

Compliance time is defined as within 100 hours TIS or 12 months whichever occurs first.

#### Other FAA AD Provisions

(f) The following provisions also apply to this AD:

(1) *Alternative Methods of Compliance (AMOCs)*: The Manager, Standards Staff, FAA, ATTN: Albert J. Mercado, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri, 64106; telephone: (816) 329-4119; fax: (816) 329-4090, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19.

(2) *Airworthy Product*: For any requirement in this AD to obtain corrective actions from a manufacturer or other source, use these actions if they are FAA-approved. Corrective actions are considered FAA-approved if they are approved by the State of Design Authority (or their delegated agent). You are required to assure the product is airworthy before it is returned to service.

(3) *Reporting Requirements*: For any reporting requirement in this AD, under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 et seq.), the Office of Management and Budget (OMB) has approved the information collection requirements and has assigned OMB Control Number 2120-0056.

#### Related Information

(g) Refer to MCAI Direction générale de l'aviation civile Airworthiness Directive No. F-2006-028, dated February 01, 2006; and EADS SOCATA TBM Aircraft Mandatory Service Bulletin SB 70-135, ATA No. 55, dated December 2005, for related information.

Issued in Kansas City, Missouri, on November 9, 2006.

**David R. Showers,**

*Acting Manager, Small Airplane Directorate, Aircraft Certification Service.*

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## DEPARTMENT OF COMMERCE

### Bureau of Economic Analysis

#### 15 CFR Part 801

[Docket No. 061005856-6256-01]

RIN 0691-AA61

#### International Services Surveys: BE-125, Quarterly Survey of Transactions in Selected Services and Intangible Assets With Foreign Persons

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

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** This proposed rule amends regulations of the Bureau of Economic Analysis, Department of Commerce (BEA) to set forth the reporting

requirements for the BE-125, Quarterly Survey of Transactions in Selected Services and Intangible Assets with Foreign Persons. This rule would replace the rule for a similar but more limited survey, the BE-25, Quarterly Survey of Transactions with Unaffiliated Foreign Persons in Selected Services and in Intangible Assets. A new agency form number and survey title are being introduced because the survey program is being reconfigured to begin collection of data on transactions with affiliated foreigners using the same survey instruments as are used to collect information on transactions with unaffiliated foreigners and because services once collected on an annual basis would now be collected quarterly. This change will allow respondents to report transactions in services and intangible assets with foreign persons on one quarterly survey, rather than on as many as three different quarterly surveys and one annual survey. If adopted the BE-125 survey would be conducted quarterly beginning with the first quarter of 2007.

The proposed BE-125 survey data are used to update universe estimates from similar data reported on the BE-120, Benchmark Survey of Transactions in Selected Services and Intangible Assets with Foreign Persons and on the benchmark and quarterly direct investment surveys that were administered to collect data on transactions with affiliated foreign persons.

**DATES:** Comments on this proposed rule will receive consideration if submitted in writing on or before 5 p.m. January 19, 2007.

**ADDRESSES:** You may submit comments, identified by RIN 0691-AA61, and referencing the agency name (Bureau of Economic Analysis), by any of the following methods:

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments. For agency, select "Commerce Department—all."

- *E-mail:* [Obie.Whichard@bea.gov](mailto:Obie.Whichard@bea.gov).
- *Fax:* Office of the Chief, International Investment Division, (202) 606-5318.

- *Mail:* Office of the Chief, International Investment Division, U.S. Department of Commerce, Bureau of Economic Analysis, BE-50, Washington, DC 20230.

- *Hand Delivery/Courier:* Office of the Chief, International Investment Division, U.S. Department of Commerce, Bureau of Economic Analysis, BE-50, Shipping and Receiving, Section M100,

1441 L Street, NW., Washington, DC 20005.

- *Public Inspection:* Comments may be inspected at BEA's offices, 1441 L Street, NW., Room 7006, between 8:30 a.m. and 5 p.m., Eastern Time 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; e-mail [Obie.Whichard@bea.gov](mailto:Obie.Whichard@bea.gov); or phone (202) 606-9890.

**SUPPLEMENTARY INFORMATION:** This proposed rule would amend 15 CFR part 801.9 to replace the reporting requirements for the BE-25, Quarterly Survey of Transactions with Unaffiliated Foreign Persons in Selected Services and in Intangible Assets, with requirements for the BE-125, Quarterly Survey of Transactions in Selected Services and Intangible Assets with Foreign Persons. 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.

#### Description of Changes

The proposed BE-125 survey would be a mandatory survey and would be conducted, beginning with transactions for the first quarter of 2007, by BEA under the International Investment and Trade in Services Survey Act (22 U.S.C. 3101-3108), hereinafter, "the Act." For the initial quarter of coverage, BEA would send the survey to potential respondents in March of 2007; responses would be due by May 15, 2007.

