

GAO

Report to the Honorable Sue W. Kelly  
Chairwoman, Regulatory Reform and  
Paperwork Subcommittee, House  
Committee on Small Business

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September 1999

# FEDERAL PAPERWORK

## General Purpose Statistics and Research Surveys of Businesses



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**General Government Division**

B-281700

September 20, 1999

The Honorable Sue W. Kelly  
Chairwoman, Regulatory Reform and  
Paperwork Reduction Subcommittee  
Committee on Small Business  
House of Representatives

Dear Madam Chairwoman:

The information collected by federal agencies is an integral tool for accomplishing their missions. Agencies collect information for a variety of purposes, including to verify regulatory and tax compliance, determine eligibility for benefits, evaluate the effectiveness of federal programs, develop economic statistics, and conduct research. However, these information collections also impose a burden on those individuals, businesses, and others asked or required to provide the information. Federal paperwork is commonly measured in terms of "burden hours," and federal agencies estimated that they imposed nearly 7 billion burden hours of paperwork in fiscal year 1998.<sup>1</sup> Previous studies have indicated that, among businesses, small businesses can be disproportionately burdened by federal regulatory requirements.<sup>2</sup>

Some small businesses have expressed concerns about the number of surveys federal agencies ask them to complete, the amount of time it takes them to complete the surveys, and the compulsory nature of some of the surveys. To help address these concerns, you asked us to describe (1) the paperwork burden associated with federal agencies' general purpose statistics and research (GPS/R) surveys that are directed towards businesses; (2) the nature, use, and burden of selected GPS/R surveys; and (3) the agencies' efforts to reduce the burden associated with the selected surveys.

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**Results in Brief**

GPS/R surveys account for an extremely small proportion (0.3 percent) of the estimated paperwork burden that federal agencies impose on businesses. Nevertheless, federal agencies estimated that businesses spent 12.6 million hours responding to 180 of these surveys in fiscal year 1998.

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<sup>1</sup>The burden-hour figures used in this report are, unless otherwise indicated, for information collections approved by the Office of Management and Budget (OMB) at end of fiscal year 1998 (September 30, 1998). We refer to those collections in this report as burden imposed in fiscal year 1998.

<sup>2</sup>Thomas D. Hopkins, *A Survey of Regulatory Burdens*, June 1995 report to the Small Business Administration.

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We estimate that all businesses' financial costs to complete these 180 surveys were between about \$219 million and \$305 million. However, the costs imposed on an individual business to complete even several of these surveys may be quite small. Businesses are frequently required to respond to the surveys and may face possible criminal or civil sanctions for failure to do so. Two federal agencies—the Census Bureau in the Department of Commerce and the Bureau of Labor Statistics (BLS) in the Department of Labor (DOL)—accounted for more than half of the estimated governmentwide GPS/R burden-hour total. Within these 2 agencies, 14 large surveys, each with at least 100,000 estimated burden hours, accounted for nearly two-thirds of the governmentwide GPS/R burden-hour estimate.

The characteristics of the 14 large Census and BLS GPS/R surveys directed at businesses varied widely. Six of these surveys were part of the Economic Census, which is taken every 5 years, covers virtually all businesses, and serves to update many other business statistics. Other large GPS/R surveys were more frequent, more limited in the number of businesses surveyed, covered only certain types of businesses, or addressed more specialized topics. Survey topics ranged from changes in the selling prices of goods and services to the characteristics of businesses owned by minorities and women. The agencies' estimates of the time needed to complete each survey varied from a few minutes to 6 hours. The estimated number of respondents ranged from about 27,000 for one survey to more than 2 million in others. The statutes requiring or authorizing the surveys generally provide the agencies with a substantial degree of discretion to determine the scope, substance, and, in some cases, frequency of the surveys. All of the surveys provide economic information that is widely used by federal, state, and local governments; businesses; and the general public. Although the agencies indicated that responses to 5 of the 14 surveys were voluntary, some of these "voluntary" surveys are mandatory in certain states under the laws of those states. Census and BLS estimated that these 14 surveys imposed \$179 million in financial costs on businesses in fiscal year 1998.

Both BLS and Census have taken steps to minimize or reduce the burden associated with these 14 GPS/R surveys, including (1) designing and administering the survey instruments to minimize burden on the survey respondents, (2) using information technology to enable businesses to respond to surveys electronically, and (3) using administrative records in other agencies as a substitute for or a supplement to surveying the businesses directly. However, both agencies said that statutory confidentiality restrictions are an obstacle to greater burden reduction

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through data sharing. The executive branch has proposed and Congress has introduced legislation to address this issue.

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## Background

The Paperwork Reduction Act of 1995 (PRA) requires federal agencies to minimize the paperwork burden that they impose on individuals, small businesses, and others through their collections of information. At the same time, the PRA recognizes that information is a critical resource enabling the federal government to perform its most basic functions. The original PRA in 1980 established the Office of Information and Regulatory Affairs (OIRA) within OMB to provide central agency leadership and oversight of governmentwide efforts to reduce unnecessary paperwork and improve the management of information resources. The 1995 PRA gave OIRA and executive branch agencies significant new responsibilities,<sup>3</sup> but continued the requirement that agencies obtain OIRA approval before collecting information from the public. It also required OIRA to set annual burden-reduction goals totaling at least 25 percent for the 3-year period ending on September 30, 1998.

As part of its review process, OIRA requires that agencies submit a completed OMB Form 83-I along with other materials to justify a proposed information collection. The Form 83-I provides the agency's estimate of the number of burden hours for the collection, which is based on (1) the estimated amount of time needed by each respondent to provide the requested information, (2) the number of respondents for the collection, and (3) the frequency of the collection. The Form 83-I also indicates the primary purpose of the collection (e.g., general purpose statistics, research, or regulatory or compliance monitoring); the primary target of the collection (e.g., businesses, individuals, or state and local governments); and whether responding to the survey is voluntary or mandatory. When OIRA completes its review, information from the Form 83-I is to be entered into a database maintained by the Regulatory Information Service Center (RISC).<sup>4</sup> OIRA uses the RISC database and other information to develop its annual Information Collection Budget, which contains governmentwide data on the number of approved information collections each year and the agencies' burden-hour estimates as of September 30 of each year.

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<sup>3</sup>For a discussion of some of those responsibilities, see [Regulatory Management: Implementation of Selected OMB Responsibilities Under the Paperwork Reduction Act](#) (GAO/GGD-98-120, July 9, 1998).

<sup>4</sup>RISC is part of the General Services Administration but works closely with OMB to provide the President, Congress, and the public with information on federal regulations. RISC maintains a database that includes information on all regulatory actions and all information collection review actions by OIRA.

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The PRA also makes OIRA responsible for governmentwide statistical policy and coordination of the federal statistical system. The PRA requires OIRA to ensure the efficiency and effectiveness of the system and the integrity, objectivity, impartiality, utility, and confidentiality of data collected for statistical purposes. The PRA also requires OIRA to develop and oversee the implementation of governmentwide guidance concerning statistical collection procedures and methods. Additionally, the PRA mandated the establishment of an Interagency Council on Statistical Policy, composed of the heads of major statistical programs and representatives of other statistical agencies, to advise and assist OIRA on statistical issues.

