

**IMPROVED MEASUREMENT OF THE SERVICES SECTOR BY THE
U.S. CENSUS BUREAU**

Voorburg Group Meeting on Service Statistics

**Mark E. Wallace
Chief, Service Sector Statistics Division
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October 10, 2003

Tokyo, Japan

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I. Background

The purpose of this paper is to provide the Voorburg Group Meeting on Service Statistics with the U.S. Census Bureau's experiences and plans with respect to developing improved service sector statistics. It briefly describes the history of the development of U.S. services programs, identifies data gaps in existing service sector coverage, describes successful strategies for addressing these deficiencies, and outlines a multi-year plan for expanding coverage of service sector statistics.

Service data are, today as they have been in the past, far less available in terms of industry and geographic detail and frequency of collection than are those for the goods-producing sector of the economy. This imbalance has its origins from a period when goods production was the larger and more rapidly growing part of the non-farm economy. The greater cyclicity of goods production, the rapid pace of technological change in manufacturing, and the importance of merchandise trade in international transactions prolonged this bias.

The last fifty years, however, have witnessed profound changes in the U.S. economy. Following World War II, manufacturing accounted for about 27 percent of GDP. Today that number is about 16 percent. Services, including retail and wholesale trade, then were approximately 40 percent of GDP and are now about 60 percent. Financial, business, scientific and professional services have more than doubled in the last 50 years while computer related services nearly doubled between 1994 and 2000. When one adds Government services to the total, almost 80 percent of GDP and employment are in services. On the trade side, exports of services in 2000 neared \$300 billion, and accounted for a \$90 billion trade surplus.

The growth of services is, of course, not endemic to the U.S. economy. Generally, as economies advance, service production as a proportion of output increases and the significance of knowledge and the information content of service activity grows. The externalization of routine services by manufacturers and the development of new high value-added business services have fueled this transition and increased each sector's dependence on the other.

II. Looking Back at Our Improvement Efforts

In an attempt to keep U.S. statistical programs in step with an evolving economy, significant progress has been made in the last 20 years at the Census Bureau in improving the measurement of services. The 1992 Economic Census covered more of the economy than any previous census. First-time coverage of communications, utilities, financial services, insurance and real estate, as well as expanded industry coverage of the transportation sector boosted our total coverage of the census to nearly 98 percent of all economic activity.

Expanding the scope of the Economic Census was a necessary precondition for improving our current services program. Even more fundamental to the overall improvement of service data, however, was the need to redefine the system for industrial classification,

and to define data concepts and a system for the collection of service outputs. In addition to these definitional shortcomings that restricted our data collection efforts, there were other complicating considerations, including the:

- diversity of service industries and the growth and relative importance of small production units,
- importance of government and private non-profit organizations to the total output of some industries,
- rapid organization and technological changes occurring in many service industries, and
- identification of the appropriate reporting unit for obtaining statistical information from various industries.

The statistical agencies of the United States recently replaced the outdated Standard Industrial Classification (SIC) with the new North American Industry Classification System (NAICS). Unlike previous changes to the SIC, the NAICS changes were more fundamental. NAICS classifies businesses based on their production processes. It recognized hundreds of new activities for the first time – particularly in the services sector. Developed jointly with Canada and Mexico, NAICS provides for the development of comparable industry statistics across North America. The 1997 Economic Census provided the first U.S. economy-wide NAICS-based statistics.

Having largely accomplished the industry classification objectives of NAICS, the three countries have jointly undertaken an initiative to develop a comprehensive North American Product Classification System (NAPCS). While the classification of industries was constructed on a production-oriented conceptual framework, the classification of products produced by industries is being based on a market-oriented or demand-based conceptual framework that is independent of the NAICS industry classification system.

Since the United States has had no product classification system for the service industries, the initial focus of NAPCS has been on services. In contrast, the Census Bureau has had along history of collecting product-level detail for the manufacturing industries.

The Census Bureau's Current Services Program has benefited from these definitional improvements. Today, we publish data for over 300 different industries and industry segments in our Service Annual Survey (SAS). In contrast, for 1983 – the year of its inception – the SAS produced estimates of total receipts for about twenty different industries. They included beauty and barbershops, motion picture theaters, bowling alleys, lawyers, doctors and dentists. The data were limited and emphasized older, mature, and often declining industries. The survey results were, by themselves, misleading to anyone hoping to form a realistic picture of the growth of the service economy.

The growth of our Current Services Program has been incremental. From these modest beginnings, we increased the number of industries and industry groups published in the Service Annual Survey from 22 to over 160 by the 1996 survey. In addition, we expanded the survey content to collect information beyond just total operating receipts for selected industries including health services, computer services, automobile rental and leasing, travel agents and tour operators, personnel supply services, and others. We established new annual surveys covering the trucking and public warehousing industries (Transportation Annual Survey); and communication services that included the telecommunications, broadcasting and cable television industries (Annual Survey of Communication Services). These two surveys produced very detailed estimates of revenues by source, and expenses by type.

Ultimately, the largest single industry expansion to our current service program occurred with the introduction of NAICS for the 1999 survey year. We approximately doubled the number of industries and industry segments for which we published data. The Transportation Annual Survey and the Annual Survey of Communication Services were subsumed into the SAS, and the publishing industries, previously covered by our manufacturing programs, were included in the SAS as part of our coverage of the Information Sector. Some cuts, however, did occur. We eliminated the collection of annual expense data for the Trucking and Warehousing Industries, as well as revenue-lines information for the rental and leasing, travel, personnel supply, and other industries.

III. Summary of Today's Current Services Program

A. Industry Coverage

Today, the Service Annual Survey is a sample of approximately 60,000 businesses with one or more establishments primarily engaged in the following kinds of business:

- Truck transportation, courier and messenger services, and warehousing and storage
- Information
- Securities, commodity contracts and other intermediation and related activities; and portfolio management and investment advice
- Rental and leasing services
- Professional, scientific and technical services, except landscape architectural services
- Administrative and support, waste management and remediation services, except landscaping services
- Health care and social assistance
- Arts, entertainment and recreation services
- Other service, except public administration, religious, labor and political organizations

In addition to the exceptions cited above, the survey currently excludes most transportation and finance industries, insurance, real estate, and education.

B. Data Content

Output - The SAS produces estimates of total output for all of the industries it covers. For most, this is total operating revenue. For non-profits, however, we produce estimates of both total revenue and total expenses since, by themselves, revenues are not an adequate measure of the output of non-profit organizations.

