

BE-120 Pre-Collection Cognitive Interviews  
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**Research Questions:**

- Do respondents understand what information they are being asked to provide with these questions?
- Are respondents able to answer the questions that are being asked?
- Overall, is the requested information available in respondent's records?
- Do respondents understand the terminology used on the BE-120?
- Are respondents able to navigate the form to properly report their data?
- Are the instructions and examples used in the form helpful to respondents?

**Expected Length of Interview:** 90 minutes

**Materials Needed:**

- BE-120 form.
- Mode of Supply addendum, version 1.
- Mode of Supply addendum, version 2.
- Consent forms.
- Digital recorder.

**General probes that may be used throughout the interview:**

- Reflect back on respondent's answer: "you said..."
- In your own words, what is this question asking?
- How did you arrive at this number/answer this question?
- What records (if any) did you look at? What line or lines were of interest?
- Specifically, what did you include in this number? What did you exclude?
- Would you consult other people to obtain this answer?

## INTRODUCTION

- Explain purpose of meeting: to understand the process used to answer questions, to get feedback on the BE-120 survey.
- There may be times throughout this interview that this seems like a test of you, I assure you that it is not. The purposes of these interviews is to ensure that we are communicating the data requests clearly with you, so in that way, these interviews are actually a test of us. On that note, we want your honest feedback throughout, and if it's not clear to you how to answer, please do your best. There will be ample opportunities for you to let us know how to make improvements so that you could do a better job answering.
- On the questions that would not require you to do any research, it would be helpful if you try to answer the questions to the best of the ability. You do not need to answer questions that would require you to look into any records. Any answers you do provide are SOLELY for the purposes of today's interview, and will not be recorded in BEA's records.
- As we go through the form, we will ask both general and specific questions. If at any time a question seems odd to you, please let us know. We encourage all feedback.
- Before we start, I have a consent form that goes over the authority that we have to conduct these interviews. There's also a piece in here where we ask for permission to record this interview, which is strictly for our note taking purposes. These interviews will only be heard by people directly involved in the development of the survey. Do we have permission to record our conversation for research purposes?

[Have respondent sign consent form. If they decline recording, note on the consent form that they declined recording and have them sign.]

## OVERVIEW

Before we begin discussing the survey, I'd like to get an overview of both your company as a whole, and some information about yourself.

- Can you give us an overview of the company?
  - o Can you tell us about the ownership structure?
  - o Approximately how many domestic locations do you have?
  - o Are there any foreign affiliates? How many affiliates?
  - o Does your company do business with unaffiliated foreign companies, in any manner?
- What is your job title, and what are your day-to-day responsibilities?
- How long have you worked here?
- What government surveys are you responsible for completing?
- Are you generally responsible for filling out BEA surveys?
  - o Have you completed the BE-120 before?
  - o Have you completed the BE-125 before?
- Can you tell us what you know about the BE-120? Specifically, what information the survey asks for?
- If they have completed the 120 and/or 125 before:
  - o What do you usually do when you receive the survey?
  - o What do you do with it after you have finished the survey? (Double-check numbers, reconcile to other filings, send to someone for review, etc.)?

Thank you for that background information, it will be very helpful to us as we proceed. Now, we'd like to show you the draft of the BE-120 survey.

## FRONT PAGE

First, I'd like you to take a minute and review the **front page**. I'll give you as long as you need, let me know when you're done and I'll ask you some follow-up questions.

- In your opinion, what is the important information that you're picking up from this page?
- In your opinion, who should fill out this survey?
- In your estimation, does this survey apply to your company?
  - o If no, why not?
- Do you have any suggested changes for this page?

## QUESTIONS 1-5

Now take a moment to read **Questions 1 and 2**. Once again, I'll give you a moment to read these.

- How would you answer Question 1?
- Is it clear to you how to answer this?
- Who is "the U.S. reporter?"
  - o If unclear/incorrect: How could we phrase that to make it more clear?
- What is Question 2 asking you in your own words?

- o What does “in existence” mean to you in this context?

Now, please review **Question 3**.

