



# Bureau of Economic Analysis

## Mission Statement

The Bureau of Economic Analysis (BEA) seeks to strengthen understanding of the U.S. economy and its competitive position by providing the most accurate and relevant gross domestic product (GDP) and economic accounts data in a timely and cost effective manner.

BEA is one of the world's leading statistical agencies. Although it is a relatively small agency, BEA produces some of the most closely watched economic statistics that influence the decisions made by government officials, business people, households, and individuals. BEA's economic statistics, which provide a comprehensive, up-to-date picture of the U.S. economy, are key ingredients in critical decisions affecting monetary policy, tax and budget projections, and business investment plans. The cornerstone of BEA's statistics is the National Income and Product Accounts (NIPA), which feature estimates of GDP and related measures. The Department of Commerce recognized GDP as its greatest achievement in the 20<sup>th</sup> Century, and it has been ranked as one of the three most influential measures that affect U.S. financial markets.

Since the NIPA's were first published, BEA has developed and extended its estimates to cover a wide range of economic activities. Today, BEA prepares national, regional, industry, and international accounts that present essential information on such key issues as economic growth, regional economic development, inter-industry relationships, and the nation's position in the world economy.

## Priorities

BEA, working with the Department of Commerce, has determined three major priorities for FY 2003. These priorities reflect goals embodied in BEA's strategic plan for improving its economic accounts and are critical for the success of BEA in maintaining its reputation as a timely and accurate producer of quality economic statistics. The priorities include:

- **Generate More Timely Economic Data**--This initiative adds a new dimension to the efforts in recent years to improve BEA's economic accounts. Accelerating the release of BEA's major economic estimates will have a dramatic effect on the usefulness of these estimates to key decisionmakers and other data users.
- **Upgrade BEA's Statistical Processing Systems**--This initiative expands the scope of the project now underway that focuses on GDP processing systems. It includes a similar redesign and upgrading of the processing systems for BEA's other economic accounts and the establishment of a regular cycle of processing system updates.
- **Meet U.S. International Obligations**--This initiative enables BEA to incorporate in its economic accounts two new international economic data classification systems: first, the North American Industry Classification System (NAICS) and, later, the North American Product Classification System (NAPCS).

## FY 2003 Program Changes

	Base		Increase/Decrease	
	FTE	Amount	FTE	Amount
Bureau of Economic Analysis	470	\$59,102	+27	+\$10,694

The demand for relevant, accurate, and timely economic statistics continues to increase--To address that demand, BEA is currently undertaking a program to address the statistical gaps in our economic accounts. Now, to make that program more effective, BEA must continue to address other critical components in its operation that reduce the reliability, integrity, and usefulness of its GDP and related accounts – such as the modernization of processing systems that generate these data and the implementation of new international statistical standards. Investment in BEA's economic accounting systems in FY 2003 is a prerequisite for the continued strength and validity of the U.S. economic statistical system and the production of relevant, accurate, and timely GDP accounts.

The FY 2003 BEA budget request will finance the following initiatives that are essential to the improvement of the economic accounts.

Generate More Timely Economic Data +17      +\$4,810

Although the economic data produced by BEA are among the most timely economic statistics in the world, there is an increasing demand from data users, especially in this time of economic uncertainty, to accelerate the release of BEA's estimates. Because these data form the basis for critical decisions that affect all Americans, it is essential that they be available to government and private decisionmakers as quickly as possible. The increase in funding requested for FY 2003 will enable BEA to begin speeding up the release of a number of key estimates in its economic accounts. For example, the lag in the availability of monthly data on international trade in goods and services would be cut from 50 days to 30 days and the lag of detailed annual industry data would be cut from 11 months to four months for GDP by industry and from three years to one year for the annual input-output tables. The resulting increases in timeliness of these and other BEA estimates will have a dramatic impact on their usefulness.

