

Proposed Rules

Federal Register

Vol. 60, No. 147

Tuesday, August 1, 1995

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 806

[Docket No. 950710175-5175-01]

RIN 0691-AA25

Direct Investment Surveys; Change in Reporting Requirements for the Annual Survey of U.S. Direct Investment Abroad (BE-11)

AGENCY: Bureau of Economic Analysis, Commerce.

ACTION: Notice of proposed rulemaking.

SUMMARY: These proposed rules will amend 15 CFR 806.14 to revise the reporting requirements for the BE-11, Annual Survey of U.S. Direct Investment Abroad. The BE-11 is mandatory survey of U.S. direct investment abroad conducted by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. The proposed rules will:

(1) Raise the overall exemption level for the survey, and the exemption level for reporting individual nonbank foreign affiliates on Forms BE-11B(LF) and BE-11C, from \$15 million to \$20 million.

(2) Institute a short form, Form BE-11B(SF), for U.S. companies to report their majority-owned nonbank foreign affiliates with assets, sales, and net income in the \$20 to \$50 million range.

(3) For fiscal year 1997 only, require the largest nonbank foreign affiliates owned between 10 and 20 percent to be reported on Form BE-11C, along with affiliates owned between 20 and 50 percent. In all years, nonbank foreign affiliates owned between 20 and 50 percent by all U.S. Reporters (U.S. parent companies) of the affiliate combined must be reported on Form BE-11C if their assets, sales, or net income exceed \$20 million. For fiscal year 1997 only, Form BE-11C must also be filed for nonbank foreign affiliates owned, directly and/or indirectly, at least 10 percent by one U.S. Reporter (i.e., U.S. parent company), but less than

20 percent by all U.S. Reporters of the affiliate combined, if the affiliate's total assets, sales, or net income exceed \$100 million. Reporting for the largest affiliates owned between 10 and 20 percent is needed in at least one year between benchmark surveys, in order to maintain reliable estimates of data for the universe of foreign affiliates (which is defined by law to include all foreign business enterprises owned 10 percent or more by a U.S. person). A similar requirement was imposed in the 1987 and 1992 annual surveys, which fell between earlier benchmark surveys.

Raising the overall exemption level will reduce the number of U.S. parent companies and foreign affiliates that must be reported in the survey, and instituting a short form for smaller majority-owned affiliates will reduce the number of items to be reported for those affiliates. Thus, the proposed changes will reduce both the reporting and processing burdens of the survey. (As noted below, however, BEA is proposing to add several items to the survey forms, which does not require a rule change; the addition of the items will increase the reporting burden, partially offsetting the reduction in burden due to raising the exemption level and instituting the short form).

DATES: Comments on these proposed rules will receive consideration if submitted in writing on or before September 15, 1995.

ADDRESSES: Comments may be mailed to the Office of the Chief, International Investment Division (BE-50), Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230, or hand delivered to Shipping and Receiving, Section M-100, 1441 L Street, NW., Washington, DC 20005. Comments received 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: Betty L. Barker, Chief, International Investment Division (BE-50), Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230; phone (202) 606-9800.

SUPPLEMENTARY INFORMATION: The BE-11, Annual Survey of U.S. Direct Investment Abroad, is part of BEA's regular data collection program for U.S. direct investment abroad. The survey is mandatory and is conducted pursuant to the International Investment and Trade

in Services Survey Act (Pub. L. 94-472, 90 Stat. 2059, 22 U.S.C. 3101-3108, as amended).

The BE-11 survey consists of an instruction booklet, a claim for not filing the BE-11, and the following report forms:

1. Form BE-11A for reporting by a U.S. Reporter that is not a bank;

2. Form BE-11B(LF) (Long Form) for reporting majority-owned nonbank foreign affiliates with assets, sales, or net income greater than \$50 million (positive or negative);

3. Form BE-11B(SF) (Short Form) for reporting majority-owned nonbank foreign affiliates with assets, sales, or net income greater than \$20 million, but not greater than \$50 million (positive or negative); and

