

From: Jankowski, John E. [jjankows@nsf.gov]
Sent: Friday, October 31, 2008 10:15 AM
To: Galler, David
Cc: Jankowski, John E.; Moris, Francisco
Subject: RE: changes to direct investment surveys

Thanks for the opportunity to comment on the proposed changes in your FDI surveys. NSF uses BEA's international investment data in Science and Engineering Indicators <http://www.nsf.gov/statistics/seind08/> published every two years by the National Science Board. In addition, NSF is collaborating in two different projects with BEA, BEA/NSF R&D Satellite Account and FDI-R&D link. Both of these projects involve FDI data. Thus our comments have two different but related perspectives, namely as a data user and as a partner statistical agency.

We appreciate efforts to balance analytical relevance, statistical quality, and budget realities. Nevertheless, we are not convinced that eliminating R&D employment would necessarily reduce processing costs or be a neutral change regarding data quality for R&D expenditures. R&D employment may serve as within-survey checks on R&D dollars for both survey response and subsequent survey editing/processing. In terms of ongoing joint development projects, R&D employment is used in both the FDI-R&D link and in auxiliary calculations in the R&D SA. For example, data on type of costs for FDI R&D expenditures are not available (type of costs is one approach to study appropriate deflators for R&D). One strategy to address this need is to study trends in R&D employment relative to overall R&D costs, employment, and employment costs for a given industry. R&D employment has also been used as a variable to perform and assess company matches of FDIUS and USDIA companies with the NSF/Census survey of Business R&D.

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