Submitted Comments Regarding Federal Statistical Programs: 2015
Andrew Reamer, Ph.D., Research Professor

Bureau of Economic Analysis

Surveys
Annual Survey of U.S. Direct Investment Abroad (BE-11)
Annual Survey of Foreign Direct Investment in the U.S. (BE-15)

Census Bureau

Surveys
American Community Survey
Annual Survey of Entrepreneurs
Business and Professional Classification Survey
Business R&D and Innovation Survey
Company Organization Survey
Economic Census 2017
Management and Organizational Practices Survey

Labor Department

Reporting Systems
Labor Exchange Reporting System (ETA)
Workforce Performance Accountability, Information, and Reporting System (ETA)
Rules – Workforce Innovation and Opportunity Act (ETA)
Surveys – Import and Export Price Indexes (BLS)
Testimony
Request to Approve President’s FY2016 Budget Request for the Bureau of Labor Statistics – submitted to House Committee on Appropriations
President’s Global Development Council

Global Value Chain and Trade in Value-Added Statistics
2015 Comments Regarding Statistical Programs of the
U.S. Bureau of Economic Analysis

Surveys

Annual Survey of U.S. Direct Investment Abroad (BE-11)
Annual Survey of Foreign Direct Investment in the U.S. (BE-15)
August 10, 2015

Jennifer Jessup, Departmental Paperwork Clearance Officer
Department of Commerce, Room 6616
Washington, DC 20230

Via: jjessup@doc.gov

Re: Annual Survey of U.S. Direct Investment Abroad (BE-11)

Dear Ms. Jessup,

I am pleased to respond to the Federal Register notice of June 10, 2015 concerning the Bureau of Economic Analysis’s plan to conduct the Annual Survey of U.S. Direct Investment Abroad (BE-11). As a research professor at the George Washington Institute of Public Policy, I focus on policies that promote U.S. economic competitiveness; I also serve as a member of the Bureau of Economic Analysis (BEA) Advisory Committee. From these perspectives, I find that the BE-11 survey is particularly important because it provides detailed data on the extent and nature of U.S. direct investment overseas and changes in those characteristics over time.

BE-11 is used by the federal government, businesses, and researchers to track the dynamics of U.S. direct investment abroad and guide public policies and investment decisions in light of that knowledge. As the level and nature of U.S. direct investment abroad are significant indicators and determinants of U.S. competitiveness, BE-11 data are essential for informed analysis and intelligent decisions.

BE-11 data also are potentially useful in supporting emerging federal efforts to describe global value chains (GVCs) and measure international trade in value-added (TiVA). Gaining the capacity to map the place of U.S.-owned foreign-based establishments in GVCs and measure the contributions of these entities to U.S. TiVA is highly attractive. It will enable the federal government to design more effective trade policies and export promotion programs and U.S.-based multi-national firms to make investments that have a higher likelihood of success.

BEA and the U.S. International Trade Commission (USITC) are representing the United States in a series of multi-national efforts to create and implement a framework and methods for mapping GVCs and measuring TiVA. These efforts are hosted by the Organisation for Economic Cooperation and Development (OECD), the United Nations (UN) Statistical Commission, the UN Economic Commission for Europe, and Asia-Pacific Economic Cooperation (APEC).

To ensure that the design of the BE-11 survey supports and is consistent with these initiatives, I encourage the BEA Direct Investment Division to consult with the BEA and USITC liaisons prior to submitting the BE-11 information collection request to OMB. In the appendix to this letter, I summarize the various efforts.
I appreciate the opportunity to comment on the proposed BE-11 survey, hope that my suggestion is useful, and look forward to reading BEA’s submission to OMB.

Sincerely,

Andrew Reamer
Research Professor
Multi-national Organization Efforts to Measure GVCs, TiVA, and Trade in Services and U.S. Points of Contact

Efforts to Measure GVCs, TiVA, and Trade in Services

- **OECD-World Trade Organization (WTO):**
  - Provides current TiVA estimates by nation -- this is the database that all efforts are seeking to improve
  - Is enhancing these estimates through work of an expert group creating "extended national supply-use tables" with TiVA characteristics

- **Trade Statistics Branch**, United Nations Statistical Division--
  - As directed in March 2015 by the UN Statistical Commission (pp. 20-22), overseeing implementation of December 2014 report of the Friends of the Chair on the Measurement of International Trade and Economic Globalization (FOC).
  - Key tasks:
    - Draft a handbook on a system of extended international and global accounts as the measurement framework for international trade and economic globalization
    - Establish an expert group tasked with the development of the handbook on a system of extended international and global accounts—the U.S. is part of this group
    - Implement a program of work for the measurement of international trade and globalization, namely:
      - Promoting and advancing the creation of a global enterprise group register, building on and taking into account lessons learned from the ongoing EuroGroups Register project;
      - Improving the measurement of firm heterogeneity based on alternative aggregations of microdata and by further developing a classification of business functions, while cautioning against any change in the International Standard Industrial Classification;
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- Commissioned the Guide to Measuring Global Production, prepared by the Task Force on Global Production in March 2015:
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- Issued a report of its June 2015 meeting that "affirmed" the Guide, encouraged its use by nations, "supported the research agenda," and "agreed that the Guide would be updated once the above further work has been completed and in light of the practical evidence collected by that time."
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Technical Group on Measurement of APEC Trade in Value added (TiVA) under Global Value Chains, Asia-Pacific Economic Cooperation (APEC)

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For the UN Statistical Division, Steven Landefeld, former BEA director, is overseeing the development of the handbook on a system of extended international and global accounts called for by the FOC report. At the July UNECE meeting, he gave an overview of forthcoming work.
September 16, 2015

Paul Bugg  
Statistical and Science Policy Office  
Office of Management and Budget  
Washington, DC  

Via: Paul_Bugg@omb.eop.gov and OIRA_submission@omb.eop.gov  
Re: Annual Survey of U.S. Direct Investment Abroad (BE-11)  

Dear Mr. Bugg,

I am pleased to respond to the Federal Register notice of September 14, 2015 concerning the Bureau of Economic Analysis’s proposed renewal of its Annual Survey of U.S. Direct Investment Abroad (BE-11). As a research professor at the George Washington Institute of Public Policy, I focus on policies that promote U.S. economic competitiveness. I also serve as a member of the Bureau of Economic Analysis (BEA) Advisory Committee. From these perspectives, I find that the BE-11 survey is particularly important because it provides detailed data on U.S. investment presence in the global economy and changes in that presence over time.

BE-11 is used by the federal government, businesses, and researchers to ascertain the dynamics of U.S. direct investment abroad, inform trade policy and negotiations, and guide future corporate investments. As the level and nature of U.S. direct investment abroad are significant indicators and determinants of U.S. competitiveness, BE-11 data are essential for informed analysis and intelligent decisions.

In addition, appropriately structured BE-11 data can support ongoing federal efforts to describe global value chains (GVCs) and measure international trade in value-added (TiVA). Gaining the capacity to map the place of U.S.-owned establishments in GVCs, by location, and measure the contributions of U.S.-owned foreign affiliates to U.S. TiVA is highly attractive. Such capacity will enable the federal government to design more effective trade agreements and U.S.-based multi-national firms to make foreign investments with a higher likelihood of success. It seems to me that BEA’s proposed revisions to the BE-11 form will enhance the federal government’s ability to prepare GVC and TiVA statistics.

BEA and the U.S. International Trade Commission (USITC) are representing the United States in a series of multi-national efforts to create and implement a framework and methods for mapping GVCs and measuring TiVA. These efforts are hosted by the Organisation for Economic Cooperation and Development (OECD), the United Nations (UN) Statistical Commission, the UN Economic Commission for Europe, and Asia-Pacific Economic Cooperation (APEC). I summarize the various efforts in the appendix to this letter.
In my August 10th letter in support of BE-11, I encouraged the BEA Direct Investment Division to consult with the BEA and USITC liaisons prior to submitting the BE-11 information collection request to OMB. I was pleased to learn from BEA that:

The plans for the BE-11 and BE-15 surveys have been developed in consultation with the BEA staff that are part of the interagency group. BEA has a formal process, the BEA Source Data Improvement and Evaluation Program (SDIEP), for gathering feedback from all areas of the Bureau on current and proposed surveys and other data collections. Under the SDIEP framework, all BEA program areas were informed about the proposals and had an opportunity to comment.

Over the next few years, the international GVC and TiVA data initiatives described in the appendix will evolve in ways that are difficult to predict. My expectation is that forward movement, whatever that will be, will have implications for the BE-11 data collection. While the current design of the BE-11 survey may be consistent with the current state of the GVC/TiVA data initiatives, that may not be the case before a renewal of OMB approval expires in 2018.

I also recognize that as federal GVC/TiVA data initiatives move forward, the OMB Office of Statistical and Science Policy may become involved in order to facilitate interagency coordination and consistency.

In any case, it may be in the interests of the federal government that the BE-11 survey be revised before the end of the next renewal period. Consequently, I suggest that as a condition of approval, OMB indicate that it expects a consultation with BEA in May of 2016, 2017, and 2018 to discuss the current trajectory of the GVC/TiVA initiatives and the implications for BEA international investment data collection, including interim survey instrument revisions.

I appreciate the opportunity to comment on the proposed BE-11 survey, hope that my suggestion is useful, and look forward to reading OMB’s decision.

Sincerely,

Andrew Reamer
Research Professor
Multi-national Organization Efforts to Measure GVCs, TiVA, and Trade in Services and U.S. Points of Contact

Efforts to Measure GVCs, TiVA, and Trade in Services

➢ OECD-World Trade Organization (WTO):
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  • As directed in March 2015 by the UN Statistical Commission (pp. 20-22), overseeing implementation of December 2014 report of the Friends of the Chair on the Measurement of International Trade and Economic Globalization (FOC).
  Key tasks:
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      ▪ Promoting and advancing the creation of a global enterprise group register, building on and taking into account lessons learned from the ongoing EuroGroups Register project;
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- Issued a [report](#) of its [June 2015 meeting](#) that "affirmed" the Guide, encouraged its use by nations, "supported the research agenda," and "agreed that the Guide would be updated once the above further work has been completed and in light of the practical evidence collected by that time."
- In July 2015, the UNECE Group of Experts on National Accounts held a meeting on [Measuring Global Production](#)
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Technical Group on Measurement of APEC Trade in Value added (TiVA) under Global Value Chains, Asia-Pacific Economic Cooperation (APEC)

- At the APEC meeting in the Philippines, May 2015, the ministers issued a [joint statement](#):
  - "We welcome the first meeting of the Technical Group on Measurement of APEC Trade in Value added (TiVA) under Global Value Chains and progress in completing the construction of the APEC TiVA Database by 2018. We endorse the Terms of Reference on the Operational Mechanism and work plan of the Technical Group. We urge officials and experts to collaborate with international organizations and institutions to enhance synergies in policy making, technical assistance and capacity-building."
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Department of Commerce, Room 6616 
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Via: jjessup@doc.gov 

Re: Annual Survey of Foreign Direct Investment in the U.S. (BE-15) 

Dear Ms. Jessup, 

I am pleased to respond to the Federal Register notice of June 10, 2015 concerning the Bureau of Economic Analysis’s plan to conduct the Annual Survey of Foreign Direct Investment in the U.S. (BE-15). As a research professor at the George Washington Institute of Public Policy, I focus on policies that promote U.S. economic competitiveness; I also serve as a member of the Bureau of Economic Analysis (BEA) Advisory Committee. From these perspectives, I find that the BE-15 survey is particularly important because it provides detailed data on the role of foreign direct investment in the U.S. economy and changes in that role over time.