4. Form BE-11C for reporting minority-owned nonbank foreign affiliates.

A. Form BE-11A must be filed by each nonbank U.S. person having a foreign affiliate reportable on Form BE-11B(LF), BE-11B(SF), or BE-11C. Under these proposed rules, the exemption level for reporting individual foreign affiliates on Form BE-11B(LF) or (SF) or BE-11C—and, thus, for determining whether a U.S. person has to file Form BE-11A—would be raised from \$15 million to \$20 million. The exemption level is the level of a foreign affiliate's assets, sales, or net income below which a Form BE-11B(LF) or (SF) or BE-11C is not required. Raising the exemption level lowers the number of reports that otherwise must be filed, thus reducing the reporting and processing burdens. The proposed exemption level of \$20 million is the same as that recently approved for the related quarterly Form BE-577, Direct Transactions of U.S. Reporter With Foreign Affiliate. The exemption level for the BE-11 survey was last raised following the 1989 benchmark survey and was effective with the annual survey covering the year 1990.

In addition to raising the exemption level, these proposed rules will institute the BE-11B(SF) short form. Majority-owned nonbank foreign affiliates for which assets, sales, or net income is greater than \$20 million (positive or negative), but for which no one of these items is greater than \$50 million (positive or negative), will be required to be reported on Form BE-11B(SF). The use of a short form means that, for about

3,700 foreign affiliates, U.S. companies will now report significantly fewer data items than on the last (1993) annual survey.

For fiscal year 1997 only, these proposed rules will require the largest nonbank foreign affiliates owned between 10 and 20 percent to be reported on Form BE-11C, along with affiliates owned between 20 and 50 percent. In all years, reporting on Form BE-11C is required if an affiliate is owned between 20 and 50 percent by all U.S. Reporters combined and if its assets, sales, or net income exceed \$20 million. Primarily to reduce reporting burden of the survey, affiliates owned less than 20 percent do not have to be reported. However, U.S. direct investment abroad is defined by law to include all foreign business enterprises owned 10 (not 20) percent or more, directly or indirectly, by a U.S. person. BEA conducts periodic benchmark surveys of U.S. direct investment abroad (the BE-10), covering all foreign affiliates owned 10 percent or more. A benchmark survey for the year 1994 is now being conducted; the next survey will cover the year 1999. In order to maintain reliable estimates of data for the universe of all foreign affiliates in nonbenchmark years, reporting for the largest affiliates owned between 10 and 20 percent is needed for at least one year between benchmark surveys. Although the U.S. ownership percentages in these affiliates are low, some of the affiliates are very large and have a sizable impact on the estimates. Under these proposed rules, reporting of Form BE-11(C) for nonbank foreign affiliates owned directly and/or indirectly, at least 10 percent by one U.S. Reporter, but less than 20 percent by all U.S. Reporters of the affiliate combined, and for which assets, sales, or net income exceed \$100 million would be required for fiscal year 1997 only. A similar one-year requirement was imposed in the 1987 annual survey (between the 1982 and 1989 benchmark surveys) and in the 1992 annual survey (between the 1989 and 1994 benchmark surveys).

These new rules, if approved, will be effective with the survey covering fiscal year 1995. The 1995 forms will be mailed out in March 1996 and will be due May 31, 1996. The last BE-11 survey covered the year 1993. (A BE-11 survey is not conducted in a year, such as 1994, when a BE-10 benchmark survey is conducted.)

BEA is proposing a number of other changes to the report forms themselves—such as modifications, additions, and deletions. These changes, however, do not require rule changes

and are not reflected in these proposed rules. The major changes are the addition of five items on Form BE-11A to facilitate the estimation of U.S. parent companies' gross product in the United States annually; the addition of three items on Form BE-11B(LF) to collect affiliates' equity investment in other foreign affiliates needed to arrive at the correct values for affiliates' income and owners' equity; and the addition of an item on Form BE-11B(LF) (which is also included on new Form BE-11B(SF)) to collect property, plant, and equipment (PP&E) expenditures. Projected and actual expenditures for PP&E had been collected on the BE-133 B and C surveys, which were discontinued in June 1993. At that time, respondents were informed that an item on actual expenditures would be added to the annual survey. All the items being added are currently only available on benchmark surveys.

Other changes to the survey include the collection of "total sales," rather than "sales of services," by transactor on Form BE-11A; the collection of research and development expenditures on a performed "by" basis (the basis used by the National Science Foundation), rather than a performed "for" basis, on Form BE-11A and Forms BE-11B (LF) and (SF); the addition of an item on Forms BE-11B (LF) and (SF) to obtain information on an indirectly-owned foreign affiliate's foreign parent's identify and ownership interest in its subsidiary; and the replacement on Form BE-11C of one item, on U.S. ownership in the affiliate, with two items—one on direct ownership interest and the other on indirect ownership interest.

