Attachment L

Department of Commerce
United States Census Bureau
OMB Information Collection Request
Annual Integrated Economic Survey
OMB Control Number 0607-1024

60-Day Notice Comments Received

September 29, 2025

Mr. Thomas Smith
U.S. Census Bureau
4600 Silver Hill Rd
Washington, DC 20233

Dear Mr. Smith:

The Bureau of Economic Analysis (BEA) strongly supports the collection of data by the Census Bureau's Annual Integrated Economic Surveys (AIES) and encourages Census to collect the proposed eliminations in the 2025 collection and in future surveys. The data collected on these forms are crucial to key components of BEA's economic statistics. The AIES replaces several annual surveys - Annual Capital Expenditures Survey (ACES), Annual Retail Trade Survey (ARTS), Annual Survey of Manufactures (ASM), Annual Wholesale Trade Survey (AWTS), and Report of Organization (RoO).

BEA used information from these annual surveys (now the AIES) to prepare the national income and product accounts (NIPA), the fixed assets accounts (FAA), the input-output accounts, gross domestic product by industry, and regional estimates of gross domestic product by state and county. The data will be used as follows:

- National Income and Product Accounts -- to prepare annual estimates of personal consumption expenditures for goods and services, of investment, and of change in private inventories.
- Benchmark I-O accounts -- to derive intermediate inputs from revenue and expense data, and to derive tax rates for service industries from revenue data.
- Fixed Assets Accounts – to prepare select nonmanufacturing industry estimates using the data on annual capital expenditures for equipment and structures
- Annual I-O accounts – to extrapolate gross output from the benchmark I-O accounts between benchmark years using data on shipments, revenues, sales, purchases, and expenses; and to extrapolate intermediate inputs and gross operating surplus from the benchmark I-O accounts between benchmark years using data on expenses.
- Regional accounts -- to derive annual estimates of GDP by state and county for manufacturing industries using ASM value added and payroll. We anticipate utilizing AIES data for services industries in our estimates as it will be newly available with geographic detail.

The importance of the data previously collected by the Report of Organization (RoO) cannot be overstated. The information collected is used to update the Census Bureau's business register and thereby affects the data from virtually every survey in the Census Bureau's Economic Directorate which are in turn used by one or more BEA programs. More specifically, the role of the RoO in the precision of the Economic Census and business surveys ensures that BEA appropriately captures the national, geographical, and industrial changes in the economy in its national income and product accounts, input-output accounts, gross domestic product by industry estimates, regional accounts, and international accounts.

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U.S. DEPARTMENT OF COMMERCE

Also, as described in Title 13, Section 401 of the U.S. Code, and the International Investment and Trade in Services Survey Act, information derived from the RoO, is used in BEA's international program to improve sample frames for surveys of U.S. direct investment abroad, foreign direct investment in the United States, and international services transactions.

A list of items collected by the previous surveys and used by BEA appears in the attached table.

Please keep BEA informed about any modifications to the forms. For additional information, please contact Tiffany Burrell, Source Data Coordinator, on 301-278-9618 or by e-mail at Tiffany.Burrell@bea.gov. Should you need assistance in justifying these forms to the Office of Management and Budget, please do not hesitate to contact BEA.

Sincerely,

Dennis Fixler Digitally signed by Dennis Fixler
Date: 2025.09.30 10:05:06 -04'00'

Dennis J. Fixler
Chief Economist

Attachment

ATTACHMENT

BEA's Use of Data from the Service Annual Survey

Item Used:	BEA Use:
Operating revenue	Estimate PCE services (proprietary and nonprofit industries). Derive intermediate inputs and tax rates for Benchmark I-O. Estimate gross output in taxable industries for Annual I-O accounts.
Operating expenses	Estimate PCE services (nonprofit industries). Derive intermediate inputs for Benchmark I-O. Estimate gross output in tax-exempt industries for annual I-O accounts.
E-commerce revenue	Derive intermediate inputs for Benchmark I-O. Estimate gross output in taxable industries for annual I-O accounts.
Inventories at the end of the year	Estimate change in private inventories for the Publishing Industry (NAICS 511) and annual I-O accounts.

