

September 25, 2018

The Honorable John Culberson
Chair, House Appropriations Subcommittee
on Commerce, Justice, and Science
Washington, DC 20515

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

The Honorable Jerry Moran
Chair, 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 Chair Culberson, Ranking Member Serrano, Chair Moran, and Ranking Member Shaheen,

We the undersigned organizations write to convey our strong support of at least \$102 million for the FY19 budget of the Bureau of Economic Analysis (BEA). This amount would allow the BEA budget to continue its important work at nearly the same level as in FY15, accounting for inflation, and restore programs cut or pared back due to budget reductions in FY18.

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 \$102 million in FY19. 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.

We now highlight work that could be carried out with the inflationary increases since FY15 for BEA. Healthcare and services, both rapidly growing components of America's economy, require more work to be better included in measures of our economy. The incorporation of disease-based and general healthcare satellites to the national accounts would allow for more explicit and area-

specific accounting for use in evidence-based healthcare planning and program decision making. Special attention is required for the incorporation of IT services, a relatively new, important, and ever-changing element of GDP, into accurate GDP estimation.

For the FY18 proposal to dissolve the Economics and Statistics Administration (ESA), we again 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. The Federal Economic Statistical Agency Committee is also a vital function of the ESA that should be sustained. 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.) We would also ask the independence of BEA as a federal statistical agency be protected throughout the process. The relevant guidance, as you know, is laid out in OMB policy directives—especially Statistical Policy Directive #1—and in the National Academies' *Principles and Practices of a Federal Statistical Agency*. Statistical Policy Directive #3 provides the guidance for the release of the principal economic indicators.

In short, we believe at least \$102 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.

{Highlighted organizations signed 5/1/18 letter for BEA and have been asked to sign this letter}

| | |
|---|--|
| American Association for Public Opinion Research | Consortium of Social Science Associations |
| American Planning Association | Council for Community and Economic Research |
| American Sociological Association | Council of Professional Associations on Federal Statistics |
| American Statistical Association | Economic History Association |
| Association for University Business & Economic Research | Industry Studies Association |
| Association of Academic Survey Research Organizations | National Association for Business Economics |
| Association of Population Centers | National Association of Development Organizations |
| Association of Public Data Users | Population Association of America |
| Center for Data Innovation | State International Development Organizations |

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