

September 10, 2018

Mr. Dwight Wolkow
International Portfolio Investment Data Systems
Department of the Treasury
Room 5422
1500 Pennsylvania Avenue NW
Washington, DC 20220

RE: *Federal Register* notice of August 3, 2018 concerning the Annual Report of U.S. Ownership of Foreign Securities, including Selected Money Market Instruments SHC/SHCA (OMB Control Number – 1505-0146)

Dear Mr. Wolkow:

The Bureau of Economic Analysis (BEA) strongly supports the continued collection of data on the SHC and SHCA and the proposed changes. The data collected on these forms are crucial to key components of BEA's economic statistics.

Annual and benchmark reports on U.S. residents' holdings of foreign securities are used directly in compiling BEA's international investment position (IIP) accounts. Specifically, these reports are required for statistics related to U.S. holdings of financial assets—portfolio investment, comprised of equity and investment fund shares and debt securities—in lines 10-14 of IIP table 1.2. In addition, these reports serve as critical inputs for annual revisions of financial transactions in portfolio investment assets in BEA's international transactions accounts (ITAs), and for associated statistics related to receipts of portfolio investment income. Specifically, these reports affect statistics on several lines of ITA table 1.2, including lines 65-69 (portfolio investment assets) and line 26 (portfolio investment income), as well as lines 1-13 of ITA table 7.1. Items used by BEA are listed in the attachment below.

BEA supports all the proposed changes to the instructions. Of particular importance to BEA are the proposed changes to clarify reporting responsibilities for managers of funds and partnerships if they have discretion over the funds and partnerships, and the proposed changes to improve the uniformity of instructions regarding direct investment. Appropriate reporting of both direct and portfolio investment is critical for the accuracy of BEA's statistics. BEA appreciates the opportunity to provide input on TIC reporting forms and instructions through the TIC User Group.

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 Tiffany Burrell, Source Data Coordinator, on 301-278-9618 or by e-mail at tiffany.burrell@bea.gov. If you should need assistance in justifying this survey to the Office of Management and Budget, please do not hesitate to contact BEA.

Sincerely,



Dennis J. Fixler
Chief Economist

Attachment

ATTACHMENT

Items from the SHC Form Used by BEA

Source Data	BEA Data Usage
SHC Appendix Tables A3, A12, A13 (derived from Schedules 1, 2,3)	ITA Table 1.1, Line 21 ITA Table 1.2, Lines 65-66 ITA Table 7.1, Lines 1-4 IIP Table 1.1, Line 8 IIP Table 1.2, Lines 10-11
SHC Appendix Tables A4, A6, A8, A10, A11 (derived from Schedules 1, 2,3)	ITA Table 1.1, Line 21 ITA Table 1.2, Lines 65, 67-69 ITA Table 7.1, Lines 1, 5, 10-13 IIP Table 1.1, Line 8 IIP Table 1.2, Lines 10, 12-14
SHC Supplemental Columns Reporting Dividend Income	ITA Table 1.1, Lines 5-6 ITA Table 1.2, Lines 23-24, 26 ITA Table 4.1, Lines 10-13
SHC Supplemental Columns Reporting Debt Interest Income	ITA Table 1.1, Lines 5-6 ITA Table 1.2, Lines 23-24, 26 ITA Table 4.1, Lines 10, 14-16