

**SUPPORTING STATEMENT**  
**U.S. Department of Commerce**  
**Bureau of Industry and Security**  
**Statement by Ultimate Consignee and Purchaser**  
**OMB Control Number 0694-0021**

**A. Justification**

**This is an extension of a currently approved information collection.**

**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 collection is necessary under Part 748.11 of the EAR. This section states that the Form BIS-711, Statement by Ultimate Consignee and Purchaser, or a statement on company letterhead (in accordance with paragraph (e) of this Section is required, unless one or more of the exemptions set forth in Section 748.11(a)) exists. The BIS-711 or letter provides information on the foreign importer receiving the U.S. technology and how the technology will be utilized.

The BIS-711 or letter provides assurances from the importer that the technology will not be misused, transferred or reexported in violation of the EAR. A copy of the statement must be submitted with the license application if the country of ultimate destination is listed in either Country Group D:2, D:3, or D:4 (See Supplement No. 1 to part 740 of the EAR). The form is also required for certain reexport authorizations specified in Part 748.12(b) of the EAR.

**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.**

EAR Part 748 provides detailed information on the Statement by Ultimate Consignee and Purchaser and is included as a supporting document. In order to effectively control commodities,

BIS must have sufficient information regarding the end-use and end-user of the U.S. origin commodities to be exported. The information will assist the licensing officer in making the proper decision on whether to approve or reject the application for the license. The three principal supporting documents used by the licensing officer to evaluate the end-user are:

- (1) Import Certificate (OMB Control No. 0694-0093);
- (2) BIS-711, Statement by the Ultimate Consignee and Purchaser; or
- (3) Statement on company letterhead.

The Import Certificate (IC) is used by certain countries as part of their export control program. The BIS-711 or letter is the document for other countries that do not use the import certificate. Supporting documentation for an export license must be retained for five years.

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-711 form is available for download as a fillable .pdf form on the BIS web site:

<http://www.bis.doc.gov/licensing/BIS711.pdf>

Nearly all exporters submit this form electronically using the BIS SNAP-R system.

**4. Describe efforts to identify duplication.**

There is no duplication of this collection. This information is not available from any other source 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 form collects the minimal information required. The burden cannot be further minimized for small businesses without reducing the effectiveness of existing export controls.

**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, there would be violations of EAR and the EAA. The diversion of controlled commodities would increase.

**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 January 11, 2012 (Vol. 77, page 1666). No comments were received.

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

There is no plan to provide any payment or gift to respondents.

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

Section 12(c) of the EAA provides for the confidentiality of this information and is stated on Form BIS-711.

**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.**

It is estimated that there will be **39 burden hours** for this collection of information. This estimate is based on 147 BIS-711's recorded in the Export Control Automated Support System (ECASS which process the forms) during calendar year 2011. The average time for completing the BIS-711 (or its letter equivalent) is 15 minutes. There is 1 minute recordkeeping. The total burden hours:

$$147 \text{ responses} \times 16 \text{ minutes}/60 = 39 \text{ hours}$$

The labor cost to the respondents is estimated at \$1,560. This is based on a salary of \$40.00 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).**

This collection involves a recordkeeping requirement. For the convenience of exporters, BIS permits the storage of electronic scanned images of completed form BIS-711 (or the statement on company letterhead) in lieu of storing hard copy. BIS estimates that the cost for recordkeeping of the one-page paper or scanned file is negligible.

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

It is estimated that the annual cost to the Federal Government is approximately \$160. Only about 10% of the BIS-711 forms are reviewed by licensing staff. The average time to review is 15 minutes. The average salary for licensing staff is \$40.00 per hour. The estimated cost is therefore:

$$147 \times 10\% = 15 \text{ applications} \times 15 \text{ minutes} = 4 \text{ hours} \times \$40 = \$160$$

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

There is a decrease in respondents/responses (from 286 to 147) and burden hours (from 76 to 39) from the current OMB inventory. The adjustment is based on a decrease in the actual number of BIS-711 forms recorded in ECASS for calendar year 2011.

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

There are no plans to publish this information for statistical purposes.

**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 requesting exemption from printing the expiration date on the forms for this collection of information for the following reasons: (1) the current BIS-711 forms have been distributed worldwide, as approved previously by OMB, without an expiration date and placing an expiration date on the forms may cause confusion to the public; (2) there are no changes planned for the existing forms, and to change the form every three years to change the expiration date would be costly inefficient; (3) there is a significant lead time required for printing and distributing these forms worldwide. Since we do not know the new expiration date, until the collection is approved, there could be a gap in forms that would adversely affect U.S. exports. For these reasons, we request a waiver from printing the OMB approval date on the form.

**18. Explain each exception to the certification statement.**

Not applicable.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

Not applicable.