

GAO

Briefing Report to Congressional
Requesters

October 1989

**FOREIGN
INVESTMENT**

Federal Data
Collection on Foreign
Investment in the
United States





United States
General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

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October 3, 1989

The Honorable Ernest F. Hollings, Chairman
Committee on Commerce, Science
and Transportation
United States Senate

The Honorable John D. Dingell, Chairman
Subcommittee on Oversight and Investigations
Committee on Energy and Commerce
House of Representatives

On July 20, 1989, Chairman Hollings requested that we provide a report on federal government data collection efforts related to foreign investment in the United States. Earlier, on January 19, 1988, Chairman Dingell asked that we review foreign direct investment in the United States and provide information on the availability of data on the subject at federal agencies. As arranged with your offices, we are issuing this joint briefing report.

We found that 15 federal departments or agencies collect statistical data and other information on foreign investment in the United States. Within some of the large federal departments, such as Commerce and Treasury, we identified several separate Bureaus or Offices that collect different kinds of information, so that together we identified a total of 20 government entities that collect such information.

Our work focused primarily on the data collection efforts of the Departments of Commerce and Treasury. Commerce is responsible for collecting information on direct investment (the ownership or control of 10 percent or more interest in a U.S. business) and Treasury is responsible for portfolio investment (lesser stock holdings, bonds and other debt instruments).

Our observations follow.

- Some of the data and information collected is considered business confidential and has not been routinely available to other federal agencies who may need it; lacks sufficient details to make it possible to analyze specific industry sectors; and, in some cases, may be 2 or more years old when finally published.

services transactions between foreign parent companies and their U.S. affiliates. This data series also includes the foreign direct investment position in the United States, which is the accumulation over time of foreign investment capital. The foreign direct investment position includes only funds coming from foreign parents, not funds derived by a U.S. affiliate of a foreign firm from U.S. sources. Data are available since 1974.

2. U.S. Business Enterprises Acquired or Established by Foreign Direct Investors, which includes the outlays made each year by foreign investors to establish or acquire new U.S. affiliates. This data series covers transactions only for the year in which the outlays are made and includes all financing, including local borrowing in the United States. Data are available since 1979.

3. Foreign Direct Investment in the United States: Operations of U.S. Affiliates of Foreign Companies, which covers a broad range of measures of the overall operations of U.S. affiliates. A key measure is the value of total assets of U.S. affiliates at year end. Other measures include other balance sheet items; income statements; employment and employee compensation; sales of goods and services; property, plant and equipment; merchandise trade; and research and development expenditures. A company that is 10 percent or more foreign owned will have 100 percent of its assets included in this data base because of the foreign investors' capability to influence the company management. This is the only data series that publishes a breakdown by state of foreign investment information. Data are available since 1977.

4. Benchmark Survey of Foreign Direct Investment in the United States, which is the most comprehensive of the BEA data series, covering the entire universe of foreign direct investment data down to \$1 million investments in the benchmark year, including the three data series discussed above, as well as merchandise trade data for affiliates. Although it is normally published every 5 years, the benchmark survey was published in July 1989 with data for 1987 after a 7-year interval because Commerce wanted it to coincide with the Census Bureau's quinquennial economic census.

According to BEA, the other three data series, which are sample surveys, are used by BEA to update the information in the benchmark.

As previously noted, under the International Investment and Trade In Services Survey Act, U.S. businesses are required to report if foreign

Access to data. The individual firms' reports are business confidential. According to BEA, access to proprietary information BEA collects is limited to executive branch agencies specifically designated by the President, on a case by case basis, to perform analytical and statistical functions under the Act. Only aggregated data is released to others.

Timeliness. The most detailed of BEA's data series, Operations of U.S. Affiliates of Foreign Companies, is very dated by the time it is published. The revised 1986 data was published in June 1988. The preliminary 1987 data is included in the July 1989 benchmark survey. In addition, there are often significant adjustments between preliminary and revised data due to late reporting and other corrections.

