

Supporting Statement for the BE-13
 Survey of New Foreign Direct Investment in the United States
 OMB Control Number 0608-0035

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 is all U.S. business enterprises in which i) a foreign direct investment in the United States relationship is created, ii) an existing U.S. affiliate of a foreign parent establishes a new U.S. legal entity, expands its U.S. operations, or acquires a U.S. business enterprise, or iii) a U.S. business enterprise that previously filed a BE-13B or BE-13D indicated that the established or expanded entity is still under construction. These entities must report on the BE-13 survey if the cost (or expected cost) of the acquisition, establishment, or expansion exceeds \$3 million. For those that do not meet the \$3 million filing threshold, selected data items will be reported on the BE-13 Claim for Exemption. BEA expects to receive reports from approximately 1,350 U.S. business enterprises per year which includes 200 exemption claims.

Based on BEA’s experience with other surveys of foreign direct investment in the United States, BEA expects that nearly the entire universe of data required to be reported by respondents will ultimately be reported, although some of these data will not be reported in time for inclusion in the first (preliminary) published estimate.

BE-13 Universe and Response Rate

Form Type	Estimated number of respondents
Universe	1,350
Sample:	
BE-13A - Acquisition	450
BE-13B - Establishment	150
BE-13C - Merger	100
BE-13D - Expansion	50
BE-13E - Cost Update	400
Total	1,150
Non-sample:	
BE-13 Claim for Exemption	200
Total respondents	1,350
Expected response rate	90.0%

This information collection employs statistical methods for the purpose of expanding data reported on Forms BE-13 Claim for Exemption to the same level of data reported on other BE-13 forms. For the preliminary release, estimates are also made to account for nonresponse. The methods, which are described in more detail 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.

The Section 515 Information Quality Guidelines apply to this information. The information is collected according to documented procedures in a manner that reflects standard practices accepted by the relevant economic/statistical communities. BEA conducts a thorough review of the survey input data using sound statistical techniques to ensure the data quality before the final estimates are released. The data are collected and reviewed according to documented procedures and best practices and on-going review by the appropriate supervisor. The quality of the data are validated using computerized edit checks to detect potential errors and to otherwise ensure that the data are accurate, reliable, and relevant for the estimates being made. Data are routinely revised as more complete source data become available. The collection and use of this information complies with all applicable information quality guidelines, i.e., OMB, Department of Commerce, and those of the Bureau of Economic Analysis.

The criteria for determining which affiliates must be reported are described in B.1., above. Final estimates are based on tabulations of reports received, supplemented by estimates for U.S. business enterprises that fall below the reporting thresholds for the survey. Preliminary estimates include, in addition, an estimate for delinquent reports that is based upon historical relationships between the values reported in time for the preliminary estimates and the values ultimately reported.

A high degree of accuracy is needed for the purposes stated in the justification.

No unusual problems have been encountered that would require the use of specialized sampling procedures.

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. Based on a variety of sources of information, including databases of mergers, acquisitions, and establishments, and articles appearing on the internet or in newspapers, periodicals, or other reference publications, BEA

attempts to identify potential respondents. BEA sends potential respondents a letter to inform them of their reporting obligation. If a response to the letter is not received within 45 days, BEA will send a follow-up letter and, if necessary, contact the respondent by telephone to inform them of the reporting requirements. Because one of the major purposes of the survey is to update the universe of foreign-owned U.S. companies, all leads are pursued for possible reporting.

Any person specifically contacted by BEA must respond in writing by filing either a completed form BE-13 or a valid exemption claim. As stated in B.1. above, BEA expects that, in terms of dollars, nearly the entire universe of data required to be reported by respondents will ultimately be reported, although some of these data will not be reported in time for inclusion in the first (preliminary) published estimate.

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.

To date, no tests were conducted (aside from giving respondents the opportunity to comment on proposed changes, as described in A.8, above). BEA is making arrangements for the Census Bureau's Response Improvement Research Staff (RIRS) to conduct a cognitive review of the BE-13 survey forms. BEA plans to implement recommendations from RIRS for improvements to the design and other aspects of the survey beginning in 2016.

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 Barbara K. Hubbard, Chief, DTPB, via email at Barbara.Hubbard@bea.gov or by phone at 202-606-9846.