

July 29, 2014

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

RE: *Federal Register* notice of June 30, 2014 for the Department of Treasury's Annual Survey of U.S. Ownership of Foreign Securities, including Selected Money Market Instruments: Form SHC/SHCA (OMB Number: 1505-0146)

Dear Mr. Wolkow:

The Bureau of Economic Analysis (BEA) strongly supports the continued collection of data on Form SHC/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. The attached table lists the items used by BEA.

BEA supports the proposed changes. Modifying the reporting requirements to include reporters filing on the SLT survey will improve the coverage of the SHC/SHCA. The changes to streamline Schedule 1 and Schedule 2 will augment BEA's ability to compare survey results and to report holdings and transactions by sector in portfolio investment statistics; the enhancements to the categories of "Reporter Type" in Schedule 1 and of "Type of U.S. owner" in Schedule 2 are particularly important. Furthermore, adding "Type of Foreign Issuer" to Schedule 2 will enhance comparisons of securities between the SHC/SHCA and the SLT.

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 202-606-9618 or by e-mail at [tiffany.burnell@bea.gov](mailto:tiffany.burnell@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,

A handwritten signature in blue ink, appearing to read "Dennis Fixler". The signature is fluid and cursive, with the first name "Dennis" and last name "Fixler" clearly distinguishable.

Dennis J. Fixler  
Chief Statistician

Attachment

## **Attachment**

### **Items on Form SHC Used by the Bureau of Economic Analysis**

<b>Form</b>	<b>Item Used</b>
SHC Tables 1, 2, 4, 27 (derived from Schedules 1, 2,3)	ITA Table 1.1, Line 21 ITA Table 1.2, Lines 10-11 ITA Table 7.1, Lines 1-4 IIP Table 1.1, Line 8 IIP Table 1.2, Lines 10-11
SHC Tables 5, 6, 8, 9, 27 (derived from Schedules 1, 2,3)	ITA Table 1.1, Line 21 ITA Table 1.2, Lines 10, 12-14 ITA Table 7.1, Lines 1, 5-9 IIP Table 1.1, Line 8 IIP Table 1.2, Lines 10, 12-14
SHC Tables 3, 23, 28	ITA Table 1.1, Lines 13-14 ITA Table 1.2, Lines 23-24, 26 ITA Table 4.1, Lines 10-13
SHC Tables 7, 24, 29	ITA Table 1.1, Lines 13-14 ITA Table 1.2, Lines 23-24, 26 ITA Table 4.1, Lines 10, 14-16