

**SUPPORTING STATEMENT**  
**Bureau of Industry and Security**  
**U.S. Department of Commerce**  
**Procedure to Initiate an Investigation under**  
**Section 232 of the Trade Expansion Act of 1962**  
**OMB CONTROL NO. 0694-0120**

**A. JUSTIFICATION**

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

This is a request to renew OMB Control No. 0694-0120.

This information collection is necessary to enable the U.S. Department of Commerce, Bureau of Industry and Security (BIS) to conduct investigations under the authority of Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. §1862, *et seq.*), as implemented by regulation published in 15 CFR 705, 'Effect of Imported Articles on the National Security.' The purpose of this authority is to determine the effects on the national security of imports of any article upon the request of the head of any government department or agency, an application of an interested party, or the motion of the Secretary of Commerce. The filing of the request, application, or motion triggers the investigation.

Sections 705.1 through 705.3 set forth definitions, purpose, and how an investigation is commenced;

Section 705.4 sets forth criteria for determining the effect of imports on the national security;

Section 705.5 and 705.6 set forth the requirements for filing an application for an investigation;

Sections 705.7 through 705.9 detail how an investigation is to be conducted; and

Section 705.10 sets forth requirements for submitting the report of an investigation with recommendations to the President and to the Congress.

**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.**

BIS custom-designs unique instruments for each Section 232 survey. These surveys are designed to gather information so that BIS can evaluate the impact of foreign imports of strategic commodities on the national security of the United States. Each Section 232 study is for a specific commodity or technology that is required for national security reasons (e.g., precision bearings, microprocessors, machine tools, etc). These surveys attempt to determine the size of the domestic U.S. industry, how the domestic U.S. industry has been effected by foreign imports, demand for the commodity during peacetime, demand during wartime, the ability of the U.S. domestic industry to meet a surge in demand during wartime, and the potential impact on U.S. national security if wartime demand cannot be met by domestic U.S. suppliers.

The information is used by the Secretary of Commerce to conduct an investigation, and to present the Department's findings to the President within 270 days as required by the statute. The statute also requires the Secretary of Commerce to consult with the Secretary of Defense regarding methodology and policy questions that arise during the conduct of an investigation. Other government agencies, such as the Departments of State and Labor, may participate in an investigation as necessary and appropriate based upon their expertise and/or interest.

During the course of an investigation, Commerce provides the public with an opportunity to comment and present information and advice relevant to the investigation, including holding public hearings (if deemed appropriate), through a notice in the Federal Register. Additional information is gathered from such sources as: producers and importers/end-users; on-the-record meetings with interested parties; site visits; and a review of public literature.

If the Secretary finds that imports threaten to impair the national security, the President has 90 days to determine whether he agrees with the Secretary's findings, and to determine whether to use his statutory authority to adjust imports.

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.**

To lessen the burden on respondents, the Office of Technology Evaluation provides participating firms with a survey in Excel format hosted on a secure Commerce Department website. The firms already have most of the requested information computerized and are able to retrieve it in the form requested for reporting purposes. Commerce has successfully utilized electronic survey responses for many years with minimal problems.

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

To initiate an investigation the petitioner normally submits aggregate supporting data to enhance their argument on the negative impact of imports. This information is submitted voluntarily but must be provided in order to support the petitioner's claim. Commerce must, within the timeframe of the statute, verify this information, usually from the perspective of both producers and importers/end-users. If comprehensive public sources of information are available, then a survey instrument is not required. However, because of the nature of the petitions filed, Commerce historically has utilized surveys during an investigation.

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

The information required to be provided by survey respondents can in some cases be potentially burdensome to small entities. To minimize the burden, Commerce may only request one-year of financial, employment or production data from these entities rather than the normal five-years of data used for trend analysis. In other cases, entire sections of the survey may be skipped by small entities.

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

This collection of information occurs only when a request, application, or motion for an investigation is filed. Without data collection during the course of the investigation, it would be difficult for the Secretary of Commerce to present comprehensive findings and recommendations regarding the impact of imports on national security to the President. This would in turn limit the policy options available to the President when making a final decision regarding the investigation.

**7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.**

There are no circumstances that require the information to be provided 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 March 2, 2015, page 11158. 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.**

Confidentiality of the information provided is safe-guarded under Section 705.6 of the regulation (15 CFR 705.6). This section provides that any information or material which the applicant or any other party desires to submit in confidence at any stage of the investigation that would disclose national security classified information or business confidential information should be marked appropriately and separately submitted. This information will be protected under applicable law.

**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 is no information of a sensitive nature provided by the respondent.

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

The estimated total burden is 3,000 hours. This is based on approximately 400 respondents for each investigation with an average time of 7 hours and 30 minutes needed to complete the survey. Commerce assumes no more than one investigation per year.

The estimated total cost to the respondents is \$120,000. This is based on 3,000 burden hours at \$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 #12 above).**

Not applicable.

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

The estimated cost to the Federal Government associated with this information collection is \$80,126. The direct employee costs were estimated by assuming the hours spent on the project as about one-half year equivalent, or 26 weeks and taking half the pay of one GS-14, step 10. The direct employee cost is \$66,772.

Indirect or overhead costs associated with the project are calculated as 20 percent of the direct employee, or \$13,354. Commerce assumes no more than one Section 232 investigation per year.

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

The number of responses has been adjusted to reflect the fact that a single Section 232 investigation request will require an estimated 400 surveys to be distributed by BIS in order to investigate the impact of the import on U.S. national security.

The adjustment increase (399) of responses is due to a miscalculating in the previous submission (the initiation of the investigation (1) as the number of responses and not including the surveys used to collect information for the investigation (400)).

**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.**

Not applicable.

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

Not applicable.

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

Not applicable. Statistical methods will not be used.