

SUPPORTING STATEMENT

A. Justification

1. The purpose of this request is to obtain clearance for the 2007-2009 Telephone Point-of-Purchase Surveys. Interviewing is scheduled to begin in January 2007. The information to be collected represents a continuance of a currently approved collection, OMB control number 1220-0044, which expires on January 31, 2007.

The Census Bureau conducts the ongoing Telephone Point-of-Purchase Survey for the Bureau of Labor Statistics (BLS) as part of the Consumer Price Index (CPI) program. The purpose of the survey is to develop and maintain a timely list of retail, wholesale, and service establishments at which urban consumers shop for specified items. The list of establishments produced from the survey serves as a sampling frame for the BLS to update and maintain the sample of outlets it uses in pricing goods and services in the CPI. The information collected in the survey also provides BLS with basic expenditure estimates that are used to weight unique items that are priced. Without this information, the BLS would not have a statistically accurate list of current establishments visited by consumers, and therefore, could neither collect prices as needed for the CPI nor weight specific items properly.

The BLS is authorized to collect these data under Title 29, Section 2, of the United States Code (see Attachment A). On September 30, 1976, Congress enacted Public Law 94-439 (H.R. 14232) to appropriate funds for revisions to the CPI. Within this appropriation is financial support for an ongoing Point-of-Purchase Survey. The Census Bureau collects information in the Telephone Point-of-Purchase Survey for the BLS under the authority of Title 15, United States Code which allows the Census Bureau to undertake surveys for other agencies (see Attachment B).

The current Telephone Point-of-Purchase Survey, referred to as TPOPS, has been conducted via computer-assisted telephone interviewing (CATI) since 1997. Conducting a survey by CATI offers several advantages over personal-visit interviewing:

- A completed telephone interview costs less to obtain than a personal interview.
- Supervisors can exercise greater quality control over interviewing in a centralized CATI facility as opposed to supervising field interviewers in a decentralized environment.
- Using telephone survey methodology, the survey can be conducted continuously covering all primary sampling units (PSUs) over a 1-year period rather than in one select group of PSUs during one 6-week period per year.

TPOPS is conducted over the telephone under a CATI environment and needs no additional material. However, advance letters are sent to every household for which an address can be obtained. Respondents are contacted within a few days of receiving the letter. Please see the attached "Note to the Reviewer" for more information on the advance letter study that was completed in 2005.

Generally speaking, the interview is divided into three parts:

- The front portion of the interview is designed to identify eligible sample units and to screen-out ineligible units (e.g., businesses).
- The middle portion of the interview contains questions about purchases of selected consumer items made by all members of the sample unit. If the sample unit incurred expenses for the specific item in question during the specified recall period, then (a) the amount of each expenditure and (b) the name and address of each outlet where the item was purchased is collected.
- The back portion of the instrument is designed to collect demographic characteristics and contains administrative questions for scheduling interviews.

The instrument specifications, which contain the actual questions asked, are provided in Attachment C.

2. The BLS will use information collected in TPOPS to select establishments for pricing market basket items needed for CPI calculations. Information received from the currently approved TPOPS collection has been used to select new establishments in geographic areas that remain from the 1998 Revision CPI sample. Pricing at these establishments was initiated in February 1999 as part of the ongoing Consumer Price Index Commodities and Services Survey, OMB control number 1220-0039. Information collected in the 2007-2009 TPOPS will be used to select outlets in new geographic areas from the 2008 Revision CPI sample as well as continuing areas to support an on-going revision process.

The Census Bureau will produce limited tabulations and statistical summaries of the data for internal use in evaluating survey design and procedures.

3. The collection of information for TPOPS is fully automated. Under the CATI environment, interviewing in all CPI geographic sampling areas or primary sampling units (PSUs) occurs from three central locations. Specifically, the Census Bureau operates telephone interviewing facilities in Hagerstown, MD; Jeffersonville, IN; and Tucson, AZ. Interviewers dial a telephone number obtained from a queue of randomly selected telephone numbers for each geographic area, and then conduct the interview over the telephone. Responses are keyed directly via the computer and stored electronically by the CATI instrument. Sample units are identified and interviewed

once per quarter, over four consecutive quarters. This design minimizes the total number of calls that must be made to obtain a sufficient sample size.

