

Proposed Rules

Federal Register

Vol. 68, No. 184

Tuesday, September 23, 2003

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF COMMERCE

Bureau of Economic Analysis

15 CFR Part 801

[Docket No. 030910227-3227-01]

RIN 0691-AA53

International Services Surveys: BE-45, Quarterly Survey of Insurance Transactions by U.S. Insurance Companies With Foreign Persons

AGENCY: Bureau of Economic Analysis, Commerce.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document sets forth a proposed rule to institute a new survey, BE-45, Quarterly Survey of Insurance Transactions by U.S. Insurance Companies with Foreign Persons, to be conducted by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce.

The Department of Commerce, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995. The proposed survey is mandatory and will be conducted under the International Investment and Trade in Services Survey Act. Data from the proposed BE-45 survey are needed to monitor trade in insurance services, analyze its impact on the U.S. and foreign economies, compile and improve the U.S. economic accounts, support U.S. commercial policy on insurance services, conduct trade promotion, improve the ability of U.S. businesses to identify and evaluate market opportunities, and for other Government uses.

The proposed survey will cover the same insurance services presently covered by the BE-48, Annual Survey of Reinsurance and Other Insurance Transactions by U.S. Insurance Companies with Foreign Persons, and auxiliary insurance services presently

covered by the Benchmark and Annual Surveys of Selected Services Transactions with Unaffiliated Foreign Persons (Forms BE-20 and BE-22).

DATES: Comments on this proposed rule will receive consideration if submitted in writing on or before November 24, 2003.

ADDRESSES: Direct all written comments to the Office of the Chief, International Investment Division (BE-50), Bureau of Economic Analysis, U.S. Department of Commerce, Washington DC, 20230. To ensure that comments are received in a timely manner, please consider using one of the following delivery methods: (1) Fax to (202) 606-5318; (2) deliver by courier to U.S. Department of Commerce, Bureau of Economic Analysis, BE-50, Shipping and Receiving Section M100, 1441 L Street, NW., Washington, DC 20005; or (3) e-mail to Obie.Whichard@bea.gov. Comments will be available for public inspection in room 7006, 1441 L Street, NW., between 8:30 a.m. and 4:30 p.m., Monday through Friday.

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 e-mail at Obie.Whichard@bea.gov (Telephone (202) 606-9800).

SUPPLEMENTARY INFORMATION: This proposed rule amends 15 CFR Part 801 by revising paragraph 801.9(c) to set forth the reporting requirements for the BE-45, Quarterly Survey of Insurance Transactions by U.S. Insurance Companies with Foreign Persons. 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 (Pub. L. 94-472, 90 Stat. 2059, 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 his authority 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 insurance services, analyze its impact on the U.S. and foreign economies, compile and improve the U.S. economic accounts, support U.S. commercial policy on insurance services, conduct trade promotion, and improve the ability of U.S. businesses to identify and evaluate market opportunities.

As proposed, BEA will conduct the BE-45 survey on a quarterly basis beginning with the first quarter of 2004. The survey will update the data provided on the universe of insurance services transactions between U.S. insurance companies and foreign persons. Reporting is required from U.S. insurance companies whose covered transactions with foreign persons exceeded \$8 million for the previous fiscal year or are expected to exceed that amount during the current fiscal year. In addition, the reporting threshold for this survey is applied separately to each of the eight individual types of transactions covered by the survey rather than to the sum of the data for all eight types combined. Insurance companies meeting these criteria must supply data on the amount of their insurance transactions for each type of insurance category, disaggregated by country. U.S. insurance companies that do not meet the mandatory reporting requirements are requested to provide voluntary estimates of their covered insurance transactions.

The transactions covered by this survey are: Reinsurance premiums received, reinsurance premiums paid, reinsurance losses paid, reinsurance losses recovered, primary insurance premiums received, primary insurance losses paid, auxiliary insurance services receipts, and auxiliary insurance services payments. (Auxiliary insurance services include agent's commissions, insurance brokering and agency services, insurance consulting services, evaluation and adjustment services, actuarial services, salvage administration services, and regulatory and monitoring services on indemnities and recovery services.)

The first survey conducted under this proposed rule will cover transactions in the first quarter 2004. BEA will send the

survey to potential respondents in March of 2004; responses will be due by May 15, 2004.

Executive Order 12866

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

Executive Order 13132

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

Paperwork Reduction Act

This proposed rule contains a collection of information requirement subject to the Paperwork Reduction Act (PRA) and has been submitted to the Office of Management and Budget for review under the PRA.

Notwithstanding any other provisions of the law, no person is required to respond to, nor shall a person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the PRA unless that collection displays a currently valid Office of Management and Budget Control Number.

The BE-45 survey, as proposed, is expected to result in the filing of approximately 210 reports on a quarterly basis, or 840 responses annually, and the average annual respondent burden for completing the survey is estimated at 8 hours. Thus, the total respondent burden of the survey is estimated at about 6,720 hours (840 responses times 8 hours average burden). The actual burden will vary from reporter to reporter, depending upon the number and variety of their insurance transactions and the ease of assembling the data. This estimate includes time for respondents to review the instructions, search existing data sources, gather and maintain the data needed, and complete and review the collection of information.

Comments are requested concerning: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the burden estimate; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology. Comments should be addressed to: Director, Bureau of Economic Analysis (BE-1), U.S. Department of Commerce, Washington, DC 20230; or faxed (202-395-7245) or e-mailed (pbugg@omb.eop.gov) to the Office of

Management and Budget, O.I.R.A., (Attention PRA Desk Officer for BEA).

