

SUPPORTING STATEMENT
U.S. Department of Commerce
U.S. Census Bureau
2009 - 2011 Report of Organization
OMB Control No. 0607-0444

A. Justification

1. Necessity of Information Collection

The Census Bureau is requesting an extension of the currently approved Company Organization Survey (COS) to conduct the 2009, 2010 and 2011 COS. This collection will direct inquiries to multi-establishment enterprises and selected single-establishment companies.

The Census Bureau conducts the annual COS in order to update and maintain a central, multipurpose Business Register (BR). In particular, the COS supplies critical information on the organizational structure, operating characteristics, and employment and payroll of multi-location enterprises. The 2009 – 2011 COS collection will not differ from the 2008. The sample size will remain the same as in 2008 surveying 48,000 respondents.

Form NC-99001 is mailed to multi-location enterprises. We ask questions on ownership or control by a domestic parent, ownership or control by a foreign parent, and ownership of foreign affiliates; research and development, and employees from a professional employer organization (see Attachment A, Items 1-4 of NC-99001). Establishment inquiries include questions on operational status, mid-March employment, first-quarter payroll, and annual payroll of establishments (see Attachment A, Item 5 of NC-99001).

In addition to the mailing of multi-location enterprises, the Census Bureau will mail Form NC-99007 to some large single-location enterprises that may have added some locations. Form NC-99007 contains questions on ownership and control by a domestic company, number of locations of operation, physical location, locations of operation, and inquiries on mid-March employment, first- quarter payroll, and annual payroll for each separate location (see Attachment B, Items 1-5 of NC-99007).

This survey will be conducted under the provisions of Title 13 of the United States Code, Sections 182, 195, 224, and 225. The 2009 Company Organization Survey forms are provided in Attachment A and B.

2. Needs and Uses

Information quality is an integral part of the review of information disseminated by the Census Bureau (fully described in the Census Bureau's Information Quality Guidelines). Information quality is also integral to information collections conducted by the Census Bureau, and is incorporated into the clearance process required by the "Paperwork Reduction Act."

COS inquiries sent to each of the 43,000 multi-establishment enterprises will include inquiries on ownership or control by a domestic parent, ownership or control by a foreign parent, ownership of foreign affiliates, research and development, and employees from a professional employer organization (see Items 1-4 of NC-99001, the COS data collection instrument, in Attachment A). Additional COS inquiries will apply to approximately 1.2 million establishments operated by these 43,000 enterprises. This panel will be drawn from the BR universe of nearly 200,000 multi-establishment companies, which operate 1.6 million establishments. These additional inquiries will list an inventory of establishments and request updates to the inventory, including additions, deletions, and changes to Federal Employer Identification number, name and address, and industrial classification. Further, the additional inquiries will collect the following basic operating data for each listed establishment: end-of-year operating status, mid-March employment, first quarter payroll, and annual payroll (see Item 5 of NC-99001, Attachment A).

In addition to the 43,000 multi-establishment enterprises, the COS will include up to 5,000 single-location business entities that may have added some locations. The NC-99007 Form will be used to collect data for the 5,000 single-location businesses (Attachment B).

The information collected by the COS is used to maintain and update the BR. The BR serves two fundamental purposes:

- First and most important, it provides sampling populations and enumeration lists for the Census Bureau's economic surveys and censuses, and it serves as an integral part of the statistical foundation underlying those programs. Essential for this purpose is the BR's ability to identify all known United States business establishments and their parent companies. Further, the BR must accurately record basic business attributes needed to control sampling and enumeration. These attributes include industrial and geographic classifications, measures of size and economic activity, ownership characteristics, and contact information (for example, name and address).

- Second, it provides establishment data that serve as the basis for the annual County Business Patterns (CBP) statistical series. The CBP reports present data on number of establishments, first quarter payroll, annual payroll, and mid-March employment summarized by industry and employment size class for the United States, the District of Columbia, Puerto Rico, counties, and county-equivalents. No other annual or more frequent series of industry statistics provides comparable detail, particularly for small geographic areas.

3. Use of Information Technology

For 2009 - 2011, all companies will receive the COS form by mail, however, companies will have the option to report electronically. The sections below describe the electronic reporting option and Internet media.

a. Information Collected Via the Internet or Through Electronic Data Interchange

The most popular method for reporting electronically is using Surveyor Software. Surveyor is an executable computerized questionnaire of the Company Organization Survey that respondents install and run on their personal computer. The software allows the respondent to download/upload secure company information and to populate information in a form view or workbook view. In addition, respondents can export and import data from Surveyor to standardized spreadsheets and print copies of completed forms for their records. The respondent may receive and return the completed Surveyor information on diskette/CD-ROM or electronically using the Internet.

A Business Help Site (BHS) is available on the Internet to assist respondents in completing their economic surveys. Respondents will download the Surveyor software from the BHS. For the 2009 - 2011 COS, the BHS will include online requests such as time extensions, status, need extra forms and re-mail forms.

b. Information Available to the Public Through the Internet

The information collected by the COS is used to update and maintain the Business Register (BR). Many of the Census Bureau's economic survey and censuses use the BR as an enumeration or sampling frame. Data from these surveys and censuses are widely disseminated on the Internet. In addition, the County Business Patterns data series, which is directly compiled from the BR, is disseminated through the Internet.

