

**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 an opportunity to comment on proposed and/or continuing collections of information in accordance with the Paperwork Reduction Act of 1995 (PRA95) (44 U.S.C. 3506(c)(2)(A)). 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. Currently, the Bureau of Labor Statistics (BLS) is soliciting comments concerning the proposed revision of the currently approved "Producer Price Index Survey." A copy of the proposed information collection request (ICR) can be obtained by contacting the individual listed below in the address section of this notice.

**DATES:** Written comments must be submitted to the office listed in the address section below on or before December 28, 1998. The Bureau of Labor Statistics is particularly interested in comments which:

- 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; and
- 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.

**ADDRESSES:** Send comments to Karin G. Kurz, BLS Clearance Officer, Division of Management Systems, Bureau of Labor Statistics, Room 3255, 2 Massachusetts

Avenue, N.E., Washington, DC 20212. Ms. Kurz can be reached on 202-606-7628 (this is not a toll free number.)

**SUPPLEMENTARY INFORMATION:****I. Background**

The Producer Price Index (PPI), one of the Nation's leading economic indicators, is used as a measure of price movements, as an indicator of inflationary trends, for inventory valuation, and as a measure of purchasing power of the dollar at the primary-market level. It also is used for market and economic research and as a basic for escalation in long-term contracts and purchase agreements.

PPI data provide a description of the magnitude and composition of price change within the economy, and serve a wide range of governmental needs. These monthly indexes are closely followed and are viewed as sensitive indicators of the economic environment. Price data are vital in helping both the President and Congress set fiscal spending targets. Producer prices are monitored by the Federal Reserve Board Open Market Committee to help decide monetary policy. Federal policy-makers at the Department of Treasury and the Council of Economic Advisors use these statistics to help form and evaluate monetary and fiscal measures, and to help interpret the general business environment. Furthermore, dollar-denominated measures of economic performance, such as the Gross Domestic Product, require accurate price data in order to convert nominal to constant-dollar values. Inflation-free national income accounting figures are vital to fiscal and monetary policy-makers when setting objectives and targets. In addition, it is common to find one or more PPIs, alone or in combination with other measures, used to escalate the diverted price of goods for government purchases.

In addition to governmental uses, PPI data are used by the private sector. Private industry uses PPI data for contact escalation. For one method of tax-related Last-In-First-Out (LIFO) inventory accounting, the Internal Revenue Service recommends that firms use PPI data for making calculations. Private businesses make extensive use of industrial-price data for planning and operating. Price trends are used to assess market conditions. Firms commonly compare the prices they pay for material inputs and the prices they receive for products that they make and sell with changes in similar PPIs.

Economic researchers and forecasters also use the PPI. Price indexes are widely used to probe and measure the interaction of market forces. Some

examples of research topics that require extensive price data include: The identification of varying price elasticities and the degree of cost pass-through in the economy, the identification of potential lead and lag structures among price changes, and the identification of prices which exert major impacts throughout market structures. In the end, both policy and business planning are affected by the completeness of price trend descriptions.

**II. Current actions**

A description of recent and projected improvements meant to improve data completeness, increase efficiency, and reduce overall respondent burden to the maximum degree possible follows.

**A. Disaggregation**

Recent modifications made to disaggregation (i.e., item selection procedures) help to better define a publication structure that: (1) Is publishable in its entirety, (2) meets user needs, (3) is continuous, and (4) permits meaningful classification of current production. In order to obtain and maintain publishability of an entire structure, data now are collected using a method where price quotation selection is spread across predetermined product categories that correspond to the publication cells for a Standard Industrial Classification (SIC). The design of the revised disaggregation method nearly guarantees that the PPI will include enough price quotations to populate more lightly weighted cells. More heavily weighted (and populated) cells will receive slightly fewer price quotations than would have been received under the previous method. As a result, indexes constituting the PPI's publication objectives are much more likely to remain published over time. (For a complete description, see "Change in PPI Publication Structures for Resampled Industries Introduced in January 1997." *PPI Detailed Report*, January 1997.)

**B. Sampling**

Recent modifications made to sampling procedures permit the PPI to update weights of industry indexes without initiating a new set of respondents. This process change is called "recycling without resampling." The PPI also has made it operationally feasible to augment the sample of price quotations for a single product line within an SIC when necessary, rather than having to initiate a new sample of respondents. These capabilities are major breakthroughs, since they enable the PPI program to reduce both data

collection expenses and respondent burden, while permitting efficient re-allocation of program resources. Volatile, technologically sophisticated, and never-before-sampled SICs now may be updated or introduced into the PPI in a timelier manner.

