

**SUPPORTING STATEMENT FOR FORM BE-120, BENCHMARK SURVEY OF
TRANSACTIONS IN SELECTED SERVICES AND INTANGIBLE ASSETS
WITH FOREIGN PERSONS**

SUMMARY

This request is for a reinstatement, with change, of the BE-20, Benchmark Survey of Selected Services Transactions with Unaffiliated Foreign Persons (OMB no. 0608-0058), a previously approved collection for which approval has expired. Because the survey is being reconfigured to reflect changes in BEA's survey program for international services that have occurred since the previous BE-20 survey was conducted, as well as to begin collection of data on transactions with affiliated foreigners using the same survey instruments as are used to collect information on transactions with unaffiliated foreigners, the agency form number and survey title will be changed. The agency form number will be changed to Form BE-120, and the survey title will be changed to Benchmark Survey of Transactions in Selected Services and Intangible Assets with Foreign Persons. The proposed BE-120 survey is intended to cover the universe of selected services transactions and transactions in intangible assets with foreign persons. In nonbenchmark years, universe estimates covering these transactions will be derived from the sample data reported on BEA's follow-on quarterly survey, by extrapolating forward the universe data collected on the BE-120 benchmark survey. Data from the BE-120 benchmark survey (and the follow-on quarterly survey) are needed to monitor trade in services and intangible assets; analyze their impact on the U.S. and foreign economies; compile and improve the U.S. international transactions, national income and product, and input-output accounts; support U.S. commercial policy on services and intangible assets; assess and promote U.S. competitiveness in international trade in services; and improve the ability of U.S. businesses to identify and evaluate market opportunities.

BEA maintains a continuing dialogue with respondents and with data users, including its own internal users through the Bureau's Source Data Improvement and Evaluation Program, to ensure that, as far as possible, the required data serve their intended purposes and are available from existing records, that instructions are clear, and that unreasonable burdens are not imposed. In designing the survey, BEA contacted Government and non-Government data users outside the Bureau and potential survey respondents to obtain their views on the proposed benchmark survey. In reaching decisions on what questions to include, BEA considered the Government's need for the data, the burden imposed on respondents, the quality of the likely responses (for example, whether the data are available on respondents' books), and BEA's experience in previous benchmark and related annual and quarterly surveys.

Major changes proposed by BEA from the previous (2001 BE-20) benchmark survey

are:

1. Include services transactions that were previously collected on two annual surveys that have been discontinued—the BE-47, Annual Survey of Construction, Engineering, Architectural, and Mining Services Provided by U.S. Firms to Unaffiliated Foreign Persons and the BE-93, Annual Survey of Royalties, License Fees, and Other Receipts and Payments for Intangible Rights Between U.S. and Unaffiliated Foreign Persons. BEA is currently collecting these transactions on the surveys—the BE-22, Annual Survey of Selected Services Transactions Between U.S. and Unaffiliated Foreign Persons and the BE-25, Quarterly Survey of Transactions between U.S. and Unaffiliated Foreign Persons in Selected Services and in Intangible Assets—for which the BE-120 survey is designed to provide benchmark coverage.
2. Include services transactions with affiliated parties (i.e., with foreign affiliates, foreign parents, and foreign affiliates of foreign parents). BEA is currently collecting these transactions on its quarterly direct investment surveys (the BE-577, Direct Transactions of U.S. Reporter with Foreign Affiliate, the BE-605, Transactions of U.S. Affiliate, except a U.S. Banking Affiliate, with Foreign Parent, and the BE-605 Bank, Transactions of U.S. Banking Affiliate with Foreign Parent). BEA proposes to remove quarterly collection of data on these affiliated services transactions from these surveys beginning with reports for the first quarter of calendar year 2007, and move them to a redesigned survey of transactions in selected services and in intangible assets (which will replace the current BE-22 and BE-25 surveys).
3. Raise the exemption level for reporting sales from \$1 million to \$2 million, and apply it to the sum of affiliated and unaffiliated transactions on a given type of service or intangible asset rather than to unaffiliated transactions alone. (The exemption level for purchases, for which transactions of given firms may often be smaller than sales, will remain at \$1 million.)
4. Combine several services into one “other selected services” category, which will also include any services not individually covered by the survey or available from other sources.
5. Eliminate schedules from the prior benchmark survey that collected additional detail on computer and data processing services; data base and other information services (receipts only); telecommunications services; financial services (payments only); and operational leasing services (receipts only) by individual country.

