

March 9, 2016

NOTE TO THE OMB CLEARANCE 1220-0141
REVIEWER OF: “Cognitive and Psychological Research”
FROM: Jennifer Edgar
Office of Survey Methods Research
SUBJECT: Update to Approved: FY16 FGP Pretesting

Please accept the enclosed materials for approval under the OMB clearance package 1220-0141 “Cognitive and Psychological Research.” In accordance with our agreement with OMB, we are submitting a brief description of the study.

This work is being proposed as a modification to the approved FY16 FGP Pretesting study. We are estimating that there will be an additional 8.3 burden hours for this study, on top of the originally approved 115.9 hours.

If there are any questions regarding this project, please contact Jennifer Edgar at 202-691-7528.

I. Introduction

The North American Industry Classification System (NAICS) is used to classify and assign 6-digit industry codes to business establishments in the United States economy. As part of the NAICS 2012 revision, a new classification was created for establishments that outsource all transformational activities (the actual physical, chemical or mechanical transformation of inputs into new outputs). These establishments are referred to as “factoryless goods producers” (FGPs). These establishments are thought to currently exist in the NAICS sectors of manufacturing, wholesale trade, and the management of companies and enterprises (often called the “headquarters” sector).

The Bureau of Labor Statistics is continuing research aimed at identifying and classifying these FGP establishments. BLS needs to understand the key concepts related to FGPs, and how they are operationalized across various types of establishments.

Additionally, past research suggests that there may be dramatic differences across industries, in terms of how FGP characteristics are manifested in particular industries and how they might be appropriately identified, measured, discussed. BLS is open to the possibility that an industry-specific approach to FGP data collection may be required, and is looking for information about how FGP characteristics vary across industry.

II. Methodology

Westat, under contract with the BLS, will conduct this two-part study. For both parts of the study, we expect the testing process to be iterative, with changes to the wording and/or order of interview questions being made based on the results of prior interviews.

A. Establishment Interviews

Up to twenty cognitive interviews with establishments will be conducted to explore the FGP characteristics using a semi-scripted protocol (Attachment A). Up to 6 interviews will be conducted in person, with the remainder conducted over the phone. Mode will be determined by participant location and researcher availability. For recruitment, potential participants will be contacted via telephone and administered a screening protocol (Attachment B). Participants will be asked to invite any other members at their company location who may be able to provide insight into the FGP phenomena. After the establishment’s eligibility has been confirmed and they have agreed to participate, they will be sent a confirmation letter (Attachment C), and given a follow-up phone call to confirm the appointment and answer any questions.

NEW: Due to difficulties recruiting establishments, BLS is proposing to send a letter with screening form to a sample of 500 establishments. The goal of this form is to obtain a current

name and phone number for a potential establishment, as we currently do not have that on the sample drawn for the study. The form will also provide some preliminary screening information, allowing establishments to be selected based on their likelihood of being an FGP.

B. Industry Interviews

Up to ten interviews with industry groups and trade associations will be conducted to explore FGP characteristics using a semi-scripted protocol. Up to 5 interviews will be conducted in person, with the remainder conducted over the phone. Mode will be determined by participant location and researcher availability. Industries will be selected based on expected FGP prevalence, and relevant groups will be identified primarily through internet searching. Telephone recruitment will be done, and after participants have agreed to participate, they will be sent a confirmation letter (Attachment F), and given a follow-up phone call to confirm the appointment and answer any questions. Participants will be asked to invite any other members from their organization who may be able to provide insight into the FGP phenomena.

III. Burden Hours

I. Establishment Interviews: 78.4 hours

We expect to screen up to 100 participants to complete 20 interviews, and the telephone screening to take 10 minutes (16.7 hours). Confirmation of the appointment and answering any questions is expected to take an additional 5 minutes for each of the 20 interviews (1.7 hours). The interview is expected to take 90 minutes for each of the 20 interviews, with an average of 2 people attending each interview (60 hours).

We will send letters and forms to 500 establishments, and expect up to 20 percent (based on a prior study of a similar design) of them to complete them, taking no longer than 5 minutes (8.3 hours). Upon receipt of their survey, we will begin the recruiting and interviewing described above, incurring no additional burden hours.

II. Industry Interviews: 37.5 hours

We expect to contact 40 industry and trade groups to complete 10 interviews, with the telephone recruitment process taking up to 10 minutes (6.7 hours). Confirmation of the appointment and answering any questions is expected to take an additional 5 minutes for each of the 10 interviews (0.8 hours). The interview is expected to take 90 minutes for each of the 10 interviews, with an average of 2 people attending each interview (30 hours).

