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Part IV

Office of Management and Budget

Recommendations From the Metropolitan Area Standards Review Committee to the Office of Management and Budget Concerning Changes to the Standards for Defining Metropolitan Areas; Notice

OFFICE OF MANAGEMENT AND BUDGET

Recommendations From the Metropolitan Area Standards Review Committee to the Office of Management and Budget Concerning Changes to the Standards for Defining Metropolitan Areas

AGENCY: Executive Office of the President, Office of Management and Budget (OMB), Office of Information and Regulatory Affairs.

ACTION: Notice and request for comments.

SUMMARY: OMB requests comments on recommendations that it has received from the Metropolitan Area Standards Review Committee (MASRC) for changes to OMB's metropolitan area (MA) standards. MASRC's report and recommendations, which are published in their entirety in the Appendix, are the result of a comprehensive review of the MA concept and current (1990) standards that began earlier this decade. The review will culminate in publication prior to Census 2000 of standards for the first decade of the next century.

DATES: To ensure consideration during the final decision making process, written comments must be received no later than December 20, 1999.

ADDRESSES: Written comments on the recommendations should be submitted to James D. Fitzsimmons, U.S. Bureau of the Census, IPC-Population Division, Washington, DC 20233–8860; fax (301) 457–3034.

Electronic Data Availability: This **Federal Register** Notice is available electronically from the OMB home page: <<http://www.whitehouse.gov/OMB/fedreg/index.html>>. **Federal Register** Notices also are available electronically from the U.S. Government Printing Office web site: <<http://www.access.gpo.gov/su__docs/aces/aces140.html>>.

FOR FURTHER INFORMATION CONTACT: James D. Fitzsimmons, Chair, Metropolitan Area Standards Review Committee, (301) 457–2419; or E-mail <<pop.frquestion@ccmail.census.gov>>.

SUPPLEMENTARY INFORMATION:

Outline of Notice

1. Background

The metropolitan area (MA) program has provided standard statistical area definitions at the metropolitan level for 50 years. In the 1940s, it became clear that the value of data produced at that level by Federal Government agencies would be greatly enhanced if agencies used a single set of geographic definitions for the Nation's metropolitan areas. The Office of Management and Budget's (OMB's) predecessor, the Bureau of the Budget, led the effort to develop what were then called ''standard metropolitan areas'' in time for their use in 1950 census reports. Since then, vast numbers of directly comparable MA data products have been made available to government, business, scholars, citizens' organizations, and others interested in studying various aspects of MAs.

The general concept of an MA is that of an area containing a large population nucleus and adjacent communities that have a high degree of integration with that nucleus. This general concept has remained essentially the same since MAs were first defined before the 1950 census. The purpose of MAs also is unchanged from when they were first defined: the classification provides a nationally consistent set of definitions for collecting, tabulating, and publishing Federal statistics for geographic areas. Stated differently, OMB establishes and maintains MAs solely for statistical purposes. *In reviewing and revising MAs, OMB does not take into account or attempt to anticipate any public or private sector nonstatistical uses that may be made of the definitions.*

The evolution of the standards for defining MAs was discussed in detail in OMB's **Federal Register** Notice of December 21, 1998, ''Alternative Approaches to Defining Metropolitan and Nonmetropolitan Areas'' (63 FR 70526–70561). Table 1 of the December Notice summarized the evolution of MA standards since 1950. (The December Notice is available on the OMB web site.)

2. Review Process

The MA standards are reviewed and, if warranted, revised in the years preceding each decennial census. Periodic review of the MA standards is necessary to ensure their continued usefulness and relevance. The current review of the MA standards—the Metropolitan Area Standards Review Project (MASRP)—is the sixth such review; it has been especially thorough, reflecting as a first priority users' concerns with the conceptual and operational complexity of the standards that have evolved over the decades. Other key concerns behind the particularly thorough nature of MASRP's efforts have been: (1) whether modifications to the standards over the years have permitted them to stay abreast of changes in population distribution and activity patterns; (2) whether advances in computer applications permit consideration of new approaches to defining areas; and (3) whether there is a practicable way to capture a more complete range of U.S. settlement and activity patterns than the current MA standards capture.

Specific, major issues addressed by MASRP have included:

- Whether the Federal Government should define metropolitan and nonmetropolitan statistical areas;
- The geographic units—''building blocks''—that should be used in defining the statistical areas;
- The criteria that should be used to aggregate the building blocks in defining the statistical areas;
- Whether the statistical areas should account for all territory of the Nation;
- Whether there should be hierarchies or multiple sets of statistical areas in the classification;
- The kinds of entities that should receive official recognition in the classification;
- Whether the classification should reflect statistical rules only or allow a role for local opinion; and
- How frequently statistical areas should be updated.

This decade's review has included several Census Bureau research projects, open conferences held in November 1995 and January 1999, a congressional hearing in July 1997, presentations at professional and academic conferences, and meetings with Federal, State, and local officials.

In fall 1998, OMB chartered the Metropolitan Area Standards Review

Committee (MASRC) and charged it with the tasks of examining the current MA standards and providing recommendations for possible changes to those standards. Agencies represented on MASRC include the Census Bureau (Chair), Bureau of Economic Analysis, Bureau of Labor Statistics, Bureau of Transportation Statistics, Economic Research Service (Agriculture), National Center for Health Statistics, and *ex officio,* OMB. The Census Bureau has provided research support to MASRC. MASRC's report summarizes the research and review process that led to the committee's recommendations (see Appendix, Section C).

This Notice is the second of three Notices related to the review of the standards. The first was published by OMB in the **Federal Register** of December 21, 1998. A summary of comments received in response to that Notice is provided in Section 3 below. OMB expects to publish the final standards in the third Notice prior to census day (April 1) 2000.

Ongoing research projects, although not intended to provide additional information for formulating final standards for the next decade, will further understanding of patterns of settlement and activity of the Nation's population and provide information for use in future reviews of the standards. Research will continue into aspects of all of the alternative approaches (and variations thereof) presented in the December 1998 **Federal Register** Notice. For example, Census Bureau staff are investigating the feasibility of developing a census tract-level classification to identify settlement and land use categories along an urban-rural continuum. The Census Bureau also has a project to conduct additional research on the comparative density approach outlined in the December 1998 **Federal Register** Notice and is continuing research on potential uses of directional commuting statistics in defining statistical areas. Outcomes of this work may be featured in pilot projects of the Census Bureau or other agencies during the next decade.

3. Summary of Comments Received in Response to the Federal Register Notice of December 21, 1998

The December 21, 1998 **Federal Register** Notice (63 FR 70526–70561) called for comments on: (1) the suitability of the current standards, (2) the principles that should govern any proposed revisions to the standards, (3) reactions to the four approaches outlined in the Notice, and (4) proposals for alternative ways to define metropolitan and nonmetropolitan areas. The December Notice also called for comments on the following questions: (1) What geographic unit should be used as the ''building block'' for defining areas for statistical purposes? (2) What criteria should be used to aggregate the geographic building blocks into statistical areas? (3) What criteria should be used to define a set of statistical areas of different types that together classify all the territory of the Nation?

A total of 40 comments were received from individuals (ten), municipalities (eight), State government agencies (seven), nongovernmental organizations (seven), Federal agencies (four), chambers of commerce (two), and regional government organizations (two).

Among commenters, the largest number (ten) preferred the commuting-based, county-level approach (presented in Part IV, Section A of the December Notice). Four commenters preferred the commuting-based, census tract-level approach (Part IV, Section B). The directional commuting, census tract-level approach (Part IV, Section C) was the choice of one commenter, and two stated a preference for the comparative density, county-level approach (Part IV, Section D). Two commenters preferred adoption of both the commuting-based, county-level and the commuting-based, census tract-level approaches. Twenty-one commenters did not indicate a preference for any of the four alternative approaches presented. Comment letters generally emphasized specific issues rather than overall approaches for classifying areas.

The issue of what geographic entity to use as a building block for defining metropolitan and nonmetropolitan areas drew the largest number of comments. Thirty-five of the 40 commenters specifically indicated building block preferences. Of these, 25 preferred continued use of counties, five preferred use of census tracts, and two preferred use of minor civil divisions (MCDs). Three commenters indicated a preference for dual classifications—one using counties as building blocks and the other using census tracts. Three commenters favored continued use of MCDs as building blocks for statistical areas in New England.

Of the 40 commenters, 24 remarked on the kind of measure to be used in aggregating entities to define metropolitan and nonmetropolitan areas. Twenty-one favored use of commuting (journey-to-work) data as the primary means of determining the geographic extent of metropolitan and nonmetropolitan areas. A few commenters, however, expressed concern that commuting data do not describe all patterns of activity and, therefore, cannot portray all social and economic linkages between entities. With respect to specific commuting criteria to be used in qualifying entities for inclusion within metropolitan and nonmetropolitan areas, one commenter suggested a 30 to 35 percent minimum commuting requirement; another suggested a 25 percent minimum commuting requirement. No other comments were received regarding specific commuting thresholds.

Central city identification received little attention. Of the four commenters who did respond on this issue, three favored continued identification of central cities; one favored discontinuing this practice. Four comments were received in response to the related issue of identifying urban, suburban, rural, and other settlement categories as part of the standards. Three commenters favored identification of such categories as part of the standards; one commented negatively, noting that identification of these categories is a separate issue that should be addressed in a classification system that focuses on settlement form (*i.e.,* what can be seen on the land) and not functional ties (*i.e.,* interactions of people and activities among places).

Fifteen comments were received on whether and how a statistical area classification should account for all territory in the United States. Twelve favored development of a classification that accounted for all of the territory of the Nation, but they varied considerably on how to do so. Three commenters endorsed defining MAs only.

