

**SUPPORTING STATEMENT – PART A**  
**U.S. Department of Commerce**  
**U.S. Census Bureau**  
**Current Industrial Reports**  
**OMB Control No. 0607-0476**

**A. Justification**

**1. Necessity of the Information Collection**

The U.S. Census Bureau is requesting a revision of the currently approved Office of Management and Budget (OMB) clearance of the Current Industrial Reports (CIR) program. The Census Bureau conducts a series of monthly, quarterly, and annual surveys as part of the CIR program. The CIR surveys request primarily the quantity and value of shipments of particular products and occasionally with data on production and inventories; unfilled orders, receipts, stocks, and consumption; and comparative data on domestic production, exports, and imports of the products they cover.

Previously, the CIR surveys were divided into three separate waves and submitted separately for OMB review. Due to the reduced number of surveys in the CIR program, the CIR surveys are being combined into one wave. During the economic census years, years ending in 2 and 7 all voluntary annual surveys are made mandatory.

The Census Bureau conducts these surveys under the authority of Title 13, United States Code (U.S.C.), Sections 61, 81, 131, 182, 224, and 225.

**2. Needs and Uses**

Primary users of these data are government and regulatory agencies, business firms, trade associations, and private research and consulting organizations. The Federal Reserve Board (FRB) uses CIR data in its monthly index of industrial production as well as its annual revision to the index. The Bureau of Economic Analysis (BEA) and the Bureau of Labor Statistics (BLS) use the CIR data in the estimate of components of gross domestic product (GDP) and the estimate of output for productivity analysis, respectively. Many government agencies, such as the Department of Agriculture, Food and Drug Administration, Department of Energy, Federal Aviation Administration, BEA, and International Trade Administration use the data for industrial analysis, projections, and monitoring import penetration. Private business firms and organizations use the data for trend projections, market analysis, product planning, and other economic and business-oriented analysis. Since the CIR program is the sole, consistent source of information regarding specific manufactured products in the intercensal years, the absence thereof would severely hinder the Federal Government's ability to

measure and monitor important segments of the domestic economy, as well as the effect of import penetration.

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**

To reduce response burden, we continue to investigate the feasibility of automated reporting. Respondents were given the option of reporting their 2007 Economic Census and Annual Survey of Manufactures data electronically.

The Census Bureau tested "Census Taker", an electronic reporting tool, on one of the smaller CIR surveys. The results were favorable; however, there is some uncertainty as to how well this application will handle a larger more complex survey. To determine this, we are going to study the results of the recent implementation of the Census Taker for the Manufacturing Energy Consumption Survey (MECS). The MECS is a multi-page survey with approximately 15,000 respondents. Once the survey is completed, the Census Bureau will evaluate the results to decide the appropriateness of implementing this tool on other CIR surveys.

### **4. Efforts to Identify Duplication**

The Census Bureau makes a concerted effort on a continual basis to identify possible duplications, both within the agency and outside the agency, and to eliminate them whenever possible. As part of our clearance program, we make every effort to identify, through trade associations, private companies, and other government agencies, potential duplication of data, or data that we can collect more efficiently in another survey. We also eliminate or revise surveys as appropriate to avoid duplication.

### **5. Minimizing Burden**

Our questionnaires are designed to reflect the way that most companies maintain their records and are compatible with record keeping practices of respondents. Trade associations are contacted to get input during the form design process to ensure that the data being requested are reportable for the industry. Firms with more than one location may choose to report on a consolidated basis rather than location-by-location.

## **6. Consequences of Less Frequent Collection**

The manufacturing sector remains one of the key economic sectors, and current information regarding the products measured in the CIR is of vital importance to policymakers in assessing the economic health of the Nation. The frequency of collection is determined by the cyclical nature of production, the need for frequent trade monitoring, or the use in the government economic indicators series. Less frequent collection of the data would adversely affect policymakers' abilities to identify and react to changes in the economy. However, internal and external funding constraints can supersede the need for more current information, requiring the conversion of individual CIR surveys to a less frequent collection schedule.

## **7. Special Circumstances**

All OMB guidelines are observed, except in the monthly and quarterly surveys. In both the monthly and quarterly surveys, the timing requirement of response is less than 30 days. If the results of the surveys were delayed to allow 30 days for response, the value of the information would be impaired seriously. Some surveys are conducted more frequently than quarterly because of the cyclical nature of production, the need for frequent trade monitoring, or the use in the government economic indicators series. Industry sources indicate that such production records normally are maintained and available within the requested time frame.

## **8. Consultations Outside the Agency**

Letters and e-mails were sent to data users, government agencies, and trade associations in May 2008 to review the instruction manuals on our web site. Attachment A is a list of those persons consulted. A summary of comments received and our responses is listed in Attachment B. Respondents' names are not listed due to the confidentiality requirements of Title 13, U.S.C.

On April 21, 2008, we published a notice in the Federal Register (73FR, page 21,308) inviting the general public and other Federal agencies to comment on the report forms and/or the program to which it relates. No comments were received during the 60-day comment period.

