



**MEMORANDUM**

February 28, 2017

**To:** Honorable Paul Ryan, Speaker of the House of Representatives  
Attention: Ted McCann  
Honorable Patty Murray, Ranking Member, Senate Committee on Health, Education,  
Labor, and Pensions  
Attention: John Righter

**From:** Jennifer D. Williams, Specialist in American National Government, 7-8640

**Subject: Selected Past Studies of the Federal Statistical System: Formation,  
Recommendations, and Outcomes**

---

This memorandum responds to your request for information about several past studies that focused on federal statistics and the federal statistical system, which you might use to assist the current Commission on Evidence-Based Policymaking.<sup>1</sup> You identified a committee, a commission, and other study groups formed from the 1960s through the early 1990s and asked CRS to provide a written discussion of their formation, their recommendations, and what came from the recommendations, including any related congressional hearings or legislation.<sup>2</sup>

You also expressed interest in developments after the early 1990s. In the time available before your March 1, 2017, deadline, CRS searched for this information and included three pertinent bills.

The information in this memorandum is drawn from publicly available sources and is of general interest to Congress. As such, all or part of this information may be provided by CRS in memoranda or reports for general distribution to Congress. Your confidentiality as a requester will be preserved in any case.

Please contact me if you have any questions about the memorandum. I hope that it will be useful in your work.

---

<sup>1</sup> The commission was established by the Evidence-Based Policymaking Commission Act of 2016, H.R. 1831, P.L. 114-140, March 30, 2016, at <https://www.gpo.gov/fdsys/pkg/PLAW-114publ140/pdf/PLAW-114publ140.pdf>.

<sup>2</sup> Documents were provided as background for this memorandum by four Senior Research Librarians in the CRS Government and Finance Division's Knowledge Services Group: Julie Jennings, 7-5896; Justin Murray, 7-4092; Jared C. Nagel, 7-2468; and Jennifer Teefy, 7-7625.

## 1. *Privacy and the National Data Bank Concept (House Committee on Government Operations)*<sup>3</sup>

This section of the memorandum pertains to the part of your request to CRS that asked for information about “The Committee on Government Operations Report on Privacy and the National Data Bank.”

The House committee’s interest apparently followed from actions taken by the Bureau of the Budget (precursor to the Office of Management and Budget), which, in 1961, commissioned “a feasibility study for the centralization and computerization of the many personal records now residing in individual agencies of the Federal Government.”<sup>4</sup> The study was done by the Social Science Research Council’s Committee on the Preservation and Use of Economic Data, chaired by Richard Ruggles. The resulting Ruggles report, issued in 1965, recommended that the Bureau of the Budget “immediately take steps to establish a Federal Data Center.”<sup>5</sup> In 1966, the Bureau of the Budget established the Kaysen Committee (discussed further in the next section of this memorandum), which, as part of its work, considered the establishment of a national data bank and, too, recommended such a repository.<sup>6</sup>

The House Government Operations Committee’s Special Subcommittee on Invasion of Privacy then “undertook a study into the potential erosion of the citizen’s right to privacy that might be the ultimate result of the proposed National Data Bank.”<sup>7</sup> For this study, the subcommittee consulted knowledgeable individuals, government agencies, and private institutions. It held hearings on July 26, 27, and 28, 1966.<sup>8</sup>

Following is a summary of the House subcommittee’s findings and conclusions, from the 1968 House committee report.

- Although work commissioned by the Bureau of the Budget found the creation of a national data bank to be feasible and its immediate establishment advisable, the subcommittee noted “the necessity for due consideration being given to privacy from the very start of any projected data system which can retrieve information on specific individuals.”<sup>9</sup>
- Testimony heard by the subcommittee indicated that “Malfunction or misuse could occur anywhere in the long process from gathering to utilizing computerized information.”<sup>10</sup>
- Hearing testimony showed as well the need for limits on the types of data stored in the data bank. “There is a natural tendency for more and more data to be requested; and, if uncontrolled, this process would infringe on individual freedom.”<sup>11</sup>

---

<sup>3</sup> U.S. Congress, House Committee on Government Operations, *Privacy and the National Data Bank Concept*, report based on a study by the Special Subcommittee on Invasion of Privacy, 90<sup>th</sup> Cong., 2<sup>nd</sup> sess., H.Rept. 1842 (Washington, DC: GPO, 1968).

<sup>4</sup> *Ibid.*, p. 1.