Products - Total revenues also are limiting for industries with mixed or multiple outputs. Many service industries are characterized by the production of two or more kinds of output – often including outputs characteristic of other industries. In manufacturing, we collect detailed information on the primary and secondary outputs of establishments that allow us to measure the total output of a product no matter which industry produces it.

We began testing the provisional NAPCS products in the 2001 SAS for the Information Sector and Computer System Design and Related Services. The 2002 Economic Census, being collected now, is serving as the official test platform for all NAPCS products that have been developed to date. The more aggregated levels that will be collected in SAS will enable us to link to the Census structure and benchmark the annual estimates to the Census data. For Health Services, we also produce estimates of each industry's *sources of revenue* including Medicare, Medicaid, Worker's Compensation, private insurance, and patient out-of-pocket payments.

Other data content - *Total expenses* and *expenses by detailed category* are produced for the Telecommunications and Broadcasting Industries. Limited *purchases* data are produced for other industries. These include purchases of transportation for the Trucking Industry; purchased printing for the Newspaper, Periodical, Book, and Database Publishing Industries; and separate purchases of printing, software reproduction, and programming services for the Software Publishing Industry.

Total inventories and separate estimates of *inventories for finished goods and work-in-process*, and *materials and supplies* are produced for the Publishing Industries, and Motion Pictures and Sound Recording.

Estimates of *exported services* are produced in the SAS for industries in the Information Sector, Securities and Commodity Contracts Intermediation and Brokerage, and Computer Systems Design and Related Services.

Finally, estimates of the *dollar volume of all e-commerce transactions* are produced for manufacturing, wholesale, retail, and services sectors, including selected sub-sectors in the SAS.

IV. Existing Data Gaps in Today's Measurement of Service Industries

Although we have made significant improvements to our Current Services Program over the years, further enhancements are necessary to provide better source data for estimating real output, productivity, and prices for our Nation's economy. Despite service's importance and ever increasing share of total economic activity, the ability of the U.S. federal system to measure the service sector's true contribution to the Nation's well-being remains rudimentary at best. Two years ago, as a first step toward addressing key data gaps, the U.S. Census Bureau identified four basic needs in the realm of service sector statistics.

A. Need for More Frequent Statistics on Key Service Industries

The Census Bureau presently conducts 13 principal economic indicator surveys. Monthly series cover manufacturing, wholesale and retail trade, merchandise trade, and housing starts and building permits; quarterly series include corporate profits and housing vacancies. These indicator series track current economic activity, are closely followed and widely used by policy makers in the public and private sectors, and move financial markets. However, the existing series have had a major deficiency. No principal economic indicator covers services sensitive to changes in the business cycle, including the information, communications and technology-intensive service industries. Measures of selected service industry activities are available now only annually.

B. Need for Improved Product Data for Service Industries

The U.S. Census Bureau currently collects extensive product data for the 474 industries in the manufacturing sector (approximately 9,000 products), which other agencies use to develop price indices and measures of real output, real GDP, and productivity for those industries. However, it collects only very limited product data for the 424 industries in the services sector. This dichotomy was, perhaps, justified fifty years ago, but today is untenable. New data on the specific products sold by the service sector are required to ensure that the U.S. national economic accounts accurately measure today's economy.

C. Need for Statistics on the Contribution of Value Added by Service Industries

The U.S. Census Bureau collects very little data on purchased services, purchased materials, and other intermediate inputs for service industries, data needed by the Bureau of Economic Analysis for calculating value-added statistics (each industry's contribution to GDP). The collection of these data by the U.S. Census Bureau will enable the Bureau of Economic Analysis to improve the accuracy of the national accounts by providing the basis for improving annual input-output accounts and data on GDP by industry.

D. Need for Expanded Coverage of Service Industries

The SAS currently covers \$4 trillion in services activity. However, it fails to measure over \$3 trillion within the fastest growing and changing economic sectors, like finance, insurance, real estate, utilities, and the transportation sector, which are covered only every five years by the economic census. The effects of deregulation have been compounded by new openness in market entry, technological innovations, organizational restructuring, and the globalization of our economy. Filling the critical data gaps that exist for these dynamic service sectors is a top priority cited by the major federal statistical agencies.

V. Strategy for Addressing Service Data Gaps

To address these deficiencies, the Census Bureau called together an interagency group of top level officials from five major U.S. federal statistical agencies, which met for several weeks in early 2002 to develop a detailed plan for improving service sector statistics. The group included officials from the Bureau of Economic Analysis, the Bureau of Labor Statistics, the Federal Reserve Board, the Economics Statistics Administration, and the Census Bureau. The plan's first phase included a multi-component FY 2003 budget request for improving the measurement of services. Congress ultimately approved funding for this request in February

2003. The 2003 funding will be used to conduct a Quarterly Services Survey (QSS), covering key industries in technology-intensive areas like those in the \$1 trillion Information Sector. The QSS will be the first economic indicator to be introduced by the Census Bureau in over 40 years and the first by any U.S. Federal agency in 30 years. Funding also will be used to provide annual data on the product composition of service industry output, and to improve source data required for computing value added for services.

The second phase of the plan includes activities covered by a FY 2004 initiative, now before Congress, that would expand annual coverage of services industries in the SAS, expand industry coverage of the new Quarterly Services Survey, and provide annual product data for the retail and wholesale trade sectors of the economy. Serving as part of a multi-year expansion plan for improving the measurement of services, the 2004 request thus builds upon the foundation laid by new surveys and improved source data made possible by the FY 2003 funding.

Calling together several agencies to address the gaps in service data proved to be an effective strategy. Together, the agencies identified specific program enhancements that truly respond to the needs of the statistical community, significantly improve GDP and the national accounts, and will make economic data more useful to policymakers and businesses. Moreover, the agencies' collective endorsement of the U.S. Census Bureau's initiatives built a strong case for why Congress should approve the funding.

