

SUPPORTING STATEMENT

A. Justification

1. Necessity of the Information Collected

The purpose of this request is to obtain clearance for the 2011-2013 Telephone Point-of-Purchase Surveys (TPOPS). The information to be collected represents a continuance of a currently approved collection, OMB control number 1220-0044, which expires on January 31, 2011. Interviewing is scheduled to continue in February 2011.

The Census Bureau conducts the ongoing TPOPS for the Bureau of Labor Statistics (BLS) as part of the Consumer Price Index (CPI) program. The purpose of the survey is to develop and maintain a timely list of retail, wholesale, and service establishments at which urban consumers shop for specified items. The list of establishments produced from the survey serves as a sampling frame for the BLS to update and maintain the sample of outlets it uses in pricing goods and services in the CPI. The information collected in the survey also provides BLS with basic expenditure estimates that are used to weight unique items that are priced. Without this information, the BLS would not have a statistically accurate list of current establishments visited by consumers, and therefore, could neither collect prices as needed for the CPI nor weight specific items properly.

The BLS is authorized to collect these data under Title 29, Section 2, of the United States Code (see Attachment B). On September 30, 1976, Congress enacted Public Law 94-439 (H.R. 14232) to appropriate funds for revisions to the CPI. Within this appropriation is financial support for an ongoing Point-of-Purchase Survey. The Census Bureau collects information in the TPOPS for the BLS under the authority of Title 15, United States Code, which allows the Census Bureau to undertake surveys for other agencies (see Attachment C).

The current TPOPS, has been conducted via computer-assisted telephone interviewing (CATI) since 1997. Conducting a survey by CATI offers several advantages over personal-visit interviewing:

- A completed telephone interview costs less to obtain than a personal interview.
- Supervisors can exercise greater quality control over interviewing in a centralized CATI facility as opposed to supervising field interviewers in a decentralized environment.

- Using telephone survey methodology, the survey can be conducted continuously covering all primary sampling units (PSUs) over a 1-year period rather than in one select group of PSUs during one 6-week period per year.

TPOPS is conducted over the telephone under a CATI environment and needs no additional material. However, advance letters are sent to every household for which an address can be obtained. Respondents are contacted within a few days of receiving the letter. Because of the increase in response rates in those households receiving the advance letter, the respondents' addresses are collected so that advance letters/postcards can be sent before subsequent scheduled interviews.

Generally speaking, the interview is divided into three parts:

- The front portion of the interview is designed to identify eligible sample units and to screen-out ineligible units (e.g., businesses).
- The middle portion of the interview contains questions about purchases of selected consumer items made by all members of the sample unit. If the sample unit incurred expenses for the specific item in question during the specified recall period, then (a) the amount of each expenditure and (b) the name and address of each outlet where the item was purchased is collected.
- The back portion of the instrument is designed to collect demographic characteristics and contains administrative questions for scheduling interviews.

The instrument specifications, which contain the actual questions asked, are provided in Attachment D.

Households with no landline service, including those with only cell phone service, are currently excluded from the TPOPS sample by design. The percentage of households in the U.S. that are cell-phone only has been estimated to be as high as 22%¹. To address this potential coverage bias, a cell phone number frame will be added to TPOPS production in July, 2011. To prepare for the implementation of a cell phone frame, a cell phone test will be fielded in the first quarter of 2011. A fixed number of calls to cell phone numbers will be made in *each* PSU to assess the hit rate to maximize sampling for implementation in the third or fourth quarter of 2011. For implementation in production, advance letters will not be sent to these households for the first interview because there is no address match for cell phones at this time. In production, respondent address will be collected and advance letters will be sent to cell phone households prior to subsequent interviews. Instrument changes associated with the implementation of a cell phone frame are included in Appendix G.

¹Wireless Substitution: Early Release of Estimates from the National Health Interview Survey, January-June, 2009 by Stephen J. Blumberg, Ph.D., and Julian V. Luke, Division of Health Interview Statistics, National Center for Health Statistics

In addition to implementing a cell phone frame, the BLS is also researching alternatives to a telephone survey to obtain the outlet frame for the CPI's Commodities and Services Initiation and Pricing Survey. Different options that are being evaluated include:

- Implementing an address-based sample with mixed mode data collection
- Adding outlet questions to the Consumer Expenditure Surveys
- Evaluating the Census of Retail Trade for use as sample frames for some POPS categories
- Researching secondary sources for more categories to minimize the number of questions asked.

Additionally, the Consumer Expenditures Survey will be asking general outlet questions so that the BLS can evaluate the coverage bias associated with not calling cell phone only households.

