

Supporting Statement for the BE-10 Benchmark Survey
of U.S. Direct Investment Abroad
OMB Control Number 0608-0049

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.

This survey is a benchmark survey, or census. In the benchmark survey, a Form BE-10A is required from each U.S. parent company and a Form BE-10B, BE-10C, and/or BE-10D is required for each foreign affiliate. About 3,800 U.S. parent companies are expected to file a Form BE-10A and about 45,000 foreign affiliates are expected to be reported on Forms BE-10B, C, or D.

Based on response rates from the prior benchmark survey, BEA expects to receive reports from about 90% of the companies mailed forms preprinted with the name of the U.S. Reporter or foreign affiliate for inclusion in the final estimates. In addition, BEA will receive reports from a number of companies that had not previously filed on an annual or quarterly survey. In a benchmark year, BEA purchases mailing lists from private vendors in order to identify potential new respondents. BEA mails forms and instructions to these potential respondents and several hundred new respondents usually file completed reports. At the time of the final estimate, based on response rates for prior surveys, BEA expects to receive reports from U.S. Reporters and their foreign affiliates accounting for about 92 percent of Reporter and of affiliate assets.

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.

This information collection employs statistical methods for the purpose of expanding the data reported for the smallest foreign affiliates to the same level of detail reported for the largest affiliates. Specifically, for majority-owned foreign affiliates being reported on Form BE-10C or Form BE-10D and for majority-owned foreign affiliates with assets, sales, and net income less than or equal to \$300 million being reported on Form BE-10B, BEA will estimate the additional detail that would have been filed on a BE-10B form for affiliates with assets, sales, and net income greater than \$300 million. For minority-owned foreign affiliates reported on Form BE-10D, BEA will estimate additional detail

that would have been filed on Form BE-10C. Finally, for U.S. Reporters that have total assets, sales or gross operating revenues, and net income less than or equal to \$300 million, BEA will estimate the additional A-form detail. In general, the estimation will be accomplished by prorating reported data, such as total assets, among subcomponents that are not reported, using the distribution observed in the next higher size class of companies.

Based on data from the 2007 universe, affiliates to be reported on the shorter Form BE-10B account for about 4.5 percent of assets, affiliates to be reported on Form BE-10C account for about 7 percent of assets, and affiliates to be reported on Form BE-10D account for less than .5 percent of assets. BEA has selected items for inclusion on these forms that are important, difficult to estimate, or needed to estimate other items.

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.

Several steps will be taken to maximize response rates. First, BEA will provide respondents with advance notice of the survey by mailing them an announcement of the upcoming survey as soon as possible after the survey has been approved by OMB. The announcement will ask respondents to verify their mailing address and status as a reporter. It will also alert them to the availability of electronic filing.

The benchmark survey forms BEA will mail to U.S. companies that have filed on either the quarterly BE-577 or annual BE-11 surveys will be preprinted with the name of the U.S. Reporter or foreign affiliate and country name. Any person specifically contacted by BEA must respond by filing either the completed form or a Claim for Not Filing. Nonrespondents will be sent follow-up notices and, in the event of continued nonresponse, may be referred to the Office of the General Counsel for further action, including possible referral to the Justice Department.

The response rates described in B.1., together with the estimation procedures described in B.2., will provide information of sufficient accuracy and reliability for the intended purpose.

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.