Upgrade BEA's Statistical Processing Systems +2      +\$3,598

The economic data produced and disseminated by BEA are vitally important to government and business leaders, and BEA's statistical processing systems are key elements in that production and dissemination process. To ensure the accuracy and reliability of its economic account statistics, BEA must improve its information technology infrastructure. The statistical processing systems that produce BEA's estimates are a patchwork of outdated and inefficient programs that have not kept pace with the increased volume and complexity of the computations involved. BEA is currently engaged in a comprehensive project to redesign and upgrade the GDP processing systems. With this funding increase for FY 2003, BEA will begin comparable overhauls to upgrade the processing systems for the other economic accounts. In addition, work will be expanded to increase the availability of electronic reporting for BEA's international surveys and to develop new data dissemination features, especially for Web site users. It is essential that these systems be upgraded to meet the challenges of BEA's evolving economic accounts and today's electronic world.

	Base		Increase/Decrease	
	FTE	Amount	FTE	Amount
Meet U.S. International Obligations			+8	+\$2,286

BEA occupies a position of prominence among the national statistical agencies of the world. To maintain that position, BEA must carry out the U.S. commitment to meet international obligations. The funding increase requested for FY 2003 will enable BEA to begin incorporating into its economic accounts two new international economic data classification systems – the North American Industry Classification System (NAICS) and the North American Product Classification System (NAPCS) – that are being developed jointly by the United States, Canada, and Mexico. While other statistical agencies are following different schedules and methodologies to incorporate these classification systems in the data they collect and produce, BEA must integrate these diverse and inconsistent data into a relevant and consistent set of economic accounts. Fully implementing these new classification systems will be a complex and time-consuming process, and BEA must increase its resources to meet the challenge. Unless BEA is able to bring these data together in a consistent and meaningful manner, the full benefits of these revolutionary new classification systems will not be realized.

## Targets and Performance Summary

See individual Performance Goal section for further description of each measure.

<b>Performance Goal 1: Develop relevant, accurate, and timely GDP and economic accounts statistics</b>								
	<b>FY 1999 Target</b>	<b>FY 1999 Actual</b>	<b>FY 2000 Target</b>	<b>FY 2000 Actual</b>	<b>FY 2001 Target</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Target</b>	<b>FY 2003 Target</b>
Timeliness of Release of GDP (as compared with other countries)	New	New	New	1st	1st	1st	1st	1st
Reliability of Delivery of Economic Data (Number of Scheduled Releases Issued on Time) <sup>1</sup>	100%	100%	100%	100%	100%	100%	50 of 50	TBD
Customer Satisfaction with Quality of Products and Services (Mean Rating on a 5-point Scale)	>4.0	N/A (Survey Postpo ned to 2000)	>4.0	4.3	4.3	N/A (Survey Postpo ned to 2002)	4.3	4.3
Improving GDP and the Economic Accounts	New	New	New	New	New	New	Develop New Measures to Address Gaps in and Update BEA's Accounts; Design New Quarterly Survey of International Services; Develop New Pilot Estimates that Provide Better Integration with Other Accounts	Develop New Measures to Address Gaps in and Update BEA's Accounts; Develop New Pilot Estimates that Provide Better Integration with Other Accounts
Accelerating Economic Estimates	New	New	New	New	New	New	New	Publish Accelerated GDP-by-Industry Estimates; Produce Pilot Set of Accelerated Annual Input-output Tables
Meeting U.S. International Obligations	New	New	New	New	New	New	New	Incorporate NAICS into Benchmark Input-output Accounts
Upgrading Information Technology Systems	New	New	New	New	New	New	Develop New Systems, Including Design and Prototype Phase of New National Income and Product Accounts Core Processing System; Develop Improved Interactive Features on BEA's Web Site; Extend Electronic Reporting for International Surveys	Develop New Systems, Including Benchmark Input-output Processing System; Extend Electronic Reporting to More International Surveys

<sup>1</sup> Prior to FY 2003 this measure was worded as "Reliability of delivery (% of scheduled releases issued on time)."

## Resource Requirements Summary

(Dollars in Millions. Funding amounts reflect total obligations.)