2. Needs and Uses

The BLS will use information collected in TPOPS to select establishments for pricing market basket items needed for CPI calculations. Information received from the currently approved TPOPS collection has been used to select new establishments in geographic areas from the 1998 Revision CPI sample. Pricing at these establishments was initiated in February 1999 as part of the ongoing Consumer Price Index Commodities and Services Survey, OMB control number 1220-0039.

The Census Bureau will produce limited tabulations and statistical summaries of the data for internal use in evaluating survey design and procedures.

3. Use of Information Technology

The collection of information for TPOPS is fully automated. Under the CATI environment, interviewing in all CPI geographic sampling areas or primary sampling units (PSUs) occurs from three central locations. Specifically, the Census Bureau operates telephone interviewing facilities in Hagerstown, MD; Jeffersonville, IN; and Tucson, AZ. Interviewers dial a telephone number obtained from a queue of randomly selected telephone numbers for each geographic area, and then conduct the interview over the telephone. Responses are keyed directly via the computer and stored electronically by the CATI instrument. Sample units are identified and interviewed once per quarter, over four consecutive quarters. This design minimizes the total number of calls that must be made to obtain a sufficient sample size.

4. Efforts to Identify Duplication

To our knowledge, no other Federal agency is collecting this information.

5. Minimizing Burden to Small Entities

Not applicable. The collection of information in TPOPS involves individuals, not small businesses.

6. Consequences of Less Frequent Collection

The quarterly collection of these data accurately reflects consumer purchasing behavior and is essential in order to have a continuously updated outlet frame for the CPI "market basket" of goods and services. If the BLS did not conduct TPOPS, BLS would not be able to update and replenish the sample of establishments where pricing agents are sent to verify the price of goods in the market basket. The CPI sample would become out of date and unreflective of current prices faced by urban consumers. The consequence to both the Federal and private sectors, which rely on the CPI as the primary indicator of inflation, would be far-reaching and have serious repercussions on Federal government policy and institutions. For example, Federal fiscal and monetary policies would be hampered due to the lack of accurate information on price changes.

If collection were conducted less frequently, the timeliness and accuracy of the CPI would be significantly decreased.

7. Special Circumstances

The Census Bureau will collect these data in a manner consistent with the guidelines in 5 CFR 1320.5.

8. Federal Register Notice/Consultation Outside the Agency

No comments were received as a result of the Federal Register notice published in 75 FR 55356 on Friday, September 10, 2010.

During the past 2 years, the BLS has consulted with the following persons and continues to do so as specific problems arise:

Mrs. Deborah Kinnaman
Demographic Surveys Division
Bureau of the Census
(301) 763-3817

Mr. Stephen Ash
Statistical Methods Division
Bureau of the Census
(301) 763-4294

Due to the CPI's high visibility, the data collection methodology used for its construction is under constant scrutiny by individuals and organizations within and outside the U.S. Government. Members of the CPI staff in Washington, DC have participated in various economic association meetings to discuss CPI surveys, including methodological and procedural aspects of the data collection process. The BLS Commissioner and Associate Commissioners report on a monthly basis to the Congressional Joint Economic Committee. Past criticisms of the CPI included its inability to incorporate new products and new outlets into the sample in a timely manner and the belief that the outlets in sample were too old. The current design of TPOPS allows the flexibility to add new products and to select outlets on a continuous basis in all sampling areas in a timely manner.

9. Paying Respondents

Cooperation by the respondents to supply data for TPOPS is voluntary and no remuneration, payment, or gift is provided.

10. Assurance of Confidentiality

The Confidential Information Protection and Statistical Efficiency Act of 2002 (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.

The Bureau of Labor Statistics Commissioner's Order No. 1-06, "Confidential Nature of BLS Statistical Data," explains the Bureau's policy on confidentiality: "In conformance with existing law and Departmental regulations, it is the policy of the BLS that respondent identifiable information collected or maintained by, or under the auspices of, the BLS for exclusively statistical purposes and under a pledge of confidentiality shall be treated in a manner that will ensure that the information will be used only for statistical purposes and will be accessible only to authorized persons."

The Census Bureau performs this work under the authority of 15 USC 1525.

Respondents for whom an address can be obtained receive an advance letter that assures confidentiality. If an address is unavailable at the beginning of the telephone interview, the interviewer reads a brief explanation of the survey, the confidentiality standards and authority, and the information required by the Privacy Act of 1974. Respondents are informed that the survey is voluntary and all information will be held in strict confidence and will be used for statistical purposes only.

11. Justification for Sensitive Questions

TPOPS does not include any questions of a sensitive nature.

12. Estimate of Respondent Burden

The collection of information for TPOPS will occur in 87 geographic areas, or primary sampling units (PSUs).