ITA and Census Bureau

Pursuant to the International Investment and Trade in Services Survey Act, ITA collects information on specific foreign investment transactions in the United States, including plant expansions and equity increases and information not collected by BEA on various types of commercial real estate investments. ITA data are compiled from generally available public sources, such as newspapers, magazines, and business and trade journals. ITA reports list the names of major foreign investors and identify specific investments. However, ITA does not provide summary statistics on the amount of investment by country of investor or by industry.

ITA may underreport the number and value of foreign investment transactions because it relies on publicly available sources, which may not include all such transactions. In addition, some foreign purchases reported by ITA do not include information on the value of the transactions because those amounts were not publicly available.

The Census Bureau collects, on a computerized file, detailed but proprietary business data on the operations of most U.S. domestic and foreign-owned businesses. Census data contain detailed individual establishment information (such as individual factories) but does not highlight foreign-ownership, while BEA tracks foreign ownership but collects only enterprise data (such as parent corporations). The business information that Census collects is considered confidential and has not been routinely shared even with other parts of Commerce. However, BEA and Census are attempting a limited first experiment to integrate their two data systems. The objective of their effort is to demonstrate the feasibility of addressing some of the inadequacies in foreign direct investment data by making better use of their existing data.

are also U.S. corporations in which a foreign person or group of foreign persons acting in concert own an interest of 10 percent or more or in which a group of foreign persons not acting in concert own an interest of 50 percent or more. AFIDA defines agricultural land as all land used for agricultural, forestry, or timber production as well as idle land if it was productive within 5 years of its acquisition. Foreign investors do not have to report parcels of 10 acres or less if the annual gross receipts from such land do not exceed \$1,000.

To report their holdings, foreign investors usually file ASCS-153 reports with ASCS county officers; however, investors can report their holdings directly to the ASCS in Washington, D.C. Copies of all foreign agricultural land transactions should be maintained at federal, state, and local ASCS offices and are public information.

USDA's Economic Research Service publishes two annual reports based on its analyses of the data collected by the ASCS. One report provides data at the national and state levels and has been published since 1979; the most recent issue is entitled Foreign Ownership of U.S. Agricultural Land Through December 31, 1988. The second report is an aggregation of information collected at the county level which provides detailed state and county-level data at the end of every year and has been published since 1982. The most recent issue is entitled Foreign Ownership of U.S. Agricultural Land Through December 31, 1988: County-Level Data.

Compliance

According to the AFIDA, the USDA can fine foreign investors up to 25 percent of the estimated value of their holdings in the United States for failure to file the required forms (7 U.S.C. 3502). A USDA enforcement official told us that for the past 10 months in fiscal year 1989 USDA has assessed 210 penalties and collected about \$138,000 from foreign investors for noncompliance. To publicize the filing requirement, USDA puts notices in its county newsletters which are distributed to farmers. Notices are also sent to county farm executive committees whose members are knowledgeable about farm sales in their communities. In addition, county USDA/ASCS offices keep abreast of sales and send letters to buyers reminding them of the reporting requirement.

Characteristics of the Data

We have not fully evaluated the accuracy or completeness of USDA's foreign investment data. Our limited work on the availability of data on foreign investment in Hawaii showed that USDA data on foreign ownership of agricultural land was incomplete. For example, we found four

Department of Defense

The Department of Defense (DOD) has several information systems to collect data related to DOD's responsibility under the Defense Production Act (to assure domestic production of needed goods) including the U.S. industrial base capability (involving both U.S. and foreign firms), and the DOD Industrial Security Program (to protect classified technology). Information systems include the Defense Industrial Network (DINET), which uses data bases of private sources, such as Dun and Bradstreet, and Jane's Information Group; and government sources, such as Commerce and the Federal Trade Commission. The Defense Intelligence Agency also has a classified program called Socrates which is affiliated with DINET. DOD comments on Federal Trade Commission merger cases when foreign takeovers become an issue or when there is a sole source or few sources of an item that DOD needs. In addition, DOD brought to the attention of the Committee on Foreign Investment in the United States (which monitors the impact of foreign investment) Fujitsu's proposed investment in the Fairchild Semiconductor Corporation.