The role of local opinion in defining metropolitan and nonmetropolitan areas drew two comments: one favored a limited use of local opinion, such as in naming areas; the other noted that local opinion should be solicited in a timely manner.

Although some commenters did offer alternative proposals for geographic entities to be used as building blocks, means of measuring the extent of areas, and ways of identifying settlement categories within the classification system, no additional proposals for alternative approaches to defining metropolitan and nonmetropolitan areas were received.

4. Overview of MASRC Report

This **Federal Register** Notice makes available for comment MASRC's recommendations to OMB for how the current MA standards should be revised. These recommendations are presented in their entirety in MASRC's ''Report to the Office of Management

and Budget on the Review of the Metropolitan Area Standards and Recommendations for Standards for Defining Core-Based Statistical Areas for the First Decade of the 21st Century,'' provided in the Appendix to this Notice. Section G of the Appendix presents for public comment the specific standards recommended by MASRC for adoption by OMB. This overview summarizes MASRC's recommendations to OMB, with particular attention to recommendations that represent noteworthy conclusions and changes to the current standards or pertain to issues of special importance to users and providers of data for metropolitan and nonmetropolitan areas.

MASRC has recommended a Core-Based Statistical Area (CBSA) Classification to replace the current MA classification. The cores (*i.e.*, the densely settled concentrations of population) for this classification would be Census Bureau-defined urbanized areas and smaller densely settled ''settlement clusters'' identified in Census 2000. CBSAs would be defined around these cores. This CBSA Classification has three types of areas based on the *total* population of all cores in the CBSA: (1) Megapolitan Areas defined around cores of at least 1,000,000 population; (2) Macropolitan Areas defined around cores of 50,000 to 999,999 population; and (3) Micropolitan Areas defined around cores of 10,000 to 49,999 population. The identification of Micropolitan Areas extends concepts underlying the core-based approach to smaller population centers previously included in a ''nonmetropolitan residual.''

MASRC has recommended use of counties and equivalent entities as the building blocks for statistical areas throughout the United States and Puerto Rico, including the use of counties as the primary building blocks for statistical areas in New England. This recommendation does not preclude the potential adoption of a sub-county entity as the building block for statistical areas in the future. MASRC also has recommended that MCDs be used as building blocks for an alternative set of statistical areas for the New England States only.

MASRC has recommended adoption of a single commuting threshold of 25 percent to establish qualifying linkages between outlying counties and counties containing CBSA cores. In addition, MASRC recommends eliminating the use of measures of settlement structure, such as population density and percent of population that is urban, in conjunction with commuting when considering whether outlying counties qualify for inclusion. This change reduces the conceptual and operational complexity of the standards but may affect the geographic extent of some existing areas defined according to the current MA standards.

5. Issues for Comment

With this Notice, OMB requests comments on the recommendations it has received from MASRC concerning revisions to the current standards for defining MAs. The standards recommended to OMB for adoption are presented in Section G of MASRC's report. The complete report is included in the Appendix to this Notice to provide information on the review process and a context for MASRC's recommendations. In particular, Section E of the report provides a discussion of the recommendations on the various issues considered by MASRC. Section F presents a comparison of the current MA standards with the recommended CBSA Classification. OMB would appreciate receiving views and comments on any aspects of the recommended standards.

John T. Spotila,

Adminstrator, Office of Information and Regulatory Affairs.

Appendix—Report to the Office of Management and Budget on the Review of the Metropolitan Area Standards and Recommendations for Standards for Defining Core-Based Statistical Areas for the First Decade of the 21st Century

Prepared by the Metropolitan Area Standards Review Committee

[Transmittal Memorandum]
September 20, 1999
Memorandum for Katherine K. Wallman, Chief Statistician, Office of Management and Budget
From: Metropolitan Area Standards Review Committee
Subject: Transmittal of Report and Recommendations for Standards for Defining Core-Based Statistical Areas

We are pleased to transmit to you the attached report presenting this committee's recommendations for modifying the Office of Management and Budget's (OMB's) standards for defining metropolitan areas. The recommendations are outlined and discussed in Section E of the report. They represent our best technical and professional advice for how the standards could better account for and describe changes in settlement and activity patterns throughout the United States and Puerto Rico yet still meet the data reporting needs and requirements of Federal agencies and the public.

Our recommendations for a Core-Based Statistical Area Classification are the product of a ten-year review process. During that time, a research program was designed and implemented to determine whether the current (1990) standards were in need of revision as well as to identify and evaluate alternative approaches to defining metropolitan and nonmetropolitan areas. Section A of our report discusses the formation of the Metropolitan Area Standards Review Committee (MASRC) and outlines the tasks assigned by OMB. Section B reports on the means by which the public participated in the review process and provided comments. Sections C and D, respectively, report on research efforts that have been conducted as part of this review and the principles that have guided the development of recommendations. Section E outlines the issues that have been under review and reports on decisions reached by MASRC, based on our evaluation of research results and consideration of related public comments. Section F provides a comparison of the current metropolitan area standards with the standards recommended by MASRC. Section G presents the specific standards recommended by MASRC. Finally, Section H provides definitions of key terms used in the report.

We hope that OMB will find this report with its accompanying recommendations informative and helpful in making its decision on what changes, if any, to adopt in the standards for defining geographic areas for collecting, tabulating, and publishing Federal statistics.

Attachment

Report to the Office of Management and Budget on the Review of the Metropolitan Area Standards and Recommendations for Standards for Defining Core-Based Statistical Areas for the First Decade of the 21st Century

A. Formation of the Metropolitan Area Standards Review Committee

In fall 1998, the Office of Management and Budget (OMB) reconstituted the Federal Executive Committee on Metropolitan Areas as the Metropolitan Area Standards Review Committee (MASRC). Agencies represented on MASRC include the Census Bureau (Chair), Bureau of Economic Analysis, Bureau of Labor Statistics, Bureau of Transportation Statistics, Economic Research Service (Agriculture), National Center for Health Statistics, and *ex officio*, OMB.

OMB charged MASRC with the tasks of examining the current (1990)

metropolitan area (MA) standards and alternative approaches to statistical definitions of metropolitan and nonmetropolitan areas and providing recommendations to OMB for possible changes to the current standards. Completion of this charge required: (1) Identifying current statistical uses of MAs and assessing whether and how those uses might better be met; (2) reviewing the conceptual underpinnings of the current MA standards and their continued usefulness; (3) assessing the extent to which any changes in the standards should reflect changes in computing technology on how MAs are or can be defined and maintained; (4) developing and empirically testing potential changes in the standards; and (5) ensuring ample opportunity for widespread public participation in the review process.

B. Public Participation and Comments

Public participation and comments, obtained through a variety of formats, have provided important guideposts for the review of the MA standards. Beginning early in the decade, OMB and Census Bureau staff received comments and suggestions from Federal, State, and local officials; representatives of the private sector; researchers; and other data users through meetings, responses to presentations at academic and professional conferences, and at a Congressional hearing held in July 1997.

OMB requested formal public comment on MA concepts and standards through the **Federal Register** Notice ''Alternative Approaches to Defining Metropolitan and Nonmetropolitan Areas,'' that was published on December 21, 1998. During the public comment period for the Notice, a seminar and open forum were held in Alexandria, Virginia, on January 21 and 22, 1999. Comments received in response to the Notice and at the seminar and open forum were considered by MASRC during its development of recommendations.

Between January and August 1999, Census Bureau staff also participated in, and offered presentations at, some 20 meetings and conferences around the country attended by Federal statistical program participants, State and local officials, and experts in academia and private survey and research firms. Many individuals also have contacted OMB and Census Bureau staff to discuss issues pertaining to this review. Although comments received in these ways were not part of the official set of written responses to the December 1998 **Federal Register** Notice, MASRC was apprised of and considered these less formal comments in its deliberations.

C. Review Process

1. Metropolitan Area Standards Review Project

The MA standards are reviewed and, if warranted, revised in the years preceding each decennial census to ensure their continued usefulness and relevance. The current review of the MA standards—the Metropolitan Area Standards Review Project (MASRP)—is the sixth such review. This review has been especially thorough, reflecting as a first priority users' concerns with the conceptual and operational complexity of the standards that have evolved over the decades. Other key concerns of MASRP have been: (1) Whether modifications to the standards over the years have permitted them to stay abreast of changes in population distribution and activity patterns; (2) whether advances in computer applications permit consideration of new approaches to defining areas; and (3) whether there is a practicable way to capture a more complete range of U.S. settlement and activity patterns than the current MA standards capture.

Specific, major issues addressed by MASRP have included:

- Whether the Federal Government should define metropolitan and nonmetropolitan statistical areas;
- The geographic units—''building blocks''—that should be used in defining the statistical areas;
- The criteria that should be used to aggregate the building blocks in defining the statistical areas;
- Whether the statistical areas should account for all territory of the Nation;
- Whether there should be hierarchies or multiple sets of statistical areas in the classification;
- The kinds of areas that should receive official recognition in the classification;
- Whether the classification should reflect statistical rules only or allow a role for local opinion; and
- How frequently statistical areas should be updated.

As in previous decades, the Census Bureau has worked closely with OMB in support of the MA program. In 1990, the Census Bureau commissioned four studies by scholars to sketch out and evaluate alternative approaches to defining metropolitan and nonmetropolitan areas. The reports produced through these studies were published in a Census Bureau working paper, which later served as the focus of discussion at an open conference in November 1995 that was hosted by the Council of Professional Associations on Federal Statistics (COPAFS) and attended by representatives of Federal, State, and local government agencies; the private sector; universities; and citizens' organizations.

