

Supporting Statement
U.S. Department of Commerce
Bureau of Economic Analysis
Ocean Freight Revenues and Foreign Expenses of U.S. 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) and Input-Output accounts. 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 these surveys 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 11 percent of U.S. exports of services and 19 percent of U.S. imports of services in 2017.

No additions, modifications, or deletions will be made to these surveys. The effort to keep current reporting requirements unchanged is intended to minimize respondent burden while considering the needs of data users. The information collections, BE-30 Quarterly Survey of Ocean Freight Revenues and Foreign Expenses of U.S. Carriers and BE-37 Quarterly Survey of U.S. Airline Operators' Foreign Revenues and Expenses, are 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 BE-30 and BE-37 are mandatory quarterly surveys, conducted 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." They are the subject of this supporting statement.

The BE-30 quarterly survey will be required from U.S. ocean freight carriers (owners and operators) whose total covered revenues or total covered expenses incurred outside the United States were \$500,000 or more in the previous year or are expected to be \$500,000 or more during the current year. The covered revenues are: 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; and 4) charter hire (with crew) and space leasing revenues from foreign residents. The covered expenses are: 1) fuel expenses in foreign countries; 2) expenses in foreign

countries (other than fuel expenses); and 3) charter hire (with crew) and space leasing payments to foreign residents.

The BE-37 quarterly survey will be required from U.S. airline operators whose total covered revenues or total covered expenses incurred outside the United States were \$500,000 or more in the previous year or are expected to be \$500,000 or more during the current year. The covered revenues are: 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; and 5) interline settlement receipts from foreign airline operators. The covered expenses are: 1) expenses incurred outside the United States for fuel and oil, station and maintenance bases, wages, and other goods and services purchased abroad (except aircraft leasing expenses); 2) aircraft (with crew) leasing expenses; and 3) interline settlement payments to foreign airline operators.

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 exports and imports of transport services based on the foreign revenues and expenses of U.S. ocean freight carriers and U.S. airline operators reported by U.S. persons covered by the surveys. 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-30 and BE-37 surveys will be used by BEA to estimate the transport 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 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, to conduct

trade promotion, and to 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 these 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 Department), facilitate U.S. trade by providing information and assistance to businesses. They use data from these quarterly surveys 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 these quarterly surveys 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, World Trade Organization, 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, best practice standards, and 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, i.e., those

of the Office of Management and Budget (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-30 and BE-37 quarterly survey forms. The eFile system enables respondents to download the survey forms in PDF format for each reportable U.S. person, 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-30 and BE-37 respondents.

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

4. Describe efforts to identify duplication.

Data on foreign revenues and expenses of U.S. ocean freight carriers and U.S. airline operators 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 are set at level that will exempt most small businesses from reporting.

A BE-30 quarterly survey will be required only from U.S. ocean freight carriers whose total covered revenues or total covered expenses were greater than \$500,000 during the previous year, or are expected to be greater than \$500,000 during the current year. A BE-37 quarterly survey will be required only from U.S. airline operators whose total covered revenues or total covered expenses were greater than \$500,000 during the previous year, or are expected to be greater than \$500,000 during the current year.

While the surveys do not collect data on total sales or other measures of the overall activity of the U.S. ocean freight carriers and U.S. airline operators, based on historical survey responses BEA believes that most respondents are not small businesses. The

reporting thresholds for these surveys are set at a level that will exempt most small businesses from reporting. Any small businesses that may be required to report will likely have engaged in a small number of covered transactions. Therefore, they will be expected to experience less than the average burden of 4 hours per response. Even if the responses for small businesses took the expected average burden of 4 hours per response, that will not constitute a significant impact on any small business or other entity.

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, when 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 Ocean Freight Revenues and Foreign Expenses of U.S. Carriers (Form BE-30) or the Quarterly Survey of U.S. Airline Operators' Foreign Revenues and Expenses (Form BE-37) require 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* July 5, 2018 (Vol. 83, pages 31367 – 31368). 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 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-30 quarterly survey is expected to result in the filing of approximately 70 reports on a quarterly basis or 280 per year. BEA expects approximately 62 to be filed each quarter by respondents that will report mandatory data on the survey and 8 filed by respondents that will file an exemption claim. The average burden for completing the survey with data is estimated at 4 hours and the average burden for other responses is one hour, resulting in an overall respondent burden of an estimated 1,024 hours.

$$\begin{aligned} 62 \times 4 \text{ (times per year)} &= 248 \times 4 \text{ hours per response} = 992 \text{ burden hours} \\ 8 \times 4 \text{ (times per year)} &= 32 \times 1 \text{ hour per response} = 32 \text{ burden hours} \end{aligned}$$

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.

Respondent burden is estimated based on the estimated burden in the current BE-30 survey and other BEA surveys, feedback from respondents, and on changes to the form. 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 \$40,960, based on an estimated reporting burden of 1,024 hours and estimated hourly cost of \$33.34. The hourly cost reflects the median hourly wage of accountants and auditors from the Bureau of Labor Statistics' May 2017 Occupational Employment Statistics.

The BE-37 quarterly survey, as proposed, is expected to result in the filing of approximately 30 reports on a quarterly basis or 120 per year. BEA expects approximately 29 filed each quarter by respondents that will report mandatory data on the survey and one filed by respondents that will file an exemption claim. The average burden for completing the survey with data is estimated at 4 hours and the average burden for other responses is one hour, resulting in an overall respondent burden of an estimated 468 hours.

$$\begin{aligned} 29 \times 4 \text{ (times per year)} &= 116 \times 4 \text{ hours per response} = 464 \text{ burden hours} \\ 1 \times 4 \text{ (times per year)} &= 4 \times 1 \text{ hour per response} = 4 \text{ burden hours} \end{aligned}$$

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.

Respondent burden is estimated based on the estimated burden in the current BE-37 survey and other BEA surveys, feedback from respondents, and on changes to the form. 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 \$18,720, based on an estimated reporting burden of 468 hours and estimated hourly cost of \$33.34. The hourly cost reflects the median

hourly wage of accountants and auditors from the Bureau of Labor Statistics' May 2017 Occupational Employment Statistics.

The total combined estimated annual cost to respondents for the BE-30 and BE-37 surveys is \$49,743, based on the estimated reporting burden of 1,492 hours and the estimated hourly cost of \$33.34. The hourly cost reflects the median hourly wage of accountants and auditors from the Bureau of Labor Statistics' May 2017 Occupational Employment Statistics.

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 1,492 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 \$19,695, which consists of \$17,495 for salaries and related overhead and \$2,200 for equipment, supplies, form design, printing, mailing, 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. For both the BE-30 and BE-37 surveys, there has been no change in the estimated number of respondents meeting the (unchanged) mandatory requirements for filing on a quarterly basis, and no change in the burden hours associated with completing the survey.

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

The data from these surveys 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 more detailed annual tabulation of U.S. trade in services. These estimates will be published on BEA's web site (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-30 and BE-37 information collections are consistent with the certification in all aspects.