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## Previous Reports and Testimonies

We have issued several reports and testimonies on the implementation of the PRA, noting that the burden reduction goals envisioned in it were not being met.<sup>5</sup> Agencies frequently pointed to new and existing statutory requirements for information collection as impediments to achieving the goals. We also noted a variety of problems with the “burden-hour” measures that are used as indicators of the paperwork burden and said that it is important to recognize the difference between the government’s “measured” paperwork burden that is reflected by the number of burden hours an agency reports and the “real” burden that is felt by the public. Users of paperwork burden-hour estimates need to proceed with great caution because it is often unclear exactly what the burden estimates represent and what factors can cause changes in the totals. Nevertheless, these measures are the best indicators of paperwork burden available, and they can be useful as long as their limitations are considered.

Although one of the key purposes of the PRA is to reduce paperwork and minimize burden on the public and businesses, the PRA also requires agencies to balance burden reduction goals against agencies’ needs for information critical to performing their missions. For the federal statistical system, after years of retrenchment, there has been renewed national recognition in the 1990’s of the importance of federal statistics and a commitment to improve the quality of the system. We have issued several reports and testimonies on major initiatives to improve the quality of federal economic statistics.<sup>6</sup> In 1990 and 1991, the Council of Economic

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<sup>5</sup>Paperwork Reduction: Burden Reduction Goal Unlikely To Be Met (GAO/T-GGD/RCED-96-186, June 5, 1996); Paperwork Reduction: Governmentwide Goals Unlikely To Be Met (GAO/T-GGD-97-114, June 4, 1997); and Paperwork Reduction Act: Implementation at IRS (GAO/GGD-99-4, Nov. 16, 1998).

<sup>6</sup>For example, Economic Statistics: Status Report on the Initiative to Improve Economic Statistics (GAO/GGD-95-98, July 7, 1995); Federal Statistics: Principal Statistical Agencies’ Missions and Funding (GAO/GGD-96-107, July 1, 1996); Statistical Agencies: Statutory Requirements Affecting Government Policies and Programs (GAO/GGD-96-106, July 17, 1996); Statistical Agencies: Consolidation and

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Advisors, chaired by Michael Boskin, reviewed national economic statistics and announced a group of recommendations to improve the quality of economic statistics. The recommendations from the two “Boskin reports,” formally known as the Economics Statistics Initiative, have subsequently been a key part of the federal government’s long range statistical plan described in the Statistical Programs of the United States Government: Fiscal Year 1999 that is produced annually by OMB. Recommended improvements in those reports would require more frequent collection of some data, revised measures of key economic indicators, and the development of new measures for emerging industries and services. However, collecting more information to improve these economic statistics may conflict with agencies’ efforts to reduce paperwork burden.

The Boskin reports and OMB also recommended increased data sharing among statistical agencies to reduce burden. OMB developed a legislative proposal to permit greater data sharing while preserving the confidentiality protections in existing law. Relatedly, data-sharing legislation has been introduced in each recent session of Congress. We have supported these proposals to revise existing law to permit greater data sharing in our prior reports and testimonies.

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## Scope and Methodology

We used RISC data to describe the paperwork burden associated with federal agencies’ GPS/R surveys that were directed toward businesses as of September 30, 1998 (the end of fiscal year date that OMB uses in its annual Information Collection Budget). RISC provided data on agencies’ burden-hour estimates for all information collections, those directed primarily at businesses, and business surveys whose primary purpose was to develop general purpose statistics or conduct research. Of the GPS/R surveys on business, RISC provided data by agency, by whether responses were voluntary or mandatory, and by individual collection within certain agencies with large burden-hour totals. Using Census and BLS estimates of wage rates from 14 large information collections, we developed estimates of the annual governmentwide costs to businesses of responding to all GPS/R surveys.

To describe the characteristics of the 14 large GPS/R surveys within Census and BLS, we obtained information that agencies submitted on the Form 83-I and in supplementary information that described the need for the surveys, how the data would be used, the agencies’ burden-hour

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Quality Issues (GAO/T-GGD-97-78, April 9, 1997); and Statistical Agencies: Proposed Consolidation and Data Sharing Legislation (GAO/T-GGD-98-91, March 26, 1998).

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estimates, and the agencies' efforts to reduce paperwork burden, particularly on small businesses. We also reviewed the relevant federal statutory provisions for the 14 surveys to determine the extent to which the agencies had discretion in administering these surveys. We discussed each of the 14 surveys with responsible agency officials at BLS and Census (e.g., to determine whether these surveys were mandatory or voluntary within certain states), and discussed related issues (e.g., how national economic statistics are used) with OIRA's chief statistician and staff from the statistics branch.

We obtained information on agencies' efforts to reduce the burden associated with the 14 GPS/R surveys of businesses through discussions with BLS, Census, and OIRA officials, and by reviewing documentary evidence. We also asked these officials about barriers to agencies sharing the data collected through these information collections and initiatives to eliminate these barriers to data sharing.

Our review focused on GPS/R information collections in effect at the end of fiscal year 1998. Because the burden associated with the economic censuses is primarily imposed only once every 5 years (which included fiscal year 1998), the burden-hour estimates for the information collections would be less in other years. Also, it is important to keep in mind that the agencies' burden-hour estimates are estimates; it is unclear how accurately they reflect the real burden felt by the targets of the information collections. Some of the information in this report is drawn from the RISC database. We did not verify the accuracy of this database, but we did obtain updated and corrected information for certain elements from BLS, Census, and other agencies.

We did not evaluate the effectiveness of the agencies' burden reduction efforts or assess whether other reductions could have been made. Neither did we independently determine how the information collected through the GPS/R surveys is used. We conducted this review between November 1998 and August 1999 in the Washington, D.C., headquarters offices of Census, BLS, and OIRA in accordance with generally accepted government auditing standards.

We provided a draft of this report to officials responsible for GPS/R surveys policy and administration in Census, BLS, and OMB for comment. Their responses are presented in the Agency Comments and Our Evaluation section at the end of this report.



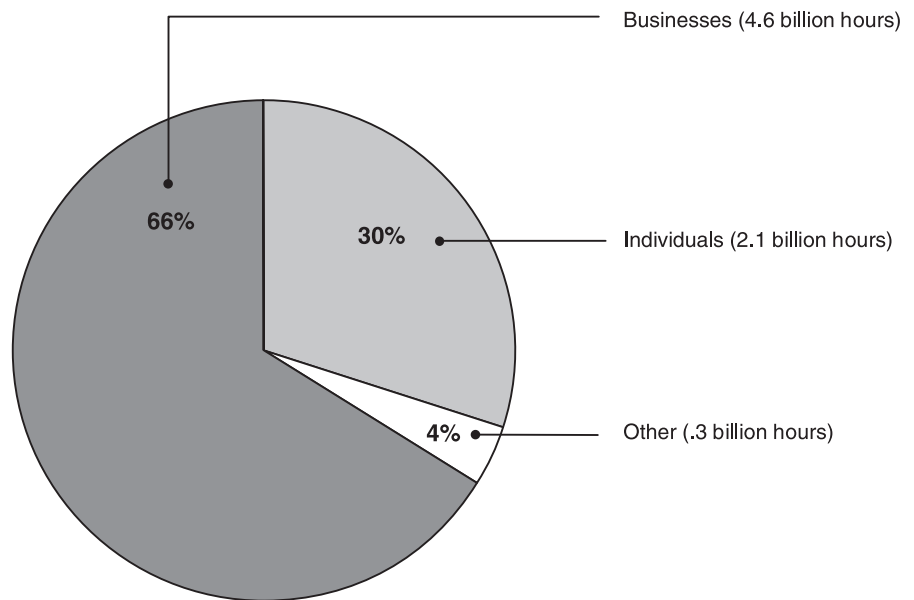
## Most GPS/R Survey Burden on Businesses Was Imposed by Census and BLS

The estimated paperwork burden on businesses from GPS/R surveys in fiscal year 1998 was a very small portion of the estimated burden on businesses from all types of collections. Nevertheless, the 180 GPS/R surveys approved by OIRA represented a substantial aggregate burden on those businesses that had to complete the surveys—an estimated 12.6 million burden hours, or between \$219 million and \$305 million in business’ compliance costs. Fourteen surveys administered by Census and BLS accounted for nearly two-thirds of the governmentwide GPS/R burden-hour estimate on businesses.

