

maintaining the data needed, and completing and reviewing the collection of information. Because reports are filed 4 times per year, 50,000 responses annually are expected. Thus the total annual respondent burden of the survey is estimated at 62,500 hours (12,500 respondents times 4 times 1.25 hours average burden).

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; and to the Office of Management and Budget, O.I.R.A., Paperwork Reduction Project 0608-0004, Washington, DC 20503 (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. Few, if any, small U.S. businesses are subject to the reporting requirements of this survey. Although the BE-577 survey does not itself collect data on the size of the U.S. companies that must respond, data collected on related BEA surveys indicate that the U.S. companies that have direct investment abroad tend to be quite large. The exemption level for the BE-577 survey is set in terms of the size of a U.S. company's foreign affiliates (foreign companies owned 10 percent or more by the U.S. company); if a foreign affiliate has assets, sales, or net income greater than the exemption level, it must be reported. Usually, the U.S. parent company that is required to file the report is many times larger than its largest foreign affiliate.

Small U.S. businesses tend to have few, if any, foreign affiliates and the foreign affiliates that they do own are small. With the proposed increase in the exemption level for the BE-577 survey from \$20 million to \$30 million (stated in terms of the foreign affiliate's assets,

sales, and net income), even fewer small U.S. businesses will be required to file reports for their foreign affiliates. The estimated annual cost of a U.S. business reporting for five or fewer foreign affiliates is estimated to be less than \$1,000. Therefore, based on the forgoing, this proposed rule, if adopted, will not have a significant economic impact on a substantial number of small entities.

#### List of Subjects in 15 CFR Part 806

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

Dated: August 10, 2000.

**J. Steven Landefeld,**

*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 (e) is amended by deleting "\$20,000,000" and inserting "\$30,000,000" in its place.

[FR Doc. 00-24217 Filed 9-20-00; 8:45 am]

BILLING CODE 3510-06-M

#### DEPARTMENT OF COMMERCE

#### Bureau of Economic Analysis

#### 15 CFR Part 806

[Docket No. 000714208-0208-01]

RIN 0691-AA40

#### Direct Investment Surveys: BE-11, Annual Survey of U.S. Direct Investment Abroad

**AGENCY:** Bureau of Economic Analysis, Commerce.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** This document sets forth proposed rules to amend the reporting requirements for the BE-11, Annual Survey of U.S. Direct Investment Abroad.

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 BE-11 survey is a mandatory survey and is conducted annually by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce, under the International Investment and Trade in Services Survey Act. BEA will send the annual survey to potential respondents in March of each year; responses will be due by May 31. The last BE-11 annual survey was conducted for 1998. (A BE-11 survey is not conducted in a year, such as 1999, when a BE-10 Benchmark Survey of U.S. Direct Investment Abroad is conducted.) The survey is a cut-off sample survey that obtains financial and operating data covering the overall operations of nonbank U.S. parent companies and their nonbank foreign affiliates.

Changes proposed by BEA in the reporting requirements to be implemented in these proposed rules include reduction of respondent burden, particularly for small companies, by increasing the exemption level for reporting on the BE-11B(SF) short form and the BE-11C form from \$20 million to \$30 million; increasing the exemption level for reporting on the BE-11B(LF) long form from \$50 million to \$100 million; and requiring U.S. Reporters with total assets, sales or gross operating revenues, and net income less than or equal to \$100 million (positive or negative) to report only selected items on the BE-11A form.

Raising the exemption level lowers the number of reports that otherwise must be filed, thus reducing respondent burden. BEA is also proposing to extend the North American Industry Classification System to the annual survey, and to make other changes in the format and content of the survey; these changes, on balance, do not materially affect respondent burden.

**DATES:** Comments on these proposed rules will receive consideration if submitted in writing on or before November 20, 2000.

**ADDRESSES:** Mail comments 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 delivery comments to room M-100, 1441 L Street, NW, Washington, DC 20005. Comments will be available for public inspection in Room 7005, 1441 L Street, NW, between 8:30 a.m. and 4:30 p.m., Monday through Friday.

**FOR FURTHER INFORMATION CONTACT:** R. David Belli, Chief, International

Investment Division (BE-50), Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230; phone (202) 606-9800.

