Union Calendar No. 486 H.R.5215

107th CONGRESS 2d Session

[Report No. 107-778]

To protect the confidentiality of information acquired from the public for statistical purposes, and to permit the exchange of business data among designated statistical agencies for statistical purposes only.

IN THE HOUSE OF REPRESENTATIVES

JULY 25, 2002

Mr. HORN (for himself, Mr. SAWYER, and Mrs. MALONEY of New York) introduced the following bill; which was referred to the Committee on Government Reform

NOVEMBER 13, 2002

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on July 25, 2002]

A BILL

To protect the confidentiality of information acquired from the public for statistical purposes, and to permit the exchange of business data among designated statistical agencies for statistical purposes only.

1 Be it enacted by the Senate and House of Representa-

2 tives of the United States of America in Congress assembled,

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the "Confidential Informa3 tion Protection and Statistical Efficiency Act of 2002".

4 SEC. 2. DEFINITIONS.

5 As used in this Act:

6 (1) The term "agency" means any entity that
7 falls within the definition of the term "executive agen8 cy" as defined in section 102 of title 31, United
9 States Code, or "agency", as defined in section 3502
10 of title 44, United States Code.

11 (2) The term "agent" means an individual—

12 (A)(i) who is an employee of a private orga-13 nization or a researcher affiliated with an insti-14 tution of higher learning (including a person 15 granted special sworn status by the Bureau of 16 the Census under section 23(c) of title 13, United 17 States Code), and with whom a contract or other 18 agreement is executed, on a temporary basis, by 19 an executive agency to perform exclusively statis-20 tical activities under the control and supervision 21 of an officer or employee of that agency;

(ii) who is working under the authority of
a government entity with which a contract or
other agreement is executed by an executive agency to perform exclusively statistical activities

1

under the control of an officer or employee of

4

1	purpose, including any administrative, regu-
2	latory, law enforcement, adjudicatory, or other
3	purpose that affects the rights, privileges, or ben-
4	efits of a particular identifiable respondent; and
5	(B) includes the disclosure under section
6	552 of title 5, United States Code (popularly
7	known as the Freedom of Information Act) of
8	data that are acquired for exclusively statistical
9	purposes under a pledge of confidentiality.
10	(6) The term "respondent" means a person who,
11	or organization that, is requested or required to sup-
12	ply information to an agency, is the subject of infor-
13	mation requested or required to be supplied to an
14	agency, or provides that information to an agency.
15	(7) The term "statistical activities"—
16	(A) means the collection, compilation, proc-
17	essing, or analysis of data for the purpose of de-
18	scribing or making estimates concerning the
19	whole, or relevant groups or components within,
20	the economy, society, or the natural environment;
21	and
22	(B) includes the development of methods or
23	resources that support those activities, such as
24	measurement methods, models, statistical classi-
25	fications, or sampling frames.

1	(8) The term "statistical agency or unit" means
2	an agency or organizational unit of the executive
3	branch whose activities are predominantly the collec-
4	tion, compilation, processing, or analysis of informa-
5	tion for statistical purposes.
6	(9) The term "statistical purpose"—
7	(A) means the description, estimation, or
8	analysis of the characteristics of groups, without
9	identifying the individuals or organizations that
10	comprise such groups; and
11	(B) includes the development, implementa-
12	tion, or maintenance of methods, technical or ad-
13	ministrative procedures, or information resources
14	that support the purposes described in subpara-
15	graph (A).
16	SEC. 3. COORDINATION AND OVERSIGHT OF POLICIES.
17	(a) IN GENERAL.—The Director of the Office of Man-
18	agement and Budget shall coordinate and oversee the con-
19	fidentiality and disclosure policies established by this Act.
20	The Director may promulgate rules or provide other guid-
21	ance to ensure consistent interpretation of this Act by the
22	affected agencies.
23	(b) AGENCY RULES.—Subject to subsection (c), agen-
24	cies may promulgate rules to implement this Act. Rules gov-

25 erning disclosures of information that are authorized by

this Act shall be promulgated by the agency that originally
 collected the information.

3 (c) REVIEW AND APPROVAL OF RULES.—The Director
4 shall review any rules proposed by an agency pursuant to
5 this Act for consistency with the provisions of this Act and
6 chapter 35 of title 44, United States Code, and such rules
7 shall be subject to the approval of the Director.

