

Supporting Statement for Paperwork Reduction Act Submission
OMB Control Number 1505-0121

Provisions Pertaining to Certain Investments in the United States by Foreign Persons

Section A. Justification

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

Section 721 of the Defense Production Act of 1950, as amended (section 721), provides the President, acting through the Committee on Foreign Investment in the United States (CFIUS or the Committee), authority to review certain foreign investments in the United States in order to determine the effects of those transactions on the national security of the United States. In August 2018, section 721 was amended through the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA), Subtitle A of Title XVII, Public Law 115-232, 132 Stat. 2173 (Aug. 13, 2018). FIRRMA modifies and broadens the authorities of the President and CFIUS under section 721 in several ways including, without limitation, by expanding the scope of foreign investments in the United States that are subject to national security review pursuant to section 721.

FIRRMA maintains the Committee’s jurisdiction over any transaction which could result in foreign control of any U.S. business, and broadens the authorities of the President and CFIUS under section 721 to review and, if necessary, take action with respect to certain non-controlling investments and certain real estate transactions involving a foreign person. In particular, FIRRMA authorizes CFIUS to review certain non-controlling investments that afford a foreign person an equity interest in and specified access to information in the possession of, rights in, or involvement in the decisionmaking of certain U.S. businesses involved in certain critical technologies, critical infrastructure, or sensitive personal data (which the relevant proposed rule refers to as “covered investments,” and when discussed with transactions that afford a foreign person control of any U.S. business, are referred to as “covered transactions”). In addition FIRRMA authorizes CFIUS to review the purchase or lease by, or a concession to, a foreign person of certain real estate in the United States (which the relevant proposed rule refers to as “covered real estate transactions”).

While CFIUS is largely a voluntary process, where parties may notify CFIUS of a transaction in order to receive a potential “safe harbor” letter (after which CFIUS does not initiate another review of the transaction except in certain limited circumstances), under FIRRMA, notifying CFIUS of a transaction is mandatory in some circumstances. Specifically, FIRRMA creates a mandatory declaration requirement for certain covered transactions where a foreign government has a substantial interest in foreign person that will acquire a substantial interest in a U.S. business. Additionally, FIRRMA authorizes CFIUS to mandate through regulations the submission of a declaration for covered transactions involving certain U.S. businesses that produce, design, test, manufacture, fabricate, or develop one or more critical technologies. In both cases, parties have the option of filing a notice rather than submitting a declaration if they so choose.

On January 17, 2020, Treasury issued final regulations (85 FR 3112) implementing FIRRMA to include information collection requests related to notices and declarations filed with or submitted to the Committee regarding covered control transactions, covered investments, and covered real estate transactions. These information collections are described below.

Pilot Program Covered Investments

FIRRMA authorizes CFIUS to conduct one or more pilot programs to implement any authority provided pursuant to any provision of, or amendment made by, FIRRMA that did not take effect immediately upon enactment. On October 11, 2018, the Department of the Treasury published an interim rule setting forth the scope of, and procedures for, a pilot program to review certain transactions involving foreign persons and critical technologies (Pilot Program Interim Rule). 83 FR 51322. That Pilot Program Interim Rule, which went into effect on November 10, 2018, established mandatory declarations for certain transactions involving investments by foreign persons in certain U.S. businesses that produce, design, test, manufacture, fabricate, or develop one or more specified critical technologies in connection with specified industries.

Covered Investments

With regard to covered investments, FIRRMA provides CFIUS the authority to review non-controlling investments by foreign persons in a U.S. business that: (a) owns, operates, manufactures, supplies, or services critical infrastructure; (b) produces, designs, tests, manufactures, fabricates or develops a critical technology; or (c) maintains or collects sensitive personal data of United States citizens. Further, this review is only authorized if the non-controlling investment affords the foreign person: (i) access to material nonpublic technical information in the possession of the U.S. business; (ii) membership or observer rights on the board of directors (or equivalent body) of the U.S. business or the right to nominate an individual to a position on those bodies; or (iii) any involvement (other than through voting of shares) in the substantive decisionmaking of the U.S. business regarding certain actions related to critical infrastructure, critical technologies, or sensitive personal data.

