



DEPARTMENT OF COMMERCE

Billing Code 3510-07-P

Census Bureau

Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Annual Business Survey

AGENCY: U.S. Census Bureau, Commerce.

ACTION: Notice of Information Collection, request for comment.

SUMMARY: The Department of Commerce, in accordance with the Paperwork Reduction Act (PRA) of 1995, invites the general public and other Federal agencies to comment on proposed, and continuing information collections, which helps us assess the impact of our information collection requirements and minimize the public's reporting burden. The purpose of this notice is to allow for 60 days of public comment on the proposed extension and revision to the Annual Business Survey and extension of the supplemental questions to the Annual Business Survey to capture a baseline of remote work options at businesses in 2019, prior to the submission of these information collection requests (ICRs) to OMB for approval.

DATES: To ensure consideration, comments regarding this proposed information collection must be received on or before **[Insert date 60 days after date of publication in the FEDERAL REGISTER]**.

ADDRESSES: Interested persons are invited to submit written comments by email to Thomas.J.Smith@census.gov. Please reference Annual Business Survey in the subject line of your comments. You may also submit comments, identified by Docket Number USBC-2020-0017, to the Federal e-Rulemaking Portal: <http://www.regulations.gov>. All comments received are part of the public record. No comments will be posted to <http://www.regulations.gov> for public viewing until after the comment period has closed. Comments will generally be posted

without change. All Personally Identifiable Information (for example, name and address) voluntarily submitted by the commenter may be publicly accessible. Do not submit Confidential Business Information or otherwise sensitive or protected information. You may submit attachments to electronic comments in Microsoft Word, Excel, or Adobe PDF file formats.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or specific questions related to collection activities should be directed to Patrice Hall, Branch Chief, Business Owners Branch, 301-763-7198, patrice.n.hall@census.gov.

SUPPLEMENTARY INFORMATION:

I. Abstract

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 data collections to reduce respondent burden, increase data quality, reduce operational costs, and operate more efficiently. The ABS replaced the Survey of Business Owners (SBO) for employer businesses, the Annual Survey of Entrepreneurs (ASE), and the Business Research and Development (R&D) and Innovation for Microbusinesses (BRDI-M) surveys. The ABS provides information on select 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, 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. Title 13, United States Code, Sections 8(b), 131, and 182 and Title 42, United States Code, Section 1861-76 (National Science Foundation Act of

1950, as amended) authorize this collection. Sections 224 and 225 of Title 13, United States Code, require response from sampled firms.

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. Every five years, the ABS samples approximately 850,000 employer businesses. The large sample size provides a benchmark and is needed to produce detailed comprehensive estimates for women-, minority-, and veteran-owned businesses at the 2-6-digit NAICS, U.S., state, metropolitan statistical area (MSA), county, and economic place levels. The 2018 ABS sampled approximately 850,000 employer businesses. The sample size is reduced annually to minimize the burden on survey respondents. Starting with the 2019 ABS, the sample was reduced to approximately 300,000 employer businesses. The smaller sample size will yield summary-level estimates for women-, minority-, and veteran-owned businesses at the 2-digit NAICS, U.S., state, and MSA levels. The Census Bureau uses administrative data to estimate the probability that a firm is minority- or women-owned. Each firm is then placed in one of nine frames for sampling. The sampling frames are: American Indian or Alaskan Native, Asian, Black or African American, Hispanic, Non-Hispanic White Men, Native Hawaiian and Other Pacific Islander, Other, Publicly Owned, and Women. The sample is stratified by state, industry, and frame. The Census Bureau selects some companies with certainty based on volume of sales, payroll, and number of paid employees or NAICS. All certainty cases are sure to be selected and represent only themselves.

The Census Bureau plans to request a revision to the currently approved ABS collection to approve substantive changes, including updated content and the expansion to collect R&D data from tax-exempt businesses (otherwise known as nonprofit organizations) who are required

to complete IRS form 990, in order to compile national estimates of R&D performance within this sector. The ABS is designed to allow for incorporating new content each year based on topics of relevance. Each year new questions are submitted to the OMB for approval.

