



DEPARTMENT OF COMMERCE

U.S. Census Bureau

Proposed Information Collection; Comment Request; Annual Business Survey (ABS)

AGENCY: U.S. Census Bureau, Commerce.

ACTION: Notice.

SUMMARY: The Department of Commerce, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995.

DATES: To ensure consideration, written comments must be submitted on or before (insert date 60 days after date of publication in the FEDERAL REGISTER).

ADDRESSES: Direct all written comments to Jennifer Jessup, Departmental Paperwork Clearance Officer, Department of Commerce, Room 6616, 14th and Constitution Avenue, NW, Washington, DC 20230 (or via the Internet at PRAComments@doc.gov).

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of the information collection instrument(s) and instructions should be directed to Patrice Norman, U.S.

Census Bureau, EWD, 8K151, Washington, DC 20233-6600, (301) 763-7198,

Patrice.C.Norman@census.gov.

SUPPLEMENTARY INFORMATION

I. Abstract

The U.S. Census Bureau, with support from the National Science Foundation (NSF), plans to conduct the Annual Business Survey (ABS) for the 2017-2021 survey years. The ABS is a new survey designed to combine Census Bureau firm-level collections to reduce respondent burden, increase data quality, reduce operational costs, and operate more efficiently. The ABS replaces the five-year Survey of Business Owners (SBO) for employer businesses, the Annual Survey of Entrepreneurs (ASE), and the Business R&D and Innovation for Microbusinesses (BRDI-M) surveys. The Survey of Business Owners has been conducted as part of the economic census every five years since 1972 to collect selected economic and demographic characteristics for businesses and business owners by gender, ethnicity, race, and veteran status for both employer and nonemployer businesses. The Annual Survey of Entrepreneurs was conducted for three reference years (2014, 2015, and 2016) as a supplement to the SBO to provide more frequent data on economic and demographic characteristics for businesses and business owners by gender, ethnicity, race, and veteran status for employer businesses. The Business R&D and Innovation for Microbusinesses survey was first fielded in 2016 as an expansion to the Business R&D and Innovation Survey (BRDI-S) to measure firm innovation and investigate the incidence of R&D activities in growing sectors, such as small business enterprises not covered by BRDIS. Detailed R&D information for businesses with 10 or more employees will continue to be collected separately on the BRDIS. Statistics from the new ABS will be used by government program officials, industry organization leaders, economic and social analysts, business entrepreneurs, and domestic and foreign researchers in academia, business, and government. Estimates produced on owner demographic data may be used to assess business assistance needs, allocate available program

resources, and create a framework for planning, directing, and assessing programs that promote the activities of disadvantaged groups; to assess minority-owned businesses by industry and area and to educate industry associations, corporations, and government entities; to analyze business operations in comparison to similar firms, compute market share, and assess business growth and future prospects. Estimates produced on research and development and innovation may be used to compare R&D costs across industries, determine where R&D activity is conducted geographically, and identify the types of businesses with R&D; to contribute to the Bureau of Economic Analysis (BEA) system of national accounts; to increase investments in research and development, strengthen education, and encourage entrepreneurship; and to compare business innovation in the United States to that of other countries.

The ABS covers all domestic, nonfarm employer businesses with operations during the survey year. The ABS will provide the only comprehensive data on business owner demographics and business characteristics, including financing, research and development (for microbusinesses), and innovation. Nonemployer businesses are not in scope for the ABS. The Census Bureau will submit a separate clearance for approval to collect business and owner characteristics from nonemployer businesses if it is determined that a collection is needed to produce those estimates. The ABS will collect the following information from employer businesses:

- Owner characteristics, including the gender, ethnicity, race, and veteran status of the principal owner(s) from all firms in the sample
- Various business characteristics, including financing from all firms in the sample
- Research and development activity and costs from firms with less than 10 employees

- Innovation practices from all firms in the sample

Additional owner topics include military service, owner acquisition, job functions, number of hours worked, primary income, prior business ownership, age of owner, education and field of degree, citizenship and place of birth, and owner's reason for owning the business. Other business topics include number of owners and percent ownership, family owned and operated, business aspirations, funding sources, profitability, types of customers, types of workers, employee benefits, home operation, website use, and business activity. Starting with the 2018 survey, the ABS may include new module questions each year based on relevant business topics. Potential topics include technological advances, Internet usage, management and business practices, exporting practices, and globalization.

The draft content for the ABS will be cognitively tested with approximately 20 businesses under a separate OMB generic clearance. The questionnaire and interview protocol will be used to assess the feasibility and merit of suggested changes that arise from the testing.

The 2017 ABS will sample approximately 850,000 employer businesses to produce more detailed statistics. Annually from 2018-2021, the survey sample will be reduced to approximately 300,000 businesses to reduce respondent burden. Businesses that reported business activity on Internal Revenue Service tax forms 941, "Employer's Quarterly Federal Tax Return"; 944, "Employer's Annual Federal Tax Return"; or any one of the 1120 corporate tax forms will be eligible for selection.

II. Method of Collection

The ABS will be collected using only electronic instruments. Respondents will receive a letter

notifying them of their requirement to respond and how to access the survey. Letters will be mailed from the Census Bureau's National Processing Center in Jeffersonville, Indiana. Responses will be due approximately 30 days from receipt. Select businesses will receive a due date reminder via a letter prior to the due date. Additionally, two mail follow-ups to nonrespondents will be conducted at approximately one-month intervals. Select nonrespondents will receive a certified mailing for the second follow-up if needed.

III. Data

OMB Control Number: 0607-XXXX.

Form Number(s): This electronic-only collection will not utilize paper forms.

Type of Review: Regular submission.

Affected Public: Large and small employer businesses.

Estimated Number of Respondents: 850,000 employer businesses for 2017; 300,000 employer businesses for 2018-2021.

Estimated Time Per Response: 35 minutes.

Estimated Total Annual Burden Hours: 495,833 for 2017; 175,000 for 2018-2021.

Estimated Total Annual Cost to Public: \$0.

Respondent's Obligation: Mandatory.

Legal Authority: Title 13, United States Code, Sections 8(b), 131, and 182; and Title 42, United States Code, Sections 1861-76 (National Science Foundation Act of 1950, as

amended).

IV. Request for Comments

Comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden (including hours and cost) of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval of this information collection; they also will become a matter of public record.

Sheleen Dumas,

Departmental PRA Lead, Office of the Chief Information Officer.

BILLING CODE: 3510-07-P.

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