

July 10, 2017

The Honorable Rodney Frelinghuysen
Chairman
House Appropriations Committee
Washington, DC 20515

The Honorable Nita Lowey
Ranking Member
House Appropriations Committee
Washington, DC 20515

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

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

Dear Chairman Frelinghuysen, Ranking Member Lowey, Chairman Shelby, and Ranking Member Shaheen,

We the undersigned organizations wrote to convey our strong support of \$105.4 million for the FY18 budget of the Bureau of Economic Analysis (BEA). This amount would allow the BEA budget to continue its important work at the same level as in FY17, accounting for inflation.

While a relatively small agency, BEA is enormously important to understanding our multi-trillion dollar economy. BEA's 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 a budget of \$105.4 million in FY18. We also believe this level would allow BEA to continue its work to expand the production of county-level measures of economic activity, data that would be enormously helpful to better inform regional economic development work.

Just as our economy is constantly changing, BEA is constantly improving its methods to adjust to our dynamic economy and we thank the committee for its past support allowing BEA to expand its important work in understanding our economy and to allow for a modest salary increase for its employees.

The proposal to cut BEA in FY18 to \$97 million is very concerning. The FY18 proposed reductions—which, according to budget justification document for Congress, include “efforts to separately measure the impact of small businesses on the U.S. economy, the incorporation of enhanced healthcare measures into the core GDP accounts, and trade in services data for dynamic industries of the U.S. economy, including R&D; intellectual property; and financial,

health, and IT services”—are each important in their own way. Healthcare and services, both rapidly growing components of America's economy, require more work to be better included in measures of our economy. Further, the disease-based and general healthcare satellites to the national accounts allow for more explicit and area-specific accounting for use in evidence-based healthcare planning and program decision making. IT services are relatively new as an important and ever-changing element of GDP, the measurement of which requires special attention for incorporation into accurate GDP estimation.

For the proposal to dissolve the Economics and Statistics Administration (ESA), we urge the continuation of the Commerce Data Advisory Council (CDAC) and the Commerce Data Service (CDS), two initiatives which have received institutional support from ESA. CDAC has brought in expertise from the private sector and academia to maximize the impact of government data on society, and CDS has established a team of in-house data science talent that operates on a shared-services model to help the different bureaus rapidly develop projects central to the Department's mission. For example, CDAC and CDS helped launch the Commerce Data Academy, an initiative to educate Commerce employees about how to use the latest data science tools and methods to make better decisions. Should the ESA be dissolved, we request additional funding for the BEA to carry out the functions currently carried out by the ESA on its behalf (e.g., chief finance officer's work.)

In short, we believe at least \$105.4 million for the BEA is an essential investment for promoting economic growth and job creation. This investment in our information infrastructure—small relative to our multi-trillion dollar economy which it tracks—will repay the public many times over.

Thank you for your consideration.

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
Center for Data Innovation

Consortium of Social Science Associations
Council for Community and Economic
Research
Council of Professional Associations on
Federal Statistics
Economic History Association
National Association for Business Economics
Population Association of America
State International Development Organizations

CC: The Honorable John Culberson, Chairman, House Appropriations Subcommittee on
Commerce, Justice, and Science
The Honorable Jose Serrano, Ranking Member, House Appropriations Subcommittee on
Commerce, Justice, and Science

*The staff contact for this letter is Steve Pierson, Director of Science Policy for the American
Statistical Association (pierson@amstat.org; 703.302.1841.)*