<sup>5</sup> *Ibid.*

<sup>6</sup> *Ibid.*, p. 2.

The subcommittee noted the lack of a “formal name” or a consistent name for the national data bank. Various designations were used interchangeably. “In this report and in literature in the field generally, the proposed centralized computer system is being referred to as the National Data Bank, the National Data Center, the Federal Statistical Data Center, and the Federal Statistical Service Center. Other similar designations are used.” *Ibid.*, p. 3.

<sup>7</sup> *Ibid.*, p. 2. The House committee report did not specify the year when the special subcommittee’s study began.

<sup>8</sup> *Ibid.*

<sup>9</sup> *Ibid.*, p. 3.

<sup>10</sup> *Ibid.*

<sup>11</sup> *Ibid.*

- According to the subcommittee, the Kaysen Committee maintained that “the statutory protection of privacy” had been effective at the Census Bureau, but this finding “represented an insufficient examination of all the problems and potentialities that would arise from the establishment of a National Data Center and should not be considered an acceptable basis for undertaking actual construction of such a center.”<sup>12</sup>
- Testimony heard by the subcommittee and related studies suggested that the data bank would be unable to avoid “individual dossiers (i.e., ways of storing all information on an individual in one place or of compiling it quickly).”<sup>13</sup>
- The subcommittee reported that if a data bank were established, each individual should be allowed to access the information on himself or herself, as a check against the storage of “erroneous or non-contextual information.”<sup>14</sup>
- In the view of the subcommittee, a national data bank would be at great risk of “totally unauthorized use,” either by employees of the repository or by outsiders “intercepting data transmissions or using keys and procedures” that they should not have.<sup>15</sup>

The House committee’s recommendations, following on what the subcommittee reported, are noted below.

- The committee “strongly” recommended that privacy be given priority in the “design and implementation” of “such systems” as a national data bank.<sup>16</sup>
- While commending the Bureau of the Budget for considering the privacy issue and seeking opinions about a national data bank across “a broad spectrum of interested parties,” the committee nevertheless commented that the reports commissioned by the bureau did not “contain well thought-out theoretical or practical procedures necessary to assure privacy.” The committee, accordingly, recommended that no work on a data bank occur “until privacy protection is explored fully and guaranteed to the greatest extent possible.”<sup>17</sup>
- The sense of the committee was that the Bureau of the Budget, “in formulating specific proposals for a national data bank,”<sup>18</sup> should provide detailed answers to questions such as how would “individual and business economic data be uniformly classified”;<sup>19</sup> could interagency exchanges of data on specific individuals be restricted to “small samples of the population in question” and, if so, what procedures would be used to do this;<sup>20</sup> how could “an objective standard on confidentiality of personal information” be established;<sup>21</sup> who “would judge what information from one agency could be mixed with information from another agency, and how would that judgment be made”;<sup>22</sup> “what would be the cost in time, efficiency, and money,” to implement “special hardware and software” that

---

<sup>12</sup> Ibid., p. 4.

<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

<sup>15</sup> Ibid.

<sup>16</sup> Ibid., p. 5.

<sup>17</sup> Ibid., p. 6.

<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> Ibid., p. 7.

<sup>22</sup> Ibid.

would provide an “acceptable level” of protection against unauthorized access to information;<sup>23</sup> and how would information from the national data bank be made accessible to “the person who is the subject of the information”?<sup>24</sup> The committee observed that if any information were withheld from the individual, the reasons for doing so “should be explained in detail.”<sup>25</sup>

- The committee stated that the Bureau of the Budget should report on what improvements might be made to the existing system of collecting, storing, and using federal data on “identifiable citizens” without “establishing a national data bank system.”<sup>26</sup>
- The committee also charged the bureau with giving Congress “a detailed plan” for establishing an independent commission to regulate the national data bank. The commission “should be appointed from nongovernmental as well as governmental experts” in data collection, storage, and usage, “statistics, law, the social sciences, and civil liberties”; should report regularly to Congress; and “would be responsible solely” for the data bank’s operation.<sup>27</sup>
- The committee recommended that the Bureau of the Budget specify “procedures to permit access to the national data bank” by standing committees of Congress,<sup>28</sup> in part to “help dispel public fears of creating an intelligence system” within the data bank, and in part to give Congress the same access to information for evaluating legislative proposals as the executive branch would have for creating them.<sup>29</sup>

