

Attachment G

**Department of Commerce
United States Census Bureau
OMB Information Collection Request
2017 Economic Census of Island Areas
OMB Control Number 0607-0937**

Formal Requests of 2017 Economic Census of Island Areas

	Requested Change	Justification	Date Received	Contact	Island Areas Branch Comments	Island Areas Branch Decision	Date Decision made
1	Establish an educational campaign to inform businesses about the importance of answering the 2017 Economic Census. Elements of the campaign could be press conferences, announcements in radio shows, use of internet-based social media, informational YouTube videos, talks or workshops to key groups, recruitment of government agencies dealing with businesses to assist in publicizing the Census, and publicity in local business conventions.	Many businesses may be fearful of sharing their confidential business information with the Census Bureau or may simply be unaware of the importance and purpose of the Economic Census. As a result, the Census Bureau should consider devoting special resources to communicating via an educational campaign in Spanish on the importance of the Economic Census in Puerto Rico.	###	Dr. Mario Marazzi mario.marazzi@estadistica.s.pr (787) 993-3336	Discussed with outreach to see if there are plans to bump up the promotion of the Census in the Island Areas for 2017.	It is agreed that further discussions are needed regarding promoting the 2017 Economic Census of Puerto Rico. As we are aiming for a higher response rate via the electronic instrument, it will be important to conduct outreach to promote not only the Economic Census but also online reporting.	4/6/2016

2	Conduct a pilot test of the internet mode of collection for the 2017 Economic Census in Puerto Rico.	Improving participation rates from previous paper-based economic censuses in Puerto Rico should be a priority. The switch to an internet-only mode of collection can be expected to introduce an additional bias in the results in Puerto Rico, where 13% of businesses are believed to not use the internet at all. At the very least, a pilot test of the internet mode of collection should be undertaken first. The Puerto Rico Institute of Statistics is available to assist in this endeavor.	###	Dr. Mario Marazzi mario.marazzi@estadistica.s.pr (787) 993-3336	Not sure this is relevant anymore as we are not doing an all paper mode of collection. In addition, I do not think there will be time since the instrument is still in development.	In collaboration with PRIS, the Census Bureau has decided to collect data for the 2017 Economic Census of Puerto Rico using both paper and electronic instruments. Therefore, a pilot test is not necessary for the 2017 Economic Census of Puerto Rico.	4/6/2016
3	Improve the timeliness of the results of the Puerto Rico Economic Census	For the 2012 Economic Census, the Puerto Rico results were released 3 years later in 2015, the last place among the 2012 economic census round in the United States. Unfortunately, this has an impact on Puerto Rico data users' perceived usefulness of economic census data.	###	Dr. Mario Marazzi mario.marazzi@estadistica.s.pr (787) 993-3336	We have agreed to move the timeline for publication up 3 months. In addition, The completion of the 2012 data collection was not until well into 2013, so it was more like 2 years after not 3.	We are planning major improvements to our processing and data review for the 2017 Economic Census of Puerto Rico. Our goal is to publically release the Puerto Rico data tables at least 3 months earlier than the 2012 Economic Census of Puerto Rico data. Additionally, data tables will be published in a single release.	4/6/2016

4	In the General Instructions and in the Information Sheets, clarify how to complete the questionnaire in case the business has more than one establishment.	Respondents should be able to quickly discern whether each establishment apart should complete a form.	###	Dr. Mario Marazzi mario.marazzi@estadistica.s.pr (787) 993-3336	<p>This direct wording on the information sheet is "Complete a separate report form for each establishment owned or controlled by your company or organization."</p> <p>The wording on the form is "The reporting unit for this form is an establishment. An establishment is generally a single physical location where business is conducted or where services or industrial operations are performed. For further clarification, see information sheet(s)" Does he want the wording above added to the forms? Can we</p>	Currently, the information sheets instruct respondents to "Complete a separate report form for each establishment owned or controlled by your company or organization."	4/6/2016
---	--	--	-----	---	---	---	----------

