Supporting Statement
U.S. Department of Commerce
Bureau of Economic Analysis
Quarterly Survey of Ocean Freight Revenues and Foreign Expenses of United States Carriers (Form BE-30) and Quarterly Survey of U.S. Airline Operators' Foreign Revenues and Expenses (Form BE-37)
OMB Control Number 0608-0011

A. JUSTIFICATION

This request is to extend the Office of Management and Budget approval.

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

The Bureau of Economic Analysis (BEA) is responsible for the compilation of the U. S. International Transactions Accounts (ITAs), which it publishes quarterly in news releases, on its web site, and in its monthly journal, the Survey of Current Business. These accounts provide a comprehensive and detailed view of economic transactions between the United States and other countries. In addition, they provide input into other U.S. economic measures and accounts, contributing particularly to the National Income and Product Accounts. The ITAs are used extensively by both government and private organizations for national and international economic policy support and for analytical purposes.

The information collection, BE-30, Quarterly Survey of Ocean Freight Revenues and Foreign Expenses of United States Carriers; and BE-37, Quarterly Survey of U.S. Airline Operators' Foreign Revenues and Expenses, are necessary to develop the "transportation" portion of the ITAs. Without this information, an integral component of the ITAs would be omitted.

The BE-30 and BE-37 are mandatory surveys, conducted under the authority of the International Investment and Trade in Services Survey Act (P.L. 94-472, 22 U.S.C. 3101 through 3108), hereinafter "the Act." The survey requests that U.S. ocean and air carriers engaged in the transportation of goods and passengers to/from foreign ports or between foreign ports report their revenues, foreign port expenses, and leasing transactions. The information is collected on a quarterly basis from U.S. ocean and air carriers whose total annual covered revenues or total annual covered expenses are $500,000 or more. U.S. ocean and air carriers whose total annual covered revenues and total annual covered expenses are below $500,000 are exempt from reporting.

2. <u>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</u>.

BEA uses the data from the BE-30 and BE-37 surveys to prepare the "transportation" portion of the U.S. ITAs. BEA estimates the foreign revenues and expenditures of U.S. ocean and air carriers based on the revenues and expenses reported by U.S. ocean and air carriers on the BE-30 and BE-37 surveys. In addition to being used to develop the ITAs, these data provide input into other U.S. economic measures and accounts, contributing particularly to the National Income and Product Accounts. Finally, information from the survey is used by international organizations, such as the International Monetary Fund, various private organizations, and other government agencies.

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

All respondents have the option of filing the BE-9 survey using *eFile*, BEA's electronic filing system located on BEA's website (www.bea.gov). The *eFile* system makes use of fillable Adobe PDF forms that can be downloaded, completed, saved, and submitted securely to BEA .

For the BE-30, approximately 30 percent of respondents and for BE-37, approximately 47 percent of respondents file reports using the *eFile* system.

4. <u>Describe efforts to identify duplication</u>.

No other Government agency collects comprehensive quarterly data on U.S. ocean carriers' freight revenues and foreign expenses or U.S. airline operators' foreign revenues and expenses.

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

By their nature, most, if not all, U.S. ocean and air carriers are not small businesses. Nevertheless, a BE-30 or BE-37 report is not required from U.S. ocean and air carriers with total annual covered revenues and total annual covered expenses less than $500,000. In addition to providing this size-based exemption, BEA has attempted to keep respondent burden to a minimum by requesting only essential questions for which answers are available from existing books and records.

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

If the quarterly BE-30 and BE-37 surveys were not conducted or were conducted less frequently, the quality of the ITAs would be compromised.

Statistics on exports and imports of transportation services are published by BEA as part of the ITAs, which are compiled quarterly, in quarterly news releases, on its web site, and in its monthly journal, the Survey of Current Business. In addition, summary statistics are released monthly, approximately 45 days after the end of each month, in the joint BEA-Census Bureau news release on trade in goods and services. Therefore, the accuracy of the estimates would be seriously impaired if the collection were conducted less frequently. In addition, the objectives stated in Question 2 above could not be accomplished if the collection were conducted less frequently.