Covered Real Estate Transactions

With respect to real estate transactions, FIRRMA provides CFIUS the authority to review the purchase or lease by, or a concession to, a foreign person of certain private or public real estate located in the United States. FIRRMA focuses on two general categories of real estate and provides certain exceptions. The first category of real estate is described by its relation to airports and maritime ports. The second category of real estate is described by its relation to U.S. military installations and other facilities or properties of the U.S. Government that are sensitive for national security reasons.

Collections of Information

Under the existing rules implementing section 721, found at part 800 of title 31 of the Code of Federal Regulations (part 800), parties to a transaction which could result in foreign control of any U.S. business may voluntarily notify the Committee of the transaction by providing information necessary for the Committee to conduct a national security review of the transaction. Under the existing regulations at part 800, parties notify the Committee of a transaction by submitting to the chairperson of the Committee a written notice of the transaction that includes certain information about that transaction and the parties in order to assist the Committee in determining whether the transaction is covered under its jurisdiction, and whether it presents any potential national security risks. The required contents of a notice are set forth in section 800.502 of the Committee's regulations (31 CFR 800.502). The collection of information through the submission of a written notice to the chairperson of the Committee has been approved by OMB (OMB Control Number 1505-0121). Alternatively, any agency that is a member of the Committee may notify the Committee of a transaction.

FIRRMA amended section 721 by, among other things, introducing another method through which parties to a transaction may inform the Committee of such transaction; namely, an abbreviated notification called a "declaration" that sets forth basic information regarding a transaction and does not generally exceed five pages in length. Under the final rule for part 800, parties to certain covered transactions within CFIUS's purview are required to submit a declaration regarding such transactions to the Committee or, if the parties so choose, to file a notice.

The final rule for part 800 also established the requirements for declarations, as required by FIRRMA. As noted above, the Pilot Program Interim Rule had associated collections of information for notices and declarations to the Committee and established mandatory declaration requirements for certain transactions. The final rule for part 800 incorporated many aspects of the mandatory declarations process from the pilot program regulations, at 31 CFR 801.403. In addition, the final rule for part 800 made certain updates to the requirements to clarify certain information requests, and added questions specific to transactions involving sensitive personal data, critical infrastructure, and critical technology. *See*, Section 800.404 of the final rule amending part 800. Note that while the pilot program contained a requirement to submit declarations for a subset of transactions that involve specific critical technologies, the final rules allow parties to voluntarily file notices with the Committee for transactions involving any critical technology, regardless of industry.

For covered real estate transactions, filing a notice or a submitting a declaration will remain largely voluntary, as discussed above, consistent with covered transactions prior to the enactment of FIRRMA.

Parties to a notified transaction are expected to respond to Committee requests for further information, as needed, on a timely basis. Once a notice has been accepted, parties are

generally expected to respond within three business days to requests for additional information. This time period is two business days in the context of declarations.

The final rule for part 800 added information requirements for mandatory and voluntary declarations, and added a limited number of questions to the existing information collection related to notices filed with the Committee, for both covered investments and covered control transactions. This information collection request covers all requirements related to declarations and notices for both real estate transactions and covered transactions.

2. How, by whom, and for what purpose is the information to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

The information being collected under the part 800 rules will be used by CFIUS, an inter-agency committee that comprises the Secretaries of the Treasury (chair), Commerce, Defense, State, Homeland Security, and Energy, the Attorney General, the United States Trade Representative, and the Director of the White House Office of Science and Technology Policy. In addition, section 721 designates the Director of National Intelligence and the Secretary of Labor as *ex officio*, non-voting members of CFIUS. The heads of five White House Offices observe and, as appropriate, participate in the work of the Committee: the Director of the Office of Management and Budget; the Chairman of the Council of Economic Advisers; and the Assistants to the President for National Security Affairs, Economic Policy, and Homeland Security and Counterterrorism.