BEA's Use of Data from the Annual Survey of Manufactures

Item	BEA Use
Detail of Sales, Shipments, Receipts, or Revenue	Private equipment and software, change in private inventories (CIPI), and real inventory-sales ratios, national income and product accounts (NIPAs); gross domestic product (GDP) by industry, industry and product output; GDP by state; annual input-output (I-O) accounts
Value added	GDP by state
Employment	GDP by state

Annual payroll	CIPI; GDP by state
Value of Inventories	CIPI; GDP by state; GDP by industry; annual I-O accounts
Inventories by Valuation Method	CIPI
Capital expenditures for new and used buildings and other structures (Exclude land)	Investment in structures, fixed assets accounts; annual I-O accounts
Capital expenditures for new and used machinery and equipment	Investment in equipment, fixed assets accounts; annual I-O accounts
Cost of purchased fuels consumed for heat, power, or the generation of electricity	CIPI; annual I-O accounts
Cost of purchased electricity	CIPI; annual I-O accounts
Cost of materials, parts, containers, packaging, etc. used Cost of work done for you by others on your materials	CIPI; GDP by state; annual I-O accounts
Other operating expenses (all detail including total) (To be used for the first time in the Industry Economic Accounts during the next Comprehensive Revision in 2013.)	GDP by industry and annual I-O accounts

Note: In addition, for economic census years, the international investment program obtains and publishes most ASM items for foreign-owned U.S. manufacturing establishments through a link of their data on U.S. affiliates of foreign companies and the Census Bureau's data on all U.S. companies.

BEA's Use of Data from the Annual Retail Trade Survey Data

ITEMS USED	BEA USE
Retail sales, sales taxes, gross margins, E-commerce sales by merchandise line	Personal Consumption Expenditures in the NIPAs
Merchandise inventories, inventory valuation methods, merchandise purchases, inventory outside the U.S.	Change in private inventories component in the NIPAs
Retail sales, merchandise inventories, inventory valuation methods, merchandise purchases, sales taxes	Output for the benchmark I-O accounts and the annual industry accounts.

Quinquennial Collection (formerly from Business Expenses Supplement)
Annual Retail Trade Survey

ITEMS USED	BEA USE
Annual Payroll before deductions	Intermediate Inputs
Employers cost for fringe benefits	Intermediate Inputs
Contract temporary staff and leased employee expense	Intermediate Inputs
Expensed equipment	Intermediate Inputs
Purchase of packaging materials and containers	Intermediate Inputs
Purchases of other materials, parts, and supplies (not for resale)	Intermediate Inputs
Commission expenses	Intermediate Inputs
Expensed purchases of software	Intermediate Inputs
Data processing and other purchased computer services	Intermediate Inputs
Purchased communication services	Intermediate Inputs
Purchased repairs and maintenance to machinery and equipment	Intermediate Inputs
Purchased repairs and maintenance to building structures and offices	Intermediate Inputs
Leased and rental payments for machinery equipment and other tangible items	Intermediate Inputs

BEA's use of the Business Expenses Supplement to the Annual Retail Trade Survey
(continued)

Leased and rental payments for land, buildings, structures, store spaces and offices	Intermediate Inputs
Purchased electricity	Decomposition of intermediate inputs in capital (K), labor (L), energy (E), materials (M), and purchased services (S) (KLEMS)
Purchased fuels	KLEMS
Water sewer refuse removal and other utility payments	KLEMS
Purchased transportation shipping and warehousing services	Intermediate Inputs
Purchased advertising and promotional services	Intermediate Inputs
Purchased professional and technical services	Intermediate Inputs
Depreciation and amortization charges	Intermediate Inputs
Government taxes and license fees	Intermediate Inputs
All other operating expenses	Intermediate Inputs
Total Operating Expenses	Intermediate Inputs
Interest Expense	Intermediate Inputs

FOUNDATION FOR AMERICAN INNOVATION

Comment on OMB Control Number 0607-1024: Revision to the Annual Integrated Economic Survey (AIES)

Sophia Brown-Heidenreich
Director of Artificial Intelligence Policy, Foundation for American Innovation
October 20, 2025

I appreciate the opportunity to comment on the U.S. Census Bureau's proposed revision to the Annual Integrated Economic Survey (AIES), published in the Federal Register on August 21, 2025 (OMB Control No. 0607-1014).

This comment supports the Bureau's modernization goals while **recommending that the AIES include basic coverage of artificial intelligence (AI) investments**. These modest additions ensure that the AIES best captures the most important variables affecting the state of the U.S. economy.

Measuring AI Adoption

Artificial intelligence (AI), as a general-purpose technology, has profound potential to rewire the American economy. What that transformation looks like—how quickly it might come about, which sectors it may affect most, and whether it augments or replaces other capital and labor investments—is hotly debated. But these are precisely the questions policymakers must confront in the coming years. Today, they lack the information needed to make informed judgments.

The nation is entering an uncertain era of technological progress. Early analyses indicate that the rate of AI adoption may already be outpacing historical trends for technology diffusion.[1] Revenue reports from major technology producers suggest as much.

[1] Alexander Bick, Adam Blandin, and David J. Deming, "The Rapid Adoption of Generative AI," NBER Working Paper no. 32966 (Cambridge, MA: National Bureau of Economic Research, September 2024; revised February 2025), https://doi.org/10.3386/w32966.