**SUPPLEMENTARY INFORMATION:** These proposed rules amend 15 CFR Part 806.14 to set forth the reporting requirements for the BE-11, Annual Survey of U.S. Direct Investment Abroad. 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), hereinafter, "the Act." Section 4(a) of the Act requires that with respect to United States direct investment abroad, the President shall, to the extent he deems necessary and feasible—

(1) Conduct a regular data collection program to secure current information on international capital flows and other information related to international investment and trade in services, including (but not limited to) such information as may be necessary for computing and analyzing the United States balance of payments, the employment and taxes of United States parents and affiliates, and the international investment and trade in services position of the United States; and

(2) Conduct such studies and surveys as may be necessary to prepare reports in a timely manner on specific aspects of international investment which may have significant implications for the economic welfare and national security of the United States.

In Section 3 of Executive Order 11961, the President delegated authority granted under the Act as concerns direct investment to the Secretary of Commerce, who has redelegated it to BEA.

The annual survey of U.S. direct investment abroad provides a variety of measures of the overall operations of U.S. parent companies and their foreign affiliates, including total assets, sales, net income, employment and employee compensation, research and development expenditures, and exports and imports of goods. The BE-11 is a cut-off sample survey that covers all foreign affiliates (and their U.S. parent companies) above a size-exemption level. The sample data are used to derive universe estimates in nonbenchmark years by extrapolating forward similar data reported in the BE-10, Benchmark Survey of U.S. Direct Investment Abroad, which is taken every five years. The data are needed to measure the size and economic significance of direct investment abroad,

measure changes in such investment, and assess its impact on the U.S. and foreign economies. The data are disaggregated by country and industry of the foreign affiliate and by industry of the U.S. parent.

As proposed, the survey will consist of an instruction booklet, a claim for not filing the BE-11, and the following report forms:

1. Form BE-11A—Report for nonbank U.S. Reporters;

2. Form BE-11B(LF) (Long Form)—Report for majority-owned nonbank foreign affiliates with assets, sales, or net income greater than \$100 million (positive or negative);

3. Form BE-11B(SF) (Short Form)—Report for majority-owned nonbank foreign affiliates with assets, sales, or net income greater than \$30 million, but not greater than \$100 million (positive or negative); and

4. Form BE-11C—Report for minority-owned nonbank foreign affiliates with assets, sales, or net income greater than \$30 million (positive or negative).

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, as far as possible, the required data serve their intended purposes and are available from existing records, that instructions are clear, and that unreasonable burdens are not imposed. In reaching decisions on what questions to include in the survey, BEA considered the Government's need for the data, the burden imposed on respondents, the quality of the likely response (e.g., whether the data are readily available on respondent's books), and BEA's experience in previous annual surveys. Because BEA's proposed changes to the BE-11 are minimal and mirror those introduced in conjunction with the 1999 BE-10 benchmark survey, additional consultations outside the agency, beyond those held last year in conjunction with the benchmark survey design, were not conducted.

Changes proposed by BEA from the last annual survey include reduction of respondent burden, particularly for small companies, by (1) increasing the exemption level for reporting on the BE-11B(SF) short form and BE-11C form from \$20 million to \$30 million; (2) increasing the exemption level for reporting on the BE-11B(LF) long form from \$50 million to \$100 million; and (3) requiring U.S. Reporters with total assets, sales or gross operating revenues, and net income less than or equal to \$100 million (positive or negative) to report only selected items on the BE-

11A form. 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. The exemption levels for the BE-11 survey were last raised following the 1994 benchmark survey and were effective with the annual survey covering the year 1995.

For fiscal year 2002 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 \$30 million (positive or negative). Primarily to reduce reporting burden of the survey, affiliates owned less than 20 percent do not have to be reported annually. 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 1999 is now being conducted; the next survey will cover the year 2004. 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, submission of Form BE-11C 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 (positive or negative) would be required for fiscal year 2002 only. A similar requirement was imposed in the 1987, 1992, and 1997 annual surveys, which fell between earlier benchmark surveys.

BEA is proposing a few changes to the report forms themselves. BEA proposes to extend the use of the North American Classification System (NAICS) to the annual survey. NAICS is the new industry classification system of the United States, Canada, and Mexico; in the United States, it supplants the 1987 Standard Industrial Classification. Among other improvements, NAICS

better reflects new and emerging industries, industries involved in the production of advanced technologies, and the growth and diversification of services industries. BEA used NAICS to collect industry information on the 1999 BE-10 benchmark survey of U.S. direct investment abroad.

