

August 18, 2017

The Honorable John Culberson
Chairman
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 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 Culberson, Ranking Member Serrano, Chairman Shelby, and Ranking Member Shaheen,

As you conference the FY18 CJS appropriations bill, we the undersigned organizations write 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. The BEA is enormously important to understanding our multi-trillion dollar economy despite being a relatively small agency.

We are very concerned for any cuts to the BEA budget. 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.

Regarding the proposal to dissolve the Economics and Statistics Administration (ESA), we reiterate our support for the continuation of the Commerce Data Advisory Council (CDAC) and the Commerce Data Service (CDS) and, should the ESA be dissolved, our request for additional funding for the BEA to carry out the functions currently carried out by the ESA on its behalf. The Federal Economic Statistical Agency Committee is also a vital function of the ESA that should be sustained. 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 \$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 Association for Public Opinion Research
American Statistical Association
Association of Population Centers
Association of Public Data Users
Association for University Business and Economic Research
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

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