Regulatory Flexibility Act

The Chief Counsel for Regulation, Department of Commerce, has certified to the Chief Counsel for Advocacy, Small Business Administration, under the provisions of the Regulatory Flexibility Act (5 U.S.C. 605(b)), that this proposed rulemaking, if adopted, will not have a significant economic impact on a substantial number of small entities. While the survey does not collect data on total sales or other measures of the overall size of businesses that respond to the survey, historically the respondent universe for the existing annual survey of international insurance transactions has been comprised mainly of major U.S. corporations. The proposed BE-45 quarterly survey will be required from U.S. insurance companies whose covered transactions with foreign persons exceeded \$8 million for the previous fiscal year or are expected to exceed that amount during the current fiscal year. Thus, the exemption level will exclude most small businesses from mandatory coverage. Of those smaller businesses that must report, most will tend to have specialized operations and activities and thus will be likely to report only one type of insurance transaction, often limited to transactions with a single partner country; therefore, the burden on them can be expected to be small.

List of Subjects in 15 CFR Part 801

Economic statistics, international transactions, foreign trade, penalties, reporting and recordkeeping requirements.

J. Steven Landefeld,

Director, Bureau of Economic Analysis.

For the reasons set forth in the preamble, BEA proposes to amend 15 CFR Part 801, as follows:

PART 801—SURVEY OF INTERNATIONAL TRADE IN SERVICES BETWEEN U.S. AND FOREIGN PERSONS

1. The authority citation for 15 CFR part 801 continues to read as follows:

Authority: 5 U.S.C. 301; 15 U.S.C. 4908; 22 U.S.C. 3101–3108; E.O. 11961, 3 CFR, 1977 Comp., p. 86 as amended by E.O. 12013, 3 CFR, 1977 Comp., p. 147, E.O. 12318, 3 CFR, 1981 Comp., p. 173, and E.O. 12518, 3 CFR, 1985 Comp., p. 348.

2. Section 801.9 is amended by revising paragraph (c)(5) to read as follows:

§ 801.9 Reports required.

(c) Quarterly surveys. * * *

(5) BE-45, Quarterly Survey of Insurance Transactions by U.S. Insurance Companies with Foreign Persons:

(i) A BE-45, Quarterly Survey of Insurance Transactions by U.S. Insurance Companies with Foreign Persons, will be conducted covering the first quarter of the 2004 calendar year and every quarter thereafter.

(A) *Who must report*—(1) *Mandatory reporting.* Reports are required from each U.S. insurance company whose covered transactions with foreign persons exceeded \$8 million for the previous fiscal year or are expected to exceed that amount during the current fiscal year. This threshold is applied separately to each of the eight individual types of transactions covered by the survey rather than to the sum of the data for all eight types combined. Quarterly reports for a year may be required retroactively when it is determined that the exemption level has been exceeded.

(2) *Voluntary reporting.* Reports are requested from each U.S. insurance company whose covered transactions with foreign persons were \$8 million or less for the previous fiscal year and are not expected to exceed the \$8 million amount during the current fiscal year. Provision of this information is voluntary. The estimates may be based on recall, without conducting a detailed records search.

(B) Any person receiving a BE-45 survey form from BEA must complete all relevant parts of the form and return the form to BEA. A person not subject to the mandatory reporting requirement in paragraph (c)(5)(i)(A) of this section and is not filing information on a voluntary basis must only complete the “Determination of reporting status” and the “Certification” sections of the survey. This requirement is necessary to ensure compliance with the reporting requirements and efficient administration of the survey by eliminating unnecessary followup contact.

(C) *Covered insurance transactions.* The transactions covered by this survey are: reinsurance premiums received, reinsurance premiums paid, reinsurance losses paid, reinsurance losses recovered, primary insurance premiums received, primary insurance losses paid, auxiliary insurance services receipts, and auxiliary insurance services payments. (Auxiliary insurance services include agent’s commissions, insurance brokering and agency services, insurance consulting services, evaluation and adjustment services,

actuarial services, salvage administration services, and regulatory and monitoring services on indemnities and recovery services.)

(ii) [Reserved]

[FR Doc. 03-24130 Filed 9-22-03; 8:45 am]

BILLING CODE 3510-06-P

DEPARTMENT OF COMMERCE

Bureau of Economic Analysis

15 CFR Part 801

[Docket No. 030910228-3228-01]

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: Notice of proposed rulemaking.

SUMMARY: This document sets forth a proposed rule to institute a new survey, BE-25, Quarterly Survey of Transactions with Unaffiliated Foreign Persons in Selected Services and in Intangible Assets, to be conducted by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce.

The Department of Commerce, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995. The proposed survey is mandatory and will be conducted under the International Investment and Trade in Services Survey Act. Data from the proposed 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 proposed 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 proposed 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 would be discontinued, following a final data collection for 2003.

DATES: Comments on this proposed rule will receive consideration if submitted in writing on or before November 24, 2003.

ADDRESSES: Direct all written comments to the Office of the Chief, International Investment Division (BE-50), Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230. To ensure that comments are received in a timely manner, please consider using one of the following delivery methods: (1) Fax to (202) 606-5318; (2) deliver by courier to U.S. Department of Commerce; Bureau of Economic Analysis, BE-50, Shipping and Receiving Section M100, 1441 L Street, NW., Washington, DC 20005; or (3) e-mail to Obie.Whichard@bea.gov. Comments will be available for public inspection in room 7006, 1441 L Street, NW., between 8:30 a.m. and 4:30 p.m., Monday through Friday.

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 e-mail at Obie.Whichard@bea.gov (Telephone (202) 606-9800).

SUPPLEMENTARY INFORMATION: This proposed rule amends 15 CFR Part 801.9 to 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 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 his 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.

As proposed, BEA will conduct the BE-25 survey beginning with the first quarter of 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 proposed 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 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 would be discontinued, following a final data collection for 2003.

The proposed survey is mandatory and will be conducted under the