The survey, as proposed, is expected to result in the filing of reports by about 5,000 respondents. The total respondent burden of the survey is estimated at 60,000 hours (5,000 responses times 12 hours average burden). The burden for the BE-20 survey

that the BE-120 replaces had 13,200 burden hours when last conducted in 2001. However, the 2001 BE-20 currently has no burden hours in the inventory maintained by OMB, since the form expired in 2004. In addition, the data to be collected on the proposed BE-120 will include data that had been collected on Form BE-47, Annual Survey of Construction, Engineering, Architectural, and Mining Services Provided by U.S. Firms to Unaffiliated Foreign Persons (700 burden hours) and Form BE-93, Annual Survey of Royalties, License Fees, and Other Receipts and Payments for Intangible Rights Between U.S. and Unaffiliated Foreign Persons (2,520 burden hours). Finally, some of the burden for the BE-120 will be offset by the reductions in burden that will occur when the data on services and royalties and license fee transactions between affiliated parties are dropped from the direct investment surveys on which they now are collected (Forms BE-577, BE-605 and BE-605 Bank).

Supporting Statement for Form BE-120, Benchmark Survey of Transactions
in Selected Services and Intangible Assets with Foreign Persons

A. Justification

1. The BE-120, Benchmark Survey of Transactions in Selected Services and Intangible Assets with Foreign Persons, is required in order to obtain reliable, up-to-date, and detailed information on transactions between U.S. and foreign persons in selected services and in intangible assets. The survey is mandatory and is conducted under the International Investment and Trade in Services Survey Act (P.L. 94-472, 22 U.S.C. 3101 through 3108), hereinafter “the Act.”

Section 4(a) of the Act (22 U.S.C. 3103(a)) provides that:

“The President shall, to the extent he deems necessary and feasible --

- (1) conduct a regular data collection program to secure current information on international capital flows and other information related to international investment and trade in services, including (but not limited to) such information as may be necessary for computing and analyzing the United States balance of payments, the employment and taxes of United States parents and affiliates, and the international investment position of the United States;
- (2) conduct such studies and surveys as may be necessary to prepare reports in a timely manner on specific aspects of international investment and trade in services which may have significant implications for the economic welfare and national security of the United States; [and]
- (4) conduct (not more frequently than once every five years and in addition to any other surveys conducted pursuant to paragraphs (1) and (2)) benchmark surveys with respect to trade in services between unaffiliated United States persons and foreign persons;”

In Section 3 of Executive Order 11961, as amended by Executive Order 12518, the President delegated the responsibility for performing functions under the Act as concerns international trade in services to the Secretary of Commerce, who has redelegated it to the Bureau of Economic Analysis (BEA). Reports are mandatory under Section 5(b)(2) of the Act (22 U.S.C. 3104(b)(2)).

The implementing rules and regulations for the international services surveys conducted under the Act may be found in 15 CFR Part 801.

2. Data from the proposed BE-120 benchmark survey are needed to monitor U.S. exports and imports of selected services and intangible assets; analyze their impact on the U.S. and foreign economies; compile and improve the U.S. international transactions, national income and product, and input-output accounts; support U.S. commercial policy on services and intangible assets; assess and promote U.S. competitiveness in international trade in services; and improve the ability of U.S. businesses to identify and evaluate market opportunities. Some specific uses of the data to be collected are discussed in greater detail below.

