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DEPARTMENT OF COMMERCE

International Trade Administration

[Docket No.: 170413395-7395-02]

RIN 0625-XCO3

2017 Fee Schedule for National Travel and Tourism Office for the Advance Passenger Information System (APIS)/I-92 Program, I-94 International Arrivals Program, and Survey of International Air Travelers Program

AGENCY: International Trade Administration, Department of Commerce.

ACTION: Final notice of implementation of user fees.

SUMMARY: The International Trade Administration (ITA) solicited public feedback on its proposal to adjust the National Travel & Tourism Office (NTTO) 2017 I-94/APIS & SIAT data user fees for three programs after considering an independent cost study which concluded that ITA is not fully covering its costs for providing services under the current fee structure. Federal agencies are directed by Office of Management and Budget (OMB) Circular A-25 to ensure they recoup their costs when providing certain services. The NTTO provides key market intelligence to the government and travel industry to help U.S. businesses expand travel exports. ITA, through the NTTO, will continue to provide information and services that benefit the general public without charge. No changes were made to the proposed user

fees in response to public feedback, although the NTTO did expand the number of surveys for the 2017 Survey of International Air Travelers from 77,000 to 80,000. As part of this announcement, ITA announces the final user fees schedule for its 2017 data.

DATES: The user fees schedule will be applicable [*Insert date 30 days after date of publication in the FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Richard Champley at (202) 482-4753 or Richard.Champley@trade.gov; or Claudia Wolfe at (202) 482-4555 or Claudia.Wolfe@trade.gov.

SUPPLEMENTARY INFORMATION:

Background

There are three main research programs through which the public may obtain data on international travelers to and from the United States additional to the free information already posted to the NTTO website. The proposed 2017 data fees are for 1) the monthly, quarterly and annual data from the APIS/I-92 Program, 2) the I-94 International Arrivals Program, and 3) the annual custom reports, data tables and files from the Survey of International Air Travelers (SIAT) Program.

Consistent with the guidelines in OMB Circular A-25 federal agencies are responsible for conducting a biennial review of all programs to

determine the types of activities subject to user fees and the basis upon which user fees are to be set.

In addition to OMB Circular A-25, the NTTO also follows OMB Circular A-130, which mandates federal agencies to develop and to maintain a comprehensive set of information management policies for use across the government, and to promote the application of information technology to improve the use and dissemination of information in the operation of Federal programs. The role of NTTO is to enhance the international competitiveness of the U.S. travel and tourism industry and to increase its exports, thereby creating U.S. employment and economic growth. The primary functions of the NTTO are: (1) management of the travel and tourism statistical system for assessing the economic contribution of the industry and providing the sole source for characteristic statistics on international travel to and from the United States; (2) design and administration of export expansion activities; (3) development and management of tourism policy, strategy and advocacy; and (4) technical assistance for expanding this key export (international tourism) and assisting in domestic economic development.

The NTTO has provided the I-94/APIS & SIAT data for many years and has developed a subscriber base for each of these programs. The fees collected for these reports pay for ITA costs to develop the reports and support research for the continuation and expansion of improvements to the data provided by NTTO. In 2016, the NTTO issued Fee Schedule increases for the APIS/I-92 program, the I-94 International Arrivals Program and the SIAT Program. The contractor prices are six percent greater than the 2016 contract prices for the SIAT base program and 27 percent greater for the I-

94 program. This increase is due in part to increased quality management checks associated with this program. Additionally, there is a nearly 30 percent increase in the cost for custom reports for both programs. Custom reports costs increased because of the necessity to combine multiple years of sample, as well as incorporate additional data in Table 1A and Table 1. Fees for the APIS/I-92 program are being increased to help offset an ITA budget cut and the much larger increases in costs to the I-94 and SIAT program, because all three programs are interdependent upon one another and used to provide the SIAT data.

Additionally, for 2017 data, to ameliorate the increased costs while keeping the program fees as low as possible, ITA proposed to cut the SIAT sample from 96,000 surveys in 2016 to 77,000 surveys in 2017, but because of the overwhelming response to the Federal Register Notice, the NTTO has decided the sample will be set at 80,000, up from 77,000. NTTO anticipates that the 2018 sample level will also be 80,000 depending upon the FY2018 budget. The increased fees for 2017 data are necessary to avoid additional cuts. The NTTO had asked about the industry's preference on a cut in sample as a method to keep the fee increases lower. The response was overwhelmingly against cutting the sample.

