

March 1, 2017

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 December 30, 2016, for the Department of Treasury's Treasury International Capital (TIC) Forms SHL/SHLA, Foreign-Residents' Holdings of U.S. Securities, including Selected Money Market Instruments (OMB Number: 1505-0123)

Dear Mr. Wolkow:

The Bureau of Economic Analysis (BEA) strongly supports the continued collection of data on Forms SHL/SHLA and the proposed changes. The data collected on these forms are crucial to key components of BEA's economic statistics.

Specifically, these reports are required for statistics related to U.S. financial liabilities—portfolio investment, comprised of equity and investment fund shares and debt securities—in lines 41-49 of BEA's international investment position (IIP) table 1.2. In addition, these reports serve as critical inputs for annual revisions of financial transactions in portfolio investment liabilities in BEA's international transactions accounts (ITAs), and for associated statistics related to payments of portfolio investment income. Specifically, these reports affect statistics on several lines of the ITA table 1.2, including lines 88-92 (portfolio investment liabilities) and line 55 (portfolio investment income), as well as lines 14-29 of ITA table 7.1. A list of items used by BEA is found in the accompanying table.


BEA supports the proposed increase in exemption levels for filing schedules 2 and 3 for a benchmark survey from \$100 million to \$200 million and the other changes to the instructions. The increase in exemption levels will reduce burden for reporters and the government without a material change in the quality of the reported data. The change will not adversely affect BEA's use of the survey data.

BEA supports the instruction changes that provide guidance for the reporting of investment by and in private funds and in the related change in the definition of direct investment, which have been coordinated with changes for the reporting of these investments in BEA's surveys of direct investment.

BEA supports the instruction changes to clarify the inclusion of "Stripped Securities" in the survey and the introduction of intermediate holding companies. These changes will keep the survey current with developments in regulation and financial innovation.

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 301-278-9618 or by e-mail at Tiffany.Burrell@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 Economist

Attachment

Attachment
Data Used By BEA

Source Data Used by BEA:	BEA Data Used for:
SHL/SHLA Tables 3, 5, and 21	ITA Table 1.1, Line 26 ITA Table 1.2, Lines 91-92 ITA Table 7.1, Lines 20 and 25 IIP Table 1.1, Line 16 IIP Table 1.2, Lines 45, 48
SHL/SHLA Tables 6, 8, and 23	ITA Table 1.1, Line 26 ITA Table 1.2, Lines 91-92 ITA Table 7.1, Lines 21 and 27 IIP Table 1.1, Line 16 IIP Table 1.2, Lines 46 and 49
SHL/SHLA Tables 1, 2, 9, 11, 12, 15, and 18	ITA Table 1.1, Line 26 ITA Table 1.2, Lines 89, 91-92 ITA Table 7.1, Lines 16, 17, 22, 23, 26, 28, and 29 IIP Table 1.1, Line 16 IIP Table 1.2, Lines 42, 45, and 48
SHL/SHA Tables 1, 13, and 27	ITA Table 9.1, Lines 4-5, 8-11 and 13-17 IIP Table 3.1, Lines 3-10