The House committee report did not present minority views per se, but did include testimony supportive of a national data bank. Notably, Raymond T. Bowman, who at the time was the Assistant Director for Statistical Standards at the Bureau of the Budget, made the following points about not disclosing data on individuals:

I would emphasize \* \* \* there is no intention to organize the data in the center with regard to individuals; that data in different files, data on different tapes, might certainly identify individuals enough so that this information can be associated together for statistical purposes, but there would be no intention and no need for the data center to organize specific records about specific firms or specific individuals so you accumulated a lot of information about individuals. \* \* \*<sup>30</sup>

With respect specifically to maintaining the confidentiality of Internal Revenue Service (IRS) records on individuals, Bowman continued:

The kind of data center that I am talking about is a Federal Statistical Data Center which would do a great deal to relieve American business of duplicate reporting, would not reveal information about any individual or any individual business, but would make it possible to bring this information together for statistical purposes when released in statistical form. The identity of the individual would not be disclosed.<sup>31</sup>

---

<sup>23</sup> Ibid.

<sup>24</sup> Ibid.

<sup>25</sup> Ibid.

<sup>26</sup> Ibid., p. 8.

<sup>27</sup> Ibid.

<sup>28</sup> Ibid.

<sup>29</sup> Ibid., p. 9.

<sup>30</sup> Ibid., p. 16. Asterisks in original.

<sup>31</sup> Ibid., p. 17.

He observed that linking IRS with Census Bureau data, for example, could be useful in “making statistical analyses” to “indicate various characteristics of the economic scene” without asking respondents to duplicate information they already had reported.<sup>32</sup>

## 2. *Report of the Task Force on the Storage of and Access to Government Statistics (the Kaysen Committee)*<sup>33</sup>

Your request to CRS asked for information about “The Task Force on the Storage of and Access to Government Statistics.” The task force was called, alternatively, the “Kaysen Committee,” for its chair, Carl Kaysen.<sup>34</sup> The discussion in the previous section of this memorandum also refers to the committee.

The Bureau of the Budget established the Kaysen Committee in 1966<sup>35</sup> to consider what measures “should be taken to improve the storage of and access to U.S. Government Statistics.”<sup>36</sup> The committee judged that it could address this question “only in a much broader context” of how the federal statistical system should be organized to meet “accelerating needs for *statistical* information,” safeguard respondents’ right to privacy, make the best use of information that already exists, and meet data needs while imposing the minimum burden on those providing the data.<sup>37</sup>

In the committee’s view, the extent of decentralization in the system as it was hindered its effective operation. This situation led to, among other problems, the suppression and eventual loss of microdata because of concerns about protecting data on individuals from unauthorized disclosure,<sup>38</sup> duplicative data collections, and “considerable unevenness in the nature and enforcement of disclosure rules.”<sup>39</sup> The committee reported that if it were designing the federal statistical system *de novo*, it would recommend “the creation of a single Central Statistical Agency.”<sup>40</sup> Instead, faced with an existing system that had “too much decentralization and insufficient coordination,”<sup>41</sup> the committee proposed the creation of a National Data Center, with responsibility for

- “assembling in a single facility all large-scale systematic bodies of demographic, economic, and social data” generated by the federal government’s “data-collection or administrative processes”;
- “integrating the data to the maximum feasible extent,” in a way that preserves, insofar as possible, “the original information content of the whole body of records”;

---

<sup>32</sup> Ibid.

<sup>33</sup> Carl Kaysen, et al., *Report of the Task Force on the Storage of and Access to Government Statistics*, reprinted in *American Statistician*, vol. 23, no. 3 (June 1969), pp. 11-19.

<sup>34</sup> Ibid.

<sup>35</sup> Janet L. Norwood, *Organizing to Count: Change in the Federal Statistical System* (Washington, DC: Urban Institute Press, 1995), p. 12.

<sup>36</sup> Carl Kaysen, et al., *Report of the Task Force on the Storage of and Access to Government Statistics*, reprinted in *American Statistician*, vol. 23, no. 3 (June 1969), p. 11.

<sup>37</sup> Ibid.

<sup>38</sup> The committee maintained that “Present technology makes it possible” to preserve microdata “in usable and accessible form,” both “economically and consistently with desirable limits on disclosure.” Ibid., p. 12.

<sup>39</sup> Ibid.