4. To our knowledge, no other Federal agency is collecting this information.
5. Not applicable. The collection of information in TPOPS involves individuals, not small businesses.
6. The quarterly collection of these data more accurately reflects consumer purchasing behavior and is essential in order to have a continuously updated outlet frame for the CPI "market basket" of goods and services. If the BLS did not conduct TPOPS, BLS would not be able to update and replenish the sample of establishments where pricing agents are sent to verify the price of goods in the market basket. The CPI sample would become out of date and unreflective of current prices faced by urban consumers. The consequence to both the Federal and private sectors, which rely on the CPI as the primary indicator of inflation, would be far-reaching and have serious repercussions on Federal government policy and institutions. For example, Federal fiscal and monetary policies would be hampered due to the lack of accurate information on price changes.

If collection were conducted less frequently, the timeliness and accuracy of the CPI would be significantly decreased.

7. The Census Bureau will collect these data in a manner consistent with the guidelines in 5 CFR 1320.5.
8. No comments were received as a result of the Federal Register notice published in Volume 71, No. 135 on July, 14, 2006.

During the past 2 years, the BLS has consulted with the following persons and continue to do so as specific problems arise:

Mr. Enrique Lamas
Demographic Surveys Division
Bureau of the Census
(301) 763-3811

Ms. Karen King
Statistical Methods Division
Bureau of the Census
(301) 763-1974

Ms. Dawn Nelson
Demographic Surveys Division
Bureau of the Census

(301) 763-3899

Due to the CPI's high visibility, the data collection methodology used for its construction is under constant scrutiny by individuals and organizations within and outside the U.S. Government. Members of the CPI staff in Washington, DC have participated in various economic association meetings to discuss CPI surveys, including methodological and procedural aspects of the data collection process. The BLS Commissioner and Associate Commissioners report on a monthly basis to the Congressional Joint Economic Committee. Past criticisms of the CPI included its inability to incorporate new products and new outlets into the sample in a timely manner and the belief that the outlets in sample were too old. The current design of TPOPS allows the flexibility to add new products and to select outlets on a continuous basis in all sampling areas in a more timely manner.

9. Cooperation by the respondents to supply data for TPOPS is voluntary and no remuneration, payment, or gift is provided.
10. The BLS pledges confidentiality of survey data. The Secretary of Labor's Order No. 39-72 clarifies the authority and responsibility for the confidentiality of data and information under the provisions of 5 USC 552 and 29 CFR 70. The Commissioner of Labor Statistic's Order No. 3-04 further explains the Bureau's policy on confidentiality:
"In conformance with existing law and Departmental regulations, it is the policy of the BLS that
 1. *Individually identifiable data collected or maintained by, or under the auspices of, the BLS for exclusively statistical purposes and under a pledge of confidentiality shall be treated in a manner that will ensure that the data will be used only for statistical purposes and will be accessible only to authorized persons.*
 2. *Pre-release economic data, including embargoed data, prepared for release to the public will not be disclosed or used in an unauthorized manner before they officially have been released, and will be accessible only to authorized persons."*

The Census Bureau performs this work under the authority of 15 USC 1525. The Census Bureau and BLS have determined that BLS does not need personal identifiers, such as names and addresses. Consequently, personal identifiers will be removed from data tapes, disks, or tabulations provided by the Census Bureau.

Respondents for whom an address can be obtained receive an advance letter that assures confidentiality. If an address is unavailable at the beginning of the telephone interview, the interviewer reads a brief explanation of the survey, the confidentiality

standards and authority, and the information required by the Privacy Act of 1974. Respondents are informed that the survey is voluntary and all information will be held in strict confidence and will be used for statistical purposes only.

11. TPOPS does not include any questions of a sensitive nature.
12. The collection of information for TPOPS will occur in 75 geographic areas, or primary sampling units (PSUs).

