

**SUPPORTING STATEMENT
U.S. Department of Commerce
International Trade Administration
Survey of International Air Travelers
OMB CONTROL NO. 0625-0227**

A. JUSTIFICATION

1. Explain the circumstances that make the collection of information necessary.

This supporting statement is to request an extension of OMB Control No. 0625-0227.

The Office of Travel and Tourism Industries (OTTI) is within the U.S. Department of Commerce (DOC), International Trade Administration (ITA), Manufacturing and Services (MAS), Services Sector. The results of OTTI efforts support the goals and mission of DOC and mandates making the *Survey of International Air Travelers* (SIAT) research program collections necessary.

The collection enables OTTI to identify and analyze international travel trends, for either internal or external planning purposes. OTTI is actively seeking to provide leadership in international travel and tourism development activities by other public and private organizations of the U.S. travel industry. The data generated by this survey program, which has a high degree of reliability, validity, accuracy and precision, is required to facilitate and guide the development of the international travel market.

The data from the SIAT program supports the purpose and mission of ITA. ITA's mission is: "To create prosperity by strengthening the competitiveness of U.S. industry, promoting trade and investment, and ensuring fair trade and compliance with trade laws and agreements." This mission is girded by an overarching vision: "To foster economic growth through global trade." The data obtained in the SIAT assists ITA in completing one of its mission-focused goals – "To enhance U.S. competitiveness in domestic and international markets."

In 2007, international travel and passenger fares generated \$122.3 billion in exports, positioning travel and tourism as the single largest services export for the United States. More importantly, international travel exports are a surplus industry, registering a surplus of \$17.6 billion in 2007, an increase of 116 percent over the 2006 surplus of \$8.2 billion.

Interagency agreement with BEA. The SIAT research program is the sole source of travel and passenger fare export and import data used by the DOC's Bureau of Economic Analysis (BEA) to estimate the travel balance of trade and to configure the travel and tourism satellite accounts.

The SIAT is this country's performance measure for international travel and passenger fare exports and imports, nationally and by country. OTTI provides the BEA data on exports and imports for this country, and focuses on international travel's contribution to the economy. To track U.S. economic performance and competitiveness, this country will require the continuation

of the SIAT. (Note: BEA is pursuing a study to determine the feasibility of estimating export data from the collection of credit card information from the major vendors. We encourage this study since it will provide a source that can independently validate the SIAT estimates, in part. It should be noted, however, that only 49% of trip expenses for non-resident overseas travelers to the U.S. in 2007 were made by credit cards. Also, most travelers use a mixture of payment methods (credit, debit, cash, and traveler checks) which challenges the notion that a complete travel itinerary can be imputed by credit card activity alone.

The Survey of International Air Travelers (SIAT) Research Program Supports U.S. Travel and Tourism Marketing Campaigns and Policy Initiatives

Congressional appropriations funded two international marketing campaigns, promoting the U.S. as a destination in the United Kingdom and Japan.

http://tinet.ita.doc.gov/about/us_promo_campaign/index.html

The U.S. DOC signed a memorandum of understanding with the government of the People's Republic of China on December 11, 2007

http://www.commerce.gov/NewsRoom/PressReleases_FactSheets/PROD01_004918

<http://www.tinet.ita.doc.gov/pdf/MOU.pdf>

The SIAT contributed significantly in the development of these promotional and policy initiatives.

2. Explain how, by whom, how frequently, and for what purpose the information will be used. If the information collected will be disseminated to the public or used to support information that will be disseminated to the public, then explain how the collection complies with all applicable Information Quality Guidelines.

The collected information is used by numerous public (including governments) and private stakeholders. Although the SIAT data is collected monthly in order to properly reflect seasonality of travel, the processed data is issued quarterly and annually. Both data tables (containing details) and aggregate level data are used continuously either from the printed guides and/or the OTTI website. The metrics provide stakeholders with performance data on international (overseas and Mexican) travelers to and from the U.S. including, true origin-destination, traveler characteristics, trip planning, demographics and spending data.

OTTI usage of SIAT Data:

OTTI management uses SIAT data to prepare scheduled and ad hoc briefings for the Secretary of Commerce, the Under Secretary (ITA), the Assistant Secretary (MAS) and the Deputy Assistant Secretary (Services) and members of the Travel & Tourism Advisory Board. Many of the briefings are in preparation for Congressional committee meetings and inquiries from the Congressional Budget Office.