Information Technology (IT)

Full-Time Equivalent (FTE)

<b>Performance Goal 1: Develop relevant, accurate, and timely GDP and economic accounts statistics</b>							
	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>Increase/ Decrease</b>	<b>FY 2003</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Available</b>	<b>Base</b>		<b>Request</b>
<b>STAT-USA</b>							
Total Funding	5	2	3.4	4.4	3	0	3
FTE	19	19	27	25	25	0	25
<b>Salaries and Expenses:</b>							
<b>Policy Support:</b>							
Total Funding	5.6	6.5	5.9	7.6	7.7	0	7.7
FTE	50	40	44	60	60	0	60
<b>BEA:</b>							
Total Funding	44.5	46.0	48.6	58.1	59.6	10.7	70.3
IT Funding <sup>1</sup>	6.0	6.1	6.2	10	6.7	3.8	10.5
FTE	414	409	403	478	480	27	507
<b>Grand Total</b>							
Salaries and Expenses	50.1	52.5	54.5	65.7	67.3	10.7	78.0
Total Funding	55.1	54.5	57.9	70.1	70.3	10.7	81.0
Direct	53.3	52.8	56.5	68.2	68.8	10.7	79.5
Reimbursable <sup>2</sup>	1.8	1.7	1.4	1.9	1.5	0	1.5
IT Funding <sup>1</sup>	6.0	6.1	9.3	10.0	6.7	3.8	10.5
FTE	483	468	474	563	565	27	592

1 IT funding included in total funding

2 Reimbursable funding included in total funding

### Skill Summary:

Economists, accountants, statisticians, and computer specialists

## **FY 2003 Performance Goals**

### **Performance Goal 1: Develop Relevant, Accurate, and Timely Gross Domestic Product (GDP) and Economic Account Statistics**

*(This goal has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. This goal was previously worded as: "Develop relevant, accurate, and timely national and community economic and household statistics for decisionmaking")*

#### **Corresponding Strategic Goal**

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably

#### **Rationale for Performance Goal**

The economic statistics produced by the Bureau of Economic Analysis (BEA) enable government and business decisionmakers, researchers, and the American public to follow and understand the performance of the nation's economy; thus, they are critical to sound economic decision-making at all levels, from individuals to the highest level policymakers. BEA prepares national, regional, industry, and international economic accounts that present essential information on such key issues as economic growth, regional economic development, inter-industry relationships, and the nation's position in the world economy. The national economic accounts include the national income and product accounts (NIPA's), which provide a quantitative view of the production, distribution, and use of the nation's output and feature GDP, one of the most closely followed of all economic measures. The national accounts also include estimates of the nation's stock of fixed assets and consumer durable goods. The regional economic accounts provide estimates and analyses of personal income and earnings by industry for regions, states, metropolitan areas, and counties. They also include estimates of gross state product by industry. The industry economic accounts include the input-output tables, which show how industries interact to provide input to and take output from each other, and the gross product by industry data, which measure the contributions of private industry and government to GDP. The international economic accounts include the international transactions accounts (balance of payments) and the estimates of U.S. direct investment abroad and foreign direct investment in the United States.

BEA's current estimates usually appear first in news releases, and they also are available on the BEA web site and in BEA's monthly journal of record, the *Survey of Current Business*.

To be most useful to data consumers, BEA's statistics must be as relevant, accurate, and timely as possible in order to provide a clear and comprehensive picture of economic activity. In addition, they must be readily accessible in easy-to-use formats. The first three measures reported below are aggregate indicators of BEA's success in producing data that are as up-to-date as possible (timely), consistently released on schedule (reliable), and useful and readily available to the public (customer satisfaction).

Because the American economy is continually undergoing rapid changes and becoming more and more complex, it is essential that BEA improve its accounts to keep pace with the economy and meet the needs of its data users. As part of a year-long internal review of its mission and its goals, BEA has developed a preliminary strategic plan that outlines the major elements of BEA's plan for improving its economic accounts. The BEA preliminary strategic plan can be accessed via the BEA web site at

<http://www.bea.doc.gov>. For each of the economic accounts, the plan lists annual milestones for achieving these improvements in the coming years. BEA will review and update its strategic plan annually to make adjustments for changing conditions and priorities. The four new performance measures provide meaningful, operating level indicators of BEA's progress in making important improvements.

