U. S. Import and Export Price Indexes
1220-0025
April 2019

The request is for a 3 year extension of the U.S import and Export Price Indexes information collection. There are no substantive changes to the collection forms or methodology of this collection.

Supporting Statement

U.S. Import and Export Price Indexes

A. JUSTIFICATION

1. Necessity of the U.S. Import and Export Price Indexes

The U.S. Import and Export Price Indexes, together with the Consumer Price Index and the Producer Price Index, constitute the major outputs of the price programs of the Bureau of Labor Statistics. Although the International Price Program (IPP), which produces the U.S. Import and Export Price Indexes, is the Bureau of Labor Statistics' newest price program, it can trace its origins to the late 19th Century. In 1886, the Aldrich Committee of the U.S. Senate recommended the establishment of a Bureau of Labor to provide statistics on the condition of U.S. workers and the prices of imported goods in the U.S. and other countries. The committee sent staff members to other countries, principally in Western Europe, to collect prices and in 1889 published a report comparing prices in the U.S. with those of Western Europe. This report, which focused on prices for goods imported into the U.S., was the precursor of the Wholesale Price Index. Following World War II, the BLS again began a program to develop import and export price indexes. The program advanced to the point where hundreds of prices had been collected from importers and exporters and test indexes had been calculated. Because of a Bureau-wide 50 percent budget reduction, however, the program was terminated in 1948.

In 1961, a report on federal price statistics prepared by the National Bureau of Economic Research (NBER) for Congress' Joint Economic Committee suggested that responsibility for compilation of import and export price indexes be assigned to a federal statistical agency "to obtain the attention and resources for these indexes that we believe are essential." A further study undertaken for the NBER by Irving Kravis and Robert Lipsey gave greater impetus to the project. In their study, eventually published as Price Competitiveness in World Trade, Kravis and Lipsey outlined both the need for such measures and the feasibility of producing them. In the meantime the BLS, largely because of its expertise in the development of other price measures, had also begun research on the feasibility of producing import and export price indexes. In 1970, Congress provided funds for the construction of import and export price indexes. The legal authority for the collection of import and export data is contained in Title 29, Section 2 of the United States Code (Attachment 1).

The first export price indexes, published in 1971, showed annual price changes for selected categories of goods, primarily machinery and transportation equipment for the period 1964-71. The first annual import price indexes were produced in 1973. Largely as a response to changing international economic conditions and the need on the part of both the government and the private sector to obtain these data on a more timely basis, collection and publication of the international price indexes were begun on a quarterly basis in 1974. A general index for all-import goods was published for the first time in the fourth quarter of 1982 and an index for all-exports was first available at the end of 1983.

The expansion of international trade and improvements in the design of the IPP survey led the Office of Management and Budget (OMB) in 1982 to place the IPP indexes on its list of Principal Federal Economic Indicators, alongside the Consumer Price Index (CPI) and the Producer Price Index (PPI). Economic indicators placed on this list must be released on schedule and are recommended for use in public and private sector economic analysis.

The increasing importance and value of the IPP's indexes led to requests for monthly indexes in 1988 from OMB and several other policy-making government agencies. To fill this need, the IPP initiated an effort in late 1988 to provide these agencies with monthly indexes for all-imports, all-exports, and certain highly-aggregated import and export product groupings. Using a subset of data from the regular quarterly sample, the Program began publishing these indexes in February 1989. Because of continuing interest from OMB and other government agencies and because of the need to deflate monthly Gross Domestic Product (GDP) figures using IPP indexes, the IPP now collects all of its data for goods on a monthly basis.

In 1992, the IPP began publishing import price indexes delineated by locality of origin (LOO) and has substantially expanded this set of data from two country breakouts (Canada and Japan) and three regional breakouts (European Union, Latin America, and Asian Newly Industrialized Countries). In 2005, ongoing customer interest prompted the IPP to expand this list, adding LOO price indexes for France, Germany, the United Kingdom, Mexico, the Pacific Rim, China, the Association of Southeast Asian Nations, and Asia Near East countries. In 2009, the IPP began publishing data on commodities from Mexico in more detail, adding LOO price indexes for both non-manufactured and manufactured articles. Three years later, the Program expanded further, adding price indexes for select industry areas. In total, 249 LOO price indexes were added across the various localities, including 31 new price indexes for imports from China and 20 new price indexes for imports from the European Union.