BE-15 is used by the federal government, state governments, businesses, and researchers to ascertain the dynamics of foreign direct investment in the U.S. and guide attraction programs and investment decisions in light of that knowledge. As the level and nature of foreign direct investment in the U.S. are significant indicators and determinants of U.S. competitiveness, BE-15 data are essential for informed analysis and intelligent decisions.

BE-15 data also are potentially useful in supporting emerging federal efforts to describe global value chains (GVCs) and measure international trade in value-added (TiVA). Gaining the capacity to map the place of U.S.-based establishments in GVCs, by nation of ownership, and measure the contributions of foreign direct investment to U.S. TiVA is highly attractive. It will enable federal and state governments to design more effective business attraction efforts and business development strategies and multi-national firms to make U.S. investments that have a higher likelihood of success.

BEA and the U.S. International Trade Commission (USITC) are representing the United States in a series of multi-national efforts to create and implement a framework and methods for mapping GVCs and measuring TiVA. These efforts are hosted by the Organisation for Economic Cooperation and Development (OECD), the United Nations (UN) Statistical Commission, the UN Economic Commission for Europe, and Asia-Pacific Economic Cooperation (APEC).

To ensure that the design of the BE-15 survey supports and is consistent with these initiatives, I encourage the BEA Direct Investment Division to consult with the BEA and USITC liaisons prior
to submitting the BE-15 information collection request to OMB. In the appendix to this letter, I summarize the various efforts.

I appreciate the opportunity to comment on the proposed BE-15 survey, hope that my suggestion is useful, and look forward to reading BEA’s submission to OMB.

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In any case, it may be in the interests of the federal government that the BE-15 survey be revised before the end of the next renewal period. Consequently, I suggest that as a condition of approval, OMB indicate that it expects a consultation with BEA in May of 2016, 2017, and 2018 to discuss the current trajectory of the GVC/TiVA initiatives and the implications for BEA international investment data collection, including interim survey instrument revisions.

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Ms. Rochelle Martinez, Senior Statistician
Statistical and Science Policy Branch
Office of Management and Budget
Washington, DC 20230

Via email: rmartinez@omb.eop.gov and OIRA_Submission@omb.eop.gov

Dear Ms. Martinez,

I appreciate the opportunity to respond to the Census Bureau’s request for comments (Federal Register, June 24, 2015) regarding its proposal for American Community Survey (ACS) Methods Panel Tests, submitted for review by your office on June 30, 2015 (ICR Reference No: 201506-0607-004).

As a research professor at the George Washington Institute of Public Policy, George Washington University, I focus on federal policies that support U.S. economic competitiveness. From that perspective, I believe that the ACS is an essential resource for enabling the nation’s economic well-being. My research indicates that uses of ACS data are deeply embedded in the operations of U.S. public and private sectors and, as a result, substantially improve the functioning of the nation’s economy.1 Further, my research shows, the ACS and its predecessors have been used to guide federal policy and programs since questions for purposes other than apportionment were included in the 1790 Census at the suggestion of Rep. James Madison.2

The conduct of ACS Methods Panel Tests during 2016-2018 is essential for improving the reliability and value of ACS data through the development of more effective means for promoting complete and accurate household responses on subjects of national and community interests.

1 See “Surveying for Dollars: The American Community Survey’s Role in Federal Funding,” Brookings Institution Metropolitan Policy Program, July 2010 and “Federal Statistical Products Based on the Census Bureau’s American Community Survey: A Reference Guide,” draft for comment (attached), July 2015. The 2010 study is the basis for the Census Bureau’s assertion that the ACS guides the geographic allocation of over $400 billion in federal funding annually.

2 See “Article 1, Section 2, Clause 3: James Madison, Census Bill, House of Representatives,” Founders Constitution, University of Chicago Press (web). “Mr. Madison Observed that they had now an opportunity of obtaining the most useful information for those who should hereafter be called upon to legislate for their country if this bill was extended so as to embrace some other objects besides the bare enumeration of the inhabitants; it would enable them to adapt the public measures to the particular circumstances of the community. In order to know the various interests of the United States, it was necessary that the description of the several classes into which the community was divided, should be accurately known; on this knowledge the legislature might proceed to make a proper provision for the agricultural, commercial and manufacturing interests, but without it they could never make their provisions in due proportion.”
importance. I believe the ACS Methods Panel Tests are particularly important for identifying
different ways to better legitimize the ACS and specific questions in the eyes of the public and their
congressional representatives. Development of such knowledge is vital in light of recent
amendments approved by the House of Representatives to terminate ACS funding or the
mandatory response on the basis of arguments about lack of legitimacy. Consequently, I very
much support OMB's approval of the Census Bureau's request.

Supporting Statement Part A for this ICR indicates that “[t]he design of the mail materials
proposed for these tests are based on the key findings from” a recent Census Bureau research
and evaluation report, “American Community Survey Messaging and Mail Package Assessment
Research: Cumulative Findings,” prepared by Census contractor “Team Reingold” on December
19, 2014.3 However, my review of this document suggests that the Methods Panel Tests as
proposed in the ICR differ from the findings of the Team Reingold report in several ways.

Specifically, the “Key Findings and Implications” section of the research and evaluation report
provides the following findings that, I believe, are not fully addressed in the proposed plans for
the ACS Methods Panel Tests.

- Emphasize effective “mandatory” messaging
- Demonstrate benefits of ACS participation to local communities
- Draw a clearer connection between objectionable questions and real-world
  applications and benefits
- Utilize local influencers as trusted messengers
- Having the right tools and training is key to persuading respondents in the field4

Through this letter, I bring these differences to OMB's attention and suggest responses for its
consideration. I also offer ways that the Methods Panel Tests might be improved in addition to
those suggested by Team Reingold.

I discuss my various observations in the sections below.

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3 This report was disseminated by James Treat, Chief, ACS Office in memo ACS 14-RER-30, January 8, 2015. The
report was prepared by “Team Reingold,” comprised of Reingold, Decision Partners, and PennSchoenBerland.
“Between October 2013 and November 2014, Team Reingold supported the U.S. Census Bureau’s American
Community Survey Office (ACSO) in conducting a series of related research studies aimed at improving the design
of the American Community Survey (ACS) mail package and messaging toward potential ACS respondents. . . .The
goals of this research were:
- To develop and test messages and mail package designs to increase ACS self-response rates, thereby
  decreasing the expense of costly follow-up outreach to non-responders
- To obtain insights to support general outreach, data dissemination, materials development, and call
  center and field operations”
4 Team Reingold report, pp. 14-17.
Mandatory Response Message

The Team Reingold report says:

In numerous studies, we found the “required by law” message to be the single most effective message in attracting attention and motivating participants to complete the survey. This largely confirms existing Census research.

In our online visual testing, the “mandatory” message clearly caught participants’ attention in envelopes, letters, instruction cards, and reminder notices. For example, nine in ten respondents highlighted the words “required by law” in the Official pre-notice letter — which was more than three times greater than the next-most identified words.

Interestingly, in our mail package focus groups and interviews, we found these messages to be a strong motivator both for more altruistic individuals who said they would fill out the survey willingly and for those who admitted they would do it only because they were required to.

Moreover, we saw little resistance to the idea of more and earlier legal warnings, including the threat of a fine. Frequently, participants — even more clearly cynical individuals — volunteered that strongly worded warnings should be conveyed early and often if the Census Bureau expects recipients to respond in a timely manner.

As could be expected, there were a few individuals who bristled at the mandatory nature of the survey, especially among those admittedly distrustful of the government. For such individuals, it may be useful to more clearly make the case for why completing the survey is mandatory — in terms of generating accurate data to best serve communities, etc.

In the proposed Methods Panel Tests, the Census Bureau seeks to examine a very different hypothetical dynamic, that “softening” the mandatory response message will increase the response rate. In contrast to Team Reingold’s finding that “we saw little resistance to the idea of more and earlier legal warnings, including the threat of a fine,” Methods Panel Tests Supporting Statement Part A indicates: “First, in response to respondent concerns about prominent references to the mandatory participation in the ACS, the Census Bureau plans to test methods to soften the mandatory messages while emphasizing the benefits of participation in the survey.” (p. 3)

I am confused about the reason for the significant divergence between the Team Reingold finding and the Census Bureau test. Consequently, I encourage OMB to:

- be sure it understands the Census Bureau’s basis for choosing the proposed path and
• see that the Census Bureau tests Team Reingold’s preferred scenario—combining “more and earlier legal warnings” with compelling neighborhood information about the community benefits of the ACS.

**Identification of Community Benefits of ACS**

Team Reingold makes quite clear its belief that ACS response rates will improve if ACS materials describe the benefits of the ACS to each respondent’s neighborhood.

Several of our studies suggested that participants evaluate the ACS foremost in terms of tangible, visible benefits to their local communities — such as improvements to roads, schools, and hospitals. We found that participants were often more interested in potential benefits for their own neighborhoods than for the nation, their states, or even their cities. . . .

While secondary to punitive messages in their impact on motivating response, altruistic messages about the benefits of participation for one’s community were more likely to inspire goodwill and create positive associations to the survey. . . .

Many participants, especially those distrustful of government, objected to seemingly obscure questions — including those about household plumbing, commute time, etc. — as being overly intrusive or irrelevant, and such questions frequently brought them to question the legitimacy and importance of the survey.

If individuals better understood the purposes or direct applications of seemingly irrelevant ACS questions, they may be less defensive and more inclined to self-respond. ACS materials should demonstrate the practical applicability of objectionable ACS questions, tying them directly to their use by some meaningful government program or service.

And repeated from the prior section:

As could be expected, there were a few individuals who bristled at the mandatory nature of the survey, especially among those admittedly distrustful of the government. For such individuals, it may be useful to more clearly make the case for why completing the survey is mandatory — in terms of generating accurate data to best serve communities, etc.

On the basis of its Refinement Survey, Team Reingold recommends that Census include a short message in the introductory ACS letter indicating that “state and local leaders could use ACS data to build roads, schools, and hospitals.” As a result, it appears, ACS Methods Panel test materials contain one of the following phrases:

1) Communities across the country rely on information from this survey to decide where important services are needed, including:
• Improving roads and reducing traffic
• Building schools
• Planning for the health care needs of the elderly

2) This survey collects critical up-to-date information used to meet the needs of communities across the United States. For example, results from this survey are used to decide where new schools, hospitals, and fire stations are needed. This information also helps communities plan for the kinds of emergency situations that might affect you and your neighbors, such as floods and other natural disasters.

