

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

Abstract

The BE-9, Quarterly Survey of Foreign Airline Operators' Revenues and Expenses in the United States will obtain quarterly sample data on foreign airline operators' revenues and expenses in the United States. The data collected on the BE-9 survey are needed to measure U.S. trade in transport services and to analyze the impact of U.S. trade on the U.S. and foreign economies. The data are used to support U.S. trade policy initiatives, including trade negotiations, and to compile the U.S. international transactions accounts (ITAs) and the national income and product accounts (NIPAs). The survey is authorized by the International Investment and Trade in Services Survey Act.

A. Justification

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

The data collected by the Bureau of Economic Analysis (BEA) on the BE-9, Quarterly Survey of Foreign Airline Operators' Revenues and Expenses in the United States, are needed to monitor U.S. trade in transport services, to analyze the impact of these cross-border services on the U.S. and foreign economies, to compile and improve the U.S. economic accounts, to support U.S. commercial policy on trade in transport services, to conduct trade promotion, and to improve the ability of U.S. businesses to identify and evaluate market opportunities. The data are used in estimating the trade in transport services component of the U.S. international transactions accounts (ITAs) and 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. Transport services accounted for 8 percent of U.S. exports of services and 16 percent of U.S. imports of services in 2020.

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. 3101-08, as amended), hereinafter "the Act." The implementing regulations for the international services surveys conducted under the Act can be found in 15 CFR Part 801. These data are not available from any other source.

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

The BE-9 quarterly survey will be required from U.S. offices, agents, or other representatives of a foreign airline operators that transport passengers to or from the United States and that had total covered revenues or total covered expenses of \$5 million or more in the previous calendar year or are expected to be \$5 million or more during the current calendar year.

The quarterly survey data, covering foreign airline operators' revenues and expenses in the United States, will be collected on quarterly forms that can be completed and submitted electronically, mailed, faxed, or sent by secure message to BEA. The information collected on the survey will be used by BEA to produce economic statistics on international trade in transport services. For each country and region, BEA will estimate cross-border revenues and expenses of foreign-operated air carriers that transport passengers or freight and express to or from the United States. The quarterly collection of data is an ongoing sample survey, for which the reporting requirements and data items provided by respondents has changed over time to reflect changes in the types of services that are bought and sold internationally and to meet the needs of data users.

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. These are general use economic statistics that most world economies produce. BEA follows international standards for producing the statistics so that they are internationally comparable, accurately measure new and evolving types of services, and meet user needs.

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

Data from the survey are needed to monitor U.S. trade in services, to analyze the impact on the U.S. economy and on foreign economies, to compile and improve the U.S. economic accounts, to support U.S. commercial policy on trade in services, and to conduct trade promotion.

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 United States-Mexico-Canada Agreement.

(c) Other government uses:

Several agencies, including the U.S. Commercial Service (Commerce Department), 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 transport 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, World Trade Organization, Organisation for Economic Co-operation 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.

U.S. businesses use the information to identify and evaluate market opportunities.

The Information Quality Guidelines of the Office of Management and Budget (OMB) 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, best practice standards, and 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 comply with all applicable information quality guidelines, i.e., those of OMB, the Department of Commerce, 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, 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 website (www.bea.gov). Survey forms may be downloaded, printed, and submitted via secure message, fax, or mail.

4. Describe efforts to identify duplication.

Data on U.S. international transactions in transport services 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 reporting threshold for this survey is set at a level that will exempt most small businesses from reporting.

A BE-9 quarterly survey is required from U.S. agents of foreign carriers with total covered revenues and total covered expenses that were \$5 million or more during the previous year or are expected to be \$5 million or more during the current year.

To reduce reporting 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 to closely monitor U.S. international trade in transport services. The quality and accuracy of the ITAs and NIPAs, which are quarterly accounts, rely on conducting quarterly surveys. In addition to quarterly estimates, 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 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 would cause an information collection to be conducted in a manner:

- requiring respondents to report information to the agency more often than quarterly;**
- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- requiring respondents to submit more than an original and two copies of any document;**
- requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**

• requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

No aspects of the BE-9, Quarterly Survey of Foreign Airline Operators' Revenues and Expenses in the United States require a special justification.