**[Interviewer: Take note if the respondent goes to General Instructions on Page 23 to see the definition of “U.S. person” while they look over Question 3.]**

- What is this question asking you, in your own words?
  - o What does the term “another U.S. person” mean to you?
  - o Can you give some examples?
- How would you answer this question?
- If they choose Yes: Which of the next options did you choose?
  - o How would you proceed with the survey?

Let’s skip Question 4, which asks for the EIN of the U.S. Reporter, and proceed to **Question 5** on the next page. Please take a moment to review this question. For this question, please go ahead and try to answer this question, to the best of your ability.

**[Interviewer: Allow them ample time to consult the instructions and review if they wish. Note if they flip to the page to consult the listing of NAICS code.]**

- In your own words, what is this question asking you?
- How would you answer this question?
- Did you consult the instructions and diagram when answering this question?
  - o What are the instructions telling you?
  - o What is this diagram demonstrating to you?

Now let’s move to the next page, which are the instructions **for Determining Reportable and Non-Reportable Transactions**. Please take a moment and review this page.

- What does this graphic show you?
- Are the instructions clear to you on what to report?
- How do you think these instructions relate to your company?
  - o Can you give me some examples of types of transactions that your company has that you should report on this survey?
  - o How about some examples of what NOT report on this survey?
  - o Do any of these examples of what not to include specifically reference things that apply to the U.S. Reporter?
- Do you have any suggestions for changes to make to this page?

## TABLES 1-4

Moving on to the next page. Please take a moment to look at the text at the top of **Page 6**.

**[Interviewer: Give the respondent time to review the instructions.]**

- What are these reporting instructions telling you to do?
- Is the rounding example clear to you?
- What are the instructions regarding the distribution of intellectual property telling you?
  - o In your own words, can you describe the difference between rights to use, rights to reproduce/distribute, and outright sale of IP?

Now let's move on to **Table 1**. Please take a moment to review this table.

- What information are you being asked to report on this table?
- Which of these transaction types apply to your company?
  - o Can you give us some examples of those types of transactions?
- Is it clear for what time period you should be reporting these transactions?
  - o What time period would you use?
- Where would you get the information to answer this question?
  - o Where is it kept in your company's records?
  - o Would you need to work with someone else in your company to give you this information, or to give you access to it?

### Exercise:

I'd like to do an exercise where you report the following values in Table 1: receipts of \$1.6 million in 1.1, and \$3.7 million in code 3.1. Please handwrite these values into the table, as you would if you were filling it out.

**[Interviewer: it may make sense to use the transaction codes that are more applicable to the respondents' business.]**

- What is Column 4 asking you to report?
  - o How does this apply to the values you entered?
- When reporting the dollar value, did you report in dollars or thousands of dollars?

Moving on to the next page now, please review the instructions at the top of **Page 7**.

**[Interviewer: Give the respondent time to review the instructions.]**

- What are these reporting instructions telling you to do?

Okay, let's move down to **Table 2**.

- What information are you being asked to report on this table?
- How does this differ from what you were being asked to report on Table 1?
- Would you get the information to answer this question from the same source as Table 1?
  - o If no, where is it kept in your company's records?
  - o Would you need to work with someone else in your company to give you this information, or to give you access to it?
- Which of these transaction types apply to your company?
  - o Can you give us some examples of those types of transactions?

#### **Exercise:**

I'd like to do an exercise similar to what we did in Table 1, but with the following values: sales of \$5.3 million in 16.2, and \$1.2 million in code 19.1.

**[Interviewer: Again, may make more sense to use transaction codes that apply to their business.]**

- What is Column 4 asking you to report?
  - o How does this apply to the values you entered?
- If you wanted further information on some of these transaction types – let's say the difference between Engineering Services in 16.2 and Industrial Engineering Services in 18 – what would you do?

Okay, turn the page. Please take a moment to review the instructions at the top of **Page 8**.

- Do you have any questions about these? Does anything require clarification here?

Great. Now let's take a look at **Table 3**.

- What information are you being asked to report on this table?
  - o How does this differ from Table 1?
- Would you get the information to answer this question from the same source as Tables 1 and 2?
  - o If no, where is it kept in your company's records?
  - o Would you need to work with someone else in your company to give you this information, or to give you access to it?
- Which of these transaction types apply to your company?
  - o Can you give us some examples of those types of transactions?

