

July 18, 2016

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 May 27, 2016, requesting comments on the Treasury International Capital (TIC) reporting system forms CQ-1, and CQ-2 (OMB Number 1505-0024) and May 26, 2016 requesting comments on the TIC reporting system forms: BC, BL-1, BL-2, BQ-1, BQ-2, BQ-3, (OMB Numbers: 1505-0016 – 1505-0020, and 1505-0189)

Dear Mr. Wolkow:

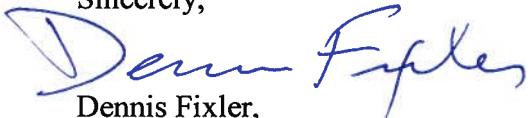
The Bureau of Economic Analysis (BEA) strongly supports the continued collection of the TIC B- and C-forms. The data collected on these forms are critical to key components of BEA's economic statistics.

The TIC B- and C- forms, along with the S- and D-series forms, provide the most comprehensive data available on financial transactions and investment positions, excluding direct investment, between U.S. residents and foreigners. These TIC data programs are critical for the estimation of the financial account of the U.S. International Transaction Accounts (ITAs) and the U.S. Net International Investment Position. The TIC data also form the basis of U.S. current account estimates of investment income payments and receipts, excluding direct investment. These income estimates are also components of interest paid to the rest of the world in the U.S. National Income and Product Accounts. The attached table shows the data used from these forms by BEA.

BEA supports the changes to the B-form instructions in the "Who Must Report" section to list out separately Intermediate Holding Companies (IHCs) and to clarify that IHCs should follow the same consolidation rules that are applicable to other types of holding companies. This rule is important for preventing gaps in TIC reporting that would make the estimates based on them less accurate.

Please keep BEA informed of 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. Should you need assistance in justifying this form to the Office of Management and Budget, please do not hesitate to contact BEA.

Sincerely,



Dennis Fixler,
Chief Economist

Attachment

Attachment

Use of TIC B-form and C-form Data in BEA Statistics

The TIC B- and C-form data are generally aggregated and provided to BEA according to the layout of the reporting form as a matrix consisting of data components that define columns and geographical areas that define rows. Many forms have memorandum items following the geographical areas that obtain additional details for the component columns. Generally, all components and rows of all the TIC B- and C-forms are used in BEA statistics, except for the BQ-3, which is not currently used. The BQ-3 will be used in the future to capture maturity detail. The table below outlines how the TIC B- and C-forms are currently used in BEA statistics.

Table of Items Used In BEA Estimates

TIC Inputs	BEA Statistics
Form BC	ITA table 1.2, lines 26, 27, 68, 69, 71, 72, and tables 4.3, 4.4, 7.1, and 8.1
Form BL-1	ITA table 1.2, lines 56, 94, 95, and tables 4.4 and 8.1
Form BL-2	ITA table 1.2, lines 55, 56, 91, 92, 95, and tables 4.3, 4.4, 7.1, and 8.1
Form BQ-1	ITA table 1.2, lines 26, 27, 68, 69, 71, 72, and tables 4.3, 4.4, 7.1, and 8.1
Form BQ-2 part 1	ITA table 1.2, lines 26, 27, 55, 56, 68, 69, 71, 72, 91, 94, 95, and tables 4.3, 4.4, 7.1, and 8.1
Form BQ-2 part 2	ITA table 1.2, lines 55, 56, 91, 92, 95, and tables 4.3, 4.4, 7.1, and 8.1
Forms CQ-1	ITA table 1.2, lines 26, 27, 55, 56, 68, 69, 71, 72, 91, 95, and tables 4.3, 4.4, 7.1, and 8.1
Forms CQ-2	ITA table 1.2, lines 27, 56, 74, 97, and tables 4.4 and 8.1