Respondents are required to report information to BEA on a quarterly basis. Survey responses will be due within 30 days of the close of each quarter. Respondents will be required to submit a single copy of their survey form to BEA by the due date. A copy of their submission should be retained for their records, for three years. The information collected in the survey will be used by BEA to produce economic statistics on international trade in transport services, representing the universe of cross-border transactions in the transport categories covered by the survey. The Act requires that survey data submitted to BEA is **confidential** and may be used only for analytical or statistical purposes, and without prior written permission, the information filed **cannot** be presented in a manner that allows it to be individually identified; it **cannot** be used for purposes of taxation, investigation, or regulation. Respondents are not required to submit proprietary trade secrets, or other confidential information, beyond the information collected in the survey.

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* August 24, 2021 (Vol. 86, page 47,292 – 47,293). No public 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 that, to the extent possible, the required data serve their intended purposes, that the survey instructions are clear, and that unreasonable burdens are not imposed.

For the proposed survey changes, detailed in section A.15 below, BEA consulted a sample of five current quarterly survey respondents regarding the modifications. BEA sent these reporters a letter summarizing the plans for the survey and provided them an opportunity to comment regarding the feasibility of these adjustments. The feedback received from the reporters confirmed that these modifications will have little impact on the respondents.

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 will be 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 to this Bureau 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. Per the Cybersecurity Enhancement Act of 2015, your data are protected from cybersecurity risks through security monitoring of the BEA information systems.”

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 BE-9 quarterly survey is expected to result in the filing of approximately 125 reports on a quarterly basis, or 500 per year. BEA expects approximately 115 to be filed each quarter by respondents that will report mandatory data and 10 other responses - exemption claims and voluntary responses that provides aggregate data only. The average burden for completing the survey with data is estimated at 6 hours, and the average burden for other responses is one hour, resulting in an overall estimated annual respondent burden of 2,800 hours. Burden estimates are summarized in the table below.

Type of Respondent	# of Respondents (a)	Annual # of Responses per Respondent (b)	Total # of Annual Responses (c) = (a) x (b)	Average Burden Hours per Response (d)	Total Annual Burden Hours (e) = (c) x (d)
Mandatory Data	115	4	460	6	2,760
Exemption	10	4	40	1	40
Total	125		500		2,800

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. Respondent burden is estimated based on the estimated burden in the current BE-9 survey and other BEA surveys, feedback from respondents, and on changes to the form. Most of the information requested on the survey is readily available in existing company accounting and financial records. In proposing changes to the survey, BEA analyses the impact on existing companies by reviewing their reported transaction categories, and the volume of country detail provided by respondents within the categories being considered for modification. This information, in conjunction with communication between BEA and respondents regarding their existing accounting and financial records, serves as a basis for estimating the impact of planned survey modifications. In proposing the current changes, as discussed in section A.8. above, BEA contacted a sample of current quarterly reporters to provide an opportunity for them to comment on the proposals. All of these reporters indicated that the proposed modifications will have minimal impact on their reporting. However, 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 respondents is \$107,044 based on an estimated reporting burden of 2,800 hours and estimated hourly cost of \$38.23 for employees in the accounting and auditing field, who represent the type of employee typically completing BEA surveys. The hourly cost reflects the median hourly wage of accountants and auditors from the Bureau of Labor Statistics' May 2019 Occupational Employment Statistics. A summary of the estimated average burden cost per respondent and response type, is provided in the table below.

Type of Respondent	Total Annual Burden Hours (a)	Hourly Wage Rate* (b)	Total Burden Costs (c) = (a) x (b)
Mandatory Data	2,760	\$38.23	\$105,515
Exemption	40	\$38.23	\$1,529
Total	2,800		\$107,444

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).

There are no capital/start-up or ongoing operation/maintenance costs associated with this information collection.