In addition to the change in industry classification, BEA proposes to add equity ownership, interest received, and interest paid to the BE-11B(LF); expand the owner's equity section on the BE-11B(LF); reduce the detail collected on the composition of external finances of the foreign affiliate on the BE-11B(LF); and delete production royalty payments on the BE-11B(LF). Most of the proposed changes will conform the BE-11 more closely to the BE-10 benchmark survey for 1999. Finally, BEA is proposing improvements in the layout of the survey forms, and in the placement and clarity of instructions. The design follows that used for the BE-10 benchmark survey. The changes in the format and content of the survey forms, on balance, do not affect respondent burden.

A copy of the proposed 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 12866

These proposed rules are not significant for purposes of E.O. 12866.

#### Executive Order 13132

These proposed rules do not contain policies with Federalism implications sufficient to warrant preparation of a Federalism assessment under E.O. 13132.

#### Paperwork Reduction Act

These proposed rules contain a collection of information requirement subject to the Paperwork Reduction Act (PRA) and have 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 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 Office of Management and Budget control number.

The survey, as proposed, is expected to result in the filing of reports from about 1,500 respondents. The

respondent burden for this collection of information is estimated to vary from 4 to 3,000 hours per response, with an average of 68.4 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Thus the total respondent burden of the survey is estimated at 102,600 hours (1,500 respondents times 68.4 hours average burden).

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; and to the Office of Management and Budget, O.I.R.A., Paperwork Reduction Project 0608-0053, Washington, DC 20503 (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. Few, if any, small U.S. businesses are subject to the reporting requirements of this survey. U.S. companies that have direct investments abroad tend to be quite large. The exemption level for the BE-11 survey is set in terms of the size of a U.S. company's foreign affiliates (foreign companies owned 10 percent or more by the U.S. company); if a foreign affiliate has assets, sales, or net income greater than the exemption level, it must be reported on Form BE-11B(LF), BE-11B(SF), or BE-11C. Usually, the U.S. parent company that is required to file the report is many times larger than its largest foreign affiliate. With the proposed increase in the exemption level for the BE-11 survey from \$20 million to \$30 million, even fewer small U.S. businesses will be required to file. To further reduce the reporting burden on small businesses, U.S. Reporters with

total assets, sales or gross operating revenues, and net income less than or equal to \$100 million (positive or negative) are required to report only selected items on the BE-11A form for U.S. Reporters in addition to forms they may be required to file for their foreign affiliates.

#### List of Subjects in 15 CFR Part 806

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

Dated: September 15, 2000.

#### J. Steven Landefeld,

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).

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

#### § 806.14 U.S. direct investment abroad.

\* \* \* \* \*

(b) \* \* \*

(3) \* \* \*

(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. If the U.S. reporter is a corporation, Form BE-11A is required to cover the fully consolidated U.S. domestic business enterprise.

(A) If for a nonbank U.S. Reporter any one of the following three items—total assets, sales or gross operating revenues excluding sales taxes, or net income after provision for U.S. income taxes—was greater than \$100 million (positive or negative) at the end of, or for, the Reporter's fiscal year, the U.S. Reporter must file a complete Form BE-11A. It must also file a Form BE-11B(LF), BE-11B(SF), or BE-11C, as applicable, for each nonexempt foreign affiliate.

(B) If for a nonbank U.S. Reporter no one of the three items listed in paragraph (f)(3)(i)(A) of this section was greater than \$100 million (positive or negative) at the end of, or for, the Reporter's fiscal year, the U.S. Reporter is required to file on Form BE-11A only items 1 through 27 and Part IV. It must also file a Form BE-11B(LF), BE-

11B(SF), or BE-11C, as applicable, for each nonexempt foreign affiliate.

(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 the three items—total assets, sales or gross operating revenues excluding sales taxes, or net income after provision for foreign income taxes—was greater than \$100 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 \$30 million (positive or negative), but for which no one of these items was greater than \$100 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 \$30 million (positive or negative) at the end of, or for, the affiliate's fiscal year. In addition, for the report covering fiscal year 2002 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 the three items listed in paragraph (f)(3)(ii)(A) of this section exceeds \$30 million (positive or negative).