In the realm of services, the IPP publishes indexes on import and export air passenger fares and air freight rates as well as indexes for inbound and outbound air freight rates. The tremendous growth of the international services sector over the last 30 years has created the need for more comprehensive, reliable, and timely information on price trends of international prices. (In 2017, services comprised approximately 18 percent of cross-border imports and approximately 29 percent of cross-border exports.[1]) . In an effort to further fulfill this need, the Program began publishing two new indexes covering Export Travel and Tourism and Export Education in 2007. However, these new series, along with the Inbound Crude Oil Tanker Freight, Inbound Ocean Liner Freight, and Inbound/Outbound Air Passenger Fares indexes were no longer supported due to budget constraints and were discontinued effective January 2008.

In producing monthly price indexes on goods and services traded between the U.S. and the rest of the world, the International Price Program remains the primary source of data on price changes in the foreign sector.

2. Uses of the U.S. Import and Export Price Indexes

The most critical uses of the IPP indexes are found in the public sector. Major public-sector uses of the IPP indexes include deflating monthly import and export trade statistics, deflating the foreign trade

[1] Excludes “Government goods and services n.i.e.”(Attachment 2)

component of the GDP, formulating monetary and fiscal policy, determining trade and commercial policy, negotiating trade agreements, and escalating government contracts. The prices provided by respondents form the foundation of information necessary to ensure that the IPP indexes accurately reflect conditions in the international marketplace. U.S. policy makers must have reliable, accurate statistics to insure that appropriate actions are taken, especially during periods of economic difficulty. When public policy makers have reliable statistics on international trade, they are in a better position to make sound decisions on the regulation and promotion of international trade. These decisions can benefit all internationally active companies.

The IPP produces monthly indexes in order to provide information with which to deflate the monthly merchandise trade data issued by the Department of Commerce. (Attachments 3 and 4 are examples of trade balances issued monthly in "United States Department of Commerce: U.S. International Trade in Goods and Services".) The resulting real trade flows, obtained by using monthly international price indexes as deflators, enable measurement of real output and provide a more comprehensive understanding of the underlying dynamics of international trade.

The Commerce Department also uses international price indexes to adjust for inflation in the foreign trade sector of its quarterly National Income and Product Account (NIPA). (Attachments 5 and 6 show the constant dollar tabulation of imports and exports from the U.S. Department of Commerce, Survey of Current Business.)

In addition to serving as a tool for the public sector, the Import and Export Price Indexes have a variety of other private sector uses by the media, bankers, financial analysts, academic researchers, and corporate managers. These uses include market analysis, forecasting future price trends, estimating for contract escalation and replacement cost accounting, measuring import price and income elasticity, and estimating exchange rate pass-through values and the effect of currency fluctuations on prices by specific countries or regions.

The Import and Export Price Indexes can also be used in various ways to measure a country's international competitiveness. One method for indicating international competitiveness is through the use of terms of trade indexes. A terms of trade index is defined as an export price index divided by the respective import price index. Because demand for imports and exports are tied to import and export prices, a change in the terms of trade will lead to a change in the trade balance. A second method to measure a country's international competitiveness is to create export price comparison indexes that compare one country's export prices against another country's export prices. A third way is by expressing Import and Export Price Indexes in foreign currency terms. Foreign currency import price indexes measure fluctuations in the revenue for foreign sellers in the U.S., and foreign currency export price indexes illustrate how U.S. export prices vary from the perspective of buyers of U.S. goods.

