Application for Amendment to License for Export or Import of Classified or
Unclassified Defense Articles and Related Classified Technical Data**

OMB No. 1405-0092

(Forms DSP-6, DSP-62, DSP-74, DSP-119)

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.

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, as amended. 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.

In accordance with Part 123 of the ITAR, any person who intends to permanently export, temporarily import, or temporarily export unclassified or classified defense articles or related technical data must obtain a license from DDTC prior to export. “Application for Amendment to License for Export or Import of Classified or Unclassified Defense Articles and Related Classified Technical Data” is used to obtain permission for certain changes to previously approved licenses.

2. DDTC uses the information provided by applicants to meet the mandate described in item 1 above. “Application for Amendment to License for Export or Import of Classified or Unclassified Defense Articles and Related Classified Technical Data” is used by private industry to make changes in an already approved DSP-5, DSP-61, DSP-73 or DSP-85 form. Upon approval, the amendment form along with the original license constitutes the authority to export. The amendment forms are as follows: the DSP-6 amends the DSP-5; the DSP-62 amends the DSP-61; the DSP-74 amends the DSP-73; and the DSP-119, which used to be the single amendment form, is used to amend the DSP-85. Absent these forms, exporters would be required to submit a new license application with each minor change.

At U.S. ports, U.S. Customs and Border Protection (CBP) officials utilize the information collected by the amendment forms to monitor shipments. Prior to export or temporary import, the approved exporter or importer will file their relevant information into CBP’s electronic system(s). This information, which is readily available to exporters and importers with an approved license, will allow CBP to validate and decrement the license. CBP may delay shipments if they are thought to be defense-related and the relevant information has not been entered into CBP’s electronic system(s). If it is determined that the item(s) in question are covered by the USML, the item(s) will be detained or seized. If the shipment is seized and it is determined that Form DSP-61 was not submitted and approved, the shipper may be fined and/or charged with a crime.

3. The DSP-6, DSP-62, and DSP-74 must be submitted electronically via the electronic licensing subsystem (D-Trade) of the Defense Trade Application System, DDTC's Web-based electronic form system. The DSP-119 must be submitted electronically over the Internet at www.pmddtc.state.gov through the Electronic Licensing Entry System, (DDTC's legacy, partial-electronic licensing system) using a pin number assigned to a registered company by DDTC.
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. Only registered exporters are required to complete the "Application for Amendment to License for Export or Import of Classified or Unclassified Defense Articles and Related Classified Technical Data" when seeking to amend approved export licenses.
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 reporting requirement, it would be extremely difficult for DDTC to meet its legally mandated responsibilities to ensure oversight of defense trade exports in furtherance of foreign policy objectives, national security interests, and world peace.
7. Respondents may have to report information to the Department more often than quarterly because they need approval on a case-by-case basis when seeking to export defense articles and/or services and related technical data. The ITAR requires maintenance of records for a minimum period of five years from the expiration of the license or written approval.
8. The Department has published a notice in the Federal Register (79 FR 66759) 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. The Department did not receive any comments during the comment period.
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. These amendment forms do not solicit 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 that is required on the amendment forms 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 6,829 annual responses are expected from 1,007 respondents. Frequency of response is on occasion. The estimated time that the respondent devotes to each submission is approximately 30 minutes. Consequently, it can be reasonably assumed that the cost to industry in terms of money, time, and other resources is minimal. The estimated annual hour burden is 3,415 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 \$153,470 (3,415 annual burden hours x \$44.94).

13. There are no anticipated additional costs to respondents.

14. The 6,829 responses received by DDTC during CY 2013 accounted for approximately 5.6% of its budget of \$36 million. The estimated annualized cost to the Federal Government was \$2,016,000 for reviewing these export applications. This estimated figure was determined by identifying the percentage constituted by these submissions of the overall DDTC licensing caseload.

15. Item 13(a) of form DS-83-I, "Number of Respondents," has been adjusted from 700, the previously estimated number of registrants who export defense articles and would use this information collection, to 1,007, the most recent

estimate. Item 13(b), “Total Annual Responses,” has been adjusted from 7,500 to 6,829. Consequently, “Total Annual Hours Requested” (Item 13(c)) has been adjusted from 3,750 to 3,415. There are no changes to Item 14. These figures have been generated by directly querying the DDTC licensing database, which may simply have provided a more accurate figure than estimates available in previous submissions.

16. We will not publish relevant information.

17. DDTC is planning to display the expiration date for OMB approval of the information collection on the forms.

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.