Amendments to Original User Fee Proposal in Response to Public Comments

ITA solicited public comment on the proposed revisions to the user fees during a 30-day period from June 26, 2017 to July 26, 2017 (82 FR 28820, June 26, 2017). Over 40 comments were received in response to the proposal. The individual comments can be viewed on the Federal eRulemaking

Portal: www.Regulations.gov. The identification number is ITA-2017-0005. All comments received during this time were reviewed and considered with respect to the final user fee schedule. A summary of the comments is provided below:

Comment: The overwhelming response to the Federal Register Notice was related to the proposed cut in the 2017 sample from 96,000 to 77,000. Nearly 95 percent of the respondents registered their complaint about the sample size reductions.

Response: The last two years for the SIAT were the largest sample ever for this program. In 2015 it was nearly 97,000, and in 2016 it was over 96,000. Prior to those two years, the NTTO SIAT sample had been between 73,500 to 80,000 from 2007 to 2013 and lower in previous years. As stated previously, sharply increasing costs in 2017 and budget uncertainty for future fiscal years required a sample size cut. The NTTO takes this opportunity to remind users that most clients combine samples for their custom reports and with the two highest sample years prior to 2017, clients will benefit from those years. In response to overwhelming comments for a larger sample, the NTTO has issued a task order to set the 2017 sample to 80,000, up from the initial 77,000 surveys.

Comment: Nearly 50 percent of the respondents expressed concern over the reliability or related terms of the sample due to the reductions.

Response: The SIAT sample is not the only item used to provide the visitation, spending, and traveler characteristics data from the SIAT. The data is weighted to the I-94 count of overseas and Mexican air travelers to the USA and to the ports of entry data. The weights for each respondent are assigned to all responses so when the SIAT estimates for country of

residency and port of entry are compared to the I-94 population counts, the variance is 0.0 percent, showing the weighting aligns the sample with the travel population. This weighting coupled with two years of robust sample sizes in 2015 and 2016 ensures the reliability of the data.

Comment: 40 percent of the respondents supported the fee increase to mitigate the cut in sample, while only 14% objected to the fee increase.

Response: The NTTO will implement the proposed fee increase for the 2017 data given the majority of customers requested a greater sample size and 40 percent of the respondents are willing to accept the 15 percent fee increase.

Comment: 40 percent of the respondents noted that the decline in the sample for 2017 would have a larger impact on small and medium size destinations.

Response: Unfortunately, in a representative sample of the international travel market to and from the U.S., the top destinations will obtain a larger sample. It should be noted that the NTTO reviews the sample collections yearly and tries to adjust it to keep the sample representative of both the inbound and outbound travel population. ITA is considering encouraging additional destinations/ports to cooperate in our Supplemental Airport Survey Program to increase the data supplied from small and medium size destinations.

Comment: 14 percent of the respondents opposed the fee increase stating it would hurt smaller destinations more than larger ones.

Response: 40 percent of respondents supported the increase, many of which are small businesses or destinations. As noted above, the demand for a

larger sample, the increasing costs of operating the program and declining budget require ITA to raise fees.

Comment: 10 percent of the respondents commented that these programs should continue to be adequately funded and sustained because the research and data is important to the industry.

Response: Congress has mandated, through the Travel Promotion Act, that the Department of Commerce continue and expand its research programs. ITA will continue to provide this program if it is supported by the Department of Commerce and Congress.

Comment: 10 percent of the respondents commented about the continued delays and lack of timeliness in delivery of the data, especially given the fee increase.

Response: The NTTO and its contractors work very hard to provide quality and timely data. However, I-94 automation issues and APIS/I-92 data delays have negatively impacted timely delivery due to additional time required to review and revise the data when necessary. Delays related to the I-94 and APIS/I-92 programs cause corresponding delays in release of the SIAT data because the SIAT data is weighted to the I-94 and APIS/I-92 program data.

Comment: There were a few comments in which industry clients tried to calculate the SIAT's share of the travel population based on total arrivals to the U.S.