The Census Bureau has conducted research into a variety of issues related to metropolitan and nonmetropolitan area concepts and criteria as part of MASRP. The first phase of this research culminated in publication of the four alternative approaches to defining metropolitan and nonmetropolitan areas presented for public comment in the **Federal Register** Notice of December 21, 1998. The second phase of the research extended the earlier work, but with a particular focus on providing information directly to MASRC and answering specific questions raised during MASRC's review of the standards.

In addition to research conducted or contracted by the Census Bureau, other researchers both inside and outside the Federal Government have investigated alternative methods for defining metropolitan and nonmetropolitan areas during the past decade. Researchers in the Department of Agriculture's Economic Research Service (ERS) investigated the feasibility of using census tracts as building blocks for MAs in conjunction with current (1990) MA standards. Researchers at the University of Washington, in a project jointly funded by the Department of Health and Human Services' Office of Rural Health Policy and ERS, have contributed further to development of an alternative method of defining metropolitan and nonmetropolitan areas using census tracts as building blocks. Researchers at the University of Minnesota continued investigation of the comparative density approach first proposed early in this decade and presented at the 1995 conference.

2. 1995 Conference on New Approaches to Defining Metropolitan and Nonmetropolitan Areas

Discussion at the 1995 conference considered widely ranging views, but there was general agreement on the following issues:

- The Federal Government should define standard areas at the metropolitan and nonmetropolitan area level.
- Because of data availability and familiarity, areas should be defined using the county as the fundamental unit. To foster greater precision and to meet special-purpose needs, areas based on sub-county entities also should be defined. There were suggestions that multiple sets of areas using different units should be provided, along with documentation on appropriate uses.

- Statistical areas defined following Census 2000 should cover the entire territory of the country and should better account for the full range of settlement patterns than do the current MAs and their nonmetropolitan ''residual.''
- Areas should be defined using a consistent set of rules for the entire country.
- Familiar components of settlement, such as major population and employment centers as represented by current MA definitions, should be in evidence in the new system.
- Commuting (journey-to-work) data from the Census Bureau should continue as the principal measure for determining the extent of areas. Other data—including electronic media and newspaper market penetration data, local traffic study data, and wholesale distribution data'are available and usable for specific purposes. Population and housing unit density also were viewed as potential measures for some purposes, and employment density received mention.

A detailed summary of the conference appears as Appendix C in the December 21, 1998 **Federal Register** Notice; the summary also is available from the Census Bureau at (301) 457–2419.

3. January 1999 Seminar and Open Forum: Metropolitan and Nonmetropolitan Areas for a New Decade

During the comment period following publication of the December 1998 **Federal Register** Notice, COPAFS hosted a seminar and open forum focusing on the four alternative approaches to defining metropolitan and nonmetropolitan areas presented in that Notice. The two-day seminar/open forum provided a venue for disseminating information and receiving comments related to the review of the standards.

On the first day, one session was devoted to each of the four approaches. Census Bureau staff presented an overview of the approach; outside experts then described benefits and potential problems. Discussion periods provided opportunities for all attendees to offer comments and raise questions. On the second day, prepared statements were provided by several individuals, and participants engaged in a general discussion of the standards review.

There was agreement at the seminar/open forum that MAs are widely recognized and used (although the specifics of MA standards are less clear to many individuals), and that OMB should continue to define MAs. Some participants expressed a preference for a single classification system (as opposed to multiple systems, as suggested at the 1995 conference) to avoid confusion among users and to ensure that the classification is useful to as many data users as possible.

The relative merits of using counties versus census tracts as the building blocks for statistical areas were key to the discussion. Some Federal agencies, researchers, and others noted growing interest in identifying metropolitan and nonmetropolitan territory and population with greater geographic resolution than can be achieved with the current, largely county-based MAs. Many commenters supported the continued use of counties when defining metropolitan and nonmetropolitan areas because of the range and quality of data available for counties and the relative ease in comparing county-level data over time.

In addition, many participants agreed that commuting, despite its inability to account for all patterns of activity, remains the preferred means of measuring integration of areas and should continue to be the measure used to determine the geographic extent of entities. Although other measures have been used in the past or considered in MASRP, most seminar/open forum participants agreed that Census Bureau commuting information currently provides the most reliable and exhaustive source of data for this purpose. Interest was expressed in the use of directional commuting as a means of measuring the integration of entities, but some participants suggested that it was too complicated for use in defining metropolitan and nonmetropolitan areas.

A complete summary of the seminar/open forum is available from the Census Bureau at (301) 457–2419.

D. Principles Guiding the Review and Development of Recommendations

Several guiding principles framed discussion of the issues under review and formulation of specific recommendations. MASRC sought to develop a classification that would capture and portray effectively the distribution of population and economic activity across the United States and Puerto Rico. This classification must meet the needs of both producers and users of data. Also, the criteria used to define the areas must be applicable nationwide using publicly available data. Finally, MASRC sought to prepare criteria that were simpler than those in the current MA standards.

E. Issues Under Review

MASRC's review and its recommendations to OMB have drawn upon previous research conducted by the Census Bureau, other agencies, and individuals. The review also has benefited from discussions at the November 1995 conference and the January 1999 seminar/open forum, and from comments received in response to OMB's December 21, 1998 **Federal Register** Notice. This section presents MASRC's recommendations to OMB for changing the MA standards. It also presents a discussion of the major issues considered during the review.

Summary of Recommendations

MASRC recommends adoption of a *Core-Based Statistical Area (CBSA) Classification* that includes Megapolitan, Macropolitan, and Micropolitan Areas, with each area containing one or more population cores of at least 10,000 persons (see Section E.1). Census Bureau-defined urbanized areas (UAs) and a proposed new geographic entity for Census 2000—Census Bureau-defined settlement clusters (SCs)—are these cores. UAs are continuously built-up areas comprising a central place (or places) and the densely settled surrounding territory that together have a population of at least 50,000 and, generally, an overall population density of at least 1,000 persons per square mile. SCs will extend the UA concept to smaller concentrations of at least 10,000 population. Territory outside of Megapolitan, Macropolitan, and Micropolitan Areas should be termed ''Outside CBSAs.''

MASRC recommends using counties and equivalent entities as building blocks of CBSAs throughout the United States and Puerto Rico (Section E.2). Minor civil divisions (MCDs) should be used as building blocks for an alternative set of areas in New England only.

Those counties containing the cores, MASRC recommends, should become the *central counties* of CBSAs (Section E.3). MASRC also recommends that only commuting data should be used to aggregate counties beyond central counties—the *outlying counties*—to form CBSAs. A single minimum commuting threshold of 25 percent should be used to qualify a county for inclusion as outlying in a particular CBSA (Section E.4).

Mergers of adjacent CBSAs to form a single CBSA should take place when commuting data indicate that strong ties exist between the two areas' central counties (Section E.6). *Combinations* of

adjacent CBSAs should take place when there are weaker but still important commuting ties between entire CBSAs. The CBSAs that are combined should retain separate identities in addition to being recognized as parts of *Combined Areas* (Section E.7).

MASRC recommends identifying the city with the largest population in each CBSA, as well as any additional cities with large population or employment totals, as *principal cities* (Section E.8). The title of each CBSA should include the name of the largest principal city. If there are multiple principal cities in a CBSA, the names of the second largest and third largest principal cities should be included in the title, in order of descending population size (Section E.9).

These recommendations and others are described in greater detail below.

Notes on Data and Maps

In carrying out its work, MASRC used 1990 census data to model the possible outcomes of its recommendations for geographic area definitions. The four maps accompanying this section were developed using 1990 census data and the recommended standards. Because SCs are proposed new geographic areas for presentation of Census 2000 data, incorporated places and census designated places (CDPs) of 10,000 to 49,999 population were used for research purposes. The maps are for illustrative purposes only and are not intended to portray the extent of areas that would be defined using Census 2000 data and the recommended standards.

Detailed Recommendations

1. Recommendations Concerning Levels of Statistical Areas Recognized Within the Core-Based Statistical Area Classification

MASRC recommends a Core-Based Statistical Area (CBSA) Classification to replace the current MA classification. MASRC recommends the following terms and levels, based on the total population in the cores of CBSAs (and not based on the total population of a CBSA):

Core-Based Statistical Areas	*Population in Cores*
Megapolitan Areas	*1,000,000 and above*
Macropolitan Areas ...	*50,000 to 999,999*
Micropolitan Areas	*10,000 to 49,999*

Territory not included in CBSAs should be designated as Outside Core-Based Statistical Areas.

MASRC addressed several, sometimes incompatible, concerns as it developed terminology and size levels:

(1) Eliminating the current metropolitan/nonmetropolitan dichotomy and replacing it with a range of categories that more meaningfully represent the settlement and activity patterns of the Nation;

(2) Introducing specific terms for areas containing cores of 1,000,000 or more persons and cores of 250,000 to 999,999 persons, respectively;

(3) Evaluating advantages and disadvantages of retaining the current MA standards' core population threshold of 50,000;

(4) Assessing advantages and disadvantages of retaining the current MA standards' metropolitan/nonmetropolitan terminology; and

(5) Maintaining simplicity.

With regard to the first two considerations, there was broad agreement within MASRC that the 1,000,000-person threshold was a significant delimiter between large urban areas and other areas. Under the proposed standards, 35 areas, each containing one or more cores that together have 1990 decennial census populations of 1,000,000 or more, would account for about 45 percent of the 1990 U.S. population.

Broad agreement also existed in favor of establishing a micropolitan category as a means of distinguishing between (1) areas integrated with smaller population centers and (2) territory not integrated with any particular population center. Defining Micropolitan Areas represents a response to comments that a new classification should cover a broader range of population and economic activity patterns than the current MA standards do. MASRC also considered various combinations of population distribution and economic activity pattern measures to classify counties not included in a CBSA, but none offered a satisfactory method of meaningfully accounting for these counties in the new classification.