### Measure 1a: Timeliness of Release of GDP (As Compared with Other Countries)

*(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. This measure was previously worded as: "Timeliness of GDP (international ranking)")*

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	New	New	1st	1st	1st
Actual		1st	1st		
Met/Not Met			Met		

#### Data Validation and Verification:

**Data source:** Data on the time lag between the reference period and the release of GDP estimates by the statistical agencies of various countries are compiled by the International Monetary Fund (IMF) and are available on the IMF web site ([dsbb.imf.org](http://dsbb.imf.org)). Ranking is derived by BEA by comparing U.S. performance with that of other countries (currently 45) that meet the specifications of IMF's Special Data Dissemination Standard.

**Frequency:** Annually

**Data storage:** Based on information supplied by each country, the IMF compiles and maintains data on timeliness of GDP estimates, which are available on the IMF web site.

**Verification:** Data on timeliness of GDP by country are publicly available on the IMF web site. Ranking of countries is derived by BEA and can be verified via the Internet.

**Data limitations:** Availability of data is dependent on IMF.

**Actions to be taken:** None

### Explanation of Measure

BEA ranked first among major government statistical agencies in the world for the timeliness of its production of GDP data. This measure is based on the objective and impartial compilation of economic accounts information by the IMF. Producing data with as short a time lapse as possible is important to data consumers who use BEA economic data as inputs to their decision-making processes. This achievement ensures that the private sector is able to make informed decisions before their counterparts in other countries and that government officials have the most up-to-date information to make critical economic decisions. Given the appropriate level of support, BEA intends to maintain this rank in FY 2002 and FY 2003.

## Measure 1b: Reliability of Delivery--Economic Data (Number of Scheduled Releases Issued on Time)

(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. This measure was previously worded as: "Reliability of delivery (% of scheduled releases issued on time)")

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target <sup>1</sup>	100%	100%	100%	50 of 50	TBD
Actual	100%	100%	100%		
Met/Not Met	Met	Met	Met		

<sup>1</sup> See italicized statement above regarding rewording of the measure and recharacterization of the association targets.

### Data Validation and Verification:

**Data source:** A schedule of release dates for the coming calendar year is published each fall in the *Survey of Current Business* and is posted on BEA's web site. (The schedule for 2003 will be available in the fall of 2002.) BEA maintains a record of subsequent actual release dates.

**Frequency:** Annually

**Data storage:** BEA maintains the schedule of future release dates and the record of actual release dates. Both sets of information are available on BEA's web site.

**Verification:** Scheduled and actual release dates are a matter of public record and can be verified via the Internet.

**Data limitations:** A few releases may not be included in the published annual schedule because their release dates cannot be established that far in advance, and those releases are excluded from the performance measure.

**Actions to be taken:** FY 2003 target will be added in the FY 2004 Annual Performance Plan.

## Explanation of Measure

BEA has issued all of its economic data releases on schedule since this performance measure was instituted. (In the plans for prior years, performance was measured as the percentage of releases issued on schedule.) In FY 1999, all 47 scheduled releases were issued on time, and in FY 2000 and FY 2001 all 48 scheduled releases were issued on time each year. Hence 100% of the scheduled releases were issued on time for FY 1999 through FY 2001. The target for FY 2003 cannot be determined until the 2003 release schedule is published in the fall of 2002. The importance of these data as an ingredient of sound economic decision-making requires BEA to deliver data into the hands of decision-makers and other data users not only quickly but also reliably, that is, on schedule. BEA has achieved this goal in recent years despite serious concerns over GDP computer processing systems that were at risk of failure. Given adequate investment in these systems, BEA will continue its perfect record of issuing its data releases on schedule.