## GPS/R Surveys Are Small Portion of Businesses’ Paperwork Burden

As of September 30, 1998, OIRA had authorized federal agencies to collect information from businesses, individuals, and others through a total of 6,755 information collections. The agencies estimated that the paperwork burden associated with all of these information collections was nearly 7 billion burden hours. As figure 1 shows, roughly two-thirds (4.6 billion) of these burden hours were from information collections that were primarily directed toward businesses.

**Figure 1: Burden Hours by Type of Respondent**

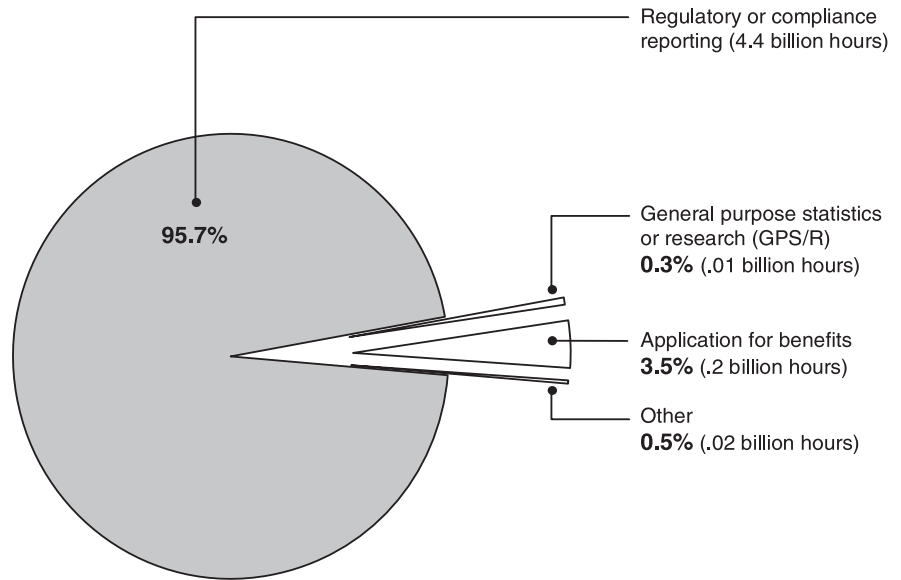


Source: RISC database.

As figure 2 shows, most of the 4.6 billion burden hours on businesses were associated with information collections primarily intended for regulatory or compliance reporting. About three-tenths of 1 percent of the 4.6 billion

burden hours on businesses (12.6 million burden hours) was from 180 information collections whose primary purpose was to develop general purpose statistics or research.

**Figure 2: Burden Hours on Businesses by Type of Information Collection**



Source: RISC database.

**Most GPS/R Burden Hours Are From Surveys With Mandatory Responses**

For more than three-quarters (9.8 million) of the 12.6 million burden hours associated with GPS/R surveys primarily directed toward businesses, the businesses were required to respond to the surveys. Although failure to respond to the surveys could result in possible federal criminal or civil sanctions, officials at OIRA, BLS, and Census told us that they were unaware of any such sanctions being imposed for failure to respond to a mandatory survey. In nearly all of the remaining surveys (about 3 million burden hours), the respondents were under no federal obligation to respond.<sup>7</sup> However, as will be discussed later in this report, some of these “voluntary” surveys were made mandatory under the laws of certain states.

<sup>7</sup>Surveys accounting for less than one-half of 1 percent of the governmentwide GPS/R burden-hour estimate were coded in the RISC database as voluntary but required for benefits.

**Census and BLS Imposed Most GPS/R Survey Burden on Businesses**

As shown in table 1, more than 80 percent of the burden associated with GPS/R surveys on businesses was from collections administered by two departments—the Department of Commerce (about 66 percent) and DOL (about 15 percent). Within the Department of Commerce, 7.8 million of the 8.3 million GPS/R burden hours were associated with surveys administered by Census. Similarly, BLS accounted for almost all of DOL’s 1.9 million GPS/R burden hours and surveys on businesses.

**Table 1: Number of Total Burden Hours by Agency**

Department/Agency	Burden hours (millions)	Percent of total burden hours	Number of surveys
Commerce	8.3	66%	61
Bureau of the Census	(7.8)	(62)	(41)
Labor	1.9	15	15
Bureau of Labor Statistics	(1.9)	(15)	(14)
Treasury	0.6	5	24
Health and Human Services	0.5	4	18
Energy	0.5	4	12
Other departments and agencies	0.8	6	50
<b>Total</b>	<b>12.6</b>	<b>100</b>	<b>180</b>

Source: RISC database.

Within Census and BLS, the paperwork burden is similarly concentrated in a few surveys. Eight Census surveys and six BLS surveys account for about 85 percent of each bureau’s GPS/R survey burden on businesses. Together, these 14 surveys accounted for nearly two-thirds (8.4 million hours) of the governmentwide GPS/R burden-hour estimate.

**GPS/R Surveys Impose Substantial Aggregate Labor Costs on Businesses**

Although paperwork burden has traditionally been reported in terms of burden hours, federal agencies’ information collection requirements impose real financial costs on individuals and organizations providing the information. For businesses, those costs include the (1) financial resources expended to cover capital, operating, and maintenance costs for equipment, supplies, and nonlabor services (e.g., information technology systems and monitoring equipment) and (2) wages of employees responding to the collection. BLS and Census officials indicated that employee wage costs account for virtually all of GPS/R survey respondents’ financial costs.

In recent years, OMB has required agencies to convert burden hours into dollar costs and report these estimates in their submissions to OMB. To do so, agencies must estimate a wage rate that would be applicable to the burden hours associated with the collection, including overhead and fringe benefit costs related to the employee’s time (e.g., health insurance and

contributions to a retirement plan).<sup>8</sup> As will be discussed in detail later in this report (see table 6), Census and BLS estimated respondents' wage rates for the 14 large GPS/R surveys range from \$9.59 per hour to \$30.00 per hour. Using these agency estimates, we calculated that businesses' cost for completing all 14 of these surveys would be about \$179 million.

The estimated wage rates in these 14 surveys can serve as a rough guide for estimating the costs to businesses of responding to all GPS/R surveys. As table 2 shows, if the wage rates associated with the other 166 GPS/R surveys of businesses (4.2 million burden hours) were as low as \$9.59 per hour, the cost associated with completing those surveys would be about \$40 million. However, if the wage rates were as high as \$30 per burden hour, the businesses' cost for the surveys would be about \$126 million. By adding these figures to the \$179 million costs of the 14 largest surveys, we estimated that businesses' cost associated with all 180 GPS/R surveys was between \$219 million and \$305 million.