VI. Multi-year Expansion Plan for Implementing Improved Measures of Services

A. General

Since we received the 2003 funding so late in the budget cycle (February 2003, five months into the fiscal year), we had to hit the ground running to get work moving on several simultaneous fronts. Indeed, work has begun in earnest on the Quarterly Services Survey, the development of NAPCS product data for the Service Annual Survey (SAS), the SAS Value added initiative, and other initiatives for improving the measurement of services. The U.S. Census Bureau, at present, is focusing on the following activities:

1. **Hiring staff.** In the Service Sector Statistics Division alone, we have filled thirty positions over the last six months. We have established a new branch for the Quarterly Services Survey, and other initiative components entail making expansions to existing branches.
2. **Relocating positions.** Space is not available in our existing location to accommodate the additional staff. We are taking steps to relocate staff to new office space.
3. **Finalizing survey content.** The basic content was established last year and approved by the Economic Statistics Administration, the Bureau of Economic Analysis, the Federal Reserve Board, and the Bureau of Labor Statistics as part of the interagency group established by the Census Bureau. We are reviewing plans with these agencies and also are consulting with business organizations, individual companies, and others. We are testing specific measurement issues with businesses using draft questionnaires and cognitive research methods.
4. **Beginning the Office of Management and Budget (OMB) forms approval process.** Initial Federal Register notices announcing our intention to start new collections and to expand existing programs are being published, and we have prepared OMB forms approval packages.
5. **Addressing methodology issues.** We are determining specific collection methods, specifying the appropriate statistical unit for each of the components, specifying the desired reliability levels, and are beginning work related to sample design and estimation methods.
6. **Developing supporting IT and processing infrastructure for the new initiative components.** We have begun hardware acquisition, specified system and software requirements, and begun system development that leverages our Standard Economic Processing System (StEPS). We plan to use contractors to supplement our internal programming staff.

7. **Beginning data collection.** Data collection is scheduled to begin in FY 2004 for the QSS and the expanded SAS. Despite receiving funding for FY 2003 five months after the beginning of the fiscal year, we have quickly assembled and trained the necessary staff, which will enable us to start data collection activities according to our original schedule. The original schedule to which we are adhering is provided below:

- **Quarterly Services Survey** will collect data for both 4Q2003 and 1Q2004 in April 2004. This is a new voluntary economic indicator survey so we plan to collect three quarters of data before we publish the first results in September 2004.
- Collect new product and purchased services data in the **2003 Service Annual Survey**, scheduled to be mailed in February 2004, targeting the three sectors included in the QSS.
- The **2003 Annual Trade Survey**, mailed in February 2004, will be expanded to include manufacturers' sales branches and offices.

The President's budget for 2004 requests additional funding to complete these services improvements.

The following provides a detailed program chronology of our specific multi-year expansion plans for each component of the overall initiative to improve the measurement of services. These plans reflect the increased funding obtained in FY 2003 to conduct a quarterly survey of service industry activity, provide annual data on the product composition of service industry output, and improve source data for computing value added for services. They also reflect initiatives to expand the quarterly survey and industry coverage in our Service Annual Survey that are part of the President's 2004 budget now before the Congress. Attachment A, Services Statistics, Expanding Annual Coverage and Product Detail (see page 13), is an illustration of the plans we outline below.

B. Quarterly Services Survey (QSS)

1. Implementation Activities, Using Approved Funding for FY 2003

1st Quarter of 2004:

The QSS will cover the following sectors:

- Information (NAICS 51)
- Professional, Scientific, and Technical Services (NAICS 54)
- Administrative and Support and Waste Management and Remediation Services (NAICS 56)

The survey will produce estimates of total operating revenue and revenue by class of customer (residential, business, and government). (For an example of the QSS reporting form, see Attachment B, on page 14.) It will be used by the Bureau of Economic Analysis to significantly improve their quarterly GDP and GDP by industry estimates, enabling them to provide the Federal Reserve Board and Council of Economic Advisers with timely information to assess current economic performance. Other government and private stakeholders also will benefit from a better understanding of important cyclical components of the economy.

The survey will be mailed at the end of March 2004 and produce estimates for the 4th Quarter 2003 and 1st Quarter 2004. We will not begin releasing data, however, until September of 2004. At that time, we will release estimates for the 4th Quarter 2003 and the first two quarters of 2004. This delayed release schedule will enable us to "prove in" concepts and stabilize processing before disseminating data to the public. We will release estimates no later than 90 days after the end of the quarter for each quarter thereafter. Our eventual goal, however, will be to reduce this period to 75 days following the end of the calendar quarter. Attachment C (see page 18) includes a preliminary draft of the publication tables we plan to release for the QSS.

Progress to date:

We are on schedule in accordance with the milestone activities shown below.

Milestone activity:	Date:
1. Baseline requirements	07/30/03

2.	Baseline project schedule	05/30/03	
3.	Determine survey scope and content	09/30/03	
4.	Finalize survey requirements document	09/30/03	
5.	Visit companies	10/31/03	
6.	Finalize questionnaire and other survey materials	12/31/03	Firm date
7.	Obtain OMB approval	12/31/03	
8.	Complete parameter studies	03/03/03	
9.	Construct sampling frame	09/12/03	
10.	Approve selected sample	09/30/03	
11.	Create initial database	10/23/03	
12.	Initial database review and correction	02/06/04	
13.	Approve StEPS processing system	03/19/04	
14.	Conduct company notification mailing	02/16/04	
15.	Initial mailout	03/31/04	Firm date
16.	Data collection closeout	06/04/04	Firm date
17.	Complete post-data collection processing	06/25/04	
18.	Initial release of data	09/30/04	Firm date

1st Quarter of 2005:

We will expand the quarterly survey to cover Hospitals and Nursing and Residential Care Facilities (NAICS 622 and 623 respectively) in the second year of the survey.

Because Hospitals and Nursing and Residential Care Facilities include a significant non-profit component, we also will collect total expenses from these firms. Total expenses are often a better measure of output than total revenue for tax-exempt organizations and will be collected for all industries where these firms are significant. We will collect 4th Quarter 2004 and 1st Quarter 2005 data for these firms.

2. Plans Pending FY 2004 Budget Approval

1st Quarter of 2005:

The QSS will be expanded to cover the following industries:

- Truck Transportation, Couriers and Messengers, and Warehousing (NAICS 484, 492, and 493)
- Securities and Commodity Contract Intermediation and Brokerage (NAICS 5231) and Other Financial Investment Activities (NAICS 5239)
- Rental and Leasing (NAICS 532)
- Remainder of Health Care and Social Assistance (NAICS 62, except Hospitals and Nursing and Residential Care Facilities covered by the FY 2003 initiative)
- Arts, Entertainment and Recreation Services (NAICS 71)
- Other Services (NAICS 81)

Data will be collected for the 4th Quarter 2004 and the 1st quarter 2005. This will complete quarterly coverage of all industries now covered in the SAS.

1st Quarter of 2006:

If the 2004 initiative to expand the SAS also is approved (see SAS- Industry Expansion below), the following industries will be added to the QSS in the 1st quarter of 2006 (4th quarter 2005 data also will be collected).

- Utilities (NAICS 22)
- Transportation (NAICS 48 and 49), except rail, certificated air, and those transportation industries now covered in the SAS
- Finance and Insurance (NAICS 52), except those industries now covered in the SAS
- Real Estate (NAICS 531)

C. SAS – NAPCS Product Data

1. Implementation Activities Using Approved Funding for FY 2003

2003 Survey:

NAPCS products will be added for the following industries:

- Motion Picture and Sound Recording Industries (NAICS 512). This will complete NAPCS product coverage in the Information Sector.