### Measure 1c: Customer Satisfaction with Quality of Products and Services (Mean Rating on a 5-point Scale)

(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. This measure was previously worded as: "Customer satisfaction (mean rating on a 5-point scale)")

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	>4.0	>4.0	4.3	4.3	4.3
Actual	N/A (Survey Postponed to 2000)	4.3	N/A (Survey Postponed to 2002)		
Met/Not Met	N/A (Survey Postponed to 2000)	Met	Not Met		

#### Data Validation and Verification:

**Data source:** BEA customer survey

**Frequency:** Annually

**Data storage:** BEA conducts the survey, compiles the results, and retains records of raw data and computations that lead to final results.

**Verification:** BEA will provide a copy of the survey to the Economics and Statistics Administration.

**Data limitations:** Data are not available for years, such as FY 2001, in which survey is not conducted.

**Actions to be taken:** Survey will be conducted in FY 2002.

### Explanation of Measure

The BEA customer survey was not conducted in FY 2001 because of resource limitations and conflicting priorities. The survey will be conducted in FY 2002. In the FY 2000 survey, nine out of 10 respondents indicated that they were satisfied with the quality of BEA's products and services, giving it an average (mean) satisfaction rating of 4.3 out of a maximum of five. Respondents cited the national income and product accounts and the state and local personal income estimates as the data they used most frequently. Based on comments received from data users during FY 2001 by phone, by mail, and by direct contact at many conferences and meetings of various economic committees and associations, BEA is confident that this high level of customer satisfaction has been maintained and will be confirmed in the FY 2002 survey.

**Measure 1d: Improving GDP and the Economic Accounts**

	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>
<b>Target</b>	New	New	New	Develop New Measures to Address Gaps in and Update BEA's Accounts; Design New Quarterly Survey of International Services; Develop New Pilot Estimates that Provide Better Integration with Other Accounts	Develop New Measures to Address Gaps in and Update BEA's Accounts; Develop New Pilot Estimates that Provide Better Integration with Other Accounts
<b>Actual</b>					
<b>Met/Not Met</b>					

**Data Validation and Verification:**

**Data source:** BEA's strategic plan provides a timetable with annual milestones for achieving significant improvements in the economic accounts. At the end of each fiscal year, beginning with FY 2002, BEA will evaluate and report its progress in achieving the scheduled milestones.

**Frequency:** Annually

**Data storage:** BEA compiles and maintains data.

**Verification:** BEA conducts internal review and analysis.

**Data limitations:** BEA's annual review and updating of its strategic plan could result in changes to milestones.

**Actions to be taken:** Milestones will be adjusted as necessary to match BEA's strategic plan.

**Explanation of Measure**

The improvement of its economic accounts, including GDP, is a perennial priority for BEA. This is because the accounts must continually be upgraded to keep pace with our increasingly complex and rapidly changing economy and to provide public and private policymakers with the best possible economic information. BEA's strategic plan lays out the steps BEA will take to achieve needed improvements and produce the high-quality data that its users expect and rely upon. Gaps in the coverage of key areas of the economy, such as in measures of services, compensation, and quality-adjusted prices, are a major weakness in the accounts. BEA is working to develop new measures that reduce those gaps. There also are problems when users try to move between BEA's economic accounts and other accounts, such as the Federal Reserve Board's flow-of-funds accounts. BEA is working to develop new pilot measures that will provide better integration with other accounts. By evaluating BEA's success in achieving the selected milestones, this measure indicates BEA's progress in improving these accounts.

**Measure 1e: Accelerating Economic Estimates**

	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>
Target	New	New	New	New	Publish Accelerated GDP-by-Industry Estimates; Produce Pilot Set of Accelerated Annual Input-output Tables
<b>Actual</b>					
Met/Not Met					

**Data Validation and Verification:**

**Data source:** BEA's strategic plan provides a timetable with annual milestones for accelerating the release of its economic accounts estimates. Beginning with FY 2003, BEA will annually evaluate and report its progress in achieving the scheduled milestones.