Department of the Treasury

Pursuant to the International Investment and Trade in Services Survey Act, Treasury has the major responsibility for collecting information on foreign portfolio investment. Four of Treasury's major entities collect information on foreign investment in the United States. Three entities that collect information on portfolio investment are the (1) Office of Data Management in the Office of Assistant Secretary, International Affairs, (2) Office of the Comptroller of the Currency, and (3) Office of Thrift Supervision (formally the Federal Home Loan Bank Board). The fourth entity, the Internal Revenue Service, collects information on direct foreign investment.

Treasury's Office of Data Management compiles data on portfolio investment from monthly or quarterly data reported to Treasury by financial intermediaries that cover foreign portfolio investment transactions aggregated by country and type of investor in U.S. equities, bonds, other instruments, and foreign funds held with banks. Data obtained are used for statistical estimates of international transactions, U.S. assets abroad, and foreign assets in the United States. The information is collected in the Treasury International Capital Reporting System. It is published in the quarterly Treasury Bulletin by the Financial Management Service in aggregated form to protect the confidentiality of individual foreign investors. For example, Treasury does not release the portfolio investment holdings of individual oil exporting countries in the Middle East and Africa in order to avoid disclosure of the holdings of individual institutions or investors.

Other Agencies That Collect Data

Other agencies collect information on foreign investment incidental to their overall missions. These include: the Federal Reserve System (Federal Reserve Board and Banks) and Federal Deposit Insurance Corporation (FDIC), which are involved in the regulation of the banking sector; Securities and Exchange Commission (SEC), Departments of Justice and Interior; Federal Trade Commission (FTC); Federal Communications Commission (FCC); Interstate Commerce Commission (ICC); Federal Maritime Commission (FMC); and Commodity Futures Trading Commission. These agencies' data collection activities are briefly discussed below.

Data Collection in the Banking Sector

There are several different forms of organization through which foreign-owned banks can operate in the United States, including bank subsidiaries (which are separate legal entities chartered in the United States, the shares of which are owned or controlled by the parent corporation); branches (defined as an office of a foreign bank that may generally engage in a full range of banking activities and accepts domestic deposits); and agencies (defined as an office of a foreign bank permitted to conduct general banking business but which may not accept deposits). In addition, foreign banks may have special U.S. banking entities that engage in special international activities, such as "international banking facilities" and Edge Act corporations.

The applicable foreign investment reporting requirement depends on the form of organization through which the foreign bank operates. Periodic reports are mandated by the primary bank regulatory authority; i.e., the Comptroller of the Currency, the Federal Reserve, or the FDIC. For example the Federal Reserve Board requires that each foreign bank having a subsidiary, branch, or agency in the United States file an "Annual Report of Foreign Banking Organizations" (Form FR Y-7), which is due 120 days after the bank's fiscal year-end.

This annual report must include the foreign bank's parent financial statements. Specifically, it must incorporate data on the consolidated financial position of the parent company, discussions and descriptions of accounting policies used, financial statements and other information on related U.S. companies, as well as information on shareholders, directors, and executive officers of the bank. The annual reports are available to the public. Information about related foreign companies, directors, earnings, hidden reserves, loan loss experience, and certain other items that a bank feels is confidential can be disclosed in a report separate from the FR Y-7, that is, the "Foreign Banking Organization Confidential Report on Operations" (FR 2068). This report is filed directly with the

**Usefulness of Banking
Sector Data for Addressing
Policy Concerns**

Extensive federal data is available for use by policy markers on the extent of foreign ownership in the banking sector; largely due to the reporting requirements established by the Bank Holding Company Act and the Change in Bank Control Act. These Acts provide that whenever a corporation or individual intends to acquire at least 10-percent ownership in a U.S. bank, it must apply to the chartering authority for permission to engage in a form of banking in the U.S.