The large core population range (50,000 to 999,999) of the macropolitan level could limit its utility for analytical and statistical purposes. An option would be to split this level into two categories, one identifying areas with cores that together have populations of 50,000 to 249,999 (''mesopolitan areas'') and the other identifying areas with cores that together have populations of 250,000 to 999,999 (''macropolitan areas''). Although there was support for this option, there also was concern that the use of five levels (including ''Outside CBSAs'') might make the system too complex.

Some members of MASRC expressed the view that the 50,000-person threshold used in the current MA standards held greater significance when first adopted by the Census Bureau for defining ''metropolitan districts'' in 1930 than it does now. The national population has more than doubled since 1930, and these members reasoned that the resulting increase in the number of places of 50,000 population or more has reduced the meaning of this threshold in identifying areas of metropolitan character. Changes in economic structure also have made places of this size less self-reliant than they were in the past. On the other hand, MASRC members observed that retaining the 50,000 person threshold would offer maximum continuity with current and previous definitions of MAs.

Some MASRC members favored retaining metropolitan/nonmetropolitan terminology for use with CBSAs, identifying Megapolitan and Macropolitan Areas as metropolitan and identifying Micropolitan Areas and counties Outside CBSAs as nonmetropolitan. The reasoning behind this position was that identification of metropolitan and nonmetropolitan areas within the CBSA Classification would provide continuity with areas defined under the current standards and might be of benefit to some producers and users of data. Members favoring this position noted that the top two levels, when combined, approximate the MAs defined under the current standards and that the lower two levels, when combined, approximate areas currently referred to as nonmetropolitan. Others argued that continued identification of areas as metropolitan and nonmetropolitan might reduce the value of the levels provided by the CBSA classification, in elaborating on the current metropolitan/nonmetropolitan dichotomy. Members also suggested that some data users might find value in analyzing the distribution of population and economic activities across Megapolitan, Macropolitan, and Micropolitan Areas as a group and that separation of these levels by a metropolitan/nonmetropolitan dichotomy would discourage such uses.

2. Recommendations Concerning the Geographic Unit To Be Used as the Building Block for Defining CBSAs

MASRC recommends using counties and equivalent entities as building blocks for CBSAs throughout the United States and Puerto Rico.

Using counties and equivalent entities throughout the United States and Puerto Rico continues current practice, except

in New England, where MCD-based areas currently constitute the official MAs.

The choice of a geographic unit to serve as the building block can affect the geographic extent of a statistical area and its relevance or usefulness in describing economic and demographic patterns. The choice also has implications for the ability of Federal agencies to provide data for statistical areas and their components. The December 1998 **Federal Register** Notice presented advantages and disadvantages of five potential building blocks. Each of these units was evaluated in terms of its consistency in delineation across the Nation, data availability, boundary stability, and familiarity.

Counties and their equivalents are major and familiar geographic units of government, performing a wide range of functions, and a wide range of statistically reliable data is available for them. Far more Federal statistical programs produce data at the county level than at any sub-county level. In addition, the use of counties eases comparison with current and past MA definitions. MASRC decided that the well-known disadvantages of counties as building blocks for statistical areas—the large geographic size of some counties and the lack of geographic precision that follows from their use—were outweighed by the advantages offered by counties.

MASRC recommends using MCDs as building blocks for an alternative set of areas identified in New England only.

At a time when development and maintenance of nationwide data bases have long since become routine, use of consistent geographic building blocks in all parts of the country offers improved usability to producers and users of data. Some statistical programs regard the current MA program's use of MCDs—cities and towns—in New England as a hindrance; others avoid difficulties posed by the MCD-based areas by using the current alternative county-based areas for New England, known as the New England County Metropolitan Areas. Demographic and economic data for MCDs in New England, however, are more plentiful than for sub-county entities in the rest of the Nation. Cities and towns are the primary units of local government in New England (counties in Connecticut and Rhode Island, and some counties in Massachusetts, no longer possess legal or functional status). In reaching its recommendation to extend the use of counties as building blocks for the primary set of statistical areas in New England, MASRC attached priority to the desire for use of a single, consistent geographic unit nationwide. In recognition of the importance of MCDs in New England, the wide availability of data for them, and their long-term use in the MA program, MASRC recommends using MCDs as building blocks for an alternative set of areas for the six New England states.

3. Recommendations Concerning Cores of CBSAs and Central Counties

MASRC recommends using Census Bureau-defined UAs of 50,000 or more population and Census Bureau-defined SCs of at least 10,000 population as cores of CBSAs. MASRC also recommends identifying ''central counties'' based on the locations of the cores.

The recommended use of UAs as cores is consistent with current practice. The use of SCs proposed for Census 2000 reflects MASRC's recommendation to extend the classification to areas based on cores of 10,000 to 49,999 population. This change would permit a fuller accounting for the distribution of population and economic activity across the territory of the Nation than is provided by the current MA standards. Following from this recommendation, the presence of a core (UA or SC) of at least 10,000 population should be required for defining a CBSA.

The locations of UAs and SCs should provide the basis for identifying *central counties* of CBSAs—the counties to and from which ties are measured in determining the extent of areas. MASRC recommends identifying central counties as those counties:

(a) That have at least 50 percent of their population in UAs or SCs or both; or

(b) That have within their boundaries at least 50 percent of the population of a UA or SC that crosses county boundaries.

4. Recommendations Concerning Criteria for Inclusion of Outlying Counties

MASRC recommends using commuting data as the basis for aggregating counties to form CBSAs (i.e., to qualify ''outlying counties''). MASRC recommends not using measures of settlement structure, such as population density, to qualify outlying counties for inclusion in CBSAs.

Three priorities guided the committee in reaching these recommendations. First, the data used to measure connections among counties should describe those connections in a straightforward and intuitive manner. Second, data for the measure should be collected using consistent procedures nationwide. Third, the data should be readily available to the public. These priorities pointed to the use of data gathered by Federal agencies and more particularly to commuting data from the Census Bureau. Commuting to work is an easily understood measure that reflects the social and economic integration between geographic areas.

The recommendation not to use measures of settlement structure represents a change from the current MA standards. In those standards, varying levels of population density, percentage of total population that is urban, presence of UA population, and population growth rate are used in combination with varying levels of commuting to determine qualification of outlying counties for inclusion in an MA. MASRC concluded that as changes in settlement and commuting patterns as well as changes in communications technologies have occurred, settlement structure no longer is as reliable an indicator of metropolitan character as was previously the case.

MASRC recommends qualifying an outlying county on the basis of the percentage of employed residents of the county who work in the CBSA's central county or counties, or on the basis of the percentage of employment in the potential outlying county accounted for by workers who reside in the CBSA's central county or counties. MASRC recommends using a 25 percent minimum threshold for both measures.

MASRC observed that the percentage of a county's employed residents who commute to the central county or counties is an unambiguous, clear measure of whether a potential *outlying county* should qualify for inclusion. The percentage of employment in the potential outlying county accounted for by workers who reside in the central county or counties is a similarly straightforward measure of ties. Including both criteria addresses both the conventional and the less common reverse commuting flows.

The percentage of workers in the United States who commute to places of work outside their counties of residence has increased from approximately 15 percent in 1960 (when nationwide commuting data first became available from the decennial census) to nearly 25 percent in 1990. In addition, the 25 percent threshold stood out as a noticeable divide when reviewing 1990 census data concerning the percentage of workers who commute outside their counties of residence. MASRC concluded that the pattern in commuting rates and increases in intercounty commuting over the past 40 years warranted a comparable increase from the 15 percent minimum commuting threshold currently used to

qualify counties—under specified circumstances—for inclusion in MAs.

MASRC recommends that counties qualify for inclusion in a CBSA as outlying counties on the basis of commuting ties with the central county (or counties) of that one area only.

MASRC concluded that outlying counties should not qualify based on total commuting to central counties of multiple CBSAs because that would result in inconsistent grounds for qualification in an individual area. Throughout its history, the purpose of the MA program has been to identify individual statistical areas, each containing a core plus any surrounding territory integrated with that core as measured by commuting ties. MASRC saw no reason to depart from that approach in defining CBSAs.

5. Recommendation Concerning Use of Statistical Rules and the Role of Local Opinion

MASRC recommends limited use of local opinion in the definition process.

Applying only statistical rules when defining areas minimizes ambiguity and maximizes the replicability and integrity of the process. MASRC recommends consideration of local opinion only in cases of CBSA combinations where adjacent CBSAs meet specified requirements (see E.7 below).

Local opinion should be obtained through the appropriate congressional delegation. Members of the congressional delegation should be urged to contact a wide range of groups in their communities, including business or other leaders, chambers of commerce, planning commissions, and local officials, to solicit comments on the specific combination at issue. MASRC also recommends that OMB use the Internet to make available information pertaining to the potential combination on which local opinion is sought. After a decision has been made, OMB should not request local opinion again on the same issue until the next redefinition of CBSAs.

6. Recommendation Concerning Merging Adjacent CBSAs

MASRC recommends ''merging'' adjacent CBSAs to form a single CBSA when the central county or counties of one area qualify as outlying to the central county or counties of another.

MASRC determined that when the central county or counties (as a group) of one CBSA qualify as outlying to the central county or counties (as a group) of another area, the two CBSAs should be merged. Given the strong ties demonstrated in a *merger,* the individual areas should not retain separate identities within the merged entity; rather, the merged entity should be recognized as a single CBSA.

Because a merger recognizes ties similar to the ties between an outlying county and the central counties of a CBSA, MASRC recommends that the minimum commuting threshold similarly be set at 25 percent, measured with respect to all central counties of one CBSA relative to all central counties of the other.