**Table 2: Estimated Labor Costs of GPS/R Surveys of Businesses**

Source	Number of surveys	Burden hours (millions)	Estimated range of labor costs (millions)	
			Lower bound	Upper bound
Large BLS and Census surveys	14	8.4	\$179	\$179
Other surveys	166	4.2	\$40 <sup>a</sup>	\$126 <sup>b</sup>
<b>Total</b>	<b>180</b>	<b>12.6</b>	<b>\$219</b>	<b>\$305</b>

<sup>a</sup>This estimate assumes labor costs of \$9.59 per hour.

<sup>b</sup>This estimate assumes labor costs of \$30.00 per hour.

Source: The number of surveys and burden hours are from the RISC database. Cost estimates for the 14 large BLS and Census surveys are from the agencies' Form 83-1 packages. (See table 6.) Upper- and lower-bound labor cost estimates are based on wage rate ranges from BLS and Census surveys.

## Census and BLS GPS/R Surveys Vary but Collectively Impose Substantial Burden on Businesses

The characteristics of the 14 large Census and BLS GPS/R surveys varied widely. Some of the surveys applied to all businesses, but others were limited to certain sectors or types of businesses. The statutes requiring or authorizing the surveys generally provide the agencies with a substantial degree of discretion to determine the scope, substance, and in some cases, frequency of the surveys. Survey topics ranged from changes in the selling prices of goods and services to the characteristics of businesses owned by minorities and women. The agencies' estimates of the time needed to complete each survey varied from a few minutes to 3.5 hours. Also, the frequency of data collection differs across the surveys. Some of the surveys are conducted monthly, but others are administered only once

<sup>8</sup>In the fiscal year 1999 Information Collection Budget, OIRA said "the proper accounting of such overhead and fringe benefits has been an area of inconsistency and weakness in the present system of burden estimation."

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every 5 years. The number of respondents ranges from about 27,000 for one survey to more than 2 million in others.

All of the surveys provide economic information that is widely used by federal, state, and local governments; businesses; and the general public. Although the agencies indicated that responses to 5 of the 14 surveys were voluntary, some of these surveys are mandatory in certain states. Together, Census and BLS estimate that these GPS/R surveys of businesses account for about two-thirds of the governmentwide burden-hour estimate for those surveys, or \$179 million in aggregate costs.

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### Surveys' Subject Matter and Scope Differ

As tables 3 and 4 show, the scope and subject matter of the 14 Census and BLS surveys of businesses that constitute the bulk of the agencies' GPS/R burden-hour estimates varied substantially. Some of the surveys collected information about all businesses (e.g., the Producer Price Index), while others focused on particular sectors (e.g., the various economic censuses) or ownership groups (e.g., the Surveys of Minority- and Women-Owned Business Enterprises). The topics covered by these surveys were equally diverse, ranging from changes in businesses' selling prices to comprehensive information on establishments' employment, payroll, and geographic location.

**Table 3: Eight Surveys Accounted for Most of Census' GPS/R Burden-Hour Estimate in Fiscal Year 1998**

Survey title	Description
1. Economic Census of the Wholesale Trade Sector	Every 5 years, this survey is to be conducted on the universe of businesses in the wholesale trade industry. It is to collect facts about the structure and functioning of the economy and features unique to this industry, such as sales by commodity line and class of customer, the number of establishments, sales, payroll, employment, and geographic location.
2. Economic Census of Manufactures	Every 5 years, this survey is to be conducted on the universe of businesses in the manufacturing industry. It is to collect facts about the structure and functioning of the economy and features unique to this industry, such as materials consumed, inventories held, the number of establishments, payroll, employment, and geographic location.
3. Economic Census of Utilities; Transportation; Information; Finance and Insurance; and Real Estate, Rental, and Leasing Sectors	Every 5 years, this survey is to be conducted on the universe of businesses in all of the listed sectors. It is to collect facts about the structure and functioning of the economy and features unique to these industries, such as amounts and sources of revenues/receipts, insurance benefits paid to policyholders, purchased transportation, the number of establishments, payroll, employment, and geographic location.
4. Economic Census of Retail Trade and Food Services	Every 5 years, this survey is to be conducted on the universe of businesses in the retail trade and food services industry. It is to collect facts about the structure and functioning of the economy and features unique to this industry, such as sales by merchandise line and customer class, the number of establishments, receipts/revenues, payroll, employment, and geographic location.
5. Economic Census of Professional, Scientific, and Technical Services; Management, Support, Waste Management, and Remediation Services; Educational Services; Health and Social Assistance; Arts, Entertainment, and Recreation; and Other Services, except Public Administration Sectors	Every 5 years, this survey is to be conducted on the universe of businesses in all of the listed industries. It is to collect facts about the structure and functioning of the economy and features unique to these industries, such as the number of establishments, receipts/revenues, payroll, employment, and geographic locations.
6. Economic Census of Transportation/Commodity Flow Survey	Every 5 years, this survey is to be conducted on a sample of businesses in the commodity flow industry. It is to collect facts about the structure and functioning of the economy and features unique to this industry, such as the value of shipments, commodities shipped, modes of transportation used, number of establishments, receipts/revenues, payroll, employment, and geographic location.
7. Survey of Minority-Owned Business Enterprises (SMOBE) and Survey of Women-Owned Business Enterprises (SWOBE)	Every 5 years, this joint survey is to be conducted as part of the economic census program. Unlike the other economic censuses, it surveys only a sample of the businesses to obtain information on businesses owned by minorities and women.
8. Shipper's Export Declaration (SED) Program	This survey is to collect information on individual shipments exported from the United States. Shippers are to complete a survey form for almost every shipment, and this information forms the basis for the official export statistics compiled by Census. <sup>a</sup> The form itself serves as the export control document used by Customs, the Bureau of Export Administration, and the State Department.

<sup>a</sup>As discussed later in this report, exports between the United States and Canada do not require a SED form to be completed. The United States and Canada have an agreement that the United States will rely on Canadian import data for its export statistics.

Source: Supplementary documentation to the Form 83-I for each survey.

**Table 4: Six Surveys Accounted for Most of BLS' GPS/R Burden-Hour Estimate in Fiscal Year 1998**

Survey title	Description
1. Current Employment Survey	This survey is to collect data each month on employment, hours, and earnings from a sample of nonfarm establishments (including governments). This is a joint effort between BLS and the State Employment Security Agencies (SESA).
2. Occupational Employment Statistics	This annual survey is to collect occupational employment data on workers in a sample of businesses by industry. It is a joint effort between BLS, DOL's Employment and Training Administration, and the SESAs, which collect the data.
3. Multiple Worksite Report	This quarterly survey is to collect employment and wage data from the universe of establishments of employers who operate more than one establishment. This is a joint effort between BLS and the SESAs.
4. Survey of Occupational Injuries and Illnesses	This annual survey is to collect information from a sample of businesses on the characteristics of the most serious of nonfatal cases (i.e., those involving lost work time) and the traits of workers sustaining such injuries and illnesses. Participating state agencies collect and process the data from the employers and provide it to BLS. (In other states, BLS collects the data directly from employers.)
5. Producer Price Index	This monthly survey, formerly known as the Wholesale Price Index, of a sample of businesses is to measure average changes in selling prices received by domestic producers for their goods and services.
6. Annual Refiling Survey	This annual survey, formerly known as the Standard Industrial Classification (SIC) form, is to collect and update information on a sample of employer's worksites, products, or services covering one-third of the businesses each year. It is a joint effort between BLS and the SESAs.

