



U.S. Department of Labor

Bureau of Labor Statistics

Boston/New York Region

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May 2, 2019

Mr. Terrance D. McCracken
Secretary To The Authority
Erie County Water Authority
295 Main Street, Room 350
Buffalo, NY 14203-2415

Dear Mr. McCracken:

The Bureau of Labor Statistics is updating the Residential Water Service component of the Consumer Price Index (CPI), and we are requesting Erie County Water Authority's cooperation in providing statistical information for the CPI. As the most widely used measure of price change, the CPI is among the nation's most important economic indicators and is widely used by business and government to analyze and forecast economic conditions, deflate economic data, adjust income payments (for example, Social Security and Collective Bargaining Agreements) and adjust the Federal income tax structure.

The program is designed to use price data for products and services provided on a voluntary basis from a sample of retail establishments. Your Water Authority was statistically selected, along with others, to represent Residential Water Service purchases in the Erie County area. With your assistance, we would like to randomly select and track the price(s) of 6 sample quarterly billing scenerios that your business provides.

Mr. McCracken, we do realize you have many demands upon your resources, including your time. Consequently, we will take up as little of your time as possible and will gladly work around your schedule.

The Bureau of Labor Statistics, its employees, agents, and partner statistical agencies, will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act (44 U.S.C. 3572) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent. Per the Federal Cybersecurity Enhancement Act of 2015, Federal information systems are protected from malicious activities through cybersecurity screening of transmitted data.

I have asked Ms. Linda McGovern of my staff to telephone you within the next few days to explain the CPI in more detail. If you have any questions regarding this matter, please contact Ms. McGovern at (716) 385-8147. For further information about our statistics, you may visit our web site at www.bls.gov. Your cooperation in making this survey a success will be greatly appreciated.

Sincerely yours,

A handwritten signature in cursive script that reads "Deborah A. Brown".

Deborah A. Brown
Regional Commissioner

Enclosure: CPI Commodities & Services Survey Q&A

BLS national and regional offices

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Questions?

If you have any questions or comments regarding any aspect of the survey, send them to the Division of Consumer Prices and Price Indexes, Bureau of Labor Statistics, 2 Massachusetts Ave., NE, Washington DC 20212, call (202) 691-6991, or e-mail: CPI_info@bls.gov.

The U.S. Office of Management and Budget (OMB) has approved this collection of information and has assigned 1220-0039 as the control number. Without OMB approval and this number, we would not be able to conduct this survey.

The Consumer Price Index

Commodities and Services Survey: Questions & Answers



Your input is important!

We need your help measuring the rate of inflation in the U.S. economy. The Bureau of Labor Statistics (BLS) is asking for your voluntary participation in the Consumer Price Index (CPI) survey to help provide an accurate measurement of the changes in the cost of the many goods and services normally purchased by urban consumers. Your cooperation in this important survey will help provide the "big picture" of the U.S. economy.

What is the CPI?

The CPI is the nation's chief measure of inflation at the retail level. It measures changes over time in the cost of buying a fixed market basket of goods and services needed for day-to-day living. Calculated and published by BLS, the CPI is used by business, labor, and government for making informed economic decisions. It is widely used to adjust payments under collective bargaining agreements and other contracts. The Federal government uses the CPI to adjust Social Security payments, personal income taxes, and other program payments for the effects of inflation.

What does the CPI include?

The CPI measures price changes for all types of goods and services that are purchased by urban consumers, whether costly or inexpensive and whether purchased often or infrequently. Each item is represented in the index in proportion to consumer spending on it. Items are divided into eight major groups: food and beverages, housing, apparel, transportation, medical care, recreation, education and communication, and other goods and services. Investments, such as purchases of stocks, bonds, and homes, are not priced in the CPI, because they do not represent consumption of goods and services by consumers.

How does BLS get the information on the price change in the CPI?

BLS employees visit selected retail stores, houses, apartments, and other establishments in urban areas on a regular basis to collect prices of sample items. Prices are collected monthly in Chicago, Los Angeles, and New York. In all other areas, food, fuel, and other selected items are priced monthly; the rest of the items are priced every other month.

Who is covered by the CPI?

There are, in effect, two CPIs. One represents the expenditures of all urban consumers (CPI-U); the other represents expenditures of urban wage earners and clerical workers (CPI-W). These indexes do not take into account the buying habits of persons living on farms or in rural areas, persons in military service, or those in institutions.

How was my establishment selected to participate?

Your establishment was selected primarily from information obtained from a household survey. In this survey, households reported where they purchased various types of goods and services and the dollar amounts of these purchases. From these data, a sample of establishments was selected for pricing of various categories of items.

When and how is the CPI published?

CPI data appear in a news release usually issued around the 15th of the month, reporting the data for the previous month. Also at this time, CPI data is reported in various media, such as television, newspapers, and public websites.

How can I get CPI data?

Information is available on the BLS-CPI homepage at www.bls.gov/cpi/home.htm shortly after release of the CPI data. The most comprehensive report on the CPI is the periodical *CPI Detailed Report*, issued monthly.



Confidentiality and burden concerns

Confidentiality statement:

The Bureau of Labor Statistics, its employees, agents, and partner statistical agencies will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent required by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (Title 5 of Public Law 107-347) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent.

Voluntary nature:

This report is authorized by law, 29 U.S.C.2. Your voluntary cooperation is needed to make the results of this survey comprehensive, accurate, and timely.

Public burden statement:

- On average, it will take an hour to determine your eligibility and, if eligible, complete the initial survey.
- Either monthly or bimonthly follow-up survey should take about 20 minutes.