

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

A. JUSTIFICATION

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

The Bureau of Economic Analysis (BEA) produces the International Transactions Accounts (ITAs) of the United States. 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 (NIPAs). The ITAs are used extensively by both government and private organizations for national and international economic policy support and for analytical purposes. The information collected on these surveys is included in the other transportation account in the ITAs.

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." They are the subject of this supporting statement.

The BE-30 survey requests that U.S. ocean freight carriers (owners and operators) report (a) revenue on cargo outbound from U.S. ports and the associated shipping weight; (b) revenue on cargo inbound into the United States and the associated shipping weight; (c) revenue on cross-trade cargoes; (d) charter hire (with crew) and space leasing revenues from foreign residents; (e) expenses in foreign countries; and (f) charter hire (with crew) and space leasing payments to foreign residents. The information is collected on a quarterly basis from U.S. ocean freight carriers (owners and operators) whose total annual covered revenues or total annual covered expenses incurred outside the United States are \$500,000 or more. A report is not required from U.S. ocean freight carriers whose total annual covered revenues and total annual covered expenses are below \$500,000.

The BE-37 survey requests that U.S. airline operators report (a) revenue derived from carriage of export freight and express from the United States to points outside the United States; (b) revenue derived from carriage of freight and express originating from, and destined to, points outside the United States; (c) revenue derived from transporting passengers originating from, and destined to, points outside the United States; (d) revenue from transporting passengers to and from the United States and the associated number of passengers; (e) interline settlement receipts from foreign airline operators; (f) expenses incurred outside the United States for fuel and oil, station and maintenance bases, wages,

and other goods and services purchased abroad [except aircraft (without crew) leasing expenses]; (g) aircraft (with crew) leasing expenses; and (h) interline settlement payments to foreign airline operators. The information is collected on a quarterly basis from U.S. airline operators whose total annual covered revenues or total annual covered expenses incurred outside the United States are \$500,000 or more. A report is not required from U.S. airline operators whose total annual covered revenues and total annual covered expenses are below \$500,000.

2. Indicate how, by whom, and for what purpose the information is to be used.

The information will be used by BEA in estimating the transportation portion of the U.S. ITAs. For each country and region, BEA will estimate the foreign revenues and expenses of U.S. ocean freight carriers and U.S. airline operators based on the revenues and expenses reported by U.S. persons covered by the surveys.

Data from the survey are needed to (a) monitor U.S. exports and imports of transactions in transportation services; (b) analyze their impact on the U.S. and foreign economies; (c) compile and improve the U.S. international transactions, national income and product, and input-output accounts; (d) support U.S. international trade policy; (e) assess and promote U.S. competitiveness in international trade; and (f) improve the ability of U.S. businesses to identify and evaluate market opportunities.

The Section 515 Information Quality Guidelines apply to this information. The information is collected according to documented procedures in a manner that reflects standard practices accepted by the relevant economic/statistical communities. BEA conducts a thorough review of the survey input data using sound statistical techniques to ensure the data quality before the final estimates are released. The data are collected and reviewed according to documented procedures including the use of check lists, procedures manuals, and on-going review by the appropriate supervisor or team leader. The quality of the data are validated using computerized edit checks to detect potential errors and to otherwise ensure that the data are accurate, reliable, and relevant for the estimates being made. Data are routinely revised as more complete source data become available. The collection and use of this information complies with all applicable information quality guidelines, i.e., OMB, Department of Commerce, and those of the Bureau of Economic Analysis.

3. 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.

BEA's electronic filing system, eFile, has been used successfully for many of BEA's surveys. The eFile system makes use of fillable Adobe PDF forms that can be downloaded, completed, saved, and submitted securely to BEA. The BE-30 and BE-37 surveys will use eFile or a similar system for electronic data submission. Based on prior quarterly responses, BEA expects that approximately 90 percent of the respondents will

use eFile when filing the BE-30 survey, and that approximately 80 percent of respondents will use eFile when filing the BE-37 survey.

4. Describe efforts to identify duplication.

Data on foreign revenues and expenses of U.S. ocean freight carriers and U.S. airline carriers are only available from surveys conducted by BEA. The quarterly collection of data is required to provide timely indicators of quarterly movements in transactions.

The Census Bureau conducts economics surveys of establishments in services industries and includes on those surveys broad questions pertaining to revenues derived from sales to foreign persons. These surveys do not identify the type of service or the country of the foreign customer, both of which are required by the ITAs.

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

The information collection excludes most small businesses from mandatory reporting. A BE-30 quarterly survey will not be required from U.S. ocean freight carriers if the total covered revenues and total covered expenses were each less than \$500,000 during the previous year, or are expected to be less than \$500,000 during the current year. A BE-37 quarterly survey will not be required from U.S. airline operators if the total covered revenues and total covered expenses were each less than \$500,000 during the previous year, or are expected to be less than \$500,000 during the current year. Thus, the exemption levels will exclude most small U.S. businesses from mandatory reporting. To further reduce burden, respondents may provide estimates of their transactions where precise data cannot be obtained without undue burden.