7. Recommendation Concerning Combining Adjacent CBSAs

MASRC recommends ''combining'' CBSAs when entire adjacent areas are linked through commuting ties.

MASRC recommends that ties between adjacent CBSAs that are less intense than those captured by mergers (see Section E.6), but still significant, be recognized by combining those CBSAs. Because a *combination* thus defined represents a relationship of moderate strength between two CBSAs, the areas that combine should retain separate identities within the larger combined area. Potential combinations should be evaluated by measuring commuting between entire adjacent CBSAs—commuting of all counties, as a group, within one CBSA relative to all counties, as a group, in the adjacent area.

MASRC recommends basing combinations on the *employment interchange rate* between two CBSAs, defined as the sum of the percentage of commuting from the smaller area to the larger area and the percentage of employment in the smaller area accounted for by workers residing in the larger area. MASRC recommends a minimum threshold of 15 for the employment interchange rate, but recognizes that this threshold may result in combinations where the measured ties are perceived as minimal by residents of the two areas. Therefore, MASRC recommends combinations of CBSAs, based on an employment interchange rate of at least 15 but less than 25, only if local opinion in both areas favors the combination. If the employment interchange rate equals or exceeds 25, combinations should occur automatically.

8. Recommendation Concerning Identification of Principal Cities Within the Core-Based Statistical Area Classification

MASRC recommends identifying principal cities in CBSAs.

Because the procedures recommended by MASRC identify UAs and SCs as the organizing entities for CBSAs, the identification of central cities—required by the current MA standards for defining areas—is no longer necessary. Also, while still important, central cities have become less dominant in the local context over time. Nevertheless, MASRC recognizes that specific cities within individual CBSAs are important for analytical purposes as centers of employment, trade, entertainment, and other social and economic activities. MASRC, therefore, includes in the recommended standards criteria for identifying principal cities and using the principal cities for titling areas.

MASRC recommends that the principal city (or cities) of a CBSA should include: (1) the largest incorporated place or census designated place (CDP) in the CBSA; (2) any additional incorporated place or CDP with a population of at least 250,000 or in which 100,000 or more persons work; and (3) any additional incorporated place or CDP with a population that is at least 10,000 and one-third the size of the largest place, and in which employment meets or exceeds the number of employed residents.

MASRC recommends using the term ''principal city'' rather than ''central city.'' The term ''central city'' has come to connote ''inner city'' and thus sometimes causes confusion.

9. Recommendations Concerning Titles of Core-Based Statistical Areas and Combined Areas

MASRC recommends titling each CBSA using the name of the principal city with the largest population, as well as the names of the second- and third-largest principal cities, if multiple principal cities are present. MASRC also recommends titling each Combined Area using the name of the largest principal city in each of up to three CBSAs that combine, in descending order of CBSA population size.

Titles provide a means of uniquely identifying individual CBSAs and Combined Areas so that each is recognizable to a variety of data users. As such, the title of a CBSA or Combined Area should contain the name or names of geographic entities located within the area that are prominent and provide data users with a means of easily identifying the general location of the CBSA. Use of the names of principal cities also provides a link to the (named) UAs and SCs that form the cores of CBSAs. Finally, the State(s) in which the CBSA or Combined Area is located also should be included in the title.

10. Recommendation Concerning Categories Describing Settlement Structure Within the Core-Based Statistical Area Classification

MASRC recommends not defining urban, suburban, rural, exurban, and so forth, within the CBSA Classification.

MASRC recognizes that formal definitions of categories such as inner city, inner suburb, outer suburb, exurban, and rural would be of use to the Federal statistical system as well as to researchers, analysts, and other users of Federal data. Such categories, however, are not necessary for the delineation of statistical areas that describe the functional ties between geographic entities. These additional categories would more appropriately be included in a separate classification that focuses exclusively on describing settlement patterns and land uses.

MASRC recommends continuing research by the Census Bureau and other interested Federal agencies on sub-county settlement patterns to describe further the distribution of population and economic activity throughout the Nation.

11. Recommendations Concerning ''Grandfathering'' of Current Metropolitan Areas

MASRC recommends that the definitions of current MAs not be automatically retained (''grandfathered'') in the CBSA Classification. MASRC also recommends that the current status of individual counties as metropolitan or nonmetropolitan not be considered when re-examining all counties using the recommended standards.

In this context, ''grandfathering'' refers to the continued designation of an area even though it does not meet the standards currently in effect. The current (1990) MA standards permit changes in the definitions, or extent, of individual MAs through the addition or deletion of counties on the basis of each decennial census, but the standards do not permit the disqualification of MAs that previously qualified on the basis of a Census Bureau population count. To maintain the integrity of the classification, MASRC favors the objective application of the recommended standards rather than continuing to recognize areas that do not meet the standards that currently are in effect. MASRC recommends that the current status of a county as either metropolitan or nonmetropolitan play no role in the application of the recommended standards.

12. Recommendations Concerning Intercensal Update Schedule

MASRC recommends designating new CBSAs intercensally on the basis of Census Bureau population estimates or special censuses for places. MASRC also recommends updating the extent of CBSAs on the basis of commuting data from the Census Bureau's American Community Survey, available for all counties beginning in 2008.

The frequency with which new statistical areas are designated and existing areas updated has been of considerable interest among producers and users of data for MAs. The sources and future availability of data for updating areas figured prominently in MASRC's discussions. The availability of population totals and commuting data affects the ability to identify new statistical areas, move existing areas between categories, and update the extent of existing areas.

The current standards provide for the designation of a new MA on the basis of a population estimate or a special census count for a city. This approach for designating new areas intercensally would continue to provide the most consistent and equitable means of qualifying new CBSAs in the future. A new CBSA should be designated if a city that is outside any existing CBSA has a Census Bureau population estimate of 10,000 or more for two consecutive years, or a Census Bureau special census count of 10,000 or more population. (Currently, population estimates for existing and potential UAs and SCs are not produced.) A new CBSA also should be designated if a special census results in delineation of an intercensal UA or SC of 10,000 or more population.

The composition of all existing CBSAs should be updated in 2008 using commuting data for each county from the Census Bureau's American Community Survey, averaged over five years and centered on 2005. This update would affect only counties identified as outlying.