5	<p>For all forms: In Item 12 (Legal Form of Organization), inquire about the origin of the owner(s): <input type="checkbox"/> Puerto Rico <input type="checkbox"/> United States <input type="checkbox"/> Other U.S. territory <input type="checkbox"/> Other (please specify).</p> <p>In the case of corporations, inquire about the place of origin of the majority of the common stock capital of the corporation.</p> <p>American Samoa kind of asks this, but it isn't specific to 'stock capital' and the question is rolled in with Ownership- it looks like this: We've been doing it for them we should be able to do it for PR</p> <p>A)Legal Form of Organization -Individual proprietorship -Partnership -Corporation -Other</p> <p>B)If a corporation -Local corporation (incorporated under Samoan laws)</p>	<p>Several PR-ESCS members expressed the opinion that it was important for the Economic Census to inquire about the business owner's origins. This information appears to have a lot of value from a macroeconomic analysis perspective.</p>	<p>###</p>	<p>Dr. Mario Marazzi mario.marazzi@estadistica.s.pr (787) 993-3336</p>	<p>We have decided to add 4 new questions to the form: 1) Ethnicity Is the majority ownership of this establishment of Hispanic, Latino, or Spanish origin? -No, not of Hispanic, Latino, or Spanish origin -Yes, Mexican, Mexican Am., Chicano -Yes, Puerto Rican -Yes, another Hispanic, Latino, or Spanish origin -Please Specify origin, for example, Argentinean, Colombian, Dominican, Nicaraguan, Salvadoran, Spaniard, and so on. 2) Race What is the race of the majority ownership of this establishment? -White -Black or African American -American Indian or Alaska Native- Print name of enrolled or principle tribe -Asian Indian -Japanese</p>	<p>The Census Bureau is discussing incorporating Puerto Rico businesses into the 2017 Survey of Business Owners (SBO). The SBO collects detailed information on business characteristics and business owner characteristics. Included on the SBO questionnaire, is a question on the businesses' sources of capital that will provide more information. For this reason, there are no plans to add this information on the 2017 Economic Census of Puerto Rico.</p>	<p>4/6/2016</p>
---	---	--	------------	--	---	---	-----------------

6	<p>Specific for Manufacturing forms: In Item 12 (Legal Form of Organization), inquire whether the business is a Controlled Foreign Corporation under Subpart F of the Internal Revenue Code.</p>	<p>The existence of and legislation enacted regarding Controlled Foreign Corporations (CFCs) under Subpart F of the Internal Revenue Code has an important impact on the economy of Puerto Rico. Many U.S. corporations organize their presence in Puerto Rico as CFCs, but policymakers lack statistics that help gauge the size and impact of this form of business organization. Acquiring information about the number of Controlled Foreign Corporations through the 2017 Economic Census would complement governmental sources and help foster informed public policy discussions.</p>	###	<p>Dr. Mario Marazzi mario.marazzi@estadistica.s.pr (787) 993-3336</p>	<p>I can't find anywhere else this is asked- Can we ask it?</p>	<p>For 2017, item 12 will be updated on the Manufacturing form to ask this. While respondents understood "Controlled Foreign Corporation," the phrase "Subpart F of the Internal Revenue Code," intended for clarification, was instead found to be unfamiliar and potentially misled respondents. Accordingly, this phrase was dropped from the question for implementation. The revised question is not expected to add burden.</p>	4/6/2016
7	<p>Specific for Manufacturing forms: In Item 26, "Special Inquiries", Part B.1, include the Federal government as a class of customer.</p>	<p>The Federal government is an important consumer of goods manufactured in Puerto Rico. There is no reason to exclude the Federal government as a class of consumer.</p>	###	<p>Dr. Mario Marazzi mario.marazzi@estadistica.s.pr (787) 993-3336</p>	<p>will we be pulling over class of customer from the smaller Islands forms to the PR forms? If so we can just combined what PR wants and what the Smaller islands have.</p>	<p>For 2017, item 26 will be updated to include Federal Government as a class of customer. However, we want to clarify that in this instance 'Federal Government' will only apply to the Federal Government within Puerto Rico.</p>	4/6/2016

8	<p>Specific for the Finance, Insurance, Real Estate, Rental and Leasing forms: For lessors of shopping centers, include a special inquiry section. In this section, inquire about the number of shopping centers leased, and the square footage leased.</p>	<p>Some PR-ESCS members expressed the opinion that it was important for the Economic Census to produce detailed statistics on the number, size, and business composition of shopping centers.</p>	###	<p>Dr. Mario Marazzi mario.marazzi@estadistica.s.pr (787) 993-3336</p>	<p>Currently this form does not have any special Inquires. In 2012 there were about 400 cases that marked they were Lessors of nonresidential buildings including office/professional buildings, industrial buildings, shopping centers and retail stores. There is no way to break it out (as is) how many of these 400 cases reporting this NAICS are lessors of shopping malls. To achieve this we would need to add a few more KOB lines. It's doable though, just a decision we need to make. For example stateside has these KOB 31 120 10 6 Lessor of office/professional buildings 531 120 30 1 Lessor of shopping centers, retail shops - property operation only 531 120 90 8 Lessor of flea market spaces - under roof 531 120 90 1 Lessor of piers, docks, and associated buildings and facilities 531 120 90 2 Lessor of hotel</p>	<p>The proposed question was cognitively tested for IA. While the term "square footage" was well understood as a measurement, findings showed that the term "shopping centers" was not conventional language in the Real Estate industry for these types of properties, and caused confusion. Accordingly, this sequence of questions about shopping centers will not be implemented in questionnaire paths covering the Finance, Insurance, Real Estate, Rental and Leasing industries, resulting in no additional burden for these establishments.</p>	4/6/2016
---	--	---	-----	--	---	--	----------

