

SUPPORTING STATEMENT for the BE-15 Annual Survey
of Foreign Direct Investment in the United States
OMB CONTROL NO. 0608-0034

B. Collections of Information Employing Statistical Methods

1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection method to be used. Data on the number of entities (e.g. establishments, State and local governmental units, households, or persons) in the universe and the corresponding sample are to be provided in tabular form. The tabulation must also include expected response rates for the collection as a whole. If the collection has been conducted before, provide the actual response rate achieved.

The potential respondent universe for the BE-15 annual survey consists of approximately 17,350 U.S. affiliates. Sample selection for the BE-15 annual survey will be based primarily on the size of the U.S. affiliate. U.S. affiliates with total assets, sales or gross operating revenues, or net income less than or equal to \$40 million (positive or negative) are exempt from reporting.

U.S. affiliates with total assets, sales or gross operating revenues, or net income greater than \$40 million, but not greater than \$120 million, will file every other year on the abbreviated Form BE-15(EZ). About 1,400 U.S. affiliates will be eligible to file Form BE-15(EZ); of those 1,400 U.S. affiliates, 700 will file a Form BE-15(EZ) each year. For the years in which a Form BE-15(EZ) is not required to be filed, BEA will send a letter to the U.S. affiliate indicating that it is not required to file for that year and requesting verification of its address and other related identification information.

Form BE-15A, which requests the most detailed information, is expected to be filed by approximately 1,500 majority-owned U.S. affiliates with assets, sales, or net income above \$275 million. Form BE-15B is expected to be filed by about 1,000 U.S. affiliates with assets, sales, and net income in the \$120-\$275 million range. About 450 BE-15 Claims for Exemption are expected to be filed.

2008 BE-15 Universe, Sample, and Response Rate

	Number of companies	Percent of companies accounted for	Percent of assets accounted for
Universe	17,350	100.0%	100.0%
Sample:			
BE-15A filers	1,500	8.6%	96.6%
BE-15B filers	1,000	5.8%	1.7%
BE-15(EZ) filers (sample)	700	4.0%	0.5%
Total sample	3,200	18.4%	98.7%
Nonsample:			
BE-15(EZ) filers (non-sample)	700	4.0%	0.5%
Exempt companies	13,450	77.5%	0.8%
Total nonsample	14,150	81.6%	1.3%
Expected response rate			90.0%

The information collection employs statistical methods for the purpose of expanding data reported on Form BE-15B, Form BE-15(EZ), and BE-15 Claim for Exemption to the same level of data reported on the BE-15A for majority-owned companies and on the BE-15B for minority-owned companies. 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.

See B.3. below for a discussion of response rates.

2. Describe the procedures for the collection, including: the statistical methodology for stratification and sample selection; the estimation procedure; the degree of accuracy needed for the purpose described in the justification; any unusual problems requiring specialized sampling procedures; and any use of periodic (less frequent than annual) data collection cycles to reduce burden.

BE-15 sample selection criteria are explained in B.1. above. 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.

BEA will estimate BE-15A detail (the BE-15A is the most comprehensive of the forms) for majority-owned U.S. affiliates reporting on Form BE-15B, Form BE-15(EZ), and BE-15 Claim for Exemption as it has in past annual surveys. For majority-owned U.S. affiliates reporting on Form BE-15(EZ) and all U.S. affiliates reporting on the BE-15 Claim for Exemption, BEA will estimate the BE-15A detail by, first, estimating the additional BE-15B detail and, then, estimating the additional BE-15A detail. BEA will estimate BE-15B detail for minority-owned U.S. affiliates reporting on Form BE-15(EZ). 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.

3. Describe the methods used to maximize response rates and to deal with nonresponse. The accuracy and reliability of the information collected must be shown to be adequate for the intended uses. For collections based on sampling, a special justification must be provided if they will not yield "reliable" data that can be generalized to the universe studied.

To help maximize response rates, each BE-15 form is preprinted with the name and address of the U.S. affiliate. Any person specifically contacted by BEA must respond, by filing either a completed form or a Claim for Exemption. 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.

Based on response rates from prior annual surveys, by the time of the preliminary estimate, BEA expects that the data reported will account for about 85 percent of the total assets for all reportable affiliates. BEA expects that at the time the final estimates are available, reports covering about 90 percent of the assets of all reportable affiliates will have been filed. Response

rates are high enough to ensure that non-response bias is negligible. The survey generates data of sufficient accuracy for their intended purposes.

4. Describe any tests of procedures or methods to be undertaken. Tests are encouraged as effective means to refine collections, but if ten or more test respondents are involved OMB must give prior approval.

No tests were conducted (aside from giving respondents the opportunity to comment on proposed changes, as described in A.8. above).

5. Provide the name and telephone number of individuals consulted on the statistical aspects of the design, and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the agency.

The survey is designed and conducted within BEA by the Direct Investment Division (DID). For further information, contact David H. Galler, Chief, DID, via email at David.Galler@bea.gov, or by phone at 202-606-9835.