Response: The NTTO wants to remind the industry that the travel population for this program is both inbound and outbound travelers and that it only includes all overseas (all countries except Canada & Mexico) and

Mexican air travelers. The NTTO has travel population totals from the I-94 (for the inbound markets) and APIS/I-92 for the U.S. outbound market. The share of the inbound travel population is around 0.3 percent. This is much smaller than the 1 percent sample mandated by the Travel Promotion Act (TPA) and Congress has not provided dedicated funding. The NTTO has conducted several tests to reduce program costs and improve the quality of the data. To date, the current survey method delivers more complete results than any of the tests. The program is competitively bid.

Comment: A few comments included a request to reduce the sample of U.S. residents and to equivalently increase the non-resident side.

Response: The non-resident sample has traditionally been higher than the U.S. resident sample; decreasing the sample from one part of the program to benefit another would drive up costs and not allow the NTTO to fulfill its mandate to federal agencies that depend upon the U.S. outbound SIAT data.

Comment: There was a comment on preventing future significant cost increases.

Response: To control costs this contract is competitively bid every three years. The low-cost contractor wins the bid.

The NTTO wants to thank everyone who responded to this notice and greatly appreciates the feedback and concerns. The NTTO is in the process of preparing a request for information to solicit ideas from the industry to improve the SIAT program.

User Fee Schedule

Fee Schedule increases for the APIS/I-92 program, the I-94 International Arrivals Program and the Survey of International Air Travelers (SIAT) Program are shown in the tables below. All fees shown are 15 percent greater in 2017 than in 2016, except for certain SIAT reports as explained above. For the I-94 program, ITA has eliminated the print files and will only provide a PDF and Excel file to save costs. The custom reports, data tables, and files will also see a 15 percent fee increase in 2017.

APIS/I-92 Program	2017 Fee	2016 Fee
Monthly Reports printed	\$2,295	\$1,995
Monthly Reports (PDF and Excel)	\$3,435	\$2,985
Quarterly Reports printed	\$2,070	\$1,800
Quarterly Reports (PDF and Excel)	\$3,095	\$2,690
Annual Report printed	\$1,610	\$1,400
Annual Report (PDF and Excel)	\$2,405	\$2,090
Data Files, for internal use only	\$27,310	\$23,745

I-94 International Arrivals Program	2017 Fee	2016 Fee
Monthly Subscription (PDF and Excel)	\$2,450	\$2,130
Quarterly Subscription (PDF & Excel)	\$2,155	\$1,870
Annual Issue (PDF and Excel)	\$1,485	\$1,290
Annual, data file (CD-ROM)	\$16,770	\$14,580
Quarterly, data file (CD-ROM)	\$18,820	\$16,365
Combined 2015 and 2016 International I-94 Arrivals Data	2017 Fee	2016 Fee
Monthly Subscription (PDF & Excel)	\$3,730	\$3,240
Quarterly Subscription (PDF & Excel)	\$3,170	\$2,755
Annual Issue (PDF and Excel)	\$2,000	\$1,740

Survey of International Air Travelers Program	2017 Fee	2016 Fee
CUSTOM TABLE - 1st table, in Excel	\$2,720	\$2,365
CUSTOM TABLE - all other tables in Excel	\$1,645	\$1,430

Custom Reports with Excel and pdf (First banner)	\$10,210	\$8,875
Custom Reports with Excel and pdf (Second banner)	\$9,185	\$7,985
Custom Reports with Excel and pdf (Third + banners)	\$8,220	\$7,145

Determining the Cost of Performing Each Service

Please refer to the Federal Register Notice published on June 26, 2017 (82 FR 28820) for information on how ITA determines the costs of performing each service.

Conclusion

For the reasons provided above, ITA believes its revised fees are consistent with the objective of OMB Circular A-25 to "promote efficient allocation of the Nation's resources by establishing charges for special benefits provided to the recipient that are at least as great as costs to the Government of providing the special benefits." OMB Circular A-25(5) (b). For 2017 data, the fees will be increased as proposed. ITA will continue to reassess the fee schedule, in accordance with OMB Circular A-25, at least every two years thereafter.

Dated: October 18, 2017.

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U.S. Department of Commerce.
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