

**Supporting Statement**  
**U.S. Department of Commerce Bureau of Industry and Security**  
**for Notice of Request for Public Comments on**  
**Risks in the Semiconductor Supply Chain**  
**OMB Control No. 0694-[INSERT]**

**A. Justification**

**This is an emergency request for creation of a new collection for Office of Management and Budget approval.**

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

On February 24, 2021, President Biden issued Executive Order 14017 (E.O. 14017) on “America’s Supply Chains,” which directed several federal agency actions to secure and strengthen America’s supply chains. The Department of Commerce (Bureau of Industry and Security) led the 100 Day Supply Chain Review of Semiconductors and Advanced Packaging that was mandated by Presidential Executive Order 14017.

This review, included in the White House Report “Building Resilient Supply Chains, Revitalizing Domestic Manufacturing, and Fostering Broad-Based Growth (100-day-supply-chain-review-report.pdf (whitehouse.gov)), identified numerous areas of supply chain vulnerabilities. In addition to the longer-term goals such as strengthening the domestic semiconductor manufacturing ecosystem and promoting U.S. leadership, this report called upon the Department of Commerce to partner with industry to facilitate information flow between semiconductor producers and suppliers and end-users to address the current semiconductor shortage. The ongoing shortage of semiconductors is having an adverse impact on a wide range of industry sectors.

With the goal of accelerating the information flow across various segments of the supply chain and identifying data gaps and bottlenecks in the supply chain, the Department is seeking input from interested parties (including domestic and foreign semiconductor design firms, semiconductor manufacturers, materials and equipment suppliers, as well as semiconductor intermediate and end-users).

**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.**

Quantitative data obtained from the form will be compiled into an aggregated database for. This data is needed to assess the status of the semiconductor industry and identify specific issues and challenges in the supply chain. Qualitative questions are used in some limited cases to complement the statistical data. Using the aggregated form data, the overall goal is to enable

Commerce and other government agencies to add transparency on the semiconductor supply and demand mismatch and identify common bottlenecks and chokepoints. This information will advance transparency in the semiconductor supply chain and inform any government or private sector actions to address the ongoing shortage and alleviate the economic impact of the shortage.

The form will be submitted in electronic form using regulations.gov. All submissions are entirely voluntary.

The responses to the request for information will also be posted in regulations.gov and will be a matter of public record. Any submitted information that is business confidential will be protected in accordance with Department policy.

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.**

The Federal rulemaking portal (an electronic submission portal) regulations.gov will be used for parties in the United States submitting public comments. To lessen the burden on respondents, the Department is requiring firms to provide electronic responses by using an excel-based fillable form.

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

The information sought in this form is unique and not available from any other source, either public or private. Some of the basic corporate background data requested is submitted by companies 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.**

The requested information is voluntary, regardless of size. This request cannot be minimized to lessen the paperwork burden on small businesses.

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

This is a voluntary collection. If the collection is not conducted, Commerce and other government agencies will not be able to assess the status of the semiconductor industry and identify specific issues and challenges in the supply chain. This collection will enable Commerce and other government agencies to add transparency on the semiconductor supply and demand mismatch and identify common bottlenecks and chokepoints. This information will advance transparency in the semiconductor supply chain and inform any government or private sector actions to address the ongoing shortage and alleviate the economic impact of the shortage.

**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 require the collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.6. Submitted forms may contain business confidential information, which will be protected by the U.S. Department of Commerce, Bureau of Industry and Security in accordance with applicable policy.

**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 sent to the Federal Registry on September 10, 2021.

This information collection is published as an emergency collection. The need for this emergency collection is that a delay to allow for notice and comment and a delay in effective date would impair Commerce's ability to effectively address the ongoing shortage and alleviate the economic impact of the shortage.

The collection of information is needed prior to the expiration of the time period normally associated with a routine submission for review under the provisions of the Paperwork Reduction Act due to the ongoing global shortage of semiconductors, which is having a negative impact on a wide range of industry sectors. The current semiconductor shortage is the result of multiple factors, including unexpected shifts in global demand related to the COVID-19 crisis and events that disrupted specific major semiconductor manufacturing centers, such as the early 2021 storms in Texas that caused a shutdown of several semiconductor manufacturing plants. The shortage continues to negatively impact U.S. workers and consumers and is a persistent headwind to the U.S. economic outlook. According to Goldman Sachs, the disruption of the global chip supply chain has affected as many as 169 industries and is having a rippling impact on the U.S. economy, impacting American businesses and workers across the country.

The shortage has impacted several auto factories in the United States. Automakers are idling plants and furloughing workers as they are unable to maintain production lines as they wait for

parts. The shortage has also impacted other sectors, including telecommunications, consumer electronics, and home appliances. Prices for consumer electronics and home appliances impacted by the shortage continue to rise and are impacting American families throughout the country.

Semiconductors power virtually every sector of the economy—including energy, healthcare, agriculture, consumer electronics, manufacturing, defense, and transportation. Semiconductors also enable the development and fielding of advanced weapons systems and control the operation of the nation’s critical infrastructure. They are fundamental to the operation of virtually every military system, including communications and navigations systems and complex weapons systems such as those found in the F-35 Joint Strike Fighter. The two semiconductor industry-related NAICS categories (334413 and 333242) directly employed 207,400 workers in 2019, accounting for 1.6 percent of total U.S. manufacturing employment. These are high-quality, well-paying jobs: the semiconductor manufacturing workforce earned an average of \$163,871 per person in 2019, more than twice the average for all U.S. manufacturing workers (\$69,928).

To help address the shortage, the Department of Commerce launched an initiative to convene industry stakeholders along the supply chain to facilitate information flow between semiconductor producers and suppliers and end-users with the goal of increasing communication and transparency. Through these meetings, industry has recognized that government can play a useful role and supportive role in accelerating information flow and identifying data gaps and bottlenecks in the supply chain. This collection is critical to that effort. BIS will need OMB’s clearances to collect the information that would be required for parties to submit their public comments.

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

No gifts or payments will be provided.

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

There are no assurances of confidentiality provided to the respondents. All information submitted as a public comment will be subject to public review on regulations.gov, regardless of any statements by the requestor that some information should be treated otherwise.

**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 are no questions of a sensitive nature.

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

Commerce estimates that the total burden placed on respondents by this request for public comments will be approximately 400 hours. It is estimated that Commerce will receive 100 comments during the comment period. For each public comment, the submitter is expected to file a form that would take approximately 4 hours to complete.

This burden estimate is subject to variations among respondents due to discrepancies in level of participation in the semiconductor industry, record keeping, company size, and other variables.

The estimated total cost to respondents of this information collection is calculated as \$14,800. This estimate was made by assuming an average hourly respondent work rate of \$37 multiplied by 400 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).**

Since no special equipment is required for this activity, there are no capitalized costs associated with this collection of information. Submitting public comments in regulations.gov is free. It does require access to the Internet but, if needed, free Internet access and computers to access regulations.gov are available at public libraries.

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

It is estimated that the total annual cost to the Federal Government of the public comments will be approximately \$23,400. This figure includes the salaries of those handling the information collected and reviewing the submissions. The total annual burden hours for the Government are not expected to exceed 600 hours (6 hours per submission x 100 submissions = 600 hours), with an average hourly rate of \$39 per hour. (600 x \$39/hour = \$23,400).

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

Not applicable.

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

There are no plans to publish this information for statistical purposes.

**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.