

Supporting Statement
U.S. Department of Commerce
Bureau of Economic Analysis
Annual Survey of U.S. Direct Investment Abroad
(Form BE-11)
OMB Control Number 0608-0053

Part A. Justification

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

The BE-11 Annual Survey of U.S. Direct Investment Abroad is necessary to obtain accurate and up-to-date data on certain aspects of the operations of U.S. multinational companies and their foreign affiliates, such as balance sheets, income statements, employment, and trade that are needed in assessing the impact of direct investment on the U.S. and foreign economies. The survey is mandatory and is conducted under the International Investment and Trade in Services Survey Act (P.L. 94-472, 22 U.S.C. 3101-3108, as amended by P.L. 98-573 and P.L. 101-533), hereinafter “the Act.”

Section 4(a) of the Act requires that with respect to United States direct investment abroad, the President shall, to the extent he deems necessary and feasible, conduct a regular data collection program to secure current information on international financial flows and other information related to international investment and trade in services, including (but not limited to) such information as may be necessary for computing and analyzing the United States balance of payments, the employment and taxes of United States parents and affiliates, and the international investment and trade in services position of the United States.

In Section 3 of Executive Order 11961, the President delegated the responsibility for performing functions under the Act as concerns direct investment to the Secretary of Commerce, who has redelegated it to the Bureau of Economic Analysis (BEA). The implementing regulations for the direct investment surveys conducted under the Act may be found in 15 CFR Part 806.

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.

The annual survey provides a variety of measures of the overall operations of U.S. parent companies and their foreign affiliates, including total assets, sales, net income, employment and employee compensation, research and development expenditures, and exports and imports of goods. The BE-11 is a sample survey that covers selected foreign affiliates and their U.S. parent companies. The sample data are used to derive universe estimates in nonbenchmark years by extrapolating forward similar data reported in the BE-10, Benchmark Survey of U.S. Direct Investment Abroad, which is taken every five years. The data are disaggregated by country and

industry of the foreign affiliate and by industry of the U.S. parent. The data from the BE-11 survey complement data from BEA's BE-577 quarterly survey of U.S. direct investment abroad, "Direct Transactions of U.S. Reporter with Foreign Affiliate." A full understanding of U.S. direct investment abroad requires an understanding of both the overall operations of parents and affiliates (covered in the BE-11) and the transactions and positions between parents and affiliates (covered in the BE-577). Some specific uses of the data to be collected are discussed in greater detail below.

(a) Compile and improve the U.S. economic accounts:

BEA uses BE-11 annual survey data on the operations of U.S. parents and foreign affiliates to derive estimates of value added in production by U.S. parents and their foreign affiliates. These estimates can be used to calculate and analyze the affiliates' share of total production in foreign host countries, the parents' share of total U.S. production, and the split between parents and affiliates in the worldwide production of U.S. multinationals. In addition, data for the BE-11 annual survey provide financial statements against which data on transactions between parents and affiliates that are reported on the quarterly BE-577 survey can be checked for consistency

(b) Support U.S. Government policy on direct investment:

The data are used by several U.S. Government agencies, including the Office of the U.S. Trade Representative, the International Trade Administration of the Commerce Department, the Departments of Treasury and State, the Council of Economic Advisers, and the Federal Reserve Board to support U.S. international economic policy. The annual survey provides detailed information, by country and industry, on assets, sales, employment, and other measures of affiliates' activities that the U.S. Government requires to assess their effects on U.S. and foreign economies. Data on sales of services by destination and employment by broad occupational structure are key items in the study of offshoring.

Bilateral investment treaties (BIT's) are negotiated with interested countries to facilitate and protect U.S. investment interests. During BIT negotiations, data from this and related surveys provide important, up-to-date information on the level and impact of direct investment on the economies of U.S. and foreign countries. The data also help identify areas where U.S. direct investment may be restricted.

(c) Other Government uses:

Several agencies, including the Agency for International Development and the U.S. and Foreign Commercial Service (Commerce), facilitate U.S. private investment, mainly in developing countries, by providing information and assistance to investors. They use data from the annual survey for this purpose. They also use the data to examine the impact of direct investment on developing countries.