3. Use of Electronic Collection Methods

Historically, the primary interaction between the Bureau and the respondents was through the hard copy of the repricing form. However, in 2003, the IPP introduced a web application that enables respondents to directly update their data online via the internet and this collection type is now the primary repricing method. (Attachments 8A-8E contain instructions and temporary account/password e-mails for providing prices via the web. Attachment 8F is the 'time to reprice' e-mail sent to web respondents and Attachments 8G and 8H are the reminder e-mails for web respondents who have not yet provided data. Attachments 8I and 8J show screen shots of the web application.) As of March 2018, 91 percent of IPP respondents were actually providing prices via the web application or had agreed to start using this method. Field Economists offer this option to all new respondents at initiation and it is the preferred method of collection offered to companies.

Given the shift towards web repricing and also in an effort to contain program costs, the IPP discontinued mail out/fax back repricing effective January 2018. The respondents who provide pricing information using non-web options provide data via non-automated phone, special arrangements between the analysts and the respondents, or e-mail. (Attachment 7 is the ‘reminder to reprice' e-mail delivered to non-web respondents.) The e-mail option was broadened in 2008 with the introduction of an e-mail repricing application which generates the repricing form in an Excel spreadsheet as an attachment in a corresponding e-mail prompting the respondent to provide prices. (Attachment 9A is the ‘notification to reprice' e-mail sent to respondents using this repricing method and Attachment 9B is a sample Excel spreadsheet containing repricing data.) Respondents using this repricing method include their price information in the Excel document and return it via e-mail. This collection method is not offered to respondents by Field Economists during initiation, but is used by Industry Analysts at the National Office as a last resort for securing respondent cooperation. However, e-mail repricing has the possibility of expanding, depending on the mitigation of data security issues in the Bureau.

(Attachment 10 is the phaseout letter e-mailed to all web/non-web respondents who have provided IPP with an e-mail address.)

Over time, these various electronic data collection methods for repricing have permitted the Program to collect and publish monthly information more rapidly.

Respondent Burden

The IPP has implemented several changes over the years to reduce burden on IPP respondents, especially those companies which are major traders and account for a significant portion of international trade. These changes include enhancements to IPP's sampling and initiation processes that help to ensure that the program adheres to companies' requests about the timing of (initiation) visits, attempts simultaneous collection of both IPP & PPI data (if applicable), and lowers the selection probability of an infrequently traded Sampling Classification Group (SCG). (SCGs which are frequently traded are generally easier for respondents to identify during initiation.)

The Program has also implemented several system changes over the years to reduce burden on respondents providing prices using the web-based application. These changes have allowed for easier login to the web application, notifications of system downtimes, and self-registration for respondents who have agreed to provide data to both the IPP and the PPI. Other enhancements have allowed for respondents to specify an additional e-mail address to be copied on all e-mails sent by IPP and to provide more info via the web application, therefore requiring less follow-up by analysts at the National Office.

The Program continues its multi-year effort to improve the sampling and collection strategy for companies that are considered major importers or exporters. Research has shown that, while hundreds of thousands of companies import and export goods into and from the United States each year, the volume of trade (in terms of dollar value) is heavily concentrated on a very small percentage of these companies. IPP's sampling methodology results in the large companies being sampled on a frequent basis. Prior to the fielding of the sample, the National Office Economists review the companies and respondents to prioritize units for collection whenever a current company and/or respondent has indicated that there are burden issues. In the field, Field Economists combine collection efforts for multiple IPP samples, as they deem appropriate. The collection of multiple IPP samples at once results in fewer visits and consequently, reduced burden. Field Economists can also prioritize items for collection if burden issues arise (with input from the National Office, if applicable). These approaches provide help to mitigate and reduce company and respondent burden.

The Program has started revising its Data Collection Procedures, with the goal of improving collection methods for respondents (and for the Field Economists).

4. Efforts to Identify Duplication

The U.S. Customs and Border Protection collects data on the value of all U.S. imported goods and the U.S. Census Bureau collects data on the value of all U.S. exported goods. Until 1989, the Department of Commerce used these data to construct unit value indexes. These indexes have been shown to be inadequate and were discontinued in October 1989. Since then, the IPP Indexes are the sole comprehensive price indexes for imports and exports.