4. Efforts to Identify Duplication

The Bureau of Labor Statistics (BLS) collects similar data as part of the Quarterly Census of Employment and Wages program. The BLS confidentiality laws do not authorize the release of these data for all states. The Census Bureau found no other information collections by Federal agencies, trade groups, or businesses that duplicate the content, comprehensive coverage, and statistical reliability provided by the COS.

5. Minimizing Burden

The Census Bureau minimizes response burden by pre-listing an inventory of establishments on the form and requesting the respondent to provide updates for name, address, industry classification, and Federal Employer Identification Number. The COS information collection minimizes the burden on small businesses by excluding most of them from the mail canvas. In particular, COS coverage excludes more than 5.8 million smaller single-establishment enterprises with paid employees and more than 21 million nonemployer enterprises without paid employees.

6. Consequences of Less Frequent Collection

Less frequent data collection would have a major impact on the use of the BR as a universe sampling frame. Such information as the opening of new locations, closing of locations, changes in locations, and changes in the Federal Employer Identification Numbers would not be up-to-date and would, therefore, reduce the completeness and accuracy of the BR.

7. Special Circumstances

This information collection will be conducted in a manner consistent with OMB guidelines and there are no special circumstances.

8. Consultations Outside the Agency

The COS instrument was discussed with representatives from other Federal agencies, including:

- Dennis J. Fixler
Chief Statistician
Bureau of Economic Analysis
(202) 606-9607
- Nicholas H. Greenia
Statistical Agency Liaison
Statistics of Income Division

Internal Revenue Service
(202) 874-0331

- David Talan
Branch Chief, Quarterly Census of Employment and Wages
State Operations & Frame Research Branch
Bureau of Labor Statistics
(202) 691-6467

We published a notice in the Federal Register on June 5, 2009 (Volume 74, Page 27012 - 27013) inviting public comment on our plans to submit this request. We received one letter of support from the Bureau of Economic Analysis (BEA). We also received another letter which we deemed to be without merit and irrelevant to our survey.

9. Paying Respondents

The Census Bureau does not pay respondents and does not provide them with gifts in any form to report requested information.

10. Assurance of Confidentiality

The report forms for this information collection contain the following statement:

YOUR RESPONSE IS REQUIRED BY LAW. Title 13, United States Code, requires businesses and other organizations that receive this questionnaire to answer the questions and return the report to the U.S. Census Bureau. By the same law, **YOUR CENSUS REPORT IS CONFIDENTIAL.** It may be seen only by persons sworn to uphold the confidentiality of Census Bureau information and may be used only for statistical purposes. Further, copies retained in respondents' files are immune from legal process.

Similar information will be included in the cover letter (see Attachment E) that accompanies the report form. The statutory basis for these assurances of confidentiality is Title 13, U.S.C., Section 9. All activities related to the collection and dissemination of COS data satisfy requirements of this law.

11. Justification for Sensitive Questions

This information collection asks no question of a sensitive nature.

12. Estimate of Response Burden

The following table provides an estimate of response burden for the COS for each type of respondent. Figures for number of respondents by form are projections based on the latest information contained in the BR.

Multi-establishment entities							
Inquiry	Private Sector Respondents	Governmental Respondents	Total Respondents	Average Time	Private Sector Burden	Governmental Burden	Total Response Burden
Primary COS Inquiries	42,750 (companies)	250	43,000	7 minutes per company	4,988	29	5,017
Instructions and Gathering Records	42,750 (companies)	250	43,000	30 minutes per company	21,375	125	21,500
Establishment Inquiries	1,175,000 (establishments)	25,000	1,200,000	5 minutes per establishment	97,917	2,083	100,000
Total	42,750	250	43,000	2 hours, 57 minutes per respondent	124,280	2,237	126,517

Other business entities			
Inquiry	Private Sector Respondents	Average Time	Total Response Burden
Supplemental COS inquiries (including instructions)	5,000 entities	12 minutes per entity	1,000 hours
Total	5,000 (companies)	12 minutes per respondent	1,000 hours

We estimate a total annual cost to respondents of \$3,643,161, which is 127,517 hours at \$28.57 per hour.

13. Estimate of Cost Burden

We do not expect respondents to incur any costs other than that of their time to respond. The information requested is of the type and scope normally carried in company records and no special hardware or accounting software system is necessary to provide answers to this information collection. Therefore, respondents are not expected to incur any capital and start-up costs or system maintenance costs in responding.

Further, purchasing of outside accounting or information collection services, if performed by the respondent, is part of usual and customary business practices and not specifically required for this information collection.

14. Cost to the Federal Government

The cost to the government for this work is included in the total annual cost of the BR, which is estimated to be \$14.9 million for fiscal year 2009.

15. Reason for Change in Burden

The response burden remains unchanged from the current clearance.

16. Project Schedule

The Census Bureau will mail 2009 COS report forms in late December 2009, with a due date thirty days after receipt. Mail follow-ups to nonrespondents will begin 36 days after the initial mailout. These efforts, supplemented by telephone follow-ups to selected nonrespondents, will go on through mid-year. We will check in report forms and perform data entry for responses until the close-out for data collection operations in mid-August of the subsequent year. Information collected using the COS instrument will be included in the BR by October/November.

17. Request to Not Display Expiration Date

The assigned expiration date will be displayed on all report forms used in this information collection.

18. Exceptions to Certification

There are no exceptions.

19. Industry Codes Affected

The COS covers all industrial activities except postal service (NAICS 491), private households (NAICS 814), and public administration (NAICS 92); further, the COS excludes companies engaged exclusively in agriculture production (NAICS 111, 112) or rail transportation (NAICS 482).

