
THE GEORGE WASHINGTON UNIVERSITY

WASHINGTON, DC

Submitted Comments Regarding Federal Economic Statistics Programs: 2012

Andrew Reamer, Ph.D., Research Professor

Bureau of Labor Statistics

Surveys

Import and Export Price Indexes

Census Bureau

Surveys

American Community Survey

- ACS Methods Panel
- Future of the ACS
 - Maintaining a Mandatory ACS – submitted to the Subcommittee on Health Care, District of Columbia, Census and National Archives Committee on Oversight and Government Reform, U.S. House of Representatives
 - The Economic Impact of Ending or Reducing Funding for the American Community Survey and Other Government Statistics – testimony presented to the Joint Economic Committee
 - Census: Planning Ahead for 2020 – testimony presented to the Subcommittee on Federal Financial Management, Committee on Homeland Security and Governmental Affairs, U.S. Senate



September 28, 2012

OMB Desk Officer for the Department of Labor, Bureau of Labor Statistics
Office of Management and Budget, Room 10235
Washington, DC 20503

Via email: OIRA_submission@omb.eop.gov

Re: Comments on the proposed data collection for U.S. Export and Import Price Indexes

I am pleased to respond to the notice in the *Federal Register* (August 29, 2012) asking for comments regarding the Bureau of Labor Statistics (BLS) information collection request “International Price Program U.S. Export and Import Price Indexes.”

As a research professor at the George Washington Institute of Public Policy, I focus on federal policies and programs that support U.S. economic competitiveness. From this perspective, I believe that BLS’s Export and Import Price Indexes are essential for understanding the nation’s competitive position in global markets. Consequently, I strongly support BLS’s request to collect information for the purpose of constructing and publishing the Export and Import Price Indexes.

That said, I wish to note that BLS Export and Import Price Indexes are woefully inadequate in their coverage of U.S. exports and imports of services, due to insufficient appropriations. At present, the indices cover only air passenger fares and air freight charges, which amount to just ten percent of U.S. services imports and seven percent of U.S. services exports. Missing is price information on exports and imports in important sectors such as business, professional, and technical services (including management and consulting services, R&D and testing services, and computer and data processing services); financial and insurance services; education services; and telecommunications. As a consequence, economists have a limited understanding of the true global competitiveness of these sectors.

Because of fiscal year 2008 budget cuts, BLS was forced to drop coverage of prices of export travel and tourism, ocean liner freight, and postsecondary education (foreign students coming to the U.S.). Prior to these cuts, the indices still covered only 20 percent of imported services and 35 percent of exported services.

The BLS indices continue to cover 100 percent of U.S. goods imports and exports. However, due to limited coverage of traded services, the indices track prices for 84 percent of total imports (all goods and services) and just 72 percent of total exports.

Effective federal economic policy depends on having the capacity to make accurate comparisons of U.S. and foreign prices for all types of services. BLS estimates that the additional annual cost

to expand price index services coverage would be \$12 million, a sum many orders of magnitude smaller than the economic and fiscal returns on such an investment. By FY2017, services coverage would reach 52 percent for imports and 34 percent for exports and would grow in succeeding years until coverage is complete.

Consequently, I encourage OMB not only to approve the BLS information collection request for Export and Import Price Indexes, but also, come budget time, to support the very modest amount of additional funds necessary to provide our nation with a more complete picture of its economic competitiveness.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Andrew Reamer". The signature is written in a cursive, flowing style.

Andrew Reamer, Research Professor
George Washington Institute of Public Policy
George Washington University



September 28, 2012

Mr. Brian Harris-Kotejin
OMB Desk Officer
Washington, DC
Via email: bharrisk@omb.eop.gov

Re: Comments on the proposed American Community Survey Methods Panel Tests

Dear Mr. Harris-Kotejin,

I am pleased to respond to the notice in the *Federal Register* (August 31, 2012) asking for comments regarding the Census Bureau's request to conduct American Community Survey (ACS) Methods Panel Tests. As a research professor at the George Washington Institute of Public Policy, I fully support the Census Bureau's request.

While the ACS is relatively new, it is the latest incarnation of a long-standing federal tradition, going back to 1790, of using census surveys to gather data for the purposes of public policy. The ACS's immediate predecessor, the decennial long form, was developed in 1940 as an innovative tool to respond to the Great Depression. For two centuries, Congress and the Executive Branch have recognized that only the federal government has the knowledge, objectivity, resources, and authority to regularly collect and publish data consistent over time and space.

As the attached overview of the uses of the ACS attests, the survey enables the U.S. public and private sectors to more effectively make a substantial number of important decisions. The elements of the ACS Methods Panel Tests—a 2013 Questionnaire Design Test, a 2015 ACS Content Test, and a series of ACS Internet tests—are low-cost means for improving the value and reliability of the ACS effort. OMB's approval of the ACS Methods Panel Tests would help sustain the historical tradition of American households periodically providing information for the national, state, and community economic good. Consequently, I encourage OMB to approve the Census Bureau's request.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Andrew Reamer". The signature is written in a cursive, flowing style.

Andrew Reamer, Research Professor
George Washington Institute of Public Policy
George Washington University