Team Reingold also recommends that the Census Bureau include a newly designed brochure (part of the ICR package) that responds to a header question “Why Do We Ask Certain Questions?” with short explanations about the uses of answers to questions on name, disability, plumbing and kitchen facilities, income, home value or rent payment, occupation, journey to work, and education.

Team Reingold comes to its recommendations on the basis of these conclusions:

After initial messaging studies, Team Reingold hypothesized that it may be valuable to customize and geographically target ACS materials to speak to local benefits in respondents’ areas (our best available and most feasible proxy was federal dollars allocated to states on the basis of ACS data). However, upon further testing, we conclude that the benefits of mass customization are likely not worth the added operational difficulties. It is possible that providing information about state-level benefits is not granular enough for respondents to connect ACS participation with real-world benefits “before their eyes.”

I do not dispute Team Reingold’s findings regarding the type of information that ACS participants most respond to (that is, at the neighborhood level). However, I believe that the Team Reingold action recommendations are insufficiently vigorous and that the Census Bureau should examine the impact of approaches with potential to yield higher response rates.

I believe the short generic “one size fits all” benefits text in the introductory letters does not fit the circumstances of many communities. For instance, mention of data to “decide where new schools, hospitals, and fire stations are needed” is unlikely to make sense in communities that are not growing.

In addition, I find the list of benefits tested by Team Reingold in the Refinement Survey and communicated in the test materials (report pp. 37-38) to be circumscribed and not representative of the full set of ACS benefits. For instance, Team Reingold did not test reactions to mention of uses of the ACS to:

• attract businesses to the community guide on the basis of data on potential customers and workforce
• help businesses and nonprofit organizations offer goods and services that match community needs
• design legislative districts for local, state, and federal governments
• enable legislative representatives to better understand community circumstances
• assure voting rights
• determine regional cost-of-living data

Consequently, I suggest that OMB consider asking the Census Bureau to test response rates to a broader array of short generic messages on benefits that are matched to each test community’s particular circumstances (for example, income, race/ethnicity, unemployment).

I appreciate Team Reingold’s finding that respondents are most motivated by neighborhood benefits and that there are significant “operational difficulties” in providing each respondent household with data customized for that community. At the same time, I encourage OMB to consider asking the Census Bureau to create a test of response to state-specific information. I suggest that, rather than provide a state-specific benefits insert in the ACS mail package, the Census Bureau provide each respondent household with the link to a webpage that lists example public and private uses of the ACS in that state.

Testimonials from Local Influencers

Team Reingold indicates:

In our Key Informant Interviews, leaders active with high-interest populations (low-income, minority, non-English, etc.) continually stressed the importance of communicating the value of ACS through trusted community channels.

Community leaders and organizations have greater trust built up in the community and are likely more credible messengers about local benefits from participation in the ACS than the Census Bureau.

It may also be worthwhile to include testimonials from trusted local figures in ACS materials. Doing so could positively dispose respondents to the survey and concisely illustrate tangible community benefits of ACS participation.

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5 Rep. Madison named this reason as his motivation for proposing the first precursor to the ACS.
6 Team Reingold: “It is possible that providing information about state-level benefits is not granular enough for respondents to connect ACS participation with real-world benefits “before their eyes.” (p. 15) This suggests that, alternately, state-level benefits might be granular enough and so are worthy of testing.
Team Reingold’s observation is reinforced by Census Bureau research that shows the positive impacts the Census Partnership Program has had on decennial response rates. ⁷

As far as I can tell, the ACS Methods Panel Tests materials do not reflect implementation of Team Reingold’s suggestion “to include testimonials from trusted local figures in ACS materials.” Consequently, I suggest that OMB ask the Census Bureau to identify how it might test this idea as part of this information collection. If the Census Bureau were to create a series of state-specific webpages describing ACS benefits, it might include testimonials from state and local officials on those webpages.

Alternatively, OMB might consider asking Census to test the impact of an ACS version of the decennial Census Partnership Program on local response rates.

Tools and Training for ACS Field Staff

Team Reingold indicates:

Resources available to field personnel are often insufficient to the communications challenges they face. Data collectors report they often have to work hard “on the fly” to convey the relevance of the ACS to the respondent and underscore the importance of participating.

It will be valuable to equip staff with messages, materials, and training that enable them to underscore ACS’ relevance—particularly at the local community level—for respondents and other stakeholders.

Again, as far as I can tell, the proposed ACS Methods Panel Tests do not include a test of equipping “staff with messages, materials, and training that enable them to underscore ACS’ relevance.” I suggest that OMB ask the Census Bureau to identify how it might test this idea as part of this information collection.

Beyond the Team Reingold Report

For OMB’s consideration, I have several suggestions for Methods Panel-related efforts in addition to those identified by the Team Reingold report.

First, in the test FAQ brochure, I suggest adding two sentences. The first question would say that the ACS is the current iteration of a federal data collection first conceived by James Madison in 1790. This information would convey that the ACS has a long and continuous history and was started by the Father of the Constitution.

The second sentence would indicate that the questions on the ACS are reviewed by Congress, as required by law. This information would convey that the ACS is conducted with congressional oversight.

My hypothesis that response rates will improve if respondents understand that the ACS has long-standing historical and legislative legitimacy.

Second, if the Census Bureau creates state-specific webpages as I proposed earlier, I suggest that those pages also include the ACS response rates for communities within the state. As behavioral research regularly suggests, households are much more likely to act in a beneficial way if they believe their neighbors are doing likewise.\(^8\)

Third, and consistent with the last two points, I encourage OMB to direct the Census Bureau to carry out additional behavioral research on methods for improving ACS response rates. With regards to social norms, I suggest Census review recent work by Richard McAdams that suggests that laws regulating behavior (such as the law mandating an ACS response) work less because of fear of punishment and more because such laws signal a social norm. It seems valuable for the Census Bureau to better understanding the social norm implications of the mandatory response language.\(^9\)

In addition, I suggest that OMB encourage the Census Bureau to consider engaging the services of the new Social and Behavioral Sciences Team (SBST) operating out of the White House Office of Science and Technology Policy. Colloquially known as the “Nudge Unit,” after the title of the book by Cass Sunstein and Richard Thaler, and modeled after a similar unit in the United Kingdom, the SBST is composed of “leading experts who have been recruited into government to harness behavioral science insights to help Federal government programs better serve the nation while saving taxpayer dollars.”\(^10\)

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\(^8\) See, for instance, WaterSmart Software, “Tapping into the Power of Behavioral Science: Insights & Opportunities for Water-Use Efficiency,” February 2015. “The power of social influence is particularly evident in individuals’ tendency to adhere to social norms: beliefs about what other people are doing, and what they approve or disapprove of. Social norms constitute a social standard from which people typically do not want to deviate.” Also, Hunt Allcott and Sendhil Mullainathan, “Behavior and Energy Policy,” Science, March 5, 2010, Vol. 327 no. 5970 pp. 1204-1205. “Recent work by a company called OPOWER, informed by academic work showing the power of social comparisons in environmental conservation, suggests that behavioral programs can be cost-effectively scaled to millions of households. OPOWER sends home energy-use reports to electricity and gas consumers that display the household’s energy consumption, compare it with that of similar households, and provide energy conservation tips. Using randomized, controlled trials with hundreds of thousands of utility customers across the United States, these reports have been shown to reduce electricity consumption in the average household by over 2%.”


In light of ongoing efforts by members of Congress to terminate the ACS or mandatory response, I believe it is imperative for the 2016-18 ACS Methods Panel Tests to develop new knowledge useful in improving the public’s understanding of the value of the ACS to their communities and the nation. I appreciate the opportunity to provide comments regarding ways of creating such knowledge, hope you find them helpful, and look forward to the OMB’s response.

Sincerely,

Andrew Reamer
Research Professor

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*Behavioural Insights Team* (BIT). Initially a unit of national government, the BIT has spun out as a private organization and is setting up [BIT North America](#) in New York.
August 19, 2015

Mr. Paul Bugg, Economist
Statistical and Science Policy Branch
Office of Management and Budget
Washington, DC 20230

Via email: Paul_Bugg@omb.eop.gov and OIRA_Submission@omb.eop.gov

Dear Mr. Bugg,

I appreciate the opportunity to respond to the Census Bureau’s request for comments (Federal Register, July 30, 2015) regarding its proposal for the Annual Survey of Entrepreneurs (ASE), which OMB received on August 4, 2015 (ICR Reference No: 201507-0607-003).

As a research professor at the George Washington Institute of Public Policy, George Washington University, I focus on federal policies that support U.S. economic competitiveness. From that perspective, I am excited to learn of the Census Bureau’s proposed ASE, carried out in partnership with the Minority Business Development Administration and the E.M. Kauffman Foundation. The literature is clear that economic growth is correlated with the level and nature of entrepreneurship.1 At the same, Census Bureau data show, the level and job-creating capacity of U.S. entrepreneurship are declining.2 At present, economic researchers are not able to fully explain this worrisome trend.

The ASE has significant potential to help researchers identify factors behind the decline in entrepreneurial dynamism and ways to address those factors. In combination, the ASE’s annual nature, its unique set of business finance questions, and its annual rotation of topical modules will provide a rich vein of data not otherwise available. Further, the ASE business finance questions are very helpful in diminishing the data gap caused by the Federal Reserve’s termination of the Survey of Small Business Finance several years ago.

I believe, then, that the availability of ASE data will enable the development of federal, state, and local government policies that more effectively address the various barriers to increased successful entrepreneurship.

Regarding the draft 2014 ASE instrument, I have several suggestions that are editorial in nature:

• **Education.** The draft survey inquires about the attainment of degrees, but not non-degree credentials such industry-recognized certifications, occupational licenses, and community college certificates. The Census Bureau is an active member of the Interagency Working Group on Expanded Measures of Enrollment and Attainment (GEMEnA), which is seeding numerous federal surveys with questions on non-degree credential attainment. Consequently, I suggest that the Census Bureau consider including a question on industry-recognized certifications, as it would be useful to test if such certifications are positively correlated with the rate of business startups and growth.

• **Reasons for Owning a Business.** The draft survey asks the respondent to rate the importance of various reasons for owning a business. On the one hand, I find certain options to be redundant. “Wanted to be my own boss,” “Working for someone else didn’t appeal to me,” and “Always wanted to start my own business” seem very similar to one another. I encourage the Census Bureau to combine these three into one statement. At the same time, I think that several viable reasons are not currently on the list. For the Census Bureau’s consideration, I offer: “Wanted to contribute to my community,” “Wanted to contribute to the nation,” “Personal fulfillment,” “Wanted to work with a family member,” and “Wanted to work with a friend or acquaintance.”

