

NATIONAL PROGRESS REPORT
(United States Bureau of Labor Statistics and Bureau of the Census)

Service Product Prices – New indexes published in the U.S. Producer Price Index (PPI) include wireless telecommunications services, retail food stores, and miscellaneous retail stores. The retail trade industries follow a margin concept for defining output and prices. Indexes are nearing publication for stockbrokers and dealers and the investment advice industry. A large survey for the banking industry just began the initiation phase where we introduce new respondents into the index. A research index was recently put into calculation that aggregates the goods producing sector with the services sector. The resulting monthly data should help define our model preparatory to publishing the final production index.

Classification of service products – The U.S. continues to work with Canada and Mexico to develop the North American Product Classification System (NAPCS). Data for the completed portions of NAPCS will be collected in the 2002 Economic Census.

Measurement of the Demand for Services by Enterprises – Data from the 1997 Economic Census on purchased services will be released by the end of the year. Purchased services data will be available for manufacturing, mining, construction, retail trade, wholesale trade and selected service industries. Plans are underway to expand both the number of purchased service categories covered and the coverage of the survey in 2002. Sectors to be added include non-merchant wholesalers, finance and insurance, and information. New data items include purchased transportation costs, contract labor and other purchased human resources related costs, and management consulting and public relations costs.

Information Society Statistics – At the Bureau of Labor Statistics, a research project is underway to determine if Internet sales price movement is properly captured in the PPI. The project should help determine if there is any bias in the PPI caused by the possible exclusion of Internet mediated sales transactions from the index. A second project will explore the feasibility of obtaining Internet pricing data for telephone switching equipment to use in constructing and updating a hedonic model for quality adjusting such equipment.

The Census Bureau began releasing E-commerce retail sales data for the fourth quarter 1999 holiday season and has continued to provide quarterly data. For 1999, E-commerce sales have been added to all annual forms including manufacturing, retail, wholesale, and services. In addition, a computer network use survey was mailed to all manufacturers included in the Census Bureau's Annual Survey of Manufactures. Questions also have been added to the Current Population Survey for September 2001 regarding household use of computers and the Internet. The Census Bureau also has requested supplemental funding to expand its collection of data on the electronic economy. Specifically, the Bureau will conduct a supply chain survey and explore types of e-business and infrastructure surveys to conduct.

International Trade in Services - The Bureau of Economic Analysis is making continuing effort to ensure that services delivered over the Internet or other computer-mediated networks are captured by its surveys of trade in services. Where new Internet-related services fall within the scope of existing services categories, definitions have been revised to mention them specifically. Thus, the instructions for telecommunications services recently were changed to indicate that Internet backbone and broadband access services were included. Similarly, instructions for computer and data processing services were changed to indicate that Web site design and Web site management were to be included, and Internet domain names were added as an example of the type of intangible assets covered by the survey for royalties and license fees. Design of the next quinquennial benchmark survey of selected services, to cover the year 2001, is about to get underway, and among the categories being considered for addition is auction services, reflecting the emergence of online auctions and the relative ease of participation by residents of different countries.