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

Not Applicable.

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.

This submission follows a public request for comments in the *Federal Register* (pages 15929-15930 of the April 8, 2009 issue). BEA received no comments in response to that notice.

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 the instructions are clear, and that unreasonable burdens are not imposed.

In reaching decisions on questions to include in any survey, BEA considers the Government's need for the data, the burden imposed on respondents, the likely quality of the responses (e.g., whether the data are readily available from respondents' books), and BEA's experience in designing surveys and collecting data.

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

No payments or gifts to the respondents are made.

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

BEA provides respondents with assurance that it will keep the reported data confidential. The following statement is taken directly from the reporting instructions for the survey. "**Confidentiality –** The Act provides that your report is CONFIDENTIAL and may be used only for analytical or statistical purposes. Without your prior written permission, the information filed in your report CANNOT be presented in a manner that allows it to be individually identified. Your report CANNOT be used for purposes of taxation, investigation, or regulation. Copies retained in your files are immune from legal process."

Sec.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 such person without the 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. 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.

No questions of a sensitive nature are asked.

12. Provide estimates of the hour burden of the collection of information.

The quarterly surveys are expected to result in the filing of approximately 54 reports per quarter (35 for BE-30, and 19 for BE-37), approximately 43 filed by respondents that would report mandatory data on the survey and 11 respondents that would not report data. The respondent burden for this collection of information is estimated to vary between one hour and five hours per response, with an average respondent burden of four hours. This estimate 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 information collection. Thus, the total annual respondent burden for this survey is estimated at 864 hours as shown in the RISC/OIRA Consolidated Information System (ROCIS).

54 responses x 4 hours = 216 hours x 4 quarters = 864 total burden hours

The actual burden will vary from respondent to respondent, depending upon the number and amounts of their transactions and the ease of assembling the data. The estimated annual cost to respondents is $34,560 based on the estimated reporting burden of 864 hours and the estimated hourly cost of $40.

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 Question 12 above).

Any additional annual labor cost burden to respondents is expected to be negligible. The total capital and start-up costs are insignificant because new technology or capital equipment would not be needed by respondents in order to prepare their 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. Provide estimates of annualized cost to the Federal government.

The estimated annual cost to the Federal Government is $40,000. The estimate includes salaries, overhead, computer processing, printing, and mailing.

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

The change in the estimate of burden, from 1,084 hours to 864 hours, is a decrease of 220 hours. The program change occurred when BEA lowered the average response burden for the BE-30 survey from 5 hours per response to 4 hours per response. The new average burden of 4 hours is based on an improved burden-hour estimation methodology that, unlike the method previously used, differentiates between the burden on respondents that file complete reports and those that file only claims for exemption (recognizing that the burden is much smaller for the latter than for the former). The adjustment is the result of the number of respondents filing the BE-30 survey decreased from 39 to 35.

The average burden level for the BE-37 is unchanged at 4 hours (for this survey, BEA does not expect any exemption claims).

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

The data from these surveys will be used to estimate international transportation services transactions by major world region and selected countries for the U.S. ITAs on a quarterly basis. These estimates will be published in BEA's monthly journal, the *Survey of Current Business*, and on BEA's web site (www.bea.gov). The data will also be used to provide the basis for the reflection of transportation transactions in monthly estimates of international services transactions, which are included in a joint BEA-Census Bureau news release on U.S. trade in goods and services.

Quarterly statistics developed from the survey results are released four times a year as part of the U.S. international transactions accounts approximately 75 days after the close of each quarter. Annual summations of the quarterly statistics are released approximately six months after the end of the year. An analysis of the quarterly statistics appears in the *Survey of Current Business* approximately 105 days after the end of each quarter. Detailed annual estimates are included in an article on U.S. international services published each year, usually in the October issue of the *Survey of Current Business*. The *Survey of Current Business* is available on BEA's web site as well as in hard copy.

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

The OMB expiration date will be displayed on the forms.

18. <u>Explain each exception to the certification statement</u>.

Not Applicable.