Information collected under these regulations will be sent by parties to the Department of the Treasury, which will disseminate the information to CFIUS member agencies for consideration in assessing the effects of the transaction in question on the national security of the United States. The information is held confidentially, consistent with the requirements of section 721.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology. Also describe any consideration of using information technology to reduce burden.

The collections of information will involve the use of electronic submission of responses. Parties are required by regulation (31 CFR 800.501) to submit notices and declarations electronically to the Department of the Treasury, which will disseminate the information electronically to the other CFIUS member agencies. Each Committee member agency that receives an electronic copy of a notice or declaration will print as many copies as it needs, thereby saving the submitting parties from having to supply multiple paper copies.

In order to ensure that declarations and notices include all required information and can be processed efficiently by the Committee, Treasury requires that filings are made through an online Case Management system available on the Committee's section of the Department

of the Treasury website. Screen shots from this web portal are attached to this supporting statement.

4. Describe efforts to identify duplication.

The information collected under the part 800 rules are not duplicative of any other collection. Consistent with CFIUS's longstanding practice, the Department of the Treasury will receive all information from parties and disseminate it to the other CFIUS member agencies. The Committee also minimizes duplication by accepting documents that parties have already prepared for other purposes, such as corporate annual reports, as well as copies of filings made to other agencies, whenever relevant, to respond to specific questions from the Committee.

In cases where information is available in other formats, it will be accepted. For example, a company's filing with the Securities and Exchange Commission or with the Defense Department (for purposes other than section 721) may in some cases be useful in responding to Committee questions, and would therefore be accepted. However, there will be some questions that a party cannot answer with readily available documentation, and it will therefore be asked to submit materials specifically for purposes of section 721.

Parties may choose whether to inform CFIUS of a covered transaction or covered real estate transaction by submitting either a declaration or filing a notice. To reduce duplication, parties that file a notice regarding a covered transaction or covered real estate transaction will not be permitted to submit a declaration regarding the same transaction or a substantially similar transaction without the approval of the CFIUS Staff Chairperson. Further, if, after having submitted a declaration regarding a transaction the parties wish, or are requested by CFIUS, to file a notice regarding the transaction (whether a covered transaction or a covered real estate transaction), the information included in the previously submitted declaration may be incorporated into the notice, as appropriate.

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

In the interest of maintaining an open investment climate in the United States, the Committee has endeavored to develop information gathering procedures that minimize the burden on private parties, both large and small. The part 800 rules accordingly contain questions that are asked of all parties seeking to notify CFIUS of a transaction under section 721 in order to gather the information necessary for conducting a national security review of a notified transaction. In light of the section 721's focus on the national security of the United States, the Committee must attempt to collect all relevant information, regardless of the size of the notifying party.

Parties that choose to inform the Committee of a transaction by submitting a declaration will use an online portal that is intended to facilitate declaration submissions. This

standardized online form will benefit all declaration submitters, regardless of their size, but may be especially helpful for small businesses.

6. Describe the consequences to a Federal program or policy activities if the collection were not conducted or was conducted less frequently, as well as any technical or legal obstacles to reducing burden.

Inability to collect the information set forth in the part 800 rules through notices or declarations would impair CFIUS's ability to efficiently consider and address the national security effects of transactions within the Committee's expanded scope of review under FIRRMA.

Without the declarations introduced in these regulations, the only method for parties to notify CFIUS of a transaction and initiate a review is by filing a notice, which is significantly longer than five pages particularly when all exhibits and annexes are included. Declarations, by contrast, generally will not exceed five pages. Therefore, the declaration provisions of the part 800 rules will assist the Committee in efficiently assessing the relevant transaction given the expected increase in CFIUS cases as a result of FIRRMA's expansion of CFIUS's jurisdiction.