Anthropic, an enterprise-focused developer, for example, reported a fivefold revenue increase between January and August 2025.[2] Surveys demonstrate that businesses are buying this technology en masse. McKinsey found that 78% of workers surveyed said that their employers use AI in at least one business function.[3] It is, however, important to note that enthusiastic adoption notwithstanding, *evidence of productivity enhancement remains inconclusive*.[4] Reliable sources of data are sorely needed to make sense of current trends and forecast future trajectories.

The good news is progress has already been made in assessing AI adoption through other Bureau surveys. In July 2025, the Business Trends and Outlook Survey (BTOS) included an AI supplement asking a series of important questions about AI adoption.[5] Such updates are commendable and offer insight into how many businesses are using AI products and toward what ends.

Despite such progress, it should be reiterated that reliable quantitative data remain limited, particularly regarding business spending on AI products. While the BTOS can illuminate the *breadth* of AI proliferation across the economy, the AIES is well-positioned to measure its *depth*: the magnitude of AI integration and use. By tracking not only how many companies use AI, but also how much they invest in it, policymakers and the public can better gauge its growing significance to business operations.

Without consistent and systematic data collection, policymakers, researchers, and firms cannot reliably assess the extent to which AI is reshaping productivity, employment, or capital formation. Amid great uncertainty, the Bureau's AIES stands out as a unique source of data to guide consequential decision-making in the coming years.

In order for the Bureau to accurately survey businesses on this consequential input to the American economy, it is important that **AIES continue to ask respondents about software expenses**. The current Federal Register notice indicates that, beginning with survey year 2025, the Census Bureau

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[2] Anthropic, "Anthropic Raises $13 B Series F at $183 B Post-Money Valuation," Anthropic News, September 2, 2025. Accessed October 20, 2025. https://www.anthropic.com/news/anthropic-raises-series-f-at-usd183b-post-money-valuation.

[3] Alex Singla, Alexander Sukharevsky, Lareina Yee, Michael Chui, and Bryce Hall, "The State of AI: How Organizations Are Rewiring to Capture Value," McKinsey & Company, March 12, 2025. https://www.mckinsey.com/capabilities/quantumblack/our-insights/the-state-of-ai.

[4] Aamer Baig, James Kaplan, Jeffrey Lewis, and Pablo Prieto, "The New Economics of Enterprise Technology in an AI World," McKinsey & Company. Accessed October 20, 2025. https://www.mckinsey.com/capabilities/mckinsey-digital/our-insights/the-new-economics-of-enterprise-technology-in-an-ai-world.

[5] U.S. Census Bureau, Business Trends and Outlook Survey: Questionnaire AI Supplement (Revised July 23, 2025). Accessed October 14, 2025. https://www2.census.gov/data/experimental-data-products/business-trends-and-outlook-survey/questionnaire-ai-supplement.pdf.

intends to "remove select capital expenditure details (finance leases and software)".[6] While the goal of reducing respondent burden is commendable, removing crucial software reporting risks excluding one of the fastest-growing and most consequential components of business investment: software-based artificial intelligence systems.

I therefore recommend:

1. Retaining a "Software Expenditures" item
2. Adding an "Artificial Intelligence Expenditures" detailed item
3. Piloting additional questions related to AI as detailed items
4. Ensuring transparency and stakeholder engagement

Recommendations

1. Retain a "Software Expenditures" Item

   Even if most detailed software line items are removed, the Bureau should retain at least one aggregated entry under capital expenditures for "Software Systems (purchased or internally developed)."

   To reduce respondent burden, the Bureau could combine capitalized and expensed software purchases into one reporting item. This approach simplifies response requirements while still capturing a critical measure of digital investment across U.S. businesses:

   > What were the total expenditures for computer software developed or obtained for internal use in 2025?
   >
   > $ _____

2. Add an "Artificial Intelligence Expenditures" Detailed Item

   To complement the BTOS, which already tracks AI use and workforce effects, the AIES should focus on capturing the dollar value of AI investment itself. The Bureau can achieve this by adding a detailed item about outlays specifically attributable to artificial intelligence systems:

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[6] U.S. Census Bureau, Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Annual Integrated Economic Survey, 90 FR 40,814–40,816 (Aug. 21 2025), https://www.federalregister.gov/documents/2025/08/21/2025-16018/agency-information-collection-activities-submission-to-the-office-of-management-and-budget-omb-for.

What were the total expenditures for AI-specific software products, systems, or services in 2025?

$ _____

The detailed item should include one-time purchases, subscription services (including cloud computing and API services), as well as the cost of internally-developed AI products.

It should be noted that **it may become increasingly difficult to differentiate between software and AI as providers integrate machine learning functions into existing products.** Consequently, the Bureau should consider piloting several detailed items for a more granular view of AI usage and workshop the language with relevant stakeholders as described below.

