April 10, 2012

Ms. Jennifer Jessup

Departmental Paperwork Clearance Officer

U.S. Department of Commerce, Room 6616

14th and Constitution Avenue, NW

Washington, DC 20230

RE: *Federal Register Notice* of March 5, 2012, For the U.S. Census Bureau’s Quarterly Services Survey (OMB Number: 0607-0907)

Dear Ms. Jessup:

The Bureau of Economic Analysis (BEA) strongly supports the continued collection of data by the Census Bureau for the Quarterly Services Survey (QSS). The data collected on these forms are crucial to key components of BEA’s economic statistics.

BEA uses data from these forms to prepare the national income and product accounts (NIPA) and gross domestic product (GDP) by industry. In the NIPAs, the expense and revenue data currently collected are used to prepare quarterly estimates of personal consumption expenditure (PCE) for services and of software in private equipment and software. In the GDP by industry estimates, revenues are used to estimate gross output for taxable industries.

We also strongly support the expansion of industry coverage for the survey, which will provide for one consistent data source for data items not previously available. BEA looks forward to analyzing and incorporating the newly obtained data to improve our estimates. For the NIPAs, this will be especially important for areas where there are no reliable quarterly indicators for the PCE estimates. These include industries such as transportation and warehousing (NAICS 48), educational services (NAICS 611), utilities (NAICS 221), and accommodations (NAICS 721). Also, the detailed estimates for interest income, loan fees, fees and commissions, financial planning and investment management, and net gains and losses from brokering for select finance and insurance industries (NAICS 52) will greatly improve our PCE estimates by providing a closer match to what is measured in PCE for financial services. For the industry accounts, expansion to include the accommodations sector is important to BEA’s preparation of quarterly GDP-by-industry statistics, which will offer a by-industry breakout of quarterly GDP growth benchmarked to the most recent set of annual industry accounts.

A list of items used by BEA appears in the attached table. Please keep BEA informed about any modifications to these forms. We are particularly interested in any modifications proposed during the forms’ approval process that would substantially affect our use of these data. For additional information, please contact Ruth Bramblett, Source Data Coordinator, on (202) 606-9653 or by e-mail at Ruth.Bramblett@bea.gov. Should you need assistance in justifying these forms to the Office of Management and Budget, please do not hesitate to contact BEA.

Sincerely,

 /s/

Dennis J. Fixler

Chief Statistician

Attachment

**ATTACHMENT**

**BEA’s Use of Data from the Quarterly Services Survey**

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| **Item Used:** | **BEA Use:** |
| Operating revenue  | Estimate PCE services (proprietary and nonprofit industries). Derive intermediate inputs and tax rates for Benchmark I-O. Estimate gross output in taxable industries for Annual I-O accounts.Estimate software component of private equipment and software. |
| Operating expenses  | Estimate PCE services (nonprofit industries). Derive intermediate inputs for Benchmark I-O. Estimate gross output in tax-exempt industries for annual I-O accounts. |
| Inventories at the end of the year  | Estimate change in private inventories for the publishing industry (NAICS 511) and annual I-O accounts. |