Collection cannot be conducted less frequently; parties to a transaction generally provide the information for a transaction only once (however the rules allow in limited instances for a party to withdraw and refile a notice or declaration).

7. Explain any special circumstances that would cause an information collection to be conducted in a manner: (a) requiring respondents to prepare information to the agency more often than quarterly; (b) requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; (c) requiring respondents to submit more than an original and two copies of any document; (d) requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years; (e) in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study; (f) requiring the use of a statistical data classification that has not been reviewed and approved by OMB; (g) that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or (h) requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

The process of notifying CFIUS of a transaction is largely voluntary, where parties may file a notice or submit a short-form declaration notifying CFIUS of a covered investment in order to receive a potential "safe harbor" letter (after which CFIUS does not initiate a review of a transaction except in certain limited circumstances). In some circumstances, notifying CFIUS of a transaction is mandatory. In particular, FIRRMA created a mandatory declaration requirement for certain covered transactions where a foreign government

acquires a “substantial interest” in a U.S. business. Additionally, FIRRMA authorizes CFIUS to mandate declarations for certain covered transactions involving certain U.S. businesses.

Once parties file a notice or submit a declaration under section 721, the Committee may request that additional information be provided. Parties are required to respond to inquiries within three business days for notices, and two business days for declarations, in each case unless the Committee agrees to a longer response time by granting an extension. The reason for this requirement is that the Committee must comply with the deadlines for taking action that are specified under the statute. If the Committee does not have complete information, it will not have an informed basis upon which to make judgments to protect national security.

The Committee receives confidential business information from parties and is statutorily prohibited under section 721 from making this information public, except as authorized by statute.

8. Summarize public comments received in response to the Federal Register notice requesting public comments and describe actions taken by the agency in response to these comments, particularly comments on cost and hour burden. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, clarity of instructions and record keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

As this submission is being made under emergency clearance procedures, no opportunity for advanced public comment is possible. However, Treasury will issue a notice in the *Federal Register* soliciting public comment for 60 days shortly after launching the new Case Management system. Notwithstanding the inability to collect advanced public comment on the system, Treasury considered comments on substantive changes to the regulations contained in the recent proposed rules (published September 24, 2019, 84 FR 50174 and 84 FR 50214) and final rules (published on January 17, 2020, 85 FR 3112 and 85 FR 3158). In designing and testing the system, the Department also consulted with certain law firms that process a high number of notices and declarations and incorporated their feedback. Given this stakeholder consultation and CFIUS’ prior experience with processing notices and declarations, Treasury believes that the new Case Management System minimizes burden on the public to the greatest extent practicable.

9. Explain any decision to provide any payment or gift to respondents.

No payment or gifts will be made to any respondents.

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

Section 721 mandates confidentiality protections with respect to information submitted to the Committee. It prohibits the Committee from disclosing publicly any information filed

with the Committee, except as authorized by law and subject to limited exceptions. Information and documentary material filed with the Committee is also exempt from disclosure under the Freedom of Information Act, 5 U.S.C. 552. Consistent with section 721, the Committee does not publicly confirm or deny that a transaction has been notified to CFIUS. If the parties themselves make this information available to the public, such information may subsequently be reflected in the public statements of the Chairperson of CFIUS.

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.

Under the current rules, notices must include certain sensitive information about individuals, such as Social Security Numbers, that is needed to conduct background checks. The rules require that such information be provided separately, not with the main notice, in order to facilitate special handling. The CFIUS Case Management portal includes a Restricted Uploads section that allows for the submission of personally identifiable information (PII) in a manner where it will not be visible to anyone but the submitter. PII is not permitted to be submitted otherwise. For declarations, the rules request that parties submit information that could be business confidential, as well as other personal information such as criminal history, for the purpose of evaluating the effect of a transaction on national security.

12. Provide estimates of the hour burden of the collection of information. Also provide estimates of annualized cost to respondents for the hour burdens.