**Frequency:** Annually

**Data storage:** BEA compiles and maintains data.

**Verification:** Internal review and analysis by BEA

**Data limitations:** BEA's annual review and updating of its strategic plan could result in changes to milestones.

**Actions to be taken:** Milestones will be adjusted as necessary to match BEA's strategic plan.

**Explanation of Measure**

One of BEA's priorities for FY 2003 and beyond is to generate more timely economic data. Accelerating the release of major economic estimates will make these data significantly more useful to decision-makers and other data users. In FY 2003, BEA plans to release GDP-by-industry estimates with a time lag of only four months (compared with the previous lag of 11 months) and to produce a pilot set of annual input-output tables with a time lag of only one year (compared with the previous lag of three years). The input-output tables show how industries interact to provide input to and take output from each other. Other accelerated estimates will be released in the following years. This measure tracks BEA's progress in achieving the planned accelerations.

**Measure 1f: Meeting U.S. International Obligations**

	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>
Target	New	New	New	New	Incorporate NAICS <sup>1</sup> into Benchmark Input-output Accounts
<b>Actual</b>					
Met/Not Met					

<sup>1</sup> NAICS North American Industry Classification System

**Data Validation and Verification:**

**Data source:** BEA's strategic plan provides a timetable with annual milestones for incorporating NAICS (North American Industry Classification System) in its economic accounts. At the end of each fiscal year, beginning with FY 2003, BEA will evaluate and report its progress in achieving the scheduled milestones

**Frequency:** Annually

**Data storage:** BEA compiles and maintains data.

**Verification:** Internal review and analysis by BEA

**Data limitations:** BEA's annual review and updating of its strategic plan could result in changes to milestones.

**Actions to be taken:** Milestones will be adjusted as necessary to match BEA's strategic plan.

**Explanation of Measure**

The North American Industry Classification System (NAICS) was developed jointly by the United States, Canada, and Mexico to provide a uniform basis for identifying, compiling, and presenting industry data. This new system reflects the increasing importance of new industries, especially services and new technologies, while improving the comparability of statistics among countries. One of BEA's priorities for FY 2003 and beyond is to incorporate the NAICS system throughout the economic accounts. In FY 2003, BEA plans to incorporate NAICS industry data in the benchmark input-output accounts. These comprehensive benchmark accounts, which are prepared every five years, provide detailed data on the interactions among industries and are the basis for subsequent comprehensive revisions of GDP and the other economic accounts. This measure indicates BEA's progress in achieving the planned incorporation of NAICS.

**Measure 1g: Upgrading Information Technology Systems**

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Target	New	New	New	Develop New Systems, Including Design and Prototype Phase of New NIPA <sup>1</sup> Core Processing System; Develop Improved Interactive Features on BEA's Web Site; Extend Electronic Reporting for International Surveys	Develop New Systems, Including Benchmark Input-output Processing System; Extend Electronic Reporting to More International Surveys
Actual					
Met/Not Met					

<sup>1</sup> NIPA National Income and Product Accounts

**Data Validation and Verification:**

**Data source:** BEA's strategic plan provides a timetable with annual milestones for modernizing the information technology systems used to produce the economic accounts estimates, collect survey data, and disseminate data to users. At the end of each fiscal year, beginning with FY 2002, BEA will evaluate and report its progress in achieving the scheduled results.

**Frequency:** Annually

**Data storage:** BEA compiles and maintains data.

**Verification:** Internal review and analysis by BEA

**Data limitations:** BEA's annual review and updating of its strategic plan could result in changes to milestones.

**Actions to be taken:** Milestones will be adjusted as necessary to match BEA's strategic plan.

## **Explanation of Measure**

One of BEA's major priorities is the upgrading of its information technology systems. BEA's statistical processing systems are essential elements in the production of the economic accounts. Because these systems have been pieced together over time in a patchwork of cumbersome and inefficient elements, it is critical that they be redesigned and upgraded to take full advantage of current information technology capabilities. This will improve the speed, reliability, and accuracy of the statistical production process. It is also important that BEA improve users' access to BEA data by incorporating the latest technological tools to upgrade its web site. BEA's latest customer survey showed that user-friendly electronic access is very important to customers. Improvements to the web site will dramatically increase the usability of BEA data and should have a positive effect on customer satisfaction ratings in future surveys. A third element of the information technology improvements is the provision of an electronic reporting option for respondents to BEA's surveys of multinational companies. These surveys of foreign direct investment and international trade in services require the submission of more than 100,000 report forms each year. By providing the ability to report electronically, BEA will reduce respondent burden and reduce its own processing costs. This measure indicates BEA's progress in achieving the planned information technology system improvements.