• **Business Aspirations.** I think metrics of owner aspirations can go beyond sales and profits to include number of jobs, total payroll, market share, and selling the business. I encourage the Census Bureau to consider adding these metrics to the question and organizing the overall question in a matrix format, with one aspiration metric per row and “larger,” “about the same,” and “smaller” as columns. (Aspiration to sell the business would need to be treated differently.)

• **Negative Impact on Profitability.** For clarity and parallel construction, I suggest adding a negative modifier to this question’s first four options—that is, low access to financial capital, high cost of financial capital, difficulty finding qualified labor, and high taxes. The next three options already have such modifiers.

• **Customer Locations.** I’m unsure of this question’s unit of analysis. Is it percent of total number of customers, or perhaps percent of total sales? In any case, I encourage the Census Bureau to clarify the unit of analysis.

• **Outsourcing or Transfers outside the United States.** I suggest that if the respondent answers yes, they be asked to identify the nature of the business function(s) transferred.

I ask that OMB indicate that the Census Bureau should seek public comment on the ASE topical modules for 2015 and 2016.

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I appreciate the opportunity to provide comments on the Census Bureau’s proposed ASE, hope you find them helpful, and look forward to the OMB’s response.

Sincerely,

Andrew Reamer
Research Professor
December 7, 2015

Mr. Paul Bugg
Statistical and Science Policy Office, Office of Management and Budget
Washington, DC

Via: Paul_Bugg@omb.eop.gov and OIRA_submission@omb.eop.gov

Re: Business and Professional Classification Report

Dear Mr. Bugg,

I am pleased to respond to the Federal Register notice of November 4, 2015 of the Census Bureau’s information collection request regarding the Business and Professional Classification Report (SQ-CLASS). As a research professor at the George Washington Institute of Public Policy, I focus on policies that promote U.S. economic competitiveness. From this perspective, I find that the SQ-CLASS is important to competitiveness because it ensures that the Business Register, the Census Bureau’s sampling frame for economic surveys, includes newly opened establishments. Appropriate inclusion of new businesses in surveys is essential for accurate economic statistics.

Further, so that survey samples may be properly stratified, the SQ-CLASS collects information on business characteristics such as principal business activity, type of operation, principal lines, total operating revenue, e-commerce revenues, nature of customers, method of selling, and number of locations. However, at present, the SQ-CLASS does not collect information on a business’s involvement in international trade.

Currently, a number of federal statistical and program agencies, including the Census Bureau, are working in concert with other nations to develop data collections on the extent and nature of business involvement in global value chains (GVC) and value-added trade (TiVA). If accurate, these new data will be particularly useful in aiding understanding of the competitiveness of U.S. firms in global markets.

In light of the absence of trade data in the SQ-CLASS, I suggest expanding the SQ-CLASS question on principal lines to include a new rightmost column on the percentage of revenues from each principal line derived from exports. Such information would improve the likelihood that Census economic survey samples accurately reflect the distribution of new establishments by level of export activity.

I appreciate the opportunity to comment on the proposed SQ-CLASS, hope that my suggestion is useful, and look forward to reading your decision.
Sincerely,

Andrew Reamer
Research Professor
May 26, 2015

Office of Management and Budget
10201 New Executive Office Building
Washington, DC  20006

Via: OIRA_Submission@omb.eop.gov

Re: Business R&D and Innovation Survey (OMB Control No. 0607-0912)

Dear OMB,

I am pleased to respond to the Federal Register notice of April 23, 2015 concerning the Census Bureau’s request to conduct the Business Research & Development and Innovation Survey (BRDIS). As a research professor at the George Washington Institute of Public Policy, I focus on policies that promote U.S. economic competitiveness. I believe that BRDIS is particularly important to competitiveness as it provides detailed information regarding the nature, conduct, and innovation impacts of business R&D, by industry. This information is actively used by businesses, the federal government, state governments, and researchers to ascertain the dynamics of business R&D and guide R&D investment decisions in light of that knowledge. As, research shows, the quality and quantity of business R&D are primary determinants of U.S. competitiveness, BRDIS data are essential for informed analysis and intelligent decisions.

In addition, BRDIS is important to planned federal efforts to describe global value chains (GVCs), measure international trade in value-added (TiVA), more accurately measure trade in services (including R&D), and comprehensively classify U.S. business activity by function, including R&D.

Gaining the capacity to map the place of business R&D in GVCs and measure the contributions of business R&D to TiVA is highly attractive because it will enable Congress, federal agencies, corporations, and regional developers to make targeted, intelligent R&D investment decisions that more effectively promote U.S. economic competitiveness.

The federal government is an active participant in the development and implementation of several multi-national efforts that include a business R&D measurement component. These efforts include those organized by OECD, Asia-Pacific Economic Cooperation, the UN Statistical Commission, and the UN Economic Commission for Europe.

However, the relevance of BRDIS to these efforts is not mentioned in the supporting statement for the Census Bureau’s BRDIS information collection request (ICR). It seems to me, then, that Census Bureau and National Center for Science and Engineering Statistics (NCSES) staff involved with BRDIS have not taken these efforts into account in their design of the BRDIS survey instrument and sample.
To ensure that important new federal data efforts are supported by a BRDIS survey instrument of appropriate design, I ask that OMB approve the Census Bureau’s ICR on the condition that in one year the Census Bureau report back to OMB regarding the nature of the various multi-national efforts to measure R&D by nation, the role of Commerce Department and NSF statistical agencies in these efforts, and the implications for the design of BRDIS in subsequent years.

For the information of OMB, the Census Bureau, and NCSES, below I list relevant multi-national activities. Efforts sponsored by the UN, OECD, and APEC have active U.S. participation.

- **Business functions**
  - Surveys
    - Eurostat, *“International Sourcing of Business Functions”* (June 2013)
    - Clair Brown and Tim Sturgeon, *“National Organizations Survey, 2010: Examining the Relationships Between Job Quality and the Domestic and International Sourcing of Business Functions by United States Organizations”* (December 2013, funded by the National Science Foundation)

- **Multinational efforts to create the methodological and accounting framework for GVC and TiVA statistics, including business R&D:**

- **Multinational efforts to produce new TiVA data tables:**

- **International trade in services accounting**
  - [Interagency Task Force on International Trade Statistics](https://unstats.un.org/unsd/comtrade/services/), UN Statistics Division (U.S. member—Paul Farello, BEA)
  - [Extended Balance of Payments Services (EBOPS) 2010](https://unstats.un.org/unsd/comtrade/services/) (see Component 10: Other business services)
If granted, my above request to OMB would complement its recent terms of clearance in response to my comments on the Census Bureau’s proposed Company Organization Survey (COS): “[T]he Census Bureau shall provide with the next ICR for the COS, a plan of research for assessing the feasibility of collecting GVC and TiVA data on this or other relevant data collections.”

I appreciate the opportunity to comment on the proposed BRDIS, hope that my observations and request are useful, and look forward to your decision.

Sincerely,

Andrew Reamer
Research Professor
August 7, 2015

Jennifer Jessup, Departmental Paperwork Clearance Officer
Department of Commerce, Room 6616
Washington, DC 20230

Via: jjessup@doc.gov

Re: Business R&D and Innovation Survey

Dear Ms. Jessup,

I am pleased to respond to the Federal Register notice of June 10, 2015 concerning the Census Bureau’s plan to conduct the Business Research & Development and Innovation Survey (BRDIS) in 2015-2017. As a research professor at the George Washington Institute of Public Policy, I focus on policies that promote U.S. economic competitiveness. From this perspective, I find that BRDIS is particularly important to competitiveness because it provides detailed information regarding the nature, conduct, and innovation impacts of business R&D by industry.

BRDIS is used by businesses, the federal government, state governments, and researchers to ascertain the dynamics of business R&D and guide R&D investment decisions in light of that knowledge. As the quality and quantity of business R&D are primary determinants of U.S. competitiveness, BRDIS data are essential for informed analysis and intelligent decisions.

In addition, BRDIS is important to planned federal efforts to describe global value chains (GVCs), measure international trade in value-added (TiVA), more accurately measure trade in services (including R&D), and comprehensively classify U.S. business activity by function, including R&D.

Gaining the capacity to map the place of business R&D in GVCs and measure the contributions of business R&D to TiVA is highly attractive because it will enable Congress, federal agencies, corporations, and regional developers to make targeted, intelligent R&D investment decisions that more effectively promote U.S. economic competitiveness.

The U.S. Bureau of Economic Analysis (BEA) and the U.S. International Trade Commission (USITC) represent the United States in the development and implementation of a series of multi-national efforts to create a framework and methods for mapping GVCs, measuring TiVA, and tracking trade in services. These efforts are hosted by OECD, the UN Statistical Commission, the UN Economic Commission for Europe, and Asia-Pacific Economic Cooperation (APEC).

To ensure that the design of the 2015-2017 BRDIS supports and is consistent with these emerging efforts, I encourage the Census Bureau and the National Center for Science & Engineering Statistics (NCSES) to consult with appropriate federal staff and U.S.-based experts.
before submitting the BRDIS information collection request to OMB. In the appendix to this letter, I list the various efforts and the U.S. participants.

I appreciate the opportunity to comment on the proposed BRDIS, hope that my suggestion and information are useful, and look forward to reading your submission to OMB.

Sincerely,

Andrew Reamer  
Research Professor
Multi-national Organization Efforts to Measure GVCs, TiVA, and Trade in Services and U.S. Points of Contact

Efforts to Measure GVCs, TiVA, and Trade in Services

- **OECD-World Trade Organization (WTO):**
  - Provides current TiVA estimates by nation -- this is the database that all efforts are seeking to improve.
  - Will enhance these estimates through work of an expert group creating "extended national supply-use tables" with TiVA characteristics.

- **Trade Statistics Branch, United Nations Statistical Division**
  - As directed in March 2015 by the UN Statistical Commission (pp. 20-22), overseeing implementation of December 2014 report of the Friends of the Chair on the Measurement of International Trade and Economic Globalization (FOC).
  - Key tasks:
    - Draft a handbook on a system of extended international and global accounts as the measurement framework for international trade and economic globalization.
    - Establish an expert group tasked with the development of the handbook on a system of extended international and global accounts—the U.S. is part of this group.
    - Implement a program of work for the measurement of international trade and globalization, namely:
      - Promoting and advancing the creation of a global enterprise group register, building on and taking into account lessons learned from the ongoing EuroGroups Register project.
      - Improving the measurement of firm heterogeneity based on alternative aggregations of microdata and by further developing a classification of business functions, while cautioning against any change in the International Standard Industrial Classification.
      - Addressing asymmetries in bilateral trade and foreign direct investment while building on work already undertaken in several countries and coordinating this effort with work already being done by the Organization for Economic Cooperation and Development.
      - Mainstreaming the development of recurrent global supply-use and input-output tables as undertaken by the Organization for Economic Cooperation and Development in collaboration with other regional and international organizations, with the aim of increasing the coverage of the Organization for Economic Cooperation and Development-World Trade Organization database on trade in value-added.
• **Inter-agency Task Force on International Trade Statistics**
  
  o “In March 2014 at the joint meeting of the Task Force on International Merchandise Trade Statistics (TFIMTS) and the Task Force on Statistics of International Trade in Services (TFSITS), the proposal to merge the task forces was approved. The co-chairs of the merged Task Force on International Trade Statistics (TFITS) are OECD and WTO. The TFITS will meet once a year.”

