

March 28, 2014

The Honorable Frank R. Wolf
Chairman
House Appropriations Subcommittee on
Commerce, Justice, and Science
Washington, DC 20515

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

The Honorable Barbara A. Mikulski
Chairwoman
Senate Appropriations Subcommittee on
Commerce, Justice, and Science
Washington, DC 20510

The Honorable Richard Shelby
Ranking Member
Senate Appropriations Subcommittee on
Commerce, Justice, and Science
Washington, DC 20510

Dear Chairwoman Mikulski, Ranking Member Shelby Chairman Wolf, and Ranking Member Fattah,

We the undersigned organizations wish to convey our strong support for the FY15 budget request of \$107 million for the Bureau of Economic Analysis (BEA). We also thank you again for the FY14 level for BEA reversing the FY12 and FY13 cuts. We appreciate that you understand the importance of the BEA.

While a relatively small agency, the BEA is enormously important to understanding our multi-trillion dollar economy. The BEA National Income and Product Accounts provide an overall picture of the economic health of our economy as well as an essential sector-by-sector and geographic report. Its data are used by federal, state and local government to inform economic and fiscal policy and to spur economic growth and job creation. BEA data also play a vital role in guiding business and investment decisions in the private sector. The data provided by BEA, essential as it is to both public and private decisions, are not available from any other source. In these difficult economic and fiscal times, we believe the extraordinary return on investment provided by the BEA thoroughly justifies the requested increase in FY15.

Just as our economy is constantly changing, the BEA is constantly improving its methods to adjust to our dynamic economy. We note with concern therefore that BEA's budget has declined in inflation-adjusted dollars by several percent since FY10. One program BEA had to cut because of the FY13 budget cuts – the Regional Input-Output Modeling System (RIMS II) – remains in jeopardy. RIMS II is a tool that helps assess the potential economic impacts of various projects and is used by Federal, state, and local governments, investors and economic development organizations. The loss of RIMS II impairs the ability of users to estimate multipliers for the total impact of a project on a region and would therefore impede economic development and growth on a regional level as it would be much more difficult to adequately assess the feasibility of a project. We believe that in the wake of the recession BEA's budget

should be increased to improve economic data that will enable policy makers to make better-informed choices in responding to economic challenges.

The sole FY15 initiative, a Small Business Satellite Account, is an excellent example of how better economic statistical data will help strengthen our economy. The initiative would include a new Small Business GDP to track the overall growth and health of America's small business sector. Since small businesses often react to policy changes or economic trends in their regions or sectors before larger corporations, this initiative would provide insight into the leading edge of the economy. In addition to helping policymakers and other economic development groups, the additional information on this important part of our economy will help the small business community and potential entrepreneurs to start, grow, and/or manage successful businesses.

The FY15 request includes \$8 million for GSA required expenses related to renovation and relocation of BEA facilities.

In short, we believe the FY15 BEA request of \$107 million is an essential investment for promoting economic growth and job creation, and we respectfully urge full funding. This small investment in our information infrastructure – relative to our multi-trillion dollar economy which it tracks – will repay the public many times over. We realize the difficult funding environment and that difficult funding choices must be made but we would also respectfully support additional funding – we estimate \$1 million – to restore RIMS II.

Thank you for your consideration.

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