



**DEPARTMENT OF LABOR**

**Bureau of Labor Statistics**

**Proposed collection, comment request**

**ACTION:** Notice.

**SUMMARY:** The Department of Labor, as part of its continuing effort to reduce paperwork and respondent burden, conducts a pre-clearance consultation program to provide the general public and Federal agencies with an opportunity to comment on proposed and/or continuing collections of information in accordance with the Paperwork Reduction Act of 1995 (PRA95). This program helps to ensure that requested data can be provided in the desired format, reporting burden (time and financial resources) is minimized, collection instruments are clearly understood, and the impact of collection requirements on respondents can be properly assessed. The Bureau of Labor Statistics (BLS) is soliciting comments concerning the proposed revision of the "Consumer Price Index Commodities and Services Survey." A copy of the proposed information collection request (ICR) can be obtained by contacting the individual listed below in the Addresses section of this notice.

**DATES:** Written comments must be submitted to the office listed in the Addresses section of this notice on or before (*insert date 60 days after date of publication in the Federal Register*).

**ADDRESSES:** Send comments to Nora Kincaid, BLS Clearance Officer, Division of Management Systems, Bureau of Labor Statistics, Room 4080, 2 Massachusetts Avenue, N.E., Washington, D.C. 20212. Written comments also may be transmitted by fax to, 202-691-5111. (This is not a toll free number.)

**FOR FURTHER INFORMATION CONTACT:** Nora Kincaid, BLS Clearance Officer, 202-691-7628 (this is not a toll free number). (See Addresses section.)

**SUPPLEMENTARY INFORMATION:**

**I. Background**

Under the direction of the Secretary of Labor, the Bureau of Labor Statistics (BLS) is directed by law to collect, collate, and report full and complete statistics on the conditions of labor and the products and distribution of the products of the same; the Consumer Price Index (CPI) is one of these statistics. The collection of data from a wide spectrum of retail establishments and government agencies is essential for the timely and accurate calculation of the Commodities and Services (C&S) component of the CPI.

The CPI is the only index compiled by the U.S. Government that is designed to measure changes in the purchasing power of the urban consumer's dollar. The CPI is a measure of the average change in prices over time paid by urban consumers for a market basket of goods

and services. The CPI is used most widely as a measure of inflation, and serves as an indicator of the effectiveness of government economic policy. It is also used as a deflator of other economic series, that is, to adjust other series for price changes and to translate these series into inflation-free dollars. Examples include retail sales, hourly and weekly earnings, and components of the Gross Domestic Product.

A third major use of the CPI is to adjust income payments. Over 2 million workers are covered by collective bargaining contracts, which provide for increases in wage rates based on increases in the CPI. At least eleven states have laws that link the adjustment in state minimum wage to the changes in the CPI. In addition, as a result of statutory action, the CPI affects the income of millions of Americans. Over 51 million Social Security beneficiaries, and millions of military and Federal Civil Service retirees, have cost-of-living adjustments tied to the CPI. In addition, eligibility criteria for millions of food stamps recipients and millions of children who eat lunch at school are affected by changes in the CPI. Under the National School Lunch Act and Child Nutrition Act, national average payments for those lunches and breakfasts are adjusted annually by the Secretary of Agriculture on the basis of the change in the CPI series, "Food away from Home." Since 1985, the CPI has been used to adjust the Federal income tax structure to prevent inflation-induced tax rate increases.

## **II. Current Action**

Office of Management and Budget clearance is being sought for the proposed revision of the Consumer Price Index Commodities and Services Survey.

In January 2018 a new geographic sample redesign will be implemented. The new sample design will expand the coverage of the CPI-U from 89% to 94% of the U.S. population. The CPI will rotate its sample to new geographic areas on a continuous basis, over a 4-year transition period, until all new areas have been brought into the sample. A few of the notable methodological changes are the sample classification structure will change from four Census regions (Northeast, Midwest, South, and West) to nine Census divisions (New England, Middle Atlantic, East North Central, West South Central, South Atlantic, East South Central, West South Central, Mountain, and Pacific); PSU area definitions have been updated using the Office of Management and Budget's (OMB) Core-Based Statistical Areas (CBSAs) definitions; and the number of sampled PSUs in the CPI will be reduced from 87 to 75. This change will increase the average number of price quotes per index area.

The continuation of the collection of prices for the CPI is essential since the CPI is the nation's chief source of information on retail price changes. If the information on C&S prices were not collected, Federal fiscal and monetary policies would be hampered due to the lack of information on price changes in a major sector of the U.S. economy, and estimates of the real value of the Gross National Product could not be made. The consequences to both the Federal and

private sectors would be far reaching and would have serious repercussions on Federal government policy and institutions.

### **III. Desired Focus of Comments**

The Bureau of Labor Statistics is particularly interested in comments that:

- Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility.
- Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used.
- Enhance the quality, utility, and clarity of the information to be collected.
- Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submissions of responses.

*Type of Review:* Extension without change of a currently approved collection.

*Agency:* Bureau of Labor Statistics.

*Title:* Consumer Price Index Commodities and Services Survey.

*OMB Number:* 1220-0039.

*Affected Public:* Business or other for-profit; not for profit institutions; and State, Local or Tribal Government

	Total Respondents	Frequency	Total Responses	Average Time per Response	Estimated Total Burden
<b>PRICING</b>	35,552	8.775	311,968	0.33	102,949
<b>OUTLET ROTATION:</b>	11,543	1	11,543	1.0	11,543
<b>TOTAL</b>	<b>47,095</b>	<b>n/a</b>	<b>323,511</b>	<b>n/a</b>	<b>114,492</b>

*Total Burden Cost (capital/startup):* \$0.0.

*Total Burden Cost (operating/maintenance):* \$0.0.

Comments submitted in response to this notice will be summarized and/or included in the request for Office of Management and Budget approval of the information collection request; they also will become a matter of public record.

Signed at Washington, D.C., this 15th day of February 2017.

Kimberley Hill

Chief, Division of Management Systems, Bureau of Labor Statistics

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