8 (d) REPORTS.—

9 (1) The head of each agency shall provide to the 10 Director of the Office of Management and Budget 11 such reports and other information as the Director re-12 quests.

13 (2) Each Designated Statistical Agency referred 14 to in section 202 shall report annually to the Director 15 of the Office of Management and Budget, the Com-16 mittee on Government Reform of the House of Rep-17 resentatives, and the Committee on Governmental Af-18 fairs of the Senate on the actions it has taken to im-19 plement sections 203 and 204. The report shall in-20 clude copies of each written agreement entered into 21 pursuant to section 204(a) for the applicable year.

(3) The Director of the Office of Management
and Budget shall include a summary of reports submitted to the Director under paragraph (2) and actions taken by the Director to advance the purposes

of this Act in the annual report to the Congress on
 statistical programs prepared under section
 3504(e)(2) of title 44, United States Code.

4 SEC. 4. EFFECT ON OTHER LAWS.

(a) TITLE 44, UNITED STATES CODE.—This Act, including amendments made by this Act, does not diminish
the authority under section 3510 of title 44, United States
Code, of the Director of the Office of Management and
Budget to direct, and of an agency to make, disclosures that
are not inconsistent with any applicable law.

(b) TITLE 13 AND TITLE 44, UNITED STATES CODE.—
This Act, including amendments made by this Act, does not
diminish the authority of the Bureau of the Census to provide information in accordance with sections 8, 16, 301,
and 401 of title 13, United States Code, and section 2108
of title 44, United States Code.

(c) TITLE 13, UNITED STATES CODE.—This Act, including amendments made by this Act, shall not be construed as authorizing the disclosure for nonstatistical purposes of demographic data or information collected by the
Census Bureau pursuant to section 9 of title 13, United
States Code.

23 (d) VARIOUS ENERGY STATUTES.—Data or informa24 tion acquired by the Energy Information Administration
25 under a pledge of confidentiality and designated by the En-

ergy Information Administration to be used for exclusively
 statistical purposes shall not be disclosed in identifiable
 form for nonstatistical purposes under—

4 (1) section 12, 20, or 59 of the Federal Energy
5 Administration Act of 1974 (15 U.S.C. 771, 779,
6 790h);

7 (2) section 11 of the Energy Supply and Envi8 ronmental Coordination Act of 1974 (15 U.S.C. 796);
9 or

10 (3) section 205 or 407 of the Department of the
11 Energy Organization Act of 1977 (42 U.S.C. 7135,
12 7177).

(e) PREEMPTION OF STATE LAW.—Nothing in this Act
shall preempt applicable State law regarding the confidentiality of data collected by the States.

16 (f) STATUTES REGARDING FALSE STATEMENTS.—Notwithstanding section 102, information collected by an agen-17 cy for exclusively statistical purposes under a pledge of con-18 fidentiality may be provided by the collecting agency to a 19 law enforcement agency for the prosecution of submissions 20 21 to the collecting agency of false statistical information 22 under statutes that authorize criminal penalties (such as 23 section 221 of title 13, United States Code) or civil penalties 24 for the provision of false statistical information, unless such

disclosure or use would otherwise be prohibited under Fed eral law.

3 (g) CONSTRUCTION.—Nothing in this Act shall be con-4 strued as restricting or diminishing any confidentiality 5 protections or penalties for unauthorized disclosure that 6 otherwise apply to data or information collected for statis-7 tical purposes or nonstatistical purposes, including, but not 8 limited to, section 6103 of the Internal Revenue Code of 9 1986 (26 U.S.C. 6103).

(h) AUTHORITY OF CONGRESS.—Nothing in this Act
shall be construed to affect the authority of the Congress,
including its committees, members, or agents, to obtain
data or information for a statistical purpose, including for
oversight of an agency's statistical activities.

15 **TITLE I—CONFIDENTIAL**

16 **INFORMATION PROTECTION**

17 SEC. 101. FINDINGS AND PURPOSES.

18 (a) FINDINGS.—The Congress finds the following:

19 (1) Individuals, businesses, and other organiza20 tions have varying degrees of legal protection when
21 providing information to the agencies for strictly sta22 tistical purposes.