The reporting burden for the 1995 BE-11 (OMB Control No. 0608-0053) survey is estimated at 88,940 hours, 16,360 less than the estimate currently in the OMB inventory. The reduction in burden is more than accounted for by raising the exemption level from \$15 million to \$20 million and by instituting the BE-11B short form, partly offset by natural growth in the universe and the addition of new items.

A copy of the proposed survey forms may be obtained from: Office of the Chief, Direct Investment Abroad Branch, International Investment Division (BE-69(A)), Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230; phone (202) 606-5566.

Executive Order 12612

These proposed rules do not contain policies with Federalism implications sufficient to warrant preparation of a

Federalism assessment under E.O. 12612.

Executive Order 12866

These proposed rules have been determined to be not significant for purposes of E.O. 12866.

Paperwork Reduction Act

These proposed rules contain a collection of information requirement subject to the Paperwork Reduction Act. A request for review of the forms has been submitted to the Office of Management and Budget under section 3504(h) of the Paperwork Reduction Act.

The public reporting burden for a U.S. company for this collection of information can range from 4 hours for the smallest and least complex U.S. Reporter that has one affiliate, to approximately 3,000 hours for a large U.S. Reporter that has up to 150 affiliates with a wide range of activities; the average burden per Reporter is 62 hours. The estimated burden includes time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Comments from the public regarding the burden estimate or any other aspect of this collection of information should be addressed to: Acting Director, Bureau of Economic Analysis (BE-1), U.S. Department of Commerce, Washington, DC 20230; and to the Office of Management and Budget, Washington, DC 20503, Attention: Desk Officer for the Department of Commerce. (OMB Control No. 0608-0053).

Regulatory Flexibility Act

The Assistant General Counsel for Legislation and 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 these proposed rules, if adopted, will not have a significant economic impact on a substantial number of small entities. The exemption level is set in terms of the size of a U.S. company's foreign affiliates. Only if the affiliate's assets, sales, or net income exceeds \$20 million must it be reported. Usually, the U.S. parent company (the one required to file the report) is many times larger.

In addition, by raising the exemption level from \$15 million to \$20 million, U.S. parent companies will no longer have to report for affiliates between \$15 and \$20 million. This change should reduce the reporting burden on smaller U.S. businesses that own these affiliates.

Also, to minimize the reporting burden on smaller U.S. businesses, majority-owned affiliates with assets, sales, and net income in the range of \$20 million to \$50 million will be reported on the abbreviated BE-11B(SF), or short form, rather than the BE-11B(LF), or long form.

List of Subjects in 15 CFR Part 806

Balance of payments, Economic statistics, U.S. investment abroad, Penalties, Reporting and recordkeeping requirements.

Dated: June 30, 1995.

J. Steven Landefeld,

Acting Director, Bureau of Economic Analysis.

For the reasons set forth in the preamble, BEA proposes to amend 15 CFR part 806 as follows:

PART 806—DIRECT INVESTMENT SURVEYS

1. The authority citation for 15 CFR part 806 continues to read as follows:

Authority: 5 U.S.C. 301; 22 U.S.C. 3101-3108; and 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).

§ 806.14 [Amended]

2. Section 806.14(f)(3) introductory text, (f)(3)(i), (f)(3)(ii), (f)(3)(iii), (f)(3)(iv)(A) through (C), (f)(3)(v) are revised to read as follows:

* * * * *

(f) * * *

(3) BE-11—Annual Survey of U.S. Direct Investment Abroad: A report, consisting of Form BE-11A and Form(s) BE-11B(LF), BE-11B(SF), and/or BE-11C, is required of each nonbank U.S. Reporter who, at the end of the Reporter's fiscal year, had a nonbank foreign affiliate reportable on Form BE-11B(LF), BE-11B(SF), or BE-11C. Forms required and the criteria for reporting on each are as follows:

(i) Form BE-11A (Report for U.S. Reporter) must be filed by each nonbank U.S. person having a foreign affiliate reportable on Form BE-11B(LF), BE-11B(SF), or BE-11C.

(ii) Form BE-11B(LF) or (SF) (Report for Majority-owned Foreign Affiliate).

