



GENERAL COUNSEL OF THE
UNITED STATES DEPARTMENT OF COMMERCE
Washington, D.C. 20230

May 22, 2015

The Honorable Joseph R. Biden, Jr.
President of the Senate
United States Senate
Washington, D.C. 20510

Dear Mr. President:

The Administration is pleased to forward for your consideration the enclosed draft legislation, a bill to extend by 15 years the authority of the Secretary of Commerce to conduct the Quarterly Financial Report (QFR) program. I also enclose a statement of purpose and need to accompany the bill.

Section 91 of Title 13, United States Code, requires the Secretary of Commerce to collect and publish certain statistics from business operations and organizations on a quarterly basis that are indicative of financial condition. The U.S. Census Bureau meets this requirement by conducting the QFR program, which collects the required data from corporations in the manufacturing, mining, wholesale trade, retail trade, and selected services industry sectors.

Pursuant to Section 4(b) of Public Law 97-454 (Jan. 12, 1983); 13 U.S.C. § 91 note, as amended, the Secretary of Commerce's authorization to conduct the QFR program expires September 30, 2015. The proposed language would extend the Secretary's authority to conduct the QFR program an additional 15 years until September 30, 2030, by amending the expiration date specified in Section 4(b) of Public Law 97-454.

The QFR program is one of the U.S. Census Bureau's most important economic indicator programs, and preserving this venerable source of business financial information is in the Nation's interest. For this reason, the Administration recommends that the proposed bill be sent to the appropriate committees for early and favorable consideration and that it be enacted.

The Office of Management and Budget has advised that there is no objection to transmittal of this proposal and that its enactment would be in accord with the program of the President. If you have any questions, please contact me or Margaret Cummysky, Assistant Secretary for Legislative and Intergovernmental Affairs, at (202) 482-3663.

Sincerely,

A handwritten signature in black ink, appearing to read "Kelly R. Welsh", is written over a horizontal line.

Kelly R. Welsh

Enclosures

A Bill

To extend by 15 years the authority of the Secretary of Commerce to conduct the quarterly financial report program.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FIFTEEN-YEAR EXTENSION OF AUTHORITY FOR SECRETARY OF COMMERCE TO CONDUCT THE QUARTERLY FINANCIAL REPORT PROGRAM.

Section 4(b) of the Act entitled “An Act to amend title 13, United States Code, to transfer responsibility for the quarterly financial report from the Federal Trade Commission to the Secretary of Commerce, and for other purposes”, approved January 12, 1983 (Public Law 97-454; 13 U.S.C. 91 note), is amended by striking “2015” and inserting “2030”.

Statement of Purpose and Need

Section 91 of Title 13, United States Code, requires the Secretary of Commerce to collect and publish quarterly statistics on business operations and organizations, including data on sales, expenses, profits, assets, liabilities, stockholders' equity, and related accounts generally used by businesses in income statements, balance sheets, and other measures of financial condition. To meet these requirements, the U.S. Census Bureau conducts the Quarterly Financial Report (QFR) program, which collects these data from corporations in the manufacturing, mining, wholesale trade, retail trade, and selected services industry sectors that meet certain domestic asset value thresholds.

Pursuant to Section 4(b) of Public Law 97-454 (Jan. 12, 1983); 13 U.S.C. § 91 note, as amended, the Secretary of Commerce's authorization to conduct the QFR program expires September 30, 2015. The proposed language would extend the Secretary's authority to conduct the QFR program an additional 15 years by amending the expiration date specified in Section 4(b) of Public Law 97-454 from "September 30, 2015" to "September 30, 2030."

Continuation of the successful QFR program is a top priority for the Department of Commerce. It is one of the U.S. Census Bureau's most important economic indicator programs. Preserving this venerable source of business financial information is in the Nation's interest. The loss of the detailed information the QFR program provides would erode the quality of our statistical measures, significantly hinder policymakers, and degrade the decisions on which the vitality of our nation depends. If the QFR program were not continued, the most current and comprehensive report on corporate financial activity and a valuable time series spanning 68 years would be lost, and the accuracy of the Gross Domestic Product and Flow of Funds Accounts would be seriously impaired.