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September 17, 2008

Brian Harris-Kojetin, OMB Desk Officer
Office of Information and Regulatory Affairs
Office of Management and Budget, NEOB, Room 10201
725 17th Street, NW
Washington, DC 20503
via e-mail: bharrisk@omb.eop.gov

Metropolitan Policy Program

RE: Request for comments regarding information collection for the Business R&D and Innovation Survey, FR Doc E8-19059

Dear Mr. Harris-Kojetin,

On behalf of the Metropolitan Policy Program (Metro) of the Brookings Institution, I am pleased to respond to the notice placed by the Census Bureau in the August 18, 2008 *Federal Register* requesting comments regarding data collection plans for the Business R&D and Innovation Survey (BRDIS).

Metro promotes innovative solutions to help the nation's metropolitan communities become more competitive, inclusive, and sustainable. From this perspective, we believe that the BRDIS is critical to improved understanding of the extent and nature of R&D and innovation efforts in the U.S., work vital to the nation's international competitiveness. We expect that the BRDIS will be highly valuable to national economic policy-makers, the business community, R&D organizations, regional economic development organizations, and academics studying the dynamics of R&D and innovation.

We commend the National Science Foundation (NSF) for taking on the extensive work of revamping and expanding upon the old Survey of Industrial R&D (SIRD). We also commend the Census Bureau for its extensive support of NSF in this effort.

We have reviewed the letter sent to you on this matter from the Kauffman Foundation and endorse its set of detailed recommendations and suggestions. In addition, we offer the following comments. First, in light of the complexity of the new survey, we suggest that you obtain and review the results of the final round of testing of the full BRDIS questionnaire in July and August 2008 in order to confirm the appropriateness of its design.

Second, as the Census Bureau indicates that the 2008 BRDIS is a "pilot" and the 2009 version is to be adjusted on the basis of the 2008 experience, we recommend that OMB provide the normal three-year clearance on the condition that in one year Census and NSF submit to OMB (and for public comment) an evaluation of the 2008 experience and the proposed 2009 survey instrument in light of that evaluation; we also recommend a second condition that this process be repeated

for 2010 (on the basis of the 2009 experience). Testing a “pilot” in lieu of, rather than simultaneous with, the existing data collection instrument is not the traditional approach, so ongoing OMB and public monitoring of this critical NSF survey is important (particularly if the 2008 experience is not positive). In light of the need for time to evaluate the prior year results and the need to have an instrument in the field each January, we suggest that OMB waive the 60-day pre-submission comment period and only require the 30-day comment period subsequent to submission to OMB.

Third, we recommend that OMB ask NSF and the Census Bureau to report on the conditions under which the BRDIS could provide data for larger metropolitan areas. The BRDIS, as the SIRD before it, only will provide state-level detail. However, while these data are helpful, states are not meaningful economic regions. R&D and innovation are almost entirely metropolitan phenomena, a function of agglomeration and proximity (see chapter 3 of http://www.eda.gov/PDF/eda_ttc.pdf). From experience, we can tell you that regional economic development strategies could become more effective if NSF were to provide metro data for the same variables as now provided at the state level. (See Tables 35-37 at http://www.nsf.gov/statistics/nsf07314/content.cfm?pub_id=2488&id=2.) As there are 95 metro areas larger in population than the least populous state, we believe providing R&D and innovation statistics for at least the 50 largest metro areas would be possible with minimal additional reporting burden. For instance, adding a new question after 1.10 that repeated that question for the 50 largest metros would be an effective, low-burden approach to gathering the necessary information (particularly if gathered electronically, allowing the respondent to see the boundaries of a metro area, if need be).

Fourth, we request that OMB ask NSF to indicate the reasons why it has required over three years to publish each recent set of annual SIRD data tables (see <http://www.nsf.gov/statistics/industry/>) and to identify changes necessary to produce remaining SIRD tables and BRDIS tables in a far more timely manner. The high value of the R&D and innovation data means that a long time lag in publication has negative consequences for policy, investment, and economic research. With the latest set of annual tables from 2003, policy-makers, R&D decision-makers, and analysts are in the dark regarding the details of recent R&D activities.

Thank you for the opportunity to provide these comments, we hope you find them helpful and look forward to the results of your review.

Sincerely,

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

Andrew Reamer, Fellow
Metropolitan Policy Program