**Exercise:**

Let's do the same exercise that we've done with Tables 1 and 2. This time, let's use payments of \$750,000 in 2.2.

- What is Column 4 asking you to report?
  - o How does this apply to the values you entered?

Okay, turning now to **Page 9**. Please review these instructions briefly.

- Do you have any questions about these? Does anything require clarification here?

Great. Now let's take a look at **Table 4**.

- What information are you being asked to report on this table?
  - o How does this differ from Table 3?
  - o How does it differ from Table 2?
- Would you get the information to answer this question from the same sources discussed before?
  - o If no, where is it kept in your company's records?
  - o Would you need to work with someone else in your company to give you this information, or to give you access to it?
- Which of these transaction types apply to your company?
  - o Can you give us some examples of those types of transactions?
  - o Would you report purchases of contract manufacturing services, code 35?

**Exercise:**

Again we'll do the exercise we've done previously. For this, please enter purchases of \$1.3 million in 13 and purchases of \$2.8 million in 35.

- What is Column 4 asking you to report?
  - o How does this apply to the values you entered?

## QUESTION 6

Thank you for working through those tables! Let's move on to **Question 6**.

- What is this question asking you?
- Let's answer this question using the values that we used in the exercises on Tables 1 through 4. How would you answer Question 6?
- What are these instructions telling you to do?
- Based on this, which Schedules would you fill out, and for which transactions?
- Does anything you answered here conflict with what you were asked to do when filling out the tables?
- Do you think this question was useful in directing you to which Schedules to fill out?
  - o Was it more useful than Column 4 in the Tables?
  - o Is it necessary to have the instructions in the Tables?
- Would it be more helpful or more burdensome to have this question separated into two questions, with one asking about sales and one asking about purchases?

## SCHEDULES A and B

Thank you! Now let's go on to **Schedule A**. First, please review the page on **Reporting Instructions for Schedule A**.

- Are these instructions clear to you?
- Were there any parts that were confusing?
- Did you notice the example on this page? Was it helpful?
- Which information from this page was the most important for you?

Now, let's go to **Schedule A** itself.

- Please describe how you would fill out this form.
- As it relates to your company, how would you define foreign affiliates?
- How would you define "foreign parent group" in relation to your company? What types of companies would you report for in that section?
- Lastly, how would you define "unaffiliated foreign persons" as they relate to your company?
- Where would you get the information to complete Schedule A?
  - o Where is it kept in your company's records?
  - o Would you need to work with someone else in your company to give you this information, or to give you access to it?
  - o Would you have to go to different sources to get the detailed records for different transaction types?
- Let's say that based on the instructions earlier, you needed to fill out Schedule A for two different types of transactions. How would you report the data for the second transaction type?
  - o [If respondent says that they would need a second page or overflow page] How would you get a second page to report this on?

Thank you! Now let's look at the **Reporting Instructions for Schedule B**.



- Are these instructions clear to you?
- Are these instructions necessary?
  - o Why/why not?

Now looking at **Schedule B** itself.

- How would you fill this form out?
- Where would you get the information to complete Schedule B?
  - o Where is it kept in your company's records?
  - o Would you need to work with someone else in your company to give you this information, or to give you access to it?
  - o Would you have to go to different sources to get the detailed records for different transaction types?
- Are there any issues here with how to complete this table?

## SCHEDULE C

**Only ask if respondent indicated during the Table 2 discussion that they have sales for the following transaction types:**

- 13 – Construction services
- 16.1 – Architectural services
- 16.2 – Engineering services
- 16.3 – Surveying, cartography, certification, and technical inspection services
- 23 – Mining services

Now, let's review the **Schedule C Reporting Instructions**.

- Are these instructions clear to you?
- Were there any parts that were confusing?
- Did you notice the example on this page? Was it helpful?
- Which information from this page was the most important for you?

Now, let's go to **Schedule C** itself.