Covered Transactions

Notices

Part 800 contains questions regarding the nature of the U.S. business receiving foreign investment to assist the Committee in determining whether the investment is a covered transaction. Many of these questions relate to whether a transaction involves an investment by foreign persons in a U.S. business that: (a) owns, operates, manufactures, supplies, or services critical infrastructure; (b) produces, designs, tests, manufactures, fabricates or develops a critical technology; or (c) maintains or collects sensitive personal data of United States citizens. The questions also relate to whether the transaction will afford the foreign person: (i) access to material nonpublic technical information in the possession of the U.S. business; (ii) membership or observer rights on the board of directors (or equivalent body) of the U.S. business or the right to nominate an individual to a position on those bodies; or (iii) any involvement (other than through voting of shares) in the substantive decisionmaking of the U.S. business regarding certain actions related to critical infrastructure, critical technologies, or sensitive personal data.

Based on input from attorneys who have filed notices under section 721, the nature and extent of the burden of filing varies from notice to notice, depending on the nature of the transaction at issue.

The annual time burden on all filers is estimated to be 26,000 person hours. This estimate is based on the Committee receiving 200 notice filings per year, with each filer spending an average of 130 person hours per filing. Based on the Department of the Treasury’s consultations with several private attorneys familiar with the procedures provided for in the existing regulations, the Department of the Treasury estimates that approximately 40 percent of the notifications are complex, requiring on average 155 person hours; some 60 percent are less complex, requiring on average 115 person hours per notification.

No. Respondents	No. Responses Per Respondent	No. Annual Responses	Hours Per Response	Total Burden
200	1	200	130	26,000

The estimated annual cost would be approximately \$5.98 million. This estimate assumes 26,000 person hours per year, based on an average cost of \$230 per hour (combination of legal fees and company employee time). These estimates depend importantly on the number of notices and the complexity of the transactions underlying those notices.

Declarations

The Department of the Treasury has limited experience with the mandatory declaration process, which has only existed since the Pilot Program Interim Rule became effective on November 10, 2018. In addition, the Pilot Program Interim Rule was limited to transactions involving a limited subset of U.S. businesses. While a certain number of declarations have been received since the final rule implementing FIRRMA become fully effective, the Department of the Treasury does not yet have sufficient data to project the potential annual number of declarations that may expected over the next three years. Additionally, several factors make estimating the number of declarations difficult.

For example, part 800 contains processes for submitting both mandatory and voluntary declarations of covered transactions. The option to voluntarily file a declaration may lead to a larger proportion of the number of declarations submitted to CFIUS, if parties to covered investments decide to take advantage of the shorter forms and deadlines. Conversely, the number of submitted declarations would be lower if fewer parties voluntarily file declarations and chose instead to submit notices.

Additionally, as discussed above, if CFIUS does not conclude action with respect to a transaction pursuant to a declaration, the transaction may be filed as a notice in certain circumstances. While the information in the declaration can be incorporated into the notice as appropriate, additional person hours would be required to complete the notice. Under the pilot program, some of the transactions submitted as declarations were filed subsequently as notices. However, as every transaction differs on its facts, it is difficult to

estimate how many future transactions may be first submitted as declarations and subsequently filed as notices.

With the foregoing caveats regarding the substantial uncertainty associated with the hour burden of the declarations program, based on some information received from attorneys who draft and submit pilot program declarations, the Department of the Treasury estimates that the average time to prepare a declaration is about one-quarter of the number of hours spent on less complex notices, or approximately 20 hours.

For the pilot program, the Department of the Treasury estimated that it would receive 250 mandatory declarations. Notably, the pilot program only required declarations for transactions involving investments by foreign persons in certain U.S. businesses with critical technology related to specific industries. Under the proposed rules, parties to covered investments involving U.S. businesses with sensitive personal data and critical infrastructure, in addition to those involving critical technology, could submit declarations. The Department of the Treasury believes that the number of both voluntary and mandatory declarations submitted pursuant to the proposed rule will increase by approximately 200-300 above those we had expected to receive in the pilot program. Accordingly, the Department of the Treasury estimates that there will be between 450 and 550 voluntary and mandatory declarations filed pursuant to the proposed rules, though this statement estimates the cost based on the higher estimate of 550 total declarations.

