

SUPPORTING STATEMENT - PART A

2007 ECONOMIC CENSUS COVERING THE CONSTRUCTION SECTOR

Justification

1. Necessity of the Information Collection

The 2007 Economic Census Covering the Construction Sector will use a mail canvass, supplemented by data from Federal administrative records, to measure the economic activity of more than three million establishments classified in the North American Industry Classification System (NAICS). For more details on the NAICS structure, see Part A, Question 19.

The construction sector comprises establishments primarily engaged in the construction of buildings and other structures, additions, alterations, reconstruction, installation, and maintenance and repairs. The economic census will produce basic statistics by industry for number of establishments, value of construction work, payroll, employment, selected costs, depreciable assets, and capital expenditures. It also will yield a variety of subject statistics, including estimates of type of construction work done, kind of business activity, and other industry-specific measures. Industry statistics will be summarized for the United States and states.

This information collection is part of the 2007 Economic Census, which is required by law under Title 13, United States Code (USC). Section 131 of this statute directs the taking of a census at 5-year intervals. Section 224 makes reporting mandatory.

2. Needs and Uses

The economic census is the primary source of facts about the structure and functioning of the Nation's economy and features unique industry and geographic detail. Economic census statistics serve as part of the framework for the national accounts and provides essential information for government, business, and the general public. The Economic Census covering the Construction Sector collects information from contractors of all types of construction. Among the important statistics produced by the construction sector are estimates of the value of construction work during the covered year. The federal government uses the information from the economic census as an important part of the framework for the national accounts, input-output measures, key economic indexes, and other estimates that serve as the factual basis for economic policy-making, planning, and program administration. State and local governments rely on the economic census as a unique source of comprehensive economic statistics for small geographical areas for use in policy-making, planning, and program administration. Finally, industry, business, and the general public use data from the economic census for economic forecasts, market research, benchmarks for their own sample-based surveys, and business and financial decision making.

If the economic census was not conducted, the federal government would lose vital source data and benchmarks for the national accounts, the input-output tables, and other composite measures of economic activity. Further, the government would lose critical benchmarks for current, sample-based economic surveys and an essential source of detailed, comprehensive economic information for use in policy-making and program administration.

Information quality is an integral part of the pre-dissemination review of information disseminated by the Census Bureau (fully described in the Census Bureau's Information Quality Guidelines). Information quality is also integral to information collections conducted by the Census Bureau and is incorporated into the clearance process required by the Paperwork Reduction Act.

3. Use of Information Technology

Companies may satisfy their reporting requirement for this information collection by providing data on computerized self-administered census questionnaires, via the Internet or on CD-ROM, and other electronic data collection methods.

4. Efforts to Identify Duplication

The Census Bureau found no information collections by federal agencies, trade groups, or businesses that duplicate the content, comprehensive coverage, industry detail, geographic detail, and statistical reliability provided by the economic census. These features are distinguished characteristics of economic census data; they meet requirements of principal data users and make the census uniquely suited to the purposes it serves.

5. Minimizing Burden

This information collection reduces the burden on small businesses by excluding most of them from the mail canvass. The census will use data from federal administrative records in lieu of census reports for establishments without paid employees. Only establishments with paid employees will be included in the mail canvass. This information collection process permits the development of reliable estimates for data. Part B of this supporting statement gives a more complete description of this data collection methodology.

6. Consequences of Less Frequent Collection

The economic census is conducted at 5-year intervals, as required by Title 13 USC, Section 131. If this information collection were collected less frequently, it would diminish the timeliness and usefulness of the statistics produced. This would cause a corresponding deterioration in the national accounts, input-output tables, economic indexes, and other composite measures that rely on source data and benchmarks from the economic census. Similarly, less frequent collection would diminish the usefulness of the

economic census as a source of comprehensive information for economic policy-making, planning, and program administration.

7. Special Circumstances

This information collection will be conducted in a manner consistent with the Office of Management and Budget (OMB) guidelines and there are no special circumstances.

8. Consultations Outside the Agency

In March and April of 2006, letters were sent to over 45 trade associations and government agencies indicating where on the Census Bureau website they could view and comment on the proposed 2007 census report forms. We asked these organizations to review the questionnaire(s) relevant to their data needs and interests and to provide recommendations on content, wording, reporting problems, usefulness of data, and comments on related issues for the 2007 Economic Census. Attachment A provides a list of all trade associations contacted in this effort. Comments from trade associations are available upon request. Attachment B summarizes the substantive changes made to the report forms.

Further, we published a notice in the Federal Register on May 16, 2006, inviting public comment on our plans to submit this request. Two comments were received. One data user requested the new franchise question on the Specialty Trade forms to be included on the Construction of Buildings form for the remodeling industry. This form collects information for five other NAICS industries besides the remodeling industry. We did not want to add undue burden to the respondents outside the remodeling industry, therefore the Census Bureau did not honor this request. The second comment the Census Bureau deemed irrelevant to the collection process.