In the committee’s view, “The enforcement of a statutory obligation as the primary method of dealing with the problems of safeguarding privacy can work excellently, as the experience of the Census Bureau shows.” Ibid., p. 19.

<sup>40</sup> Ibid., p. 14.

<sup>41</sup> Ibid., p. 15.

- making the information readily available, “within the laws governing disclosure, to all users in the Government and, where appropriate, to qualified users outside the Government”;
- helping state and local government agencies provide “uniformity” in their databases, receiving from these agencies the information that they generate, integrating this information “into the federally generated data stock,” storing it, and making it accessible.<sup>42</sup>

The committee further recommended “the creation of a new position, Director of the Federal Statistical System,” in the Executive Office of the President, and the placement of the Census Bureau and the National Data Center under the director’s authority.<sup>43</sup>

The committee’s recommendations were not implemented.<sup>44</sup>

### 3. *Federal Statistics: Report of the President's Commission (the Wallis Commission)*<sup>45</sup>

Your request to CRS asked for information about the President’s Commission on Federal Statistics and the Wallis Commission, which was chaired by Allen Wallis. They appear to have been identical.<sup>46</sup>

Established by President Nixon in 1970, the President’s Commission on Federal Statistics, or Wallis Commission, was charged with conducting “a comprehensive review of the Federal statistics program.”<sup>47</sup> The commission issued a two-volume report in 1971.<sup>48</sup> The first volume began with a letter of transmittal to the President from Wallis, in which he summarized the commission’s main recommendations:

-  extend the responsibilities of OMB’s Statistical Policy Division to cover all “statistical data,” not only survey data, but also data from “all other sources,” including operating programs, “controlled field studies,” experiments, and “contracts with private organizations.” Also, broaden this division’s responsibilities to include “improving the application of statistical methods in all federal programs,” not just in “the collection and distribution of statistical data.”
- Have the division arrange periodic audits of “selected statistical activities throughout government—not only activities carried out primarily for statistical purposes but all activities that generate or use (or should use) statistical data or methods.” The audits would consist of “intensive studies and evaluations, leading to recommendations for improvements” and could involve collaboration with “an independent agency, probably the National Academy of Sciences and National Research Council.” Periodically, too, the

---

<sup>42</sup> Ibid., pp. 15-16.

<sup>43</sup> Ibid., p. 16.

<sup>44</sup> Janet L. Norwood, *Organizing to Count: Change in the Federal Statistical System* (Washington, DC: Urban Institute Press, 1995), p. 12.

<sup>45</sup> President’s Commission on Federal Statistics, *Federal Statistics: Report of the President’s Commission*, vols. 1 and 2 (Washington, DC: GPO, 1971).

<sup>46</sup> See Neil S. Weiner, “The Report of the President’s Commission on Federal Statistics: A Summary of Recommendations, Views, and Counterinterviews,” *American Statistician*, vol. 28, no. 2 (May 1974), p. 42.

<sup>47</sup> Ibid.

<sup>48</sup> President’s Commission on Federal Statistics, *Federal Statistics: Report of the President’s Commission*, vols. 1 and 2 (Washington, DC: GPO, 1971).

independent agency should audit the Statistical Policy Division's work and "publish an evaluation" of how the division affects the whole federal statistical system.

- Assure a "reasonable balance" between the needs of the public for data and the right of individuals to privacy by establishing an independent citizens' advisory board "to review policies and practices affecting confidentiality," "investigate possible breaches of confidentiality," and publish a yearly "appraisal of the problems and performance of federal statistical activities in respecting privacy and confidentiality."<sup>49</sup>

Beyond these broad recommendations, the commission's report presented various specific recommendations or suggestions, such as for making changes in confidentiality legislation, making "organizational changes," "eliminating obsolete statistical programs," "improving crime statistics," "reporting margins of uncertainty in statistical data," evaluating welfare programs, using "statistical methods in health research," "integrating economic statistics," and devising "more accurate measures of change."<sup>50</sup>

One outcome of the commission's recommendations<sup>51</sup> was the 1972 formation of the Committee on National Statistics (CNSTAT) at the National Academies of Sciences, Engineering, and Medicine (the National Academies' current designation). With a mission "to improve the statistical methods and information on which public policy decisions are based," CNSTAT conducts "studies, workshops, and other activities to foster better measures and fuller understanding of the economy, the environment, public health, crime, education, immigration, poverty, welfare," and other issues. In addition, CNSTAT evaluates certain "ongoing statistical programs and tracks the statistical policy and coordinating activities of the federal government."<sup>52</sup>