Examples of SIAT data can be seen, printed and downloaded from our web site <<http://tinet.ita.doc.gov>>. Examples of SIAT data on the web can be found in the “Latest Inbound and Outbound Statistics” areas, and in the “Research Programs” icon. A listing of OTTI programs is provided including the SIAT program.

The SIAT is the largest research program for OTTI and the data obtained serves as a cornerstone for many other reports and programs. OTTI issues quarterly and annual summary reports on **Overseas Travelers to the United States, U.S. Residents to Overseas Destinations, U.S. Air Travel to Mexico**, and 11 non-resident inbound country reports. The 11 country reports are for Australia, Brazil, France, Germany, Italy, Japan, Mexico, Netherlands, South Korea, United Kingdom, and Venezuela. OTTI also obtains a report on the **Top Cities and Top States for Overseas Travelers to the United States**. Customized reports are also developed for and subscribed to by the public. These reports are available in print and/or Excel.

Data from SIAT reports and the SIAT data base are also used for the **Outlook for International Travel to and from the United States** and the **Impact of International Visitor Spending on State Economies**, OTTI research reports and/or programs. The Impact study, which is now published by the private sector, details the annual distribution and economic impact (employment, payroll, business receipts, and tax revenues) of spending by foreign visitors. It also provides national, regional and state totals for each of the categories listed above. Finally, it provides information on the different types of expenditures that were incurred by international travelers by industry sectors in the country and regions of the country. This report is the only comparable source of information for the states with this type of data.

SIAT program data are used for OTTI presentations and handout materials given to states, cities, travel industry association meetings and travel trade shows, for example, the Travel Industry Association (TIA) POW WOW trade show, the Travel Outlook Forum, and La Cumbre Latin travel trade show. OTTI provides very detailed characteristics of international travelers to the industry in these and other presentations.

OTTI also responds to industry requests for research information by attending specific industry group meetings (i.e., National Tour Association and the American Hotel & Motel Association, etc.) and regional or state/city marketing conferences and seminars. OTTI provides the survey research data to the attendees through presentations and handout materials. These materials detail the international travelers’ characteristics specific to their USA travel industry, region or area. Other presentations delivered in FY2008 included Gulf Coast Recovery, American Indian Conference, Africa Tourism, Visit USA committees, Go West Summit, Shop America, World Travel Monitor Forum, Travel and Tourism Research Association and to the Air Transport Association..

SIAT is the only source of information available to provide comparable estimates of overseas and Mexican air travel for 18 states/territories and 19 cities within the United States. OTTI develops summary sheets on overseas visitation to states and cities from the SIAT. See OTTI’s website state estimates at:

http://www.tinet.ita.doc.gov/outreachpages/download_data_table/2007_States_and_Cities.pdf

Following is a list of travel industry groups and Federal agencies, other than Commerce that utilize SIAT data:

Federal Agencies

Department of Homeland Security, U.S. Department of Transportation, Bureau of Labor Statistics and the National Park Service/Interior.

Travel Industry Groups

Participating airlines and airport authorities.

Other public and private sector users

Small and medium-sized enterprises (SME's).

An analysis of subscribers to the SIAT reports, or those accessing OTTI's website was developed for this clearance package. The major users of the research data are: regional, state and city tourism agencies, consulting firms/advertising firms, hotel chains, magazines, trade associations, attractions, rental car companies, communication companies (AT&T and Sprint), foreign national tourism offices, travel cards/credit card companies, travel agents and tour operators. Besides the users mentioned above, the following industry groups have also purchased reports: international airlines not participating in the survey, and universities.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological techniques or other forms of information technology.

Presently, the SIAT is in paper form only.

OTTI and their contractor are embarking on an electronic collection project, which may cover up to 15 percent of our total scheduled collections for CY2008. This involves an electronic version of the questionnaire, which is distributed through several of the large booking engines, a/k/a computer reservation systems (CRS/DRS), i.e. Worldspan, Galileo, Orbitz, Priceline and '.com' internet sites from several large international carriers. Should this – or several other options being considered - effort, be successful it is our intent to expand electronic collection to cover most, if not all, of the survey sample.

4. Describe efforts to identify duplication.

OTTI reviewed the components of many private sector and U.S. Government data sources that were closely related to the SIAT program. It was found there would be no duplication of OTTI

efforts and all data sources were found to be deficient for OTTI needs because of their limited scope.

Although other travel surveys have similar basic questions about the traveler (e.g., age, gender, purpose of trip), there is no existing national survey that gathers the same information in terms of content, scope, and periodicity.

5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize burden.

Not Applicable.

