

SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSION

Statement of Registration OMB Number 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.), the International Traffic in Arms Regulations (ITAR) (22 CFR parts 120-130), and associated delegations of authority, has the principal mission 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 reports that are submitted to Congress. 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 of such items.

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 for Defense Trade Controls.

Pursuant to Part 122 of the ITAR, any person who engages in the United States in the business of manufacturing, exporting, or temporarily importing defense articles, or furnishing defense services, is required to register with DDTC. Part 129 of the ITAR requires U.S. persons, regardless of their location and foreign persons, who are located in the United States or otherwise subject to the jurisdiction of the United States, to register with DDTC prior to engaging in brokering activities.

2. DDTC uses the information provided by registrants to meet the mandate described in question one. DDTC uses the information to evaluate registration requests and further ensure compliance with defense trade laws and regulations. Form DS-2032 may also be used in administrative or judicial proceedings, or related investigations, involving violations of the AECA, or shared with other U.S. Government entities as necessary.

3. Respondents may access and submit Form DS-2032 electronically via DDTC's website (The DS-2032 may be submitted electronically via the Defense Export Control and Compliance System (DECCS) accessible from DDTC's website [Article - DDTC Public Portal \(state.gov\)](#))
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. This information collection applies to all persons engaged in manufacturing, brokering, exporting, and temporarily importing defense articles and defense services; therefore, this reporting requirement applies to large and small businesses equally.
6. Absent this information collection, it would be difficult for DDTC to gain the necessary information on who is involved in certain manufacturing and exporting activities. It would be extremely difficult for DDTC to meet its legally mandated responsibility of registering persons engaged in the business of manufacturing, exporting, temporarily importing, and brokering of defense articles or defense services.
7. Registrants must maintain records for at least five years as set forth in ITAR § 122.5 (OMB Control No. 1405-0111). In addition, to comply with the requirements of ITAR §§ 122.4 and 129.8, companies and individuals may be required to submit proprietary or business-sensitive materials for DDTC to understand the foreign policy and national security implications of a proposed transaction or change in registration.
8. The Department published a 60 Day notice in the Federal Register soliciting public comments. No comments were received.
9. No payment or gift has been or will be provided to any respondent.
10. A privacy impact assessment (PIA) for DDTC's electronic system (DECCS) was conducted in 2022 and can be viewed at [Privacy Impact Assessments – Privacy Office - United States Department of State](#). This collection of information is covered under STATE-42, Munitions Control Records, which is also published on [System of Records Notices – Privacy Office - United States Department of State](#). Respondents to this collection may review ITAR § 126.10, which describes DDTC's policy regarding the disclosure of information.
11. The Department of State is not soliciting any information regarding questions of a sensitive nature or matters commonly considered private.
12. The Department estimates that 16,600 responses will be received from 15,200 respondents, each taking two hours to complete Form DS-2032. Registrants sometimes must amend their DS-2032 and thus the number of responses is estimated to be greater than the number of respondents (multiply responses per respondent in the case of amendments). The Department estimates the total annual hour burden to be 33,200 hours (16,600 x 2 hours). According to the Department of Labor's Bureau of Labor Statistics, the average hourly wage (weighted)

for a “Compliance Officer” is \$77.10.¹ This was calculated by multiplying the average hourly wage (\$38.55) by 2 to account for overhead costs. Therefore, the estimated annual burden hour cost to respondents is \$2,559,720 (33,200 annual burden hours x \$77.10).

13. Respondents must pay an annual fee to register with DDTC. The total cost to respondents in FY 2023 was \$33,802,455.
14. DDTC estimates that the work associated with Form DS-2032 accounts for approximately 10.2% of its budget of \$54 million. The estimated annual cost to the Federal Government is \$5,508,000 for reviewing these Statements of Registrations. This estimated figure was determined by identifying the increase in registrants and associated responses since the previous reauthorization of this collection.
15. The number of respondents is estimated to increase from 14,800 to 15,200 and the number of total annual responses is estimated to decrease from 17,688 to 16,600. The total annual burden hours increased from 17,688 to 33,200. The annual cost to respondents was adjusted to \$33,802,455 from \$29,341,562 to reflect the registration fees collected in Fiscal Year 2023. Changes to the DS-2032 are identified in the Appendix, ‘Summary of Changes’.
16. The Department will not publish the information collected.
17. DDTC will display the expiration date for OMB approval of the information collection.
18. The Department of State does not seek any exception to the certification statement.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not employ statistical methods.

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