• Conference of European Statisticians (CES), UN Economic Commission for Europe (UNECE)
  
  • Commissioned the **Guide to Measuring Global Production**, prepared by the Task Force on Global Production in March 2015:
    
    o "Global production has evolved and now encompasses a broad range of business arrangements and organizational forms. Today, multinational enterprises (MNE) account for a large share of international trade between countries. National Statistical Institutes (NSI) need to keep track of the changing forms of global production and their effects on international trade relationships. It is important to identify best practices developed by countries and agree internationally on the practical guidelines needed to foster international comparability."

  • CES issued a **report** of its June 2015 meeting that "affirmed" the Guide, encouraged its use by nations, "supported the research agenda," and "agreed that the Guide would be updated once the above further work has been completed and in light of the practical evidence collected by that time."

  • In July 2015, the UNECE Group of Experts on National Accounts held a meeting on **Measuring Global Production**
    
    o "In April 2014, the CES . . . decided to create a forum for exchanging experience on data collection and compilation methods in respect to global production arrangements. The CES asked UNECE and the Group of Experts on National Accounts to provide such a forum. The collected country examples and good practices will be used for future updates of the Guide to Measuring Global Production."

• Technical Group on Measurement of APEC Trade in Value added (TiVA) under Global Value Chains, Asia-Pacific Economic Cooperation (APEC)
  
  • At the APEC meeting in the Philippines, May 2015, the ministers issued a **joint statement**:
    
    o "We welcome the first meeting of the Technical Group on Measurement of APEC Trade in Value added (TiVA) under Global Value Chains and progress in completing the construction of the APEC TiVA Database by 2018. We endorse the Terms of Reference on the Operational Mechanism and work plan of the Technical Group. We urge officials and experts to collaborate with
international organizations and institutions to enhance synergies in policy making, technical assistance and capacity-building."

- Prepared "Draft Terms of Reference on the Operational Mechanism of the Technical Group on Measurement of APEC TiVA under GVCs."

**U.S. Points of Contact**

BEA is the U.S. liaison to the OECD, UN, and UNECE efforts. Points of contact are:

- Sally Thompson, Associate Director for International Economics
  Sally.Thompson@bea.gov  (202) 606-9660
- Paul Farello, Chief, Balance of Payments Division, International Economic Accounts
  Paul.Farello@bea.gov  (202) 606-9561
- Erich Strassner, Chief, Industry Applications  202–606-9539  erich.strassner@bea.gov

The U.S. International Trade Commission is the U.S. liaison to the APEC technical committee, which is co-chaired by the U.S. and China. The U.S. co-chair is Bill Powers, Acting Chief, Economic Research  william.powers@usitc.gov  202.205.3216

Regarding implementation of the FOC report, I suggest that the Census Bureau and NCSES also consult with:

- Steven Landefeld, BEA former director  (410) 414-5263. For the UN, Dr. Landefeld is overseeing the development of the handbook on a system of extended international and global accounts called for by the FOC report. At the July UNECE meeting, he gave an overview of his forthcoming work.
- Tim Sturgeon, Senior Research Affiliate, MIT Industrial Performance Center  sturgeon@mit.edu  978-457-266. Dr. Sturgeon has prepared the initial business functions classification called for by the UN:
  - Also see:
December 4, 2015
Mr. Paul Bugg
Statistical and Science Policy Office
Office of Management and Budget
Washington, DC
Via: Paul_Bugg@omb.eop.gov and OIRA_submission@omb.eop.gov
Re: Business R&D and Innovation Survey

Dear Mr. Bugg,

I am pleased to respond to the Federal Register notice of November 3, 2015 concerning the Census Bureau’s information collection request (ICR) regarding the Business Research & Development and Innovation Survey (BRDIS) for 2015-2017. As a research professor at the George Washington Institute of Public Policy, I focus on policies that promote U.S. economic competitiveness. From this perspective, I find that BRDIS is particularly important to competitiveness because it provides detailed information regarding the nature, conduct, and innovation impacts of business R&D by industry.

BRDIS is used by businesses, the federal government, state governments, and researchers to ascertain the dynamics of business R&D and guide R&D investment decisions in light of that knowledge. As the quality and quantity of business R&D are primary determinants of U.S. competitiveness, BRDIS data are essential for informed analysis and intelligent decisions.

In addition, BRDIS is important to planned federal efforts to describe global value chains (GVCs), measure international trade in value-added (TiVA), more accurately measure trade in services (including R&D), and comprehensively classify U.S. business activity by function, including R&D. Gaining the capacity to map the place of business R&D in GVCs and measure the contributions of business R&D to TiVA is highly attractive because it will enable Congress, federal agencies, corporations, and regional developers to make targeted, intelligent R&D investment decisions that more effectively promote U.S. economic competitiveness.

The GVC- and TiVA-related uses of BRDIS are new and so not specifically mentioned in Supporting Statement – Part A. As these uses enhance the value of BRDIS, I believe it would be worthwhile for OMB and the public to understand them. Consequently, I suggest that as a condition of approval of the BRDIS ICR, OMB direct the Census Bureau to prepare a memorandum in one year that identifies current and prospective uses of BRDIS data in the following efforts:
• Extended supply-use tables developed by the U.S. Bureau of Economic Analysis (BEA) as part of its participation in the Organization for Economic Cooperation and Development [expert group] on extended supply-use tables;

• U.S. implementation of the Guide to Measuring Global Production, prepared by the Task Force on Global Production, prepared with BEA participation in 2014 for the Conference of European Statisticians (CES), UN Economic Commission for Europe (UNECE);

• Design and implementation of a handbook on a system of extended international and global accounts, as directed in March 2015 by the UN Statistical Commission (pp. 20-22) overseeing implementation of December 2014 report of the Friends of the Chair on the Measurement of International Trade and Economic Globalization (FOC); and

• The work of the new UN Inter-agency Task Force on International Trade Statistics.

I appreciate the opportunity to comment on the proposed BRDIS, hope that my suggestion is useful, and look forward to reading your decision.

Sincerely,

Andrew Reamer
Research Professor
April 27, 2015

Mr. Paul Bugg
Office of Management and Budget
10201 New Executive Office Building
Washington, DC  20006
Via: Paul_Bugg@omb.eop.gov

Re: 2014-16 Company Organization Survey (OMB Control No. 0607-0444)

Dear Mr. Bugg,

I am pleased to respond to the Federal Register notice of February 12, 2015 concerning the Census Bureau’s request to conduct the Company Organization Survey (COS) for 2014-2016. As a research professor at the George Washington Institute of Public Policy, I focus on policies that promote U.S. economic competitiveness. I believe the COS is particularly important to the creation of effective economic policies:

- The COS is the foundation for the Census Bureau’s Business Register,
  - which in turn provides the sampling frame for Census business surveys and
  - enables the Longitudinal Business Database, a premier research resource for understanding the dynamics of U.S. businesses over time.
- The COS provides data critical to the Census Bureau’s new Enterprise Statistics Program.
- The COS serves as the basis for the Census Bureau’s annual County Business Patterns publication.
- The COS is a valuable means for ascertaining the prevalence of new value chain arrangements (such as “factoryless goods producers”).

In my view, then, the comprehensive collection of reliable business organization data through the COS is essential to the production of a large proportion of federal economic indicators and data series and to the assessment of the nation’s economic base and industrial activity.

In addition, the COS is important to contemplated federal efforts to describe global value chains (GVCs), measure international trade in value-added (TiVA), and comprehensively classify U.S. business activity by function (e.g., production, R&D, transportation and logistics, sales and marketing, customer service, information technology). Gaining the capacity to map value chains and measure TiVA by function is highly attractive because it will enable federal agencies, corporations, and regional developers to make investment and market decisions that better promote U.S. economic competitiveness.

At present, federal trade statistics are provided only in gross terms (the total value of goods and services imported and exported, by nation of last origin or first destination); TiVA statistics would allow analysts to see distinct national roles in individual value chains and so far better
understand the U.S. competitive strengths and weaknesses. As one interesting dimension of possible analysis, TiVA data could indicate the foreign content of U.S. exports and the U.S. content of U.S. imports. In addition, properly organized, GVC and TiVA statistics could provide better information on the use of contract manufacturing services.

Regarding methodology for generating GVC and TiVA statistics, the emerging consensus is to create multi-regional input-output tables through a modeling effort that first integrates national input-output tables and bilateral trade flow data (“top-down”) and then improves model accuracy using microdata gathered from business surveys and the linkage of national business registers and trade transaction records (“bottom-up”). As the foundation for the multi-purpose Census Business Register, the COS is a particularly valuable resource in the prospective development of GVC and TiVA statistics.

Questions, then, are:

- What COS design would best facilitate collection and publication of GVC and TiVA statistics useful to decision-makers? Currently, the COS includes a seemingly disparate set of questions on value chains, business functions, and trade, including domestic/foreign ownership/control, foreign affiliation, R&D, foreign subsidiaries, intrafirm international sales, and contract manufacturing.
- To facilitate GVC and TiVA data development, how can the COS design best be aligned with other Census and Bureau of Economic Analysis (BEA) collections of trade and organization data?
- How might a new COS design help address the methodological and political difficulties that preceded the cancellation of a planned “factoryless goods producer” (FGP) classification?

For the Census Bureau to answer these questions fully and well, I suggest it take into account several contextual elements:

- Recent multinational efforts to create the methodological and accounting framework for GVC and TiVA statistics:
  - The International Conference on Measurement of Trade and Economic Globalization hosted by the UN Statistics Division, Eurostat, the World Trade Organization, and the OECD (Mexico, September-October 2014)
  - Final report of the UN Statistical Commission’s Friends of the Chair Group on International Trade and Economic Globalization (December 2014) and the Statistical Commission’s decision for implementation (March 2015, decision 7, pp. 14-15)
  - “Guide to Measuring Global Production” prepared by the UN Economic Commission of Europe’s Task Force on Global Production (March 2015)
• Recent GVC and TiVA modeling, data collection, and research, including:
  o TiVA modeling (“top-down”)
    ▪ Measuring Trade in Value Added: An OECD-WTO joint initiative
    ▪ Eurostat, World Input-Output Database
    ▪ Eora MRIO Database
  o Business function surveys
    ▪ Eurostat, “International Sourcing of Business Functions” (June 2013)
    ▪ Clair Brown and Tim Sturgeon, “National Organizations Survey, 2010: Examining the Relationships Between Job Quality and the Domestic and International Sourcing of Business Functions by United States Organizations” (December 2013, funded by the National Science Foundation)
  o Research and analysis
    ▪ Robert Koopman, Zhi Wang, Shang-Jin Wei, “Tracing Value-Added and Double Counting in Gross Exports” (November 2012)
    ▪ Duke Global Summit: Governance and Development in Value Chain World (October-November 2014)
• Current and prospective interest by federal program agencies and their constituents for GVC and TiVA statistics (see attached list of prospective data users)
• Current and prospective efforts of federal statistical agencies that would support development of GVC and TiVA statistics consistent with international guidelines:
  o BEA, “Update on BEA efforts to measure the economic impacts of Global Value Chains” (November 2014)
  o Census Bureau, Longitudinal Foreign Trade Transaction Database
• The array of Census and Bureau of Economic Analysis (BEA) programs, including the COS, that gather information on trade and the distribution of business functions, but not in a coordinated, consistent, or complete fashion at present:

That the Census Bureau’s information collection request (ICR) for the COS asks to maintain the survey’s 2013 design for 2014-2016 suggests that the agency has not examined the implications of the various contexts above for COS design.