No. Respondents	No. Responses Per Respondent	No. Annual Responses	Hours Per Response	Total Burden
550	1	550	20	11,000

Assuming that the average cost of one hour is \$230 (comprising a combination of legal fees and company employee time), at 11,000 person hours per year, the Department of the Treasury estimates that the annual cost of this information collection would be \$2.53 million.

Covered Real Estate Transactions

The final regulations regarding real estate transactions had no prior precedent under section 721, and, although they drew from CFIUS's existing procedures under part 800, the procedures for both notices and declarations with respect to real estate transactions were new. Moreover, with no history of receiving notices or declarations of real estate transactions, the Department of the Treasury has no information related to the total number of real estate transactions that involve foreign entities, nor of how many of those transactions would result in a notice or declaration being filed by either of the parties to such transactions. Accordingly, the figures below represent the Department of the Treasury's best estimates as to the number of burden hours and respondents to notices and declarations of real estate transactions.

Notices

Filing a notice of a covered real estate transaction with the Committee is voluntary, and accordingly, it is difficult to estimate how many parties will choose to file notices. The estimates for the hour burden below are based on the Department of the Treasury's experience with the notices filed under the existing regulations at part 800.

With respect to notices, from discussions with attorneys who have filed notices under section 721, the Department of the Treasury understands that the nature and extent of the burden varies from notice to notice, depending on the nature of the transaction at issue. In the supporting statement for the last extension of the notice information collection for part 800, the Department of the Treasury estimated the annual time burden on all notice filers to be about 15,080 person hours. That estimate was based on 130 notice filings per year, with each filer spending an average of 116 person hours per filing. Although the real estate provisions are new, and the Department of the Treasury does not have historical information about the number of real estate purchases, leases or concessions in the United States that involve a foreign person, the Department of the Treasury believes an estimate of 150 filings--slightly more than the number of annual notice filings previously estimated for filings under part 800--is reasonable. The Department of the Treasury also believes that an estimate of 116 hours per notice is a reasonable estimate of the time it will take to complete a notice of a covered real estate transaction. There are fewer requirements for covered real estate transaction notices than there are for notices of covered transactions under the proposed rule, and therefore a lower burden hour estimate for covered real estate transaction notices is reasonable.

No. Respondents	No. Responses Per Respondent	No. Annual Responses	Hours Per Response	Total Burden
150	1	150	116	17,400

The estimated annual cost would be \$4.0 million. This estimate assumes 17,400 person hours per year, based on an average cost of \$230 per hour (combination of legal fees and company employee time). These estimates depend importantly on the number of notices and the complexity of the transactions underlying those notices.

Declarations

The declarations under the final rule are also voluntary, and accordingly, it is difficult to determine how many parties will choose to file declarations. As with notices for real estate transactions, the Department of the Treasury has no prior experience receiving declarations for real estate transactions. Nor does the Department of the Treasury have historical information about the number of real estate purchases, leases and concessions involving foreign persons that take place on an annual basis. Accordingly, estimating these figures is inherently difficult.

While difficult to predict, the Department of the Treasury estimates it will receive 200 declarations of real estate transactions annually. The declarations contemplated by the final rule contain fewer questions than declarations under part 800, which were estimated to take a respondent 20 hours per response. Because there are fewer questions, the Department of the Treasury estimates that a declaration will take approximately 15 hours, on average, to complete, or 3,000 hours annually. Assuming that legal fees and company time to respond costs an average of \$230 per hour, the Department of the Treasury estimates the total annual cost for the declarations to be \$690,000.