(B) For fiscal year 2002 only, it is less than 20 percent owned, directly or indirectly, by all U.S. Reporters of the affiliate combined and none of the three items listed in paragraph (f)(3)(ii)(A) of this section exceeds \$100 million (positive or negative).

(C) For fiscal years other than 2002, it is less than 20 percent owned, directly

or indirectly, by all U.S. Reporters of the affiliate combined.

\* \* \* \* \*

[FR Doc. 00-24215 Filed 9-20-00; 8:45 am]

BILLING CODE 3510-06-M

## DEPARTMENT OF JUSTICE

### Bureau of Prisons

#### 28 CFR Part 550

[BOP-1099-P]

RIN 1120-AA95

#### Inmate Drug Testing Programs

**AGENCY:** Bureau of Prisons, Justice.

**ACTION:** Proposed rule.

**SUMMARY:** In this document, the Bureau of Prisons is proposing to revise and consolidate its regulations on inmate alcohol testing and urine surveillance. This revision is intended to eliminate unnecessary regulations and to provide for greater flexibility in the use of drug testing technology.

**DATES:** Comments due by November 20, 2000.

**ADDRESSES:** Rules Unit, Office of General Counsel, Bureau of Prisons, HOLC Room 754, 320 First Street, NW., Washington, DC 20534.

**FOR FURTHER INFORMATION CONTACT:** Sarah Qureshi, Office of General Counsel, Bureau of Prisons, phone (202) 514-6655.

**SUPPLEMENTARY INFORMATION:** The Bureau of Prisons is proposing to consolidate its regulations on alcohol testing (28 CFR part 550, subpart A) and urine surveillance (28 CFR part 550, subpart D). Current regulations on alcohol testing were published in the *Federal Register* on May 20, 1980 (45 FR 33940); current regulations on urine surveillance were published in the *Federal Register* on August 26, 1997 (62 FR 45292).

The existence of separate regulations governing alcohol testing and urinalysis testing reflects, in part, the different test methods traditionally available for detecting alcohol and other drug usage. While breathalyzer devices were commonly used in alcohol testing, urinalysis was the preferred method for detecting other drug usage. Advances in drug testing technology have increased the number of test methods suitable for use. The Bureau's regulations on urine surveillance need to be adjusted accordingly.

The Bureau is therefore revising its regulations on alcohol testing and urine surveillance as one consolidated

regulation on drug testing programs. Consolidating these regulations is appropriate not only for the sake of eliminating unnecessary regulations but also for the sake of consistency with the treatment of alcohol abuse in the Bureau's regulations on drug abuse treatment programs (28 CFR part 550, subpart F).

Rather than specify the particular testing methods to be used, the revised regulations state that the Warden is to be responsible for selecting the method or methods of drug testing from the list of approved drug test methods compiled by the Bureau's Central Office. Having a compiled list of approved drug test methods provides for flexibility in the choice of methods. Documentation as to the validity of the tests and instructions for their use are to be maintained by the Bureau's Central Office as a matter of internal administrative management.

The current regulations defining refusal to participate are keyed solely to urinalysis procedures and are unnecessarily prescriptive, citing two hours as to the length of time given to produce the urine sample or specifying that staff shall offer the inmate eight ounces of water at the start of the two-hour period.

These provisions are revised to specify that staff supervising the drug test are to be the same gender as the inmate being tested if supervising the drug test involves an observation of intimate body parts or bodily functions (for example, the production of a urine sample). Inmates will be subject to disciplinary action in accordance with the provisions governing inmate discipline (28 CFR part 541, subpart B) if they refuse to participate or test positive for prohibited drug use. Refusal to participate can be demonstrated verbally or by actions. For example, if an inmate states that he or she will not take the test, staff may charge the inmate with Prohibited Act Code 110, refusing to provide a urine sample or to take part in other drug-abuse testing. Examples of an inmate refusing to participate by action include an inmate who tampers with a drug test or who fails to provide a urine sample despite being given a reasonable opportunity to do so. The Bureau's internal guidance on defining "reasonable opportunity" retains instructions formerly cited in the regulations as to the availability of water (at least eight ounces) and the length of time (at least two hours) given to produce a urine sample. Staff are to document the circumstances pertaining to the inmate's refusal to participate.

Interested persons may participate in this proposed rulemaking by submitting data, views, or arguments in writing to