

SUPPORTING STATEMENT
U.S. Department of Commerce Bureau of Industry and Security
The Effect of Imports of Vanadium on U.S. National Security

[Herein referred to as Vanadium]

OMB Control No. 0694-0120

A. Justification

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

On May 28th, 2020, the Secretary of Commerce initiated an investigation to determine the effect of imports of vanadium on U.S. national security requirements. In support of this investigation, the Bureau of Industry and Security (BIS), Office of Technology Evaluation (OTE) is conducting a survey and assessment focused on the imports, distribution and production of vanadium by U.S. companies and the corresponding impacts on the national defense.

The resulting data will be used to support this investigation conducted under Section 232 of the Trade Expansion Act of 1962, as amended. The Section 232 investigation was self-initiated by the U.S. Department of Commerce. The investigation must be completed by February 22, 2021.

The principal goal of this survey effort is to assist BIS in determining whether vanadium is imported into the U.S. in such quantities or under such circumstances which would threaten or impair the national security of the U.S. The survey will also assist in determining the health and competitiveness of the companies affiliated with the demand, distribution and production of said products to assess their capabilities to support the national defense.

Information collected will include organizational data, production, imports and exports, sales, employment, capital expenditures, R&D, investment, financial performance, customers, suppliers, demand trends and other topic areas. The resulting aggregate data will provide BIS detailed information that is otherwise not available and is needed to effectively conduct its analysis.

During the design and development of the survey instrument, BIS gathered input primarily from the interagency but also from industry, their corresponding associations and experts in academia.

BIS has authority under Section 705 of the Defense Production Act of 1950, as amended, and Section 232 of the Trade Expansion Act of 1962, as amended, to conduct assessments and collect information on the capabilities and capacity of the U.S. industrial base and domestic industries to meet national defense requirements. These industrial base assessments are normally undertaken in partnership with the U.S. Department of Defense and other agencies and typically focus on manufacturing capability, workforce, financial performance, foreign sourcing and dependencies, inventories, R&D, and economic issues affecting key industrial sectors or critical technologies.

The attached survey questionnaire, which covers a five-year period, is the key source of information needed for a national security analysis of this type.

Pursuant to the abovementioned statutes and relevant delegations thereunder, BIS remains the focal point for national security investigations and assessments among civilian federal agencies. This includes mandatory data collection authority to carry out these responsibilities.

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 intends to survey 35 organizations with facilities in the United States.

This survey is a one-time only request. Quantitative data obtained from the survey responses will be held in a database for analysis, with public releases consisting only of aggregate, nonproprietary results with no business confidential information.

This survey-based data is needed to assess the status of the organizations involved in the importation, distribution and production of vanadium, and learn how U.S. national security, including the national defense, may be threatened by imports of said products. Expository responses are also used to complement the statistical, quantitative information.

Through its analysis of the survey results, BIS will be better able to determine whether or not to recommend further actions be taken by the President to adjust imports of vanadium if they are found to threaten to impair the national security.

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, BIS is asking organizations to submit Excel-based survey responses. Each participant will receive a personalized letter which outlines the collection requirements and scope of information. The letter will contain directions to the BIS website where the respondent can gain access to the instrument. This approach was used successfully for the 2020 Electrical Steel, 2019 Titanium Sponge, 2019 Uranium, and 2018 Automotive 232 investigations. All four survey were reviewed and approved by OMB.

The statistical information requested in the survey tracks closely with categories adopted in the industry. Almost all responding organizations will have the solicited information stored and be able to retrieve it in the form requested. Other limited questions will require thought and discussion internally for proper responses. These questions do not lend to computer automation but 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. Only basic organization data requested by BIS is submitted to the U.S. Census Bureau. However, by law, the Census Bureau may only use such data for Census purposes and may not disclose the individual organization data for any other purpose.

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

Participants in this collection are importers, distributors and producers of vanadium. The survey is designed to minimize burden on all respondents. If for any reason the respondent cannot complete the survey in Excel, BIS will work closely with the respondent to facilitate an alternate format for submittal. Based on previous survey data collections, BIS expects nearly all participant organizations 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.

For the assessment of U.S. importers, distributors and producers of vanadium, a mandatory survey is the only method available for BIS to carry out its responsibilities under the Defense Production Act of 1950, as amended. Without the survey instrument, BIS could not obtain company specific information on several necessary fields of information, such as production and inventory, financial performance, capital expenditures, investments in R&D, customer and supplier data and employment, among others.

The resulting database will allow BIS to benchmark industry performance, identify impacts of imports on the vanadium supply chain, as well as determine the resulting impact on the national security. Furthermore, if industry was not surveyed in such detail, the investigation would not determine the effects of vanadium imports on the national defense.