(d) Non-government uses:

International organizations and private researchers also use data from the annual survey in assessing the impact of U.S. direct investment abroad on the U.S. and foreign economies. International organizations that regularly make use of BEA data on U.S. direct investment abroad include the United Nations, International Monetary Fund, Organisation for Economic Co-operation and Development, and World Bank. Numerous private researchers use the data; use by researchers affiliated with the National Bureau of Economic Research has been among the most extensive.

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., OMB, Department of Commerce, and those of the Bureau of Economic Analysis.

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.

BEA offers an electronic filing option that makes use of fillable PDF forms, its eFile system, for use in reporting the BE-11 annual survey forms as an alternative to paper forms. The eFile system enables a U.S. Reporter to download the survey forms in PDF format for each reportable business enterprise, enter the required data, save the data to the downloaded form stored on its computer, and submit the forms securely to BEA.

In addition, BEA places all its survey forms and reporting instructions on its Internet Web site (www.bea.gov), which provides an alternative and, for some, more convenient, way to access information about BEA's surveys.

The data from the annual surveys are published and analyzed in BEA's monthly journal, the *Survey of Current Business*. All of the data tabulated from the BE-11 survey that are released to the public and analyses of the data, published in the *Survey*, are placed on BEA's Web site.

4. Describe efforts to identify duplication.

Data collected in the BE-11 annual survey on the operations of U.S. parents and their foreign affiliates are collected by BEA only.

The BE-11 survey eliminates duplication that might otherwise occur when the U.S. Reporter is also required to file the BE-15, Annual Survey of Foreign Direct Investment in the United States, or BE-12, Benchmark Survey of Foreign Direct Investment in the United States. If the U.S. company not only owns a foreign affiliate but is itself foreign-owned, then only items that are not also reported on Form BE-15 (or Form BE-12 in the benchmark year) must be completed. For the information requested in the remainder of Form BE-11A, BEA obtains these data from that company's Form BE-15 or Form BE-12. (Forms BE-11B(LF), (SF), (FN) and (EZ), and Form BE-11C, which are for reporting individual foreign affiliates, would still be completed in full by the U.S. Reporter.)

In cases of possible duplication between the BE-11 data for U.S. parent companies and data for U.S. companies reported to other Government agencies, data may be defined quite differently. For example, data reported to the Securities and Exchange Commission are on a worldwide consolidated basis. In contrast, data reported on Form BE-11A are on a domestic (U.S.) consolidated basis, so that they cover only U.S. companies' domestic operations; data reported on Forms BE-11B(LF), (SF), (FN) and (EZ) and Form BE-11C cover their foreign operations. Thus a company's domestic and foreign operations can be analyzed separately, and their separate contributions to the company's overall operations and to the U.S. and foreign economies can be assessed. These are major components of any analysis of U.S. direct investment abroad.

A few data items on proposed Form BE-11B(FN) are collected by bank regulatory agencies. For several reasons, the regulatory data cannot be substituted for the data that BEA proposes to collect on the BE-11B(FN). The focus of Form BE-11B(FN) is information needed to analyze production and employment by U.S. multinational companies in the banking industry. BEA's respondent pool is broader, including not only the foreign affiliates of U.S. banks but also the foreign bank affiliates of U.S. nonbanks. Many key data items collected on the BE-11B(FN) are outside the scope of the regulatory reports. For example, Form BE-11B(FN) would collect data on employment by broad occupational structure, on employee compensation, and on a number of items needed to measure the value added in production by bank foreign affiliates. These items are not collected on regulatory reports. The BE-11B(FN) also collects key aggregates from financial statements, such as total assets, operating revenues, and net income, and information on organizational structure, including voting rights. These items are also collected in connection with bank regulation (see Form FR 2314, Form FFIEC 030, and Form FR Y-10). The duplicated items proposed to be collected on the BE-11B(FN) are limited to a few readily available key aggregates, and would have little effect on respondent burden. It is important that BEA collect these items directly because several items are key to determining whether a respondent must report on BEA's surveys and several are used in conjunction with non-duplicated items to make calculations of key economic variables. Also, it is BEA's judgment that the cost and delay that would be associated with attempting to obtain these items from regulatory reports and join them with other items collected through its own survey would not be practical or cost effective.

