

DEPARTMENT OF COMMERCE**Bureau of Economic Analysis****15 CFR Part 801**

[Docket No. 030910228-3319-02]

RIN 0691-AA54

International Services Surveys: BE-25, Quarterly Survey of Transactions With Unaffiliated Foreign Persons in Selected Services and in Intangible Assets**AGENCY:** Bureau of Economic Analysis, Commerce.**ACTION:** Final rule.

SUMMARY: This final rule amends regulations that set forth the reporting requirements for the BE-25, Quarterly Survey of Transactions with Unaffiliated Foreign Persons in Selected Services and in Intangible Assets.

The survey is mandatory and will be conducted under the International Investment and Trade in Services Survey Act. Data from the BE-25 survey are needed to monitor trade in services and intangible assets, analyze its impact on the U.S. and foreign economies, compile and improve the U.S. economic accounts, support U.S. commercial policy on financial services, conduct trade promotion, improve the ability of U.S. businesses to identify and evaluate market opportunities, and for other government and public uses.

The survey will cover some of the selected services presently covered by the BE-22, Annual Survey of Selected Services Transactions with Unaffiliated Foreign Persons. The selected services covered by the BE-25 survey will be removed from the BE-22 survey after the survey for 2003 is conducted. The BE-22 survey will continue to be conducted for those services that were not moved to the BE-25 survey. The BE-25 survey will also cover construction, engineering, architectural, and surveying services presently covered by the BE-47, Annual Survey of Construction, Engineering, Architectural, and Mining Services Provided by U.S. Firms to Unaffiliated Foreign Persons, and will cover the same transactions in intangible assets presently covered by the BE-93, Annual Survey of Royalties, License Fees, and Other Receipts and Payments for Intangible Rights Between U.S. and Unaffiliated Foreign Persons; both of these annual surveys will be discontinued, following a final data collection for 2003.

EFFECTIVE DATE: This final rule will be effective January 30, 2004.

FOR FURTHER INFORMATION CONTACT: Obie G. Whichard, Chief, International Investment Division (BE-50), Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230; or via the Internet at obie.whichard@bea.gov (telephone (202) 606-9890).

SUPPLEMENTARY INFORMATION: In the September 23, 2003, *Federal Register*, (68 FR 55204-55206), BEA published a notice of proposed rulemaking setting forth reporting requirements for the BE-25, Quarterly Survey of Transactions with Unaffiliated Foreign Persons in Selected Services and in Intangible Assets. No comments on the proposed rule were received. Thus, the proposed rule is adopted without change.

The Bureau of Economic Analysis (BEA), U.S. Department of Commerce, will conduct the survey under the International Investment and Trade in Services Survey Act (22 U.S.C. 3101-3108). Section 4(a) of the Act (22 U.S.C. 3103(a)) provides that the President shall, to the extent he deems necessary and feasible, conduct a regular data collection program to secure current information related to international investment and trade in services and publish for the use of the general public and United States Government agencies periodic, regular, and comprehensive statistical information collected pursuant to this subsection. In section 3 of Executive Order 11961, as amended by Executive Order 12518, the President delegated authority granted under the Act as concerns international trade in services to the Secretary of Commerce, who has redelegated it to BEA.

The major purposes of the survey are to monitor trade in services and in intangible assets, analyze the impact of this trade on the U.S. and foreign economies, compile and improve the U.S. economic accounts, support U.S. commercial policy on services and intangible assets, conduct trade promotion, and improve the ability of U.S. businesses to identify and evaluate market opportunities.

The BE-25 survey is mandatory and will be conducted under the International Investment and Trade in Services Survey Act. The first survey conducted under this rule will cover transactions in the first quarter of 2004. BEA will send the survey to potential respondents in March of 2004; responses will be due by May 15, 2004. The survey will update the data provided on the universe of transactions between U.S. and unaffiliated foreign persons in selected services and in intangible assets. Reporting is required from U.S. persons whose sales of

covered services to unaffiliated foreign persons exceeded \$6 million for the previous fiscal year or are expected to exceed that amount during the current fiscal year, or whose purchases of covered services from unaffiliated foreign persons exceeded \$4 million for the previous fiscal year or are expected to exceed that amount during the current fiscal year. U.S. persons meeting any of these criteria must supply data on the amount of their sales or purchases for each type of covered service, disaggregated by country. U.S. persons that do not meet the mandatory reporting requirements are requested to provide voluntary estimates of their total sales and purchases of each type of covered service or intangible asset.

The BE-25 survey will cover some of the selected services presently covered by the BE-22, Annual Survey of Selected Services Transactions with Unaffiliated Foreign Persons. It will also cover construction, engineering, architectural, and surveying services presently covered by the BE-47, Annual Survey of Construction, Engineering, Architectural, and Mining Services Provided by U.S. Firms to Unaffiliated Foreign Persons, and will cover the same transactions in intangible rights presently covered by the BE-93, Annual Survey of Royalties, License Fees, and Other Receipts and Payments for Intangible Rights Between U.S. and Unaffiliated Foreign Persons; both of these annual surveys will be discontinued, following a final data collection for 2003.

Executive Order 12866

This final rule is not significant for purposes of E.O. 12866.

Executive Order 13132

This final rule does not contain policies with federalism implications as that term is defined in E.O. 13132.

Paperwork Reduction Act

The collection of information required in this final rule has been approved by the Office of Management and Budget under the Paperwork Reduction Act. Notwithstanding any other provisions of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection displays a currently valid OMB Control Number; such a Control Number (0608-0067) will be displayed.

The BE-25 survey is expected to result in the filing of reports containing mandatory data from about 700 respondents on a quarterly basis, or