Source: BLS Handbook of Methods (April 1997) and supplementary documentation to the Form 83-I for each survey.

### Underlying Statutes Give BLS and Census Survey Design Discretion

All 14 BLS and Census GPS/R surveys were based on statutory provisions that either require or authorize the agencies to collect and/or report certain information. However, all of the underlying statutes give the agencies at least some discretion regarding how the surveys can be designed and administered. For example, the agency may be able to decide whether to collect information from all covered businesses or a sample of those businesses, or determine the number and subject matter of questions asked in the surveys. BLS' annual Occupational Injuries and Illnesses Survey is based, in part, on provisions in the Occupational Safety and Health Act of 1970 (29 U.S.C. 673). The act requires the Secretary of Labor to "develop and maintain an effective program of collection, compilation, and analysis of occupational safety and health statistics," and to "compile accurate statistics on work injuries and illnesses." However, the act does not specify the frequency with which the survey should be conducted, the number of businesses to be contacted, or the particular data elements in the survey. The Occupational Injuries and Illnesses Survey is also based on the general requirements in 29 U.S.C. 2, which says that BLS "shall collect, collate, and report at least once each year, or oftener if necessary, full and complete statistics on the conditions of labor and the products and

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distribution of the products of the same.” Therefore, although BLS must collect the information on workplace injuries and illnesses (and other “conditions of labor”) at least once each year, it could do so more frequently if it determined that more frequent collection was necessary. However, BLS has not done so.

Other statutes underlying the surveys are somewhat more specific, but still provide broad discretion in survey design and administration. For example, the Census Bureau’s SED Survey is based on 13 U.S.C. 301, which requires the Secretary of Commerce to submit statistics on exports from the United States by country and product to certain congressional committees on quarterly and cumulative bases, and to report monthly and cumulative international trade balances for the United States. The statute authorizes the Secretary to collect information from all persons exporting from the United States, and says the Secretary “shall compile and publish such information pertaining to exports . . . as he deems necessary or appropriate.” Therefore, although required to report the export information by country quarterly, the Secretary has substantial discretion regarding the specific content of the survey.

Also, 13 U.S.C. 131 says that the Secretary of Commerce “shall take, compile, and publish censuses of manufactures, of mineral industries, and of other businesses, including the distributive trades, service establishments, and transportation . . .” The statute also requires that the censuses be taken every fifth year after 1968, and that the data “relate to the year immediately preceding the taking thereof.” Therefore, the Census Bureau has no discretion regarding the frequency of the economic censuses, the sectors on which information is to be collected, or the year for which the data applies. On the other hand, the agency has broad discretion regarding what specific information to collect, and whether to contact all businesses or a sample of businesses within each specified sector.

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## GPS/R Survey Data Are Used for Many Purposes

According to information provided by BLS, Census, and OMB, the data collected in the 14 large GPS/R surveys are used for many different purposes by both the public and private sectors. For example, the Department of Transportation, the Federal Emergency Management Agency, the Army Corps of Engineers, and other agencies use data from the Census Bureau’s Commodity Flow Survey to plan transportation infrastructure. Many localities also used the data from this survey in responding to requirements in the Intermodal Surface Transportation Efficiency Act of 1991. Similarly, the data collected in BLS’ monthly Producer Price Index is used by the Federal Reserve Board’s Open Market



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Committee in making decisions on monetary policy and in developing and evaluating monetary and fiscal measures for evaluating the general business environment. These survey data are also used in the private sector to evaluate escalating contract costs, inventory accounting processes, and the condition of markets. In addition, industry, academia, legal professionals, the news media, and the general public use the data to evaluate businesses, markets, and characteristics of firms; prepare business plans; make economic decisions; and conduct economic research. Other examples of how GPS/R survey data are used include the following.

- The Small Business Administration and the Minority Business Development Agency use data from the SMOBE/SWOBE Surveys when allocating resources for their business assistance programs. Others use data from these surveys to evaluate the concentration of minority-owned businesses in particular industries or geographic areas.
- DOL's Occupational Safety and Health Administration (OSHA) and its state-level counterparts use the data from the Occupational Injuries and Illnesses Survey to evaluate the effectiveness of federal and state programs to improve workplace safety and to prioritize federal and state funds.
- BLS uses the data collected in the Multiple Worksite Report to develop the Business Establishment List, which is used as the sampling frame for establishment surveys, such as the Producer Price Index.
- Various private enterprises, government agencies, and organized labor use data from the Current Employment Survey to calculate such indexes as the Composite Index of Leading Economic Indicators.
- Information from the Annual Refiling Survey is used in developing BLS' Business Establishment List to help ensure that the correct SIC code, name, and physical location are assigned to the employers' worksites for unemployment insurance records and labor market information purposes in a particular state. State and local officials also use these data for industrial coding classification. In addition, state employment security agencies use the data to administer their unemployment insurance programs.
- The SED Survey serves as the official record of export transactions for the United States. In addition, Customs and the Bureau of Export Administration use the data to enforce export regulations.

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### Response to Most Large GPS/R Surveys Was Mandatory

The Census Bureau indicated that survey recipients were required to respond to all eight of its large GPS/R surveys because the underlying statutes require Census to collect and/or report the information. In addition, Census officials said that they tend to get higher response rates

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on surveys with mandatory response requirements than on surveys with voluntary responses.

Census officials said that the mandatory response requirement to their surveys is traceable to 13 U.S.C. 224, which says

[w]hoever, being the owner, official, agent, person in charge, or assistant to the person in charge, of any company, business, institution, establishment, religious body, or organization of any nature whatsoever, neglects or refuses, when requested by the Secretary or other authorized officer or employee of the Department of Commerce or bureau or agency thereof, to answer completely and correctly to the best of his knowledge all questions relating to his company, business, institution, establishment, religious body, or other organization, or to records or statistics in his official custody, contained on any census or other schedule or questionnaire prepared and submitted to him under the authority of this title, shall be fined not more than \$500; and if he willfully gives a false answer to any such question, he shall be fined not more than \$10,000.

The survey recipients' obligation to respond to these mandatory Census GPS/R surveys was communicated on the survey forms themselves and, in some cases, in cover letters sent to the recipients. For example, the Economic Census of Retail Trade and Food Services noted in bolded capital letters that "your response is required by law." At the bottom of the form, also in bolded capital letters were the words "penalty for failure to report." The SED form required shippers to certify that they understand "civil and criminal penalties, including forfeiture and sale, may be imposed for making false or fraudulent statements herein, failing to provide the requested information or for violation of U. S. laws on exportation." Although the statute allows for the imposition of criminal penalties for failure to respond to a survey, Census officials told us that they have never pursued any prosecutions.

In contrast to the Census surveys, response to five of the six BLS GPS/R surveys of businesses was voluntary at the federal level. BLS officials said that they prefer to use voluntary surveys, and that response rates are generally higher when a survey is voluntary. They said one of their surveys, the Occupational Injuries and Illnesses Survey, is mandatory because of a specific federal statutory provision.

Some "voluntary" surveys were mandatory in certain states

Although the RISC database indicated that responses to five of the six large BLS GPS/R surveys were voluntary at the federal level, BLS officials said that some states and territories made four of these surveys mandatory during fiscal year 1998.

- Response to the Multiple Worksite Report Survey was mandatory in 21 states, Puerto Rico, and the Virgin Islands.
- Response to the Annual Refiling Survey was mandatory in 19 states, Puerto Rico, and the Virgin Islands.
- Response to the Current Employment Survey was mandatory in four states and Puerto Rico.
- Response to the Occupational Employment Survey was mandatory in North Carolina.