For an example of the additional products cited immediately above, as they will appear on the 2003 SAS reporting form, see Attachment D.

Note: NAPCS products had been previously added to the 2001 SAS for most of the Information Sector (NAICS 51), except 512) and Computer Systems Design and Related Services (NAICS 5415). These data, as well as the newly included NAPCS products, will be used by the Bureau of Economic Analysis, the Bureau of Labor Statistics, and others to improve measures of economic growth, real output, prices, and productivity for the U.S. economy.

Progress to date:

We are on schedule in accordance with the milestone activities shown below.

Milestone activity:*	Date:	
1. Baseline requirements	05/31/03	
2. Baseline project schedule	05/31/03	
3. Determine survey content and definition	05/31/03	
4. Visit companies	08/31/03	
5. Finalize questionnaire and other survey materials	09/30/03	Firm date
6. Obtain OMB approval	11/30/03	
7. Approve StEPS modification, where necessary	12/15/03	
8. Conduct company notification mailing	12/15/03	
9. 2003 initial SAS mailout	01/26/04	Firm date
10. 2003 SAS data collection closeout	10/31/04	Firm date
11. Complete post-data collection processing	11/14/03	
12. Release 2003 data	12/31/04	Firm date

*Milestone dates for implementing additional expansion of NAPCS product data in the 2004 and 2005 SAS will occur at comparable times during calendar years 2004, 2005, and 2006.

2004 Survey:

NAPCS Products will be added for the following industries:

- Professional, Scientific, and Technical Services (NAICS 54)
- Administrative and Support and Waste Management and Remediation Services (NAICS 56)
- Hospitals (NAICS 622) and Nursing and Residential Care Facilities (NAICS 623)

Along with NAPCS coverage of the Information Sector completed in 2003, this expansion will parallel the industries covered by the QSS.

2005 Survey:

NAPCS Products will be added for the following industries:

- Truck Transportation, Couriers and Messengers, and Warehousing (NAICS 484, 492, and 493)
- Securities and Commodity Contracts Intermediation and Brokerage (NAICS 5231) and Other Financial Investment Activities (NAICS 5239)
- Rental and Leasing (NAICS 532)
- Health Care and Social Assistance (NAICS 62, except Hospitals and Nursing and Residential Care Facilities added in the 2004 survey)
- Arts, Entertainment and Recreation Services (NAICS 71)

- Other Services (NAICS 81)

This will complete NAPCS product detail for all industries now covered by the (2003) SAS.

2. Plans Pending FY 2004 Budget Approval for Expanding the SAS

2005 Survey:

If the 2004 initiative to expand the SAS is approved, NAPCS products also will be added to the following industries:

- Transportation (NAICS 48 and 49), except rail, certificated air, and those transportation industries now covered in the SAS
- Finance and Insurance (NAICS 52), except those industries now covered in the SAS

2006 Survey:

If the 2004 initiative to expand the SAS is approved, NAPCS products will be added to the following industries:

- Utilities (NAICS 22)
- Real Estate (NAICS 531)

D. SAS – Value Added

The value added initiative involves adding the following expenses and purchased service categories to the SAS:

- Cost of purchased materials and supplies other than for resale with breakouts for expensed computer related supplies (including hardware and packaged software); and other materials, parts and supplies
- Cost of contract labor
- Purchased communications services
- Purchased computer services with breakouts for custom-coded software (including the adaption of off-the-shelf software and systems design) and data processing services
- Purchased management, consulting, administrative services, and other professional services (including legal, accounting, auditing, and bookkeeping services)
- Purchased fuels (for heating, power, and generating electricity)
- Purchased electricity
- Lease and rental payments
- All other purchased services (e.g., advertising, repairs, transportation, janitorial, and security services)

These data will be used by the Bureau of Economic Analysis to improve the quality of intermediate inputs and value added estimates in their annual input-output and GDP by industry accounts. These annual data on purchased services and materials will be used as indicators to update Economic Census data collected in the Business Expenses Survey and will provide the Federal Reserve Board, the Council of Economic Advisers, and other government and private stakeholders with timely information to assess the economic performance of service industries.

1. Implementation Activities Using Approved Funding for FY 2003

2003 Survey:

The above expense and purchased services categories will be added for the following industries:

- Information (NAICS 51)
- Professional, Scientific, and Technical Services (NAICS 54)
- Administrative and Support and Waste Management and Remediation Services (NAICS 56)
- Hospitals and Nursing and Residential Care Facilities (NAICS 622 and 623)
- Securities and Commodity Contracts Intermediation and Brokerage (NAICS 5231) and Other Financial Investment Activities (NAICS 5239)

For an example of the new expense and purchased services categories cited above, as they will appear on the 2003 SAS reporting form, see Attachment E.

Progress to date:

We are on schedule in accordance with the milestone activities shown below.

Milestone activity:*	Date:	
1. Baseline requirements	05/31/03	
2. Baseline project schedule	05/31/03	
3. Determine survey content and definition	05/31/03	
4. Visit companies	08/31/03	
5. Finalize questionnaire and other survey materials	09/30/03	Firm date
6. Obtain OMB approval	11/30/03	
7. Approve StEPS modification, where necessary	12/15/03	
8. Conduct company notification mailing	12/15/03	
9. 2003 initial SAS mailout	01/26/04	Firm date
10. 2003 SAS data collection closeout	10/31/04	Firm date
11. Complete post-data collection processing	11/14/03	
12. Release 2003 data	12/31/04	Firm date

*Milestone dates for implementing the second phase of this expansion in the 2004 SAS will occur at comparable times during calendar years 2004 and 2005.

2004 Survey:

The above expense and purchased services categories will be added for the following industries:

- Truck Transportation, Couriers and Messengers, and Warehousing (NAICS 484, 492, and 493)
- Rental and Leasing (NAICS 532)
- Health Care and Social Assistance (NAICS 62, except Hospitals and Nursing and Residential Care Facilities where data are added in the 2003 survey)
- Arts, Entertainment and Recreation Services (NAICS 71)
- Other Services (NAICS 81)

This will complete the addition of these items for all industries now covered by the SAS.