**Securities and Exchange
Commission**

The Securities and Exchange Act of 1934 (15 U.S.C. 78a-78kk), administered by the SEC, requires extensive reporting and disclosure of ownership of interests in shares of publicly held U.S. companies. Under this act, all beneficial owners, whether domestic or foreign, of more than 5 percent of any class of a publicly held U.S. company's shares must disclose their holdings (15 U.S.C. 78m(d)). Among the disclosure forms is the 13D filing, that is required whenever any investor or group of investors, foreign or domestic, acquires more than 5 percent of a publicly held U.S. firm; 14D-1 tender offer statement; and 13F information, that is required of institutional investment managers, including foreign institutional managers. The information provided to the SEC is available to the public. However, a respondent that believes disclosure would be harmful to his business can request confidentiality. Persons responsible for filing false information are subject to fine or imprisonment, or both.

**Departments of Justice
and Interior, FTC, FCC,
ICC, FMC, and
Commodities Futures
Trading Commission**

Justice, Interior, FTC, FCC, ICC, and FMC gather information on foreign acquisitions of U.S. firms incidentally as part of their routine activities, but the information is not organized to allow systematic analysis.

The Commodity Futures Trading Commission, the federal regulatory agency for futures trading, also collects information on foreign investors in the commodities markets. The information, which is confidential and not available to the public or other government agencies, is collected on a daily basis from all futures brokers. Penalties for noncompliance include fines of up to \$100,000 and revocation of trading privileges.

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Objectives, Scope, and Methodology

Our objective was to obtain and report information on the efforts of various agencies and departments of the federal government to collect data on foreign investment in the United States. We drew upon information developed during our review of foreign direct investment in the United States and on publicly available information. We also interviewed various agency officials about aspects of their collection of information relative to foreign investment in the United States.

Due to time constraints, we focused on those federal agencies with primary responsibility for data collection and our compilation of federal agencies' efforts may not be all-inclusive. In addition, Federal intelligence agencies data collection activities were not included since they do not routinely disclose the source and type of information collected.

Our work was performed in August 1989 in accordance with generally accepted auditing standards.

As requested, we did not obtain formal written comments on a draft of this report.

Federal Reserve Board in Washington, D.C., and does not become public. A "Report of Intercompany Transactions for Foreign Bank Holding Companies and Their U.S. Bank Subsidiaries" (Form FR Y-8f), designed to monitor, on a quarterly basis, transfers of assets and foreign exchange transactions between the U.S. bank subsidiaries and the foreign banking organization, is also required by the Federal Reserve. This filing is confidential and not available to the public.

A report of condition—"Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks" (Form FFIEC 002)—must be filed on a quarterly basis with the Federal Reserve Bank in whichever Reserve district the branch or agency is located. This information is maintained on a computer file by the FDIC and is made available to federal and state government agencies as well as to the public. The report was designed by the Federal Financial Institutions Examination Council to serve the needs of all federal banking regulatory agencies. Each agency and branch of a foreign bank must submit these reports individually, but there is a provision for consolidation, if desirable, when there is more than one branch in a state.

The Federal Reserve Board also requires that reports be filed in connection with the International Banking Facilities (IBF) operations of an institution. An IBF is a banking entity that can engage only in international business, i.e. taking foreign deposits and making loans. Those reports are the monthly (Form FR 2072) and quarterly (Form FR 2073) reports on international banking facility accounts.

Edge Act corporations are special-purpose corporations authorized to engage in specifically defined banking activities incidental to the financing of international trade. They are subject to a variety of limitations, such as lending limits and capital requirements. Edge Act corporations must file a quarterly "Report of Condition for Edge Act or Agreement Corporations" (Form 2886b) with the Federal Reserve.