The Census Bureau also plans to request an extension to a currently approved emergency clearance to add supplemental questions about remote work to the 2020 ABS. The additional questions are designed to measure the impact of the Coronavirus pandemic on business operations and will provide a baseline of businesses' remote work activity. The emergency clearance is approved under OMB number 0607-1015 and expires November 30, 2020. The current emergency clearance will not cover the entire 2020 ABS collection period. Therefore, the Census Bureau requests an extension of the emergency approval through January 31, 2021. Similar questions will be included on future ABS collections as part of the proposed content and will be submitted to OMB for review annually.

The ABS collects the following information from employer businesses and nonprofit organizations:

- Owner characteristics, including sex, ethnicity, race, and veteran status from the principal owner(s) of the business
- Company information including, worldwide sales, domestic sales, number of employees, and business ownership from all businesses in the sample
- Business characteristics from all businesses in the sample
- Research and development from businesses with between 1 – 9 employees
- Research and development from nonprofit organizations

Additional topics on business owners may 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, disability, and owner's reason for owning the business. Additional topics on the businesses may include number of owners and percent ownership, family owned and operated, business aspirations, funding sources, profitability, types of customers, types of workers, employee benefits, franchise operations, work from home practices, and business activity. Potential module topics for the ABS may cover innovation, technology and Internet usage; management and business practices; exporting practices; domestic and foreign transactions; design; worker training; and financing.

II. Method of Collection

The ABS primary collection method is via an electronic instrument. 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. 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 nonrespondents reminding them to submit their report in the electronic instrument. Follow-up operations may also include a paper questionnaire to assist with collecting data from select nonrespondents. Response data will be processed as they are received. Upon the close of the collection period, data processing will continue and records will be edited, reviewed, tabulated, and released publicly.

III. Data

OMB Control Number: 0607-1004 and 0607-1015.

Form Number(s): ABS-1.

Type of Review: Regular submission, Request for a Revision of a Currently Approved Collection (ABS--0607-1004) and Request for an Extension, without Change, of a Currently Approved Collection (Supplemental questions--0607-1015).

Affected Public: Business or other for-profit organizations (large and small employer businesses), nonprofit organizations.

Estimated Number of Respondents: 300,000.

Estimated Time Per Response: ABS--52 minutes; Supplemental questions--3 minutes.

Estimated Total Annual Burden Hours: ABS--260,000; Supplemental questions--15,000.

Estimated Total Annual Cost to Public: \$0. (This is not the cost of respondents' time, but the indirect costs respondents may incur for such things as purchases of specialized software or hardware needed to report, or expenditures for accounting or records maintenance services required specifically by the collection.)

Respondent's Obligation: Mandatory.

Legal Authority: Title 13, United States Code, Sections 8(b), 131, and 182 and Title 42, United States Code, Section 1861-76 (National Science Foundation Act of 1950, as amended) authorize this collection. Sections 224 and 225 of Title 13, United States Code, require response from sampled firms.

IV. Request for Comments

We are soliciting public comments to permit the Department/Bureau to: (a) Evaluate whether the proposed information collection is necessary for the proper functions of the Department, including whether the information will have practical utility; (b) Evaluate the accuracy of our estimate of the time and cost burden for this proposed collection, including the validity of the methodology and assumptions used; (c) Evaluate ways to enhance the quality,

utility, and clarity of the information to be collected; and (d) Minimize the reporting burden on those who are to respond, including the use of automated collection techniques or other forms of information technology.

Comments that you submit in response to this notice are a matter of public record. We will include, or summarize, each comment in our request to OMB to approve this ICR. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you may ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Sheleen Dumas,

*Department PRA Clearance Officer, Office of the Chief Information Officer, Commerce
Department.*

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