

**SUPPORTING STATEMENT
BUREAU OF ECONOMIC ANALYSIS
SURVEY OF INTERNATIONAL TRAVEL EXPENDITURES**

A. Justification

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

The survey of international travel expenditures is authorized by the Bretton Woods Agreements Act, Section 8, and E.O. 10033, as amended. The Act allows the Commerce Department to collect the data necessary to produce the U.S. international transactions accounts, which are part of the U.S. obligations to the International Monetary Fund.

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 estimates throughout BEA, contributing particularly to the National Income and Product Accounts. They are used extensively by both government and private organizations for national and international economic policy formulation and for analytical purposes. The services transactions accounts are contained within the current account of the ITAs and are divided into several major categories. Travel is a major component of trade in services in the ITAs, accounting for over 20 percent of both exports and imports of services in 2006. BEA has identified weaknesses in the data covering travel expenditures.

The information collection is necessary for improving the quality of the travel component of the ITAs. BEA seeks to improve the quality of these important estimates by using data on credit card transactions to form the core of the travel estimates. Because these data would be based on business records and account for a large portion of travel expenditures, their use would greatly improve the accuracy of the travel estimates. In order to create universe estimates of travel using credit card data, a survey of international travelers (U.S. travelers abroad and foreign visitors to the United States) is needed to estimate those transactions involving other means of payment. This survey of travelers is the subject of this supporting statement. The survey will ask U.S. and foreign travelers passing through U.S. international airports upon completion of their trip to report their expenditures by method of payment. The method of combining data from business records with an efficient statistical survey of travelers will be a major improvement to the travel estimates.

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 travel component of the U.S. ITAs. The data will be used in aggregate by major region to determine the means travelers use to pay for their travel costs. For each region, BEA will estimate the proportion of travel expenditures made through credit, debit, and charge card purchases, cash withdrawals, and other methods. These data will be combined with data that will be separately collected from credit card companies on the dollar amount of purchases and cash withdrawals by foreign cardholders in the U.S. and by

U.S. cardholders abroad. With the two data sources, BEA will be able to estimate total expenditures by foreign travelers in the United States (U.S. exports) and total expenditures by U.S. travelers abroad (U.S. imports) by major world region.

This method of estimating travel should prove more accurate than the current method of multiplying the total number of travelers by an estimate of the average travel expenditures by each traveler. Because the estimates of average expenditures are based on a survey of travelers that relies on traveler recall for foreign travelers and on estimated travel expenditures in advance of the trip for U.S. travelers, the travel component of the ITAs is subject to error. The proposed method is superior because the credit, debit, and charge card transactions will be reported by credit card companies based on records of transactions. Although the portion of the estimates based on the traveler survey will be subject to the limitations of traveler recall and the one-time nature of the survey, this affects only the small portion of the estimates that does not involve the use of credit, debit and charge cards. Transactions using these cards will cover a large share of transactions.

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.

Electronic collection techniques will not be used in the collection of information. Travelers will fill out a short paper survey.

4. Describe efforts to identify duplication.

The International Trade Administration's Survey of International Air Travelers (SIAT) is the primary Federal data source on international travel. This is BEA's current source for data on average expenditures per traveler that it uses in its current methodology for estimating travel. Although the SIAT collects data on expenditures by method of payment, this survey is not well-suited for BEA's purposes. The SIAT surveys travelers on outbound international flights or in U.S. airport departure lounges – that is, all travelers are surveyed as they leave the United States. For U.S. travelers, this is before their trip abroad, so they will be unable to accurately report their expenditures by method of payment since they have not yet made those expenditures. Expanding the survey to cover inbound flights would greatly increase the cost of this survey. In addition, the survey collects data for purposes other than for the ITAs and is quite lengthy. Respondent fatigue may affect item response and accuracy. In contrast, BEA's survey of international travel expenditures will be short and efficient, with low respondent burden, and focused on collecting statistically sound data suitable for constructing economic statistics.

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

The collection of information does not involve small businesses or other small entities. Data will be collected from individual travelers.

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

If the survey of international travel expenditures were not conducted, BEA would not have factors upon which to expand credit card data to cover all international travel transactions. Thus, it would be unable to improve the accuracy and reliability of the estimates through the use of data on actual transactions based on business records, and would have to continue to estimate travel using the SIAT, which relies on recall and forecasts of expenditures (see item A4 for further discussion).

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

No aspects of the proposed survey of international travel expenditures 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.

The public notice soliciting comments on the information collection prior to its submission to OMB appeared on pages 64043-64044 (Vol. 72, No. 219) of the November 14, 2007 issue of the Federal Register. BEA received no comments.

BEA plans to conduct a test of the survey prior to the first wave of data collection in order to test the clarity of instructions, reporting format, ease of filling out the survey, efficacy of the sampling plan, and response rates. The survey test will be conducted at one or two U.S. airports. Because BEA is seeking permission to provide a small monetary incentive to persons completing the survey, it cannot conduct the test under its generic clearance for pretesting, which does not authorize information collections accompanied by monetary incentives. Thus, a meaningful test cannot be conducted until BEA receives clearance from OMB to conduct the survey.

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

BEA has decided to provide a small payment to respondents who complete the survey in recognition of the fact that travelers in airports may need an additional incentive to participate. BEA hopes that by offering an incentive, travelers will be more willing to participate and will provide more accurate and well-considered responses. If offering incentives leads to higher response rates, fewer people will need to be approached.

BEA plans to interview travelers upon completion of their trips as they pass through U.S. airports. U.S. travelers will be interviewed in the baggage claim area or in common areas once they exit customs, depending on access granted by the individual airports. These travelers will be offered \$10 because they will most likely be anxious to exit the airport and return home as quickly as possible.

BEA plans to interview foreign travelers in the airport departure lounges as they wait for their flights to depart. In airports where BEA cannot gain access to these areas, BEA plans to survey these passengers in airport common areas before they pass through security. Because these travelers are waiting for their flights, we believe that they will be more willing to respond to BEA's survey; therefore, BEA plans to offer a smaller, \$5 incentive to these respondents.

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

No assurance of confidentiality is needed for this information collection because respondents will not be asked to provide any information that would allow them to be personally identified.

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.

An estimated 6,000 travelers will respond to the survey. BEA expects the form to take approximately 10 minutes to complete. Therefore, the total burden is 1,000 hours. This is a one-time survey that will be conducted in four waves over the course of a year.

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).

There is no cost to respondents in addition to the hour burden described in item A12 above.

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

The cost to the Federal Government for this survey is estimated at \$250,000, which includes the staff time of the Federal employees overseeing the project and the value of the procured services to administer the survey.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB 83-I.

The increase in annual reporting and recordkeeping hour burden is a program change because the survey of international travel expenditures is a new survey.

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

The data from this survey will be combined with data that will be collected from credit card companies to estimate total U.S. travel receipts and payments by major world region for the U.S. ITAs on a monthly or quarterly basis. The raw data provided by individual travelers will never be published. However, BEA may publish descriptive statistics pertaining to the data provided by travelers in an article describing BEA's methodology when the new travel estimates are integrated into the ITAs.

The survey will be conducted over the course of one year upon completion of the clearance process. Data will not be published for some time after that since the survey of credit card companies is still being developed.

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 identified in Item 19 of the OMB 83-I.

The survey of international travel expenditures is consistent with the certification in all aspects.