

February 7, 2007

MEMORANDUM FOR:                   Reviewer of 1220-0090

FROM:                                 SHARON P. BROWN, Chief  
  Division of Local Area Unemployment Statistics  
  Bureau of Labor Statistics

SUBJECT:                             Information Correction Worksheet for the Mass Layoff  
  Statistics (MLS) Program

Attached is a description of the additional information that the MLS program plans to collect on the functions within a company that are involved in the mass layoff. MLS plans to ask respondents (employers experiencing mass layoffs) for this information beginning with data for the first quarter 2007. Employer interviews of January 2007 layoff events will begin in February 2007. In addition, we are revising the estimates to employer burden and informing OMB of a job aid that includes suggested wording of each employer interview question.

Current OMB approval of the MLS program is scheduled to expire January 31, 2009.

If you have any questions about this request, please contact Sharon Brown at 202-691-6390 or e-mail at [brown.sharon@bls.gov](mailto:brown.sharon@bls.gov) or Patrick Carey at 202-691-6414 or e-mail at [carey.patrick@bls.gov](mailto:carey.patrick@bls.gov).

I. Introduction and Purpose

The Mass Layoff Statistics (MLS) program is conducted by the Bureau of Labor Statistics (BLS) in cooperation with States and identifies, describes, and tracks major job cutbacks. A major component of the MLS program is the information obtained directly from employers that confirms the existence of extended mass layoffs and describes the nature of these layoffs.

The additional information we are seeking to collect concerns the functions within a company that are affected by a mass layoff. While the employer interview enables the collection of other important economic data on the layoff event, nothing is known about the type of work that was discontinued or moved elsewhere, precipitating the layoff of workers. The collection of business function data will shed light on internal firm activities that alter the traditional industry structure and provide information on outsourcing of specific firm functions, centralizing functions within the company, and reorganizing combined companies.

Wording for States collecting business functions from employers is as follows: Regarding the workers who were laid off, what was their main role or function within the company? For example, were they in manufacturing, sales, personnel, computer support, or something else?

BLS recently involved 11 States in testing the feasibility of collecting business function information from employers during the employer interview. This feasibility test was approved by OMB (Cog Lab #2607). Because of the favorable results from that study, BLS will implement to collection of business function in all States.

We have also developed a job aid that includes suggested wording for each data element collected during the employer interview. Such a product will assist state analysts with conducting the telephone interview with employers, as well as help train new State analysts. Please note that we are not requiring use of this employer interview script.

II. Respondents

In the last OMB package that submitted, we estimated 17,000 employers would be contacted each year.

III. Burden Hours

We estimate the additional question to add just 20 seconds to the interview, resulting in an annual increase of 94 hours to the employer (contact) burden.

Change to employer burden as a result of adding business function	Interview
Number of responses	17,000
Seconds per response	20
Additional employer burden hours	94

Also, after examining the estimates to the employer burden in the last OMB clearance package, BLS believes the time estimated for the employer contact, at 20 minutes, is too high. Rather, the time that it takes employers to be interviewed should be 10 minutes, with the inclusion of the business function collection. As a result, the employer burden should be 2,833 hours (previously, it was 5,667 hours). Therefore, total burden (employer + State) is:

Revised total burden	Interview
Number of annual respondents	17,052
Total annual responses	17,832
Total burden hours	69,753

#### IV. Payments to Respondents

There are no payments made to the respondents for this survey.