In order to reduce costs and duplication, the Program uses secondary source data. For example, the IPP survey does incorporate Department of Agriculture, Department of Energy, and certain other published market data in selected areas of goods and services. Generally, similar data which exist in the field of international prices cannot be used in lieu of the data collected by the IPP survey because the only "similar" data (trade journal prices and the former Department of Commerce unit value indexes) are the same ones whose deficiencies prompted the creation of the IPP survey.

5. Impact on Small Businesses

The sampling procedures used by the IPP tend to select firms that are high-volume, regular traders in a product or service area. This technique minimizes the chances of small organizations being selected to report data for more than one or two items.

6. Consequences of Less Frequent Collection of the U.S. Import and Export Price Indexes

The International Price Program indexes are closely followed statistics which are viewed as a sensitive indicator of the economic environment. Federal policy-makers in the Department of Treasury, the Council of Economic Advisors, the Bureau of the Census, the Bureau of Economic Analysis, and the Federal Reserve Board utilize these statistics to form and evaluate monetary and fiscal policy and the general business environment. These agencies use the monthly index information to deflate trade statistics to produce real, as opposed to the current nominal, trade flows. These real figures help to improve the agencies' formulation and evaluation of monetary and fiscal policy and the general business environment. Failure to provide current data would tend to delay recognition and adaptation time to economic events.

7. Special Circumstances

All IPP data for goods and services are collected and published on a monthly basis. This monthly collection and publication of price data enables the Department of Commerce to produce monthly merchandise trade flow figures adjusted for inflation.

In order to meet our publication deadlines, the IPP requests that its respondents provide the monthly price information within a week of the original request. Currently, the IPP Press Release is typically published during the second week of the month following the reference period.

The International Price Program does not request duplicates of any document.

The IPP does not require respondents to retain records of any kind, for a period of any duration.

The IPP is designed to produce valid and reliable results that can be generalized to the universe of study.

The IPP indexes are based on established classification systems.

The IPP collects confidential price data. These data are for internal BLS use only, to construct price indexes.

8. Efforts to Address Comments on Data Collection

One comment was received as a result of the Federal Register Notice published in 83 FR 28497 on June 19, 2018.

The Bureau of Economic Analysis (BEA) commented that it supports the continuation of the International Price Program since it is the only data source for several key components of BEA's economic statistics. BEA uses information from the IPP indexes in preparing "real" estimates of most components of exports and imports of goods, imports of equipment and software, and imports in inventories in the national income and product accounts. The indexes available for services are used to prepare estimates of real exports and imports of services while the end-use import price indexes are used to prepare annual estimates of real gross domestic product by industry. BEA requested that they be kept informed of any changes which would substantially affect their use of IPP's data.

The IPP survey reflects inputs that have been provided by a wide range of organizations and individuals over the years. The original recommendations for the IPP survey grew out of the 1961 report sponsored by the Joint Economic Committee of the Congress. This information has been updated and maintained via regular contact with federal statistical users' conferences, numerous international conferences, and ongoing meetings with the various federal agencies which use the IPP data for analysis. Users include offices of the Departments of Labor, Commerce, Treasury, and Energy, as well as the Congressional Budget Office and the Federal Reserve Board.

Since the Program involves a continuing rotation of industries and sampling units, contacts are conducted in person with trade groups and a number of individual businessmen. The IPP survey is voluntary and may be susceptible to nonresponse. It therefore requires that the ideas on survey design, survey operations and data presentation offered by these sources be studied carefully and instituted when possible.

9. Payment to Respondents

The IPP does not provide any payment or gift to its respondents.

10. Assurance of Confidentiality

The Confidential Information Protection and Statistical Efficiency (CIPSEA) safeguards the confidentiality of individually identifiable information acquired under a pledge of confidentiality for exclusively statistical purposes by controlling access to, and uses made of, such information. CIPSEA includes fines and penalties for any knowing and willful disclosure of individually identifiable information by an officer, employee, or agent of the BLS.