Various other reports must also be filed with the Federal Reserve Bank, which acts as agent for the U.S. Treasury and the Comptroller of the Currency. These reports can be divided into two broad series: one on international capital and the other on foreign currency. The international capital series of monthly and quarterly reports concerns assets and liabilities due from, and due to, foreign countries or persons and is filed with the Federal Reserve. The foreign currency series consists of monthly reports on positions in certain key currencies and is filed with the Comptroller of the Currency.

In general, data are reported according to the foreign country or geographical area in which the foreigner is domiciled, as shown on the records of reporting institutions. For a number of reasons, the geographical breakdown of the reported data may not always reflect the ultimate ownership of the assets. Reporting institutions are not expected to go beyond the addresses shown on their records and thus may not be aware of the country of domicile of the ultimate beneficial owner.

In addition to periodic reports on portfolio investment, Treasury conducts and publishes comprehensive benchmark surveys every 5 years. The surveys contain information for the purpose of determining the magnitude and aggregate value of portfolio investment, form of investment, nationality of investor and holdings by economic sector. The last completed survey covered the period through December 31, 1984, and was published in August 1989. According to a Treasury official, additional time was needed to obtain late submissions, verify and analyze the data, and prepare the final report for publication.

In addition, the Comptroller of the Currency collects data on foreign banking operations in the United States. This activity is discussed in the following section on data collection in the banking sector.

The Office of Thrift Supervision collects information on foreign investors to assist it in supervising insured savings and loan association activities. The information is collected, for example, from applications filed when a significant change in ownership occurs, such as purchase of 10 percent or more interest in an association or acquisition of a savings and loan holding company. Individual applications and reports are available to the public, although respondents can request confidentiality.

Data on foreign direct investment are collected by the Internal Revenue Service through annual information returns filed by foreign investors owning U.S. real property, as required by the Foreign Investment in Real Property Tax Act of 1980 (26 U.S.C. 6039c). The information, like all tax filings, is confidential. This reporting requirement is in addition to the reporting requirements of Commerce and USDA. The penalty for failure to meet the reporting requirement is the lesser of \$25,000 or 5 percent of the fair market value of the U.S. real property owned at anytime during the year.

unreported purchases of agricultural land in Hawaii that USDA officials agreed should have been reported by the foreign investors. In addition, USDA officials stated that they do not always identify the ultimate beneficial owner, since the agency determined that it does not have legal authority to require disclosure beyond the third tier of ownership. Further, about 77 percent of the foreign-owned agricultural land in Hawaii is registered to investors from the Netherlands Antilles. The Netherlands Antilles is an "identity haven"¹ and the actual nationality of the real owners is not known.

Department of Energy

The Department of Energy is one of the primary sources of information on foreign direct investment in the energy sector. In accordance with the Department of Energy Organization Act, 42 U.S.C. 7257(8), the Energy Information Administration (EIA) prepares an annual report for the Secretary of Energy and for transmittal to Congress that summarizes foreign investment, energy operations, and financial performance in U.S. energy enterprises. The information is available for use by the Congress, government agencies, and the public.

Characteristics of the Data

According to Energy Department officials, EIA tries to go beyond the aggregate information provided by the Commerce Department. Its annual report, Profiles of Foreign Direct Investment in U.S. Energy, uses information provided by BEA, public sources, and industry contacts to follow trends and identify specific investors. However, because Commerce data on individual investments is not available to EIA, EIA data on foreign investment in the energy sector may be incomplete. For example, OPEC member country investments are thought to be understated because BEA may list their investments through their foreign affiliate countries. For example, an Algerian investment through its London affiliate could be listed as a British investment in the BEA statistics. Also, all foreign investment in the energy sector may not be captured. If, for example, investment in energy distribution were classified as wholesaling, EIA would miss that information if it relied solely on BEA aggregate data.