The officials said that survey recipients' obligation to respond varied between levels of government because BLS and the states and territories jointly administered these surveys, and states can add requirements and make the respondents' obligation mandatory under state law. Although the BLS survey instruments usually indicated that responses were voluntary,<sup>9</sup> at least some of the cover letters that the states include with the surveys inform the recipients of their mandatory nature. For example, on the first page of the Multiple Worksite Report Survey, BLS stated that "[y]our voluntary cooperation is needed to make the results of this survey comprehensive, accurate, and timely." However, the cover letter added by the State of California stated that "completion of this form is required by section 320 and 320.5 of the California Unemployment Insurance (UI) Code."

### Large GPS/R Surveys Impose Substantial Aggregate Paperwork Burden On Businesses

As noted earlier in this report, agencies' annual burden-hour estimates for an information collection are a function of three elements: (1) the time needed to complete the information collection (including reviewing the instructions, searching existing data sources, and gathering and maintaining the needed data); (2) the number of respondents to the collection; and (3) the frequency with which the information is collected from the respondents within the specified year. Table 5 shows that, although the agencies estimated that each of the 14 large GPS/R surveys directed at businesses would require more than 100,000 burden hours of paperwork, the surveys varied substantially in terms of these three components. For example, the agencies estimated that some of the surveys would take only a few minutes to complete (e.g., the Annual Refiling Survey and the Current Employment Survey), but others were expected to take hours (e.g., the Economic Census of Manufactures). Most of the surveys were conducted only once during fiscal year 1998, but others were administered quarterly (such as the Multiple Worksite Report) or monthly (such as the Current Employment Survey and the Producer Price Index). Several of the surveys that were administered during 1998 are not

<sup>9</sup>BLS indicated in the Current Employment Survey that responses were mandatory in four states.

scheduled to be repeated for 5 years. The number of survey respondents varied from as few as 27,000 (the Producer Price Index) to more than 2 million (the Annual Refiling Survey and the SMOBE/SWOBE Survey). In most cases, the surveys that the agencies expected to take the longest to complete were administered less frequently and to fewer respondents than surveys expected to take only a few minutes to complete.

**Table 5: Burden-Hour Estimates for Selected BLS and Census GPS/R Surveys of Businesses in Fiscal Year 1998**

Survey	Est. survey completion time (minutes)	Survey frequency	Est. number of respondents (thousands)	Est. annual burden hours (thousands)
<b>Bureau of Labor Statistics</b>				
Occupational Injuries and Illnesses Survey	54	Annually	230	207
Multiple Worksite Report	10 to 60	Quarterly	113	167
Current Employment Survey	2 to 15	Monthly	437	596
Annual Refiling Survey	5 to 15	Annually	2,086	203
Occupational Employment Survey	45	Annually	337	251
Producer Price Index				
Initial Visit	120	Once	(6)	(13)
Monthly Repricing	5 to 30	Monthly	27	378
<b>Total</b>			<b>3,230</b>	<b>1,802</b>
<b>Bureau of the Census</b>				
SED	3 to 11	Each shipment	159	1,316
Economic Census of Manufactures	120 to 360	Once every 5 years	210	762
Economic Census of Wholesale Trade Sector	70	Once every 5 years	540	634
Economic Census of Transportation/Commodity Flow Survey	120	Quarterly during a 1-year period every 5 years	100	805
Economic Census of Retail Trade	46	Once every 5 years	1,291	993
Economic Census of Professionals	37	Once every 5 years	1,443	900
Economic Census of Utilities	74	Once every 5 years	625	766
SMOBE/SWOBE	10	Once every 5 years	2,500	417
<b>Total</b>			<b>6,868</b>	<b>6,593</b>
<b>Total for BLS and Census</b>			<b>10,098</b>	<b>8,395</b>

Note 1. The estimated annual burden hour totals reported by the agencies do not always equal the product of the estimated completion time, frequency, and number of respondents. Average completion time is reported as a range for some surveys and anticipated response rate may affect the estimated number of respondents.

Note 2. The Annual Refiling Survey is required at 3-year intervals. BLS annually surveys a different third of the universe so that at the end of the 3-year period, it has administered this survey to the universe. Unlike all the other surveys we reviewed, SED surveys are completed by the shippers at the time of the export transaction and sent to Census. All of the other surveys are administered to the businesses by the agencies on a monthly, quarterly, or annual basis. The economic censuses are required every 5 years, which happened to fall during the time frame of our review. The Economic Census of Transportation/Commodity Flow Survey is required during each quarter in the year that the survey is taken.

Source: BLS and Census.

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**Agencies Indicate Surveys  
Impose Substantial  
Aggregate Costs**

Federal paperwork can also be measured in terms of financial costs imposed on respondents. For businesses, those costs can be roughly divided into the cost of the employees' time to respond to the survey and other costs, including capital and operating expenses (e.g., the purchase of new hardware or software systems to produce the required information). Both BLS and Census indicated that the 14 GPS/R surveys imposed no such "other" costs.

BLS and Census estimated the cost of employees' time to respond to an information collection by multiplying the number of burden hours associated with an information collection by the wage rate(s) of the types of employees needed to produce the information. According to OMB, agencies' estimates of the wage rates for respondents should include overhead and fringe benefit costs associated with the employee's time (e.g., health insurance and contributions to a retirement plan). As shown in table 6, BLS' estimates of the respondents' hourly rates for its six largest GPS/R surveys ranged from \$9.59 to \$19.91. Census estimated the respondents' hourly wage rates for its eight largest GPS/R surveys at between \$12.73 and \$30.00. Multiplying the agencies' estimates of the respondents' wage rates times their burden-hour estimates for the 14 GPS/R surveys of businesses yields a total cost to businesses of about \$179 million in fiscal year 1998.

**Table 6: Estimated Costs Associated with Responding to Surveys in Fiscal Year 1998**

<b>Survey title</b>	<b>Respondents' wage rate per hour</b>	<b>Annual burden hours (thousands)</b>	<b>Total costs to businesses (millions)</b>
<b>Bureau of Labor Statistics</b>			
Occupational Injuries and Illnesses	\$12.50	207	\$ 3
Multiple Worksite Report	13.72	167	2
Current Employment Survey	9.59	596	6
Annual Refiling Survey	13.04	203	3
Occupational Employment Survey	19.03	251	5
Producer Price Index	19.91	391	8
<b>Total for BLS</b>		<b>1,815</b>	<b>\$ 27</b>
<b>Bureau of the Census</b>			
SED	<sup>a</sup>	1,316	\$ 14
Economic Census of Manufactures	12.93	762	10
Economic Census of Wholesale Trade Sector	30.00	634	19
Economic Census of Transportation/Commodity Flow Survey	30.00	805	24
Economic Census of Retail Trade	30.00	993	30
Economic Census of Professionals	30.00	900	27
Economic Census of Utilities	30.00	766	23
SMOBE/SWOBE	12.73	417	5
<b>Total for Census</b>		<b>6,593</b>	<b>\$152</b>
<b>Total (BLS and Census)</b>		<b>8,408</b>	<b>\$179</b>

<sup>a</sup>The estimated cost per hour to complete a SED Survey ranges from \$10 for a paper submission to \$15 for an electronic submission. Of the 1.3 million burden hours, Census estimated that about 1.1 million burden hours were for paper responses and about 0.2 million hours were for electronic responses. Therefore, the burden-hour cost for the paper responses would be \$10.7 million and for the electronic responses \$3.7 million.

