



Council of Professional Associations on Federal Statistics
2121 Eisenhower Avenue, Suite 200, Alexandria, VA 22314
www.copafs.org
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March 4, 2014

Honorable Barbara Mikulski
Chairman
Senate Committee on Appropriations
Room S 128, the Capitol
Washington, DC 20510

Honorable Richard Shelby
Vice Chairman
Senate Committee on Appropriations
Room S 128, The Capitol
Washington, DC 20510

Dear Senators Mikulski and Shelby,

As you begin the 2015 appropriations process, the undersigned organizations urge your Committee to appropriate sufficient funds for the Bureau of Labor Statistics (BLS) to carry out all of its existing survey programs. BLS is the source of critical data to numerous constituencies, including major federal economic agencies.

The FY 2014 appropriation for BLS is lower than in any year since 2008 (with the exception of 2013's sequester level). Yet costs of surveys go up every year. Thus, any efficiency gains of the agency are overpowered by rising costs and low funding levels. At some point, with flat or falling funding, major programs have to be discontinued. In FY 2013, the agency eliminated three large programs, but the diminishing purchasing power of its operational funding continues into FY 2014.

We are particularly alarmed by Tuesday's (February 25), announcement that BLS is discontinuing its export price indexing program. For decades, the import and export price indices have been released monthly as a principal economic indicator. They are a component of the Bureau of Economic Analysis' estimation of the gross domestic product (GDP), for which no good substitute exists. They are critical in gauging the balance and competitiveness of U.S. trade. The enclosed information sheet describes other important economic measurements and activities that rely on BLS export and import price indices. It is unthinkable that those measures would become less accurate and activities utilizing the export price data jeopardized.

The February 24 announcement by BLS also indicates that it is changing its procedures for collecting the data on which the Quarterly Census of Employment and Wages is based. Changes include a 9-percent cut in the funding that BLS gives States for their role in compiling the data. Although the agency states that these changes will lead to "a small degradation" in the quality of those statistics, we are troubled by the prospect of any decreases in the quality and accuracy of federal data on which we rely.

BLS funding levels have to become sufficient to cover its varied and vital statistical programs. Thank you for your serious consideration of actions that can resolve the predicament that BLS statistics' users – within and outside the federal government --now face.

Agricultural and Applied Economics Association
American Statistical Association
Association of Population Centers
Association of Public Data Users
Center for Regional Economic Competitiveness
Consortium of Social Science Associations
Council for Community and Economic Research
Council of Professional Associations on Federal Statistics
National Association for Business Economics
National Association of Forensic Economists
Population Association of America