9. Paying Respondents

The Census Bureau does not pay respondents and does not provide them with gifts in any form to report requested information in the economic census.

10. Assurance of Confidentiality

The report forms for this information collection provide respondents with the following assurance of confidentiality:

YOUR RESPONSE IS REQUIRED BY LAW. Title 13, United States Code, requires businesses and other organizations that receive this questionnaire to answer the questions and return the report to the Census Bureau. By the same law, **YOUR CENSUS REPORT IS CONFIDENTIAL.** It may be seen only by persons sworn to uphold the confidentiality of Census Bureau information and may be used only for statistical purposes. Further, copies retained in respondents' files are immune from legal process.

Similar guarantees will be included in the cover letter that accompanies the report form. The statutory basis for these assurances of confidentiality is Title 13, USC, Section 9. All activities relating to the collection and dissemination of economic census data satisfy requirements of this law. The U.S. Census Bureau also satisfies the requirements of the Privacy Act of 1974, when applicable.

11. Justification for Sensitive Questions

This information collection includes no questions of a sensitive nature.

12. Estimate of Hour Burden

The table below provides an estimate of hour burden for each of the seven report forms used in this information collection. Estimates of number of respondents by form are based on 2002 census data and subsequent growth; they assume a 100-percent response rate. In all cases, this information collection requires only one response per respondent. Estimates of number of hours per response are based primarily on responses to an evaluation questionnaire used in the Economic Census covering the Construction Sector for 2002 and experience with similar forms in previous censuses. Overall respondent burden is estimated at 299,000 hours (130,000 responses @ 2.3 hours each). Overall respondent cost for FY 2008 is estimated at of \$7,376,330.

Report Form Numbers and Associated Burden Estimates

Form Number	Estimated Number of Responses	Estimated Hours per Response	Estimated Annual Burden Hours
CC-23601	36,534	2.3	84,028
CC-23701	12,224	2.3	28,115
CC-23702	4,976	2.3	11,445
CC-23801	22,393	2.3	51,504
CC-23802	34,681	2.3	79,766
CC-23803	15,526	2.3	35,710
CC-23804	3,666	2.3	8,432
TOTAL	130,000	2.3	299,000

13. Estimate of Cost Burden

We do not expect respondents to incur any costs other than that of their time to respond. The information requested is of the type and scope normally carried in company records and no special hardware or accounting software or system is necessary to provide answers to this information collection. Therefore, respondents are not expected to incur any capital and start-up costs or system maintenance costs in responding. Further, purchasing of outside accounting or information collection services, if performed by the respondent, is part of usual and customary business practices and not specifically required for this information collection.

14. Cost to the Federal Government

The cost to the government for this work is included in the total cost of the 2007 Economic Census, estimated to be \$503 million.

15. Reason for Change in Burden

Report forms covered by this request are submitted as a new collection.

16. Project Schedule

The mailing of this information collection will take place at the end of 2007, with a due date of February 12, 2008. There will be a series of mail follow-ups through July 2008, supplemented where necessary by telephone calls. Completed questionnaires will be checked in, keyed, validated by computer edits, and when necessary, reviewed by Census Bureau staff – operations that will be completed by September 2008. Tabulations and analytical materials will then be prepared and reviewed. Initial publications are scheduled for release in the first quarter of 2009, and all data dissemination should be complete by the end of 2011.

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Timetable for the Construction Sector of the 2007 Economic Census

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<u>Activity</u>	<u>Start¹</u>	<u>End¹</u>
Mail report forms.....	12/07	12/07
Due date.....	02/08	02/08
Follow-up for nonresponse.....	03/08	07/08
Receive and check in responses.....	01/08	08/08
Prepare and analyze tabulations.....	10/08	05/11
Data release.....	03/09	02/11

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¹All dates are approximate (month/year).

To improve the timeliness, relevance, and usefulness of all data products, the Census Bureau plans to release the 2007 Economic Census electronically.

Publication Timetable for 2007 Economic Census of Construction Industries

Publication Series	Start Date¹	Finish Date¹
Industry Series	September 2009	December 2009
Geographic Area	November 2009	August 2010
Subject Series: Industry General Summary	August 2010	October 2010
Geographic Area Summary	October 2010	December 2010
Kind of Business/ Type of Construction Summary	December 2010	February 2011

¹All dates are approximate.

17. Request to Not Display Expiration Date

The assigned expiration date will be displayed on all report forms used in this information collection.

18. Exceptions to the Certification

There are no exceptions to the certification on the back of the Form OMB 83-I.

19. NAICS Codes Affected

For the 2007 Economic Census covering the construction sector, the following NAICS major industry will be covered:

Construction

- 236 Construction of Buildings
- 237 Heavy and Civil Engineering Construction
- 238 Specialty Trade Contractors