



## DEPARTMENT OF COMMERCE

### Census Bureau

#### Submission for OMB Review; Comment Request

The Department of Commerce will submit to the Office of Management and Budget (OMB) for clearance the following proposal for collection of information under the provisions of the Paperwork Reduction Act.

*Agency:* U.S. Census Bureau.

*Title:* Annual Business Survey.

*OMB Control Number:* 0607-1004.

*Form Number(s):* ABS-L1 - Initial Letter; ABS-L1R - Due Date Reminder; ABS-L2

- Follow-up; ABS-1 Worksheet; ABS-2 Worksheet; ABS Email Follow-up.

*Type of Request:* Revision of a currently approved collection.

*Number of Respondents:* 300,000.

*Average Hours Per Response:* 52 minutes.

*Burden Hours:* 260,000.

*Needs and Uses:* In an effort to improve the measurement of business dynamics in the United States, the Census Bureau is conducting the Annual Business Survey (ABS). The ABS combines Census Bureau firm-level collections to reduce respondent burden, increase data quality, reduce operational costs, and operate more efficiently. The ABS replaced 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 ABS provides information on selected economic and demographic characteristics for businesses and business owners by sex, ethnicity, race, and veteran status. Further, the survey measures research and development for microbusinesses, new business topics such as innovation and technology, as well as other business characteristics. The ABS is sponsored by the National Center for Science and Engineering Statistics (NCSES) within the National Science Foundation (NSF) and conducted by the Census Bureau for five years (2018 – 2022).

The ABS includes all nonfarm employer businesses filing Internal Revenue Service (IRS) tax forms as individual proprietorships, partnerships, or any other type of corporation, with receipts of \$1,000 or more. The ABS samples approximately 850,000 employer businesses in 2018 and approximately 300,000 employer businesses in years 2019-2022.

The sample is stratified by state, frame, and industry. The Census Bureau selects some companies with certainty based on volume of sales, payroll, number of paid employees or NAICS. All certainty cases are sure to be selected and represent only themselves.

The ABS is designed to incorporate new content each survey year based on topics of relevance. Each year the new module of questions is submitted to the Office of Management and Budget (OMB) for approval. The table below shows the proposed ABS content for each survey year.

Proposed Content for the Annual Business Survey					
Topic Modules	Collection Year				
	2018	2019	2020	2021	2022
A. Owner Characteristics	Full	Reduced	Reduced	Full	Reduced

B. Innovation	Full	Reduced	Full		
C. Research & Development (1-9 employees only)	Full	Full	Full	Full	Full
D. Technology and Intellectual Property	Reduced (digital)	Full (automation)	Full (technology TBD)	Full (digital)	Full (automation)
E. Financing	Full			Full	
F. Globalization			Full		
G. Business Structure	Full	Full	Full	Full	Full

The ABS collection is electronic only. Those selected for the survey receive an initial letter informing the respondents of their requirement to complete the survey as well as instructions on accessing the survey. The 2019 ABS initial mailing is scheduled for July 2019. Responses will be due approximately 30 days from initial mailing.

Respondents will also receive a due date reminder approximately one week before responses are due. The Census Bureau plans to conduct two follow-up mailings and an optional third follow-up if deemed necessary based on check-in. Nonrespondents may

receive a certified mailing for the second and third follow-up mailings. The Census Bureau may also plan to conduct an email follow-up to select respondents reminding them to submit their report in the electronic instrument. Closeout of mail operations is scheduled for December 2019. Upon the close of the collection period, the response data will be processed, edited, reviewed, tabulated, and released publicly.

Starting with the 2019 calendar year, the Annual Business Survey will use the collection year in the survey name rather than a single reference year. The ABS includes questions from multiple reference periods and Census felt this change would better reflect the collection cycle of the survey. Therefore, the 2019 collection will be referred to as the 2019 Annual Business Survey (rather than the 2018 Annual Business Survey).

Statistics from the 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 other countries, including those in the European Union.

Additional examples of data use include:

- The Small Business Administration (SBA) and the Minority Business

Development Agency (MBDA) to assess business assistance needs and allocate available

program resources.

- Local government commissions on small and disadvantaged businesses to establish and evaluate contract procurement practices.
- Federal, state and local government agencies as a framework for planning, directing and assessing programs that promote the activities of disadvantaged groups.
- The National Women's Business Council to assess the state of women's business ownership for policymakers, researchers, and the public at large.
- Consultants and researchers to analyze long-term economic and demographic shifts, and differences in ownership and performance among geographic areas.
- Individual business owners to analyze their operations in comparison to similar firms, compute their market share, and assess their growth and future prospects.

Additional questions on the 2019 ABS for technology will measure the effect of technology on the workforce including, the number of workers and the skill mix of workers.

*Affected Public:* Business or other for-profit.

*Frequency:* Annually.

*Respondent's Obligation:* Mandatory.

*Legal Authority:* Title 13 United States Code, Sections 8(b), 131, and 182, Title 42

United States Code, Section 1861-76 (National Science Foundation Act of 1950, as amended), and Section 505 within the America COMPETES Reauthorization Act of 2010 authorize this collection. Sections 224 and 225 of Title 13 United States Code requires response from sampled firms.

This information collection request may be viewed at [www.reginfo.gov](http://www.reginfo.gov). Follow the instructions to view Department of Commerce collections currently under review by OMB.

Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to [OIRA\\_Submission@omb.eop.gov](mailto:OIRA_Submission@omb.eop.gov) or fax to (202) 395-5806.

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**BILLING CODE 3510-07-P**

[FR Doc. 2019-01717 Filed: 2/8/2019 8:45 am; Publication Date: 2/11/2019]