2. Plans Pending FY 2004 Budget Approval for Expanding the SAS

2005 Survey:

If the 2004 initiative to expand the SAS is approved, the above expense and purchased services categories will be added to the following industries:

- Transportation (NAICS 48 and 49), except rail, certificated air, and those transportation industries now covered in the SAS
- Finance and Insurance (NAICS 52), except those industries now covered in the SAS

2006 Survey:

If the 2004 initiative to expand the SAS is approved, the above expense and purchased services categories will be added to the following industries:

- Utilities (NAICS 22)
- Real Estate (NAICS 531)

E. SAS – Industry Expansion (FY 2004 Budget Initiative Component ONLY)

1. Plans Pending FY 2004 Budget Approval for Expanding the SAS

2004 Survey:

The following industries will be added:

- Utilities (NAICS 22)
- Transportation (NAICS 48 and 49), except rail, certificated air, and those transportation industries now covered in the SAS
- Finance and Insurance (NAICS 52), except those industries now covered in the SAS
- Real Estate (NAICS 531)

Data content for the 2004 survey will be limited to total and e-commerce revenue. Products and purchased services data from the Value-Added initiative will be added for the 2005 and 2006 surveys (as described above).

F. Other Initiatives for Improving the Measurement of Services

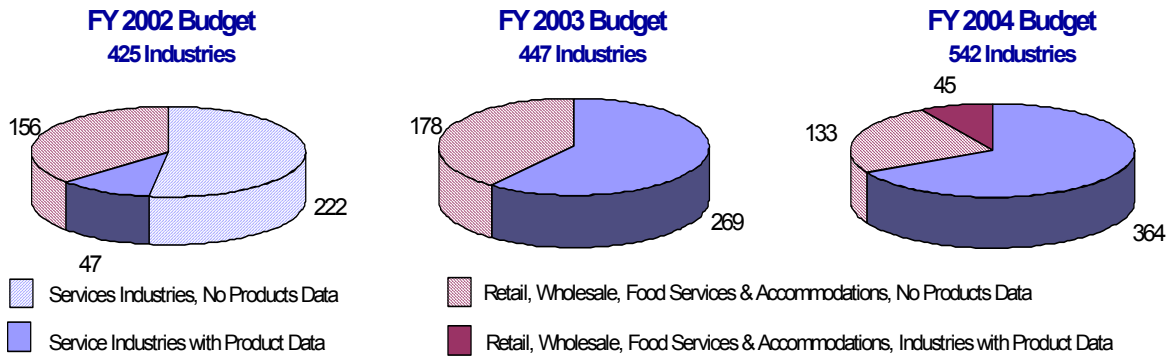
In addition to the aforementioned initiatives to improve services, Congress provided FY 2003 funding to improve the coverage of e-business activities. This funding is enabling us to proceed with plans to collect complete annual information on the wholesale sector of the economy, including data on manufacturers' sales branches and offices that now are only collected every fifth year as part of the Economic Census. The funding also is being used to collect and publish all business spending associated with creating and maintaining the information and communication technology infrastructure, including detailed annual information on capitalized and expensed business expenditures on hardware, software, and communication services. Further, the FY 2003 funding is providing for a study of how e-business practices are re-shaping supply chain relationships across many U.S. industries in the manufacturing, wholesaling, retailing, and transportation sectors. Finally, pending the receipt of funding from Congress as part of the FY 2004 initiative to improve the measurement of the service sector, the Census Bureau is working with the Bureau of Economic Analysis to identify 40 to 50 key high volume retail and wholesale industries that sell diverse and dynamic products. This 2004 initiative component will collect product data for these selected industries beginning in the 2004 Annual Retail Trade Survey and the 2004 Annual Trade (Wholesale) Survey. Report forms will be mailed in early 2005 and results will be published during the second quarter of 2006.

VII. Conclusion

Over the years as well as very recently, much has been done to improve the measurement of services in the U.S. economy. However, there is much left to do in this regard. Having recently solicited and received Congressional funding to improve the measurement of services statistics, firm plans are in place to address longstanding data gaps. The next several years promise to bring exciting developments as the U.S. Census Bureau implements scheduled activities related to the Quarterly Services Survey. We also look forward to expanding industry, product, and data content for the Service Annual Survey and for other surveys covering the Wholesale and Retail Trade sectors.

Service Statistics Expanding Annual Coverage and Product Detail


Attachment A



FY 2002 Budget Base Program	FY 2003 Budget +\$5.5 Million	FY 2004 Budget \$4.0 Million
Expanding Annual Industry Coverage		
Covers 269 service industries annually but excludes 95 other industries, including finance, insurance, real estate and utilities	Covers 269 service industries annually but excludes 95 other industries	Adds annual coverage of 95 service industries, including finance, insurance, real estate, and utilities
Covers 69 wholesale industries annually but excludes agents, brokers, & manufactures' sales offices	Covers all wholesalers, new data for 22 industries	Covers all wholesalers in annual survey
Covers all 72 retail industries annually	Covers all 72 retail industries annually	Covers all 72 retail industries annually
Expanding Annual Detail		
Data on service products available annually for 47 service industries	Product data available annually for 269 service industries	Product data available for an additional 95 service industries
No product data for any retail or wholesale industries	No product data for any retail or wholesale industries	Products data for selected retail & wholesale industries selling diverse products
Very limited data on merchandise & services purchased by service industries	Purchased services data available for 269 service industries	Purchased services data available for 364 service industries
Exported services data available for 19 service industries	Exported services data available for 19 industries	Exported services data available for 19 industries
Increasing Frequency		
No service data available more frequently than annually	New quarterly services indicator covers 4 service sectors	Quarterly services indicator expanded to cover additional 6 service sectors
Retail and wholesale estimates available monthly	Retail and wholesale estimates available monthly	Retail and wholesale estimates available monthly

Attachment B. QSS Form Example

OMB No. 0607-0725; Approval Expires: 08/31/2006

<p>U.S. DEPARTMENT OF COMMERCE Economics and Statistics Administration U.S. CENSUS BUREAU</p>  <p>FORM QS-1(A) (7-30-2003)</p> <p>DUE DATE July 18, 2003</p> <p>NOTICE — Your report to the Census Bureau is confidential by law (Title 13, U.S. Code). It may be seen only by persons sworn to uphold the confidentiality of Census Bureau information and may be used only for statistical purposes. The law also provides that copies retained in your files are immune from legal process.</p> <p>RETURN COMPLETED FORM TO: U.S. CENSUS BUREAU 1201 East 10th Street Jeffersonville, IN 47132-0001 OR Fax: 1-800-447-4613</p> <p>Need help? Visit our web site: http://www.census.gov/econhelp/qps or Call 1-800-772-7861 between 8:30 a.m. and 5:00 p.m. EST, Monday through Friday.</p>	<p>QUARTERLY SERVICES SURVEY</p>
<p><i>(Please correct any errors in name, address, or ZIP Code)</i></p>	
<p>1 SURVEY COVERAGE</p> <p>Does the above coverage describe this firm's business activity?</p> <p>000 1 <input type="checkbox"/> Yes — Continue with 0</p> <p>2 <input type="checkbox"/> No — Specify your business activity and continue with 0 Z</p> <p>000</p> <div style="border: 1px solid black; height: 40px; width: 100%;"></div>	
<p>2 NOT APPLICABLE TO THIS FORM</p>	

3 REVENUE

A. What was the quarterly revenue for all domestic locations for April, May, and June 2003 for the industry within this company?