(a) Compile and improve the U.S. international transactions, national income and product, and input-output accounts:

Data from the BE-120 survey will provide benchmarks for deriving current universe estimates of transactions in selected services and intangible assets from sample data collected in other BEA surveys in nonbenchmark years. In particular, they will serve as benchmarks for the quarterly and annual estimates of services transactions included in the international transactions and national income and product accounts (NIPA's) of the United States. The NIPA's track purchases and sales of goods and services by all industries in the economy. The survey data will provide accurate current dollar estimates of exports and imports of services, which will serve to improve the overall accuracy of the NIPA's.

The international transactions statistics, including those on transactions in selected services and intangible assets, are general purpose statistics that have a variety of important uses. For example, they are used as an analytical and predictive tool to, among other things, analyze and forecast international economic developments, such as foreign exchange rate changes and trade and investment flows. Increasing amounts of attention have recently been focused on these data sets, as public and policymaker interest in U.S. exports of intangible assets, U.S. imports of computer services, and similar data have grown in interest and relevance to the average American. They are also used by the U.S. Government and others as a basis for formulating, implementing, and evaluating U.S. international economic policies. Accurate and timely measurement of U.S. services transactions is important for these purposes, as sales and purchases of such services have grown rapidly and become quite large.

(b) Support U.S. commercial policy on services and transactions in intangible assets:

The U.S. Government pursues several services policy initiatives that, to be fully effective, require accurate and up-to-date data on trade in selected services and intangible assets. The Office of the U.S. Trade Representative, the United States International Trade Commission (USITC), and the International Trade

Administration (ITA) in the Department of Commerce are the primary Federal Government users of the data for this purpose.

For example, the Uruguay Round of trade negotiations produced an agreement, the General Agreement on Trade in Services (GATS), that liberalized market access rules and promoted more equal treatment of U.S. services providers. The proposed BE-120 benchmark survey data are needed to help measure gains, by individual foreign country, obtained in selected services and intangible assets. (As noted later, in its letter of comments on the proposed BE-120, the ITA wrote "the reality is that ITA and other federal trade policy and promotion agencies are totally dependent on BEA for data on services trade. There are no viable alternatives.") Similar needs arise with respect to the North American Free Trade Agreement among the United States, Canada, and Mexico, as well as various bilateral agreements. Finally, the data are needed to help gauge the effects of foreign economic developments on U.S. business interests abroad.

In addition to these uses by U.S. Government agencies, foreign governments and international organizations, such as the Organisation for Economic Co-operation and Development, Statistical Office of the European Communities, the United Nations, the World Trade Organization, and the International Monetary Fund, use BEA's services data in their analyses of international trade.

(c) Assess U.S. international competitiveness in services:

* USITC uses. -- The United States International Trade Commission includes BEA's data on international services transactions in reports to Congress that are used for assessing U.S. trade competitiveness and in setting and evaluating U.S. trade policies on services. The data from the proposed BE-120 benchmark survey are needed for these purposes.

* Export promotion program. -- The International Trade Administration in the Department of Commerce conducts a program to promote U.S. exports of goods and services to foreign countries. The detailed data from the proposed BE-120 benchmark survey can facilitate an effective and precisely targeted promotional program for exports of selected services and intangible assets. (See (b) for a fuller discussion of ITA uses.)

(d) Improve the ability of U.S. businesses to identify and evaluate foreign market opportunities:

Data collected in the proposed BE-120 benchmark survey can help U.S. companies gauge the extent to which they, collectively, have bought or sold, or can expect to buy or sell, selected services and intangible assets in international markets. The availability of these data will provide detail by individual foreign country that enables them to obtain a more accurate and complete picture of U.S. participation in specific foreign markets than would otherwise be possible.

3. BEA will offer an electronic filing option for use in reporting on the proposed Form BE-120, as an alternative to using paper forms. After the information has been entered, the electronic filing system directs the reporting company to transmit the data back to BEA via the Internet. The system employs state-of-the-art encryption security features to protect confidential information transmitted in electronic form. BEA offered the system to respondents when conducting the most recent services surveys; approximately 15 percent of the respondents used it to file reports.

Additionally, BEA will offer respondents the option to file using a pre-programmed spreadsheet format; on recent services surveys, approximately 15 percent of the respondents have used this method of filing their reports.

