

From	To	Changeover points	
		Distance	From
95.8003 VOR Federal Airway Changeover Points ALASKA V-457 Is Added To Read			
ILAMNA, AK NDB/DME	KENAI, AK VOR/DME	47	ILIAMNA

[FR doc. 00-32178 Filed 12-15-00; 8:45 am]

BILLING CODE 4910-13-M

DEPARTMENT OF COMMERCE

Bureau of Economic Analysis

15 CFR Part 806

[Docket No. 000817239-0239-01]

RIN: 0691-AA37

Direct Investment Surveys: BE-577, Direct Transactions of U.S. Reporter With Foreign Affiliate

AGENCY: Bureau of Economic Analysis,
Commerce.

ACTION: Final rule.

SUMMARY: These final rules amend the reporting requirements for the quarterly BE-577, Direct Transactions of U.S. Reporter With Foreign Affiliate.

The BE-577 survey is a mandatory survey and is conducted quarterly 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 BE-577 survey forms to potential respondents each quarter; responses will be due within 30 days after the close of each fiscal quarter, except for the final quarter of the fiscal year, when reports should be filed within 45 days. The survey is a cut-off sample survey that obtains data on transactions and positions between U.S.-owned foreign business enterprises and their U.S. parents.

These final rules increase the exemption level for the survey—the level at or below which reports are not required—from \$20 million to \$30 million in total assets, sales or gross operating revenues, and net income (positive or negative) of the U.S.-owned foreign business enterprise. This change will reduce the number of respondents that otherwise must report in the survey, thus reducing respondent burden, particularly for small companies.

EFFECTIVE DATE: These final rules will be effective January 17, 2001.

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: On September 21, 2000 the Bureau of Economic Analysis (BEA), U.S. Department of Commerce, published in the *Federal Register*, volume 65, No. 184, FR 57121-57123, a notice of proposed rulemaking setting forth revised reporting requirements for the BE-577, Direct Transactions of U.S. Reporter With Foreign Affiliate. No comments on the proposed rules were received. Thus, these final rules are the same as the proposed rules.

These final rules amend 15 CFR part 806.14 to set forth reporting requirements for the BE-577, Direct Transactions of U.S. Reporter With Foreign Affiliate. BEA 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 and trade in services 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 quarterly survey of U.S. direct investment abroad collects data on transactions and positions between U.S.-owned foreign business enterprises and their U.S. parents. The BE-577 is a cut-off sample survey that covers all foreign affiliates above a size-exemption level. The sample data are used to derive 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 used in the preparation of the U.S. international transactions accounts, the input-output accounts, and the national income and product accounts. The data are needed to measure the size and economic significance of U.S. 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 foreign affiliate.

Under these final rules, BEA is increasing the exemption level for reporting on the BE-577 quarterly survey from \$20 million to \$30 million. The exemption level is the level of a foreign affiliate's assets, sales, or net income at or below which a Form BE-577 is not required. Thus, if a foreign business is owned 10 percent or more by the U.S. parent, but its total assets, sales or gross operating revenues, and net income all are \$30 million (positive or negative) or less, the U.S. parent will not have to report it. The exemption level for the BE-577 survey was last raised following the 1994 benchmark survey and was first applicable to the quarterly survey covering the second quarter of 1995. The current changes in exemption level will first apply to the reports for the first quarter of 2001.

BEA has made a few changes to the report forms themselves in addition to raising the exemption level. These changes, however, did not require rule changes and are not reflected in the final rules. BEA is extending the use of the North American Industry Classification System (NAICS) to the BE-577 survey. NAICS is already being used on all BEA surveys of foreign direct investment in the United States and BEA used NAICS to collect industry information on the 1999 BE-10

benchmark survey of U.S. direct investment abroad. In addition, BEA is modifying the detail on affiliated services by type of service by dropping the category for communication services in the by-type breakdown and adding the presumably larger measurement and consulting and research and development categories. BEA is also clarifying the instructions.

Executive Order 12866

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

Executive Order 13132

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

Paperwork Reduction Act

The collection of information required in these final rules has been approved by OMB (OMB No. 0608-0004) 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 Office of Management and Budget control number.

The survey is expected to result in the filing of about 12,500 foreign affiliate reports by an estimated 1,500 U.S. parent companies. A parent company must file one form per affiliate. The respondent burden for this collection of information is estimated to vary from 0.5 hours to 4 hours per response, with an average of 1.25 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. 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 regarding the burden estimate or any other aspect of this collection of information 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 these final rules 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 investments 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 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 to a U.S. business reporting for five or fewer foreign affiliates is estimated to be less than \$1,000.

List of Subjects in 15 CFR Part 806

Balance of payments, Economic statistics, Penalties, Reporting and recordkeeping requirements, United States investment abroad.

Dated: December 1, 2000.

J. Steven Landefeld,

Director, Bureau of Economic Analysis.

For the reasons set forth in the preamble, BEA amends 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 removing "\$20,000,000" and adding "\$30,000,000" in its place.

[FR Doc. 00-32090 Filed 12-15-00; 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: Final rule.

SUMMARY: These final rules amend the reporting requirements for the BE-11, Annual Survey of U.S. Direct Investment Abroad.

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.

These final rules increase the exemption level for reporting on the BE-11B(SF) short form and the BE-11C form from \$20 million to \$30 million; increase the exemption level for reporting on the BE-11B(LF) long form from \$50 million to \$100 million; and direct 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. These changes will reduce the number of reports that otherwise must be filed, thus reducing respondent burden, particularly for small companies.

EFFECTIVE DATE: These final rules will be effective January 17, 2001.