

SUPPORTING STATEMENT
Bureau of Industry and Security
Delivery Verification Procedure for Imports
OMB Control No. 0694-0016

A. JUSTIFICATION

This is a request to extend the Office of Management and Budget approval.

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

Section 15(b) of the Export Administration Act (EAA) of 1979, as amended, authorizes the President and the Secretary of Commerce to issue regulations to implement the EAA 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 EAA 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). The EAA is not permanent legislation, and when it has lapsed due to the failure to enact a timely extension, Presidential executive orders under the International Emergency Economic Powers Act (IEEPA) have directed and authorized the continuation in force of the EAR.

The Delivery Verification Certificate is the result of an agreement between the United States and a number of other countries to increase the effectiveness of their respective controls over international trade in strategic commodities.

Note: BIS plans to publish a proposed rule entitled "Retrospective Regulatory Review: Proposed Revisions to the Support Document Requirements of the Export Administration Regulations." Among other things, this rule will remove the requirements for the following BIS information collections: 0694-0009 (Triangular Transactions); 0694-0016 (Delivery Verification Procedure for Imports); and 0694-0017 (International Import Certificate). The proposed rule would be followed by a final rule in late 2014. Since these collections may not be discontinued until the final rule is published, BIS has no choice at this time but to renew these collections.

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.

At the request of the government of a foreign exporter, the U.S. importer must obtain the Delivery Verification Certificate, BIS-647P from BIS or a U.S. Customs Office. After completing the form in duplicate, both copies are filed with the U.S. Customs Office in the

location of expected delivery. When the shipment arrives, U.S. Customs officials complete the form by certifying delivery. One copy is kept by the U.S. Customs Office and the original is returned to the U.S. importer who forwards the proof of delivery to the foreign exporter or otherwise disposes of it in accordance with the instructions of the exporting country.

The form is issued and certified at the request of the foreign government. It is a service that the U.S. government performs to honor its agreement with the other countries participating in this Delivery Verification procedure.

Supplement No. 5 to Part 748 of the current EAR covers three special circumstances in which the usual procedure for the Delivery Verification Certificate, described above, would need clarification. First is when the U.S. importer acts as a sort of third party in the transaction, reselling or transferring the commodities to another party prior to delivery. This U.S. importer applies for and executes the U.S. International Import Certificate, covered under OMB Control No. 0694-0017. This same importer must secure from the party who will receive the goods, a written acceptance of the obligation to provide the same importer with the Delivery Verification Certificate and a promise that each succeeding U.S. transferee or purchaser will assume the same obligations as the party receiving the commodities.

The second special circumstance covers when the U.S. importer does not wish to disclose the name of his customer to the foreign exporter. In this unusual instance, the U.S. importer may ask BIS for a Delivery Compliance Notice in lieu of a Delivery Verification Certificate and thus conceal the identity of his customer. This Delivery Compliance Notice informs the foreign supplier that a U.S. Delivery Verification Certificate has been submitted to BIS.

The third special circumstance described in this section of the EAR covers the procedure when a Delivery Verification Certificate is lost or stolen. If the U.S. importer can supply BIS with a statement certifying that 1) the original Delivery Verification Certificate has been lost or destroyed; 2) the circumstances under which it was lost or destroyed; 3) the type of customs entry, entry number, and date of entry; and 4) the number and date of the related U.S. International Import Certificate, then BIS will notify the exporting government that a Delivery Verification Certificate has been issued.

The Section 515 Information Quality Guidelines apply to this information collection and comply with all applicable information quality guidelines, i.e., OMB, Department of Commerce, and specific operating unit guidelines.

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.

The BIS-647P is available as a form fillable .PDF file on the BIS web site (www.bis.doc.gov).

4. Describe efforts to identify duplication.

This information is not duplicated anywhere else in Government. This information is not available from any source other than from the respondent.

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

The information cannot be minimized for small businesses or other small entities. The collection of this information applies equally to all businesses involved in international trade. Only complete information, as required, will assure compliance with the EAR and export regulations.

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

If the collection were conducted less frequently, it would create vulnerabilities in our export control program causing commodities to be illegally diverted to unauthorized destinations.

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 recordkeeping, 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 April 22, 2013, page 23743. No comments were received.

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

Not Applicable.

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

The information required by this reporting request is treated as "business confidential" under Section 12(c) of the EAA of 1979.

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 annual public burden for this collection of information is **56 hours**.

This collection of information consists of approximately 100 respondents annually. Based on an average time of thirty minutes (15 minutes to complete Form BIS 647P; and 15 minutes to complete the requirements in Question 2, paragraph 1) for one respondent, and one minute of recordkeeping, the annual burden is 52 hours. It is estimated that "special circumstances" certificates will require an additional 4 hours to complete each year. Therefore the total burden is estimated to be $52 + 4 = 56$ hours.

The labor cost to the public is estimated to be **\$1,680**. This is based on 56 hours x an average wage of \$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 Question 12 above).

Not Applicable.

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

It is estimated that the annual cost to the Federal Government is approximately \$500. This is based on an average of 10 minutes for reviewing each of 100 forms at a salary of \$30 per hour.

15. Explain the reasons for any program changes or adjustments.

Not Applicable.

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

Not Applicable.

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.

BIS is seeking approval to not display the expiration date for OMB approval of the information collection because the collection is perpetual in nature and the form is typically in circulation worldwide. Having the form reprinted each time the OMB authorization changes serves only to make otherwise good forms become obsolete.

18. Explain each exception to the certification statement.

Not Applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not Applicable.