



January 16, 2018

Dear WERC Members:

The U.S. Bureau of Labor Statistics (BLS) is currently in the process of identifying general warehouse operators for inclusion in a statistical sample that will be used to calculate the Producer Price Index (PPI) (<https://www.bls.gov/ppi/ppiover.htm>) for general warehousing. This resampling process takes place roughly every five years, and WERC strongly encourages your cooperation with the BLS, should they notify you. Companies they select will be contacted starting in March 2018.

The PPI measures the change over time in the prices received by the domestic producer of goods and services. It is our nation's primary inflation indicator for the business sector of the economy. Continued success of the index depends upon voluntary industry participation. Firms selected for participation in the index need only contribute a few minutes per month and provide pricing information on a small selection of transactions. All data collected will be used in an aggregated format and for statistical purposes only. No individual data will be published.

The PPIs produced and published by the BLS will be very useful for individual WERC members and the industry as a whole. Some members may choose to use the PPI family of indexes, either alone or in conjunction with other sources of economic data, to develop escalation clauses (<https://www.bls.gov/ppi/ppiescalation.htm#guidelines>) in long-term sales or purchase contracts. Escalation clauses can enable companies to raise their prices over the life of a contract without having to negotiate each change with their customer.

If you have any questions about the government's process or the value of the information they compile, please feel free to contact BLS industry analyst Nicolas Betker, at betker.nic@bls.gov or at 202- 691-6123.

Sincerely,

A handwritten signature in blue ink that reads "Michael Mikitka".

Michael Mikitka
Chief Executive Officer