

Attachment I

**Department of Commerce
United States Census Bureau
OMB Information Collection Request
2017 Economic Census of Island Areas
OMB Control Number 0607-0937**

Quality Standard Waiver

Request for Waiver of a Quality Standard

Program Area

Standard: Census Statistical Quality Standards B1-2, D3-3, and D3-3.2

Requirement(s):

Requirement B1-2 requires that a survey or census, as part of its data collection plan, define what constitutes a response. Standard D3 requires that measures of non-sampling error be computed and available to users. Among these measures is response rate. Requirement D3-3 requires that (weighted) response rates must be computed to measure unit and item nonresponse. Requirement D3-3.2 and D3-B describes how these response rates are to be computed and the formulas to be used.

The Economic Census requests that the requirement to publish response rates be waived for the 2012 Census.

Program: 2012 Economic Census

Effective Date:

This waiver will take effect immediately and will cover all processes and publications associated with the 2012 Economic Census. *(Note: some Census related surveys, such as SBO, currently produce and publish some response rate information in their survey methodology. These surveys may continue to publish this information.)*

Background and Justification:

1. Historically the Economic Census, with a few exceptions, has neither computed nor published response rates. The Census does however publish other measures of non-sampling error. Among these are:
 - The percentage of receipts from administrative records,
 - The percentage of receipts estimated (imputed), and
 - The percentage of a product line estimate based on reported data (similar to the Total Quantity Response Rate).

In addition, unweighted check-in rates have been used to monitor the progress of the data collection operation and provide a measure of quality to the Department of Commerce. These rates have not been publically released.

There are two reasons that the Census is not able to comply for 2012. The first issue involves assigning records to the appropriate response category (eligibles, responses, equivalent-quality, etc.) for computing response rates. This has not yet been done for the Economic Census and is likely to take time to resolve. It involves evaluating the data available, such as data edit flags, and determining for which values of these data items a reporting unit should be classified as a response or into some other category. Basic data items differ by sector in the Census so it may be difficult to maintain comparability between sectors while capturing the information that best describes a sector. Edit flags and their meanings may not be consistent from trade area to trade area. In addition, certain other aspects of Census data collection and processing make determining a response (or where it should be tabulated) difficult. For example,

- Some data in some industries are collected at the company (parent) level and then later allocated to individual (child) establishments. At some points in the Census publication schedule the parent is used to compute estimates, at others points, the children.
- Establishments may be reclassified from the sector in which they were mailed to another sector.
- Establishments mailed as a single-unit may respond indicating that they are in fact a multi-unit company or vice versa.

Secondly, once the methods for computing the response rates have been approved these would have to be incorporated into the Census production and tabulation processes. Many Census published tables would be affected by this response rate requirement. For the 2012 Census, there is not enough time to decide where and how these response rates would be published, draft the requirements and write the programs to compute the rates, and revise the tabulation programs to include response rates as published data items.

2. As a result of noncompliance, data users may not be able to form an accurate impression of the quality of the estimates released by the 2012 Census.

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Corrective Action:

1. The Economic Directorate has set up a Response Rate team to investigate and resolve the definitional and calculation issues. The activities of this team include:
 - Developing standard response rate definitions for the Census that are applicable to all sectors, including equivalent-quality data, response, eligibility, and unknown eligibility status ,
 - Developing unit response rate requirements by sector,
 - Developing high level and detailed requirements for unit and total quantity response rates for the Census and drafting the specifications for computing response rates,
 - Calculating and evaluating all proposed response rate measures using 2012 Census data. (These would not be published.)

Response rate calculations and publication would be fully implemented in the planning and production processes of the 2017 Census.

2. The Census will be brought into compliance with these standards with the publication of the 2017 Census data.
3. No action will be taken to mitigate the effects of noncompliance in the 2012 Census. The Census will continue to publish its existing measures of non-sampling error.

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M&S Council	
M&S Council Recommendation: <input checked="" type="checkbox"/> Approve the waiver request <input type="checkbox"/> Deny the waiver request <input type="checkbox"/> Modify the corrective action or compliance date in the waiver request	
Justification for Recommendation: <i>Final State will result in compliance with the standards</i>	
Reviewed by: <i>Rod Little</i> <i>David Whitford</i> <i>Jim his</i> <i>Roderick Little</i>	
Signature: <i>Roderick Little</i> <i>RALittle</i> <i>Chair, M&S Council</i>	Date: <i>4/19/2012</i>
Associate Director	
Decision: <input checked="" type="checkbox"/> Waiver Approved <input type="checkbox"/> Waiver Denied	
Signature: <i>William G. Bostic Jr</i> <i>William G. Bostic, Jr</i> <i>Associate Director for Economic Programs</i>	Date: <i>4/26/12</i>