(A) A BE-11B(LF) (Long Form) is required to be filed for each majority-owned nonbank foreign affiliate of a nonbank U.S. Reporter for which any one of three items—total assets, sales or gross operating revenues excluding sales taxes, or net income after provision for foreign income taxes—was greater than \$50 million (positive or negative) at the end of, or for, the affiliate's fiscal year.

(B) A BE-11B(SF) (Short Form) is required to be filed for each majority-owned nonbank foreign affiliate of a nonbank U.S. Reporter for which any one of the three items listed in paragraph (f)(3)(ii)(A) of this section was greater than \$20 million (positive or negative), but for which no one of these items was greater than \$50 million (positive or negative), at the end of, or for, the affiliate's fiscal year.

(iii) Form BE-11C (Report for Minority-owned Foreign Affiliate) must be filed for each minority-owned nonbank foreign affiliate that is owned at least 20 percent, but not more than 50 percent, directly and/or indirectly, by all U.S. Reporters of the affiliate combined, and for which any one of the three items listed in paragraph (f)(3)(ii)(A) of this section was greater than \$20 million (positive or negative) at the end of, or for, the affiliate's fiscal year. In addition, for the report covering fiscal year 1997 only, a Form BE-11C must be filed for each minority-owned nonbank foreign affiliate that is owned, directly or indirectly, at least 10 percent by one U.S. Reporter, but less than 20 percent by all U.S. Reporters of the affiliate combined, and for which any one of the three items listed in paragraph (f)(3)(ii)(A) of this section was greater than \$100 million (positive or negative) at the end of, or for, the affiliate's fiscal year.

(iv) * * *

(A) None of its exemption level items is above \$20 million.

(B) For fiscal year 1997 only, it is less than 20 percent owned, directly or indirectly, by all U.S. Reporters of the affiliate combined and none of its exemption level items exceeds \$100 million.

(C) For fiscal years other than 1997, it is less than 20 percent owned, directly or indirectly, by all U.S. Reporters of the affiliate combined.

(D) * * *

(E) * * *

(v) Notwithstanding the above, a Form BE-11B(LF), BE-11B(SF), or BE-11C must be filed for a foreign affiliate of the U.S. Reporter that owns another nonexempt foreign affiliate of that U.S. Reporter, even if the foreign affiliate parent is otherwise exempt. That is, all affiliates upward in the chain of ownership must be reported.

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[FR Doc. 95-18804 Filed 7-31-95; 8:45 am]

BILLING CODE 3510-DT-M

DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 1

[CGD 94-105]

RIN 2115-AE99

Coast Guard Rulemaking Procedures

AGENCY: Coast Guard, DOT.

ACTION: Notice of proposed rulemaking; reopening of comment period.

SUMMARY: On June 14, 1995, the Coast Guard published a notice of proposed rulemaking (60 FR 31267) proposing the use of a "direct final rule" process for use with noncontroversial rules. Because of a request for additional time to comment on the proposed rulemaking the comment period is being reopened for 30 additional days.

DATES: Comments must be received on or before August 31, 1995.

ADDRESSES: Comments may be mailed to the Executive Secretary, Marine Safety Council (G-LRA/3406) (CGD 94-105), U.S. Coast Guard Headquarters, 2100 Second Street SW., Washington, DC 20593-0001, or may be delivered to room 3406 at the same address between 8 a.m. and 3 p.m., Monday through Friday, except Federal holidays. The telephone number is (202) 267-1477.

The Executive Secretary maintains the public docket for this rulemaking. Comments will become part of this docket and will be available for inspection or copying at room 3406, U.S. Coast Guard Headquarters, between 8 a.m. and 3 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: LT R. Goldberg, Staff Attorney, Regulations and Administrative Law Division, Office of Chief Counsel, U.S. Coast Guard Headquarters, (202) 267-6004.

SUPPLEMENTARY INFORMATION: The notice of proposed rulemaking published on June 14, 1995 invited and encouraged interested persons to participate in the proposed rulemaking by submitting written comments, including views, data or arguments by July 14, 1995. An organization requested additional time to prepare comments citing the need for additional time to disseminate information to effected persons. Because of this request the comment period is reopened for 30 additional days. Coast Guard is reopening the comment period on the notice of proposed rulemaking, "Coast Guard Rulemaking Procedures" which proposes allowing the use of direct final rulemaking procedures in certain situations. The NPRM was