

**SUPPORTING STATEMENT  
U.S. Department of Commerce  
Bureau of Industry and Security**

**Industrial Base Assessment: NASA Supply Chain Network  
OMB Control No. 0694-0119**

**A. Justification**

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

The Bureau of Industry and Security (BIS), Office of Technology Evaluation (OTE), is undertaking an industrial base assessment of National Aeronautics and Space Administration's (NASA) domestic supply chain network in coordination with the Exploration Systems Mission Directorate of NASA. This project was initiated by NASA (see letter in ROCIS) to determine the health and competitiveness of NASA's industrial suppliers and the impact of the Space Shuttle program termination in late 2010, as well as the subsequent termination of the Constellation program.

Based on current budget projects, NASA will not have a major next generation human space flight program underway for seven to ten years after termination of the Space Shuttle. This projected "procurement gap" by NASA could have severe financial and employment implications for current Space Shuttle and Constellation suppliers as well as other NASA suppliers located around the nation. NASA is concerned that key manufacturing, technology and labor skills could erode or disappear during this transition period.

This "procurement gap" could negatively affect the startup of a future manned-space flight program as well as impact other ongoing NASA programs (International Space Station, unmanned missions in the solar system and deep space, etc.). In addition, there is concern that a number of NASA suppliers, financially dependent on the Space Shuttle or Constellation, may in turn be critical suppliers to the Department of Defense, which could impact ongoing defense and other national security programs.

Also participating in this survey and assessment are NASA-related industry organizations including Space Florida, the California Space Authority, and the United Space Alliance, as well as a number of individual Space Shuttle and Constellation program-related firms. These organizations and companies are providing insight regarding the impact of the Space Shuttle/Constellation program terminations from a private sector perspective.

The proposed survey and assessment will assist BIS and NASA analysts in better understanding the current health and competitiveness of NASA suppliers and the future challenges facing this important group of companies. The final report will also assist U.S. industry monitor trends, benchmark performance and raise awareness of potential diminishing domestic manufacturing, technology and labor skills because of the NASA “procurement gap”.

OTE has authority under Section 705 of the Defense Production Act of 1950, as amended and Executive Order 12656, to conduct assessments and collect information from industry in support of the U.S. industrial base. These assessments are normally undertaken at the request of the Department of Defense, with one or more of the Armed Services participating, or with other federal agencies. They usually focus on industrial, financial and economic issues affecting specific key industrial sectors or critical technologies. The survey questionnaire, which covers the period 2007-2010, is the primary source of information needed for an industrial base assessment of this type.

The information gained from the survey will be used to: 1) quantify and assess the state of the firms that support NASA’s Space Shuttle/Constellation programs and the challenges they face from program termination in 2010; 2) document key technologies, manufacturing facilities, unique machine tools and skilled labor that could disappear in the post-Space Shuttle/Constellation environment; and 3) provide government and industry representatives with a comprehensive picture of this critical sector to benchmark future performance and capabilities that may be needed for NASA’s next generation of human space flight.

OTE is the focal point for industrial base and critical technology analyses among civilian Federal agencies by virtue of the above mentioned statute and executive order, which includes mandatory data collection authority to carry out these responsibilities. OTE has conducted approximately 40 assessments of this nature in the past 20 years under various related defense industrial base programs. Assessments generally review in detail those industries experiencing employment, international competition, financial, production, investment, foreign sourcing and dependencies and other difficulties in their ability to support defense and national security programs. The survey is designed to collect information that facilitates this kind of in-depth analysis.

**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.**

OTE plans to survey approximately 1,200 companies representing various segments of the NASA supply network which support the Space Shuttle/Constellation programs and other NASA programs. The survey is a one-time only request. Quantitative data obtained from the survey will be compiled into an aggregate database for analysis and eventual publication. This data is needed to assess trends in production, sales and exports, market share, international competition, export controls and foreign dependencies. Qualitative questions are used in some cases to complement the statistical data. Using the aggregated survey data, the overall goal is to enable the private sector and government agencies to monitor trends, benchmark industry and government performance, and raise awareness of the implications regarding the Space Shuttle and Constellation program terminations.

**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.**

To lessen the burden on respondents, OTE is encouraging the firms to provide electronic responses. Each respondent will receive a personalized letter which outlines the requirements of the study and the scope of information required. The letter will also contain directions to a secure website where the respondent can gain access to the Excel survey application. This approach was used successfully in a 2008 Counterfeit Electronics, 2008 5-Axis Machine Tool and 2010 Encryption Products surveys. All three surveys were reviewed and approved by OMB.

The statistical information requested in the survey tracks closely with categories and groups commonly used in the industry and verified by field-testing the OTE survey. Most firms and organizations will have the information computerized and will be able to retrieve it in the form requested on the survey. Other questions will require thought and perhaps discussion among several individuals for proper responses. These questions do not lend themselves to standardized computer automation. However, the questions only require brief responses in the text boxes provided.

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

The information sought in the survey is unique and not available from any other source, either public or private. Some of the basic corporate background data requested is submitted by firms in a statistical sample to the U.S. Census Bureau. However, the Census Bureau is precluded by law from releasing information on specific companies.