Although CRS did not find hearings devoted exclusively to the Wallis Commission, one series of hearings about the coordination of federal statistics cited the commission several times. Notably, hearing witness Paul Feldman had been the commission's deputy staff director. Regarding the audits recommended by the commission, Feldman stated, "the Commission recommended, and I strongly agree with them, that this audit agency should be given no power to determine what statistical practices can be used. The only power they should have is the power to publish."<sup>53</sup> With respect to statistical quality and reporting burden, he observed,

Frequently cited examples of poor quality are statistics on such matters as oil reserves, crime, and import prices; examples of burden are the recently proposed line of business survey or the forms that must be filed with the Labor Department in the event of an accident.

Most such complaints, however, have little to do with major statistical agencies, such as the Census Bureau, the Bureau of Labor Statistics, and the National Centers for Health and Education Statistics. Instead, the complaints refer to publications or information demands associated with new, rapidly growing regulatory activities, such as the Labor Department's Occupational Safety and Health Administration, the Environmental Protection Agency, the Federal Energy Administration, the Equal Employment Opportunities Commission, and the Real Estate Settlement Procedures Act.

---

<sup>49</sup> Ibid., vol. 1, letter of transmittal.

<sup>50</sup> Ibid.

<sup>51</sup> Janet L. Norwood, *Organizing to Count: Change in the Federal Statistical System* (Washington, DC: Urban Institute Press, 1995), p. 21.

<sup>52</sup> National Academies of Sciences, Engineering, and Medicine, Committee on National Statistics, "CNSTAT Mission," at [http://sites.nationalacademies.org/DBASSE/CNSTAT/DBASSE\\_070711](http://sites.nationalacademies.org/DBASSE/CNSTAT/DBASSE_070711).

<sup>53</sup> Testimony of Paul Feldman, in U.S. Congress, House Committee on Post Office and Civil Service, Subcommittee on Census and Population, *Coordination of Statistics*, hearings, 94<sup>th</sup> Cong., 2<sup>nd</sup> sess., February 24-26 and April 8, 1976, serial no. 94-83 (Washington, DC: GPO, 1976), p. 63.

Not to be ignored, of course, are the reporting requirements of State and local governments, which have grown rapidly over the past 15 years. The dollar costs of reporting as required by these regulatory activities are reputedly immense, although no one has ever been able to measure them very well.<sup>54</sup>

According to Feldman, much of the reporting burden is “directly related to the failure of regulatory agencies to rely on sound statistical procedures to meet some of their data requirements. Vast quantities of data are gathered, when properly selected samples could yield equally valuable results.”<sup>55</sup>

#### **4. *Improving the Federal Statistical System: Report of the President’s Reorganization Project for the Federal Statistical System (the Bonnen Project)***<sup>56</sup>

Your request to CRS asked for information about the “President’s Reorganizing the Federal Statistical System Project,” which is discussed below.

In a memorandum dated May 11, 1978, President Jimmy Carter gave notice that he had directed his “Reorganization Project staff” to review comprehensively “the organization of the system that collects, evaluates and disseminates statistical data for the Federal government.”<sup>57</sup> While calling the nation’s statistical system the “most accurate and efficient” in the world, the memorandum nonetheless cited “persistent problems” with the system, such as “the burden placed upon respondents” and insufficient “responsiveness of data to policy needs” that indicated “a pressing need to improve the coordination of Federal statistical activities.”<sup>58</sup> The memorandum stated that the study would maximize use of work from “previous efforts,” called on federal agencies for their cooperation with the project, and said that it would need “the advice and counsel of the Congress, State and local governments and the public.”<sup>59</sup>

Under the direction of James T. Bonnen, the President’s Reorganization Project for the Federal Statistical System issued its report in 1979.<sup>60</sup> Its major recommendation was that an Office of Statistical Policy be established in the Executive Office of the President, with a mission to

- “ensure the policy relevance, quality, and integrity” of the data and analyses generated by the federal statistical system;
- develop plans that would enable the system to meet “future information needs efficiently in the face of technological, social, and economic changes”;
- help to minimize respondent burden in providing information, although data collected for statistical purposes reportedly accounted for only three percent of the total burden; and
- keep “a proper balance between protecting individual and business rights to privacy and confidentiality and meeting information needs for public policy.”<sup>61</sup>

---

<sup>54</sup> Ibid., p. 57.

