

**SUPPORTING STATEMENT
BUREAU OF ECONOMIC ANALYSIS
QUARTERLY SURVEY OF CROSS-BORDER CREDIT,
DEBIT, AND CHARGE CARD TRANSACTIONS
(OMB Control Number: To be assigned)**

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. They 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. Travel is a major component of trade in services in the ITAs, accounting for over 20 percent of both U.S. exports and U.S. imports of services in 2006. BEA has identified weaknesses in the data covering travel expenditures.

The proposed information collection, Quarterly Survey of Cross-Border Credit, Debit, and Charge Card Transactions, is necessary for improving the quality of the travel component of the ITAs. As described in Section 4 of this Supporting Statement, the quality of the current statistics on international travel is limited by their reliance on traveler recall or, for U.S. travelers abroad, of forecasts of what the travelers expect to spend abroad. BEA seeks to improve the quality of these important estimates by using data on credit, debit, and charge card transactions to form the core of the travel estimates. Because these data would be based on business records and would account for a large portion of travel expenditures, their use would greatly improve the accuracy of the travel estimates. Travel transactions involving other means of payment will be estimated using data collected on BEA's Survey of International Travel Expenditures. This voluntary survey was recently approved by OMB (under OMB no. 0608-0071) and will collect information on the means used by U.S. and foreign travelers to pay for their travel expenditures.

The proposed survey of 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 through 3108), hereinafter "the Act." It is the subject of this supporting statement. The survey will ask U.S. credit card companies to report cross-border credit, debit, and charge card transactions between U.S. cardholders and foreign businesses and between foreign cardholders and U.S. businesses – by country of the transaction (for U.S. cardholders) or by country of residency of the cardholder (for foreign cardholders). Data will be collected at an aggregate level; data on the transactions of individuals will not be

collected. The use of credit card data in the travel accounts will be a major improvement to the U.S. ITAs.

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. For each country and region, BEA will estimate the expenditures made by U.S. travelers abroad and foreign travelers in the United States from data collected from U.S. credit card companies. The credit card companies will report cross-border credit, debit, and charge card transactions to BEA. These data will be used in conjunction with data BEA will collect separately from U.S. and foreign travelers on the Survey of International Travel Expenditures on the methods these travelers used to pay for their international travel, to estimate non-credit card transactions. 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 country and region.

This method of estimating the travel component of the ITAs 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 proposed traveler survey will be subject to the limitations of traveler recall and the one-time nature of the survey, this affects only the portion of the estimates that does not involve the use of credit, debit, and charge cards. Transactions using cards will cover a large share of transactions and will provide a reliable indicator of changes in travel expenditures.

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.

eFile is BEA's electronic filing system and 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 proposed survey will use eFile or a similar system for electronic data submission. (Also, see B.3.)

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, in conjunction with the information from the Department of Homeland Security on numbers of travelers. Although the SIAT collects data on travel expenditures, the data are dependent on traveler recall, and for U.S. travelers abroad, on forecasts of what they expect to spend during their trip. The proposed method of collecting data from credit card companies is superior for estimating expenditures because the transactions will be reported by credit card companies based on business records. Also, since credit, debit, and charge cards are used by travelers to pay for a large share of their international travel expenditures, coverage of travel expenditures by the credit card survey will be much broader than the coverage by the SIAT sample.

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 major credit card companies only.

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 be unable to improve the accuracy and reliability of the travel estimates through the use of credit card data on actual transactions based on business records, and would have to continue to estimate travel using the SIAT, which relies on the recall and forecasts of expenditures and covers a much smaller share of total travel expenditures (see item A4).

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

No aspects of the proposed Quarterly Survey of Cross-Border Credit, Debit, and Charge Card Transactions 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 supports a proposed rulemaking, which will solicit comments on this survey. BEA maintains a continuing dialog 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 instructions are clear, and that unreasonable burdens are not imposed.

In November of 2007, BEA mailed a copy of the proposed survey, an introductory letter, and a list of eleven questions seeking better understanding of the types of transactions covered by the proposed survey to the major credit card companies; in the letter, BEA invited comments and offered to discuss its proposal. Subsequently, BEA staff spoke by telephone with two of the major credit card companies (in February and April 2008) to explain the purpose of the survey, receive feedback on the survey design, and better understand their ability to submit the information requested by BEA. Both companies agreed that they can produce most the data requested by BEA using their current recordkeeping systems. The only exception would be cash withdrawals from cash machines when using a card as a debit card; these data may not be available from existing recordkeeping systems of the major credit card companies. BEA has changed the survey based on this conversation to clarify that coverage of the survey is limited to transactions passing through the card processing systems.

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.

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.

The data from this survey will be used in conjunction with data from international travelers collected on the Survey of International Travel Expenditures to estimate total U.S. travel receipts and payments by major world region and selected countries for the U.S. ITAs on a quarterly basis. The raw data provided by the credit card companies will not be published. However, BEA may publish aggregate descriptive statistics pertaining to the data in articles describing BEA's methodology.

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.

Four credit card companies will respond to the survey. BEA expects the survey to take each respondent approximately 16 hours to complete on a quarterly basis. Therefore, the total annual burden estimate is 260 hours. The estimated annual cost to the respondents is \$10,400, based on the estimated annual reporting burden of 260 hours and an 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 260 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 \$140,000, which consists of \$90,000 for salaries and related overhead and \$50,000 for equipment, supplies, form design, and computer processing.

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

This request is for a new collection. Currently, there are no burden hours for the Quarterly Survey of Cross-Border Credit, Debit, and Charge Card Transactions in the inventory maintained by the Office of Management and Budget. Therefore, the estimated burden of 260 hours (see A.12 above) for this periodic collection is shown as a program change in RISC/OIRA Consolidated Information System (ROCIS).

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

The data from this survey will be used in conjunction with data from international travelers collected on the Survey of International Travel Expenditures to estimate total U.S. travel receipts and payments 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, *Survey of Current Business*, and on BEA's web site (www.bea.gov). The data will also be used, together with indicator series on numbers of travelers, to construct monthly estimates, which will be included in a joint BEA-Census Bureau news release on U.S. trade in goods and services. The raw data provided by the credit card companies will not be published. However, BEA may publish aggregate descriptive statistics pertaining to the data in articles describing BEA's methodology.

The survey will be conducted on a quarterly basis beginning with the first quarter of 2009 upon completion of the clearance process. The data collected will be used in constructing the estimates of international travel expenditures as soon as BEA is confident that they are being reported correctly and meet information quality guidelines.

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.

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 Quarterly Survey of Cross-Border Credit, Debit, and Charge Card Transactions is consistent with the certification in all aspects.