- As it relates to your company, how would you define the following terms:
  - o Gross operating revenues
  - o Goods exports
  - o Foreign expenses
- Is it clear to you how you would fill out this form?
  - o What sections are unclear?
- Would you report in dollars, or thousands of dollars?

## PART III and SCHEDULE D

Please read the definition of contract manufacturing services at the top Page 17. How does this definition line up with how you or your company defines contract manufacturing services?

- How would you answer **Question 7**? [If “No,” skip to Question 10.]
  - o How easy or difficult is it to answer that question?
  - o Are there any scenarios you can think of that would make it difficult to answer?
- How would you answer **Question 8**?
- In the table in **Question 9**, what do think the term “materials received for further processing” means? Can you give me some examples of what you’d report here?
  - o How about “manufactured (finished) goods”?

**Only review Schedule D if respondent indicates that they have sales of contract manufacturing services.**

Let’s take a look at **Schedule D**.

- Is it clear to you what information is required in this?
- What sorts of things would you include as “Inputs”? “Outputs”?
  - o Are these related to the items you reported in Question 9?
- Where would you get the information to answer this question?
  - o Where is it kept in your company’s records?
  - o Would you need to work with someone else in your company to give you this information, or to give you access to it?
- Are any aspects of this question more difficult to answer than others?
- There are three tables here in Schedule D. Can you tell me what the difference is in the information being asked for in these tables?

## PART IV and SCHEDULE E

Please read the definition of contract manufacturing services at the top Page 19.

- How does this definition line up with how you or your company defines contract manufacturing services?
- How would you answer **Question 10**? [If “No,” skip to Question 13.]
  - o How easy or difficult is it to answer that question?
  - o Are there any scenarios you can think of that would make it difficult to answer?
- How would you answer **Question 11**?
- In the table in **Question 12**, what do think the term “materials received for further processing” means? Can you give me some examples of what you’d report here?
  - o How about “manufactured (finished) goods”?

**Only review Schedule E if respondent indicates that they purchased contract manufacturing services.**

Let's take a look at **Schedule E**.

- Is it clear to you what information is required in this?
- What sorts of things would you include as “Inputs”? “Outputs”?
  - o Are these related to the items you reported in Question 9?
- Where would you get the information to answer this question?
  - o Where is it kept in your company's records?
  - o Would you need to work with someone else in your company to give you this information, or to give you access to it?
- Are any aspects of this question more difficult to answer than others?
- There are three tables here in Schedule E. Can you tell me what the difference is in the information being asked for in these tables?

## PART V

- How would you answer **Question 13**?
- **Question 14**?
- How do you define “merchanted services”?
- Where would you get the information required to answer **Question 15**?
  - o Where is it kept in your company's records?
  - o Would you need to work with someone else in your company to give you this information, or to give you access to it?

## MODES OF SUPPLY SUPPLEMENTAL QUESTIONNAIRES

The last thing I would like you to review are these two drafts of supplemental questionnaires that BEA is considering. I'll hand you both, and have you review them, and just ask you a few brief questions.

**[Interviewer:** take note of which version they saw first, and try to alternate which one they see first between interviews.]

- Are the questions in the first version you reviewed easy to understand? Would you be able to get the information required to answer these questions?
- How about the second version that you reviewed?

## WRAP UP

- Overall, what do you think of these questions that we discussed today?
- What are your thoughts on the organization of the survey?
  - o Does it make sense to have the Schedules interwoven with the Questions and Tables, or do you think they should be separate?
- Does the survey provide enough resources for you to answer the questions to the best of your abilities?
  - o What else could be provided?
- Some places in the form, the term “sales” is used, and in some other places, the term “receipts” is used.
  - o Did you notice this when looking over the survey?
  - o Are there cases where it would be more appropriate to use one phrase than the other?
  - o Do these terms mean different things to you, or are they the same?
- Likewise, some places use “purchases” and some use “payments.”
  - o Did you notice this when looking over the survey?
  - o Are there cases where it would be more appropriate to use one phrase than the other?
  - o Do these terms mean different things to you, or are they the same?
- What is your opinion on the instructions provided with the survey?
- Do you have any suggestions to improve the form?

**Thank you for your time today!**