Some minor duplication may occur between the data reported in the BE-11 and the few annual data items reported once a year in Part V of the quarterly Form BE-577, Direct Transactions of U.S. Reporter with Foreign Affiliate. Data collected in the BE-11 survey reflect the interest of all owners of the affiliate, whereas data collected in the BE-577 cover only the U.S. parent's share of the given item. The only case in which duplication of the annual data reported in the BE-11 and BE-577 may occur is when the affiliate is owned 100 percent by a single U.S. parent. However, such duplication is minor, and it could not be eliminated without compromising the integrated structure of the form.

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

Few small U.S. businesses are subject to the reporting requirements of this survey. Companies that have direct investments abroad tend to be quite large. To reduce the reporting burden on smaller U.S. companies, U.S. Reporters with total assets, sales or gross operating revenues, and net income less than or equal to \$150 million (positive or negative) are required to report only selected items on Form BE-11A, Report for U.S. Reporters, in addition to forms they may be required to file for their foreign affiliates.

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

The objectives stated in A.2. above could not be accomplished if the collection were conducted less frequently. Measures of the operations of U.S. parent companies and their foreign affiliates, on an annual basis, are essential to understanding the impact of U.S. direct investment on the U.S. and foreign economies over time. There can be wide swings in the data caused by new entrants to the universe, mergers and acquisitions, divestitures, and other economic phenomena. Monitoring these changes, assessing their impact, and formulating the appropriate government response would not be possible if data were collected less frequently. Data collected at 5-year intervals, such as on benchmark surveys, are not sufficient for these purposes.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

No aspects of the proposed BE-11 data collection require a special justification.

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.

This submission supports a proposed rulemaking, which will solicit comments on this survey. BEA maintains a continuing dialogue with respondents and with data users, including its own internal users through the Bureau's Source Data Improvement and Evaluation Program, to ensure that, as much as possible, the required data serve their intended purposes and are available from existing records, that instructions are clear, and that unreasonable burdens are not imposed.

In April 2007, BEA sent for comment a set of the 2006 annual survey forms and instructions along with the proposed Form BE-11B(FN) for reporting foreign affiliates of bank U.S. parents and bank foreign affiliates of nonbank U.S. parents to eight potential respondent companies that are banks, and to a broad group of Government and non-Government data users. (See Attachment 1 for a list of Government and non-Government data users invited to comment on the proposed changes.)

Written comments were received from eight data users representing, or employed by, the U.S. Government Accountability Office, the Coalition of Service Industries, the U.S. International Trade Commission, the International Trade Administration, the National Bureau of Economic Research, the Peterson Institute for International Economics, the Federal Reserve Bank of New York, and Harvard Business School. (See Attachment 2 for copies of the written comments.) In some instances, data users combined their written comments on the BE-11 annual survey with their comments on other BEA data collection programs currently under review.

BEA carefully considered the comments of all the data users and respondents in the design of the survey. Some suggestions BEA does not propose to implement for the annual survey will be reconsidered during the design of the 2009, BE-10 Benchmark Survey of U.S. Direct Investment Abroad.

Comment: One data user commented on the conceptual difficulty in assigning "country of location" to some types of foreign affiliates in service sectors, such as banking, based on the location of the physical assets of the affiliate.

Response: BEA recognizes that difficulties can arise in determining country of location of a foreign affiliate when the affiliate has little or no physical presence in a given country. However, the item on location allows for this case, by virtue of the inclusion of the phrase "or where its primary activity is carried out." Also, banking is a regulated industry in most countries, and so, with BEA's proposed question on country of location, the BE-11 data on the location of a bank should match data that are compiled by regulatory authorities and compilers here and abroad.

Comment: One data user suggested BEA might consider collecting more detailed country information on sales by U.S. parents and by foreign affiliates.

Response: BEA carefully considered the suggestion but concluded that the benefits would not justify the additional burden that would be imposed on respondents.

Comment: The Federal Reserve Bank of New York (FRBNY) called attention to related data that it collects and advised that we verify that our proposed collection would not duplicate those data.

Response: BEA further investigated the data collected by the FRBNY and other bank regulatory agencies and determined that it would not be practical or desirable to substitute their data for the data it proposes to collect. The results of its analysis was discussed under item A.4.