## **9. Paying Respondents**

The Census Bureau does not pay respondents or provide gifts in return for complying with the surveys.

## 10. **Assurance of Confidentiality**

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

For mandatory surveys, **YOUR RESPONSE IS REQUIRED BY LAW**. Title 13, U.S.C., requires businesses and other organizations that receive this questionnaire to answer the questions and return the report to the Census Bureau. For both mandatory and voluntary surveys, **YOUR CENSUS REPORT IS CONFIDENTIAL** (Title 13, U.S.C.). 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.

The statutory basis for these assurances of confidentiality is Title 13, U.S.C., Section 9. All activities relating to the collection and publication of economic census data comply with the requirements of this law.

In a letter signed by the Director of the Census Bureau, we inform respondents of the surveys' mandatory or voluntary status. See Attachment C for copies of the latest letters. For copies of the latest instruction manuals go to this web address: <http://www.census.gov/mcd/clearance>. A list of surveys can be found in Attachment D.

## 11. **Justification for Sensitive Questions**

There are no sensitive questions in the CIR program.

## 12. **Estimate of Hour Burden**

Respondent burden varies by survey in the CIR program. Attachment E shows the estimated number of respondents, burden per response, and total burden for each survey. Attachment F shows the burden hour adjustment for this clearance. Through discussions with many representatives of both large and small companies, we can estimate the average time a respondent needs to review the instructions and complete the report. See Attachment G for general instructions containing burden hour estimate. The format for collecting data on the surveys provides no apparent difficulty in reporting for the respondents.

Overall respondent burden is estimated as follows:

Total number of respondents	Total number of responses	Average completion time (hours)	Total annual burden hours
19728	39853	.706	28131

The estimated annual cost to the respondents is \$820,581. This is based on the total burden hours multiplied by a mean hourly wage of \$29.17 for a level five accountant.

### 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 Federal Government

We estimate the cost of the entire CIR program for fiscal year 2009 to be \$4,343,120 of which \$4,107,802 is paid from Census Bureau appropriations, and the remaining \$235,318 is paid by other government agencies and private organizations.

### 15. Reason for Change in Burden

The change in burden hours for this clearance package is as follows (see Attachment F for the full list of program changes by survey):

Current Inventory 0607-0476 (formerly Wave III)	13,998
Add burden from 0607-0395 (formerly Wave II)	10,859
Add burden from 0607-0392 (formerly Wave I)	6,276
Total Burden	31,133
Adjustment by survey	-3583
Add adjustment to correct previous mistake in reporting burden	581
<b>REVISED BURDEN HOURS IN 0607-0476</b>	<b>28131</b>

## 16. **Project Schedule**

The Census Bureau mails report forms at the end of the statistical period. Respondents are asked to return monthly report forms within 10 days, quarterly report forms within 15 days, and annual report forms within 30 days. Establishments that do not respond receive follow-up letters and/or telephone calls in succeeding months. Survey analysts edit the results for consistency; then tabulate, review, and publish the data.

### Timetable for the CIR Program

Activitiy	Schedule
Initial mailing	
Annual	December 31, 2008
Monthly	January 1, 2009
Quarterly	March 31, 2009
Follow up for nonresponse	Number of days after initial mailing
Annual	
First	30 days
Final	60 days
Review, tabulate, and dissiminate survey results	End of reporting period
Annual	5 to 10 months
Monthly	30 to 60 days
Quarterly	60 to 90 days

To improve the timeliness, relevance, and usefulness of all data products, the Census Bureau releases the CIR data electronically on the Internet.

## 17. **Request to Not Display Expiration Date**

The assigned expiration date and OMB number will be displayed on all report forms. It will be computer imprinted.

## 18. **Exceptions to the Certification**

There are no exceptions.

**19. North American Industry Classification System (NAICS) Codes Affected**

The CIR program data are collected from establishments in many NAICS subsectors ranging from 311 through 337, except subsectors 322, 323, 324, 326, and 337. Data are collected by item codes and published under the NAICS structure. Listed below are the NAICS subsectors for the manufacturing sector:

<b>NAICS</b>	<b>Description</b>
31-33	Manufacturing
311	Food Manufacturing
312	Beverage and Tobacco Product Manufacturing
313	Textile Mills
314	Textile Product Mills
315	Apparel Manufacturing
316	Leather and Allied Product Manufacturing
321	Wood Product Manufacturing, Except Furniture
322	Paper Manufacturing
323	Printing and Related Product Manufacturing
324	Petroleum and Coal Product Manufacturing
325	Chemical Manufacturing
326	Plastics and Rubber Product Manufacturing
327	Nonmetallic Mineral Product Manufacturing
331	Primary Metal Manufacturing
332	Fabricated Metal Product Manufacturing
333	Machinery Manufacturing
334	Computer and Electronic Product Manufacturing
335	Electrical Equipment, Appliance and Component Manufacturing
336	Transportation Equipment Manufacturing
337	Furniture Manufacturing
339	Miscellaneous Manufacturing