### C. Publication

The PPI mission includes a mandate requiring the program to work toward publication, wherever possible, of output price indexes for every four-digit industry defined by the SIC Manual. Historically, the PPI had been a family of indexes focusing on the Mining, Manufacturing, Agriculture, and Forestry sectors. This publication mandate has resulted in expansion of coverage into non-goods producing sectors of the economy. PPI sampling and data collection methodology have permitted systematic retrieval of specific service-industry classifications, and have resulted in the publication of various four-digit SIC aggregate indexes, as well as service-line and detailed service-category price indexes. The PPI currently publishes about fifty industry-based indexes for service-sector activities. Over the preceding decade,

the PPI has introduced indexes encompassing Transportation, Real Estate, Health, Legal, Accounting, and many other service-based industries. Industry expansion continues on a regular basis, as funding permits. As recently as the July 1998 data release, the PPI introduced price indexes for SIC 6331 (Property and Casualty Insurance). In addition, the PPI is conducting research and preparing to collect data for Wholesale and Retail Trade Establishments, as well as Investment Bankers and Stock Brokers.

### D. NAICS Classification

At present, sampling and data collection are conducted according to the SIC Manual system of organization. However, the PPI already has begun to make modifications that will permit smooth conversion to the North American Industrial Classification System (NAICS).

### E. Electronic Data Collection

The PPI is developing electronic data collection procedures that will further contribute to reducing respondent burden and increasing efficiency. The program has been conducting a pilot project where a subset of respondents

receives monthly price quotation forms and provides responses through fax technology. Response rates are better using fax, suggesting that this method of distributing and receiving the forms will be successful. Based on these results, the PPI plans to offer faxing as an option to approximately 30 percent of respondents in the near future.

### F. Internet-Based Data Collection

BLS-wide efforts are being made to test the feasibility of permitting respondents to provide data through an Internet web-browser connection. While this procedure, if implemented, would result in a major data collection enhancement, a large number of security issues must be addressed first. Systems and procedures that protect the confidentiality of individual respondents' micro-data, as well as the integrity of the BLS network as a whole, must be developed and tested.

*Type of Review:* Revision of a currently approved collection.

*Agency:* Bureau of Labor Statistics.

*Title:* Producer Price Index Survey.

*OMB Number:* 1220-0008.

*Affected Public:* Business and other for-profit.

Form No.	Total number of respondents	Frequency	Total annual responses	Average time per response	Total burden hours
BLS 1810A, A1, B, C, C1, and E .....	6,342	Once .....	6,342	2 Hours .....	12, 684
BLS 473P .....	105,000	Monthly .....	1,260,000	18 Minutes ...	378,000

*Total annual burden:* 390,684 hours.  
*Total Burden Cost (capital/startup):* \$0.

*Total Burden Cost (operating/maintenance):* \$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, DC, this 23rd day of October 1998.

**W. Stuart Rust, Jr.,**

*Chief, Division of Management Systems,  
Bureau of Labor Statistics.*

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## DEPARTMENT OF LABOR

### Mine Safety and Health Administration

#### Petitions for Modification

The following parties have filed petitions to modify the application of mandatory safety standards under

section 101(c) of the Federal Mine Safety and Health Act of 1977.

#### 1. Headache Coal Company, Inc.

[Docket No. M-98-87-C]

Headache Coal Company, Inc., Route 1, Box 419-A1, Gray, Kentucky 40734 has filed a petition to modify the application of 30 CFR 75.380(f)(4)(i)(escapeways; bituminous and lignite mines) to its Roses Creek Mine (I.D. No. 15-17074) located in Whitley County, Kentucky. The petitioner proposes to install two 10 pound portable chemical fire extinguishers in the operators deck or in the scoop of each Mescher Tractor at the mine and have the extinguishers readily accessible to the operator; to have the equipment operator inspect each fire extinguisher daily before entering the escapeway; to have the equipment operator maintain at the mine a record of daily inspections; and to have a sufficient number of spare fire extinguishers maintained at the mine in case a defective fire extinguisher is detected. The petitioner asserts that the proposed alternative method would

provide at least the same measure of protection as would the mandatory standard.

#### 2. Headache Coal Company, Inc.

[Docket No. M-98-88-C]

Headache Coal Company, Inc., Route 1, Box 419-A1, Gray, Kentucky 40734 has filed a petition to modify the application of 30 CFR 75.342 (methane monitors) to its Roses Creek Mine (I.D. No. 15-17074) located in Whitley County, Kentucky. The petitioner proposes to use hand-held continuous-duty methane and oxygen indicators instead of machine-mounted methane monitors on three-wheel tractors with drag bottom buckets. The petitioner asserts that the proposed alternative method would provide at least the same measure of protection as would the mandatory standard.

#### Request for Comments

Persons interested in these petitions are encouraged to submit comments via e-mail to "comments@msha.gov", or on a computer disk along with an original hard copy to the Office of Standards,