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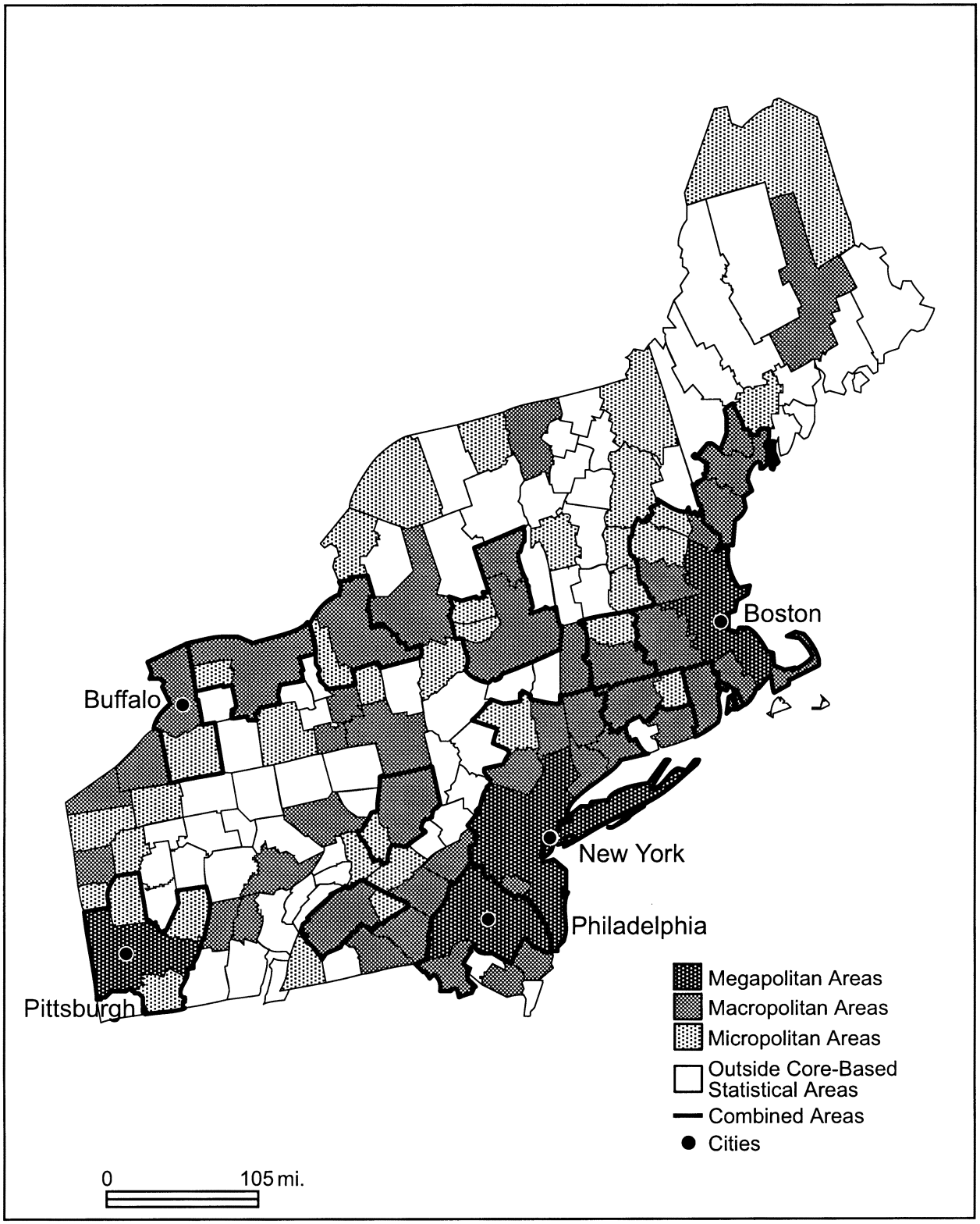
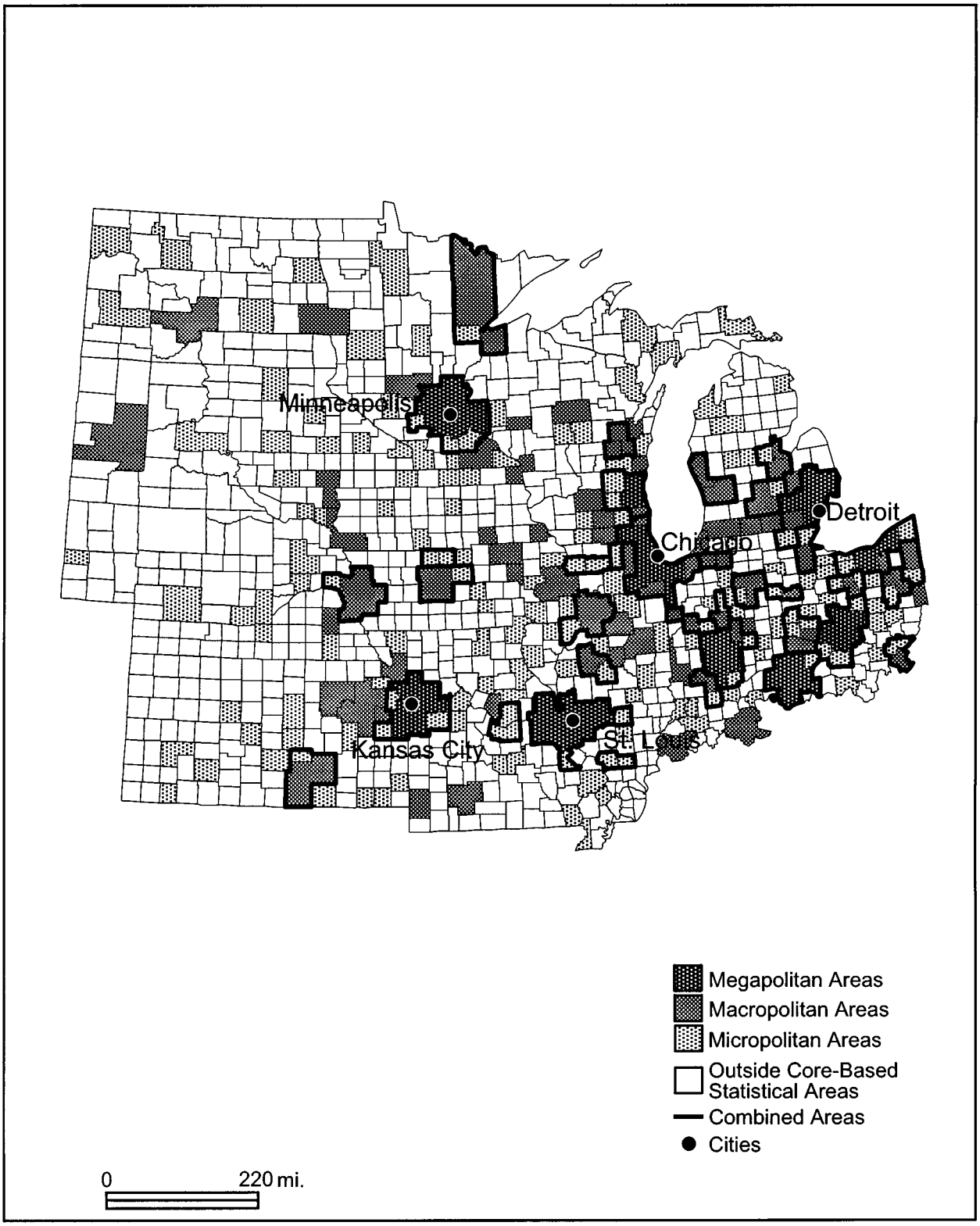
Core-Based Statistical Area Classification

Northeast Region



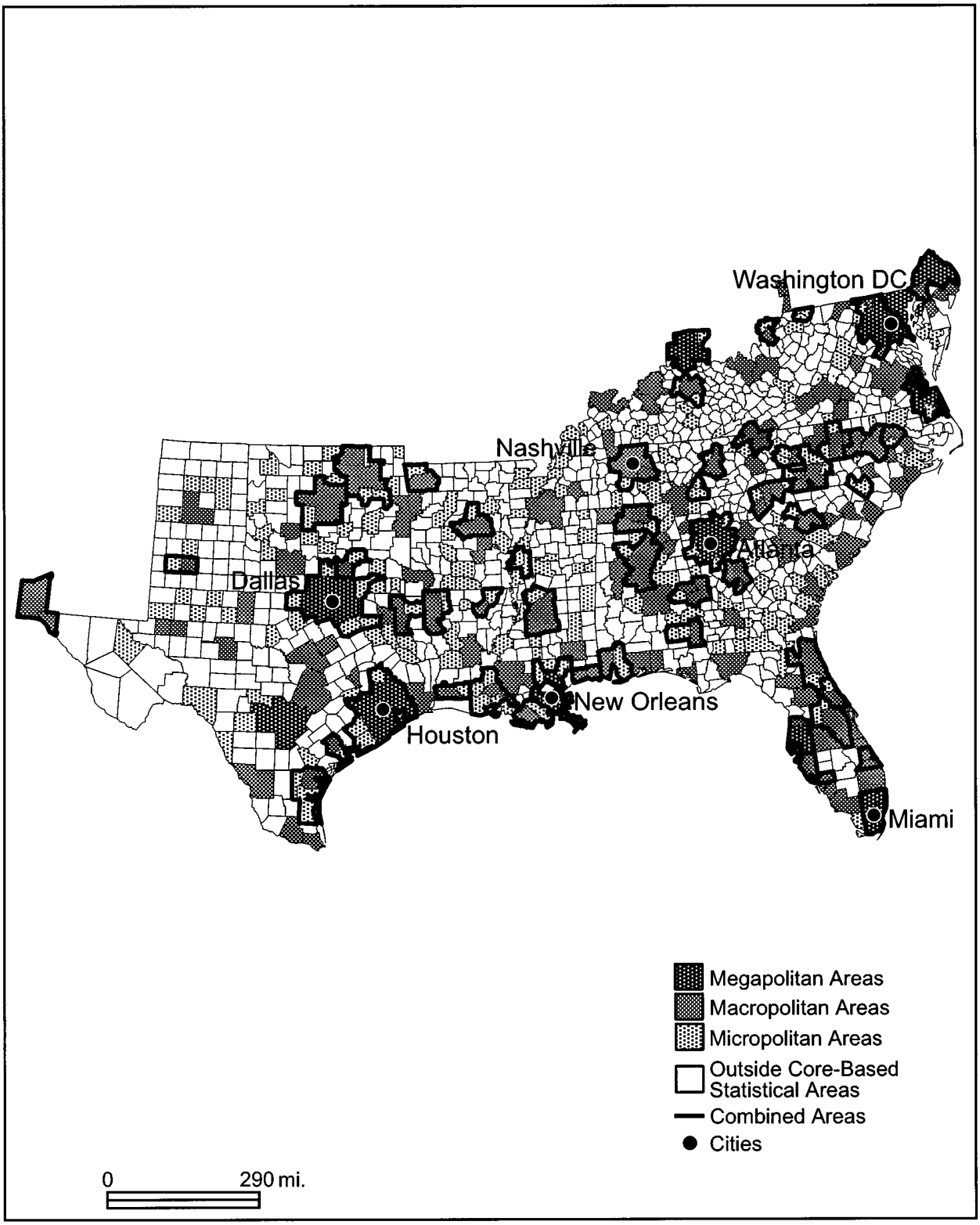
Core-Based Statistical Area Classification

