

Supporting Statement - Part A
U.S. Department Of Commerce
U.S. Census Bureau
2012 Economic Census Covering the Construction Sector
OMB Control No. 0607-0935

A. Justification

1. Necessity of the Information Collection

The 2012 Economic Census covering the Construction Sector will use a mail canvass to measure the economic activity of nearly 650,000 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. Attachment A defines the key survey estimates.

This information collection is part of the 2012 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

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 of 2011, letters were sent to over 431 trade associations and government agencies indicating where on the Census Bureau website they could view and comment on the proposed 2012 census report forms. Consultations with outside consultants were for the purpose of receiving individual opinions and not for the purpose of forming a group opinion. 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, and usefulness of data. A complete list of all trade associations, manufacturing companies, and government agencies contacted along with their comments is available upon request.

Further, we published a notice in the Federal Register on March 15, 2011 (76FR, pages 13981 and 13982), inviting public comment on our plans to submit this request. One comment was received and 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 six report forms used in this information collection. Estimates of number of respondents by form are based on 2007 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 2007 and experience with similar forms in previous censuses. Overall respondent burden is estimated at 299,000 hours (130,000 responses @ 2.3 hours each) for FY 2013. Overall respondent cost for FY 2013 is estimated at of \$9,911,850.

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	17,200	2.3	39,560
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
<u>TOTAL</u>	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 2012 Economic Census, estimated to be \$665 million.

15. Reason for Change in Burden

Report forms covered by this request are submitted as a reinstatement.

16. Project Schedule

The mailing of this information collection will take place at the end of 2012, with a due date of February 12, 2013. There will be a series of mail follow-ups through July 2013, 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 2013. Tabulations and analytical materials will then be prepared and reviewed. Initial publications are scheduled for release in the first quarter of 2014, and all data dissemination should be complete by the end of 2016.

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Timetable for the Construction Sector of the 2012 Economic Census

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<u>Activity</u>	<u>Start</u> ¹	<u>End</u> ¹
Mail report forms.....	12/12	12/12
Due date.....	02/13	02/13
Follow-up for non-response.....	03/13	07/13
Receive and check in responses.....	01/13	08/13
Prepare and analyze tabulations.....	10/13	05/16
Data release.....	03/14	02/16

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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 2012 Economic Census electronically.

Publication Timetable for 2012 Economic Census of Construction Industries

Publication Series	Start Date¹	Finish Date¹
Industry Series	March 2014	December 2014
Geographic Area	November 2014	August 2015
Subject Series: Industry General Summary	August 2015	October 2015
Geographic Area Summary	October 2015	December 2015
Kind of Business/ Type of Construction Summary	December 2015	February 2016

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.

19. NAICS Codes Affected

For the 2012 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