No. Respondents	No. Responses Per Respondent	No. Annual Responses	Hours Per Response	Total Burden
200	1	200	15	3,000

Summary Table for Total Burden from All Collections

Information Collection Type	Total Burden
Notices of Covered Transactions	26,000
Declarations of Covered Transactions	11,000
Notices of Covered Real Estate Transactions	17,400
Declarations of Covered Real Estate Transactions	3,000
TOTAL BURDEN FROM ALL COLLECTIONS	57,400

13. Provide an estimate for the total annual cost burden to respondents or record-keepers not included in Item 12 and Item 14.

It is not anticipated that respondents or record-keepers will bear any non-labor costs.

14. Provide estimates of annualized costs to the Federal Government.

The annual costs to the Federal Government for collecting, analyzing, and storing the information to be collected are unknown at this time, given the difficulty estimating the number of additional transactions that will be voluntarily notified or submitted through declarations to CFIUS as a result of the recently promulgated rules. Therefore, this cost estimate is based on the number of full-time employees (“FTEs”) currently assigned, and expected to be added in the near term, to the nine CFIUS member agencies, discussed further below. This number is expected to increase relative to current levels due to ongoing hiring at certain CFIUS member agencies and the expected additional resources that likely will be available to support CFIUS matters in FY 2020. Notably, many CFIUS agencies have requested additional funding in FY 2020 to ensure they have sufficient staff to address the expected increase in the caseload once the rules become effective.

Based on recent agency-reported data, for the purposes of this estimate, the Department of the Treasury believes that there will be approximately 120-140 FTEs directly supporting CFIUS through case and declaration reviews and investigations. The number of FTE’s will increase, but the Department of the Treasury does not have data for the expected eventual increase in FTEs and therefore relies on the reported figures for the purposes of this estimate.

Using these figures, and assuming, based on recent agency estimates, that 120-140 FTEs will have an average annual salary (including benefits) of \$155,000, and \$30,000 in annual equipment costs, the annualized estimate of costs to the government to review and process covered transactions will be at least between \$22.2 million and \$25.9 million. This estimate does not include costs associated with other lines of effort related to CFIUS, such as monitoring and enforcing existing mitigation agreements. Nor does it include information technology-related costs, the costs associated with renovating physical space for the FTEs, or other similar expenses incurred by the Federal Government for CFIUS-related work. Therefore, this estimate underestimates the total annual costs to the Federal Government, although the extent of that underestimation is unknown and difficult to precisely quantify.

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

The Department of Treasury is submitting this request in order to incorporate the new CFIUS Case Management System, featuring an online Public Portal for external parties to submit CFIUS Declarations and Notices.

Declarations and Real Estate Declarations are currently submitted to CFIUS via email using fillable PDF forms available on Treasury.gov. Notices and Real Estate Notices are currently submitted via email as Microsoft Word or Adobe PDF files. There is not a standard template available for Notices and Real Estate Notices.

The information collected by CFIUS under the current regulations is not changing; however the new Public Portal will enable respondents to file their notices and declarations in a more straightforward and structured manner using an interactive Web form. By eliminating the need for each respondent to develop a template for their own notice submissions, the new portal should reduce burden on respondents, though Treasury is not yet able to reasonably estimate the change in burden resulting from the new system. The system will also provide greater clarity to respondents regarding responsive information and minimize the amount of follow-up that Treasury must conduct to ensure that respondents have provided all the information required by the CFIUS regulations. Additionally, the Case Management System will provide a standardized and secure method for parties to submit sensitive information.

There is a small number of optional fields (shown in Sections 4 and 5 of the attached screenshots) that have been added to the web forms that are not explicitly accounted for in the CFIUS Regulations. The inclusion of these open-ended or clarifying questions is not expected to materially impact burden estimates as they are not required and most respondents already include this information in their submissions.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Provide the time schedule for the entire project.

The information to be collected will not be published.

17. If seeking approval to not display the expiration date for OMB approval, explain the reasons that display would be inappropriate.

No such approval is sought.

18. Explain each exception to the certification statement.

There are no exceptions.