Comment: Proposed Form BE-11B(FN) will be used by BEA to collect data for foreign affiliates of bank U.S. parents and bank affiliates of nonbank U.S. parents. One data user suggested for nonbank affiliates of bank U.S. parents, Reporters file the same BE-11B(LF), BE-11B(SF), and BE-11C forms subject to the reporting requirements of nonbank U.S. parents.

Response: BEA determined that the items collected on Forms BE-11B and C applicable to bank U.S. parents' nonbank foreign affiliates in the finance and insurance sector are the same items BEA is proposing to collect for bank foreign affiliates. Because essentially all of the nonbank affiliates of bank U.S. parents are classified in the finance and insurance sector, BEA is proposing that bank Reporters file data for all their foreign affiliates on Form BE-11B(FN). In addition, reporting burden for bank U.S. Reporters would be minimized if they submit data for both bank and nonbank affiliates on the same BE-11B form type.

Comment: One data user suggested collecting data on Form BE-11B(FN) for exports and imports of services using a format parallel to that for collecting exports and imports of goods on the Forms BE-11B(LF) and (SF) for nonbank affiliates of nonbank parents.

Response: BEA recently integrated its data collection of exports and imports of services of affiliated entities with that for unaffiliated entities. Services data for foreign affiliates of U.S. parent companies are now collected on the BE-120, Benchmark Survey of Transactions in Selected Services and Intangible Assets with Foreign Persons, and the BE-125, Quarterly Survey of Transactions in Selected Services and Intangible Assets with Foreign Persons. In addition, the BE-185, Quarterly Survey of Financial Services Transactions between U.S. Financial Services Providers and Foreign Persons, covers exports and imports of financial services (including banking-related services) with both affiliated and unaffiliated parties.

Comment: Two data users questioned whether the proposed exemption level for reporting on Form BE-11B(FN) would result in the omission of important information for smaller institutions. The cutoff level for reporting nonbank foreign affiliates of nonbank parents is \$40 million.

Response: BEA initially proposed setting the exemption level for reporting affiliates of bank U.S. parents and bank affiliates of nonbank parents at \$500 million because affiliates of bank parents and bank affiliates of nonbank parents tend to be quite large. After reviewing data users' comments, BEA re-examined the data for banks reported in the 2004 BE-10 benchmark survey. BEA determined that while a reporting threshold of \$500 million would not significantly compromise the quality of the estimates at the global level, it would likely limit the level of country detail that could be provided for bank foreign affiliates. As a result, BEA is proposing to use a reporting threshold of \$250 million for Form BE-11B(FN). This amount is still

considerably higher than the threshold for nonbank affiliates of nonbank parents. About 100 more affiliates would be required to be reported by bank U.S. parents using a reporting threshold of \$250 million rather than \$500 million. No additional U.S. parent companies would be required to report.

In general, data users agreed that extending the coverage of the BE-11 survey to include bank parents and their foreign affiliates and bank affiliates of nonbank parents was an important improvement and that providing a specialized BE-11B form for collecting these foreign affiliate data was appropriate. Several data users noted their ongoing use of, and need for, the direct investment statistics.

No written comments were received from potential respondent companies. Two companies did phone BEA to say that they had no comments on BEA extending coverage of the BE-11 annual survey to include banks other than that they thought the \$500 million exemption level would minimize the reporting burden. BEA is proposing to set the exemption level for reporting on Form BE-11B(FN) at \$250 million rather than \$500 million, but the additional burden resulting from this change will be small for any one U.S. Reporter.

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

No payments or gifts to respondents are made.

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

Sec. 5(c) of the Act (22 U.S.C. 3104) provides that the information collected may be used only for analytical and statistical purposes and access to the information shall be available only to officials and employees (including consultants and contractors and their employees) of agencies designated by the President to perform functions under the Act. The President may authorize the exchange of information between agencies or officials designated to perform functions under the Act, but only for analytical and statistical purposes. No official or employee (including consultants and contractors and their employees) shall publish or make available any information collected under the Act in such a manner that the person to whom the information relates can be specifically identified. Reports and copies of reports prepared pursuant to the Act are confidential, and their submission or disclosure shall not be compelled by any person without the prior written permission of the person filing the report and the customer of such person, where the information supplied is identifiable as being derived from the records of such customer.

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.

No questions of a sensitive nature are requested.