TPOPS has a quarterly rotating panel design. Once a household has been selected and has been identified as an eligible unit, it remains in the sample for four consecutive quarters. The total sample in each PSU is divided into four panels. During any given quarter, one panel is administered their first interview, one panel is administered their second interview, one panel is administered their third interview, and one panel is administered their fourth interview.

The sample design outlined above was used to estimate burden hours for the collection of information in the 2007 through 2009 TPOPS surveys. The BLS estimates that it will take approximately 12 minutes on average to complete a typical interview. The 12 minutes includes 11 minutes for TPOPS questions and 1 minute for questions BLS is asking for the Bureau of Economic Analysis. These response rates and interview length estimates are based on actual respondent interview times and results from the 2005 TPOPS survey. Based upon these estimates, Table 1 itemizes the estimated respondent burden hours by year.

<i>Table 1: Estimates of Response Burden</i>			
	2007	2008	2009
Number of respondents	19,374	18,638	18,513
Average number of responses	2.65	2.65	2.65
Total number of responses	51,341	49,391	49,060
Minutes per response	12	12	12
Total minutes	616,09 2	592,69 2	588,720
Total hours	10,268	9,878	9,812

The total annual opportunity cost to respondents is approximately \$51,478, or \$1.03 per response, \$2.73 per respondent. This estimate is based on an average of the annual burden for 2007, 2008, and 2009 identified above. The current minimum wage of \$5.15 was used to calculate opportunity cost. To calculate the opportunity cost to each respondent, total hours is divided by total number of respondents. That figure is then

multiplied by the current minimum wage to determine the opportunity cost for each respondent.

13. The total annual cost burden to respondents resulting from the collection of information is \$0. There are no capital and start-up costs and no operational, maintenance, or service costs required of respondents.
14. The annual cost to the Federal Government of collecting, processing, and reviewing the data collected in TPOPS is expected to be \$3,808,000 in fiscal year 2007. This includes \$3,411,000 in costs incurred by the Census Bureau for collecting and processing the data, and other operational costs associated with maintaining the survey. It also includes \$397,000 in personnel and computer-related costs appropriated by BLS to manage the survey and process the data upon receipt from the Census Bureau.
15. The total respondent burden hours requested for 2007 are 10,268 and represent a decrease of 1725 hours under the currently approved OMB inventory of 11,993 for TPOPS. This decrease is due to the implementation of a 75 PSU design instead of the 87 PSU design proposed for 2006.
16. Results from TPOPS will not be published. Data will be used as the outlet universe for the Commodities and Services Survey for the CPI. Data are delivered to BLS from the Census Bureau approximately 2 to 3 months after the end of each interviewing period. BLS processes the data and selects establishments for pricing during the proceeding 2 to 3 months. The initiation of pricing activities in outlets reported in TPOPS begins approximately 6 to 8 months after the original data collection in TPOPS. This schedule operates continuously, with new interviews beginning each calendar quarter.

Data collected for BEA will not be published. These data would be used to improve the accuracy of BEA's Input-Output Tables, which are used to periodically benchmark the Gross Domestic Product (GDP) estimates.

17. Since the 2007-2009 TPOPS survey will be conducted via computer-assisted telephone interviewing, there are no paper questionnaires. Instead, respondents are read statements and questions over the telephone. Currently, the OMB clearance number is read to the respondent during one of the introductory screens (see Attachment C). However, the BLS does not indicate the expiration date of the collection. Research has suggested that long, superfluous introductory statements are not only burdensome, but are likely to result in a refusal in a CATI environment. In an effort to minimize the likelihood of losing an interview, the BLS would like to keep the introductory statement as short as possible. The expiration date of OMB approval will be provided to a respondent upon inquisition during the interview.

The BLS currently sends an advance letter to households for which an address can be obtained. A copy of the advance letter is attached (see Attachment D). The BLS requests that the BLS not print the expiration date on our advance letters. This will allow copies of old letters to be retained and used instead of discarded when an expiration date is met.

18. Not applicable. There are no exceptions to the certification statement identified in Item 19 of OMB Form 83-I.