

Supporting Statement for Form BE-13, Initial Report on a Foreign Person's Direct or Indirect Acquisition, Establishment, or Purchase of the Operating Assets, of a U.S. Business Enterprise, including Real Estate and Form BE-14, Report by a U.S. Person Who Assists or Intervenes in the Acquisition of a U.S. Business Enterprise by, or Who Enters into a Joint Venture with, a Foreign Person (OMB Number 0608-0035)

B. Collections of Information Employing Statistical Methods

1. The potential universe is all U.S. business enterprises that were established or acquired directly, by a foreign person, or indirectly, through an existing U.S. affiliate of a foreign person. A U.S. business enterprise that was established or acquired directly, by a foreign person, or indirectly, by an existing U.S. affiliate of a foreign person, must report if its total assets at the time of acquisition, or immediately after being established, exceeded \$3 million, or if it owned 200 or more acres of U.S. land. A U.S. business enterprise that was acquired through an existing U.S. affiliate, and was merged into the operations of the affiliate must report if the total cost of the acquisition exceeded \$3 million, or the U.S. business enterprise being acquired and merged owned 200 or more acres of U.S. land.

As noted in A.12. above, based on recent levels of investment, BEA expects to receive reports from approximately 600 U.S. business enterprises per year. U.S. business enterprises that are below the exemption levels stated above must, nevertheless, file an exemption claim.

Based on prior experience, 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.

2. 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 including the use of check lists, procedures manuals and on-going review by the appropriate supervisor or team leader. The quality of the data are validated using a battery of 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 affiliates 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. Based on a variety of sources of information, including articles appearing on the Internet or in newspapers, periodicals, or other reference publications, as well as leads provided on Form BE-14 by persons who assist with transactions, BEA attempts to identify potential respondents. These potential respondents are sent a letter informing 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 it 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. No tests were conducted.

5. The survey is designed and conducted within BEA by the International Investment Division (IID). For further information, contact Obie G. Whichard, Chief, IID via the Internet at obie.whichard@bea.gov, or by phone at 202-606-9890.