<sup>55</sup> Ibid.

<sup>56</sup> James T. Bonnen, et al., *Improving the Federal Statistical System: Report of the President’s Reorganization Project for the Federal Statistical System*, reprinted in *American Statistician*, vol. 35, no. 4 (November 1981), pp. 184-196.

<sup>57</sup> President Jimmy Carter, “Review of the Federal Statistical System,” memorandum dated May 11, 1978, for the heads of executive departments and agencies, 43 *Federal Register* 20779, May 15, 1978.

<sup>58</sup> Ibid.

<sup>59</sup> Ibid.

<sup>60</sup> James T. Bonnen, et al., *Improving the Federal Statistical System: Report of the President’s Reorganization Project for the Federal Statistical System*, reprinted in *American Statistician*, vol. 35, no. 4 (November 1981), p. 187.

<sup>61</sup> Ibid.

Among the office's numerous specific responsibilities would be to

- coordinate plans and budgets for federal statistical programs;
- “prepare long-range plans” for adapting “statistical programs to structural and technological changes”;
- promote the “effective use of administrative records and regulatory reports for statistical purposes”;
- develop “legislative initiatives” and review “proposed legislation, regulations, and guidelines that affect federal statistical programs”;
- exercise “delegated clearance authority for all statistical data collection plans and forms”;
- coordinate the “development of social and economic indicators”;
- make federal statistics as accessible and useful as possible “to all users”;
- establish standards “to ensure the quality, integrity, and comparability of statistics and analyses” generated by the federal statistical agencies, and insofar as feasible, “encourage compatibility with international standards”; and
- coordinate and, when needed, conduct “evaluations of federal statistical agencies and their programs.”<sup>62</sup>

The director of the office would, among other duties,

- play a key role in “identifying and responding to major information needs for national policy”;
- when necessary, serve as “the authoritative spokesperson for the federal statistical system”;
- help ensure the objectivity of data provided by the federal statistical system and protect the data against “actual or perceived manipulation”;
- facilitate “authorized” data sharing among federal agencies, to reduce data duplication and increase efficiency, “but only for statistical purposes and under carefully controlled conditions.”<sup>63</sup>



Janet L. Norwood wrote in 1995 that The Reorganization Project was “the first of all the studies of the federal statistical system to result in a presidential-level recommendation for reorganization.”<sup>64</sup> According to her, legislation submitted during the Carter Administration would have established, within the Executive Office of the President, an office headed by a presidentially appointed Chief Statistician, to carry out the project’s recommended “statistical analysis, coordination, and database functions.”<sup>65</sup> Congress did not act on the legislation. Instead, Congress “passed the Paperwork Reduction Act, which combined the respondent burden imposed by regulatory agencies with the respondent burden for general-

---

<sup>62</sup> Ibid., pp. 187-188.

<sup>63</sup> Ibid., pp. 184-185.

<sup>64</sup> Janet L. Norwood, *Organizing to Count: Change in the Federal Statistical System* (Washington, DC: Urban Institute Press, 1995), p. 17.

<sup>65</sup> Ibid.

CRS could not identify the bill with certainty. Legislation that seems quite similar, however, is S. 2882, The Statistical Policy Act of 1980. It was introduced on June 26, 1980, by Senator Abraham Ribicoff and referred to the Senate Committee on Governmental Affairs, where no further action occurred. The bill would have established “an Office of Statistical Policy in the Executive Office of the President for the purpose of developing Federal statistical policy and statistical standards and ensuring that the statistical programs of the Federal agencies are responsive to national information needs, and for other purposes.”

purpose statistics into one goal for burden reduction and moved the Statistical Policy Division out of Commerce and back to OMB.”<sup>66</sup> The act, in Norwood’s assessment, did not strengthen statistical coordination and “further weakened the Division’s authority by placing it within the Office of Information and Regulatory Affairs.” She explained that “Instead of elevating the chief of the Statistical Policy Division,” in line with the Bonnen proposal, “the law reduced the importance of that official within the OMB hierarchy.”<sup>67</sup>

CRS found one hearing that mentioned the President’s Reorganization Project for the Federal Statistical System,<sup>68</sup> albeit in the context of implementing the Paperwork Reduction Act of 1980, H.R. 6410, P.L. 96-511.