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

While the majority of NASA suppliers are medium and large size firms, this survey will be distributed to a number of small businesses. The electronic survey instrument was designed to minimize the burden on all respondents. If for any reason the respondent cannot complete the survey in Excel, OTE will work with the respondent on an alternate form of submission. However, due to the high-tech nature of NASA's space programs, we are expecting almost all firms to respond electronically.

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

In the case of this industrial base assessment of NASA's supply chain network, a survey is the only method available for OTE to carry out its responsibilities under the Defense Production Act of 1950, as amended, and Executive Order 12656. Without the information gathered from the survey OTE could not: quantify and assess the health and competitiveness of NASA's suppliers; document the impact of the Space Shuttle/Constellation program terminations on industry and government; and report on key technologies, manufacturing facilities, unique machine tools and skilled labor that could disappear in the post-Shuttle/Constellation environment.

**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 will result in the collection of information in a manner inconsistent with the guidelines of 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 Federal Register Notice is not applicable to this collection because it falls within the scope of the BIS generic authority entitled, “National Security and Critical Technology Assessments of the U.S. Industrial Base,” approved under OMB Control No. 0694-0119. This authority is renewed every three years (last renewed in 2010) to support on-going BIS defense industrial base assessment needs.

OTE staff developed the survey in consultation with industry and government experts over a period of several months. The following is a list of those individuals who provided input and advice:

Government

Michael Beavin, National Oceanic & Atmospheric Administration, 202-482-3953  
Ted Bujewski, The Aerospace Corporation (NASA Consultant), 202-358-1542  
Michael Galluzzi, National Aeronautics and Space Administration, 321-867- 4796  
Brian Hughitt, National Aeronautics and Space Administration, 202-358-1572

Companies

Bob Parsi, STADCO, Inc., 323-576-1654  
Thomas D. Szuba, Shapes Aerospace International, Inc., 321-837-0500 x4383  
G.A. (Jerry) Hoefner, Hoefner Corporation, 626-443-3258

Organizations

Frank A. DiBello, Space Florida, 321-730-5301 x240  
Christine M. Purcell, California Space Authority, Inc., 310-283-7323

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

This survey will not involve any payment or gifts to respondents; however, copies of the completed Industrial Base Assessment: NASA Supply Chain Network will be provided to the respondents upon request.

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

The survey and its cover letter provide assurances to the respondents that the information collected through the survey will be deemed *business confidential* and will be treated in accordance with Section 705 of the Defense Production Act of 1950, as amended (50 U.S.C.A. app. Section 2061 et. seq.). This section prohibits the publication or disclosure of such information unless the President determines that its withholding is contrary to the national defense. The survey will be administered and the data collected via a secure Internet server. Information submitted will not be shared with any non-government entity, other than in aggregate form, and the U.S. Department of Commerce will protect the confidentiality of such information pursuant to the appropriate exemptions from disclosure under the Freedom of Information Act (FOIA), should it be the subject of a FOIA request.

**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.**

Not Applicable.

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

OTE estimates that the total burden placed on the respondents by this NASA Supply Chain Network Assessment survey effort will be approximately 13,200 hours. This is based on distributing surveys to 1,200 respondents with an average time of 11 hours needed to complete the survey.

This burden estimate is subject to variations among individual respondents because of differences in record keeping, organization size, and other variables. The estimate is based on the past experience of OTE, as well as feedback from companies and organizations that have completed OTE surveys. OTE has conducted surveys of various industries, including imaging and sensors, biotechnology, cartridge and propellant actuated devices, space industry, counterfeit electronics, 5-axis machine tools, microelectronics, encryption products and others.

The estimated total labor cost to respondents of this information collection is \$462,000. This estimate was calculated by assuming a respondents' average work rate of \$35 per hour multiplied by the total burden hours of 13,200.

**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.**

The estimated cost to the Federal government for the survey is \$120,188. A major portion of this cost is related to the survey questionnaire, which includes preparation, collecting and verifying the information, and analyzing the data. Other costs will be incurred in summarizing the analysis and findings, preparing the final report, and report printing and distribution. The direct employee costs were estimated by assuming the hours spent on the project as about three-quarters year equivalent, or 39 weeks and taking three-quarters the annual pay of one GS-14, step 10. The direct employee cost is \$100,157.

Indirect or overhead costs associated with the project are calculated as 20 percent of the direct employee cost, or \$20,031. A review of OTE budgets from previous years indicates costs for building maintenance, telephone, computers, and space rental charges generally run about 20 percent of total employee costs.

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

Because the nature of this collection of information falls within BIS's generic authority, there is no increase in burden hours. This is the second time BIS has used this authority in FY2010 (a total of 24,000 authorized annually). An unused balance to the authority of 9,120 annual burden hours (22,320 minus 13,200) will remain if this assessment is approved under this authority.

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

All data collected will be aggregated before publishing to protect company confidentiality. The surveys will be provided electronically to the 1,200 companies in late June 2010. The analysis and report writing will be started in September 2010, a draft report prepared by the end of November 2010. The final report is planned for publication in December 2010.

**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.**

Not Applicable.

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

Not Applicable.