If book figures are not available by July 18, 2003, please provide estimates. Book figures can be provided on the next Quarterly Services Survey you receive. Data will be kept confidential.

000	\$ Bil.	MI.	Thou.	Dol.

B. Does the revenue reported in A above represent book figures or estimates?

- 1 Book figures
2 Estimates

C. What was the quarterly revenue for all domestic locations for January, February, and March 2003 for the industry within this company?

D. Does the revenue reported in C above represent book figures or estimates?

000	\$ Bil.	MI.	Thou.	Dol.

- 1 Book figures
2 Estimates

4 SOURCE OF REVENUE

What percentage of revenue (reported in 3) is represented by each of the following types of customers?

Report revenue from the direct source, not the end user of your service. Estimates are acceptable.

1. Government (local, State, and Federal)
2. Business firms and not-for-profit organizations
3. Household consumers and individual users
- Total**

	Quarter Ending June 30, 2003	Quarter Ending March 31, 2003
000	%	000 %
000	%	000 %
000	%	000 %
	100%	100%

5 REPORT PERIODS

Did you report for quarters ending on June 30, 2003 and March 31, 2003?

- 1 Yes - Continue with 3
- 2 No - Provide beginning and ending dates of the most recent and prior quarters.

	Most recent quarter			Prior quarter		
	Month	Day	Year	Month	Day	Year
Beginning date	000			000		
Ending date	000			000		

6 OWNERSHIP OR CONTROL Did this firm acquire or merge with another company during April, May, or June 2003? 000 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	000 Name of company acquired or merged with		
	Number and street		
	City, State, and ZIP Code		
	Date of merger or acquisition →	000 Month 	Year

7 REMARKS - Please use this space for comments or to explain any significant difference between your current and prior quarter report.

8 CONTACT INFORMATION			
000 Name of person to contact regarding this report	000 Telephone		
	Area code	Number	Extension
Mailing address (number and street, P.O. Box, etc.)	000 Fax		
	Area code	Number	Extension
City, town, village, etc.	State	ZIP code	
			-

THANK YOU
for completing your Quarterly Services Survey.

*Please photocopy this form for your records.
 Return the completed form to the Census Bureau in the envelope provided or fax it to 1-800-447-4613.*

INSTRUCTIONS FOR 3

Taxable Firms

Firms operating on a commission basis should report commissions, fees, and other operating income, not gross billings or sales.

Include –

- Total value of service contracts.
- Amounts received for work subcontracted to others.
- Market value of compensation in lieu of cash.
- Revenue from services performed by domestic locations for foreign parent firms, subsidiaries, branches, etc.
- Dues and assessments from members and affiliates.

Exclude –

- Taxes (sales, amusement, occupancy, use, or other) collected directly from customers or clients and paid directly to a local, State, or Federal tax agency.
- Revenue from a domestic parent organization, or from franchise locations owned by others and any franchise or license fees.
- Rents from and revenue of separately operated departments, concessions, etc., which are leased to others.
- Revenue from customers for carrying or other credit charges.
- Commissions from vending machine operators.
- Revenue of foreign subsidiaries (those located outside the U.S., i.e., outside the 50 states, District of Columbia, U.S. Commonwealth Territories, or U.S. Possessions).
- Nonoperating revenue such as income from investments, sales of company-owned real estate (land and building), or other assets, (except inventory held for resale), securities, gifts, loans, contributions, royalties, or grants.
- Revenue from the sale of used equipment.
- Installment payments from leasing under capital, finance, or full-payment leases.
- Intracompany transfers.
- Interest income.

Tax-Exempt Firms

Firms operating on a commission basis should report commissions, fees, and other operating income, not gross billings or sales.

Include –

- Program service revenue for services provided in the quarter, whether or not payment was received in that quarter.
- Gross sales of merchandise, minus returns and allowances.
- Income from interest, dividends, gross rents (including display space rentals and share of receipts from departments operated by other companies), royalties, and other investments.
- Net gains (or losses) from the sale of real estate (land and buildings), investments, or other assets (except inventory held for resale).
- Gross contributions, gifts, and grants (whether or not restricted for use in operations).
- Dues and assessments from members and affiliates.
- Commissions earned from the sale of merchandise owned by others (including commissions from vending machine operators).
- Gross receipts from fundraising activities.

Exclude –

- Sales and other taxes collected directly from customers or clients and paid directly to a local, State, or Federal tax agency.
- Gross receipts of departments or concessions operated by other companies.
- Amounts transferred to operating funds from capital or reserve funds.

Public reporting burden for this collection of information is estimated to average _____ minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to: Paperwork Project 0607-0725, U.S. Census Bureau, 4700 Silver Hill Road, Stop 1500, Washington, DC 20233-1500. You may e-mail comments to Paperwork@census.gov; use "Paperwork Project 0607-0725" as the subject. PLEASE INCLUDE FORM NAME AND NUMBER IN ALL CORRESPONDENCE.

Respondents are not required to respond to any information collection unless it displays a valid approval number from the Office of Management and Budget. This 8-digit number appears in the top right corner on the front of this form.

Attachment C.

Table 1.0.1. Information Sector Services (NAICS 51)—Estimated Revenue for Employer Firms: Second Quarter 2004 through Fourth Quarter 2003

Kind of Business	Cumulative Total 2004	2Q 2004	1Q 2004	4Q 2003	Percent Change	
					2Q 2004/ 1Q 2004	1Q 2004/ 4Q.2003
Total selected services						
Information.....						
Publishing industries.....						
Newspaper publishers.....						
Book, database and directory, and other publishers..						
Software publishers.....						
Motion picture and sound recording industries.....						
Broadcasting and telecommunications.....						
Telecommunications.....						
Wired telecommunications carriers.....						
Wireless telecommunications carriers (except satellite).....						
Other telecommunications.....						
Information services and data processing services						
Information services						
Data processing services						
Professional, scientific and technical services (except notaries, veterinary services, and landscape architectural services).....						
Professional, scientific and technical services (except notaries, veterinary services, and landscape architectural services.....						
Accounting, tax preparation, bookkeeping and payroll services.....						
Architectural, engineering and related services (except landscape architectural services).....						
Computer system design and related services.....						
Scientific research and development services.....						
Administrative and support, waste management and remediation services (except landscaping services...)						
Administrative and support services.....						
Employment services.....						
Administrative and support services, except employment services.....						
Waste management and remediation services.....						