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

The data are needed on a quarterly basis in order to adequately monitor U.S. international trade in transportation services, especially in the current economic environment, when such trade is changing rapidly in size, variety, and complexity. Statistics on exports and imports of transportation services are published by BEA as part of the ITAs and NIPAs, which are compiled quarterly. In addition to these quarterly estimates, monthly estimates must be prepared from these data for inclusion in the joint BEA-Census Bureau monthly news release on trade in goods and services. The quality of all these estimates would be seriously impaired if the data were collected less frequently. Quarterly surveys also provide more accurate current information on U.S. trade in transportation services for use in connection with trade policy and promotion and for other economic uses.

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

No aspects of the Quarterly Survey of Ocean Freight Revenues and Foreign Expenses of United States Carriers (Form BE-30) or Quarterly Survey of U.S. Airline Operators' Foreign Revenues and Expenses (Form BE-37) require special justification.

8. Provide citation information for 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 on July 13, 2012 (Vol. 77, pages 41372-41373). One comment was received as follows: "Surveys should be done on line using internet. See no reason to continue to use mail. Believe us tax dollars can be saved by converting." BEA currently makes available to respondents an electronic filing system, eFile. The eFile system makes use of fillable Adobe PDF forms that can be downloaded, completed, saved, and submitted securely to BEA. The BE-30 and BE-37 surveys will use eFile or a similar system for electronic data submission.

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.

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.

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.

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.”

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 BE-30 survey as proposed is expected to result in the filing of approximately 32 reports per quarter (128 reports annually). BEA expects approximately 116 mandatory responses and 12 other responses- claims for exemption and voluntary responses. The average burden for completing the quarterly survey is estimated at 4 hours for companies filing mandatory data and one hour for other responses, resulting in an overall respondent burden of 476 hours (116 mandatory responses times 4 hours average burden plus 12 other responses times one hour). 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. The burden estimates used in this submission reflect BEA’s experience with the BE-30 survey form since 2004.

The BE-30 survey will be required from U.S. ocean freight carriers whose transactions in any one of the six categories below were \$500,000 or more in the prior year or are expected to equal or exceed that amount during the current year: 1) revenue on cargo outbound from U.S. ports and the associated shipping weight; 2) revenue on cargo inbound into the United States and the associated shipping weight; 3) revenue on cross-trade cargoes; 4) charter hire (with crew) and space leasing revenues from foreign residents; 5) expenses in foreign countries; and 6) charter hire (with crew) and space leasing payments to foreign residents.

The BE-37 survey as proposed is expected to result in the filing of approximately 23 reports per quarter (92 reports annually). BEA expects approximately 56 mandatory responses and 36 other responses- claims for exemption and voluntary responses. The average burden for completing the quarterly survey is estimated at 4 hours for companies filing mandatory data and one hour for other responses, resulting in an overall respondent burden of 260 hours (56 mandatory responses times 4 hours average burden plus 36 other responses times one hour). 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. The burden estimates used in this submission reflect BEA's experience with the BE-37 survey form since 2004.

The BE-37 survey will be required from U.S. airline operators whose transactions in any one of the categories below were \$500,000 or more in the prior year or are expected to equal or exceed that amount during the current year: 1) revenue derived from carriage of export freight and express from the United States to points outside the United States; 2) revenue derived from carriage of freight and express originating from, and destined to, points outside the United States; 3) revenue derived from transporting passengers originating from, and destined to, points outside the United States; 4) revenue from transporting passengers to and from the United States and the associated number of passengers; 5) interline settlement receipts from foreign airline operators; 6) expenses incurred outside the United States for fuel and oil, station and maintenance bases, wages, and other goods and services purchased abroad [except aircraft (without crew) leasing expenses]; 7) aircraft (with crew) leasing expenses; and 8) interline settlement payments to foreign airline operators.

The actual burden will vary from reporter to reporter, depending on the number and size of their transactions and the ease of assembling the data.

All 220 reports BEA expects to receive from both surveys will be completed by for-profit entities.

The estimated annual cost to the public is \$29,440 based on the estimated reporting burden of 736 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).

Other than respondent cost associated with the estimated burden of 736 hours (see A.12 above), the total additional annual cost burden to respondents is expected to be negligible. 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 annual project cost to the Federal Government for this survey is estimated at \$10,050, which consists of \$8,050 for salaries and related overhead and \$2,000 for equipment, supplies, form design, and computer processing.

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

This request is for an extension of a currently approved collection. The change in the estimate of burden, from 864 hours to 736 hours (in ROCIS 737), is a decrease of 127 hours. This change is shown as an adjustment and is because prior burden estimates did not account for smaller respondent burden for other than mandatory responses. The average burden for completing the quarterly survey is estimated at 4 hours for companies filing mandatory data and one hour for other responses, resulting in a total respondent burden of 736 hours (172 mandatory responses times 4 hours average burden plus 48 other responses times one hour). The average burden level for mandatory responses remains unchanged.

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

The data from this survey 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 reporting 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 75 days 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. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why display would be inappropriate.

The OMB expiration date will be displayed on the forms.

18. Explain each exception to the certification statement.

The quarterly survey of Ocean Freight Revenues and Foreign Expenses of United States Carriers (Form BE-30) and the quarterly survey of U.S. Airline Operators' Foreign Revenues and Expenses (Form BE-37) information collection are consistent with the certification in all respects.