¹Identity havens are countries whose laws place restrictions on revealing the identities of owners or shareholders of corporations through such means as issuance of bearer bonds or allowing citizens of other countries to funnel investments through "shell" or paper corporations established in that country in order to prevent disclosure of investors' identities.

Usefulness of BEA Data for Addressing Policy Concerns

With the increased public interest in foreign direct investment, it has become apparent that the data collected by BEA is insufficient to use as a basis for addressing some policy concerns. Data on specific industry sectors of national security and commercial interest, such as aerospace, semiconductors, and biotechnology, are unavailable because they are folded into much larger industry classifications. Other important public policy concerns that cannot be adequately addressed include the specific trade effects of foreign direct investment, effects on the technological base and on research and development, and the amount and types of state and local incentives used to attract such investment.

To have more accurate and useful information on foreign direct investment in the United States, BEA and Census have been exploring ways to link their computerized databases. Issues to be resolved include how to maintain the confidentiality of the proprietary business data that Census collects and the technical details of such a data crosswalk. As a first step, several BEA employees were sworn in as Census agents to permit them access to Census data. The agencies plan to test match some data elements and, if resources allow, to publish the new aggregated data and to expand the data match possibilities.

Department of Agriculture

Data on foreign direct investment in agricultural land are collected by the Department of Agriculture (USDA) under the Agricultural Foreign Investment Disclosure Act of 1978 (Public Law 95-460, 7 U.S.C. 3501-3508).

The Agricultural Foreign Investment Disclosure Act of 1978 (AFIDA) requires the Secretary of Agriculture to report the extent of foreign ownership of productive agricultural land in the United States to the President and the Congress on a calendar year basis (7 U.S.C. 3504). USDA reports are usually available in March for the preceding calendar year. The reports provide national statistics on foreign ownership by region, parcel size, method of acquisition, and other variables. For each state, USDA reports the number and percentage of foreign-owned acres. USDA county-level statistics break out foreign ownership by country. According to AFIDA, agricultural land purchases should be reported to the USDA Agricultural Stabilization and Conservation Service (ASCS) if (1) the purchases were made by foreign persons and (2) the land was cultivated within 5 years prior to its acquisition. Foreign persons are defined in AFIDA as individuals who are not either U.S. citizens, permanent residents holding "green cards", or citizens of the Northern Mariana Islands or the Trust Territories of the Pacific Islands. Foreign persons

direct investment results in ownership or control of 10 percent or more equity interest in the U.S. business. Failure to file required forms is punishable by a fine not to exceed \$10,000. Willful failure to file is punishable by a fine of not more than \$10,000 or imprisonment for not more than one year, or both. In congressional testimony last year, Commerce's Under Secretary for Economic Affairs stated that to ensure reporting compliance BEA staff constantly reviews major newspapers and other sources to locate potential respondents and also obtains company names from its Office of Trade and Investment Analysis. Public notices for its benchmark survey were to be sent to economic development offices of all 50 states as well as to Certified Public Accounting firms, law firms, and major real estate organizations. The Under Secretary also stated that no one has ever been prosecuted for failure to file a required form, as BEA's General Counsel's office has been successful in following up on obtaining delinquent reports.

Characteristics of BEA Data

We observed the following weaknesses in the BEA data.

Consolidated reporting. Data are collected on an enterprise rather than an establishment basis, meaning the parent corporation files a single report for the whole corporate family. For example, a major oil corporation may own many subsidiaries in various industry sectors, each of which may have many establishments (which can be individual factories or properties), but will report for the total conglomerate, and BEA will classify the report under the petroleum sector. This can skew the data in all sectors. According to BEA, it does collect certain data on sales and employment below the enterprise level, but the Paperwork Reduction Act limits such collection to minimize the burden on respondents.