Based on this law, the BLS provides respondents with the following confidentiality pledge/informed consent statement:

The Bureau of Labor Statistics, its employees, agents, and partner statistical agencies, will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act (44 U.S.C. 3572) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent. Per the Federal Cybersecurity Enhancement Act of 2015, Federal information systems are protected from malicious activities through cybersecurity screening of transmitted data.

BLS policy on the confidential nature of respondent identifiable information (RII) states that "RII acquired or maintained by the BLS for exclusively statistical purposes and under a pledge of confidentiality shall be treated in a manner that ensures the information will be used only for statistical purposes and will be accessible only to authorized individuals with a need-to-know."

11. Justification for Collection of Sensitive Data

As part of the disaggregation process (conducted during initiation), Field Economists request company trade data (required to assign measures of size for disaggregation) which some respondents consider sensitive information. To alleviate their concerns, Field Economists explain that the purpose of the disaggregation process is to identify a single (or very few) specific goods or services for pricing and inform them of BLS' policies concerning confidentiality. In IPP's experience, the BLS policies and discussions with the Field Economists alleviate any serious concerns.

Additionally, price information and whether prices are representative of intracompany transfers (both requested during initiation and on the Repricing form) are also considered sensitive information by some respondents. Again, Field Economists (during initiation) and Industry Analysts (during repricing) inform them of BLS' policies on confidentiality to alleviate any concerns. (Note also that the IPP conducted a study which found no significant difference in the trends for non-market based transfer prices and those at arm's length. This conclusion prompted the IPP to begin including all transfer prices in index calculation beginning with the February 1998 indexes.)

12. Estimate of Respondent Burden

Average person-hours per response is estimated separately for initiation and for repricing.

For initiation, which requires an interview with a Field Economist, the information is entered directly into a laptop computer. (Attachment 11 contains screen shots from this application.) Form 3008 (Attachment 12), the B form (Attachment 13), and checklists based on the Harmonized manual are all used by BLS data collectors during initiation. (Attachment 14 is a sample checklist approved with IPP's 2015 OMB clearance package and Attachment 15 is a sample checklist approved in 2017 via a non-substantive change request. For the foreseeable future, the Program plans to use a mix of both checklist formats as the application used to create Attachment 15 requires an upgrade; once the upgrade is complete, the Program will resume the conversion of checklists from the old format outlined in Attachment 14 to the new format displayed in Attachment 15. Note that the IPP has checklists covering all Harmonized and Schedule B product areas excluding chapters[2] 86, 97, 98, and 99. For import chapters and descriptions, go to https://hts.usitc.gov/current. For export chapters and descriptions, go to https://www.census.gov/foreign-trade/schedules/b/2018/index.html.) The response burden estimate is based on field collection experience. Response burden varies depending on the size of the company, the number and variety of goods or services traded in the establishment, and the types of records kept. Thus far in the survey, which has been carried out at small, medium, and large size establishments, the respondent burden for initiation averaged approximately one hour.

For repricing, which is an update to price data previously provided by the respondent (using either the online data collection application), the burden estimate is based on internal testing and BLS experience in earlier samples. (Attachments 8I and 8J show screenshots from the web repricing application.) The burden varies from one minute for routine updates of prices for unaltered goods or services, to thirty minutes for reporting changes in product or service specifications or substitution of models within a product or service line. The IPP estimates that it takes approximately 5 minutes, on average, to reprice one item.

Companies and establishments of all employment sizes, including those with fewer than 100 employees, are covered in the samples. This comprehensive coverage is necessary to avoid bias and assure that the sample is representative of the universe of exporters/importers. Small companies, collectively, have substantial weight in the price-forming universe, and the evidence suggests that the pricing behavior of small companies is different from that of large companies. Therefore, the smaller units need to be directly surveyed.

The sample sizes and estimated annual respondent burden for FY 2019, FY 2020, and FY 2021 are shown on the following pages. Data on exports and imports are calculated separately for analysis purposes.