III. Data Confidentiality

Standard assurances of data confidentiality will be provided during recruitment, confirmed in the confirmation letters (Attachments C and E). Participants interviewed over the phone will be asked for their verbal consent. Participants interviewed in person will be asked to sign a consent form (Attachment F)

Standard assurances of data confidentiality will be provided in the advance letter (Attachment G). During the debriefing, consent will be obtained as described above.

IV. Attachments

1. Attachment A: Establishment Interview Guide
2. Attachment B: Establishment Screening Form
3. Attachment C: Establishment Confirmation Letter
4. Attachment D: Industry Interview Guide
5. Attachment E: Industry Confirmation Letter
6. Attachment F: Consent Form
7. Attachment G: Advance Letter
8. Attachment H: FGP Screening Form

Attachment A: Establishment Interview Guide

Attachment B: Establishment Screening Form

Attachment C: Establishment Confirmation Letter

Attachment D: Industry Interview Guide

Attachment E: Industry Confirmation Letter

Attachment F: Consent Form

Attachment G: Advance Letter

Attachment H: Screening Form

Attachment F: Consent Form

CONSENT FORM

The Bureau of Labor Statistics (BLS) is conducting research to increase the quality of BLS surveys. This study is intended to suggest ways to improve the procedures the BLS uses to collect survey data.

The BLS, its employees, agents, and partner statistical agencies, will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (Title 5 of Public Law 107-347) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent. The Privacy Act notice on the back of this form describes the conditions under which information related to this study will be used by BLS employees and agents.

During this research you may be audio and/or videotaped, or you may be observed. If you do not wish to be taped, you still may participate in this research.

We estimate it will take you an average of [enter #] minutes to participate in this research (ranging from [enter #] minutes to [enter #] minutes).

Your participation in this research project is voluntary, and you have the right to stop at any time. If you agree to participate, please sign below.

Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number. OMB control number is 1220-0141, and expires April 30, 2018.

I have read and understand the statements above. I consent to participate in this study.

Participant's signature

Date

Participant's printed name

Researcher's signature

OMB Control Number: 1220-0141
Expiration Date: April 30, 2018

PRIVACY ACT STATEMENT

In accordance with the Privacy Act of 1974, as amended (5 U.S.C. 552a), you are hereby notified that this study is sponsored by the U.S. Department of Labor, Bureau of Labor Statistics (BLS), under authority of 29 U.S.C. 2. Your voluntary participation is important to the success of this study and will enable the BLS to better understand the behavioral and psychological processes of individuals, as they reflect on the accuracy of BLS information collections. The BLS, its employees, agents, and partner statistical agencies, will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (Title 5 of Public Law 107-347) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent.

Attachment G: Advance Letter

Date

Attn: Contact_name (if missing use "Department of Accounting/Finance")

T_name

BM_addr1

BM_addr2

BM_city, BM_state BM_zip-BM_zip_ext

Dear Employer:

The Bureau of Labor Statistics (BLS) of the U.S. Department of Labor is conducting a study to better understand the prevalence of contracting out in the U.S. manufacturing sector. This information will be used to improve the classification of manufacturing establishments in the North American Industry Classification System (NAICS).

What are we asking you to do? Please complete and return the attached form. The form should only take 2-3 minutes to complete.

Why are we contacting you? Your company has been selected as part of a larger sample to collect information about manufacturing practices in the U.S. economy. The information you provide will be used to improve classification efforts at the BLS.

What will we do with your answers? Your information will be kept confidential. Please see the back of this letter for the relevant legal assurances. Based on your responses, you may be contacted for a follow-up interview.

Thank you for your help in this important study.

Sincerely,

Dave Talan,
Chief, Division of Administrative Statistics
Office of Employment and Unemployment Statistics

Confidentiality Statement. The Bureau of Labor Statistics, its employees, agents, and partner statistical agencies, will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (Title 5 of Public Law 107-347) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent.

Paperwork Reduction Act Statement. Your voluntary cooperation is needed to make the results of this survey comprehensive, accurate, and timely. This collection is authorized by law 29 U.S.C. 2. We estimate that completing this form will take an average of 15 minutes. This estimate takes into account time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the information. If you have any comments regarding this survey, including suggestions for reducing the burden, send them to the Bureau of Labor Statistics, Office of Industry Employment Statistics, Paperwork Reduction Project, 2 Massachusetts Avenue, N.E., Room 4840, Washington, DC 20212. The OMB control number for this voluntary survey is 1220-0141 and expires on April 28, 2018. Without a currently valid number BLS would not be able to conduct this survey.

Attachment H: FGP Screening Form