3. Pilot Additional Questions Related to AI as Detailed Items

To improve the measurement of AI investment, the Bureau should pilot a limited set of follow-up questions to understand the types of AI products and services businesses are including in Item (2). These pilot items would help distinguish the major categories of AI adoption and expenditure, recalling that different classes of AI products (e.g. generative chatbots, API-based model access, or AI-enabled cloud services) may have distinct implications for economic dimensions like labor demand. Similarly, the Bureau should seek to differentiate between internal and external use of AI.

The objective of these pilots would not be to expand respondent burden, but to test whether businesses can reliably differentiate among these categories and to establish which distinctions are economically meaningful for ongoing data collection. Because AI applications and deployment models are likely to evolve rapidly over the coming years, it is particularly important to understand the different ways businesses incorporate AI into their workflows and operations.

To this end, the Bureau should explore questions that separately identify expenditures in the below domains. Both capitalized and expensed costs (incl. software licenses, subscriptions, usage-based fees, or internal development costs) should be captured:

What were total expenditures for conversational or generative-language AI systems in 2025?
$ _____

Of the total expenditures reported above, what amount supported:

Internal business operations (e.g., employee-facing AI tools)
$ _____

Customer-facing products or services (e.g., chatbots or client AI tools)
$ _____

Of the total expenditures reported above, what amount supported the use of AI agents?
$ _____

What were the total expenditures for AI tools used for software development, testing, or debugging in 2025?
$ _____

What were the total expenditures for developing or maintaining internal AI models (including staff time, compute, and data costs that were capitalized as part of model development) in 2025?
$ _____

What were total expenditures on usage-based access to external AI models or services (such as API credits or inference fees) in 2025?
$ _____

Briefly list the types of AI software purchases made in 2025.

4. Ensure Transparency and Stakeholder Engagement

Before full implementation, the Bureau should:

- Publish pilot findings on response rates, data quality, and item nonresponse. This follows Census's standard pretesting practice and allows for empirical validation of question performance.
- Convene a stakeholder workshop with data users, researchers, and industry representatives to refine definitions and identify practical reporting challenges. Such workshops have successfully guided prior content changes in surveys like the ABS and BTOS.

Recognizing the Bureau's 2025 production schedule, these steps could occur during 2025–2026, enabling validated AI questions to be piloted in the 2026 cycle and fully integrated by AIES 2027.

Expected Impact and Feasibility

Note that the proposed structure adds minimal respondent time. The analytical payoff, however, is substantial. Reliable measures of software and AI expenditures would sharpen how researchers, policymakers, and businesses understand the technological transformation underway in the U.S. economy. Specifically, these data would:

- Distinguish substitution and augmentation effects from AI: Tracking AI investment separately from broader software expenditures would illuminate whether AI is displacing other forms of capital and labor spending or complementing them, a key question for productivity and capital-deepening analysis.
- Improve financial analysis and firm valuation: Consistent reporting on AI capital outlays would enable analysts to assess how AI adoption is reshaping firm balance sheets and intangible assets, information that is increasingly central to investment decisions and market valuation.
- Provide a baseline for future economic research: A clear benchmark for AI spending will allow future comparisons across time, industry, and economic cycles. It will also support research into whether current levels of investment reflect sustainable technological adoption or cyclical overinvestment.
- Enhance business decision-making: Firms themselves benefit from knowing how their AI expenditures compare to peers and industry averages. Benchmarking can reveal where AI has proven most useful, where diffusion lags, and where productivity gains are concentrated.
- Enable policy evaluation: Detailed expenditure data will help evaluate how software and AI investment respond to changes in the tax code or other policy instruments, such as the treatment of intangible assets under the 2017 Tax Cuts and Jobs Act (TCJA).

Response to PRA Comment Criteria

a. Necessity and practical utility: AI and software expenditures are now central drivers of economic growth. Their omission would materially reduce the survey's analytical and policy value.

b. Accuracy of burden estimate: The proposed module adds only modest burden through skip-based questions and limited industry subsampling.

c. Enhancement of quality, utility, and clarity: Clear definitions, simple accounting categories, and alignment with existing AIES items maximize comparability and interpretability.

d. Minimization of burden: Aggregation, skip logic, and modular design ensure efficiency and limit respondent fatigue.

Concluding remarks

The *Annual Integrated Economic Survey* is the foundation of the nation's business statistics. Ensuring that it captures the role of software and AI investment will allow the U.S. statistical system to keep pace with the technologies reshaping the real economy.

A concise AI module would establish the Census Bureau as the global standard-setter for measuring digital transformation, all while imposing negligible additional burden on respondents.

Thank you for considering these comments and for the Bureau's continued leadership in improving the quality, relevance, and timeliness of U.S. economic statistics.