Finally, BEA places its survey forms, reporting instructions, and reporting requirements on its Internet web site (www.bea.gov), which provides an alternative and, for some, a more convenient way to access information about BEA's surveys. The survey data are published and analyzed in BEA's monthly journal, the Survey of Current Business. All of the data tabulated from the survey that are released to the public and analyses of the data, published in the Survey, are placed on BEA's web site.

4. Data on U.S. international transactions in selected services and in intangible assets are available only from surveys conducted by BEA. As a benchmark survey, the proposed BE-120 survey will provide comprehensive information on services for which data had been collected on a sample basis on a variety of quarterly surveys—specifically the BE-25, Quarterly Survey of Transactions Between U.S. and Unaffiliated Foreign Persons in Selected Services and in Intangible Assets, the BE-577, Direct Transactions of U.S. Reporter with Foreign Affiliate, the BE-605, Transactions of U.S. Affiliate, except a U.S. Bank Affiliate, with Foreign Parent, and the BE-605 Bank, Transactions of U.S. Bank Affiliate with Foreign Parent. (The data collected on the sample surveys will be moved to a new quarterly sample survey under BEA proposals. A separate clearance package will be filed pertaining to this survey.) The quarterly collection of data is required to provide timely indicators of quarterly movements in transactions, whereas the benchmark collection, conducted on a fiscal year basis after companies have closed their books for the year, is required as a check on these “real time” sample data and as a means of obtaining data falling below the reporting threshold and data on services that, in nonbenchmark years, had been reported on the BE-22 annual survey. (The BE-22 survey is not conducted in benchmark years, and BEA intends to discontinue this survey as a part of its plan to integrate the collection of transactions in most types of services into a single quarterly survey.) Finally, if data on a particular service were available from other sources, or if available data could be modified to meet informational needs, the service was not included on the BE-120.

The Census Bureau conducts economic surveys of establishments in services industries and includes on those surveys broad questions pertaining to revenues derived from sales to foreign persons. BEA has used the information reported to improve mailing lists for several of its surveys. In addition, at BEA's request, the Census Bureau will add a question to its 2006 Report of Organization survey to determine if the U.S. entity filing the report had any imports of services. The response to this question will help identify possible respondents for the BE-120 and its follow-on quarterly survey. These questions will not duplicate information collected on the proposed BE-120 benchmark survey, because no information is provided either by type of service or by country of foreign seller of the service.

5. The information collection excludes most small businesses from mandatory reporting. The proposed BE-120 benchmark survey will be required only from U.S. persons whose sales of covered services to foreign persons exceed \$2 million, or whose purchases of covered services from foreign persons exceed \$1 million, for fiscal year 2006. Thus, the exemption level will exclude most small businesses from mandatory reporting. Of those smaller businesses that must report, most will tend to have specialized operations and activities, so they will likely report only one type of transaction; therefore, the burden on them should be small. In addition, to reduce burden, respondents may provide estimates of their transactions with foreign persons where precise data cannot be obtained without undue burden.

6. This survey is intended to yield universe data for the services transactions covered. In nonbenchmark years, universe estimates covering these transactions will be derived from the sample data reported on BEA's follow-on quarterly survey, by extrapolating forward the universe data collected on the BE-120 benchmark survey.

This is a benchmark survey designed to yield universe data. The benchmark survey data are updated between benchmark years by means of quarterly sample surveys that are more limited in scope and coverage. A period beyond the normal benchmark interval of five years would require reliance on universe estimates linked to an aging base. The reliability of the estimates becomes increasingly questionable as the base ages. This problem is particularly serious during a period when trade in international services is growing rapidly in size, variety, and complexity, and as the geographic pattern of trade changes, due partly to the expansion of trade with emerging economies such as China and India. Conducting the survey less frequently would also reduce the timeliness of the detailed information, collected only in benchmark surveys, that is needed for policymaking purposes.

