

Supporting Statement for the BE-15, Annual Survey of
Foreign Direct Investment in the United States
(OMB Control Number 0608-0034)

B. Collections of Information Employing Statistical Methods

1. BEA allows a rotating group of about 400 U.S. affiliates to file on the abbreviated BE-15(EZ) form, instead of filing full reports on Forms BE-15(SF) short form or BE-15(LF) long form. Selection of affiliates for the BE-15(EZ) form is based primarily on the size of the U.S. affiliate. BEA expects that most, or all, of the firms selected will be U.S. affiliates that would otherwise file the BE-15(SF) short form.

Form BE-15(EZ) obtains identification information needed to maintain the BE-15 sample frame, and a few data items needed to provide a basis for the estimation of other data items for the affiliates that are selected to file it. U.S. affiliates with total assets, sales or gross operating revenues, and net income less than or equal to \$30 million (positive or negative) that are sent the BE-15(EZ) form will not be sampled and are exempt from reporting. If contacted by BEA, these U.S. affiliates need only to file a BE-15 Supplement C–Claim for Exemption.

BEA intends to mail the BE-15 survey to approximately 6,000 companies and, as noted in A. 12., above, expects approximately 4,950 reports to be filed. Form BE-15(LF) long form is expected to be filed by approximately 2,000 nonbank U.S. affiliates; 2) Form BE-15(SF) short form is expected to be filed by approximately 2,250 nonbank U.S. affiliates; 3) Form BE-15(EZ) is expected to be filed by approximately 400 nonbank U.S. affiliates; and 4) Form BE-15 Supplement C–Claim for Exemption is expected to be filed by approximately 300 nonbank U.S. affiliates.

The information collection employs statistical methods for the purpose of expanding data reported on the BE-15(SF) short form, BE-15(EZ) form, and BE-15 Supplement C form–Claim for Exemption to the same level of data reported on the BE-15(LF) long form. The methods, which are described in B.2. below, are well-established and have been used in previous surveys of foreign direct investment in the United States.

2. The Section 515 Information Quality Guidelines apply to this information. The information is collected according to documented procedures in a manner that reflects standard practices accepted by the relevant economic/statistical communities. BEA conducts a thorough review of the survey input data using sound statistical techniques to ensure the data quality before the final estimates are released. The data are collected and reviewed according to documented procedures including the use of check lists, procedures manuals and on-going review by the appropriate supervisor or team leader. The quality of the data are validated using a battery of computerized edit checks to detect potential errors and to otherwise ensure that the data are accurate, reliable, and relevant for the estimates being made. Data are routinely revised as more complete source data become available. The collection and use of this information

complies with all applicable information quality guidelines, i.e., those of the Department of Commerce, OMB, and the Bureau of Economic Analysis.

BE-15 sample selection criteria are explained in B.1. above. In addition, BEA will estimate long-form detail for nonbank majority-owned U.S. affiliates reporting on the BE-15(SF) short form, BE-15(EZ) form, and BE-15 Supplement C form as it has in past annual surveys. For majority-owned U.S. affiliates reporting on the BE-15(EZ) form and all U.S. affiliates reporting on the BE-15 Supplement C form, BEA will estimate the long form detail by, first, estimating the additional short-form detail and, then, estimating the additional long-form detail. In general, this estimation will be accomplished by prorating reported data, such as total assets, among subcomponents that are not reported, using the distributions observed in the next higher size class of companies.

Data for the nonsample portion of the universe as well as for delinquent reporters will be statistically estimated and added to the data of the reported sample affiliates to provide universe estimates. The estimates are derived by extrapolating forward the data collected in the previous annual and benchmark surveys, based on movements in the data reported for a matched sample of firms.

3. To help maximize response rates, the name and address of each U.S. affiliate is preprinted on the appropriate BE-15 form, and then the forms and related instructions are mailed to all U.S. affiliates in the sample frame. Any person specifically contacted by BEA must respond in writing, or electronically using BEA's Automated Survey Transmission and Retrieval (ASTAR) system, by filing either a completed form BE-15(LF) long form, BE-15(SF) short form, BE-15(EZ) form, or a BE-15 Supplement C—Claim for Exemption from filing a form BE-15(LF), BE-15(SF), or BE-15(EZ). Nonrespondents will be sent follow-up notices and, in the event of continued nonresponse, will be referred to the Office of the General Counsel for further action.

As stated in B.1. above, BEA expects to receive approximately 4,950 BE-15 reports. Based on response rates from prior annual surveys, the data filed on these reports will represent over 90 percent of the data (based on total assets) for all affiliates in the sample. At least 85 percent of the data is expected to be received in time to include in the preliminary results of the survey.

4. No tests were conducted.

5. The survey is designed and conducted within BEA by the International Investment Division (IID). For further information, contact Obie G. Whichard, Chief, IID, via email at obie.whichard@bea.gov, or by phone at 202-606-9890.