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

An estimated 1,550 U.S. parent companies will file data for themselves and for about 13,000 foreign affiliates. A parent company must file one form for itself and one form for each affiliate that exceeds the exemption level. As proposed, the survey will consist of an instruction booklet and the following report forms:

1. Form BE-11A - Report for U.S. Reporter;
2. Form BE-11B(LF) (Long Form) - Report for majority-owned nonbank foreign affiliate of nonbank U.S. Reporter with total assets, sales or gross operating income, or net income greater than \$150 million (positive or negative);
3. Form BE-11B(SF) (Short Form) - Report for majority-owned nonbank foreign affiliate of nonbank U.S. Reporter with total assets, sales or gross operating income, or net income greater than \$40 million (positive or negative), but not greater than \$150 million (positive or negative);
4. Form BE-11B(FN) - Report for foreign affiliate of bank U.S. Reporter and bank affiliate of nonbank U.S. Reporter with total assets, sales or gross operating income, or net income greater than \$250 million (positive or negative);
5. BE-11B(EZ) – Report for majority-owned nonbank foreign affiliate of nonbank U.S. Reporter selected to file this form in lieu of filing the BE-11B(LF) or BE-11B(SF);
6. Form BE-11C - Report for minority-owned nonbank foreign affiliate of nonbank U.S. Reporter with assets, sales, or net income greater than \$40 million; and
7. BE-11 - Claim for Not Filing.

For purposes of calculating the number of respondents and burden per respondent, the “respondent” is deemed to be the U.S. parent company. The respondent burden for this collection of information will vary from one parent company to another, but is estimated to average 79.3 hours per response, producing an estimated annual burden of 122,900 hours for this survey. Reporting burden is estimated based upon the burden in the last BE-11 annual survey and other BEA surveys, feedback from respondents, and the proposed changes to the forms. The average burden for completing each form is approximately 7 hours for Form BE-11A, 12 hours for Form BE-11B(LF); 8 hours for Form BE-11B(SF); 10 hours for Form BE-11B(FN); 1.5 hours for Form BE-11B(EZ); and 1.5 hours for Form BE-11C. Because each U.S. Reporter

files a different number of Forms BE-11B(LF), (SF), (FN), (EZ) and BE-11C, depending on how many reportable foreign affiliates it has, the variation in reporting burden is considerable.

Form BE-11A must be filed by U.S. companies (U.S. Reporters) that have at least one reportable foreign affiliate. BEA estimates that the burden on Form BE-11A ranges from 1 hour to 185 hours and that the average burden is 7 hours. The total burden for 1,550 Forms BE-11A is estimated at **10,850 hours**. The estimate takes into account the 50 U.S. companies that will be required to file a BE-11A as a result of extending the annual survey coverage to include U.S. bank parents.

Form BE-11B(LF) is required to be filed for majority-owned nonbank foreign affiliates of nonbank U.S. Reporters for which total assets, sales or gross operating revenues, or net income was greater than \$150 million (positive or negative). (A majority-owned affiliate is one in which the combined direct and indirect ownership interest of all U.S. Reporters of the affiliate exceeds 50 percent.) BEA estimates that the burden for the long form will range from 2 hours for an affiliate for which only Part I, items 1 through 17 (identification information), is required to 140 hours for an affiliate for which the complete report is required and that has activities in many industries. The average burden for Form BE-11B(LF) is estimated at 12 hours. The total burden for the 5,300 Forms BE-11B(LF) that BEA expects to be filed is estimated at **63,600 hours**.

Form BE-11B(SF) is required to be filed for majority-owned nonbank foreign affiliates of nonbank U.S. Reporters for which total assets, sales or gross operating revenues, or net income was greater than \$40 million (positive or negative), but not greater than \$150 million (positive or negative). BEA estimates that the burden for the short form will range from 2 hours, for an affiliate for which only Part I, items 1 through 17 (identification information), is required to 80 hours for an affiliate for which the complete report is required and that has activities in many industries. The average burden for Form BE-11B(SF) is estimated at 8 hours. The total burden for the 5,000 Forms BE-11B(SF) that BEA expects to be filed is estimated at **40,000 hours**.

