



DEPARTMENT OF COMMERCE

Census Bureau

Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Quarterly Services Survey

The Department of Commerce will submit the following information collection request to the Office of Management and Budget (OMB) for review and clearance in accordance with the Paperwork Reduction Act of 1995, on or after the date of publication of this notice. We invite the general public and other Federal agencies to comment on proposed, and continuing information collections, which helps us assess the impact of our information collection requirements and minimize the public's reporting burden. Public comments were previously requested via the Federal Register on December 8, 2023 during a 60-day comment period. This notice allows for an additional 30 days for public comments.

Agency: U.S. Census Bureau, Department of Commerce.

Title: Quarterly Services Survey.

OMB Control Number: 0607-0907.

Form Number(s): QSS-1A, QSS-1E, QSS-1PA, QSS-1PE, QSS-2A, QSS-2E, QSS-3A, QSS-3E, QSS-3SA, QSS-3SE, QSS-5A, QSS-5E, QSS-4A, QSS-4E, QSS-4FA, QSS-4FE, QSS-4SA, QSS-4SE.

Type of Request: Regular submission, Request for an Extension, without change, of a currently approved collection.

Number of Respondents: 24,200.

Average Hours Per Response: 10 minutes: QSS-1A, QSS-1E, QSS-1PA, QSS-1PE, QSS-2A, QSS-2E, QSS-3A, QSS-3E, QSS-3SA, QSS-3SE, QSS-5A, QSS-5E. 15 minutes: QSS-4A, QSS-4E, QSS-4FA, QSS-4FE, QSS-4SA, QSS-4SE.

Burden Hours: 20,700.

Needs and Uses: The U.S. Census Bureau requests an extension, without change, of the Quarterly Services Survey (QSS). In the 1980s, it was determined that the service economy, despite its growing importance and share of Gross Domestic Product (GDP), was not adequately covered by the existing federal statistical programs. At the time, the only services data available came from the Service Annual Survey (SAS) and the quinquennial Economic Census, therefore the decision was made to create a new principal economic indicator designed to expand upon the Census Bureau's existing annual survey. The QSS was first released in 2004, making it the first new U.S. federal government economic indicator in 30 years. The QSS is now a major source for the development of quarterly GDP and an indicator of short-term economic change.

The initial scope of the QSS was driven primarily by Bureau of Economic Analysis (BEA) priorities and what the budget initiative would allow. The goal was to begin covering the most dynamic sectors of the service economy for which BEA had little to no alternate source data. In the wake of the dot-com bubble in the early 2000s, it was clear that information services and high-tech industries needed to be a priority as BEA experienced major revisions to their GDP estimates as annual data came in later. At the time it was launched, QSS produced estimates for just three North American Industry Classification System (NAICS) sectors (51, 54, and 56).

Shortly after the Financial Crisis in 2007-2008, QSS received approval to expand the scope of the survey to match that of the Economic Census of Services. A major part of this expansion would provide for tracking of the financial sector which, of course, was now in the spotlight. Between 2009 and 2010, QSS underwent a multi-phased expansion, increasing the total coverage from three to eleven NAICS sectors.

QSS expanded yet again in 2012 to cover the Accommodation subsector which was the only remaining service industry with no sub-annual coverage.

We currently publish estimates based on the 2012 NAICS. The QSS covers all or parts of the following NAICS sectors: Utilities (excluding government owned); Transportation and

warehousing (except rail transportation and postal service); Information; Finance and insurance (except funds, trusts, and other financial vehicles); Real estate and rental and leasing; Professional, scientific, and technical services; Administrative and support and waste management and remediation services; Educational services (except elementary and secondary schools, junior colleges, and colleges, universities, and professional schools); Health care and social assistance; Arts, entertainment, and recreation; Accommodation; and Other services (except public administration). See Section 19 (NAICS Codes Affected) for a list of all of the QSS sectors. The QSS provides the most current official measures of total revenue and percentage of revenue by class of customer (for selected industries) on a quarterly basis. In addition, the QSS provides the most current official quarterly measure of total expenses from tax-exempt firms in industries that have a large not-for-profit component. All respondent data are received by mail, telephone, or Internet reporting.

The total revenue estimates produced from the QSS provide current trends of economic activity in the service industry in the United States from service providers with paid employees.

