

July 30, 2013

The Honorable Frank Wolf
Chairman
House Appropriations Subcommittee on
Commerce, Justice, Science, and Related Agencies
Washington, DC 20510

Dear Chairman Wolf,

Understanding the constraints of the House 302b for the FY14 Commerce, Justice, Science, and Related Agencies (CJS) appropriations bill, we appreciate the House level for the FY14 budget of the Bureau of Economic Analysis (BEA) and respectfully urge adoption of the Senate level in conference. BEA plays a central role in understanding our economy, promoting economic growth and job creation, and providing the local data essential for small and large businesses to make effective operational decisions. As stated in the attached June 4 letter, “this small investment in our information infrastructure –relative to our multi-trillion dollar economy which it tracks –will repay the public many times over.”

After the June 4 letter, we learned of the programs BEA was forced to eliminate because of its FY13 budget reduction: two Foreign Direct Investment (FDI) Analytical Products; Regional Input-Output Modeling System (RIMS II); and Local Area Personal Income Statistics (LAPI). Unless BEA funding is restored, these data will be lost and even more programs could be cut in FY14.

The loss of these programs will be greatly felt over time. The elimination of FDI and LAPI data occludes the understanding of a local economy’s dynamics, thereby handcuffing the ability of regional policymakers to mitigate the effects of downturns or to capitalize on new trends. In our June 4 letter, we strongly supported expanding BEA’s expansion of the FDI program because it would help local and state leaders better leverage foreign direct investment to improve their regional economy. By the same token, cutting the existing FDI programs only hinders these efforts. As an example of how many states have practical uses for the LAPI data, many utilize it to allocate funds between counties – such as the provision of additional educational funds to the poorer areas.

RIMS II is a tool that helps assess the potential economic impacts of various projects and is used by Federal, state, and local governments, investors and economic development organizations. The loss of RIMS II impairs the ability of users to estimate multipliers for the total impact of a project on a region and would therefore impede economic development and growth on a regional level as it would be much more difficult to adequately assess the feasibility of a project.

Full funding of the BEA request would allow the important programs listed above to be restored and would allow the important initiatives BEA proposed for FY14, as discussed in the previous letter.

Emphasizing our understanding of the severe constraints on the CJS funding bill, we reiterate that we believe the extraordinary return on investment provided by the BEA thoroughly justifies the requested increase in FY14 in this funding environment. We respectfully urge that BEA be funded at the Senate level in FY14.

Thank you again for your support of the BEA and recognition of its vital role in our economy.

Agricultural & Applied Economics Association
American Association for Public Opinion Research
American Planning Association
American Sociological Association
American Statistical Association
Association for University Business and Economic Research
Association of Academic Survey Research Organizations
Association of Population Centers
Association of Public Data Users
Consortium of Social Science Associations
Council for Community and Economic Research
Council of Professional Associations on Federal Statistics
Council on Food, Agricultural, and Resource Economics
Economic History Association
Industry Studies Association
International Economic Development Council
National Association for Business Economics
Organization for International Investment
Population Association of America
State International Development Organizations

Enclosure: June 4 letter in support of FY14 BEA request

June 4, 2013

The Honorable Frank R. Wolf
Chairman
House Appropriations Subcommittee on
Commerce, Justice, and Science
Washington, DC 20515

The Honorable Chaka Fattah
Ranking Member
House Appropriations Subcommittee on
Commerce, Justice, and Science
Washington, DC 20515

The Honorable Barbara A. Mikulski
Chairwoman
Senate Appropriations Subcommittee on
Commerce, Justice, and Science
Washington, DC 20510

The Honorable Richard Shelby
Ranking Member
Senate Appropriations Subcommittee on
Commerce, Justice, and Science
Washington, DC 20510

Dear Chairwoman Mikulski, Ranking Member Shelby Chairman Wolf, and Ranking Member Fattah,

We, the undersigned organizations and individuals, wish to convey our strong support for the FY14 budget request of \$100 million for the Bureau of Economic Analysis (BEA). We also thank you for the anomaly in the final FY13 continuing resolution sparing the BEA a larger cut from its FY12 budget. We appreciate that you understand the importance of the BEA.

While a relatively small agency, the BEA is enormously important to understanding our multi-trillion dollar economy. The BEA National Income and Product Accounts provide an overall picture of the economic health of our economy as well as an essential sector-by-sector and geographic report. Its data are used by federal, state and local government to inform economic and fiscal policy and to spur economic growth and job creation. BEA data also play a vital role in guiding business and investment decisions in the private sector. The data provided by BEA, essential as it is to both public and private decisions, are not available from any other source. In these difficult economic and fiscal times, we believe the extraordinary return on investment provided by the BEA thoroughly justifies the requested increase in FY14.

Just as our economy is constantly changing, the BEA is constantly improving its methods to adjust to our dynamic economy. We note with concern therefore that BEA's budget has declined by three percent since FY10 and, with inflation, its purchasing power has decreased even more. We believe that in the wake of the recession BEA's budget should be increased to improve economic data that will enable policy makers to make better-informed choices in responding to economic challenges

The FY14 initiative, Measurement of "Build it here, Sell it everywhere," is an excellent example of how better economic statistical data will help strengthen our economy. This initiative proposes to measure foreign direct investment (FDI) in the United States. As you know, foreign direct investment creates jobs in the United States. By understanding trends and to what economic

sectors and geographic regions FDI investment is going, local and state leaders can promote even more foreign direct investment thereby further helping our economy. With foreign investment in the United States amounting to hundreds of billions dollars annually, funding this initiative for \$4 million, is especially important given current economic conditions.

In short, we believe the FY14 BEA request of \$100 million is an essential investment for promoting economic growth and job creation, and we respectfully urge full funding. This small investment in our information infrastructure –relative to our multi-trillion dollar economy which it tracks –will repay the public many times over.

Thank you for your consideration.

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