Classification methodology. The data collected are limited by the industrial classification system used. This is roughly based on the 3-digit Standard Industrial Classification (SIC) level, which BEA feels is the lowest level at which it makes sense to classify enterprise data. This results in many important industry sectors not being broken out separately, including sectors vital to national security, such as aerospace and semiconductors. Aerospace, for example, is classified as a part of "other transportation equipment." The financial sector, a large source of foreign direct investment, is minimally disaggregated. Since BEA does not require greater detail in identifying industrial classification in its reporting, it cannot provide information at a level of detail sufficient to identify specific industry sectors.

Federal Agencies' Data Collection Efforts

Introduction

The Departments of Commerce and Treasury share responsibility for collecting and reporting information on foreign investment in the United States. Commerce collects the data on inward foreign direct investment; that is, investment resulting in the foreign ownership or control of 10 percent or more equity interest in a U.S. business. Treasury is primarily responsible for collecting information on portfolio foreign investment, which includes bonds and other debt instruments as well as equity interest of less than 10 percent. Our report deals with information related to foreign direct and portfolio investment, in particular the role of Commerce and Treasury as the agencies responsible for collection of that information.

We identified, and briefly discuss below, many other federal entities in the executive branch that, incidental to their overall mission, collect information on foreign investment in the United States. Our list of agencies, however, may not be complete; for example, federal intelligence agencies are not included, yet they may collect information on foreign investment routinely or by special request. Such agencies do not routinely disclose to the public or other federal agencies the type or source of their information.

Department of Commerce

Commerce's Bureau of Economic Analysis (BEA) and International Trade Administration (ITA) are the principal organizations that collect and report on foreign direct investment. The Census Bureau also collects detailed information on the operations of nearly all U.S. businesses, both foreign and domestically owned, but is not focused on tracking foreign direct investment.

Bureau of Economic Analysis Data Collection

BEA collects information on foreign direct investment in the United States and presents the data by industry sectors. The data is based on information obtained through four surveys that require disclosure of a broad range of financial and operational data in accordance with the International Investment and Trade In Services Survey Act of 1976 (Public Law 94-472, 22 U.S.C. 3101 to 3108, as amended). The individual responses are considered business proprietary information and only aggregated data are publicly released.

The four BEA foreign direct investment surveys are as follows.

1. Foreign Direct Investment Position and Balance of Payments Flows, which measures flows of capital, income, fees and royalties, and other

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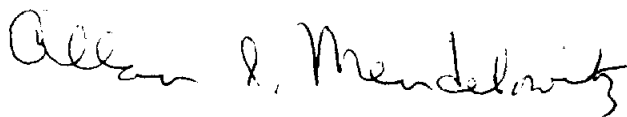
AFIDA	Agricultural Foreign Investment Disclosure Act
ASCS	Agricultural Stabilization and Conservation Service
BEA	Bureau of Economic Analysis
DINET	Defense Industrial Network
DOD	Department of Defense
EIA	Energy Information Administration
FCC	Federal Communications Commission
FDIC	Federal Deposit Insurance Corporation
FMC	Federal Maritime Commission
FTC	Federal Trade Commission
ICC	Interstate Commerce Commission
ITA	International Trade Administration
USDA	U.S. Department of Agriculture

- The federal government has no central repository to track and store all information necessary to analyze foreign investment in the United States.
- Agencies that have authority to require businesses to report on foreign investment also have authority to ensure compliance (e.g. by levying fines for failure to report). However, we did not assess the adequacy of the statutes or the methods used to ensure compliance or agency enforcement activities.
- There appears to be some duplication of data collected by the various agencies in carrying out their responsibilities. However, we did not assess the degree or impact of such duplication.

Details on the results of our study are in appendix I, and our objectives, scope, and methodology are in appendix II. As you requested, we did not obtain agency comments on a draft of this report.

Unless you publicly announce its contents earlier, no further distribution of this report will be made until 14 days from its issue date. At that time, we will provide copies to other interested parties.

The principal GAO staff members responsible for this study were Curtis F. Turnbow and Thomas W. Hopp. If you have any questions please call me on (202) 275-4812.



Allan I. Mendelowitz, Director
Trade, Energy, and Finance Issues

