



UNITED STATES DEPARTMENT OF COMMERCE
Economics and Statistics Administration
BUREAU OF ECONOMIC ANALYSIS
Washington, DC 20230

OFFICE OF THE DIRECTOR

May 17, 2004

Dr. Kathleen Utgoff
Commissioner
Bureau of Labor Statistics
Postal Square Building
2 Massachusetts Avenue NE
Washington, DC 20212-0001

Dear Commissioner Utgoff,

I am writing to express my appreciation for the important accomplishment that BLS and its state partners have achieved in accelerating the release of the Quarterly Census of Employment and Wages (QCEW). The successful completion of this long-term effort will enable BEA to provide key policymakers and users with more timely and accurate estimates.

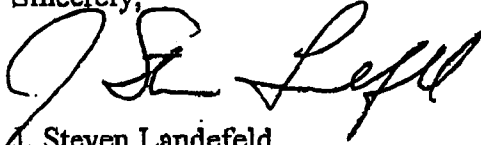
Data from the QCEW are crucial inputs into BEA's National, Industry and Regional Accounts. QCEW's wage and salary data are used to estimate US personal income in the National Income and Product Accounts (NIPAs) and to estimate state and local area personal income. QCEW data are also incorporated into estimates of gross domestic product by industry, gross state product by industry and the annual US input-output tables.

Acceleration of the QCEW has important implications for the quality and timeliness of BEA's national estimates. With the May 27, 2004 release of the NIPAs, QCEW data will be incorporated one month earlier into the quarterly US personal income estimates, improving the quality of the estimates and reducing revisions. In the past, NIPA revisions to wages and salaries were cited as one of the most important sources of revisions to Federal budget projections. More timely incorporation of QCEW data has dramatically reduced these revisions and the acceleration of the QCEW will further improve accuracy.

Acceleration of the QCEW will also enable BEA's regional accounts to provide more timely estimates of quarterly state personal income. For the first time, on June 29, 2004, quarterly state data will be released 3 months after the quarter—an acceleration of one month. More timely data has great value to state policymakers, who make decisions about taxes and government spending based on state revenue and budget forecasts constructed with state personal income estimates.

I understand that the annual Labor Market Information conference is being held late in May and that at this meeting BLS and its state partners assess accomplishments and discuss challenges. Please take a moment at this meeting to pass on to each of the states my personal thanks and appreciation for this important job well done.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Steven Landefeld". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

J. Steven Landefeld
Director