Source: BLS and Census data.

It is important to remember that these are aggregate burden-hour and cost estimates for all businesses in fiscal year 1998. The cost borne by each business that receives one of these surveys is significantly less. For example, recipients of the Occupational Injuries and Illnesses Survey take an estimated 54 minutes (.9 hour) each year filling out the form, with an associated wage rate of \$12.50 per hour. Therefore, the estimated cost to each recipient of the survey is \$11.25 per year. Although a single business may receive more than one of these surveys each year, its aggregate burden may still not be substantial. For example, even if a single business received all six of the BLS GPS/R surveys and the Census Bureau's SMOBE/SWOBE Survey in 1 year, the estimated labor cost to complete all of the surveys would be less than \$134.

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## Census and BLS Have Attempted to Minimize Burden of GPS/R Surveys on Businesses

Both BLS and Census have taken a number of steps to minimize or reduce the burden associated with the 14 large GPS/R surveys primarily directed toward businesses. These steps include (1) designing and administering the survey instruments to minimize burden on the survey respondents, (2) using various types of information technology to enable businesses to respond to surveys electronically, and (3) using information found in administrative records in other agencies as a substitute or a supplement to surveying the businesses directly. However, both agencies said that statutory confidentiality restrictions are an obstacle to greater data sharing, which could result in further burden reduction.

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## Survey Design and Administration

Census and BLS have attempted to design and administer their largest GPS/R surveys to minimize the burden they impose on businesses, particularly small businesses. For example, both agencies have developed versions of some of their surveys for small businesses with fewer or less complicated questions than versions directed to larger businesses. In the Economic Census of Wholesale Trade, Census sends establishments with fewer than four paid employees a simplified version of the survey form that requests less data than the standard form that is sent to larger employers. Similarly, businesses with only one owner receive shorter SMOBE and SWOBE Surveys than businesses with more than one owner.

BLS and Census have also used sampling techniques to limit the number of businesses to whom surveys are directed. The agencies also use special sampling procedures in some surveys that reduce the chances of a smaller business being selected compared to larger businesses, or of the same businesses repeatedly being selected to respond to the survey. For example, in its Occupational Injuries and Illnesses Survey, BLS employs a stratified random sampling approach in selecting survey recipients.<sup>10</sup> As a result of using this approach, less than 4 percent of all businesses actually receive a survey. Also, small employers (10 or fewer employees) are prenotified in the Occupational Injuries and Illnesses Survey that they have been selected for the survey and will need to maintain records. In the Annual Refiling Survey, BLS annually surveys one-third of the universe of the eligible businesses. As a result, an individual business can only be selected for the survey once every 3 years. Similarly, to ensure that small businesses are not unduly burdened by the Producer Price Index Survey, BLS changes the sample of companies surveyed every 4 to 7 years.

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<sup>10</sup>In stratified random sampling, the researcher ensures that appropriate numbers of elements are drawn from homogeneous subsets of the population.

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The agencies have also attempted to minimize the surveys' burden on business by making it as easy as possible for the business to respond to the surveys. For example, BLS' Occupational Injuries and Illnesses Survey is designed to allow employers who have no worker injuries or illnesses (many of whom are small employers) to simply check a "no injuries/illnesses" box on the survey, provide the number of employees and hours worked, and return the survey in a postage paid envelope. Similarly, the Census Bureau incorporated several changes into its Economic Census of Transportation/Commodity Flow Survey to reduce burden on businesses. For example, Census reduced the number of establishments that were surveyed by 50 percent; reduced the shipping period covered by the questionnaire from 2 weeks to 1 week; reduced the number of shipments per questionnaire that respondents had to report on by 20 percent (from 50 to 40 shipments); and allowed respondents to use estimates rather than actual numbers, particularly when generating the actual numbers would require the respondent to incur additional expenses.

Changing the frequency of administering the surveys is another approach that could be used to reduce burden on business. However, in some cases the agencies are already administering the survey as infrequently as the underlying statutes allow. Also, BLS and Census officials indicated that administering their large GPS/R surveys any less frequently could have a negative effect on the primary purposes of the data collections. For example, BLS officials indicated that federal policymakers and economic advisors use the monthly Producer Price Index in forming and evaluating monetary and fiscal policy and helping to evaluate the general business environment. They indicated that if this information were collected less frequently it would take longer to recognize and adapt to changes in the economy. Similarly, BLS officials said that collecting the quarterly Multiple Worksite Report data less frequently (such as annually or semiannually) would not provide the data necessary for certain users to produce important economic indicators or to administer various programs at the local, state, or national levels.

In addition, Census officials stated that conducting economic censuses less frequently than every 5 years would diminish the time lines and usefulness of the statistics produced and diminish the usefulness of the economic census as a source of comprehensive information for economic policymaking, planning, and program administration. Likewise, Census officials said it is very important to collect export data through SED on an ongoing basis. They said that if SED data were collected less frequently, the government would not be able to produce monthly statistics on the trade balance. They indicated that this information is a valuable



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component of the merchandise trade balance, which is one of the most sensitive and closely watched economic indicators produced by the federal government. Slight movements in the deficit could affect public policy, financial decisions, or congressional actions.

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## Use of Technology

Census and BLS are also using information technology in some of their surveys to minimize the burden imposed on businesses through their GPS/R surveys, to increase survey response rates, and to obtain more accurate and up-to-date information. One common use of technology for these surveys was some type of electronic filing of survey responses. For example, BLS collects more than 80 percent of the responses to its Current Employment Survey electronically. Census collects nearly half of the SED responses in this manner. Electronic submission of the SED form cut the estimated time needed to complete the survey from about 11 minutes to 3 minutes. The format of those electronic responses sometimes includes a range of techniques for a single survey, including the use of computers, telephones, and facsimiles. For example, BLS collects responses to the Current Employment Survey via touch-tone data entry, computer-assisted telephone interviews, electronic data interchange, facsimile collection, and submission of tapes and diskettes.

The agencies are continuing to develop their uses of technology in virtually all of these large GPS/R surveys, and have begun to provide technical assistance to businesses in their use. For example, in 1987, Census established a National Clearinghouse for Exporter Data Processing Services to encourage exporters to use technology when filing their SED reports. The Clearinghouse provides technological support to exporters, freight forwarders, and carriers who want to file electronically but do not have the capability to do so. Census officials said that they are replacing an antiquated electronic exports reporting system with a new state-of-the-art system that includes the filing of export documentation over the Internet. When this is completed, there is to be one automated export tracking system that would allow exporters to enter information into a single common system that is used by Census, the Customs Service, and other agencies.

BLS identified several specific ways it is changing its data collection procedures to allow businesses to make better use of information technology. For example, employers with worksites in more than one state must currently submit their Multiple Worksite Reports to the relevant state agencies in each state. BLS is encouraging the use of a program to permit these employers to electronically submit the reports to a single data collection center that would then distribute the report to all of the relevant

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state agencies. BLS is also working with several private organizations that prepare businesses' payroll and reports commercially to enable them to offer their clients the additional service of electronically submitting the Multiple Worksite Reports directly to BLS. Finally, BLS officials said the agency is developing a technology-based system for administering the Producer Price Index that could benefit both businesses and BLS. Under this system, BLS would be able to send businesses the price quotation forms via the computer and allow the businesses to respond by facsimile.

