

November 13, 2008

Mr. Paul Bugg  
Office of Management and Budget  
725 17<sup>th</sup> Street, NW  
Washington, DC 20503

Dear Mr. Bugg:

On September 11, the Bureau of Economic Analysis published in the *Federal Register* a Notice of Proposed Rulemaking requesting public comment on the BE-15, Annual Survey of Foreign Direct Investment in the United States (OMB No. 0608-0034). At the same time, the survey was submitted to OMB for clearance under the Paperwork Reduction Act, as a revision of an existing information collection. It has since come to our attention that a new standard has been issued by the Financial Accounting Standards Board to allow greater use of “fair value” accounting. Because this change could significantly affect the data reported on the BE-15 survey, we request permission to include questions on the survey to obtain information about the use of fair value accounting. This information is needed to assist in understanding and interpreting the data collected and in using the data in economic accounts.

The new standard, which becomes effective on November 15, is titled The Fair Value Option for Financial Assets and Financial Liabilities (FAS 159). It allows companies to measure a variety of financial assets and liabilities at fair value. Fair value measurement will affect the balance sheet and income statement information reported on the BE-15 survey. For BEA to assess the accuracy and consistency of the data reported, it will need to know whether a respondent company is using the fair value option, and if so, what portion of its data are reported on this basis. To collect this information, we propose to add to Form BE-15A, which is filed by the largest companies, a check-the-box item to flag the use of fair values and two data items to indicate the amount of assets and liabilities that are included at fair value.

The reporting burden from the addition of these items should not be significant, given that companies that choose the fair value option will already have identified the assets and liabilities stated on this basis for their own financial statements. We expect Form BE-15A to be filed by approximately 1,500 respondents annually and estimate that the additional items would add about 10 minutes to the 42-hour estimated average burden for this form, leaving the estimate essentially unchanged.

Thank you for considering this request. Please let me know if you have questions or require additional information.

Sincerely,



Obie G. Whichard  
Associate Director for International Economics