Form BE-11B(FN) is required to be filed for foreign affiliates of bank U.S. Reporters and bank affiliates of nonbank U.S. Reporters for which total assets, sales or gross operating revenues, or net income was greater than \$250 million (positive or negative). BEA estimates that the burden for the BE-11B(FN) will range from 2 hours, for an affiliate for which only Part I, items 1 through 18 (identification information), is required to 130 hours for an affiliate for which the complete report is required. The average burden for Form BE-11B(FN) is estimated at 10 hours. The total burden for the 500 Forms BE-11B(FN) that BEA expects to be filed is estimated at **5,000 hours**.

Form BE-11C is required to be filed for nonbank foreign affiliates owned at least 20 percent, but not more than 50 percent, directly and/or indirectly, by all nonbank U.S. Reporters of the affiliate combined for which total assets, sales or gross operating revenues, or net income was greater than \$40 million (positive or negative). BEA estimates the burden associated with this form will range from 0.5 hour to 20 hours. The average burden for Form BE-11C is estimated at 1.5 hours. The total burden for the 1,300 Forms BE-11C that BEA expects to be filed is estimated at 1,950 hours. For 2007 only, Form BE-11C will also be required for nonbank affiliates owned, directly and/or indirectly, at least 10 percent by one U.S. Reporter, but less than 20 percent by all

U.S. Reporters of the affiliate combined, if the affiliate's total assets, sales or gross operating revenues, or net income exceed \$100 million (positive or negative). For 2007, about 100 additional BE-11C forms may be filed, resulting in an additional burden of 150 hours. Thus, for the 2007 annual survey, the total burden for 1,400 Forms BE-11C is estimated at **2,100 hours**.

Form BE-11B(EZ) is required to be filed for foreign affiliates that are selected to file this form in lieu of filing the BE-11B(LF) or BE-11B(SF) (see B.1. below). The average burden is estimated at 1.5 hours; therefore, the total burden for the 1,000 Forms BE-11B(EZ) that BEA expects to receive is estimated at **1,500 hours**.

The 10,850 hours for Form BE-11A, the 63,600 hours for Form BE-11B(LF), the 40,000 hours for Form BE-11B(SF), the 5,000 hours for Form BE-11B(FN), the 1,500 hours for Form BE-11B(EZ), and the 1,950 hours for Form BE-11C give a total burden estimate of about 122,900 hours shown in the RISC/OIRA Consolidated Information System (ROCIS). (For the 2007 annual survey, the additional 100 BE-11C forms required to be filed will give a total burden estimate of 123,050 hours.) The estimated annual cost to respondents is about \$4,916,000, based on the estimated reporting burden of **122,900 hours** and an estimated hourly cost of \$40.

Regarding the burden hours of 122,915 hours shown in ROCIS--This number is the product of 79.3 hours per respondent times 1,550 respondents. To get 122,900 the burden per respondent would be 79.2903. The difference is rounding.

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 #12 above).

Other than respondent cost associated with the estimated burden of 122,900 hours (see A.12 above), the total additional annual cost burden to respondents is expected to be negligible. Total capital and start-up costs are insignificant, because new technology or capital equipment would not be needed by respondents in order to prepare their responses to the survey. As a consequence, the total cost of operating and maintaining the technology and capital equipment will also be insignificant. Purchases of services to complete the information collection are also expected to be insignificant.

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

The project cost to the Federal Government for this survey is estimated at \$2.75 million, which consists of \$1.75 million for salaries and related overhead, and \$1 million for equipment, supplies, forms design, mailing, printing, and computer processing.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB 83-I.

ROCIS shows a “program change” of +5,300 burden hours. This change is attributable in its entirety to the above-described extension of coverage to U.S. parent companies that are banks and their foreign affiliates and to bank foreign affiliates of nonbank U.S. parent companies.

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

The printed annual survey forms will be mailed to respondents in early March each year. A completed report consisting of Form BE-11A and Form(s) BE-11B(LF), (FN), (SF), (EZ) and/or BE-11C will be due to be filed with BEA not later than May 31. Summary preliminary data will be published in articles in the *Survey of Current Business* 15 to 18 months after the reports are due; more detailed preliminary data will be posted on BEA’s Web site (www.bea.gov). Final data will be released about a year later. All of the data, as well as the survey articles, will be available on BEA’s Web site.

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.

The OMB expiration date will be displayed on the forms.

18. Explain each exception to the certification statement identified in Item 19 of the OMB-I.

The BE-11 information collection is consistent with the certification in all aspects.