For example, the quality and accuracy of the quarterly and annual international transactions, national income and product, and input-output accounts would suffer if the survey were conducted less frequently than once every five years. Also, the estimates of transactions in individual services cross-classified by

individual foreign country that are needed for trade policy and other purposes would be seriously impaired if the survey were collected less frequently than once every five years.

7. No aspects of the proposed BE-120 information collection require a special justification.

8. This submission supports a proposed rulemaking, which will solicit comments on this survey. In March 2006, in an effort to solicit feedback from respondents, BEA sent letters and prototypes of the proposed survey to a number of large potential survey respondents, Government user agencies, and non-Government data users. BEA received 7 responses to these letters—4 from potential respondents, 2 from Government agencies, and 1 from a non-Government data user. These are summarized below for each category.

Potential respondents: One potential respondent simply acknowledged having reviewed the draft form and indicated that it “currently [did] not have any questions or comments in regards to the new format.” A second respondent expressed the view that the proposed changes to the BE-120 (together with other planned changes that would integrate the collection of data on affiliated and unaffiliated transactions) would “reduce the reporting burden . . . and reduce the duplicate filings of some data.” A third respondent indicated that the information to be collected “looks very similar to what we are already reporting on the BE-25 and should not be much of a burden on [the company]. Additionally, I appreciate the efforts to consolidate reporting in the area of transactions with foreign affiliates and see much value in consolidating these type[s] of requests.” A fourth respondent raised questions about relationships between questions on the proposed survey and questions on existing surveys, and requested a chart providing a cross-walk between the two. BEA provided such a chart to the respondent, and it plans to include the chart (updated as appropriate) in the mailout of survey forms to respondents when it conducts the survey. This respondent also expressed concerns about changes in numbering schemes for services codes on the various surveys, indicating that it was helpful to the respondents if these could be consistent and stable over time. Because of the significance of the changes being introduced with the proposed BE-120 survey, it will not be possible for BEA to maintain the code numbers used on the existing surveys, but on the follow-on survey, it plans to maintain the code numbers introduced on the BE-120 survey.

Government agencies: BEA received comments on the proposed survey from two Government agencies—the U.S. International Trade Commission (USITC) and the International Trade Administration of the Department of Commerce.

The USITC wrote that the “intended changes will serve to produce more up-to-date information on cross-border services trade as this information is critical to the research and trade policy support functions performed by the Commission for

the President and Congress.” The letter contained no substantive criticism of the new survey methods BEA intends to implement. However, it suggested that “the presentation of the data for telecommunications services, financial services, and architecture/engineering services be as disaggregated as possible and that BEA add or expand its coverage of energy services (electricity and gas transmission and distribution), logistics services (supply chain consulting and transportation management), and environmental services (remediation; air, noise, and water pollution abatement services; and solid and hazardous waste treatment services).”

BEA’s response to these comments indicated that the overall level of detail that could be provided from the survey results would be similar to that provided in the past, with more detail being available on affiliated transactions and on total transactions. It noted, however, that to balance the needs of data users with concerns about respondent burden and its own processing resources, the proposal eliminated a small amount of detail on unaffiliated transactions for some very small services and for detailed sub-types of services. It also noted that the overall scope of the survey had been expanded through the inclusion, for the first time, of a residual category for types of services that are not reported elsewhere to BEA and are not available from other sources.

The International Trade Administration of the Department of Commerce wrote that it concurred “with many of the proposed changes—especially those that would boost sector detail for affiliate trade and broaden coverage of service transactions between non-affiliates.” However, it “oppose[d] eliminating product subcategory detail previously collected on the BE-20 survey, and . . . recommend[ed] against raising the reporting exemption level for service sales from \$1 million to \$2 million.” Finally, it expressed sensitivity to the issues of reporting burden and processing costs.

BEA staff met with ITA staff to discuss the proposed raising of the exemption level for sales of services and eliminating the product subcategory previously collected on the BE-20. The result of the meeting was that ITA agreed upon the exemption level increase for sales of services. In regard to product subcategory detail, BEA agreed to collect limited additional detail, not broken down by country, for computer and data processing services, for both receipts and payments. BEA and ITA agreed that additional detail for the other services would not be collected in this survey, but the possibility of collecting added detail on some future survey was kept open.