6. Describe the consequences to the Federal program or policy activities if the collection is not conducted or is conducted less frequently.

Collection of the SIAT data on a less frequent basis (less than monthly) would impede the purpose and accuracy of the statistics generated from this program. There are significant seasonality differences in the characteristics of international travelers. Like all travel, certain areas are more popular during different times of the year. There are also significant variances among the different countries that make up the international travel market. To maintain a representative sample of all overseas and Mexican travelers, the current collection process must be maintained.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

The collection will not be conducted in a manner consistent with the Paperwork Reduction Act guidelines because the information needs to be collected monthly instead of quarterly as required by OMB. This allows OTTI to meet the needs of other federal agencies and public stakeholders.

8. Provide a copy of the PRA Federal Register notice that solicited public comments on the information collection prior to this submission. Summarize the public comments received in response to that notice and describe the actions taken by the agency in response to those comments. Describe the efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

A Federal Register Notice (FRN) was published on August 12, 2008 (Vol. 73, pg. 46870). In response, one comment was received from the Bureau of Economic Analysis (BEA). The document is included as a part of this submission.

In summary, to the four questions asked in the FRN, BEA only responded to a) whether the proposed collection of information is necessary for the proper performance of functions of the agency, including whether the information shall have practical utility.

BEA strongly supports the continued collection of ITA's SIAT. The data collected on these forms are critical to key components of BEA's economic statistics. BEA is responsible for the preparation of the official estimates of the U.S. international and national economic accounts. These accounts include estimates of international travel and passenger fare receipts for which the SIAT is one of the most critical data sources for these estimates, and one for which there is no substitute.

Because of the vital importance of the SIAT to BEA's estimates, BEA has been contributing \$92,500 a year to help pay for the costs of administering and processing the survey.

Persons Consulted Outside this Agency:

OITT Staff consults with U.S. industry to assess the impact of proposed domestic and international regulatory policies that affect U.S. industry's competitiveness and the expansion of U.S. exports.

OTTI, through its presentations at conferences and industry meetings, regularly discusses the SIAT. Continuous efforts have been made by the staff to improve this program. Input from the private sector is constantly sought. Examples to consult outside this office include the following:

- OTTI issued a Request for Information (RFI) to the travel industry sectors on April 10, 2005, asking for responses regarding the 're-engineering' of the Survey Summary of responses: http://www.tinet.ita.doc.gov/pdf/USDOC_RFI_Summary.pdf Subsequently a Request for Proposals (RFP) was issued on March 10, 2006, soliciting bids with this advisement, "The survey methodology will use generally accepted primary research techniques and cost-effective state-of-the-art data collection methods." (page 13, Section C, Statement of Work). The new 5 year contract, based on full and open competition, was awarded on December 20, 2006 and will be in effect until June 30, 2012.
- The Travel Industry Association (TIA) annual Marketing Outlook Forum in October, from 2005 through 2008. OTTI staff met with the state travel researchers group each year to obtain feedback from the industry.
- The Travel and Tourism Research Association (TTRA) annual June meetings from 2005 through and 2008. Meetings with selected travel research representatives were conducted to learn how we can improve the program.
- OTTI is in continuous discussions with key participating airlines, both U.S. and foreign, regarding methodology and usefulness of data. This includes trade associations, Air Transport Association (ATA) and the International Air Transport Association (IATA).

- George Washington University, Graduate School of Business, Department of Tourism Administration conducted an independent study of OTTI clients in 2007. The final report is available for review. In addition, faculty members from the University of Missouri have indicated an interest in performing a study of the SIAT methodology. Preliminary discussions were held.

9. Explain any decisions to provide payments or gifts to respondents, other than remuneration of contractors or grantees.

Not applicable.

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation, or agency policy.

The confidentiality of a respondent is assured in the opening statement of the SIAT questionnaire. Additionally, the names of respondents are not solicited or recorded. The seat number is not recorded which prevents any tracking of the respondent's identity.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

The current questionnaire asks questions about annual household income and travel expenditures and could be considered "sensitive." These questions are required by DOC (OTTI and BEA) to analyze international money flows from travel and tourism for the configuration of the travel account and the balance-of-trade, expenditure patterns, and the socio-economic levels of travelers.

12. Provide an estimate in hours of the burden of the collection of information.

The SIAT is self administered, either on-board during the flight, or in the airport gate area. There are no capital requirements or start-up costs, and no maintenance or purchase of service costs associated with this program

The estimated number of respondents is 99,400 air travelers and estimated time to complete the survey is 15 minutes. Therefore, the estimated burden hours total is **24,850**.