## 5. *Economic Report of the President, Appendix B, “Improving the Quality of Economic Statistics” (the Boskin Working Group)*<sup>69</sup>

 Your request to CRS asked for information about the “Working Group of the Cabinet Council for Economic Privacy.” As explained below, research by CRS did not identify anything under that term, but did find discussion of the Boskin “working group on improving the economic statistics” in the 1990 *Economic Report of the President*, Appendix B, “Improving the Quality of Economic Statistics.”

Norwood wrote that as chair of the Council of Economic Advisors in the George H.W. Bush Administration, Michael Boskin established and chaired a Working Group on Statistics.<sup>70</sup> Norwood also referred to the “Working Group of the Cabinet Council for Economic Policy,”<sup>71</sup> but, using this exact term, CRS found no such group or report and nothing under the term “Working Group of the Cabinet Council for Economic Privacy,” cited in your request to CRS. CRS did locate, however, the 1990 *Economic Report of the President*. Appendix B of this report, headed “Improving the Quality of Economic Statistics,”<sup>72</sup> discussed the Boskin “working group on improving the economic statistics.” It included “representatives of many of the major producers and users of economic statistics in the Federal Government.”<sup>73</sup>

As of 1990, the President had “approved the initial set of recommendations developed by a working group,” which focused on “the most important steps required to maintain and improve the ‘core’

---

<sup>66</sup> Janet L. Norwood, *Organizing to Count: Change in the Federal Statistical System* (Washington, DC: Urban Institute Press, 1995), p. 17.

Norwood noted that “in October 1977, the coordination function previously located in the Office of Management and Budget” was transferred “to the Department of Commerce, in a new Office of Federal Statistical Policy and Standards.” The transfer was “a temporary move pending the outcome of a comprehensive study of the issue by the President’s Reorganization Project.” *Ibid.*

<sup>67</sup> *Ibid.*, p. 18.

<sup>68</sup> U.S. Congress, Committee on Government Operations, Subcommittee on Legislation and National Security, *Federal Government Statistics and Statistical Policy*, hearing, 97<sup>th</sup> Cong., 2<sup>nd</sup> sess., June 3, 1982 (Washington, DC: GPO, 1983), p. 10.

<sup>69</sup> U.S. Executive Office of the President, Council of Economic Advisers, *Economic Report of the President*, transmitted to Congress February 1990, together with *The Annual Report of the Council of Economic Advisers* (Washington, DC: GPO, 1990). See Appendix B, “Improving the Quality of Economic Statistics,” pp. 281-285.

<sup>70</sup> Janet L. Norwood, *Organizing to Count: Change in the Federal Statistical System* (Washington, DC: Urban Institute Press, 1995), pp. 19-20.

<sup>71</sup> *Ibid.*, p. 23.

<sup>72</sup> U.S. Executive Office of the President, Council of Economic Advisers, *Economic Report of the President*, transmitted to Congress February 1990, together with *The Annual Report of the Council of Economic Advisers* (Washington, DC: GPO, 1990). See Appendix B, “Improving the Quality of Economic Statistics,” pp. 281-285.

<sup>73</sup> *Ibid.*, pp. 284-285.

economic statistics in three major areas of policy concern,” identified as “productivity, output, and prices”; “investment, saving, and wealth”; and “employment, income, and poverty.”<sup>74</sup>

In a 1991 congressional hearing, Boskin testified that the President’s budget for FY1992 included 17 initiatives based on the working group’s recommendations. They fell into seven broad categories:

- “modernizing the national and international economic accounts to improve their accuracy, breadth, and international comparability”;
- increasing “coverage of the service sector”;
- improving “measures of inflation and real output” by “separating quality and inflation changes in prices data”;
- improving “establishment, payroll and household surveys”;
- “tracking changes across industries”;
- preparing to staff the future statistical workforce; and
- sharing data collected for statistical purposes.<sup>75</sup>

According to Norwood, the Boskin working group “concentrated initially on programmatic and budget issues but soon found itself faced with the age-old issue of statistical organization,”<sup>76</sup> for example, whether some consolidation would be advisable. As she described the situation, “Many of the senior office chiefs in the large statistical agencies” indicated that “consolidation of at least the four largest agencies,” the Census Bureau, Bureau of Labor Statistics (BLS), National Agricultural Statistics Service, and Bureau of Economic Analysis (BEA), “would help to shore up the system.” In the end, however, the working group opted against consolidation, partly because any cost savings from a consolidation, especially initially, “would not be large and could be secured from legislation to change confidentiality laws” to permit data sharing among agencies for statistical purposes.<sup>77</sup>