I perceive that using the current COS design through the 2016 data collection will lead the federal government to miss two important related opportunities:
• laying the groundwork for GVC and TiVA statistics valuable for public and private decision-making and
• finding a workable, useful approach for classifying a plethora of arrangements for the organization of production, including but not limited to FGPs.

Consequently, I ask OMB to approve the Census COS ICR with a condition—that within one year the Census Bureau submit to OMB a revised ICR for the COS that is clearly responsive to the various contexts noted above. I also suggest that OMB encourage the Census Bureau to prepare a more comprehensive plan—one that identifies the nature of public and private demand for GVC and TiVA data and ways that the Census Bureau could help meet that demand in an integrated, coordinated fashion through its various data programs.

I appreciate the opportunity to comment on the proposed COS for 2014-2016, hope that my observations and request are useful, and look forward to your decision.

Sincerely,

Andrew Reamer
Research Professor
October 4, 2015

Kevin Deardorff, Chief  
Economy Wide Statistics Division  
U.S. Census Bureau, Room 8K154  
Washington, DC 20233

Via: ec.frn17@census.gov

Re: 2017 Economic Census

Dear Mr. Deardorff,

I am pleased to respond to the Federal Register notice of August 4, 2015 concerning the Census Bureau’s request for comments on the design of the 2017 Economic Census. As a research professor at the George Washington Institute of Public Policy, I focus on federal policies that promote U.S. economic competitiveness. From this perspective, I find that the 2017 Economic Census is highly important to the nation’s economic health because it is the basis for multiple national economic series, models, and indicators that guide federal policy and corporate investment decisions.

One potential important use for the 2017 Economic Census is in supporting emerging federal efforts to describe global value chains (GVCs) and measure international trade in value-added (TiVA). Gaining the capacity to map the place of U.S.-based establishments in GVCs, by nation of ownership, and measure the contributions of foreign direct investment to U.S. TiVA is highly attractive. Such capacity will enable federal and state governments to design more effective business attraction efforts and business development strategies and multi-national firms to make U.S. and foreign investments that have a higher likelihood of success.

The U.S. Bureau of Economic Analysis (BEA) and the U.S. International Trade Commission (USITC) are representing the United States in a series of multi-national efforts to create and implement a framework and methods for mapping GVCs and measuring TiVA. These efforts are hosted by the Organisation for Economic Cooperation and Development (OECD), the United Nations (UN) Statistical Commission, the UN Economic Commission for Europe, and Asia-Pacific Economic Cooperation (APEC). I summarize the various efforts in the appendix to this letter.

I believe it is important to ensure that the 2017 Economic Census supports the emerging GVC and TiVA measurement initiatives. Consequently, I ask that the Census Bureau’s Economy Wide Statistics Division consult with the BEA and USITC liaisons to these efforts, as well as with former BEA Director Steve Landefeld (now consultant to the UN Statistical Commission), regarding how Economic Census questions 5, 17, 22, and 26 might be designed to support and align with GVC and TiVA measurement efforts. (These questions concern the buying and selling of goods and services to domestic and foreign suppliers and customers.)
I appreciate the opportunity to comment on the 2017 Economic Census, hope that my suggestion is useful, and look forward to seeing the Census Bureau’s survey design decisions.

Sincerely,

Andrew Reamer
Research Professor
Multi-national Organization Efforts to Measure GVCs, TiVA, and Trade in Services and U.S. Points of Contact

Efforts to Measure GVCs, TiVA, and Trade in Services

- **OECD-World Trade Organization (WTO):**
  - Provides current TiVA estimates by nation -- this is the database that all efforts are seeking to improve
  - Is enhancing these estimates through work of an expert group creating "extended national supply-use tables" with TiVA characteristics

- **Trade Statistics Branch, United Nations Statistical Division:**
  - As directed in March 2015 by the UN Statistical Commission (pp. 20-22), overseeing implementation of December 2014 report of the Friends of the Chair on the Measurement of International Trade and Economic Globalization (FOC).
  - Key tasks:
    - Draft a handbook on a system of extended international and global accounts as the measurement framework for international trade and economic globalization
    - Establish an expert group tasked with the development of the handbook on a system of extended international and global accounts—the U.S. is part of this group
    - Implement a program of work for the measurement of international trade and globalization, namely:
      - Promoting and advancing the creation of a global enterprise group register, building on and taking into account lessons learned from the ongoing EuroGroups Register project;
      - Improving the measurement of firm heterogeneity based on alternative aggregations of microdata and by further developing a classification of business functions, while cautioning against any change in the International Standard Industrial Classification;
      - Addressing asymmetries in bilateral trade and foreign direct investment while building on work already undertaken in several countries and coordinating this effort with work already being done by the Organization for Economic Cooperation and Development;
      - Mainstreaming the development of recurrent global supply-use and input-output tables as undertaken by the Organization for Economic Cooperation and Development in collaboration with other regional and international organizations, with the aim of increasing the coverage of the Organization for Economic Cooperation and Development-World Trade Organization database on trade in value-added
Conference of European Statisticians (CES), UN Economic Commission for Europe (UNECE)

- Commissioned the Guide to Measuring Global Production, prepared by the Task Force on Global Production in March 2015:
  - "Global production has evolved and now encompasses a broad range of business arrangements and organizational forms. Today, multinational enterprises (MNE) account for a large share of international trade between countries. National Statistical Institutes (NSI) need to keep track of the changing forms of global production and their effects on international trade relationships. It is important to identify best practices developed by countries and agree internationally on the practical guidelines needed to foster international comparability."
- Issued a report of its June 2015 meeting that "affirmed" the Guide, encouraged its use by nations, "supported the research agenda," and "agreed that the Guide would be updated once the above further work has been completed and in light of the practical evidence collected by that time."
- In July 2015, the UNECE Group of Experts on National Accounts held a meeting on Measuring Global Production
  - "In April 2014, the CES . . . decided to create a forum for exchanging experience on data collection and compilation methods in respect to global production arrangements. The CES asked UNECE and the Group of Experts on National Accounts to provide such a forum. The collected country examples and good practices will be used for future updates of the Guide to Measuring Global Production."

Technical Group on Measurement of APEC Trade in Value added (TiVA) under Global Value Chains, Asia-Pacific Economic Cooperation (APEC)

- At the APEC meeting in the Philippines, May 2015, the ministers issued a joint statement:
  - "We welcome the first meeting of the Technical Group on Measurement of APEC Trade in Value added (TiVA) under Global Value Chains and progress in completing the construction of the APEC TiVA Database by 2018. We endorse the Terms of Reference on the Operational Mechanism and work plan of the Technical Group. We urge officials and experts to collaborate with international organizations and institutions to enhance synergies in policy making, technical assistance and capacity-building."
- Prepared "Draft Terms of Reference on the Operational Mechanism of the Technical Group on Measurement of APEC TiVA under GVCs."
U.S. Points of Contact

At BEA, Erich Strassner (Erich.Strassner@bea.gov, 202–606–9539) and Raymond Mataloni (Raymond.Mataloni@bea.gov, 202-606-9867) serve as U.S. liaisons to the OECD, UN, and UNECE efforts.

The USITC is the U.S. liaison to the APEC TiVA technical committee, which is co-chaired by the U.S. and China. The U.S. co-chair is Bill Powers, Acting Chief, Economic Research (william.powers@usitc.gov, 202-205-3216). Dr. Powers can provide the technical committee’s terms of reference and work plan.

For the UN Statistical Division, Steven Landefeld, former BEA director, is overseeing the development of the handbook on a system of extended international and global accounts called for by the FOC report. At the July UNECE meeting, he gave an overview of forthcoming work.
July 2, 2015
Lucia Foster, Chief
Center for Economic Studies
Census Bureau
Suitland, MD

Via: Lucia.S.Foster@census.gov
Cc: julius.smith.jr@census.gov, jjessup@doc.gov, ron.s.jarmin@census.gov

Re: Proposed 2015 Management and Organizational Practices Survey

Dear Lucia,

I am pleased to respond to the Federal Register notice of April 21, 2015 concerning the Census Bureau plan to conduct the Management and Organizational Practices Survey (MOPS) for reference year 2015. As a research professor at the George Washington Institute of Public Policy, I focus on policies that promote U.S. economic competitiveness. As MOPS serves to identify business practices that correlate with strong corporate performance, I think that the survey is a valuable resource for promoting the competitiveness of U.S.-based manufacturing establishments. Therefore, I support its implementation for 2015.

I appreciate receiving your memo of June 1, 2015 responding to my request for information on the nature of the changes planned for the 2015 MOPS relative to the 2010 version. I’m pleased to see the proposed enhancements to MOPS, including new questions regarding business practices and production technologies (BPPT), data-driven decisions (DDD), and uncertainty. I believe these questions, as outlined, will enable researchers to better ascertain those factors associated with robust corporate performance.

That said, I offer for the Census Bureau’s consideration several suggestions regarding the specifics of questions in the BPPT and DDD categories. These suggestions are prompted by the desire to better understand the nature and performance impacts of practices in the realms of global value chain (GVC) management and workforce recruitment and hiring.

- Regarding the proposed BPPT question on share of production that is outsourced, I suggest the question request the breakout of that share between domestic and foreign sources.
- Regarding the DDD question on data sources, I suggest asking respondents to indicate the extent to which, if at all, they rely on Census or other federal economic indicators regarding their industry or the economy.
- Regarding the DDD on types of decisions driven by data analysis, I suggest including supply chain decisions and recruitment and hiring decisions.
• In particular, I encourage the Census Bureau to consider asking respondents about the extent to which they rely on skills tests and predictive analytics in their hiring decisions for positions deemed critical to establishment performance.