[2] The Harmonized Tariff Schedule and Schedule B are organized into sections and chapters. A chapter is a collection of similar products, aggregated at the two-digit level. For example, chapter 26 is reserved for 'Ores, slag and ash,' and chapters 25-27 make up section V ("Mineral Products").

EXPORTS

	Total Annual Responses					Estimated Total Hrs of Annual Burden				
	Number of Respondents (end of FY)[3]		**Frequency of Response Per Year**		**Total Annual Responses**	**Total Annual Responses**		**Estimated Avg # of Hrs Per Response**		**Estimated Total Hrs of Annual Burden**
Fiscal Year 2019										
Initiation[4]	1000	x	1	=	1000	1000	x	1	=	1000
Repricing[5]	1750	x	9.3[6]	=	16275	16275	x	0.4541[7]	=	7390
Total Burden	2750				17275	17275				8390[8]
Fiscal Year 2020										
Initiation	1000	x	1	=	1000	1000	x	1	=	1000
Repricing	1750	x	9.3	=	16275	16275	x	0.4541	=	7390
Total Burden	2750				17275	17275				8390
Fiscal Year 2021										
Initiation	1000	x	1	=	1000	1000	x	1	=	1000
Repricing	1750	x	9.3	=	16275	16275	x	0.4541	=	7390
Total Burden	2750				17275	17275				8390

[3] These numbers are estimates subject to change due to differing relative values of U.S. imports and exports and to variations in response rates.

[44] Initiation refers to the initial collection of data to be used in repricing. Totals include the Field Economist's visit to the company as well as the time spent to select items for repricing using the disaggregation sheet (form 3008, Attachment 12) .

[55] Repricing refers to the update of price information previously provided by the respondent. The web application (Attachments 8I and 8J) is the
primary means of repricing but all collection types are included in these totals.

[66] During initiation, the respondent determines how many months data will need to be supplied in a given year based upon how often prices change. On average, export and import companies are requested to supply information 9.3 months/year and 9.0 months/year, respectively.

[77] The average burden to reprice is currently estimated at 5 minutes per item, based upon internal testing. On average, an export respondent submits price data on 5.449 items. Thus, the average response time is 5 minutes x 5.449 items = 27.245 minutes = 0.4541 hours.

[88] Rounded to the nearest hour.

IMPORTS

Total Annual Responses

Estimated Total Hrs of Annual Burden

Number of Respondents (end of FY)

Frequency of Response Per Year

Total Annual Responses

Total Annual Responses

Estimated Avg # of Hrs Per Response

Estimated Total Hrs of Annual Burden

Fiscal Year 2019

Initiation

1500

x

1

=

1500

1500

x

1

=

1500

Repricing

2700

x

9.0

=

24300

24300

x

0.4438[9]

=

10784

Total Burden

4200

25800

25800

12284[10]

[9] The average burden to reprice is currently estimated at 5 minutes per item, based upon internal testing. On average, an import respondent submits price data on 5.325 items. Thus, the average response time is 5 minutes x 5.325 items = 26.625 minutes = 0.4438 hours.

[10] Rounded to the nearest hour.

Fiscal Year 2020

Initiation

1500

x

1

=

1500

1500

x

1

=

1500

Repricing

2700

x

9.0

=

24300

24300

x

0.4438

=

10784

Total Burden

4200

25800

25800

12284

Fiscal Year 2021

Initiation

1500

x

1

=

1500

1500

x

1

=

1500

Repricing

2700

x

9.0

=

24300

24300

x

0.4438

=

10784

Total Burden

4200

25800

25800

12284

	Number of Respondents (Summary)		
	Initiation	**Repricing**	**Initiation + Repricing**
Exports	1000	1750	2750
Imports	1500	2700	4200
Total	2500	4450	6950

	Burden (Summary)		
	Initiation	**Repricing**	**Initiation + Repricing**
Exports	1000	7390	8390
Imports	1500	10784	12284
Total	2500	18174	20674

Respondent burden costs for monthly data collection for the periods covered by this clearance package are as follows:

EXPORTS			
Fiscal Year	**Total Hours Burden**	**Average Hourly Pay**	**Annualized Cost of Burden**
2019	8,390	$58.22	$488,508
2020	8,390	$59.65	$500,496
2021	8,390	$61.11	$512,778

IMPORTS			
Fiscal Year	**Total Hours Burden**	**Average Hourly Pay**	**Annualized Cost of Burden**
2019	12,284	$58.22	$715,215
2020	12,284	$59.65	$732,767
2021	12,284	$61.11	$750,749

In the fourth quarter of 2017, the average hourly total compensation for management, professional, and related employees in private industry was $59.89. The average hourly total compensation for sales and office employees was $25.64. Thus, a weighted average hourly total compensation rate of $56.81 was derived[11]. This weighted average was then updated for the first quarter of 2018 using the quarterly percent change in the Employee Cost Index (ECI) of the BLS[12]. Estimates for 2019, 2020, and 2021 were derived by calculating the weighted average annual percent change in ECI for both categories and applying it to subsequent years[13]. These numbers would make the hourly total $58.22 for 2019, $59.65 for 2020, and $61.11 for 2021.

13. Total Annual Cost to Respondents

Nearly all respondents have access to the internet and/or use of email. Those respondents who don't have access to provide data electronically can provide data via telephone. Therefore, respondents need no additional equipment or technology for collection of IPP data other than the equipment already owned to conduct business; the company's methods for maintaining its records are incidental to the IPP

[11] Approximately 91 percent of IPP respondents can be categorized as a management, professional or related employee in private industry while about 9 percent can be categorized as a sales or office employee.

[13][12] The three-month ECI for management, professional, and related employees in private industry was 0.8 and for sales and office employees in
private industry was 1.4 percent. See footnote 11 for additional info related to the following calculation: (0.8 x .91) + (1.4 x .09) = 0.85 percent change in ECI of the BLS.

[13] The 12-month ECI for management, professional, and related employees in private industry in the last quarter of 2017 was 2.4 percent; the 12-month ECI for sales and office employees in private industry was 3.0 percent. See footnote 11 for additional info related to the following calculation: (2.4 x 0.91) + (3.0 x 0.09) = 2.45 (weighted avg percent change in ECI per year, for both categories).

survey. Respondents' total annual capital costs (both the total capital and start-up cost component and the total operation and maintenance and purchase of services component) due to the IPP survey are $0.

14. Total Annual Cost to Federal Government

For FY 2018, the collection and publication for data for the IPP Survey (both imports and exports) will cost approximately $21 million. BLS spends approximately 65 percent of this amount on federal employee compensation and benefit costs.

15. Explanation of Changes in Respondent Burden

The annual number of responses decreased for both exports and imports because of fewer respondents in Initiation and in Repricing. As a result of government-wide reform on the size of the federal workforce, IPP has scaled back the number of companies selected for sampling. The lower number of responses in Initiation reflects smaller sample sizes projected for upcoming years while the lower number in Repricing reflects smaller sample sizes in previous years. (The number of respondents in Repricing is impacted by the past number of respondents in Initiation.)

Despite the lower number of annual responses, annual time burden increased slightly for exports due to an increase in the frequency of responses per year and in the number of items repriced per export respondent. Although IPP generally prefers to collect prices on a monthly basis, respondents set their own repricing schedules based upon how frequently and when price changes occur for their items, as well as how often they are willing to provide price information. The IPP believes that respondents are choosing to reprice more frequently because of the ease and convenience of web repricing. In the 2009 OMB clearance package, IPP noted that 65 percent of respondents were using web repricing and by 2015, that number had jumped to 89 percent. It is now at 91 percent.

Both the frequency of responses per year and the number of items repriced per respondent increased for imports as well; however, annual time burden decreased because of the lower number of respondents in Initiation and Repricing.

Annual cost burden increased due almost entirely to higher average hourly pay rates (calculated by BLS' Employment Cost Index) for both management, professional, and related employees and for sales/office employees. For exports, the slight increase in annual time burden also contributed.