9	Break the operating expense question up into subcomponents such as payroll, benefits, utilities, depreciation and other, which can be compared to a total line, similar to how the capital expenditures question is worded.	When examining the data for operating expenses, we identified several instances where depreciation was larger than operating expenses - which we do not think is possible based on the wording of the question for operating expenses. For example, in the 2012 CNMI ECIA for NAICS 42 (wholesale trade), depreciation is equal to \$53,515 while operating expenditures is only \$42,987. Although the question for operating expenses (16 - A) explicitly states to include depreciation in operating expenditures, the data do not necessarily reflect this. A change will make the components of operating expenditures more salient to the survey respondent and hopefully reduce response error.	###	Kevin Furlong Kevin.Furlong@bea.gov 201-606-9880		Puerto Rico forms already breaks this out and since we are going to those forms, this will be happening.	4/6/2016
10	Include the share of exports in the published data or have the class of customer question revert back to the 2007 format and have the class of customer be based on total sales.	The 2012 ECIA was the first year that the class of customer was based on total sales less exports. (In previous years, the class of customer was simply based on total sales.) However, we were unable to identify the percentage of sales generated from exports in the published data (question 20-A). Without the share of exports, the class of customer data cannot be directly used and limits how we can incorporate these data into		Kevin Furlong Kevin.Furlong@bea.gov 201-606-9880		We will publish the export data	4/6/2016

11	<p>Consolidate the list of class of customer and change the wording slightly to them:</p> <p>American Samoa</p> <ol style="list-style-type: none"> 1. Household consumers (excluding visitors) 2. Visiting tourists (including business travelers) 3. Fishing fleets 4. Retailers 5. Wholesalers 6. Restaurants, food services, and nightclubs 7. Hotels and other traveler accommodations 8. Fish canning manufacturers 9. Other manufacturers 10. Construction contractors 11. Governmental bodies (include federal, local, and other government authorities) 12. Other not included above <p>Guam</p> <ol style="list-style-type: none"> 1. Household consumers (excluding visitors) 2. Visiting tourists (including business travelers) 3. Retailers 	<p>We only use a handful and have suggested a consolidated list to hopefully simplify the survey and reduce the respondent burden. Also, regarding visiting tourists, we would like to expand this to include all visitors (not just tourists) such as business travelers and nonresidents visiting family.</p>		<p>Kevin Furlong Kevin.Furlong@bea.gov 201-606-9880</p>		<p>We will include the wording changes, and keep COC on all the forms.</p>	<p>4/6/2016</p>
----	--	---	--	---	--	--	-----------------

12		<p>American Samoa would like to maintain response contents relevant to American Samoa and be able to capture all economic statistic regardless of whether companies withheld or did not withhold FICA taxes and whether companies file IRS form 941-SS, Employer's Quarterly Federal Tax Return, or From 944-SS, Employers Annual Federal Tax Return.</p>		<p>Keniseli Faalupe Lafaele Director of DOC 684-633-5155</p>		<p>0254-FICA taxes withheld:70% response rate. 1% of the reported cases for this item reported 0 (3 out of 270). 0274- FICA taxes not withheld: 52% response rate. 93% of the reported cases for this item reported 0 (188 out of 203). 54 reported employees were non FICA and 74 reported and non reported combined. Out of the total for 2007 which was 7070- this is 1% of employees</p> <p>Also, for 2012, respondents were told no one should be FICA exempt.</p>	
13		<p>American Samoa agrees to use the PR question #12 on Legal Form of Organization and requests to maintain the American Samoa Question 27 on citizenship and Majority of Ownership.</p>		<p>Keniseli Faalupe Lafaele Director of DOC 684-633-5155</p>		<p>We will be changing this to be standard across the board. Samoa would be losing the specified 'Tongan' response, but in 2012 there were no Tongan responses, I think this validates that as a write in it would be rarely used.</p>	

14		<p>American Samoa has its own tax system mirroring the IRS system. Coverage seemed low if comparing Census data to available local sources. A 2007-2012 comparative analysis conducted by DOC showed that the number of estabs covered in the last economic census dropped by 30%; paid employees declined by 37%; payroll went down by 14% and sales dropped by 9% despite an increase in business licenses issued in the same period of 9%; the number of American Samoa tax filers increased by 10% and wages increased by 7%. DOC strongly advocates for full coverage of all business establishments in American Samoa in 2017.</p>	<p>Keniseli Faalupe Lafaele Director of DOC 684-633-5155</p>		<p>Agreed that our coverage rates need to be looked into and make sure that the coverage for the employer universe is comparable to other Census sources.</p>	
----	--	--	--	--	---	--