Data user: A private researcher with extensive experience in the use of BEA data on U.S. international trade in services wrote that “as a comprehensive benchmark survey of affiliated and unaffiliated services and intangibles, and various geographic regions this proposed BE-120 is far superior to existing surveys.” The researcher expressed a concern that setting a higher reporting threshold for sales than for purchases might bias the results in favor of

purchases relative to sales, raised questions about how the proposed survey would map into data on cross-border trade in services and into the direct investment data, and asked a question about BEA's methods for developing its sample frames.

In its response, BEA noted that its proposal to use a higher reporting threshold for sales than for purchases is a feature of existing surveys, which BEA adopted because, average sales by firms with sales of a given service typically are larger than average purchases by firms with purchases of that same service. In addition, it noted that respondents who claim exemption will be required, in certifying their exemption, to indicate the total value of their sales and purchases of covered services. These amounts will be distributed by country and type of service based on the distribution of transactions that are reported. Therefore, survey results for both sales and purchases will reflect an estimate of the entire universe of transactions in covered services. In response to the question about the mapping between the benchmark survey data and other data sets, including the data on services delivered through affiliates of multinational companies (MNC's), BEA explained the distinctions that it employs to differentiate between cross-border services transactions and sales through affiliates, the latter being covered through separate surveys of MNC operations rather than in the surveys of cross-border trade. Regarding the development of sample frames, BEA indicated that its mailing list has been built up over the 20-year life of this survey program from a variety of sources, including lists purchased from business information services, trade association information, leads found in the business press, and, at times, information obtained from the Census Bureau.

In addition to the outreach efforts detailed above, BEA maintains a continuing dialogue with respondents and with data users, including its own internal users through the Bureau's Source Data Improvement and Evaluation Program, to ensure that, as far as possible, the required data serve their intended purposes and are available from existing records, that instructions are clear, and that unreasonable burdens are not imposed.

9. No payments or gifts to respondents are made.

10. Section 5(c) of the Act (22 U.S.C., 3104) provides that the information collected may be used only for analytical and statistical purposes and access to the information shall be available only to officials and employees (including consultants and contractors and their employees) of agencies designated by the President to perform functions under the Act. The President may authorize the exchange of the information between agencies or officials designated to perform functions under the Act, but only for analytical and statistical purposes. No official or employee (including consultants and contractors and their employees) shall publish or make available any information collected under the Act in such a manner that the person to whom the information relates can be specifically identified. Reports and copies of reports prepared pursuant to the Act are

confidential, and their submission or disclosure shall not be compelled by any person without prior written permission of the person filing the report and the customer of such person where the information supplied is identifiable as being derived from the records of such customer.

11. No questions of a sensitive nature are asked.

12. The BE-120 survey as proposed is expected to result in the filing of approximately 5,000 reports. The average burden for completing the proposed survey is estimated at 12 hours, and so the estimated total respondent burden is 60,000 hours (5,000 responses times 12 hours average burden). This covers the amount of time for respondents to review the instructions, search existing data sources, gather and maintain the data needed, and complete and review the collection of information.

Of the 5,000 reports BEA expects to receive, approximately 4,850 will be filed by for-profit entities, 100 will be filed by not-for-profit entities, and 50 will be filed by State, Local and Tribal Governments. Thus, the estimated burden for the for-profit entities is 58,200 hours (4,850 responses times 12 hours average burden); the estimated burden for the not-for-profit entities is 1,200 hours (100 responses times 12 hours average burden); and the estimated burden for the State, Local and Tribal Governments is 600 hours (50 responses time 12 hours average burden).

The proposed BE-120 benchmark survey will be conducted once every five years and will be required from U.S. persons whose sales to foreign persons in any of the types of services or intangible assets listed on the proposed form exceeded \$2 million for their 2006 fiscal year, or whose purchases from foreign persons in any of the types of services or intangible assets listed on the proposed form exceeded \$1 million for their 2006 fiscal year.

