

SUPPORTING STATEMENT
U.S. Department of Commerce Bureau of Industry and Security
Simple Network Application Process and Multipurpose Application
Form OMB No. 0694-0088

A. Justification:

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

Section 1761(h) under the Export Control Reform Act (ECRA) of 2018, authorizes the President and the Secretary of Commerce to issue regulations to implement the ECRA 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 ECRA 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).

BIS administers a system of export, re-export, and in-country transfer controls in accordance with the EAR. In doing so, BIS requires that parties wishing to engage in certain transactions apply for licenses, submit Encryption Review Requests, or submit notifications to BIS. BIS also reviews, upon request, specifications of various items and determines their proper classification under the EAR. Currently, members of the public submit these applications, requests, and notifications to BIS in one of four ways, via:

1. BIS' Simplified Network Application Process - Redesign (SNAP-R);
2. BIS' System for Tracking Export License Applications (STELA);
3. Multipurpose Application, Form BIS 748P, and its two appendices the BIS 748P-A (item appendix) and the BIS 748P-B (end-user appendix); or
4. Advisory opinion requests, pursuant to the instructions in § 748.3(c) of the EAR.

Specific to the submission of applications, requests and notifications, BIS will, under one or more of the circumstances specified in § 748.1(d)(1) of the EAR, accept paper submissions of license applications, notifications, and requests. However, BIS has not recently received any paper submissions of license applications, notifications, or requests.

In many instances, BIS needs additional documents to act on the submission. For submissions made electronically via SNAP-R, the applicant must scan and attach the additional documents in SNAP-R.

For documents that relate to paper submissions, the documents can be mailed or delivered to BIS with the BIS 748P form, as appropriate.

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.

Export information collected either electronically or from the Multipurpose Application (Forms BIS-748P, 748P-A and 748P-B) is used by BIS as the basis for decisions to grant licenses for export and re-export, for national security reviews of encryption items, and for classifications of items that are controlled for reasons of national security, short supply, or foreign policy. These decisions are typically made on a case-by-case basis and are dependent upon the information provided and the policies in effect at the time of the transaction. In many cases, this information is shared with other Federal agencies such as the Department of Defense, State Department, and Department of Energy, to obtain their recommendations on these decisions.

Both the paper and electronic versions of the Multipurpose Application provide detailed instructions and explanations of what data is required in each field. In addition, the SNAP-R system includes a large number of software validations to ensure high quality data.

BIS is revising and renewing this information collection and requesting an increase in burden hours due to an expected increase of license application submissions resulting from the publication of the following rules:

Information Security Controls: Cybersecurity Items: BIS is finalizing changes to License Exception Authorized Cybersecurity Exports (ACE) and corresponding changes in the definition section of the EAR in response to public comments to an October 21, 2021, interim rule. That rule established a new control on certain cybersecurity items for National Security (NS) and Anti-terrorism (AT) reasons, as well as adding a new License Exception ACE that authorizes exports of these items to most destinations except in certain circumstances. These items warrant controls because these tools could be used for surveillance, espionage, or other actions that disrupt, deny, or degrade the network or devices on it. This rule also corrected Export Control Classification Number (ECCN) 5D001 in the Commerce Control List.

Additions of Entities to the Entity List; Corrections and Clarifications: This final rule amends the EAR by adding 13 entities under 13 entries to the Entity List. These 13 entities have been determined by the U.S. Government to be acting contrary to the foreign policy or national security interests of the United States and will be listed on the Entity List under the destination of the People's Republic of China (China). Additionally, this rule corrected an error in the EAR's military end-use and military end-user controls provision that was introduced by a final rule effective March 2, 2022, that imposed sanctions against Belarus. It also made a clarification to a new regulatory supplement that was added to the EAR by a final rule effective March 11, 2022, that imposed sanctions on luxury goods destined for the Russian Federation (Russia) and Belarus and for certain Russian and Belarusian oligarchs and malign actors.

Implementation of Certain 2021 Wassenaar Arrangement Decisions on Four Section 1758 Technologies: The Bureau of Industry and Security (BIS) maintains, as part of its Export Administration Regulations (EAR), the Commerce Control List (CCL), which identifies certain items subject to Department of Commerce (Commerce) jurisdiction. Commerce is revising the

CCL, as well as corresponding parts of the EAR, to implement controls on four technologies. These changes reflect certain controls decided by governments participating in the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies (WA) at the December 2021 WA Plenary meeting. These four technologies meet the criteria of Section 1758 of the Export Control Reform Act (ECRA) pertaining to emerging and foundational technologies. Accordingly, BIS is accelerating their publication in this interim final rule and will publish the remaining WA-agreed controls in a later rule. These technologies are two substrates of ultra-wide bandgap semiconductors (Gallium Oxide (Ga₂O₃) and diamond), Electronic Computer Aided Design (ECAD) software for the development of integrated circuits with Gate-All-Around Field-Effect Transistor (GAAFET), and pressure gain combustion (PGC) technology for the production and development of gas turbine engine components or systems.

Imposition of Restrictions on Exports, Reexports and Transfers (In-Country) to Persons Whose Property and Interests in Property are Blocked Pursuant to Executive Order 14024:

In response to the Russian Federation's (Russia's) February 2022 invasion of Ukraine and Belarus' substantial enabling of this invasion, the Bureau of Industry and Security (BIS) imposed extensive sanctions on Russia and Belarus under the Export Administration Regulations (15 CFR parts 730 – 774) (EAR) by implementing a series of final rules. On March 24, 2022, the Department of the Treasury, Office of Foreign Assets Control's (OFAC) designated approximately 400 persons in the defense and related materiel sector of the Russian economy on the List of Specially Designated Nationals and Blocked Persons (SDN List) maintained by OFAC pursuant to Executive Order 14024 of April 15, 2021. In this rule, BIS amends the EAR to add a new section imposing a license requirement for all exports, reexports, or transfers (in-country) of items subject to the EAR to these persons.

