

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, except for certain private funds, in which i) a foreign direct investment in the United States relationship is established, or ii) an existing U.S. affiliate of a foreign parent establishes a new U.S. business enterprise, expands its U.S. operations, or acquires a U.S. business enterprise. These U.S. business enterprises must report on the full BE-13 survey if the cost (or expected cost) of the establishment, expansion, or acquisition exceeds \$3 million. For those that do not meet the \$3 million filing threshold, selected data items must be reported on the BE-13 Claim for Exemption. Based on the number of reports received for 2014 and 2015, BEA expects to receive reports from approximately 2,550 U.S. business enterprises per year which includes 1,100 exemption claims. This count could fluctuate significantly each year due to economic conditions that affect the level of investment in U. S. businesses by foreign parents.

Based on the results from BEA’s 2014 and 2015 BE-13 data collection and experience with other surveys of foreign direct investment in the United States, 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 estimates.

BE-13 Universe and Response Rate

Form Type	Estimated number of respondents
BE-13A - Acquisition	650
BE-13B - Establishment	225
BE-13D - Expansion	75
BE-13E - Cost Update	500
BE-13 Claim for Exemption	1,100
Total respondents	2,550
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. Additionally, estimates may also be made to account for nonresponses. 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 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 data are validated using computerized edit checks to detect potential errors and ensure that the data are accurate, reliable, and relevant for the estimates being made. BEA may contact respondents to validate and confirm data reported on the survey forms. 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., those of OMB, the Department of Commerce, and the Bureau of Economic Analysis.

The criteria for determining which affiliates must report 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. In addition, estimates may also be included for delinquent reports that BEA believes should be in the universe based on public sources or respondent representatives.

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 identifies potential respondents and sends them 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 potential respondent by telephone to inform them of the reporting requirements.

Any person contacted by BEA must respond in writing by filing either a completed BE-13 form 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.

The U.S. Census Bureau's Data Collection Methodology and Research Branch (DCMRB) is conducting a cognitive review of the BE-13 survey forms under contract with BEA. DCMRB interviewed numerous respondents to solicit their opinions about the clarity of the forms and ease of filing. DCMRB then provided BEA with a list of suggestions to improve the forms. BEA has incorporated many of the suggestions into the proposed changes.

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 Patricia Abaroa, Chief, DID, via email at Patricia.Abaroa@bea.gov or by phone at 301-278-9591.