## 6. Related Legislation

Representative Stephen Horn introduced H.R. 2521, the Statistical Consolidation Act of 1995, in the 104<sup>th</sup> Congress on October 24, 1995. The bill received referrals to the Committee on Government Reform and Oversight; Subcommittee on National Security, International Affairs, and Criminal Justice; Subcommittee on Government Management, Information, and Technology; Committee on Economic and Educational Opportunities; and Subcommittee on Employer-Employee Relations. The bill would have consolidated “the three primary economic statistics agencies of the Federal Government—the Bureau of the Census, the Bureau of [Labor] Statistics, and the Bureau of Economic Analysis—into a new Federal Statistical Service.”<sup>78</sup> The Government Management, Information, and Technology Subcommittee held a hearing on the bill, but it advanced no further.<sup>79</sup>

---

<sup>74</sup> Ibid., p. 285.

<sup>75</sup> U.S. Congress, Joint Economic Committee, *Improving Federal Statistics*, hearing, 102<sup>nd</sup> Cong., 1<sup>st</sup> sess., March 1, 1991, S.Hrg. 102-184 (Washington, DC: GPO, 1991), pp. 7-8.

<sup>76</sup> Janet L. Norwood, *Organizing to Count: Change in the Federal Statistical System* (Washington, DC: Urban Institute Press, 1995), p. 20.

<sup>77</sup> Ibid.

<sup>78</sup> U.S. Congress, House Committee on Government Reform and Oversight, Subcommittee on Government Management, Information, and Technology, *H.R. 2521, The Statistical Consolidation Act of 1995*, hearing on H.R. 2521, 104<sup>th</sup> Cong., 2<sup>nd</sup> sess., March 22, 1996 (Washington, DC: GPO, 1997), p. 1.

<sup>79</sup> Ibid.

Representative Horn introduced H.R. 2885, the Statistical Efficiency Act of 1999, in the 106<sup>th</sup> Congress on September 21, 1999. The bill was referred to the House Committee on Government Reform and the Subcommittee on Government Management, Information, and Technology. The legislation would have allowed limited data sharing among the Census Bureau, BEA, BLS, National Agricultural Statistics Service, National Center for Education Statistics, National Center for Health Statistics, Energy Consumption Division in the Energy Information Administration, and Division of Science Resources Studies in the National Science Foundation, for statistical purposes and with strict confidentiality protections.<sup>80</sup> H.R. 2885 passed the House under suspension of the rules and was referred to the Senate Committee on Governmental Affairs, but was not enacted.

Representative Horn introduced H.R. 5215, the Confidential Information Protection and Statistical Efficiency Act of 2002, in the 107<sup>th</sup> Congress on July 25, 2002. The bill was referred to the House Committee on Government Reform and the Subcommittee on Government Efficiency, Financial Management, and Intergovernmental Relations. The bill was similar to H.R. 2885, 106<sup>th</sup> Congress, but would have allowed more limited data sharing. Its purposes were to enable the Census Bureau, BLS, and BEA “to share the business data” they collected; and to ensure that confidential data provided to federal agencies “for statistical purposes” were “subject to uniform and rigorous statutory provisions against their unauthorized use,” instead of the situation at the time, in which confidentiality provisions varied among agencies and often were “not based in law.”<sup>81</sup> The Government Efficiency, Financial Management, and Intergovernmental Relations Subcommittee held a hearing on H.R. 5215 on September 17, 2002.<sup>82</sup> The bill was enacted on December 17, 2002, as Title V of the E-Government Act of 2002, H.R. 2458, P.L. 107-347.

---

<sup>80</sup> See U.S. Congress, House Committee on Government Reform, *Statistical Efficiency Act of 1999*, report to accompany H.R. 2885, 106<sup>th</sup> Cong., 1<sup>st</sup> sess., H.Rept. 106-413 (Washington, DC: GPO, 1999).

<sup>81</sup> U.S. Congress, House Committee on Government Reform, Subcommittee on Government Efficiency, Financial Management, and Intergovernmental Relations, *H.R. 5215, Confidential Information Protection and Statistical Efficiency Act of 2002*, hearing on H.R. 5215, 107<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 17, 2002, Serial No. 107-227 (Washington, DC: GPO, 2002), p. 1.

<sup>82</sup> *Ibid.*

---