Respondents that fall below the proposed reporting threshold account for a small share of transactions in the types of services to be covered on the BE-120 survey. BEA will estimate data for those companies that fall below the exemption level. The estimates will be based on prior reports, voluntarily provided data, and data provided in the exemption claims. BEA will allocate these amounts by country and by type of transaction for inclusion in the published totals. Thus, the estimates will cover the universe of transactions.

The actual burden will vary from reporter to reporter, depending upon the number and size of their transactions and the ease of assembling the data. In addition, the increase in burden will be moderated by the increase in the exemption level for sales of the services and intangible assets covered by the survey to \$2 million from \$1 million, the combination of several services into one "other selected services" category, and the elimination of schedules from the prior benchmark survey that collected additional detail on computer and data processing services;

data base and other information services (receipts only); telecommunications services; financial services (payments only); and operational leasing services (receipts only).

BEA believes its proposal reflects a reasonable balance between the needs of data users for complete, accurate, detailed, and timely data, and the concerns of respondents about the burden imposed.

The estimated cost to the public is \$2,400,000, based on an estimated reporting burden of 60,000 hours and an estimated hourly cost of \$40.

13. Other than respondent costs associated with the 60,000 hours of estimated annual reporting burden (see item 12), the total additional cost burden to respondents is expected to be minimal. Total capital start-up costs are insignificant, because new technology or capital equipment would not be needed to prepare responses to the survey. As a consequence, the total cost of operating and maintaining the technology and capital equipment will also be insignificant. Purchases of services to complete the information collection are also expected to be insignificant.

14. The annual project cost to the Federal Government for this survey is estimated at \$735,000, which consists of \$585,000 for salaries and related overhead and \$150,000 for equipment, supplies, form design, mailing, printing, and computer processing.

15. This request is for reinstatement, with change, of a previously approved collection for which approval has expired. Currently, there are no burden hours for the proposed BE-120 benchmark survey in the inventory maintained by the Office of Management and Budget.

The estimated burden for the 2006 BE-120 benchmark survey of 60,000 hours (5,000 respondents times 12 hours average burden) is higher than the burden estimate of 13,200 hours for the previous (2001) benchmark survey. The increase in burden is a result of several factors—more U.S. persons with transactions in international services, the inclusion of transactions with affiliated foreign persons, and the coverage of transactions in intangible assets and in construction and related services. The increase in burden has been moderated by the increase in the exemption level for sales of the services and intangible assets covered by the survey to \$2 million from \$1 million, the combination of several services into one “other selected services category,” and the elimination of schedules from the prior benchmark survey that collected additional detail on computer and data processing services; data base and other information services (receipts only); telecommunications services; financial services (payments only); and operational leasing services (receipts only).

The number of respondents to the survey is estimated to increase to 5,000 from

1,100, thus increasing the burden associated with the proposed survey. The reason for the expected increase in the number of respondents is the combined result of growth in the number of U.S. entities with transactions in international services, the inclusion of transactions with affiliated foreigners, and the coverage of transactions in intangible assets and in construction and related services (which, as noted earlier, previously were covered by separate surveys but are now collected on the quarterly survey for which the BE-120 survey will serve as the benchmark).

16. Estimates based upon the data obtained are published in articles in BEA's monthly journal, the Survey of Current Business and in news releases; the articles and news releases are placed on BEA's web site (www.bea.gov). More detailed data may be made available to users upon request; these, too are placed on BEA's web site.

The survey forms will be mailed to respondents in January 2007. Responses will be due March 31, 2007. Preliminary estimates will be released in June 2007 as part of a press release on the U.S. international transactions accounts. Additional details will appear in the July 2007 issue of the Survey of Current Business and will be placed on BEA's web site. Detailed annual estimates will be included in an article on U.S. international services published each year, usually in the October issue of the Survey. The Survey is available on BEA's web site.

17. The OMB expiration date will be displayed on the form.

18. The proposed BE-120 collection is consistent with the certification in all respects.