Note that the IPP did not implement any new policies or collection procedures which contributed to the increases for annual time burden or annual cost burden.

16. Publication of U.S. Import and Export Price Indexes

The merchandise price indexes are published using three different classification systems: the Harmonized System (HS), the Bureau of Economic Analysis End Use System (End Use), and the Foreign Trade North American Industry Classification System (NAICS). Since services are not covered in the published classification systems used for merchandise trade, price indexes for internationally traded services are published using two other definitions: the Balance of Payments (BOP), which represents transactions between U.S. and foreign residents; and international services indexes, which represent transactions "inbound to" and "outbound from" the U.S.

The HS classification system is used for sampling, weighting, and the collection of data. Each published product group is composed of classification groups, constructed from homogeneous or related product categories in the Harmonized TSUSA or Schedule B classifications. Index aggregation weights are now revised on a yearly basis which reflects the constantly changing patterns of international trade more accurately. For the IPP's goods indexes, the aggregation weights at the stratum[14]and detailed classification group levels consist of the universe trade dollar value totals that are published by the Bureau of the Census. Changes affecting the weights of products in the basket of goods bought and sold in foreign markets are now made every January, beginning in 2004, and reflect shifts in trade patterns from two years earlier. All services indexes are now also reweighted each January and reflect shifts in trade patterns from two years earlier. The IPP began annual reweighting of Air Passenger Indexes in January 2007 and of Air Freight Indexes in January 2009.

Respondents providing data via the web receive a notification to reprice on the second business day of the reference month (Attachment 8F). Data collection continues for approximately five weeks; the indexes are released approximately one week later. Schedules which are sent to the Regional Offices for initiation may remain in the Regional Offices for up to 15 months.

The IPP data are published in a monthly news release that includes a description of some of the highlights of import and export price movements over the past month. The release also includes tables that detail aggregate price indexes for each of the published classification systems. (An IPP news release is included as Attachment 16.) The release dates are announced in the fall of the previous year and are available online at http://www.bls.gov/schedule/news_release/ximpim.htm.   In addition to the news release, the IPP publishes more detailed tables that contain indexes and percent changes over the past four months for each of the program's published indexes. The IPP also offers full historical tables (http://www.bls.gov/web/ximpim.supp.toc.htm#long_tables) that show the index values for each published stratum dating back to when the series was first published. IPP outputs are available to the public by e-mail (using the BLS News Service) or on the internet http://www.bls.gov/mxp/). Detailed analyses using international prices are also published periodically in the Monthly Labor Review and as *Beyond the Numbers* articles. (Attachments 17 and 18 are articles which reference IPP data and which have been published in the Monthly Labor Review, accessible at http://www.bls.gov/opub/mlr/. Attachments 19 and 20 are *Beyond the Numbers* articles which reference IPP data and which are available on the BLS website at http://www.bls.gov/opub/btn/.)

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

The International Price Program requests authorization to not display the expiration date for OMB approval on the following materials:

- disaggregation worksheet/form 3008, (Attachment 12) – This exemption would result in substantial savings in printing costs.

- B form (Attachment 13) – The system used to produce this form is being phased out and the expiration date is not easily updated in IPP's initiation system since there is no source file.

[14][14] IPP uses the term "stratum" (pl. "strata") to refer to a grouping of one or more classification groups which are homogenous with respect to some characteristic and may experience similar price trends.

Removal of the expiration date will eliminate further updates to an aging system that IPP plans to replace in the near future.

- Checklists (Attachments 14 and 15)   With a few exceptions, the program creates a checklist for every Harmonized and Schedule B product area and the checklists are sample-specific. An IPP sample may be in collection for up to three years, and there are multiple samples being collected at any point in time. It would not be feasible to create revised checklists for all the outstanding samples when the expiration date expires.

18. Exception to Certification Statement

Since the IPP is a voluntary survey and it imposes no recordkeeping requirement for respondents, the IPP does not indicate a retention period for recordkeeping requirements.