BEA maintains a continuing dialogue with respondents and with data users, including its own internal users, 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 responses (for example, whether the data are available on respondents' books), and BEA's experience in previous related annual and quarterly surveys.

If implemented, the BE-125 would collect all the same information as the BE-25, Quarterly Survey of

Transactions Between U.S. and Unaffiliated Foreign Persons in Selected Services and in Intangible Assets, but it would also include services transactions that BEA is currently collecting on the BE-22, Annual Survey of Selected Services Transactions Between U.S. and Unaffiliated Foreign Persons, and services transactions with affiliated parties (*i.e.*, with foreign affiliates, foreign parents, and foreign affiliates of foreign parents). In addition to discontinuing the BE-25, BEA also proposes to discontinue the BE-22 at the time the BE-125 is implemented. BEA is currently collecting information on the transactions with affiliated parties on its quarterly direct investment surveys (the BE-577, Direct Transactions of U.S. Reporter with Foreign Affiliate, the BE-605, Transactions of U.S. Affiliate, except a U.S. Banking Affiliate, with Foreign Parent, and the BE-605 Bank, Transactions of U.S. Banking Affiliate with Foreign Parent). These transactions with affiliated parties that are collected on BEA's quarterly direct investment surveys would now be collected on the BE-125. In addition, the BE-125 would combine several services into one "other selected services category", which would include any services not individually covered by the survey or available from other sources.

### Survey Background

The Bureau of Economic Analysis (BEA), U.S. Department of Commerce, would 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 (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 Orders 12318 and 12518, the President delegated the responsibilities under the Act for performing functions concerning international trade in services to the Secretary of Commerce, who has redelegated them to BEA. The survey would provide a basis for updating estimates of the universe of transactions between U.S. and foreign persons in selected services and intangible assets. The data are needed to monitor trade in services and intangible assets; analyze

their impact on the U.S. and foreign economies; compile and improve the U.S. international transactions, national income and product, and input-output accounts; support U.S. commercial policy on services and intangible assets; assess and promote U.S. competitiveness in international trade in services; and improve the ability of U.S. businesses to identify and evaluate market opportunities.

### Executive Order 12866

This proposed rule has been determined to be not significant for purposes of E.O. 12866.

### Executive Order 13132

This proposed rule does not contain policies with Federalism implications sufficient to warrant preparation of a Federal assessment under E.O. 13132.

### Paperwork Reduction Act

This proposed rule contains a collection-of-information requirement subject to review and approval by the Office of Management and Budget (OMB) under the Paperwork Reduction Act. The requirement will be submitted to OMB as a request for a revision of a currently approved collection under OMB control number 0608-0067.

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 BE-125 quarterly survey, as proposed, is expected to result in the filing of reports containing mandatory data from approximately 1,000 respondents on a quarterly basis, or 4,000 annually. The respondent burden for this collection of information would vary from one respondent to another, but is estimated to average 16 hours per response (64 hours annually), 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 for the BE-125 survey is estimated at 64,000 hours, compared to 35,200 hours estimated for the previous BE-25 survey. The increase in burden is a result of three factors: More U.S. persons with transactions in international services, the addition of selected services transactions that were previously covered by the BE-22, annual survey of selected services transactions (9,200 burden hours), and

the inclusion of transactions with affiliated foreign persons.

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, fax: 202-606-5311; and the Office of Management and Budget, O.I.R.A., Paperwork Reduction Project 0608-0058, Attention PRA Desk Officer for BEA, via e-mail at [pbugg@omb.eop.gov](mailto:pbugg@omb.eop.gov) or by fax at 202-395-7245.

### Regulatory Flexibility Act

The Chief Counsel for Regulation, Department of Commerce, has certified to the Chief Counsel for Advocacy, Small Business Administration, under 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. The information collection excludes most small businesses from mandatory reporting. Companies that engage in international transactions in covered services or intangible assets tend to be relatively large, thereby excluding them from the definition of small entity. In addition, the reporting threshold for this survey is set at a level that will exempt most small businesses from reporting. The proposed BE-125 quarterly survey will be required from U.S. persons whose sales of covered services or intangible assets to foreign persons exceeded \$6 million for the previous fiscal year or are expected to exceed of that amount during the current fiscal year, or whose purchases of covered services or intangible assets from foreign persons exceeded \$4 million for the previous fiscal year or are expected to exceed that amount during the current fiscal year. This amount is applied separately to each of the individual types of transactions covered by the survey. 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, so they will likely report only one type of transaction, often limited to

transactions with a single partner country; therefore, the burden on them should be small. In addition, BEA services surveys mailings are targeted mailings. Thus, since small businesses tend not to be involved in the transactions to be covered by the BE-125 survey, few small businesses should receive the survey. However, those receiving the survey are expected to incur a minimal burden in completing the exemption form.

