

March 16, 2018

Defense Acquisition Regulations System Attn: Mr. Mark Gomersall OUSD (A&S) DPAP (DARS) 3060 Defense Pentagon, Room 3B941 Washington, DC 20301-3060

Defense Federal Acquisition Regulation Supplement (DFARS), Independent Research and Development Technical Descriptions; OMB Control Number 0704-0483.

Dear Mr. Gomersall:

The Aerospace Industries Association (AIA) was founded in 1919 and is America's premier aerospace and defense trade association. We represent more than 340 major aerospace and defense manufacturers and suppliers employing approximately 2.4 million engineers, craftsmen, executives and other professionals. Our members are the nation's leading manufacturers and suppliers of aircraft, missiles, and space systems and components, as well as information technology and other services. AIA, member companies and our dedicated, highly skilled workforce are all proud of our noble work defending our nation and contributing to America's economy, and we believe that our industry's sustained, ongoing commitment to innovation and efficiency will continue to provide the superior technology so essential to our military dominance.

AIA appreciates this opportunity to respond to the <u>January 18, 2018 Federal Register notice</u> (Docket Number DARS-2018-0002; OMB Control Number 0704-0483) requesting comments regarding a proposed extension of an approved information collection requirement on Independent Research and Development (IR&D) Technical Descriptions. This information requirement was established through a final rule in the <u>Federal Register on January 30, 2012</u>, meant to improve Department of Defense (DoD) "visibility into the technical content of industry IR&D activities to meet DoD needs and promote the technical prowess of our industry."

Our concerns today remain much the same as those we expressed when this rule was first proposed. One is the additional administrative burden to collect, format and submit data into the Defense Technical Information Center (DTIC) system. The acquisition process already incentivizes government contractors to engage with DoD on the technical needs of the Department and how or where contractors can focus IR&D investments to meet those needs; the DTIC requirement is redundant with the normal cadence of business activity/communication that exists between the Government and contractors.

Another concern has only increased in the intervening years: the risk of unintended disclosure, such as through cyber intrusions by foreign nation states, where proprietary technical information is released. While classified programs are exempt from the DTIC reporting requirement, but sensitive, export controlled, and proprietary information is still loaded into the system. Generally speaking, as the number of repositories that contain this information increases, the risk of disclosure also increases.

The objective of the subject notice is to determine:

"Whether the proposed collection of information is necessary for the proper performance of the functions of DoD, including whether the information will have *practical utility*; the accuracy of the estimate of the burden of the proposed information collection; ways to enhance the quality, utility, and clarity of the information to be collected; and ways to minimize the burden of the information collection on respondents, including the use of automated collection techniques or other forms of information technology." (*Emphasis added*)

AIA believes that the <u>recently rescinded</u> amendment to the original DTIC reporting requirement that expanded requirements on contractors, (drafted in 2016, four years after the original rule) to engage in a documented "technical interchange" with "appropriate personnel" before beginning an IR&D project constitutes an acknowledgement from DoD that the DTIC reporting requirement is unnecessary and provides insufficient "practical utility." Contractors have engaged in discussions with the DoD technical community on IR&D projects that are reported into the DTIC database; however, the degree of utilization of this dataset by the Department, and how it has influenced conversations within the acquisition community, is not apparent. These technical conversations would likely have taken place without the DTIC information, as they had been for many years prior to adding this requirement. We therefore recommend that DoD sponsor an independent analysis of how much/often DOD uses the DTIC information; if such use is low, the DTIC requirement should retroactively be eliminated so that it does not impose an additional burden on contract administration and the final indirect rate settlement process for any current and prior unsettled years. (The utilization analysis should adjust for contract administration (DCAA/DCMA) inquiries, since those are audit in nature as opposed to technical. Checking to see if information has been updated or meets the requirements for allowability per DFARS 231.205-18 was not the intent of this activity; the focus should be the tangible use by DoD technologists to provide "visibility into the technical content of industry IR&D activities to meet DoD needs and promote the technical prowess of our industry.")

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Mr. Ron Youngs serves as AIA's POC on this input and can provide any additional information or arrange further government-industry dialogue on this topic. He can be reached at <a href="mailto:ronald.youngs@aia-aerospace.org">ronald.youngs@aia-aerospace.org</a> or (703) 358-1045.

Thank you again for considering our views.

Sincerely,

John Luddy

Vice President, National Security Policy