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## Use of Data From Administrative Records

For several of the 14 large GPS/R surveys, Census and BLS obtained at least some of the needed data from administrative records kept by other federal agencies, by state and local agencies, or by other organizations rather than asking the respondents to provide the same information. In at least some of these surveys, the use of administrative records resulted in less paperwork burden on small businesses. For example, the Economic Censuses on Manufactures, Professionals, and Utilities exclude most small establishments from the mail surveys, relying instead on information from administrative files kept by the Internal Revenue Service and the Social Security Administration. The Census Bureau obtains more than 40 percent of the responses to the Economic Census of Manufactures through administrative records and more than one-quarter of the responses to the Professionals and Utilities Censuses in this manner.

In the SED program, the United States and Canada entered into an agreement in 1990 to share data on imports and exports, thereby reducing the paperwork burden on shippers. In this agreement, the Census Bureau uses Canadian data on imports from the United States as its measure of American exports to Canada. Similarly, Canada uses U.S. data on Canadian imports to replace the same data it had collected from its exporters. This data-exchange agreement has resulted in the elimination of the requirement for business exporting products from the United States to Canada to file SEDs for each shipment, thereby saving American exporters from preparing an estimated 3.5 to 4.0 million SEDs annually.

BLS also uses administrative data to reduce the paperwork burden associated with some of its GPS/R surveys. For example, businesses typically report workplace injuries and illnesses to both BLS through its Occupational Injuries and Illnesses Survey and to state governments through their workers' compensation programs. However, version "W" of the Occupational Injuries and Illnesses Survey enables businesses in six participating states to provide less detail on their survey response if they have already reported the detailed information to their states' workers'

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compensation programs. BLS obtains this information from the worker compensation agencies in those states.

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**Statutory Restrictions on Data Sharing Prevent Further Burden Reduction**

In the Information Collection Budget for fiscal year 1999, OMB identified seven categories of initiatives that agencies were undertaking to reduce paperwork burden. Census and BLS have begun or completed initiatives in most of these categories. However, Census and BLS are statutorily prohibited from fully utilizing one of the seven categories—data sharing.

The Census Bureau’s restrictions on data sharing are in 13 U.S.C. 9, which states that no officer or employee of the Department of Commerce or bureau or agency thereof, may

“(1) use the information furnished under the provisions of this title for any purpose other than the statistical purposes for which it is supplied; or (2) make any publication whereby the data furnished by any particular establishment or individual under this title can be identified; or (3) permit anyone other than the sworn officers and employees of the Department or bureau or agency thereof to examine the individual reports.”

This and other statutory prohibitions on data sharing were put in place to protect the confidentiality of survey respondents. The original PRA in 1980 gave the director of OMB the authority to direct a statistical agency to share information it had collected with another statistical agency. However, this authority did not apply to information covered by laws prohibiting such disclosures. In the early 1980s, the statistical agencies, under OMB’s leadership, proposed legislation that would have extended their ability to share data, but legislation was not enacted.

For the past 2 decades, we and others have urged legislative changes that would allow greater sharing of data and information on data sources among agencies. In 1979, we recommended that existing law be amended to allow the Bureau of the Census to share information on business establishments with other government agencies.<sup>11</sup> More recently, in March 1998, we said that the inability of statistical agencies to share data is one of the most significant issues facing the statistical system and one of the major factors affecting the quality of data, the efficiency of the system, and the amount of burden placed on those who provide information to the agencies.<sup>12</sup>

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<sup>11</sup> After Six Years, Legal Obstacles Continue to Restrict Government Use of the Standard Statistical Establishment List (GAO/GGD-79-17, May 25, 1979).

<sup>12</sup> Statistical Agencies: Proposed Consolidation and Data Sharing Legislation (GAO/T-GGD-98-91, Mar. 26, 1998).

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Data sharing is still an issue of concern in both the executive and legislative branches. One of the Clinton administration's key initiatives identified in the Statistical Programs of the United States Government: Fiscal Year 1999 addresses needed changes in statistical confidentiality and data-sharing statutes and practices. Also, legislation has been introduced in the 106<sup>th</sup> Congress (S. 205), which would, among other things, permit limited sharing of records among designated agencies for statistical purposes under strong safeguards.

Both Census and BLS support administration proposals to revise the confidentiality statutes to allow data sharing among statistical agencies. Officials in both agencies said that proposed changes permitting greater data sharing offered a major way to reduce burden on businesses without compromising the confidentiality or the quality of the information collected. However, neither BLS nor Census is able to estimate how many burden hours might be reduced in general or for specific surveys if data-sharing legislation were enacted. A Census official told us that the extent of burden reduction would depend on the specific provisions of the legislation and on how data sharing was implemented. Among the 14 surveys that we examined, the official identified instances where Census and BLS have duplication or overlap between collections and could potentially reduce burden by sharing. However, he said the greater potential for reducing burden would come from the agencies jointly reengineering survey programs to increase standardization and reduce duplication.

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## Conclusions

GPS/R surveys directed at businesses are extremely useful to federal agencies, state and local governments, and to the businesses themselves. For example, the Producer Price Index is used to make decisions on monetary policy and to evaluate the condition of markets. Information from the Occupational Injuries and Illnesses Survey is used to determine the effectiveness of federal and state safety programs. The SED data are the official record of export transactions from the United States. These surveys also contribute data to national economic indicators that have been developed and refined over the years to meet the needs of economic policymakers and others for timely, accurate, and consistent information on the state of our national economy.

Although GPS/R surveys of businesses account for a very small portion of federal agencies' total paperwork burden, the 12.6 million hours that agencies estimated it took all businesses to complete GPS/R surveys in fiscal year 1998 is a substantial paperwork burden. We estimated that businesses' aggregate labor costs to complete these surveys ranged from

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roughly \$219 million to about \$305 million. However, the burden imposed on any one business may be quite small. Census and BLS, which account for the bulk of the burden hours associated with GPS/R surveys, have taken and continue to take steps to minimize or reduce the burden associated with these information collections.

However, Census, BLS, and other statistical agencies are unable to minimize or reduce paperwork burden as much as possible because of statutory restrictions on sharing data collected for statistical purposes between the agencies. We, OMB, and the statistical agencies have supported revising those restrictions. Doing so could reduce information collection costs to both respondents and the agencies collecting the data.

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## Agency Comments and Our Evaluation

We provided a draft of this report to officials responsible for GPS/R survey policy and administration in Census, BLS, and OMB for their review and comment. We received oral comments from Census and BLS on August 20, 1999, and from OMB on August 30, 1999. Each agency agreed with our overall characterization of GPS/R surveys of businesses and our conclusions and each suggested technical and editorial changes, which we incorporated into the final report as appropriate.

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We are sending copies of this report to Representative William J. Pascrell, Jr., Ranking Minority Member, House Committee on Small Business' Subcommittee on Regulatory Reform and Paperwork Reduction; the Honorable Jacob J. Lew, Director of OMB; the Honorable Alexis M. Herman, Secretary of Labor; and the Honorable William M. Daley, Secretary of Commerce. We will make copies available to others on request.

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If you have any questions regarding this report, please contact me on (202) 512-8676. Key contributors to this assignment were Curtis Copeland, Elizabeth Powell, and Ellen Wineholt.

Sincerely yours,

A handwritten signature in black ink, appearing to read "L. Nye Stevens". The signature is written in a cursive style with a long horizontal stroke at the end.

L. Nye Stevens  
Director, Federal Management and  
Workforce Issues

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