

## SUPPORTING STATEMENT

OMB Control Number 0704-0525

### Prohibition on Acquisition of Commercial Satellite Services from Certain Foreign Entities

#### A. JUSTIFICATION

##### 1. Need for the Information Collection

This statement supports a request for renewal of the information collection requirement currently approved under Office of Management and Budget (OMB) Control Number 0704-0525 for DFARS part 225 and related DFARS provision 252.225-7049. OMB number 0704-0525 originated with DFARS interim rule 2014-D010, entitled Foreign Commercial Satellite Services. The rule was necessary to implement section 1602 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2014 (Pub. L. 113-66), which added provision 252.225-7049, Prohibition on Acquisition of Commercial Satellite Services from Certain Foreign Entities—Representations, to the DFARS. The provision is included in solicitations for the acquisition of foreign commercial satellite services and requires the offeror to represent whether it is or is not a foreign entity subject to the prohibitions of the statute, or is or is not offering foreign commercial satellite services provided by such a foreign entity. If the offeror responds affirmatively to any of the representations, then the offeror must provide further information.

##### 2. Use of the Information

The representations in the provision at DFARS 252.225-7049, Prohibition on Acquisition of Commercial Satellite Services from Certain Foreign Entities—Representations, are used to determine whether the offeror is subject to the statutory prohibition on award of contracts for commercial satellite services to certain foreign entities. If the offeror responds affirmatively to a representation, the disclosures required by the provision could be used by the Under Secretary of Defense to determine whether to consider a waiver of the statutory prohibition.

##### 3. Use of Information Technology

Information technology is used for submission of the provision's representations and any disclosures (100%). In compliance with 44 U.S.C. 3504 (a)(1)(B)(vi), DoD provides the option for the electronic submission of information, when practicable, as a substitute for paper. In addition, FAR 2.101 defines the terms "in writing" and "written" to include "electronically transmitted and stored information. Standardized or repetitive data is not involved. Contractors may, however, submit any required information in formats that are compatible with their automated systems.

##### 4. Non-duplication

As a matter of policy, DoD reviews the Federal Acquisition Regulation (FAR) to determine if adequate language already exists. This information collection is required to implement a DoD-unique statute and is not duplicative of language in the FAR. Similar information is not otherwise available to the contracting officer.

## 5. Burden on Small Business

The collection of information is not expected to have a significant impact on a substantial number of small entities. The provision only applies to the acquisition of foreign commercial satellite services, and the representations require minimal response time. Because of the statutory prohibitions and the expected rarity of a waiver by an Under Secretary of Defense, DoD expects that it will be extremely rare to receive a positive representation from an offeror, with required submission of additional information.

## 6. Less Frequent Collection

After initial submission of the representations, the rule provides for the required representations to be part of the annual representations and certifications, unless there is a change in the representation, so that the offeror only needs to update the representations annually, along with all other required annual representations and certifications. This is necessary to implement section 1602 of the NDAA for FY 2014.

## 7. Paperwork Reduction Act Guidelines

No special circumstances for collections exist. The collection of information is consistent with the guidelines delineated in 5 CFR 1320.5(d)(2).

## 8. Consultation and Public Comments

a. Subject matter experts within DoD were consulted to obtain historical data on contracts impacted.

b. Public comments were solicited in the *Federal Register* on November 27, 2017, at [82 FR 56010](#) as required by 5 CFR 1320.8(d)). No comments were received.

c. A notice of submission to OMB for clearance of this information collection was published in the *Federal Register* on January 30, 2018 at [83 FR 4190](#).

## 9. Gifts or Payment

No payment or gift will be provided to respondents, other than remuneration of contractors.

## 10. Confidentiality

This information is disclosed only to the extent consistent with prudent business practices and current laws and regulations. No assurance of confidentiality is provided to respondents.

## 11. Sensitive Questions

No questions of a sensitive nature are included in the proposal adequacy checklist.

## 12. Respondent Burden, and its Labor Costs

a. Estimation of Respondent Burden

The annual total burden hours were computed as follows:

The estimated cost to the public is based on Federal Procurement Data System data for FY 2016. There were 256 unique contractors that received contract or orders for Product Service Code D304 (ADP Telecommunications and Transmission Services), of which commercial satellite services are a subset, so 256 is an estimate at the highest end of the possible range of respondents. Since the representations are included in the annual representations and certifications, only one response per year is necessary. It is unlikely that an offeror will change the representation during the year, because it is unlikely that the offeror would receive an award if a negative representation is provided.

Estimation of Respondent Burden Hours:	
Number of respondents	256
Responses per respondent	1
Number of responses	256
Hours per response	.25
Estimated hours (number of responses multiplied hours per response)	64
Cost per hour (hourly wage)	\$53
Annual public burden (estimated hours multiplied by cost per hour)	\$3,392

Wages are based on the average hourly wage and associated overhead of a contracts and pricing professional that is most likely to be preparing the forward pricing rate proposal and, therefore, using the proposal adequacy checklist. In estimating the associated cost, we used the Office of Personnel Management 2017 General Schedule and Locality Payment of 15.06% to establish the equivalent rate of a GS-12, step 5, or \$39.19 an hour. To this labor rate, we applied an overhead of 36.25 percent (based on the OMB Memorandum M-08-13, March 11, 2008 Civilian Position Full Fringe Benefit Cost Factor) and rounded the total to the nearest whole dollar, or \$53 an hour.

13. Respondent Costs Other Than Burden Hour Costs

There are no capital start-up or operational maintenance costs associated with this information collection, other than the hour burden detailed in paragraph 12.

14. Cost to the Federal Government

The time required for the Government review is estimated at 1 hour per response. The cost is based on the average hourly wage of a GS-12, step 5, plus 32.25% overhead, rounded to the nearest whole dollar, for a total hourly cost of \$53.

Estimation of Respondent Burden Hours:	
Number of responses	256
Hours per response (6 minutes)	.1
Estimated hours (number of responses multiplied hours per response)	25.6
Cost per hour (hourly wage)	\$53
Annual Government burden (estimated hours multiplied by cost per hour)	\$1,356.80

15. Reasons for Change in Burden

The reasons for the change in burden are not attributed to any programmatic changes. The change results from using current FY 2017 data and application of FY 2017 GS hourly rates.

Change in Burden	2014	2018	Difference
Number of respondents	380	256	-124
Responses/respondent (approximately)	1	1	-
Total annual responses	380	256	-124
Hours per response	.25	.25	-
Total Hours	95	64	-31
Cost per hour	\$45	\$53	+\$8
Total Cost	\$4,275	\$3,392	-\$883

16. Publication of Results

The results of this collection will not be published.

17. Non-Display of OMB Expiration Date

DoD is not seeking approval to omit the display of the expiration date of OMB approval of the information collection.

18. Exceptions to "Certification for Paperwork Reduction Submissions"

There are no exceptions to the certification accompanying this Paperwork Reduction Act submission.

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

Statistical methods will not be employed.