Midwest Region



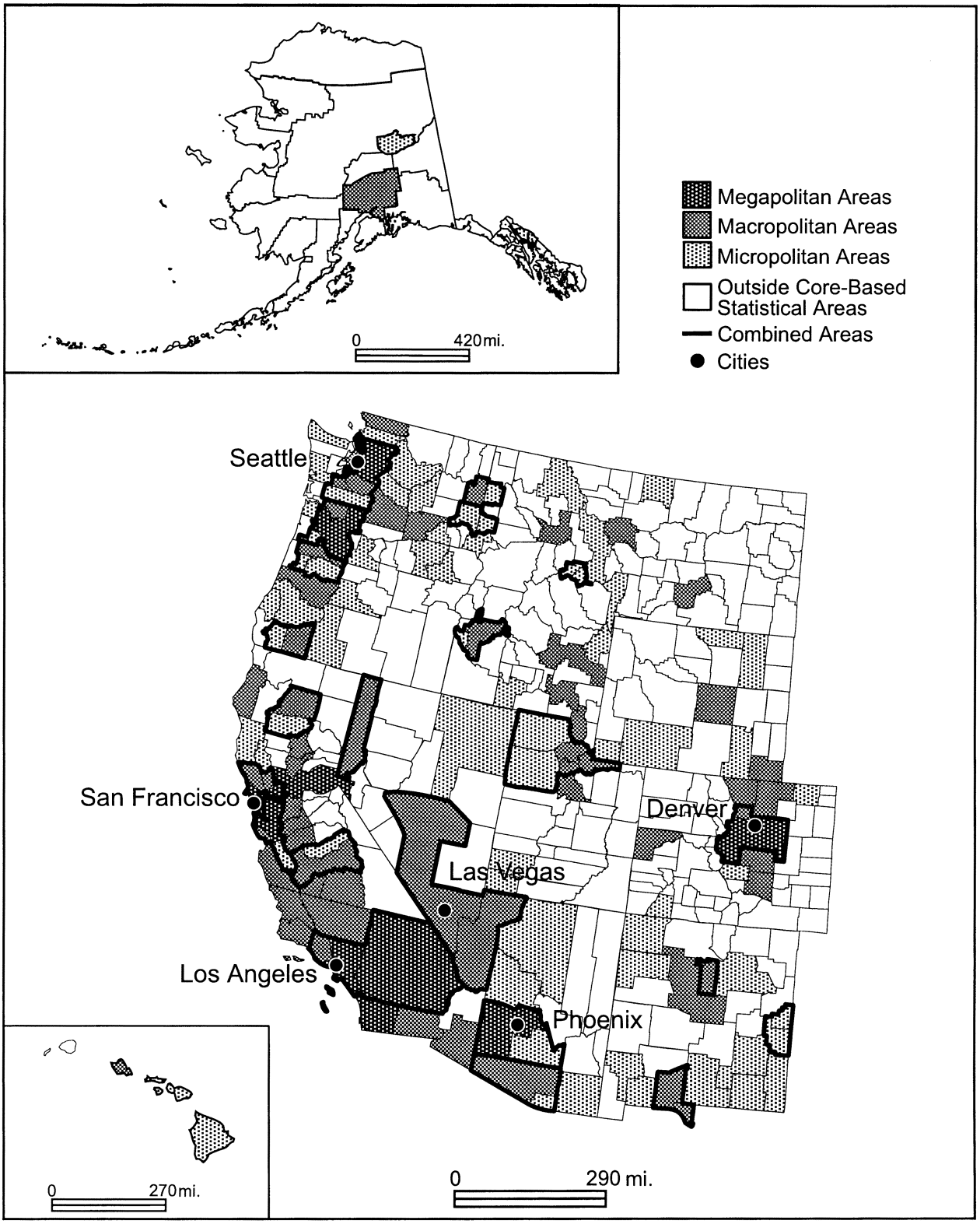
Core-Based Statistical Area Classification

South Region



Core-Based Statistical Area Classification

West Region



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F. Comparison of Current Metropolitan Area Standards with the Recommended Core-Based Statistical Area Standards

	Current standards	Recommended standards
Terms and Levels	Identification of Metropolitan Areas (MAs) comprising Metropolitan Statistical Areas (MSAs), Consolidated Metropolitan Statistical Areas (CMSAs), and Primary Metropolitan Statistical Areas (PMSAs). MSAs and PMSAs are identified as level A, B, C, or D areas. MSAs of 1,000,000 or more population can be designated as CMSAs if local opinion is in favor and component PMSAs can be identified.	Identification of Core-Based Statistical Areas (CBSAs) comprising Megapolitan Areas, Macropolitan Areas, and Micropolitan Areas. Counties that are not included in a Megapolitan, Macropolitan, or Micropolitan Area are classified as Outside CBSAs. CBSAs are not subdivided into component parts.
Building Blocks	Counties and equivalent entities throughout U.S. and Puerto Rico, except in New England where cities and towns are used to define MAs. County-based alternative provided for New England States.	Counties and equivalent entities throughout U.S. and Puerto Rico. City-and-town-based alternative provided for New England States.
Qualification of Areas	City of at least 50,000 population, or Census Bureau-defined urbanized area (UA) of at least 50,000 population in an MA of at least 100,000 population.	Census Bureau-defined settlement cluster (SC) of at least 10,000 population or UA of at least 50,000 population.
Qualification of Central Counties.	Any county that includes a central city or at least 50% of the population of a central city that is located in a qualifier UA. Also any county in which at least 50% of the population is located in a qualifier UA.	Any county in which at least 50% of the population is located in UAs and SCs, or that has within its boundaries at least 50% of the population of a UA or SC that crosses county boundaries.
Qualification of Outlying Counties.	Combination of commuting and measures of settlement structure • 50% or more of employed workers commute to the central county/counties of an MSA and: 25 or more persons per square mile (ppsm), or at least 10% or 5,000 of the population lives in a qualifier UA; OR • 40% to 50% of employed workers commute to the central county/counties of an MSA and: 35 or more ppsm, or at least 10% or 5,000 of the population lives in qualifier UA; OR • 25% to 40% of employed workers commute to the central county/counties of an MSA and: 35 ppsm and one of the following: (1) 50 or more ppsm, (2) at least 35% urban population, (3) at least 10% or 5,000 of population lives in qualifier UA; OR • 15% to 25% of employed workers commute to the central county/counties of an MSA and: 50 or more ppsm and two of the following: (1) 60 or more ppsm, (2) at least 35% urban population, (3) population growth rate of at least 20%, (4) at least 10% or 5,000 of population lives in qualifier UA; OR • 15% to 25% of employed workers commute to the central county/counties of an MSA and less than 50 ppsm and two of the following: (1) at least 35% urban population, (2) population growth rate of at least 20%, (3) at least 10% or 5,000 of population lives in qualifier UA. If a county qualifies as outlying to two or more MAs, it is assigned to the area to which commuting is greatest; if the relevant commuting percentages are within 5 points of each other, local opinion is considered.	At least 25% of the employed residents of the county work in the central county/counties of a CBSA; or at least 25% of the employment in the county is accounted for by workers residing in the central county/counties of the CBSA. A county that qualifies as outlying to two or more CBSAs will be included in the area with which it has the strongest commuting tie.
Local Opinion	Consulted when: a county qualifies as outlying to two different MSAs and the relevant commuting percentages within 5 points of each other; • a city or town in New England qualifies as outlying to two different MSAs and has relevant commuting percentages within 5 points of each other; • a city or town in New England qualifies as outlying to an MSA but has greater commuting to a nonmetropolitan city or town and the relevant commuting percentages are within 5 points of each other; • combining MSAs whose total population is less than 1,000,000; • assigning titles of MSAs, CMSAs, and PMSAs; • designating PMSAs.	Consulted only when two CBSAs qualify for combination with an employment interchange rate of at least 15 and less than 25.
Merging Statistical Areas	If a county qualifies as a central county of one MSA and as an outlying county on the basis of commuting to a central county of another MSA, both counties become central counties of a single MSA.	Two adjacent CBSAs will be merged to form one CBSA if the central county/counties (as a group) qualify as outlying to the central county/counties (as a group) of the other CBSA.

	Current standards	Recommended standards
Combining Statistical Areas	Two adjacent MSAs are combined as a single MSA if: (A) the total population of the combination is at least one million and (1) the commuting interchange between the two MSAs is equal to at least 15% of the employed workers residing in the smaller MSA, or at least 10% of the employed workers residing in the smaller MSA and the UA of a central city of one MSA is contiguous with the UA of a central city of the other MSA, or a central city in one MSA is included in the same UA as a central city in the other MSA; AND (2) at least 60% of the population of each MSA is urban. (B) the total population of the combination is less than one million and (1) their largest central cities are within 25 miles of one another, or the UAs are contiguous; AND (2) there is definite evidence that the two areas are closely integrated economically and socially; AND (3) local opinion in both areas supports combination.	Two adjacent CBSAs will be combined if the employment interchange rate between the two areas is at least 25. The employment interchange rate is the sum of the percentage of employed residents of the CBSA with the smaller total population who work in the CBSA with the larger population and the percentage of employment in the CBSA with the smaller total population that is accounted for by workers residing in the CBSA with the larger total population. Adjacent CBSAs that have an employment interchange rate of at least 15 and less than 25 may combine if local opinion in both areas favors combination.
Central Cities	Central cities include the largest city in an MSA/CMSA AND each city of at least 250,000 population or at least 100,000 workers AND each city of at least 25,000 population and at least 75 jobs per 100 workers and less than 60% out commuting AND each city of at least 15,000 population that is at least ⅓ the size of largest central city and meets employment ratio and commuting percentage above AND largest city of 15,000 population or more that meets employment ratio and commuting percentage above and is in a secondary noncontiguous UA AND each city in a secondary noncontiguous UA that is at least ⅓ the size of largest central city in that UA and has at least 15,000 population and meets employment ratio and commuting percentage above.	Principal cities include the largest incorporated place or census designated place in a CBSA AND each place of at least 250,000 population or in which at least 100,000 persons work AND each place with a population that is at least 10,000 and ⅓ the size of the largest place, and in which employment meets or exceeds the number of employed residents.
Titles	Names of up to three central cities in descending order of population size. Local opinion considered under specified conditions.	Names of up to three principal cities in descending order of population size.
Grandfathering	An MSA designated on the basis of census data according to standards in effect at the time of designation will not be disqualified on the basis of lacking a city of at least 50,000 population or a UA of at least 50,000 or a total population of at least 100,000.	Areas that do not meet the minimum standards for designation do not qualify.
Intercensal Updating	A new MA can be designated intercensally if a city has a Census Bureau population estimate or special census count of at least 50,000 or if a county containing a UA has a Census Bureau population estimate or special census count of at least 100,000. Outlying counties are added to existing MSAs intercensally only when (1) a central city located in a qualifier UA extends into a county not included in the MSA and the population of that portion of the city in the county is at least 2,500 according to a Census Bureau population count or (2) an intercensally designated MSA qualifies to combine with an existing MSA. New central cities can be designated intercensally on the basis of a special census count.	A new CBSA can be designated if a city has a Census Bureau population estimate of 10,000 or more for two consecutive years, or a Census Bureau special census count of 10,000 or more. The geographic extent of each CBSA will be re-examined in 2008 using commuting data from the Census Bureau's American Community Survey.

