

July 19, 2012

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 June 18, 2012, for the Bureau of Labor Statistics' Consumer Price Index (CPI) Housing Survey

Dear Ms. Kincaid:

The Bureau of Economic Analysis (BEA) strongly supports the extension and sample update proposed by Bureau of Labor Statistics (BLS) in the *Federal Register* notice referenced above for the Consumer Price Index (CPI) Housing Survey. This survey is the basis for two BLS price indexes that are used to deflate key components of BEA's economic statistics.

BEA uses information from this survey to estimate gross domestic product (GDP) in the national income and product accounts, and to prepare the input-output (I-O) accounts and GDP by industry accounts. The CPI's for residential rent and owners' equivalent rent are used to prepare real (inflation-adjusted) estimates of the housing services component of personal consumption expenditures (PCE) in GDP and the rental income component of national income. The resulting PCE estimates are used to prepare real estimates of gross output and PCE in the annual and benchmark I-O tables and to prepare real estimates of GDP by industry. The CPI for rent of primary residence is also used to estimate real state and local consumption expenditures of "other" rental services in GDP. A list of items used is presented in the attached table.

Please keep BEA informed about any modifications to this program. We are particularly interested in any 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](mailto:Ruth.Bramblett@bea.gov). Should you 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 Statistician

Attachment

## Attachment

### BEA's use of the Bureau of Labor Statistics' Consumer Price Index (CPI) Housing Survey

BLS CPI Housing Survey Series	BEA Use
Rent of primary residence index	<p>Estimate real personal consumption expenditures (PCE) for rental of tenant-occupied nonfarm housing services in GDP</p> <p>Estimate the real rental income component of national income</p> <p>Estimate the real other rental services component of state and local consumption expenditures in GDP</p> <p>Estimate real gross output and PCE in the annual and benchmark input-output tables, and in GDP by industry</p>
Owners' equivalent rent of primary residence index	<p>Estimate real PCE for imputed rental of owner-occupied nonfarm housing services in GDP</p> <p>Estimate the real rental income component of national income</p>