Table 2.0.1. Information Sector Services (NAICS 51)–Estimated Revenue for Employer Firms by Class of Customer: Second Quarter 2004 through Fourth Quarter 2003

NAICS code	Kind of Business	2Q 2004	1Q 2004	4Q 2003	Percent Change	
					2Q 2004/ 1Q 2004	1Q 2004/ 4Q.2003
51	Information Total revenue..... Class of customer Government..... Business..... Household consumers and individual users.....					
511	Publishing industries Total revenue..... Class of customer Government..... Business..... Household consumers and individual users					
51111	Newspaper publishers Total revenue..... Class of customer Government..... Business..... Household consumers and individual users.....					
5111x	Book, database and directory, and other publishers Total revenue..... Class of customer Government..... Business..... Household consumers and individual users.....					
5112	Software publishers Total revenue..... Class of customer Government..... Business..... Household consumers and individual users.....					
512	Motion picture and sound recording industries Total revenue..... Class of customer Government..... Business..... Household consumers and individual users					

513	Broadcasting and telecommunications Total revenue..... Class of customer Government..... Business..... Household consumers and individual users					
5133	Telecommunications Total revenue..... Class of customer Government..... Business..... Household consumers and individual users					
51331	Wired telecommunications carriers Total revenue..... Class of customer Government..... Business..... Household consumers and individual users					
51332	Wireless telecommunications carriers (except satellite) Total revenue..... Class of customer Government..... Business..... Household consumers and individual					
5133x	Other telecommunications Total revenue..... Class of customer Government..... Business..... Household consumers and individual					
514	Information services and data processing services Total revenue..... Class of customer Government..... Business..... Household consumers and individual					
5141	Information services Total revenue..... Class of customer Government..... Business..... Household consumers and individual					

5142	Data processing services Total revenue..... Class of customer Government..... Business..... Household consumers and individual					
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Table 2.0.2. Professional, Scientific, and Technical Services (Except Notaries and Landscape Architectural Services) (NAICS 54)–Estimated Revenue for Taxable Employer Firms: Second Quarter 2004 Through Fourth Quarter 2003

NAICS code	Kind of Business	2Q 2004	1Q 2004	4Q 2003	Percent Change	
					2Q 2004/ 1Q 2004	1Q 2004/ 4Q.2003
54	Professional, scientific and technical services (except notaries, veterinary services, and landscape architectural services) Total revenue..... Class of customer Government..... Business..... Household consumers and individual users.....					
541	Professional, scientific and technical services (except notaries, veterinary services, and landscape architectural services) Total revenue..... Class of customer Government..... Business..... Household consumers and individual users					

5412	Accounting, tax preparation, bookkeeping and payroll services Total revenue..... Class of customer Government..... Business..... Household consumers and individual users.....					
5413	Architectural, engineering and related services (except landscape architectural services) Total revenue..... Class of customer Government..... Business..... Household consumers and individual users.....					
5415	Computer system design and related services Total revenue..... Class of customer Government..... Business..... Household consumers and individual users.....					
5416	Scientific research and development services Total revenue..... Class of customer Government..... Business..... Household consumers and individual users					

Table 2.0.3. Administrative and Support, Waste Management and Remediation Services (except landscaping services) (NAICS 56)—Estimated Revenue for Taxable Employer Firms: Second Quarter 2004 Through Fourth Quarter 2003

NAICS code	Kind of Business	2Q 2004	1Q 2004	4Q 2003	Percent Change	
					2Q 2004/ 1Q 2004	1Q 2004/ 4Q.2003
56	Administrative and support, waste management and remediation services (except landscaping services) Total revenue..... Class of customer Government..... Business..... Household consumers and individual users.....					
561	Administrative and support services Total revenue..... Class of customer Government..... Business..... Household consumers and individual users					
5613	Employment services Total revenue..... Class of customer Government..... Business..... Household consumers and individual users.....					
561Y	Administrative and support services, except employment services Total revenue..... Class of customer Government..... Business..... Household consumers and individual users.....					
562	Waste management and remediation services Total revenue..... Class of customer Government..... Business..... Household consumers and individual users.....					

NAICS 5121 - Motion Picture and Video Production/Distribution (NAICS 512110 & 512120)

Item 4a REVENUE Line 1 - Include revenue from original audiovisual works produced speculatively for outright sale. Sale of such productions requires relinquishing all rights. These productions are intended for commercial theaters, television, or the home video market. Excludes audiovisual works produced for own account and under contract. Line 2a. - Report revenue from producing feature films, short films, etc., for other producers on a contract or fee basis. This includes all production aspects of an entire or piece of an audiovisual work. Line 2b - Report revenue from producing television programming for other producers or for television networks on a contract or fee basis. This includes all production aspects of an entire or piece of an audiovisual work. Line 2c - Report revenue from producing live action or animated commercials for viewing on television or in movie theaters for another on a contract or fee basis. Includes infomercials and promotional spots for television. This includes all production aspects of an entire or piece of an audiovisual work. Line 2d - Report revenue from the production of other audiovisual programming on a contract or fee basis. Examples include training and instruction, public relations, promotional campaigns, public service messages, educational, corporate, religious, tourist, exercise videos, band videos, music videos, Internet videos, etc. Line 3 - Include revenue (on a fee, royalty or other basis) received from another company (distributor, syndicator, etc.) to distribute productions domestically to commercial theaters, television, the home video market, etc. Productions include live action or animated films, videos, digital media, etc. The distributor is frequently responsible for reproducing the audiovisual works. Line 4a - Include revenue from granting permission (on behalf of the copyright owner), on a fee, royalty or other basis, for an agreed period of time to exhibit, broadcast, or rent live action or animated motion pictures usually intended for commercial theaters, drive-in theaters, open air theaters, etc. These revenues are domestic licensing (distribution) revenues, not revenues for making domestic films. Line 4b - Include revenue from granting permission (on behalf of the copyright owner), on a fee, royalty or other basis, for an agreed period of time to broadcast or rent live action or animated films, videos, digital media, etc., for television including documentaries, serials, news and public affairs shows, game shows, reality shows, made-for-TV movies, etc. These revenues are domestic licensing (distribution) revenues, not revenues for making domestic programs. Line 4c - Include revenue from granting permission (on behalf of the copyright owner), on a fee, royalty or other basis, for an agreed period of time to exhibit, broadcast, or rent audiovisual works other than motion picture films or television programming. Examples include exercise videos, travel videos, public service messages, training videos, etc.	An estimate is acceptable if a book figure is not available.				
	Key code	2003			
		Bil.	Mil.	Thou.	DoI.
1. Audiovisual works speculatively produced for outright sale:					
a. Motion picture films					
b. Television programs					
c. Other audiovisual works					
2. Contract production of audiovisual works					
a. Motion picture films					
b. Television programs					
c. Commercials					
d. Other contract production					
3. Licensing of rights to distribute your audiovisual works - domestic licensing					
4. Licensing of rights to exhibit, broadcast, and rent audiovisual works - domestic distribution					
a. Motion picture films					
b. Television programs					
c. Other audiovisual works					