In addition to revenue, we also collect total expenses from tax-exempt firms in industries that have a large not-for-profit component. Expenses provide a better measure of the economic activity of these firms. Expense estimates produced by the QSS, in addition to inpatient days and discharges for the hospital industry, are used by the Centers for Medicare and Medicaid Services (CMS) to project and study hospital regulation, Medicare payment adequacy, and other related projects. For select industries in the Arts, entertainment, and recreation sector, the survey produces estimates of admissions revenue.

Beginning with the release of 2016 fourth quarter estimates on February 17, 2017, the first Advance Quarterly Services Report was released in an effort to meet data users' needs for more timely data. Published approximately 50 days following the end of the quarter, the Advance Quarterly Services Report contains a snapshot of quarterly estimates of revenue for selected sectors, subsectors, and industries on a not seasonally adjusted basis. Our research found

that these selected levels were good predictors of the estimates published in the full quarterly services report.

Beginning with the release of the 2019 first quarter estimates, originally published on May 17, 2019, the Advance Quarterly Services Report includes a seasonally adjusted estimate for the Selected Services Total. With the release of the 2021 fourth quarter estimates, on March 11, 2022, the Quarterly Services Report now includes 135 seasonally adjusted revenue series. Additionally, with the release of the 2022 fourth quarter estimates, on March 14, 2023, the Quarterly Services Report includes seasonally adjusted expenses estimates for 40 selected industries. Seasonal adjustment is the process of estimating and removing seasonal effects from a time series in order to better reveal certain non-seasonal features. Many data users prefer seasonally adjusted data because they want to see those characteristics that seasonal movements tend to mask, especially changes in the direction of the series.

Reliable measures of economic activity are essential to an objective assessment of the need for, and impact of, a wide range of public policy decisions. The QSS supports these measures by providing the latest estimates of service industry output on a quarterly basis.

Currently, the U.S. Census Bureau collects, tabulates, and publishes estimates to provide, with measurable reliability, statistics on domestic service total revenue, total expenses, and percentage of revenue by class of customer for select service providers. In addition, the QSS produces estimates for inpatient days and discharges for hospitals.

The BEA is the primary Federal user of QSS results. The BEA utilizes the QSS estimates to make improvements to the national accounts for service industries. In the National Income and Product Accounts (NIPA), the QSS estimates allow more accurate estimates of both Personal Consumption Expenditures (PCE) and private fixed investment. For example, published revisions to the quarterly NIPA estimates are often the result of incorporation of the latest source data from the QSS. Revenue estimates from the QSS are also used to produce estimates of gross output by industry that allow BEA to produce a much earlier release of the gross domestic

product by industry estimates.

Estimates produced from the QSS are used by the BEA as a component of quarterly GDP estimates. The estimates also provide the Federal Reserve Board (FRB) and Council of Economic Advisors (CEA) with timely information on current economic performance.

The CMS uses the QSS estimates to develop hospital spending estimates in the National Health Expenditure Accounts. In addition, the QSS estimates improve their ability to analyze changes in spending trends for hospitals and other healthcare services. The CMS also uses the estimates in its ten-year health spending forecast estimates and in studies related to Medicare policy and trends.

Estimates collected from this survey are used for market research, industry growth, business planning, economic policy decisions, and forecasting by various government agencies and departments; private businesses; investors; trade organizations; professional associations; academia; and other various business research and analysis organizations.

Private sector data users and other government agencies both benefit from an earlier release of U.S. services data. The Advance Quarterly Services Report allows policymakers and private data users to make data-driven decisions sooner due to this high-level snapshot of economic data. In addition, the release also allows the BEA to incorporate services data into the second estimate of the GDP. Prior to the implementation of the Advance Quarterly Services Report, Quarterly Services Survey estimates were incorporated in the third estimate of GDP.

Affected Public: Business or other for-profit organizations.

Frequency: Quarterly.

Respondent's Obligation: Voluntary.

Legal Authority: Title 13 U.S.C., Sections 131 and 182.

This information collection request may be viewed at www.reginfo.gov. Follow the instructions to view the Department of Commerce collections currently under review by OMB.

Written comments and recommendations for the proposed information collection should be submitted within 30 days of the publication of this notice on the following website www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting "Currently under 30-day Review - Open for Public Comments" or by using the search function and entering either the title of the collection or the OMB Control Number 0607-0907.

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