

**SUPPORTING STATEMENT FOR  
PAPERWORK REDUCTION ACT SUBMISSION**

**Request to Change End-User, End-Use and/or Destination of Hardware  
OMB No. 1405-0173  
Form DS-6004**

**A. Justification**

1. *Why is this collection necessary and what are the legal statutes that allow this*

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.*), the International Traffic in Arms Regulations (ITAR) (22 CFR parts 120-130), and associated delegations of authority, has the principal missions of promulgating regulations for the import and export of defense articles and defense services; 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 information for various types of reports that are submitted to Congress.

The statutory authority of the President to promulgate regulations with respect to the export and import of defense articles and the provision of defense services was delegated to the Secretary of State by Executive Order 13637, as amended. By virtue of delegations of authority by the Secretary of State, these regulations are primarily administered by the Deputy Assistant Secretary of State for DDTC.

DDTC reviews 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 “Request to Change End-User, End-Use and/or Destination of Hardware” information collection is used to request DDTC approval prior to any sale, transfer, transshipment, or disposal, whether permanent or temporary, of classified or unclassified defense articles to any end-user, end-use or destination other than as stated on a license or other approval.

2. *What business purpose is the information gathered going to be used for?*  
DDTC reviews the request to change end-user, end-use and/or destination of hardware to determine whether to approve the request in accordance with foreign policy and national security interests.

3. *Is this collection able to be completed electronically?*  
Applicants are referred to ITAR §123.9 for guidance on information to submit regarding the request to change the end-user, and to change the end-use and/or destination of hardware. With the implementation of DDTC’s new case management system, the Defense Export Control and Compliance System (DECCS), applicants may provide this information electronically using form DS-6004. Applicants will be able to access the form DS-6004 from DDTC’s website, complete it online, and submit it via the Internet.

4. *Does this collection duplicate any other collection of information?*  
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. *Describe any impacts on small business.*  
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. *What are consequences if this collection is not done?*  
The AECA and the ITAR established the frequency of information collection. The information required for the proper assessment of a proposal to change the end-user, to change the end-use and/or destination of hardware is reviewed on a case-by-case basis and is specific to the transaction under consideration. Absent this

information, the Department would not have the information required for the process of reviewing and responding to such requests.

7. *Are there any special collection circumstances?*

The ITAR requires maintenance of records for a minimum period of five years.

8. *Document publication a request for public comments in the Federal Register*  
The Department published a 60-day notice in the Federal Register (85 FR 54613) and one substantive comment was received. One commenter suggested the following,

‘Greater clarity can be given as to whether DDTC requires prior authorization for a change of end user/end use back to the United States. For example, say a DSP-5 is approved for a German MoD end use. If the end use actually changes to a US end use and the items are to be permanently imported back into the United States, it is not entirely clear whether a change of end user/end use approval is required.

From a policy perspective it seems absurd for DDTC to require a prior approval for a change of end use back in the United States when a movement of the same item within the US is not DDTC regulated, but that is sometimes argued as required. Note 123.2 makes clear DDTC does not regulate permanent imports so that mandate conflicts with the need to submit a 123.9 retransfer request in these cases. If there is a DDTC policy need to track items against a license and to know of this movement back to the US, this could be better achieved by requiring a 30 day notice of change of end use to the United States, in a fashion similar to the NATO retransfer exemption (123.9(e)).

Finally, the DECCS system is not easily set up for a non-US entity who are typically are not registered with DDTC to gain access to the system to apply for 123.9 retransfer requests. To enroll in DECCS in order to submit such a request, the home page requires a DDTC registration number which they would not have. The only other option is to click on "I am part of a New Company" which is confusing for non-US parties, as they are in fact not part of a new company but instead are merely non-registered yet established companies attempting to submit retransfer requests. A third option should be added for DECCS access for non-US entities seeking reexport/retransfer approvals.’

DDTC response: While the end-use or end-user may be changing, it's not considered a reexport pursuant to ITAR § 129.19(a) because it's not being shipped from "one foreign country to another foreign country," it's being shipped from one

foreign country to the United States. By falling out of the reexport definition it similarly fails to trigger the provisions of § 123.9.

DECCS does not require non-U.S. entities to register with DDTC to submit a DS-6004 application. The non-U.S. entity does need to enroll in DECCS to be able to complete the DS-6004 and other various DDTC applications. We will take your feedback on the terminology used during the enrollment under advisement to make that process more clear to non-U.S. entities.

9. *Are payments or gifts given to the respondents?*

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

10. *Describe assurances of privacy/confidentiality*

A privacy impact assessment (PIA) was conducted in 2016 and can be viewed at <https://www.state.gov/privacy>. This collection of information is covered under STATE-42, Munitions Control Records, which is also published on <https://www.state.gov/privacy>. Respondents to this collection may review ITAR § 126.10, which describes DDTC's policy regarding the disclosure of information.

11. *Are any questions of a sensitive nature asked?*

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

12. *Describe the hour time burden and the hour cost burden on the respondent needed to complete this collection*

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 1,563 annual responses are expected from 1,563 respondents. Frequency of response is on occasion. The estimated time that each respondent devotes to each submission is approximately one hour. The estimated annual hour burden is 1,563 hours. According to the U.S. Department of Labor Bureau of Labor Statistics, the weighted median hourly wage for "Compliance Officers" in the United States is \$69.72<sup>1</sup> per hour (\$34.86 hourly wage x 2 multiplier = \$69.72) multiplied by the average annual hourly burden of 1,563 hours, the hour-cost burden for this information collection is \$108,972.36 per year

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<sup>1</sup> Source: Bureau of Labor Statistics; Occupational Employment Statistics  
<https://www.bls.gov/oes/current/oes131041.htm>

13. *Describe the monetary burden to respondents (out of pocket costs) needed to complete this collection.*

There are no anticipated additional costs to respondents.

14. *Describe the cost incurred by the Federal Government to complete this collection.*

Twelve Licensing Officers (GS-13 or equivalent) review and process DS-6004 General Correspondence, which account for 4.4% of the cases reviewed. At an average annual cost of \$116,353<sup>2</sup> per employee, DDTC estimates the total cost to the Federal Government to be \$61,434.38. (12 employees x \$116,353 = 1,396,236 x 4.4% workload = \$61,434.38).

15. *Explain any changes/adjustments to this collection since the previous submission*

The number of respondents has been adjusted from 500 to 1,563 in the most recent estimate. Total annual responses have been adjusted from 500 to 1,563. Consequently, total annual hours requested have been adjusted to 1,563. The revised respondent number is based on the submissions identified during a review of the database. DDTC has added a submission type 'Other' to the DS-6004 and will allow for electronic upload of supporting documentation.

16. *Specify if the data gathered by this collection will be published.*

The information collected will not be published.

17. *If applicable, explain the reason(s) for seeking approval to not display the OMB expiration date.*

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

18. *Explain any exceptions to the OMB certification statement below.*

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.

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<sup>2</sup> <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2020/general-schedule/>