Line 5a - Include revenue from granting permission, on a fee, royalty or other basis, for international distribution of motion picture films.

Line 5b - Include revenue from granting permission, on a fee, royalty or other basis, for international distribution of television shows.

Line 5c - Include revenue from granting permission, on a fee, royalty or other basis, for international distribution of other audiovisual works not covered in Line 5a or Line 5b.

Line 6 - Include revenue from granting permission on a fee royalty, or other basis for international use of the "concept" of audiovisual works (films, television programs, etc.). For example, audiovisual works that use different actors than the original work.

Line 7 - Include revenue from the distribution of audiovisual works for resale including videos and DVDs, to wholesale, retail, rental market, etc.

Line 8 - Report revenue from providing services for other producers on all phases of preproduction. This work is contracted or subcontracted by the production house on a contract or fee basis, usually for films and TV shows. Examples include script editing, casting, location scouting, and consultation.

Line 9 - Report revenue from providing services for other producers on all phases of production. This work is contracted or subcontracted by the production house on a contract or fee basis, usually for films and TV shows. Examples include cameramen, grips, sound engineers, extras, and special effects services.

Line 10 - Report revenue from providing computerized and electronic image and sound processing services for films, videos, digital media, etc. These services include editing, transfer, color correction, digital restoration, visual effects, animation, duplication of masters, format conversion, compression and digital encoding, captioning, titling, subtitling, sound editing and design, and film laboratory services.

Line 11 - Report revenue from renting motion picture and video production facilities including use of soundstages, property or space on the lot, etc. This service could include related equipment and studio personnel if bundled with the studio rental service.

Line 12 - Report revenue from the rental of equipment related to motion picture and video production. Examples include cameras, lighting, sound recording equipment, etc.

Line 13 - Report revenue for granting permission to use intellectual property on merchandise (such as toys, tee shirts, hats, etc.) on a fee, royalty, or other basis.

Line 14 - Report revenue from other services including sales of advertising space, forum rental, warehouse rental, etc.

5.	Licensing of rights to distribute audiovisual works - international distribution					
	a. Motion picture films					
	b. Television programs					
	c. Other audiovisual works					
6.	Licensing of international rights to use audiovisual works					
7.	Distribution of audiovisual works for resale					
8.	Preproduction services					
9.	Production services					
10.	Postproduction services					
11.	Studio Rental					
12.	Motion picture and video production equipment rental					
13.	Merchandise licensing					
14.	All other revenue					
15.	Total Operating Revenue					

Attachment E.

Item 4D Cost of Contract Labor Exclude intracompany transfers. Estimates are acceptable if book figures are not available. Report contractual payments made to suppliers for leased employees and temporary help such as office workers, provided they are NOT on your payroll, but ARE under your firm's supervision. Exclude payments for professional and non-professional services of persons supervised by the supplying firm, such as contractual legal, accounting, janitorial, security, and building maintenance services. Report these costs below in item 4F.		Key code	2003			
			Bil.	Mil.	Thou.	Dol.

Item 4E Cost of Materials and Supplies Exclude intracompany transfers. Estimates are acceptable if book figures are not available. Line 1a - Report the cost of expensed computer hardware and packaged software. Include hardware such as servers, CPU's, monitors, and network devices; and other expensed business equipment for your company's own use, such as copiers, fax machines, etc. Line 1b - Report the cost of expensed materials, parts, and supplies purchased for your own use and not for resale. Include office and janitorial supplies, small tools, computer related supplies (such as cartridges and computer paper), packaging and containers, and fuels for motor vehicles.		Key code	2003				
			Bil.	Mil.	Thou.	Dol.	
	1.	Materials and supplies (for own use)					
		a. Expensed computer related supplies (including hardware and packaged software)					
	b. Other materials, parts, and supplies						
2.	Total Cost of Materials and Supplies (sum of lines 1a and 1b)						

Item 4F Purchased Services

Exclude intracompany transfers.

Estimates are acceptable if book figures are not available.

Line 1a - Report the cost of custom coded software (expensed) including adaptation of off-the-shelf software; and computer-related services such as system support design and services, including web design and web hosting.

Line 1b - Report the cost of data processing and other purchased computer services.

Exclude computer-related communications costs. Report these costs in line 2.

Line 2 - Report the cost of computer-related communications, such as Internet, connectivity, and on-line services; and telephone, cellular, fax and other communication services.

	Key code	2003			
		Bil.	Mil.	Thou.	Dol.
1. Purchased computer services a. Custom coded software (including adaptation of off-the-shelf software) and system support design b. Data processing and other purchased computer services					
2. Purchased communication services					

<p>Line 3 - Report the cost of purchased electricity. If electricity is included in a lease or rental payment, report these costs in line 6.</p> <p>Line 4 - Report the cost of purchased fuels for heating, power, and generating electricity. If fuel costs are included in a lease or rental payment, report these costs in line 6.</p> <p>Line 5 - Report the cost of management, consulting, legal services, accounting, auditing, bookkeeping, and all other professional services.</p> <p>Line 6 - Report payments to others for land, buildings, offices, structures, machinery, and equipment. Exclude payments by your firm to your parent company or organization (or any of its subsidiaries) for use of assets owned by them and installment payments for assets obtained through capital lease agreements.</p> <p>Line 7 - Include purchased transportation, shipping and warehousing services; water, sewer and refuse removal; janitorial services, security services; purchased repair and maintenance services; advertising; and all other purchased services.</p>	3.	Purchased electricity					
	4.	Purchased fuels (except motor fuels)					
	5.	Purchased management, consulting, administrative services, and other professional services					
	6.	Lease and rental payments					
	7.	All other purchased services					

	8.	Total Purchased Services (sum of lines 1 - 7)					
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