Here’s the rationale for these suggestions:

• Officials in the Bureau of Economic Analysis and the U.S. International Trade Commission are actively participating in multinational efforts to construct quantitative measures of GVC activity. Consistency of MOPS with these efforts seems appropriate and useful. Current efforts include:
  o Measuring Trade in Value Added: An OECD-WTO joint initiative
  o “Guide to measuring global production,” UNECE Task Force on Global Production
  o OECD Expert Group on Extended Supply-Use Tables
  o “Report of the Friends of the Chair group on the measurement of international trade and economic globalization,” UN Statistical Commission
  o “2015 Meeting of APEC Ministers Responsible for Trade”
• The Census Bureau says that one benefit of the Economic Census and the Annual Survey of Manufactures is that it allows individual firms to compare their activities with industry norms. It’d be interesting to ascertain the extent to which these data are used at the establishment level.
• There is widespread belief that employer access to talent is a key determinant of performance and competitiveness. Recent federal efforts—such as Vice President Biden’s July 2014 report on job-driven workforce development, Commerce Secretary Pritzker’s focus on employer-led talent strategies, and the passage of the Workforce Innovation and Opportunity Act, with its focus on meeting employer talent demands—are consistent with this perception. Consequently, I think it’d be useful if MOPS asks about data-driven recruitment and hiring practices.
• Press reports indicate substantial growth in employer testing of job applicants. Academic publications encourage this effort. I suggest it’d be valuable for MOPS to measure the extent and impact of this phenomenon.

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1 See, for instance, Wall Street Journal articles “Today’s Personality Tests Raise the Bar for Job Seekers” (April 14, 2015) and “Seen That Job Listing for a While? It’s No Coincidence” (June 18, 2015).
I appreciate the opportunity to comment on the proposed MOPS, hope you find my suggestions useful, and look forward to the Census Bureau’s information collection request to OMB.

Sincerely,

[Signature]

Andrew Reamer  
Research Professor
October 29, 2015
Mr. Paul Bugg
Office of Statistical and Science Policy
U.S. Office of Management and Budget
Washington, DC
Via: Paul_Bugg@omb.eop.gov and OIRA_Submission@omb.eop.gov
Re: 2015 Management and Organizational Practices Survey

Dear Mr. Bugg,

I am pleased to respond to the Federal Register notice of September 24, 2015 concerning the Census Bureau’s proposal to conduct the Management and Organizational Practices Survey (MOPS) for reference year 2015. As a research professor at the George Washington Institute of Public Policy, I focus on policies that promote U.S. economic competitiveness. As MOPS serves to identify business practices that correlate with strong corporate performance, I think that the survey is a valuable resource for promoting the competitiveness of U.S.-based manufacturing establishments. Therefore, I strongly support OMB’s approval of the Census Bureau’s information collection request.

I find the proposed survey instrument well-designed and appreciate the Census Bureau’s thoughtful responses to my recommendations per my letter of July 2, 2015. Reviewing the most recent version of the instrument, I have just one relatively minor suggestion. Questions 40 and 41 ask for the percentage of managers and non-managers, respectively, with a bachelor’s degree. I expect that the survey sponsors wish to understand the correlations between educational attainment and management practices. To that end, I suggest that the Census Bureau consider adding a question regarding the presence of anyone in the establishment with industry association certification in production practices. Examples of such certifications include those provided by the American Production and Inventory Control Society (APICS), the Institute for Supply Management (ISM), and the Council of Supply Chain Management Professionals.

I appreciate the opportunity to comment on the MOPS, hope you find my idea of interest, and look forward to OMB’s decision.

Sincerely,

Andrew Reamer
Research Professor
2015 Comments Regarding Statistical Programs of the
U.S. Labor Department

**Reporting Systems**

Labor Exchange Reporting System (ETA)

Workforce Performance Accountability, Information, and Reporting System (ETA)

**Rules**

Workforce Innovation and Opportunity Act (ETA)

**Surveys**

Import and Export Price Indexes (BLS)

**Testimony**

Request to Approve President’s FY2016 Budget Request for the Bureau of Labor Statistics – submitted to House Committee on Appropriations
August 7, 2015

Karen Staha  
Office of Policy Development and Research  
Room N-5641  
Employment and Training Administration  
U.S. Department of Labor  
200 Constitution Ave., NW  
Washington, DC 20210

Submitted via email: ETAPerforms@dol.gov

Dear Ms. Staha,

I am pleased to provide comments on the Employment and Training Administration’s proposed renewal of the Labor Exchange Reporting System (LERS), as announced in the Federal Register on June 11, 2015. As a research professor at the George Washington Institute of Public Policy, George Washington University, I focus on federal policies that promote competitiveness and innovation. From this perspective, I support ETA’s intention to renew OMB clearance for LERS.

U.S. economic competitiveness depends on the capacity of the nation’s labor markets to quickly connect employers seeking talent and workers seeking new employment. State labor exchanges are important mechanisms for facilitating these connections. LERS is critical for assessing the effectiveness of state labor exchanges and ascertaining ways their operations might be improved.

That said, I note that the Federal Register notice for LERS does not discuss recently legislated changes in the Wagner-Peyser Act (the controlling legislation for ETA’s support and oversight of state labor exchanges) and the implications of these changes for LERS.

Specifically, the text of the June 11 notice is almost exactly the same as the text for that of January 18, 2012, the initial public notice for the prior renewal of LERS. As such, the June 11 notice puts LERS inside the framework of the Workforce Investment Act of 1998 (WIA) and doesn’t mention that Congress repealed and replaced WIA with the Workforce Innovation and Opportunity Act of 2014 (WIOA).

WIOA section 307 amends Wagner-Peyser to specify performance accountability measures of state employment services: “Section 13(a) of the Wagner-Peyser Act (29 U.S.C. 49l(a)) is amended to read as follows: ‘(a) The activities carried out pursuant to section 7 shall be subject to the performance accountability measures that are based on indicators described in section 116(b)(2)(A)(i) of the Workforce Innovation and Opportunity Act.’.”
While I am not an expert on workforce investment program rules and regulations, I imagine that WIOA section 307 requires revisions of state labor exchange performance accountability measures and, consequently, revisions in LERS to provide the necessary data.

In any case, in ETA’s submission of the LERS information collection request to OMB, I encourage it to update its supporting statement and forms to reflect:

- the passage of WIOA,
- ETA’s expectations regarding the design of Wagner-Peyser section 7 “performance accountability measures that are based on indicators described in section 116(b)(2)(A)(i) of the Workforce Innovation and Opportunity Act,” and
- the implications of the design of Section 7 performance accountability measures for LERS.

I appreciate the opportunity to comment on the proposed renewal of LERS and hope you find these thoughts helpful.

Sincerely,

Andrew Reamer
Research Professor
November 2, 2015

Mr. Luke Murren
Office of Policy Development and Research
Room N5641
Employment and Training Administration
U.S. Department of Labor
200 Constitution Ave., NW
Washington, DC 20210

Via submission to www.regulations.gov (Docket ID# ETA-2015-0008)

Re: Proposed information collection for the Workforce Performance Accountability, Information, and Reporting System

Dear Mr. Murren,

I am pleased to respond to the Federal Register notice of September 1, 2015 concerning the Employment and Training Administration’s draft information collection plan for the Workforce Performance Accountability, Information, and Reporting System (WPAIRS). As a research professor at the George Washington Institute of Public Policy, I focus on policies that promote U.S. economic competitiveness. From this perspective, I believe that the proposed approach to WPAIRS will enable the workforce training programs authorized by the Workforce Innovation and Opportunity Act (WIOA) to be more effective and cost-efficient. Therefore, I support ETA’s plan.

I offer one recommendation for ETA’s consideration. Data elements 1800, 1803 and 1805 of the ETA Participant Integrated Record Layout (PIRL) and subsection B4 of the Program Performance Scorecard are devoted to identifying level of educational attainment. However, PIRL and Scorecard definitions and categories for non-degree attainment (e.g., certifications, certificates, and licenses) are different from the definitions for the same credentials developed by the Interagency Working Group on Expanded Measures of Enrollment and Attainment (GEMEnA), of which Labor, Education, and Commerce are members. (See https://nces.ed.gov/surveys/gemena/definitions.asp). While the GEMEnA definitions were created for use in federal household surveys such as those carried out by the Bureau of Labor Statistics (BLS), I strongly suggest that they also be adopted for ETA administrative records such as those created through WIOA. I believe that not doing so would result in inconsistency, non-comparability, and confusion across federal efforts that promote and measure postsecondary credential attainment.

To discuss approaches to reconciling educational attainment categories in WIOA records with those in federal household surveys, I encourage ETA to contact GEMEnA chair Sharon Boivin of
the National Center for Education Statistics and economist Harley Frazis at BLS. Sharon’s contact information is available at https://nces.ed.gov/ncestaff/staffdetl.asp?empid=627.

I appreciate the opportunity to comment on the proposed WPAIRS, hope you find my request worthwhile, and look forward to seeing ETA’s submission to the Office of Management and Budget.

Sincerely,

Andrew Reamer
Research Professor
I am pleased to submit this memorandum in response to the “Workforce Innovation and Opportunity Act; Notice of Proposed Rulemaking,” published by the Employment and Training Administration (ETA) in the Federal Register on April 16, 2015.

As a research professor at the George Washington Institute of Public Policy, I focus on the federal government’s role in promoting national economic competitiveness, with a particular emphasis on its provision of socioeconomic data useful to public and private decision-makers. From this perspective, I am very pleased to see the proposed language in 20 CFR 652.300 for codifying the workforce and labor market information requirements in WIOA and providing a foundation for their implementation.

For ETA’s consideration, I offer several relatively minor suggestions for clarifying and filling in relevant text:

1) 20 CFR 651—General Provisions Governing the Federal-State Employment Service System

   • As part of the definition of “Workforce and Labor Market Information (WLMI),” I suggest that ETA identify the types of labor market participants who make “employment, training, and business decisions,” including employers, educators and trainers, workers, students, and public and private organizations that invest in workforce development.

   • To the list of 20 WLMI examples, I suggest that ETA consider adding:
     o current employment by occupational category
     o occupation-specific requirements regarding education, training, skills, knowledge, and experience
     o information relating to local occupations in demand and the earnings and skill requirements for such occupations (as required by 29 USC 49l-2(a)(1)(B)(iii))
     o information on employment and earnings for the self-employed and for wage and salary workers
     o information on where workers live in relation to where they work (the distance from home to work being an important element of labor market dynamics)
     o information on the number of adults with postsecondary credentials, by type, including degrees (associate’s, bachelor’s, master’s, Ph.D.), industry-recognized certifications, and state occupational licenses
- information on the annual number of new postsecondary graduates in specific occupations
- information on the extent to which postsecondary graduates are able to find relevant employment
- employment and earnings information maintained in a longitudinal manner to be used for research and program evaluation (as required by 29 USC 49l-2(a)(1)(A)(iv))

Regarding the definition of the Workforce and Labor Market Information System (WLMIS), I suggest that ETA insert "Federal-state cooperative" before "system" and identify the federal and state agencies that actively participate in the WLMIS, including ETA, the Bureau of Labor Statistics, the Census Bureau, the National Center for Education Statistics, the National Center for Science and Engineering Statistics, State labor market information agencies, and State educational agencies. Listing these organizations would be consistent with the text of proposed 20 CFR 652.300(b)(2) and (b)(5) and with ETA’s commentary under the heading “Continuous improvement, in part through consultation,” on pp. 20805-20806 of the Federal Register notice.