#### List of Subjects in 15 CFR Part 801

International transactions, Economic statistics, Foreign trade, Penalties, Reporting and recordkeeping requirements.

Dated: November 8, 2006.

**Rosemary D. Marcuss,**

*Acting 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; and E.O. 11961, 3 CFR, 1977 Comp., p. 86, as amended by E.O. 12318, 3 CFR, 1981 Comp., p. 173, and E.O. 12518, 3 CFR, 1985 Comp., p. 348.

2. Amend § 801.9 by revising paragraph (c)(6) and removing and reserving paragraph (b)(2) to read as follows:

##### **§ 801.9 Reports required.**

(c) Quarterly surveys. \* \* \*

(6) BE-125, Quarterly Survey of Transactions in Selected Services and Intangible Assets with Foreign Persons:

(i) A BE-125, Quarterly Survey of Transactions in Selected Services and Intangible Assets with Foreign Persons, will be conducted covering the first quarter of the 2007 calendar year and every quarter thereafter.

(A) *Who must report—(1) Mandatory reporting.* Reports are required from each U.S. person that: (a) Had sales of covered services or intangible assets to foreign persons that exceeded \$6 million for the previous fiscal year or are expected to exceed that amount during the current fiscal year; or (b) had purchases of covered services or intangible assets from foreign persons that exceeded \$4 million for the previous fiscal year or are expected to exceed that amount during the current fiscal year. Because the thresholds are applied separately to sales and

purchases, the mandatory reporting requirement may apply only to sales, only to purchases, or to both sales and purchases. 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. person that had sales of covered services or intangible assets to foreign persons that were \$6 million or less for the previous fiscal year and are expected to be less than or equal to that amount during the current fiscal year, or had purchases of covered services or intangible assets from foreign persons that were \$4 million or less for the previous fiscal year and are expected to be less than or equal to that 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. Because these thresholds apply separately to sales and purchases, voluntary reporting may apply only to sales, only to purchases, or to both.

(B) Any person receiving a BE-125 survey form from BEA must complete all relevant parts of the form and return the form to BEA. A person that is not subject to the mandatory reporting requirement in paragraph (c)(6)(i)(A)(1) of this section and is not filing information on a voluntary basis must complete Parts 1 and 2 of the survey. This requirement is necessary to ensure compliance with the reporting requirements and efficient administration of the survey by eliminating unnecessary follow-up contact.

(C) *Covered services and intangible assets.* The BE-125 survey is intended to collect information on U.S. international trade in all types of services and intangible assets for which information is not collected in other BEA surveys and is not available to BEA from other sources. The major types of services transactions not covered by the BE-125 survey are travel, transportation, insurance (except for purchases of primary insurance), financial services (except for purchases by non-financial firms), and expenditures by students and medical patients who are studying or seeking treatment in a country different from their country of residence. Covered services are: Advertising services; accounting, auditing, and bookkeeping services; auxiliary insurance services; computer and data processing services; construction services; data base and other information services; educational and training services; engineering, architectural, and surveying services;

financial services (purchases only, by companies or parts of companies that are not financial services providers); industrial engineering services; industrial-type maintenance, installation, alteration, and training services; legal services; management, consulting, and public relations services (including allocated expenses); merchandising services (sales only); mining services; operational leasing services; other trade-related services; performing arts, sports, and other live performances, presentations, and events; premiums paid on purchases of primary insurance; losses recovered on purchases of primary insurance; research, development, and testing services; telecommunications services; and other selected services. "Other selected services" includes, but is not limited to: Agricultural services; account collection services; disbursements to fund news-gathering costs of broadcasters; disbursements to fund news-gathering costs of print media; disbursements to fund production costs of motion pictures; disbursements to fund production costs of broadcast program material other than news; disbursements to maintain government tourism and business promotion offices; disbursements for sales promotion and representation; disbursements to participate in foreign trade shows (purchases only); employment agencies and temporary help supply services; language translation services; mailing, reproduction, and commercial art; management of health care facilities; salvage services; satellite photography and remote sensing/satellite imagery services; security services; space transport (includes satellite launches, transport of goods and people for scientific experiments, and space passenger transport); transcription services; and waste treatment and depollution services. The intangible assets covered by the BE-125 survey are rights related to: Industrial processes and products; books, compact discs, audio tapes and other copyrighted material and intellectual property; trademarks, brand names, and signatures; performances and events pre-recorded on motion picture film and television tape, including digital recording; broadcast and recording of live performances and events; general use computer software; business format franchising fees; and other intangible assets, including infeasible rights of users.

(ii) [Reserved]

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