G. Recommended Standards for Defining Core-Based Statistical Areas for the First Decade of the 21st Century

A Core-Based Statistical Area (CBSA) is a geographic entity consisting of the county or counties containing one or more cores of at least 10,000 population each, plus adjacent counties having a high degree of social and economic integration with the core(s) as measured by commuting ties.

1. Requirements for Qualification of Core-Based Statistical Areas

Each CBSA must include a Census Bureau-defined urbanized area (UA) of at least 50,000 population or a Census Bureau-defined settlement cluster (SC) of at least 10,000 population.

2. Central Counties

The central county or counties of a CBSA are those counties:

(a) That have at least 50 percent of their population in UAs or SCs or both, or

(b) That have within their boundaries at least 50 percent of the population of a UA or SC that crosses county boundaries.

A central county of one CBSA may not be the central county of any other CBSA, but a CBSA may have multiple central counties.

3. Outlying Counties

A county is an outlying county of a CBSA if:

(a) At least 25 percent of the employed residents of the county work

in the central county or counties of the CBSA; or

(b) At least 25 percent of the employment in the county is accounted for by workers who reside in the central county or counties of the CBSA.

A county may not be included in more than one CBSA. If a county qualifies as a central county in one CBSA and as outlying in another, it will be included in the CBSA in which it is a central county. A county that qualifies as outlying to multiple CBSAs will be included in the CBSA with which it has the strongest commuting tie, as measured by either (a) or (b) above. The counties included in a CBSA must be contiguous; if a county is not contiguous to other counties in the CBSA, it will not be included in the CBSA.

4. Merging of Adjacent Core-Based Statistical Areas

Two adjacent CBSAs will be merged to form one CBSA if the central county or counties (as a group) of one CBSA qualify as outlying to the central county or counties (as a group) of the other CBSA using the measures and thresholds stated in Section 3 above.

5. Terminology and Levels

A CBSA will be assigned a level based on the total population of all the UAs and SCs within the CBSA (not on the total CBSA population). Levels of CBSAs are:

Core-Based Statistical Areas	Total Population in All Cores
Megapolitan Areas	1,000,000 and above.
Macropolitan Areas ...	50,000 to 999,999.
Micropolitan Areas	10,000 to 49,999.

Counties that are not included in CBSAs will be designated as Outside Core-Based Statistical Areas.

6. Identification of Principal Cities

The principal city (or cities) of a CBSA will include:

(a) The largest incorporated place or census designated place in the CBSA;

(b) Any additional incorporated place or census designated place with a population of at least 250,000 or in which 100,000 or more persons work; and

(c) Any additional incorporated place or census designated place with a population that is at least 10,000 and one-third the size of the largest place, and in which employment meets or exceeds the number of employed residents.

7. Titles of Core-Based Statistical Areas

The title of a CBSA will include the name of the principal city with the largest Census 2000 population. If there are multiple principal cities, the names of the second-largest and third-largest principal cities will be included in the title in descending order of population.

The title also will include the name of the State in which the CBSA is located. If the CBSA extends into multiple States, the State names will be included in the title in descending order of population size within the CBSA.

8. Identification of Combined Areas

Any two adjacent CBSAs will be combined if the employment interchange rate between the two areas is at least 25. The employment interchange rate between two areas is defined as the sum of the percentage of employed residents of the area with the smaller total population who work in the area with the larger total population and the percentage of employment in the area with the smaller total population that is accounted for by workers residing in the area with the larger total population.

Adjacent CBSAs that have an employment interchange rate of at least 15 and less than 25 will be combined if local opinion, as reported by the congressional delegations in both areas, favors combination. CBSAs that are combined will retain their identities as CBSAs within Combined Areas.

9. Titles of Combined Areas

The title of a Combined Area will include the name of the largest principal city in each of up to three CBSAs involved in the combination in descending order of CBSA population size based on Census 2000 population.

The title also will include the name of the State in which the Combined Area is located. If the Combined Area extends into multiple States, the State names will be included in the title in descending order of population size within the Combined Area.

10. Intercensal Update Schedule

A new CBSA will be designated intercensally if (1) a city that is outside any existing CBSA has a Census Bureau special census count of 10,000 or more population, or Census Bureau population estimates of 10,000 or more population for two consecutive years, or (2) a Census Bureau special census results in the delineation of a new UA or SC of 10,000 or more population that is outside of any existing CBSA. In the years up to 2007, outlying counties of intercensally designated CBSAs will be qualified, according to the criteria in Section 3 above, on the basis of Census 2000 commuting data.

The definitions of all existing CBSAs will be reviewed in 2008 using commuting data from the Census Bureau's American Community Survey. The central counties of CBSAs identified on the basis of a Census 2000 population count, population estimates, or a special census count will constitute the central counties for purposes of the 2008 CBSA definition review.

11. General Procedures

Local Opinion. Local opinion is the reflection of the views of the public and is obtained through the appropriate congressional delegations. Under the CBSA standards, local opinion is sought only when two adjacent CBSAs qualify for combination based on an employment interchange rate of at least 15 and less than 25 (see Section 8). The two CBSAs will be combined only if there is evidence that local opinion in both areas favors the combination. After a decision has been made regarding the combination of CBSAs, the Office of Management and Budget will not request local opinion again on the same question until the next redefinition of CBSAs.

New England City and Town Areas. The New England City and Town Areas (NECTAs) provide an alternative to the county-based CBSAs in the six New England States for the convenience of data users who desire city-and-town-based areas comparable to previous MA definitions for this region.

NECTAs will be defined by applying the standards outlined in Sections 1 through 4 and 6 through 10 above for county-based CBSAs to data for cities and towns. Levels for NECTAs will not be determined. Cities and towns not included in a NECTA will be designated ''Outside NECTAs.''

H. Key Terms

(An asterisk (*) denotes new terms proposed for the purposes of this report. Two asterisks (**) denote terms whose definitions have changed for purposes of this report from previous definitions.)

Census designated place (CDP)—A statistical entity equivalent to an incorporated place, defined for each decennial census, consisting of a locally recognized, unincorporated concentration of population that is identified by name.

Central city—The largest city of a metropolitan statistical area or a consolidated metropolitan statistical area, plus additional cities that meet specified statistical criteria.

***Central county*—The county or counties of a Core-Based Statistical Area containing a substantial portion of an urbanized area or settlement cluster or

both, to and from which commuting is measured to determine qualification of outlying counties.

***Core*—A densely settled concentration of population, comprising either an urbanized area or settlement cluster (of 10,000 or more population) defined by the Census Bureau, around which a Core-Based Statistical Area is defined.

***Core-Based Statistical Area*—A geographic entity consisting of the county or counties containing one or more cores (urbanized areas or settlement clusters or both) that together have at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core(s) as measured through commuting.

***Employment interchange rate*—A measure of ties between two adjacent CBSAs used when determining whether they qualify to be combined. The employment interchange rate is the sum of the percentage of employed residents of the smaller CBSA who work in the larger CBSA and the percentage of employment in the smaller CBSA that is accounted for by workers who reside in the larger CBSA.

Geographic building block—The geographic unit, such as a county, that forms the basic geographic component of a statistical area.

***Macropolitan area*—A Core-Based Statistical Area containing one or more cores (urbanized areas or settlement clusters or both) that together have at least 50,000 population and less than 1,000,000 population, plus adjacent counties having a high degree of social and economic integration with the core(s).

***Megapolitan area*—A Core-Based Statistical Area containing one or more cores (urbanized areas or settlement clusters or both) that together have at least 1,000,000 population, plus adjacent counties having a high degree of social and economic integration with the core(s).

Metropolitan area (MA)—A collective term, established by OMB and used for the first time in 1990, to refer to metropolitan statistical areas, consolidated metropolitan statistical areas, and primary metropolitan statistical areas.

Metropolitan statistical area (MSA)—A geographic entity, defined by OMB for statistical purposes, containing a core area with a large population center and adjacent communities having a high degree of social and economic integration with that center. Qualification of an MSA requires a city with 50,000 population or more, or an urbanized area and a total population of at least 100,000 (75,000 in New England). MSAs are composed of entire counties, except in New England where the components are cities and towns.

***Micropolitan area*—A Core-Based Statistical Area containing one or more cores (settlement clusters of at least 10,000 population) that together have less than 50,000 population, plus adjacent counties having a high degree of social and economic integration with the core(s).

Minor civil division (MCD)—A type of governmental unit that is the primary legal subdivision of a county, created to govern or administer an area rather than a specific population. MCDs are recognized by the Census Bureau as the county subdivisions of 28 States and the District of Columbia.

New England county metropolitan area (NECMA)—A county-based statistical area defined by OMB to provide an alternative to the city-and town-based metropolitan statistical areas and consolidated metropolitan statistical areas in New England.

***New England city and town area* (NECTA)—A proposed city- and town-based statistical area defined to provide an alternative to the county-based Core-Based Statistical Areas in New England.

***Outlying county*—A county that qualifies for inclusion in a Core-Based Statistical Area on the basis of commuting ties with the Core-Based Statistical Area's central county or counties.

***Outside core-based statistical areas*—Counties that do not qualify for inclusion in a Megapolitan, Macropolitan, or Micropolitan Area.

***Principal city*—The largest city of a Core-Based Statistical Area, plus additional cities that meet specified statistical criteria.

***Settlement cluster* (SC)—A statistical geographic area proposed for definition by the Census Bureau for Census 2000, consisting of a central place(s) and adjacent densely settled territory that together contain at least 10,000 people, generally with an overall population density of at least 1,000 people per square mile.

Urbanized area (UA)—A statistical geographic area defined by the Census Bureau, consisting of a central place(s) and adjacent densely settled territory that together contain at least 50,000 people, generally with an overall population density of at least 1,000 people per square mile.

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