Expansion of Sanctions Against Russia and Belarus Under the Export Administration Regulations (EAR):

In response to the Russian Federation's (Russia) ongoing aggression in Ukraine following its further invasion of the country, as substantially enabled by Belarus, this rule expanded license requirements for Russia and Belarus under the Export Administration Regulations (EAR) to all items on the Commerce Control List (CCL). It also removed license exception eligibility for aircraft registered in, owned, or controlled by, or under charter or lease by Belarus or a national of Belarus.

Expansion of Sanctions Against Russian Industry Sectors Under the Export Administration Regulations (EAR):

In response to the Russian Federation's (Russia's) ongoing aggression against Ukraine, the Department of Commerce expanded the existing sanctions against Russian industry sectors by imposing a license requirement for exports, reexports, or transfers (in-country) to and within Russia for additional items subject to the EAR identified under specific Schedule B numbers or Harmonized Tariff Schedule codes. The Bureau of Industry and Security (BIS) is taking these actions to further restrict Russia's ability to withstand the economic impact of the multilateral sanctions, further limit sources of revenue that could support Russia's military capabilities, and to better align with the European Union's controls.

Adoption of Congressional Notification Requirement for Certain Semiautomatic Firearms Exports under the Export Administration Regulations (EAR):

In this final rule, the Bureau of Industry and Security (BIS) amended the Export Administration Regulations (EAR) to add a

new section to the EAR to adopt a congressional notification requirement for certain license applications of semiautomatic firearms meeting certain value and destination requirements. This rule does not change the interagency license process for these firearms or how license applicants currently structure or generally apply for BIS licenses.

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.

BIS redesigned the SNAP system to enhance security, support electronic submission of supporting documents and provide increased functionality. BIS currently receives approximately 100% of all submissions of license applications, notifications and commodity classification and encryption registration requests electronically through the SNAP-R system. SNAP-R is located at: <https://snapr.bis.doc.gov/>

Advisory opinion requests are delivered to BIS by mail, delivery service or via e-mail.

4. Describe efforts to identify duplication.

The information received when applying for an export license, classifications and advisory opinions, Encryption Review Request, or license exception AGR is unique to each application. The information is not duplicated anywhere else in Government nor is it available from any other source.

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

The information required when applying for an export license, classification request, advisory opinion, Encryption Review Request, and license exception AGR notification must be submitted by exporters or their designated agents, regardless of size. This procedure, as part of the EAR, is governed by national security, foreign policy, and proliferation of weapons of mass destruction requirements. BIS maintains an active seminar and counseling program to help all businesses understand and comply with BIS requirements. BIS also maintains an informative web site that provides detailed instructions on how to comply with our paperwork requirements. This web site is located at: <https://www.bis.doc.gov>.

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

If this information were submitted less frequently, it could result in decreases and delays in trade as well as a higher number of exports to unapproved consignees with the possibility that illegal shipments would be made to countries of concern.

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 record keeping, 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 March 25, 2022. (87 FR 17066). No public comments were received.

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

No payment or gift will be provided to respondents.

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

Section 1761(h) of the ECRA provides for the confidentiality of export licensing information submitted to the Department of Commerce.

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.

There are no questions of a sensitive nature.

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

The total estimated burden of this collection is 34,418 hours. This estimate includes the increase of burden hours from the final rule, “Changes to Country Policy Under the Export Administration Regulations (EAR).”

BIS estimates that exporters will require 17 minutes to input their application-specific data into the SNAP-R system. 17 additional minutes are required to submit supporting documents into SNAP-R for those applications that require supporting documentation.

Commodity classifications typically require more supporting documentation than other types of applications. About 75% of the commodity classifications and 33% of the other applications require supporting documentation. It is estimated to take one hundred and nine minutes per commodity classification to acquire the corresponding documentation. It is estimated to take 25

minutes for all other types of applications. There is also a record keeping requirement of 2 minutes associated with each application. The burden hour estimate is detailed in the following table:

Burden Activity	Annual Responses	Average Minutes per Response	Annual Burden Hours
Commodity Classifications Without Supporting Documentation	1,607	17	455
Other SNAP-R Applications Without Supporting Documentation	16,883	17	4,784
Commodity Classifications With Supporting Documentation	4,820	109	8,756
Other SNAP-R Applications With Significant Supporting Documentation	9,975	49	8,146
Other Applications With Minimal Supporting Documentation	33,912	19	10,739
EAR Amendments	3,076	30	1,538
Total	70,273	29.4	34,418

The cost associated with this burden is estimated to be \$ 1,032,540. This is obtained by multiplying 34,418 hours times \$30 per hour.

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 #12 above).

There is no additional cost to the respondent.

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

The annual cost to the Federal Government is approximately \$2,810,920. This is based on licensing officers spending 45 minutes to review each of the 70,273 applications at \$40 per hour.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB 83-I.

Not applicable.

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

BIS publishes information based on aggregate data from export license applications. It does not publish information that would identify the details of specific applications or requests. Section 1761(h) of the ECRA restricts release of such detailed data to Congress, the GAO, or to situations in which the Secretary (authority delegated to the Under Secretary for Industry and

Security) determines that release is in the national interest.

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.

Not applicable.

18. Explain each exception to the certification statement identified in Item 19 of the OMB 83-I.

Not applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.