



September 28, 2012

OMB Desk Officer for the Department of Labor, Bureau of Labor Statistics  
Office of Management and Budget, Room 10235  
Washington, DC 20503

Via email: [OIRA\\_submission@omb.eop.gov](mailto:OIRA_submission@omb.eop.gov)

Re: Comments on the proposed data collection for U.S. Export and Import Price Indexes

I am pleased to respond to the notice in the *Federal Register* (August 29, 2012) asking for comments regarding the Bureau of Labor Statistics (BLS) information collection request “International Price Program U.S. Export and Import Price Indexes.”

As a research professor at the George Washington Institute of Public Policy, I focus on federal policies and programs that support U.S. economic competitiveness. From this perspective, I believe that BLS’s Export and Import Price Indexes are essential for understanding the nation’s competitive position in global markets. Consequently, I strongly support BLS’s request to collect information for the purpose of constructing and publishing the Export and Import Price Indexes.

That said, I wish to note that BLS Export and Import Price Indexes are woefully inadequate in their coverage of U.S. exports and imports of services, due to insufficient appropriations. At present, the indices cover only air passenger fares and air freight charges, which amount to just ten percent of U.S. services imports and seven percent of U.S. services exports. Missing is price information on exports and imports in important sectors such as business, professional, and technical services (including management and consulting services, R&D and testing services, and computer and data processing services); financial and insurance services; education services; and telecommunications. As a consequence, economists have a limited understanding of the true global competitiveness of these sectors.

Because of fiscal year 2008 budget cuts, BLS was forced to drop coverage of prices of export travel and tourism, ocean liner freight, and postsecondary education (foreign students coming to the U.S.). Prior to these cuts, the indices still covered only 20 percent of imported services and 35 percent of exported services.

The BLS indices continue to cover 100 percent of U.S. goods imports and exports. However, due to limited coverage of traded services, the indices track prices for 84 percent of total imports (all goods and services) and just 72 percent of total exports.

Effective federal economic policy depends on having the capacity to make accurate comparisons of U.S. and foreign prices for all types of services. BLS estimates that the additional annual cost

to expand price index services coverage would be \$12 million, a sum many orders of magnitude smaller than the economic and fiscal returns on such an investment. By FY2017, services coverage would reach 52 percent for imports and 34 percent for exports and would grow in succeeding years until coverage is complete.

Consequently, I encourage OMB not only to approve the BLS information collection request for Export and Import Price Indexes, but also, come budget time, to support the very modest amount of additional funds necessary to provide our nation with a more complete picture of its economic competitiveness.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Reamer". The signature is fluid and cursive, with a long horizontal stroke at the end.

Andrew Reamer, Research Professor  
George Washington Institute of Public Policy  
George Washington University