2) 20 CFR 652 Subpart D—Workforce and Labor Market Information

- In the delineation of the Secretary’s responsibilities in 20 CFR 652.300(b), I suggest ETA add reference to or text from 29 USC 49l-2(c) concerning the Secretary’s responsibility to prepare a two-year plan for the WLMIS. Doing so would be consistent with ETA’s reference to the “strategic plan” in its commentary on the proposed rule.

I very much appreciate the opportunity to submit suggestions and ETA’s consideration of them. And I look forward to ETA’s issuance of the final rule.
Dear Mr. Bugg,

I am pleased to respond to the Federal Register notice of October 9, 2015 concerning the Bureau of Labor Statistics’ information collection request (ICR) titled “International Price Program U.S. Import and Export Price Indexes.” As a research professor at the George Washington Institute of Public Policy, I focus on policies that promote U.S. economic competitiveness. From this perspective, I believe that the Import and Export Price Indexes provide information critical to federal decision-making on trade and economic policies and to the competitive strategies of U.S.-based establishments. Therefore, I fully support approval of the BLS ICR.

As the BLS ICR notes, I submitted a letter to the agency during the initial comment period asking that it provide further information on two topics—innovative approaches to the collection of prices data and the uses of the import and export price indexes to help map global value chains (GVCs) and measure trade in value-added (TiVA). I am pleased to see that BLS responded to my requests in ICR Supporting Statement A, section 8. On review of the BLS responses, I ask that OMB approve the ICR with two conditions:

- BLS periodically provide OMB with an updated assessment of opportunities and issues regarding the uses of non-survey forms of collecting import and export price data, such as “webscraping.”

- In 2016, BLS prepare a report to OMB describing the potential uses of import and export prices data for supporting ongoing federal efforts to map GVCs and measure TiVA. The U.S. International Trade Commission and the Bureau of Economic Analysis are actively working with several multi-national organizations (including the UN, OECD, the WTO, and APEC) to develop useful statistical and accounting frameworks for mapping GVCs and measuring TiVA.1

1 See, for instance, “Measuring Trade in Value Added: An OECD-WTO joint initiative” (http://www.oecd.org/sti/ind/measuringtradeinvalue-addedanoecd-wtojointinitiative.htm); “Guide to measuring...
I appreciate the opportunity to comment on the BLS ICR for the Import and Export Price Indexes, hope you find my requests worthwhile, and look forward to seeing OMB’s decision.

Sincerely,

Andrew Reamer
Research Professor
I request that the Subcommittee approve in full the President’s FY2016 budget request of $632,737,000 for the Bureau of Labor Statistics of the Department of Labor.

The work of the U.S. Bureau of Labor Statistics (BLS) is essential to the U.S. economy’s proper functioning and to the sustained material well-being of the nation’s residents. Access to current, reliable BLS statistics are needed to inform intelligent public, private, and personal decisions on a daily basis. BLS statistics include those on employment and unemployment, compensation, prices, consumer expenditures, industrial productivity, and occupational health and safety. Decision-makers relying on these data include:

- **legislative bodies**, including Congress, state legislatures, and county and city councils;
- **federal policymakers** such as the Federal Reserve, the National Economic Council, the Office of Management and Budget (OMB), the U.S. International Trade Commission, the Office of the U.S. Trade Representative, and the Departments of Treasury, Commerce, Labor, Education, Veterans Affairs, Housing and Urban Development, Energy, and Health and Human Services;
- **state and local government agencies** in fiscal management, economic and workforce development, education, transportation, social services, housing, and health care; and
- tens of millions of **students and workers**, millions of **small and large businesses**, and thousands of **education and training institutions**.

BLS data’s contribution to the growth and stability of the nation’s $17 trillion economy is orders of magnitude greater than the agency’s annual budget.

Recently, BLS’s ability to contribute to national economic growth and development has been hampered by substantial cuts made by Congress to agency’s annual budget requests for FY2011 through FY2015. In real terms, Congress chopped the BLS budget by 10 percent between FY2010 and FY2015. In response, the agency has been forced to substantially scale back its work. In particular, it has:

- **eliminated** several long-standing statistical programs—such as Mass Layoff Statistics and International Labor Comparisons;
• reduced the reliability of others—such as the Quarterly Census of Employment and Wages;
• been unable to implement planned statistical program improvements—such as creating time series of occupational employment by state and metropolitan area; and
• put users on notice that other programs—including Export Price Indexes, a Principal Federal Economic Indicator—would be eliminated if additional funding were not found.

Congress’s recent actions are in contrast to those it took in FY2009, when its appropriations for BLS exceeded the budget request by one percent, and FY2010, when it matched the budget request. While the amount of funds Congress has saved through its recent cuts in the BLS budget request (between $21 million and $41 million annually) is very small in the context of a $3.5 trillion in annual federal expenditures, the negative consequences to the quality and reliability of the federal statistical system, on which the health of the $17 trillion economy and the employment conditions of 160 million adults depends, are quite substantial. To some degree, each type of decision-maker noted above is “flying blind,” making choices that have significant economic consequences in the absence of current, reliable, readily accessible information.

As is the case with any federal agency, BLS designs, carries out, and seeks appropriations for its multiple programs in the context of a series of congressional directives specified in the U.S. Code. It seems reasonable and appropriate that Congress provide BLS with the funds necessary for that agency to fulfill its congressionally-mandated tasks. It also seems appropriate that if Congress chooses to not provide funds sufficient for these tasks, it identify the specific legal mandates it wants BLS to ignore and communicate such choices to the authorizing committees with jurisdiction over BLS.

So that the Subcommittee can make informed decisions regarding which legal mandates, if any, it wants BLS to ignore, I summarize and provide the citations for BLS’s various legal mandates below:

BLS’s primary authorizing statute, its “organic law,” gives it broad authority to develop statistical programs. This statute, first written in 1888 and last amended in 1913, identifies the broad purposes, boundaries, and topics of BLS activity:

The general design and duties of the Bureau of Labor Statistics shall be to acquire and diffuse among the people of the United States useful information on subjects connected with labor, in the most general and comprehensive sense of that word, and especially upon its relation to capital, the hours of labor, the earnings of laboring men and women, and the means of promoting their material, social, intellectual, and moral prosperity. (29 USC 1)
This general mandate provides the rationale and context for a series of much more specific activities identified elsewhere in law. The focused mandates given by Congress to BLS can be organized into five groups, sketched out below:

1) **Nationwide Workforce and Labor Market Information System** – The Secretary of Labor is directed to develop, maintain, and continuously improve, in cooperation with the states, a nationwide workforce and labor market information system that facilitates federal, state, and local policy and program design, implementation, and evaluation; labor market research; and informed decision-making by employers, workers, students, educational agencies, and workforce investment boards (29 USC 49l-2 and 29 USC 2864(d)(2)(E)).

The U.S. Code gives BLS five additional mandates inside this broad one:

a) Collect, collate and report at least once each year full and complete statistics on the conditions of labor (29 USC 2);

b) Collect, collate, report, and publish monthly and annual employment and wage statistics by detailed industry and geography (29 USC 2);

c) Operate statistical programs essential for development of . . . national statistical series, including those related to employment and unemployment (29 USC 49l-1);

d) Develop methods for estimating Hispanic unemployment (29 USC 8); and

e) Conduct an annual study of veterans’ unemployment (38 USC 4110A).

2) **Determination of Federal Pay by Locality** – Congress declares a policy that: federal pay for employees under the General Schedule be based on equal pay for equal work; federal pay distinctions be maintained in line with work and performance distinctions; within any local pay area, federal pay rates be compatible with non-federal pay rates for the same levels of work; and pay disparities between federal and non-federal employees should be eliminated (5 USC 5301). In line with these principles, federal pay rates are to be determined on the basis of a number of specified data sources, including these BLS products:

a) Employment Compensation Index (national)

b) National Compensation Survey (pay to non-federal workers by occupation and work level, by pay locality)

c) Unemployment rate (national)

d) Consumer Price Index (national)

e) Producer Price Index (national)

3) **Reports on Industrial Production and Productivity** – BLS is directed to:

a) Collect, collate and report at least once each year full and complete statistics on the products of the nation’s labor force and the distribution of these products (29 USC 2);
b) At intervals of not less than two years, . . . report the general conditions of production of the nation’s leading industries (29 USC 4); and 
c) Make continuing studies of productivity and labor costs in the manufacturing, mining, transportation, distribution, and other industries (29 USC 2b).

4) Imports Monitoring – The Secretary of Labor and the Secretary of Commerce are directed to monitor imports of goods and services to identify changes in volume of imports and the impacts on production and employment, by geography (19 USC 2393(a)).

5) Occupational Health and Safety Statistics – The Secretary of Labor is directed to develop and maintain an effective program of collection, compilation, and analysis of occupational safety and health statistics. The program should provide accurate statistics on work injuries and illnesses that include all disabling, serious, or significant injuries and illnesses, whether or not involving loss of time from work, and which involve medical treatment, loss of consciousness, restriction of work or motion, or transfer to another job (29 USC 673(a)).

I appreciate the opportunity to provide testimony to the Subcommittee, hope it found this testimony useful, and look forward to the results of its forthcoming markup.
2015 Comments Regarding President’s Global Development Council

Global Value Chain and Trade in Value-Added Statistics
November 23, 2015

Ms. Jayne Thomisee, Executive Director
President’s Global Development Council
U.S. Agency for International Development
1300 Pennsylvania Avenue NW.
Washington, DC 20004

Via: gdc@usaid.gov

Dear Ms. Thomisee,

I appreciate the opportunity to provide a statement for the President’s Global Development Council’s consideration at its meeting on December 1, 2015. As a research professor at the George Washington Institute of Public Policy, I write to encourage the Council to become fully familiar with, if it is not already:

- Fast-moving efforts by multi-national economic organizations (e.g., UN Statistical Commission, UNECE, UNCTAD, OECD, WTO, World Bank, EU, APEC) to create global consensus on approaches to map global value chains (GVCs) and measure trade in value-added (TiVA);
- Participation in these multi-national efforts by various federal agencies; and
- Multiple research and development activities by federal agencies aimed at enabling GVC and TiVA analysis.

I believe the availability of GVC and TiVA statistics will better enable U.S. global development organizations to make effective targeted investments. To aid the Council in familiarizing itself with ongoing data efforts, I offer:

- The attached overview of current multi-national activities and U.S. points of contact.
- Materials on “New Measurements of the Impacts of Globalization” made last week at the BEA Advisory Committee meeting (of which I am a member).

I hope the Council finds this subject and information of interest. If I can be of assistance regarding substance or contacts, please let me know. All the best to the Council in its important work.

Sincerely,

Andrew Reamer
Research Professor