Supporting Statement
U.S. Department of Commerce
Bureau of Economic Analysis
Annual Survey of Foreign Ocean Carriers' Expenses in the United States (Form BE-29)
OMB Control No. 0608-0012

Abstract
The BE-29, Annual Survey of Foreign Ocean Carriers' Expenses in the United States will obtain annual sample data foreign ocean carriers' expenses in the United States. The data collected on the BE-29 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. <u>Explain the circumstances that make the collection of information necessary.</u>

The data collected by the Bureau of Economic Analysis (BEA) on the BE-29, Annual Survey of Foreign Ocean Carriers' Expenses in the United States, are needed to monitor U.S. trade in transport services, to analyze the impact of these 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. The transport services component accounted for 8 percent of U.S. exports 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. <u>Indicate how, by whom, and for what purpose the information is to be used.</u>

The BE-29 annual survey will be required from U.S. agents of foreign ocean carriers that handled 40 or more foreign ocean carrier port calls during the calendar year, or had covered expenses of $250,00 or more during the calendar year for all foreign ocean vessels handled by the U.S. agent.

The annual survey data, covering foreign ocean carriers' expenses in the United States, will be collected on annual 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 the expenditures of foreign-operated ocean carriers in U.S. ports based on the expenses reported by U.S. agents of foreign carriers covered by the survey. The annual 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-29 survey will be used by BEA to estimate the transport services component of the U.S. ITAs with detailed information by country, region, and type of service. The resulting statistics are also used in 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 annual 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 annual 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, 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-29 annual 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-29 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 foreign ocean carriers' expenses in the United States are only available 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-29 annual survey is required from U.S. agents of foreign ocean carriers that handled 40 or more port calls in the year by foreign ocean vessels, or had total covered expenses of $250,000 during the year for all foreign ocean vessels handled by the U.S. agent.

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 an annual basis to closely monitor U.S. international trade in transport services. The quality and accuracy of the ITAs and NIPAs rely on conducting quarterly and annual 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.

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**

<u>• 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.</u>

No aspects of the BE-29 Annual Survey of Foreign Ocean Carriers' Expenses in the United States require a special justification.

Respondents are required to report information to BEA on an annual basis. Survey responses will be due within 45 days of the close of the year. 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 transactions 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. <u>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</u>.

This submission follows a public request for comments in the *Federal Register* August 30, 2021 (Vol. 86, page 48,391 – 48,392). 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 change, detailed in section A.15 below, BEA consulted a sample of five current quarterly survey respondents regarding the modification. BEA sent these reporters a letter summarizing the plan to change the due date of the survey and provided them an opportunity to comment regarding the feasibility of this adjustment. The feedback received from the reporters confirmed that this modification will have little impact on the respondents.

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

No payments or gifts to the respondents will be made.

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

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. <u>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</u>.

No questions of a sensitive nature are asked.

12. <u>Provide estimates of the hour burden of the collection of information</u>.

The BE-29 annual survey is expected to result in the filing of approximately 80 reports on an annual basis. BEA expects approximately 70 to be filed each year by respondents that will report mandatory data and 10 other responses - exemption claims and voluntary responses. The average burden for completing the survey with data is estimated at 3 hours, and the average burden for other responses is one hour, resulting in an overall estimated annual respondent burden of 220 hours. Burden estimates are summarized in the table below.

Type of Respondent	# of Respondents (a)	Average Burden Hours per Response (b)	Total Annual Burden Hours (c) = (a) x (b)
Mandatory Data	70	3	210
Exemption	10	1	10
Total	**80**		**220**

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-29 survey. Most of the information requested on the survey is readily available in existing company accounting and financial records. In proposing the current change, 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 change in survey due date. All of these reporters indicated that the proposed modification 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 $8,410 based on an estimated reporting burden of 220 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	210	$38.23	$8,028
Exemption	10	$38.23	$382
Total	**220**		**$8,410**

13. <u>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)</u>.

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 220 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 without change of a currently approved collection. The Bureau of Economic Analysis (BEA) is proposing a change to the survey due date, beginning with reporting for 2021. The previous approval by OMB, in December 2018, can be viewed at *www.reginfo.gov* by searching OMB control number 0608-0012 under the Information Collection Review tab. There has been no change in the agency estimate of the average time to complete the survey. There has been no change in the estimated number of respondents meeting the mandatory requirements for filing on a annual basis.

BEA proposes to change the due date of the survey to 45 days after the close of each year from 90 days. Shortening the reporting timeline will allow BEA to produce more accurate and complete trade in transport services statistics in the ITAs, which is critical information for policymakers' timely decisions on international trade policy. The earlier due date will allow BEA to validate the data and integrate it into the statistics in time for the annual update of the ITAs, improving the accuracy of both the aggregates and the country detail and reducing revisions in subsequent statistical releases.

BEA estimates there will be no change in the average burden hours per response, which is currently estimated to be 3 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-29 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).