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

Not applicable.

8. Provide information 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 PRA Federal Register notice requirement is not applicable to this particular collection because this collection falls within the scope of the BIS generic authority entitled, “Request for Investigation under Section 232 of the Trade Expansion Act,” as approved under OMB Control No. 0694-0120. This authority is renewed by OMB every three years (last renewed on June 29, 2018, expiring on June 30, 2021) to support ongoing BIS national security investigation needs.

BIS developed the survey in consultation with industry and multiple government experts. The following is a partial list of those individuals who provided input and advice:

U. S. Government:

David Pineault, DOD-Economist
Joseph Gambogi, USGS-Mineral Commodity Specialist
Elizabeth Scott Sangine, USGS-General Physical Scientist
Desiree Polyak, USGS- Mineral Commodity Specialist
Amy Tolcin, USGS- Mineral Commodity Specialist
John Meakem, ITA-Trade Specialist
Gary Stanley, ITA-Director of the Office of Materials Industries
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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.

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

The survey instrument, cover letter and fact sheet all provide assurance 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 DPA (50 U.S.C.A. app. Section 2061 et. seq.). This particular section prohibits the publication or disclosure of such information unless the President of the United States determines that its withholding is contrary to the national defense.

The survey will be administered and housed on a secure U.S. Department of Commerce server. Submitted surveys will not be shared with non-government entities, other than in aggregate form. The U.S. Department of Commerce will protect the confidentiality of such information pursuant to the appropriate disclosure exemptions under the Freedom of Information Act (FOIA), should it be the subject of a FOIA request. OTE has a lengthy record of protecting business confidential information collected under the above statute.

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.

This survey instrument will not collect information that could be construed as being of a sensitive nature, such as information concerning sexual behavior and attitudes, religious beliefs, and other

matters that are commonly considered sensitive or private.

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

BIS estimates that the total burden on respondents by this survey of importers, distributors and producers of vanadium will be approximately 350 hours. This estimate is based on the distribution of similar surveys in both scope and sample size in previous 232 collections, with an average of 10 hours needed for completion in this instance.

This burden estimate is subject to variations among respondents due to discrepancies in the level of participation in the sector, record keeping, company size, and other variables. The estimate is based on BIS's overall past experience with 232s, as well as specific feedback from industry participants in information collection.

The estimated total cost to respondents of this particular information collection is calculated as \$12,250. This estimate is made by assuming an average hourly respondent work rate of \$35 multiplied by 350 total burden hours.

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 \$344,528 over the six month period. Much of this incurred expense is the survey itself, which includes preparation, collecting, inspection and verification of the responses, compiling the information and analyzing the data. Other costs will be incurred in field testing the survey, summarizing the analysis and findings, preparing the final report, and report printing and distribution.

The direct employee costs were calculated by multiplying estimated aggregate hours spent on the project (26 weeks) by the annual pay of one GS-15, Step 10 (\$170,800x.5= \$85,400); one GS-14,

Step 10 ($\$157,709 \times .5 = \$78,854$); one GS-13, Step 10 ($\$133,465 \times .5 = \$66,732$); and one GS-12, Step 10 ($\$112,240 \times .5 = \$56,120$). The direct employee costs are \$287,107 over the six month period.

Indirect or overhead costs associated with the project are calculated as 20 percent of the above mentioned direct employee costs, or $.2 \times \$287,107 = \$57,421$ over the 6 month period. A review of ledgers from previous years indicates costs for maintenance, telephone, computers, and office rental charges represent 20 percent of total employee costs.

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

Because this collection of information falls within BIS's generic authority entitled, "Request for Investigation under Section 232 of the Trade Expansion Act," (OMB Control No. 0694-0120), no increase in burden hours is required.

This collection also constitutes the third collection in FY2020. Electrical Steel and Mobile Canes required 2,000 and 1,000 burden hours, respectively, meaning a balance available of 9,260 hours. The survey on vanadium is estimated to take 10 hours per survey with a sample of 35 respondents, meaning 350 hours are needed to conduct the collection. The remaining balance (9,260 less 350) would be 8,910 hours if this survey is approved under the aforementioned authority.

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

Survey data will be aggregated before publishing to protect company confidentiality. The instrument will be distributed in September 2020. The analysis will begin in October 2020 and a draft report prepared in December 2020. The final Section 232 report is planned to go to the President by February 2021. The public version of the report will be available after completion of the President's review and final determination of the report's findings and conclusions.

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. BIS will display the expiration date of this collection authority on all survey and instructional instruments the public receives.

18. Explain each exception to the certification statement.

Not applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.