## **FY 2001 Program Evaluation for Performance Goal 1: Develop Relevant, Accurate, and Timely GDP and Economic Accounts Statistics**

BEA is in the final stages of developing a new five-year strategic plan to guide it through the next half-decade of management challenges it faces in a time of limited budgets and dramatic economic changes. The new plan is scheduled for public release in the spring of 2002. BEA has used its advisory committee to assist in evaluating BEA programs and to help guide its strategic plan. This committee of 13 distinguished economists from universities, research groups, and private businesses advises BEA on a broad range of subjects related to the development and improvement of BEA's economic accounts, especially in areas of new and rapidly growing economic activities associated with innovative and advancing technologies. The committee's semi-annual meetings in FY 2001 addressed such subjects as the treatment of consumer durables in the national accounts, the transition of economic statistics to the new North American Industry Classification System, the development of price indexes for hard-to-measure goods and services, and the plans and priorities for BEA's industry and international accounts. Future meetings will focus on other areas of concern, such as the measurement of government capital, the use of hedonic methods in constructing price indexes, and the miscounting of imports and exports.

BEA funded a private study in FY 2001 to evaluate the GDP central statistical processing systems. This study thoroughly examined the existing systems and developed a plan for redesigning them to provide an efficient, reliable, and secure means of producing the GDP estimates. Funding received for FY 2002 will enable BEA to move forward with the development and implementation of the upgraded processing systems.

Additional evaluations have been and will continue to be conducted through BEA customer surveys, which determine how customers evaluate BEA's products and services. In addition to revealing a high level of satisfaction with BEA, the surveys provide valuable feedback on what is most important to BEA's customers. For example, the survey has shown that the data used most frequently by customers are the GDP accounts and state and local personal income and that two-thirds of the respondents are frequent users of the BEA web site.

## **Cross-cutting Activities**

### **Intra-Department of Commerce**

Bureau of the Census--BEA works closely with the Census Bureau, which is one of the principal suppliers of source data used to compile BEA's economic accounts. BEA and Census representatives meet regularly to maintain an awareness of their joint and individual statistical problems and needs and to facilitate cooperation in meeting those needs. The availability of current source data from Census is a key factor in the scheduling of BEA release dates.

### **Other Government Agencies**

Bureau of Labor Statistics (BLS) and Internal Revenue Service (IRS)--These two agencies are principal suppliers of source data used to compile BEA's economic accounts. BEA works closely with both agencies to maintain an awareness of their joint and individual statistical problems and needs and to facilitate cooperation in meeting those needs. The availability of current source data from BLS is a key factor in scheduling the release of BEA estimates.

Interagency Council on Statistical Policy (ICSP)--Under the auspices of the Office of Management and Budget, BEA is a major participant in the ICSP, which works to improve collaborative activities of federal statistical agencies. Activities of the ICSP have led to standardization of data and concepts, transfers of technology, methodology exchange, collaborative research, process improvement, improved customer service, reduced respondent burden, and infrastructure sharing.

Other agencies--To obtain source data for its economic accounts, BEA maintains close working relationships with statistics-producing agencies in most of the executive branch departments of the government, including Agriculture, Defense, Education, Energy, Health and Human Services, Labor, Transportation, and Treasury.

## **External Factors and Mitigation Strategies**

BEA is highly dependent on other government agencies and private organizations for the source data it uses to produce its economic accounts statistics. Thus, BEA's ability to provide relevant, accurate, and timely economic data and to move forward with improvements in its economic accounts is constrained by the quality and availability of that source data. BEA works closely with its data sources to obtain the best and most complete data possible and continually refines its estimation methods to improve its measures, especially in areas with source data deficiencies.