TPOPS has a quarterly rotating panel design. Once a household has been selected and has been identified as an eligible unit, it remains in the sample for four consecutive quarters. The total sample in each PSU is divided into four panels. During any given quarter, one panel is administered their first interview, one panel is administered their second interview, one panel is administered their third interview, and one panel is administered their fourth interview.

The sample design outlined above was used to estimate burden hours for the collection of information in the 2011 through 2013 TPOPS surveys. The BLS estimates that it will take approximately 11 minutes on average to complete a typical interview during the 2011-2013 timeframe. The actual respondent interview time from the 2009 TPOPS survey is, on average, 11 minutes. Based upon these estimates, Table 1 itemizes the estimated respondent burden hours by year.

<i>Table 1: Estimates of Annual Response Burden for 2011-2013</i>	2011 (prod)	2011 (test)	2011 (total)	2012	2013
Number of respondents	21,649	2820	24,469	21,649	21,649
Average number of responses	2.59	2.59	2.59	2.59	2.59
Total number of responses	56,071	7304	63,375	56,071	56,071
Minutes per response	11	11	11	11	11
Total minutes	616,781	80,344	697,125	616,781	616,781
Total hours	10,280	1,339	11,619	10,280	10,280

The total annual opportunity cost to respondents is approximately \$84,173 or \$1.33 per response, \$3.44 per respondent. This estimate is based on an average of the annual burden for 2011 (both production and for the test) identified above. The current minimum wage of \$7.25 was used to calculate opportunity cost. To calculate the opportunity cost to each respondent, total hours are divided by total number of respondents. That figure is then multiplied by the current minimum wage to determine the opportunity cost for each respondent. (For example, in 2011, $10,280 + 1,339 / 24,469 = .4748 * 7.25$ (minimum wage) = \$3.44). Total annual opportunity cost ($\$3.44 * 24,469 = \$84,173$)

13. Estimate of Cost Burden

The total annual cost burden to respondents resulting from the collection of information from the landline frame is \$0. The cost associated with the cell phone frame is measured by the utilization of minutes. Very few cell phone contracts are still based on a 'per minute' cost; the cost is therefore negligible. There are no capital and start-up costs and no operational, maintenance, or service costs required of respondents.

14. Cost to the Federal Government

The annual cost to the Federal Government of collecting, processing, and reviewing the data collected in TPOPS is expected to be \$4,669,000 in fiscal year 2011. This figure includes \$3,869,000 in costs incurred by the Census Bureau for collecting and processing the regular production data, other operational costs associated with maintaining the survey and \$350,000 for a cell phone pre-test in the first quarter of 2011. It also includes \$450,000 (3 person/years @ \$150,000 per person/year) in personnel and computer-related costs appropriated by BLS to manage the survey and process the data upon receipt from the Census Bureau.

15. Changes in Respondent Burden

The total respondent burden hours requested for 2011 are 11,619, a temporary increase of 1,339 for the cell phone test in the first quarter of 2011. The burden hours are expected to decrease back to 10,280 for FY12 and FY13.

16. Time Schedule for Information Collection and Publication

Results from TPOPS will not be published. Data will be used as the outlet universe for the Commodities and Services Survey for the CPI. Data are delivered to BLS from the Census Bureau approximately 2 to 3 months after the end of each interviewing period. BLS processes the data and selects establishments for pricing during the proceeding 2 to 3 months. The initiation of pricing activities in outlets reported in TPOPS begins approximately 6 to 8 months after the original data collection in TPOPS. This schedule operates continuously, with new interviews beginning each calendar quarter.

17. Request to Not Display Expiration Date

Since the 2011-2013 TPOPS survey will be conducted via computer-assisted telephone interviewing, there are no paper questionnaires. Instead, respondents are read statements and questions over the telephone. Currently, the OMB clearance number is read to the respondent during one of the introductory screens (see Attachment D). However, the BLS does not indicate the expiration date of the collection. Research has suggested that long, superfluous introductory statements are not only burdensome, but

are likely to result in a refusal in a CATI environment. In an effort to minimize the likelihood of losing an interview, the BLS would like to keep the introductory statement as short as possible. The expiration date of OMB approval will be provided to a respondent upon inquisition during the interview.

The BLS currently sends an advance letter to households for which an address can be obtained. Copies of the advance letters are attached (see Attachment E). The BLS requests that the BLS not print the expiration date on our advance letters. This will allow copies of old letters to be retained and used instead of discarded when an expiration date is met.

18. Exceptions to the Certification

Not applicable. There are no exceptions to the “Certificate for Paperwork Reduction Act Submissions” statement.