

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 19,600 U.S. affiliates. Sample selection for the BE-15 annual survey is based primarily on the size of the U.S. affiliate. U.S. affiliates with total assets, sales or gross operating revenues, and net income less than or equal to \$40 million (positive or negative) are exempt from reporting.

Form BE-15A, which requests the most detailed information, is expected to be filed by approximately 1,700 majority-owned U.S. affiliates with assets, sales, or net income (loss) above \$300 million.

Form BE-15B is filed by a) majority-owned U.S. affiliates with assets, sales, or net income (loss) in the \$120-\$300 million range, and b) minority-owned U.S. affiliates with assets, sales, or net income (loss) greater than \$120 million. BEA may select some companies in this size range to file Form BE-15C instead of Form BE-15B for a given year. This will reduce burden on respondent companies. BEA expects about 1,100 BE-15B forms will be filed annually.

Form BE-15C is filed by U.S. affiliates with assets, sales, or net income (loss) greater than \$40 million, but not greater than \$120 million. BEA may select some companies in this size range to be exempt from filing the BE-15 for a given year. This will reduce burden on respondent companies. BEA expects about 700 BE-15C forms will be filed annually. BEA will send a letter to U.S. affiliates that it selects to be exempt indicating that they are not required to file for that year and requesting verification of contact information.

About 500 BE-15 Claims for Exemption are expected to be filed.

BE-15 Universe, Sample, and Response Rate

	Number of companies	Percent of companies accounted for	Percent of assets accounted for
Universe	19,600	100%	100.0%
Sample:			
BE-15A filers	1,700	9%	94%
BE-15B filers	1,100	6%	5%
BE-15C filers	700	4%	0%
Total sample	3,500	18%	99%
Total nonsample	16,100	82%	1%
Expected response rate			98%

The information collection employs statistical methods for the purpose of expanding data reported on Form BE-15B, Form BE-15C, and BE-15 Claim for Exemption to the same level of data reported on Form BE-15A for majority-owned companies and on Form BE-15B for minority-owned companies. The statistical 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-15C, and BE-15 Claim for Exemption. BEA will estimate BE-15B detail for minority-owned U.S. affiliates reporting on Form BE-15C and BE-15 Claim for Exemption. 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.

Several steps will be taken to maximize response rates.

For the first time, BEA will make the annual survey available early in the calendar year that it covers – by April 2013 for the 2013 survey. BEA will mail a letter to respondents announcing the availability of the survey in eFile, BEA’s electronic filing system. In this way, respondents will be able to prepare for the survey much earlier in the year, and companies with a fiscal year ending early in the calendar year will be able to file closer to their fiscal year end. The letter will be mailed in four waves throughout 2013 according to when a U.S. affiliate’s fiscal year ends.

In March 2014, all companies that have not yet filed using the early filing option in eFile will receive notification by mail of their obligation to file the BE-15 survey. Paper copies of the forms will be sent at respondents’ request. 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 Chief 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 90 percent of the total assets for all reportable affiliates. BEA expects that at the time the final estimates are available, reports covering about 98 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.