

Memorandum

DATE: July 8, 2019

SUBJECT: Response to Docket Number USBC-2019-0001
Leveraging Data as a Strategic Asset Phase 3 Comments

TO: Karen Dunn Kelly, Deputy Secretary, Department of Commerce

FROM: John C. Haltiwanger, University of Maryland, Distinguished University Professor of
Economics
Kenneth R. Troske, University of Kentucky, Endowed Chair of Economics

We, the Chairs of the American Economic Association Committee (AEA) on Economic Statistics (<https://www.aeaweb.org/about-aea/committees/economic-statistics>) and Committee on Government Relations (<https://www.aeaweb.org/about-aea/committees/government-relations>) applaud the ideas behind a coordinated Federal Data Strategy and appreciate the attempted harmonization between some of the Federal Data Strategy's proposed actions and some of the provisions of the Foundations for Evidence-Based Policymaking Act (hereinafter referred to as the Evidence Act). However, the Federal Data Strategy Actions are limited by several critical omissions. They: 1) exclude several important data-related provisions of the Evidence Act; 2) lack essential detail about required prerequisites, implementation and enforcement plans; and 3) lack the guidance necessary to ensure the success and permanence of the Actions.

A central provision of the Evidence Act that is not incorporated into the Federal Data Strategy is the establishment of a representative committee to advise on the policies of a National Secure Data Service. From an empirical analytical user perspective, the National Secure Data Service functions are vital.

Further, additional OMB guidance is needed within the Federal Data Strategy on the specific elements mandated under a codified Statistical Directive #1, which is required by the Evidence Act. We recommend that the Federal Data Strategy directly cite past guidance on Statistical Directive #1 to assure explicit recognition of the independence (from political influence) of statistical agencies. This relates back to the need for a National Secure Data Service.

Another excluded but important category of actions concerns making State data collected under the auspices of Federal programs (such as the Supplemental Nutrition Assistance Program) or via such things as unemployment insurance and wage records, centralized and easily accessible through a single, privacy-protected process for research and program evaluation. Ideally, there will be a well-coordinated process at the Federal level to gather and document State-level data in a consistent manner across States and across programs, for analytical and evaluation purposes.

In a related but somewhat more global context, the roles and responsibilities of those in new leadership roles, such as the Chief Data Officer (CDO), must be better specified before identification of the leaders and their consolidation into OMB-led Councils can occur. For example, OMB needs to provide better pre-Action guidance on what a CDO is responsible for, how much time would be needed for devotion to the duties, and what the minimum qualifications for a CDO should be. In addition, it is important for OMB to be more explicit about how Federally-led coordination will occur among a Chief Data Officer Council, the members of an expanded Interagency Committee on Statistical Policy, and the Federal CIO

Council to assure that data-related Actions are consistent and complementary and take into account the missions of all. Designation of an oversight panel to accomplish needed coordination would be another good addition to the list of Federal Data Strategy Actions.

Finally, including in the Strategy specifics about the way in which each Action will be implemented and any consequences for those departments and agencies that are noncompliant with the Actions would be very helpful to any third party attempting to project the Strategy's actual feasibility and outcomes.

Thank you for the opportunity to provide input.

Individual members and staff of the AEA Committees on Economic Statistics and Government Relations who endorse this Comment include the following:

- John Cawley, Professor in the Department of Policy Analysis and Management, and the Department of Economics, at Cornell University. He is co-Director of Cornell's Institute on Health Economics, Health Behaviors and Disparities.
- Karen Dynan, Professor of the Practice of Economics, Harvard Kennedy School
- Katherine Smith Evans, Washington Area Representative, American Economic Association
- John C. Haltiwanger, Distinguished University Professor in the Department of Economics at the University of Maryland
- Thomas J. Holmes, Curtis L. Carlson Professor of Economics at the University of Minnesota, and Consultant to the Federal Reserve Bank of Minneapolis
- Nina Pavcnik, Niehaus Family Professor in International Studies, and Chair of the Economics Department, Dartmouth College
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