13. Provide an estimate of the total annual cost burden to the respondents or record-keepers resulting from the collection (excluding the value of the burden hours in #12 above).

Not applicable.

14. Provide estimates of annualized cost to the Federal government.

Cost of contractor services and/or other reimbursements to individuals or organizations:

The estimated CY2008 cost to the federal government is: \$1.67 million. The method used to estimate this cost includes the amount paid to the contractor to run this fixed price contract for the SIAT. In addition, the contractor must run the following base programs to support the SIAT: the DHS I-94 for non-resident arrivals to the United States (US), DHS I-92 for US residents traveling overseas and the Official Airline Guide (OAG) database to randomly select flights departing the United States. In addition, this amount includes the following labor estimate.

Cost of federal employee labor in contract management (contract officer representative/COR) plus monitoring, quality control and administration of collected information (this includes working with both the contractor and NOAA Procurement and NIST Payables):

45 percent (COR/staff in charge) and 20 percent, respectively of two staff members' salary and benefits of the project: **estimated \$80,000.**

Note: Data collection costs via airport gate intercept method are contained in contract costs with the major SIAT contractor (above). For the on-board method survey collection, 'costs' are in-kind contributions from the participating airlines, specifically from the airlines' airport managers who arrange to put the flight kits on the flights and mail completed kits back to the contractor. The flight attendants hand-out and collect completed surveys.

15. Explain the reasons for any program changes or adjustments.

There is an adjustment increase of 10 hours (from 24,840 to 24,850). The adjustment corrects miscalculation in previous submission.

16. For collections whose results will be published, outline the plans for tabulation and publication.

The following schedules reflect the survey's information collection and publications dates.

Tabulation and Publication Plans:

- a) Data to Participating Airlines and Airports: Each participating airline and airport will receive a set of inbound and outbound quarterly reports. These reports are also sold to the public. The airlines also receive their individual quarterly airline reports of passengers.
- b) Outputs for General Users: There are several separate annual statistical publications. One of these reports is United States residents' travel abroad to overseas destinations (excluding Canada and Mexico). Another report provides data on overseas visitors' travel to the United States. Both reports are designed to provide essential market information for users requiring an in-depth knowledge of the characteristics and travel patterns of international travelers. The reports contain data on the residence of travelers, the purpose of their trip, the port at which they enter and leave the country, the multiple destinations they visit, the length of stay, their type of lodging, as well as how much they spend on major items. Other useful marketing data include their use of travel agents in providing information and booking trips, other travel information sources, and domestic transportation selected. A breakdown of expenditures include data on tour packages, international airfares, lodging, transportation, food and beverage, entertainment, gifts, souvenirs and other purchases.

The design of the tabular formats for the published reports was initiated to include as many important market segmentations as feasible. The major variables shown appear on the horizontal axis of tables as column headings. They are cross tabulated with all relevant items from the survey. The various data elements from the questionnaire appear on the vertical axis, essentially providing profiles of each major market group represented by the column headings.

The annual 2007 inbound and outbound national report is sold for \$1,265 (print version) and \$3,235 (Excel files). Additionally, annual country reports for the eleven inbound country markets are sold (Australia, Brazil, France, Germany, Italy, Japan, Mexico, Netherlands, South Korea, United Kingdom, and Venezuela). The cost for an annual country report is \$585.00. The 2007 United States to Mexico report is sold for \$1,365. Custom reports are also developed and they start at \$1,325.

- c) Outputs for Special Users: The statistics produced from the SIAT can be tabulated and analyzed in a great variety of ways. No single standard published report or series of reports can meet all of the possible needs of outside users.

Therefore, through data-mining techniques customized reports from the data base are developed to assist users in obtaining the data they need. This type of report is becoming a popular option. (please refer to the section on data users).

Data files further enable serious data users to cross tabulate and combine data, on their own, in ways that are not published or available in the pre-programmed tabulation series. The data files are available in various electronic media and the cost is based upon the sample size of the data request.

BEA receives data files and reports produced from the data base as part of a negotiated cost reimbursable inter-agency agreement. The data is used by BEA to estimate this nation's travel balance of payments, contribution to the gross domestic product (GDP) and the Travel and Tourism Satellite Account (TTSA).

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why display would be inappropriate.

Not applicable. The expiration date is displayed on the front page of the questionnaire.

18. Explain each exception to the certification statement identified in Item 19 of the OMB 83-I.

The survey is being conducted in compliance with the Paperwork Reduction Act.