23 (2) Pledges of confidentiality by agencies provide
24 assurances to the public that information about indi25 viduals or organizations or provided by individuals

1	or organizations for exclusively statistical purposes
2	will be held in confidence and will not be used
3	against such individuals or organizations in any
4	agency action.
5	(3) Protecting the confidentiality interests of in-
6	dividuals or organizations who provide information
7	under a pledge of confidentiality for Federal statis-
8	tical programs serves both the interests of the public
9	and the needs of society.
10	(4) Declining trust of the public in the protection
11	of information provided under a pledge of confiden-
12	tiality to the agencies adversely affects both the accu-
13	racy and completeness of statistical analyses.
14	(5) Ensuring that information provided under a
15	pledge of confidentiality for statistical purposes re-
16	ceives protection is essential in continuing public co-
17	operation in statistical programs.
18	(b) PURPOSES.—The purposes of this title are the fol-
19	lowing:
20	(1) To ensure that information supplied by indi-
21	viduals or organizations to an agency for statistical
22	purposes under a pledge of confidentiality is used ex-
23	clusively for statistical purposes.
24	(2) To ensure that individuals or organizations
25	who supply information under a pledge of confiden-

tiality to agencies for statistical purposes will neither
 have that information disclosed in identifiable form to
 anyone not authorized by this Act nor have that in formation used for any purpose other than a statis tical purpose.
 (3) To safeguard the confidentiality of individ ually identifiable information acquired under a

8 pledge of confidentiality for statistical purposes by 9 controlling access to, and uses made of, such informa-10 tion.

11 SEC. 102. LIMITATIONS ON USE AND DISCLOSURE OF DATA 12 AND INFORMATION.

(a) USE OF STATISTICAL DATA OR INFORMATION.—
14 Data or information acquired by an agency under a pledge
15 of confidentiality and for exclusively statistical purposes
16 shall be used by officers, employees, or agents of the agency
17 exclusively for statistical purposes.

18 (b) DISCLOSURE OF STATISTICAL DATA OR INFORMA19 TION.—

(1) Data or information acquired by an agency
under a pledge of confidentiality for exclusively statistical purposes shall not be disclosed by an agency
in identifiable form, for any use other than an exclusively statistical purpose, except with the informed
consent of the respondent.

(2) A disclosure pursuant to paragraph (1) is
 authorized only when the head of the agency approves
 such disclosure and the disclosure is not prohibited by
 any other law.

5 (3) This section does not restrict or diminish
6 any confidentiality protections in law that otherwise
7 apply to data or information acquired by an agency
8 under a pledge of confidentiality for exclusively sta9 tistical purposes.

10 (c) RULE FOR USE OF DATA OR INFORMATION FOR 11 NONSTATISTICAL PURPOSES.—A statistical agency or unit 12 shall clearly distinguish any data or information it collects 13 for nonstatistical purposes (as authorized by law) and pro-14 vide notice to the public, before the data or information is 15 collected, that the data or information could be used for 16 nonstatistical purposes.

(d) DESIGNATION OF AGENTS.—A statistical agency or
unit may designate agents, by contract or by entering into
a special agreement containing the provisions required
under section 2(2) for treatment as an agent under that
section, who may perform exclusively statistical activities,
subject to the limitations and penalties described in this
Act.

1 SEC. 103. FINES AND PENALTIES.

2 Whoever, being an officer, employee, or agent of an agency acquiring information for exclusively statistical 3 purposes, having taken and subscribed the oath of office, 4 5 or having sworn to observe the limitations imposed by section 102, comes into possession of such information by rea-6 7 son of his or her being an officer, employee, or agent and, knowing that the disclosure of the specific information is 8 9 prohibited under the provisions of this Act, willfully discloses the information in any manner to a person or agency 10 not entitled to receive it, shall be guilty of a class E felony 11 and imprisoned for not more than 5 years, or fined not 12 more than \$250,000, or both. 13

14 *TITLE II—STATISTICAL* 15 *EFFICIENCY*

16 SEC. 201. FINDINGS AND PURPOSES.

17 (a) FINDINGS.—The Congress finds the following:

18 (1) Federal statistics are an important source of
19 information for public and private decision-makers
20 such as policymakers, consumers, businesses, inves21 tors, and workers.

(2) Federal statistical agencies should continuously seek to improve their efficiency. Statutory constraints limit the ability of these agencies to share
data and thus to achieve higher efficiency for Federal
statistical programs.

