

Supporting Statement for the BE-11,
Annual Survey of U.S. Direct Investment Abroad
OMB Control Number 0608-0053

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 universe for the BE-11 survey consists of U.S. persons (in the broad legal sense, including companies) that own 10 percent or more of a foreign business enterprise. There are approximately 3,800 such U.S. parents which together have approximately 54,000 foreign affiliates.

Sample selection for the U.S. parents and foreign affiliates reported in the annual survey is based primarily on the size of the foreign affiliates. The size thresholds are stated in terms of total assets, sales or gross operating revenues, and net income after income taxes, whether positive or negative. If any one of the three items exceeds the size threshold, then a report must be filed. The BE-11 annual survey has multiple survey forms. Filing requirements for each of the forms are as follows:

- 1) Form BE-11A – filed by U.S. parents with at least one reportable foreign affiliate (parents greater than \$300 million are required to provide more information on the form than smaller parents);
- 2) Form BE-11B – filed for majority-owned foreign affiliates greater than \$60 million (affiliates greater than \$300 million are required to provide more information on the form than smaller affiliates);
- 3) Form BE-11C – filed for minority-owned foreign affiliates greater than \$60 million;
- 4) Form BE-11D – filed for foreign affiliates greater than \$25 million and less than \$60 million in the year in which the affiliate is established or acquired by the U.S. parent; and
- 5) Form BE-11E – filed for majority-owned foreign affiliates greater than \$60 million and less than \$300 million. BEA allows a rotating group of affiliates to be reported on the abbreviated BE-11E form instead of a longer form.

In addition, a Form BE-11B, BE-11C, or BE-11E must be filed for a foreign affiliate of a U.S. parent that owns another non-exempt foreign affiliate of that U.S. parent, even if the foreign affiliate parent is below the size threshold. That is, all affiliates upward in the chain of ownership must be reported.

BE-11 Universe, Sample, and Response Rate

	Number of entities	Percent of entities	Percent of assets
Universe:			
U.S. parents	3,800	100	100
Foreign affiliates	54,000	100	100
Sample:			
BE-11A (U.S. parents)	1,900	50	95
BE-11B/C/D/E (foreign affiliates):	18,700	35	98
BE-11B	12,200	23	---
BE-11C	1,300	2	---
BE-11D	100	0	---
BE-11E	5,100	9	---
Response rate:			
BE-11A	---	96	98
BE-11B/C/D/E	---	92	95

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.

Sample selection criteria are explained in B.1. above.

In this information collection, more detailed data are collected for larger U.S. parents and foreign affiliates than for smaller ones. BEA estimates data for the smaller U.S. parents and foreign affiliates using statistical methods so that the level of detail is the same regardless of firm size. In general, the estimation is based on relationships among data items for a panel of larger U.S. parents and foreign affiliates with similar industry and (for foreign affiliates) host country characteristics.

Data for the nonsample portion of the universe as well as for delinquent respondents will be statistically estimated and added to the data of the reported sample entities to provide universe estimates. The estimates are derived by extrapolating forward data collected in previous annual or benchmark surveys based on growth in data collected for a matched sample of U.S. parents or foreign affiliates.

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 maximize response rates for respondents filing on paper forms, each BE-11 form is preprinted with the name of the U.S. parent or foreign affiliate and other pertinent information. For respondents filing electronically, a letter is sent notifying them that their annual report is due and BEA provides respondents a list of foreign affiliates for which data are required. Any person specifically contacted by BEA must respond by filing either the completed form or a valid 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.

The response rates provided in B.1. are high enough to ensure that non-response bias is negligible. The high response rates together with the estimation procedures described in B.2. provide information of sufficient accuracy and reliability for the 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.

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 Sarahelen Thompson, Acting Chief, DID, via email at Sally.Thompson@bea.gov, or by phone at 202-606-9660.