

**Supporting Statement**  
**U.S. Department of Commerce**  
**Bureau of Economic Analysis**  
**Quarterly Survey of Foreign Airline Operators'**  
**Revenues and Expenses in the United States (Form BE-9)**  
**OMB Control Number: 0608-0068**

**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 services transactions accounts are contained within the current account of the ITAs and are divided into several major components. The information collected on this survey is used to derive the transport services component of the ITAs. Transport services is a major component of trade in services in the ITAs, accounting for 12.7 percent of U.S. exports of services and 19.7 percent of U.S. imports of services in 2014.

The proposed information collection, BE-9 Quarterly Survey of Foreign Airline Operators' Revenues and Expenses in the United States, is necessary to provide quarterly information on U.S. trade in transport services and to ensure the quality of the transport component of the ITAs.

The survey would be mandatory under the authority of the International Investment and Trade in Services Survey Act (P.L. 94-472, 22 U.S.C. 3101-08, as amended), hereinafter "the Act." It is the subject of this supporting statement. The BE-9 quarterly survey will be required from U.S. offices, agents, or other representatives of foreign airline operators that transport freight and express to or from the United States and whose total covered revenues or total covered expenses were \$5 million or more in the previous year or are expected to be \$5 million or more during the current year. The covered revenues are freight revenue on merchandise exported from or imported into the United States. The covered expenses include expenses incurred in the United States for (1) fuel and oil; (2) wages and salaries paid to employees in the United States; (3) agents' and brokers' fees and commissions for arrangement of freight and passenger transportation; (4) aircraft handling and terminal services, (5) aircraft (with crew) leasing expenses; and (6) all other expenses incurred in the United States except aircraft (without crew) leasing expenses. Respondents are also asked to report: (1) shipping weights on which freight revenues were earned; (2) the number of passengers transported to/from the United States; and (3) revenues associated with these passengers.

In Section 3 of Executive Order 11961, as amended by Executive Orders 12318 and 12518, the President delegated responsibility for performing functions under the Act concerning trade in services to the Secretary of Commerce, who has re-delegated it to the Bureau of Economic Analysis (BEA). The implementing regulations for the international services surveys conducted under the Act can be found in 15 CFR Part 801.

**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 transport services component of the U.S. ITAs. For each country and region, BEA will estimate cross-border revenues and expenses of foreign-operated air carriers in the United States based on the revenues and expenses reported by U.S. agents of foreign air carriers covered by the survey. The quarterly collection of data will provide timely indicators of quarterly movements in transactions. Some specific uses of the data to be collected are discussed in greater detail below.

(a) Compile and improve the U.S. economic accounts:

Data from the BE-9 survey will be used by BEA to estimate the transport services component of the U.S. ITAs, which also contribute to the NIPAs and the Input-Output Accounts.

(b) Support U.S. government policy on services trade:

Data from the proposed survey are also needed by the government to monitor U.S. exports and imports of transport services; analyze their impact on the U.S. and foreign economies; support U.S. international trade policy on transport services; and assess and promote U.S. competitiveness in international trade in services. In addition, they will improve the ability of U.S. businesses to identify and evaluate market opportunities.

The data are used by several U.S. government agencies including the Office of the U.S. Trade Representative, the International Trade Administration of the Commerce Department, the Departments of Treasury and State, the Council of Economic Advisers, and the Federal Reserve Board to support U.S. international economic policy. The data also help identify areas where U.S. trade in services may be restricted.

The United States is a signatory to regional and multilateral commercial agreements that cover trade in services. The data from this and related surveys provide information that can be used both during negotiations and as an aid in monitoring resulting agreements. For example, trade in services are covered both by the General Agreement on Trade in Services, which is the principal World Trade Organization agreement on trade in services, and by the North American Free Trade Agreement among the United States, Canada, and Mexico.

(c) Other government uses:

Several agencies, including the U.S. Commercial Service (Commerce) and the Export-Import Bank, facilitate U.S. trade by providing information and assistance to businesses. They use data from the quarterly survey for this purpose. They also use the data to examine the impact of trade in services on developing countries.

(d) Non-government uses:

International organizations and private researchers also use data from the quarterly survey in assessing the impact of U.S. trade in services on the U.S. and foreign economies. International organizations that regularly make use of BEA data on U.S. trade in services include the United Nations, International Monetary Fund, Organization for Economic Cooperation and Development, and World Bank. Numerous private researchers use the data; use by researchers affiliated with the National Bureau of Economic Research has been among the most extensive.

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 that the quality of the data is high before the final estimates are released. The data are collected and reviewed according to documented procedures and best practice standards along with on-going review by the appropriate supervisor. The quality of the data is validated using a battery of 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, e.g., those of the Department of Commerce, the Office of Management and Budget (OMB), and BEA.

**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 offers electronic filing through its eFile system for use in reporting the BE-9 quarterly survey form. The eFile system enables respondents to download the survey forms in PDF format for each reportable U.S. company, enter the required data, and submit the forms securely to BEA. BEA utilizes a secure messaging system, accessible through the eFile system, to ensure the confidentiality of correspondence with BE-9 respondents.

In addition, BEA provides links to all its survey forms and reporting instructions on its web site ([www.bea.gov](http://www.bea.gov)). Survey forms may be downloaded, printed, and submitted via fax or mail.

**4. Describe efforts to identify duplication.**

Data on foreign airline operators' revenues and expenses in the United States are available only from surveys conducted by BEA.

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. While these surveys do not identify the type of service or the country of the foreign customer, both of which are required by the ITAs, BEA has used information reported on Census surveys to expand the mailing lists for several of its surveys.

**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 U.S. agents of foreign airline operators from mandatory reporting. A BE-9 quarterly survey will not be required from U.S. agents of foreign carriers if the total covered revenues and total covered expenses incurred in the U.S. were each less than \$5 million during the previous year, or are each expected to be less than \$5 million during the current year. Thus, the exemption level will exclude most small U.S. agents from mandatory reporting.

To reduce reporting burden, respondents may provide estimates of their transactions when 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 to closely monitor U.S. international trade in transport services, especially in the current economic environment where such trade is changing rapidly in size, variety, and complexity. The quality and accuracy of the ITAs and the NIPAs, which are quarterly accounts, are improved by conducting quarterly surveys. In addition to quarterly statistics, monthly estimates must be derived from these data for inclusion in the joint BEA-Census Bureau monthly news release on trade in goods and services. The quality of the monthly estimates would also be diminished if the data were collected less frequently.

Quarterly surveys also provide more accurate and timely current information on U.S. trade in transport 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 Foreign Airline Operators' Revenues and Expenses in the United States require a special justification.

**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* September 3, 2015 (Vol. 80, page 53279-53280). No comments were received. 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, to the extent possible, that the required data serve their intended purposes, that the survey 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.**

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 can 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 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 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 survey, as proposed, is expected to result in the filing of approximately 45 reports on a quarterly basis or 180 per year. BEA expects approximately 44 to be filed each quarter by respondents that would report mandatory data on the survey and 1 filed by respondents that would file an exemption claim. The average burden for completing the survey with data is estimated at 6 hours and the average burden for other responses is 1 hour, resulting in an overall respondent burden of an estimated 1,060 hours.

$$\begin{aligned} 44 \times 4 \text{ (times per year)} &= 176 \times 6 \text{ hours per response} = 1,056 \text{ burden hours} \\ 1 \times 4 \text{ (times per year)} &= 4 \times 1 \text{ hour per response} = 4 \text{ burden hours} \end{aligned}$$

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 actual burden will vary from respondent to respondent depending on the number and amounts of their transactions and the ease of assembling the data. The estimated cost to the public is \$42,400, based on an estimated reporting burden of 1,060 hours and 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 #12 above).**

Other than respondent cost associated with the estimated burden of 1,060 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 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 \$11,400, which consists of \$9,200 for salaries and related overhead and \$2,200 for equipment, supplies, form design, and computer processing.

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

This request is for an extension without change of a currently approved collection. The estimated change in the burden hours is an increase of 40 hours (from 1,020 to 1,060). There has been an overall increase, from 41 to 44, in the estimated number of respondents meeting the (unchanged) mandatory requirements for filing on a quarterly basis. Additionally, there has been an overall decrease, from 9 to 1, in the estimated number of respondents that would file exemption claims.

**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 transport services transactions by major world region and selected countries for the quarterly U.S. ITAs and for a detailed annual presentation of U.S. international services that is published in the *Survey of Current Business* each October. These estimates will be published on BEA's web site ([www.bea.gov](http://www.bea.gov)). The data will also provide the basis for the estimates of transport services 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.

**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 BE-9 information collection is consistent with the certification in all aspects.