(3) The quality of Federal statistics depends on
 the willingness of businesses to respond to statistical
 surveys. Reducing reporting burdens will increase re sponse rates, and therefore lead to more accurate
 characterizations of the economy.

6 (4) Enhanced sharing of business data among 7 the Bureau of the Census, the Bureau of Economic 8 Analysis, and the Bureau of Labor Statistics for ex-9 clusively statistical purposes will improve their abil-10 ity to track more accurately the large and rapidly 11 changing nature of United States business. In par-12 ticular, the statistical agencies will be able to better 13 ensure that businesses are consistently classified in 14 appropriate industries. resolve data anomalies. 15 produce statistical samples that are consistently ad-16 justed for the entry and exit of new businesses in a 17 timely manner, and correct faulty reporting errors 18 quickly and efficiently.

(5) The Congress enacted the International Investment and Trade in Services Act of 1990 that allowed the Bureau of the Census, the Bureau of Economic Analysis, and the Bureau of Labor Statistics
to share data on foreign-owned companies. The Act
not only expanded detailed industry coverage from
135 industries to over 800 industries with no increase

1	in the data collected from respondents but also dem-
2	onstrated how data sharing can result in the creation
3	of valuable data products.
4	(6) With title I of this Act, the sharing of busi-
5	ness data among the Bureau of the Census, the Bu-
6	reau of Economic Analysis, and the Bureau of Labor
7	Statistics continues to ensure the highest level of con-
8	fidentiality for respondents to statistical surveys.
9	(b) PURPOSES.—The purposes of this title are the fol-
10	lowing:
11	(1) To authorize the sharing of business data
12	among the Bureau of the Census, the Bureau of Eco-
13	nomic Analysis, and the Bureau of Labor Statistics
14	for exclusively statistical purposes.
15	(2) To reduce the paperwork burdens imposed on
16	businesses that provide requested information to the
17	Federal Government.
18	(3) To improve the comparability and accuracy
19	of Federal economic statistics by allowing the Bureau
20	of the Census, the Bureau of Economic Analysis, and
21	the Bureau of Labor Statistics to update sample
22	frames, develop consistent classifications of establish-
23	ments and companies into industries, improve cov-
24	erage, and reconcile significant differences in data
25	produced by the three agencies.

1	(4) To increase understanding of the United
2	States economy, especially for key industry and re-
3	gional statistics, to develop more accurate measures of
4	the impact of technology on productivity growth, and
5	to enhance the reliability of the Nation's most impor-
6	tant economic indicators, such as the National In-
7	come and Product Accounts.
8	SEC. 202. DESIGNATION OF STATISTICAL AGENCIES.
9	For purposes of this title, the term "Designated Statis-
10	tical Agency" means each of the following:
11	(1) The Bureau of the Census of the Department
12	of Commerce.
13	(2) The Bureau of Economic Analysis of the De-
14	partment of Commerce.
15	(3) The Bureau of Labor Statistics of the De-
16	partment of Labor.
17	SEC. 203. RESPONSIBILITIES OF DESIGNATED STATISTICAL
18	AGENCIES.
19	The head of each of the Designated Statistical Agencies
20	shall—
21	(1) identify opportunities to eliminate duplica-
22	tion and otherwise reduce reporting burden and cost
23	imposed on the public in providing information for
24	statistical purposes;

1	(2) enter into joint statistical projects to improve
2	the quality and reduce the cost of statistical pro-
3	grams; and
4	(3) protect the confidentiality of individually
5	identifiable information acquired for statistical pur-
6	poses by adhering to safeguard principles, includ-
7	ing—
8	(A) emphasizing to their officers, employees,
9	and agents the importance of protecting the con-
10	fidentiality of information in cases where the
11	identity of individual respondents can reason-
12	ably be inferred by either direct or indirect
13	means;
14	(B) training their officers, employees, and
15	agents in their legal obligations to protect the
16	confidentiality of individually identifiable infor-
17	mation and in the procedures that must be fol-
18	lowed to provide access to such information;
19	(C) implementing appropriate measures to
20	assure the physical and electronic security of
21	confidential data;
22	(D) establishing a system of records that
23	identifies individuals accessing confidential data
24	and the project for which the data were required;
25	and