Other than respondent cost associated with the estimated burden of 2,800 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 will not be needed by respondents to prepare their responses to the survey. The total cost of operating and maintaining the technology and capital equipment will, therefore, 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 \$19,500, which consists of \$14,500 for salaries and related overhead and \$5,000 for equipment, supplies, form design, printing, mailing, and computer processing.

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

This request is for an extension with changes of a currently approved collection, with an estimated 1,740 hour (from 1,060 hours to 2,800 hours) increase in the overall burden (the previous approval by OMB, in December 2018, can be viewed at www.reginfo.gov by searching OMB control number 0608-0068 under the Information Collection Review tab) due to an estimated increase in the average number of reporters meeting the mandatory requirements for filing on a quarterly basis. BEA estimates that there will be an additional 80 reporters (from 45 to 125) completing the survey each quarter. There has been no change in the agency estimate of the average time to complete the survey.

BEA is proposing modifications to the information collected on the BE-9 survey and a change to the survey due date, beginning with the reporting period for first quarter 2022. The proposed modifications to the BE-9 survey eliminate the collection of certain items not currently needed to estimate international transactions in air transportation services and introduce new items that will increase the quality and usefulness of BEA's statistics on trade in transport services.

BEA proposes to eliminate the collection of several items on the BE-9 survey: 1) freight revenue on merchandise exported from, and imported to, the United States; 2) shipping weights on which freight revenues reported were earned, and 3) revenues from transporting passengers to or from the United States. BEA proposes to eliminate these items because the information collected is not currently used to estimate international transactions in air transportation services and is not expected to be needed in the future.

BEA proposes to collect three additional foreign airline identification elements on the BE-9 survey: 1) the foreign airline's country of residency, 2) the foreign airline's International Air Transport Association (IATA), and 3) the International Civil Aviation Organization (ICAO) codes. These elements will enable BEA to match information reported on the BE-9 with supplemental information received from other government agencies and increase the quality

and accuracy of BEA's statistics on trade in services.

Additionally, BEA proposes to collect foreign airliners' in-flight sales revenue and number of passengers by region. BEA proposes to add foreign airlines' in-flight sales revenue (total and by region) and expand the number of passengers to be by region. In-flight sales are revenues of the airline or a vendor for the purposes of consumption on the aircraft (food, drinks, Wi-Fi, pillows, etc.). The data will be used to close a gap in the ancillary fees component of air passenger transport. Collecting this information by region will allow BEA to produce more detailed statistics on trade in transport services because large differences exist across regions in per-passenger ancillary fee revenue, mostly corresponding to length of flight. BEA proposes to collect this item and number of passengers by region according to the three regional designations outlined by the U.S. Department of Transportation in 14 CFR 241.21(g) – Atlantic Ocean, Pacific Ocean, and Latin America. These designations group Canada within the domestic category. Although revenue and expenses for Canada must be included in all other items on this survey, Canada will be excluded from the item on in-flight sales revenue.

BEA also proposes to change the due date of the survey to 30 days after the close of each quarter from 45 days. Shortening the reporting timeline will allow BEA to produce more accurate and complete trade in services statistics in preliminary estimates of the ITAs, which is critical information for policymakers' timely decisions on international trade policy. The earlier due date will allow BEA to use more reported data for preliminary statistics, improving the accuracy of both the aggregates and the aggregates and country detail, reducing revisions in subsequent statistical releases. In addition, the proposed reporting deadlines are also consistent with the reporting deadlines of BEA's quarterly direct investment surveys.

BEA estimates there will be no change in the average burden hours per response, which is currently estimated to be 6 hours. The language in the instructions and definitions will be reviewed and adjusted as necessary to clarify survey requirements.

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 trade in transport services by major world region and selected countries for the quarterly U.S. ITAs and for a more detailed annual tabulation of U.S. trade in services. These estimates will be published on BEA's website (www.bea.gov). The data will also be used to provide the basis for the estimates of transactions in transport services 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. The agency certifies compliance with 5 CFR 1320.9 and the related provisions of 5 CFR 1320.8(b)(3).