

June 15, 2012

Ms. Nora Kincaid
BLS Clearance Officer
Division of Management Systems
Bureau of Labor Statistics
Room 4080
2 Massachusetts Avenue, NE
Washington, DC 20212

RE: *Federal Register* notice of May 11, 2012, for the Bureau of Labor Statistics' U.S. Import and Export Price Indexes Produced by the International Price Program (OMB Number: 1220-0025)


Dear Ms. Kincaid:

The Bureau of Economic Analysis (BEA) strongly supports the continuation of the Bureau of Labor Statistics' (BLS) International Price Program (IPP). This important survey is our only data source for several key components of BEA's economic statistics.

Information from the IPP on international price indexes is critical in preparing real estimates of most components of exports and imports of goods, imports of equipment and software, and imports in inventories in the national income and product accounts (NIPA's). The indexes available for services are used to prepare estimates of real exports and imports of services.

Also, the end-use import price indexes are used to prepare annual estimates of real gross domestic product by industry. These prices are vital for accurately measuring the price change of imported inputs that go into the U.S. production process. The attachment provides an overview of BEA's use of these IPP indexes.

Please keep BEA informed concerning 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,

Dennis J. Fixler
Chief Statistician

Attachment

Attachment

National Economic Accounts

Import Price Indexes are used to deflate private investment in equipment, the change in private inventories, and exports and imports.

International Economic Accounts (Balance of Payments)

The BLS Import and Export Price Indexes are used in preparing projections of U.S. international goods trade for the advance GDP estimates, and in analyses of trends in goods trade for internal use and publication in the Bureau of Economic Analysis' *Survey of Current Business*. The Balance of Payments Division also uses BLS Import and Export Air Passenger Fares Index to prepare nominal measures of international passenger fares for the U.S. Balance of Payments Accounts and BEA's monthly goods and services trade release.

Industry Economic Accounts

Over 250 IPP indexes are used for the following types of products:

- Foods, feeds, beverages, tobacco, live animals
- Industrial supplies and materials
- Consumer and capital goods
- Automotive vehicles, parts and engines
- Crude materials and related products
- Chemicals and related products
- Manufactured goods
- Machinery and transport equipment