1 (E) being prepared to document their com-2 pliance with safeguard principles to other agencies authorized by law to monitor such compli-3 4 ance. 5 SEC. 204. SHARING OF BUSINESS DATA AMONG DES-6 IGNATED STATISTICAL AGENCIES. 7 (a) IN GENERAL.—A Designated Statistical Agency 8 may provide business data in an identifiable form to an-9 other Designated Statistical Agency under the terms of a written agreement among the agencies sharing the business 10 11 data that specifies— 12 (1) the business data to be shared; 13 (2) the statistical purposes for which the business 14 data are to be used: 15 (3) the officers, employees, and agents authorized 16 to examine the business data to be shared; and 17 (4) appropriate security procedures to safeguard 18 the confidentiality of the business data. 19 (b) Responsibilities of Agencies Under Other LAWS.—The provision of business data by an agency to a 20 21 Designated Statistical Agency under this title shall in no 22 way alter the responsibility of the agency providing the 23 data under other statutes (including section 552 of title 5, 24 United States Code (popularly known as the Freedom of Information Act), and section 552b of title 5, United States 25

Code (popularly known as the Privacy Act of 1974)) with
 respect to the provision or withholding of such information
 by the agency providing the data.

4 (c) Responsibilities of Officers, Employees, and AGENTS.—Examination of business data in identifiable 5 form shall be limited to the officers, employees, and agents 6 7 authorized to examine the individual reports in accordance 8 with written agreements pursuant to this section. Officers, 9 employees, and agents of a Designated Statistical Agency 10 who receive data pursuant to this title shall be subject to 11 all provisions of law, including penalties, that relate—

(1) to the unlawful provision of the business data
that would apply to the officers, employees, and
agents of the agency that originally obtained the information; and

16 (2) to the unlawful disclosure of the business
17 data that would apply to officers, employees, and
18 agents of the agency that originally obtained the in19 formation.

(d) NOTICE.—Whenever a written agreement concerns
(d) NOTICE.—Whenever a written agreement concerns
21 data that respondents were required by law to report and
22 the respondents were not informed that the data could be
23 shared among the Designated Statistical Agencies, for exclu24 sively statistical purposes, the terms of such agreement shall
25 be described in a public notice issued by the agency that

intends to provide the data. Such notice shall allow a min imum of 60 days for public comment.

3 SEC. 205. LIMITATIONS ON USE OF BUSINESS DATA PRO4 VIDED BY DESIGNATED STATISTICAL AGEN5 CIES.

6 (a) USE, GENERALLY.—Business data provided by a
7 Designated Statistical Agency pursuant to this title shall
8 be used exclusively for statistical purposes.

9 (b) PUBLICATION.—Publication of business data ac-10 quired by a Designated Statistical Agency shall occur in 11 a manner whereby the data furnished by any particular 12 respondent are not in identifiable form.

13 SEC. 206. CONFORMING AMENDMENTS.

(a) DEPARTMENT OF COMMERCE.—Section 1 of the
15 Act of January 27, 1938 (15 U.S.C. 176a) is amended by
16 striking "The" and inserting "Except as provided in the
17 Confidential Information Protection and Statistical Effi18 ciency Act of 2002, the".

19 (b) TITLE 13.—Chapter 10 of title 13, United States
20 Code, is amended—

21 (1) by adding after section 401 the following:

22 "§402. Providing business data to Designated Statis 23 tical Agencies

24 "The Bureau of the Census may provide business data25 to the Bureau of Economic Analysis and the Bureau of

Labor Statistics ('Designated Statistical Agencies') if such
 information is required for an authorized statistical pur pose and the provision is the subject of a written agreement
 with that Designated Statistical Agency, or their successors,
 as defined in the Confidential Information Protection and
 Statistical Efficiency Act of 2002."; and
 (2) in the table of sections for the chapter by

- 8 adding after the item relating to section 401 the fol-
- 9 *lowing:*

[&]quot;402. Providing business data to Designated Statistical Agencies.".

Calendar No. 486

^{107TH CONGRESS} **H. R. 5215**

[Report No. 107-778]

A BILL

To protect the confidentiality of information acquired from the public for statistical purposes, and to permit the exchange of business data among designated statistical agencies for statistical purposes only.

NOVEMBER 13, 2002

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed