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**Testimony**

Before the Subcommittee on Census, Statistics,  
and Postal Personnel  
Committee on Post Office and Civil Service  
U.S. House of Representatives

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**BUREAU OF THE CENSUS**

**Legislative Proposal to Share  
Address List Data Has  
Benefits and Risks**

Statement of William M. Hunt  
Director, Federal Management Issues  
General Government Division



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BUREAU OF THE CENSUS:  
LEGISLATIVE PROPOSAL TO SHARE  
ADDRESS LIST DATA HAS BENEFITS AND RISKS

Summary of Statement by  
William M. Hunt  
Director, Federal Management Issues  
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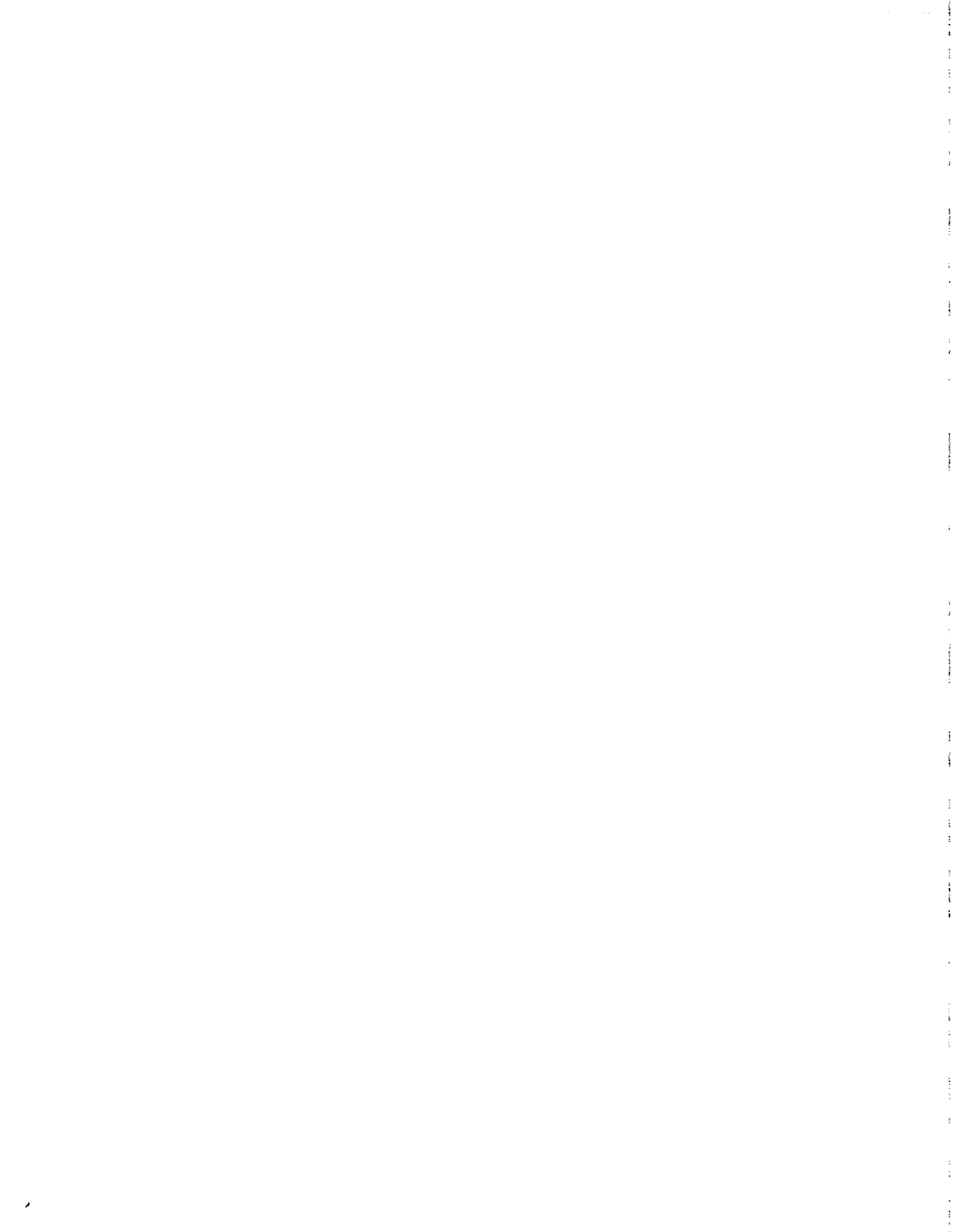
The Department of Commerce's legislative proposal, which would allow the Bureau of the Census to share address list data with the U.S. Postal Service, other federal agencies, and local governments, offers opportunities for the Bureau to improve its address lists. However, the proposal raises privacy and confidentiality concerns about the use of census data.

GAO supports the general concept of the sharing of data among federal statistical agencies for statistical purposes as currently under consideration by the Office of Management and Budget. GAO also supports initiatives to facilitate the sharing of address list data between the Postal Service and the Bureau. However, the Department of Commerce has not provided sufficient justification to support its request for authority to share the Bureau's address list data with agencies other than the Postal Service. We urge caution and further study before Congress passes legislation allowing this information to be shared with other government agencies.

The Bureau's sharing of address data with local governments raises questions about the benefits of the sharing of data compared with the potential adverse effects. In prior censuses, the Bureau improved its address list data somewhat by providing block totals of housing units to local governments for their review. This legislative proposal would allow the Bureau to try to improve that review by providing data to local governments on specific housing units.

Although the legislative proposal provides for the sharing of data for public purposes, it prohibits the use of address list data for certain purposes, such as law enforcement and taxation. However, if segments of the public perceive that their privacy and confidentiality will be violated by the sharing of address list data, their cooperation in census taking may be reduced. In turn, this reduction could cause a decrease in the mail response rate, which could increase census costs, lower quality of the data collected, and exacerbate the undercount problem.

GAO believes the benefits and risks of data sharing need to be weighed more carefully through Bureau testing and evaluation before Congress passes legislation to permit the sharing of address list data. The 1995 Test Census provides an opportunity for the Bureau to evaluate some of the principle objectives of the legislation. In that Test Census, the Bureau could evaluate the effect of providing housing unit data to local governments for their review by using a special oath of confidentiality. Congressional deliberations on the legislative proposal could benefit from the results of such tests and evaluations.



Mr. Chairman and Members of the Subcommittee:

This statement provides our comments on a Department of Commerce legislative proposal to amend Title 13, United States Code (U.S.C.), to allow the Bureau of the Census to share its address list data with the U.S. Postal Service, other federal agencies, and state and local governments for the improvement and enhancement of address information and for other public purposes.<sup>1</sup> Our statement is based on our examination of the legislative proposal and its statement of purpose and need, our considerable work on prior decennial censuses, and our review of the Bureau's plans for the 1995 Test Census.

The primary objective of the proposed legislation is to provide the Secretary of Commerce with the authority to share the address lists of the Bureau with the Postal Service and federal, state, and local officials when it is required for the efficient and economical conduct of censuses and surveys. It would also allow the sharing of address data with other federal agencies to help in their administration of health, safety, or other public programs. Through this sharing, the Bureau contends that other government entities that need an up-to-date list along with the locations of the addresses would not need to construct their own lists at substantial cost to taxpayers.

The proposal for sharing address data has some worthwhile objectives for improving the accuracy and completeness of the Bureau's address list, but it raises some concerns about safeguards to the privacy and confidentiality of census data. We support the sharing of address data between the Bureau and the Postal Service, and we support the general concept of the sharing of data among federal statistical agencies for statistical purposes. However, we urge caution and further study before allowing address list data to be shared with other federal agencies and state and local governments. A perceived breach of confidentiality by the public could adversely affect mail return rates and decennial census coverage. The 1995 Test Census offers the Bureau an opportunity to evaluate the effectiveness of the proposed legislative changes to improve the Bureau's address lists and the public's reaction to having address list data shared with local governments.

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<sup>1</sup>To date, no bill has been introduced. A companion U.S. Postal Service proposal would amend Title 39, U.S.C., to provide the Postal Service with the authority to share address lists with the Bureau of the Census for conducting the census and for other public purposes.

## BACKGROUND

Under existing provisions of section 9 of Title 13, U.S.C., the Bureau is prohibited from disclosing information obtained specifically for statistical use for any other purpose. Section 214 of Title 13 prescribes penalties for wrongful disclosure of information. The legislative proposal under consideration would provide the Secretary of Commerce with the authority to share the Bureau address list data with the Postal Service, and federal, state, and local officials when it is required for the efficient and economical conduct of censuses and surveys and for "public purposes." However, the proposal specifies that address list data should not be used for certain purposes, such as law enforcement and taxation.

Section 411 of Title 39, U.S.C., authorizes the Postal Service to furnish both real and personal property and services to federal government agencies. On the other hand, section 412 of Title 39 prohibits the disclosure of Postal Service lists of names and addresses to the public. The current legislative proposal to amend section 411 would provide the Postal Service with the authority to share address list data with the Bureau for purposes related to the conduct of the census and for such other public purposes as may be jointly authorized.

## SHARING ADDRESS LIST DATA BETWEEN THE BUREAU AND POSTAL SERVICE HAS VALUE

The effectiveness of a decennial census depends on an accurate and complete address list that identifies the mailing address and physical location of each housing unit. We have long supported the Bureau's using the Postal Service to update and enhance the address list for use in the decennial census and other statistical activities of the Bureau because of the Postal Service's vast knowledge of addresses supported by its automated address file that includes virtually every address to which mail is delivered.

Since 1970, the Bureau has developed a new address list for each decennial census and used the Postal Service in this process. In a 1980 report, we recommended that the Bureau periodically update its list for use in the 1990 Decennial Census and in other census activities.<sup>2</sup> In a 1982 report, we included suggested language to amend Title 39 to provide a legal basis for the Postal Service

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<sup>2</sup>Problems In Developing The 1980 Census Mail List (GAO/GGD-80-50, Mar. 31, 1980).

to share its address information with the Bureau.<sup>3</sup> At that time, we did not suggest that there was a need to change Title 13, which pertains to the census. However, we did specify that the confidentiality of the data provided to the Bureau should be protected by the provisions of section 9 of Title 13. Again, in a 1992 report, we encouraged the Bureau to increase its reliance on the Postal Service to develop, maintain, and update the Bureau's address lists.<sup>4</sup> We continue to support any initiatives considered necessary to facilitate the increased cooperation between the Bureau and the Postal Service to improve the Bureau's address list.

In its justification for its current proposal, the Department stated that sharing the Bureau address list with the Postal Service would also improve that agency's address list. However, the Department provided no specific examples to demonstrate how the Bureau's list would benefit the Postal Service. Likewise, Postal Service officials did not specify how the Bureau's address list data could improve the Postal Service's address list.

#### SHARING ADDRESS LIST DATA WITH LOCAL GOVERNMENTS PRESENTS BENEFITS AND RISKS

The Commerce Department's proposal to share Bureau housing unit address data with local governments could increase their participation in reviewing census address lists. In addition, the local governments' participation could improve the quality of those lists by providing the Bureau with more recent address information. However, we have several concerns that this sharing could also present risks that may compromise these benefits. If segments of the public perceive that their privacy and confidentiality will be violated by this sharing, their cooperation in census taking may be reduced which in turn could further undermine the accuracy and quality of census data. We believe these benefits and risks need to be weighed more carefully through Bureau testing and evaluation, particularly in the 1995 Test Census, before Congress passes legislation to permit the sharing of address list data with local governments.

#### Benefits of Sharing Address List Data

The Department's rationale for this legislation is that it is needed to make the decennial census more accurate and efficient

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<sup>3</sup>A \$4 Billion Census In 1990? Timely Decisions On Alternatives To 1980 Procedures Can Save Millions (GAO/GGD-82-13, Feb. 22, 1982).

<sup>4</sup>Decennial Census: 1990 Results Show Need for Fundamental Reform (GAO/GGD-92-94, June 9, 1992).

and would have the added benefit of helping public health and safety agencies carry out their missions more efficiently. In prior census local review operations, the Bureau provided block totals of housing units to thousands of local governments. This legislative proposal would allow the Bureau to provide specific address list data to local governments, which the Bureau believes would further improve the Bureau's address lists by allowing more detailed and systematic local government review.

In the 1990 Decennial Census Precensus Local Review, about 3,400 of the 21,048 local governments eligible to participate (16 percent) responded.<sup>5</sup> Bureau evaluations show that from these 3,400 local governments that responded, about 367,000 valid housing units were added to the Bureau's address lists. This addition resulted in a 0.43 percent increase in addresses when the Bureau compared the number of added housing units to the total number of housing units in the eligible communities. The Precensus Local Review operation cost about \$1.5 million.

In 1990, we did a random sample survey of 1,047 of the approximately 17,000 governments that did not respond to the Precensus Local Review in the 1990 Decennial Census. Our survey revealed that governments' most often cited reasons for not responding were (1) a lack of funds, expertise, or other resources to carry out the program and (2) a lack of housing unit data of their own at the block level required to assess and, if necessary, challenge Bureau counts.<sup>6</sup> This was especially true of small communities, that is, those with populations of less than 12,500. At the time of the survey, we learned that about 60 percent of the governments that did not participate in Precensus Local Review said in response to our survey that they also did not plan to participate in the Postcensus Local Review operation. Most of these nonrespondents--about 80 percent--were small communities.

In the 1990 Postcensus Local Review, 9,847 of 39,198 government units (25 percent) participated. All of the 51 largest cities in the country responded. Again, the Bureau provided block totals of housing units, but no individual addresses. As a result of this review, about 81,000 housing units were added to the

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<sup>5</sup>In local reviews, some localities that did not respond to the Bureau were represented by another level of government. This situation could have accounted for another 2.5 percent of local governments. See Expanding the Role of Local Governments: An Important Element of Census Reform (GAO/T-GGD-91-46, June 15, 1991).

<sup>6</sup>Decennial Census: Status of Housing Coverage Check and Postcensus Local Review Programs (GAO/T-GGD-90-63, Sept. 25, 1990).



Bureau's address list, a 0.08 percent increase. The Bureau's total field cost for the 1990 Postcensus Local Review was \$7.2 million, or about \$89 per housing unit added.

The capability of local governments to respond and the resulting improvements in the Bureau's address list when local governments are provided housing unit addresses has not been tested and evaluated by the Bureau.

### Risks Associated With Perceived Violations of Privacy and Confidentiality

Even if local governments' reviews are improved through the Bureau's sharing of unit address information, the public might consider it a breach of privacy and confidentiality for the Bureau to release their address information to local governments. The public's perception of such a breach could decrease census mail response rates and lower the quality of data provided by respondents. Confidentiality has been a basic tenet in census taking, as codified in section 9 of Title 13.

Recent Bureau research suggests that certain segments of the population, particularly those individuals who may already be reluctant to be counted, are concerned about potential nonstatistical uses of census data, such as providing data for law enforcement or regulatory activities. Although these uses are prohibited in the legislative proposal, public perception of such use could cause some respondents to withhold census information. This could increase the cost of the census, lower the quality of data collected, and exacerbate the undercount problem.

Bureau research showed that respondents' level of trust in data confidentiality affected their compliance with the 1990 Decennial Census. Bureau interviews with nonrespondents showed that a segment of the population did not trust government intentions and perceived that government agencies would deliberately share data that could be used against them. These individuals said they did not accurately report census information on household composition for fear that local government authorities or landlords would withhold services or evict them. Individuals not accurately reporting census data for fear of the Bureau's breach of confidentiality may include those (1) living in private residences with illegal units, units with boarders, or other overcrowded conditions; (2) living in public projects or apartments with occupancy requirements; (3) receiving public assistance, such as Aid to Families with Dependent Children; (4) engaging in illegal commercial activity; or (5) fearing detention or deportation.

A Bureau evaluation of the 1990 Decennial Census showed that individuals who were concerned about their census data remaining confidential were reluctant to respond. Bureau research has also shown that individuals' concerns about confidentiality and privacy significantly affected mail return rates. That research concluded, in part, that "if the issue of data confidentiality became more salient to the American public, one might expect the effects on nonresponse to be much more substantial."<sup>7</sup>

#### The 1995 Test Census Provides Opportunities for the Bureau to Conduct Address List Improvement Evaluations

The Bureau's 1995 Test Census, which is planned for one rural and three urban locations, provides an opportunity for the Bureau to evaluate the usefulness of some of the key components in the legislative proposal. For example, in that test the Bureau could evaluate the effectiveness of a local government's response in reviewing and improving address list information upon receiving a list of actual addresses. In its 1995 Test Census, the Bureau plans to provide actual addresses to local governments instead of block totals, which it had done previously. When doing so, for this particular test, the Bureau will swear in all local officials who will have access to the census address list. Upon taking the oath, these officials are subject to the same confidentiality provisions under Title 13 that Bureau employees are.

The 1995 Test Census also offers the Bureau the opportunity to determine if any adverse effects result from providing local governments with actual addresses. The Bureau could take advantage of these opportunities by interviewing household respondents residing in the test areas.

We also note that testing methods to improve the Bureau's address list through an improved cooperative effort with the Postal Service is not a major objective of the 1995 Test Census. The planned address list activities are not dramatically different from what was done in the 1990 Decennial Census and are not consistent with what was envisioned when the Bureau outlined its objectives of a cooperative effort with the Postal Service. For the 1995 Test Census, the Bureau, as it did in the 1990 Decennial Census, plans to use field canvassing to develop the address list at the rural site and use field canvassing activities and a post office check to enhance the urban address list. Originally, the Bureau envisioned not using its labor-intensive, error-prone, and hard-to-manage field canvassing activities used to develop its

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<sup>7</sup>"The Impact of Privacy and Confidentiality Concerns on Survey Participation: The Case of the 1990 U.S. Census," Eleanor Singer, Nancy A. Mathiowetz, and Mick P. Couper, Public Opinion Quarterly Volume 57, 1993.

address list. The Bureau also envisioned using the Postal Service address list to update its automated geographic files. We are uncertain at this time how this will be implemented in the test. We believe the Bureau should take full advantage of the 1995 Test Census to explore how to work more cooperatively with the Postal Service.

LIMITED JUSTIFICATION FOR SHARING ADDRESS LIST INFORMATION WITH OTHER FEDERAL AGENCIES

For many years, we have advocated the concept of the sharing of business data for statistical purposes among federal government departments and agencies. In a 1979 report, we recommended that legislation be amended to allow the Bureau to share information on business establishments with other government agencies.<sup>8</sup> We based this recommendation on our review of the benefits associated with improving the economic surveys, reducing duplicative data collection efforts, and reducing the reporting burden on businesses.

The Office of Management and Budget (OMB) is considering legislation that would address concerns about promoting the sharing of data within the federal statistical system while maintaining data confidentiality. Of great importance in drafting legislation is the necessity of ensuring that it clearly protects the confidentiality of respondents. Although the inclusion of such protection adds to the complexity of legislation, this complexity must be weighed against the advantages gained in being able to ensure respondents that their interests are protected. We support the idea of data sharing among federal statistical agencies for statistical purposes. We believe this issue is best handled as part of a more comprehensive piece of legislation on the sharing of data such as that being considered by OMB.

Unlike the benefits of the sharing of statistical data among statistical agencies, the benefits of the sharing of residential address data with other federal government agencies has not been demonstrated. In its Statement of Purpose and Need for its legislative proposal, the Department indicated that many government entities providing for public health, safety, and the general welfare need an up-to-date address list, showing also the locations of housing units, to implement their programs. However, the Department does not provide sufficient evidence of these needs. The proposal specifically prohibits the use of data for law enforcement, taxation, regulation, marketing, revenue enhancement, political campaigning, fund-raising, or evidentiary

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<sup>8</sup>After Six Years, Legal Obstacles Continue to Restrict Government Use of the Standard Statistical Establishment List (GAO/GGD-79-17, May 25, 1979).

purposes. In addition, the Department and the Postal Service must jointly agree to make available the address list data for public purposes.

The Department's supporting document offered only one example of the possible sharing of its address list with other federal agencies. The Federal Emergency Management Agency (FEMA) requested address list data to assist its planning of emergency rescue and recovery efforts in instances of national disasters. The Department contended that without this proposed legislation FEMA may decide to develop an independent database of addresses and maps at substantial costs to taxpayers.

Although we support the increased sharing of data for statistical purposes at the federal level, we are concerned that expanding access to these data for other purposes may undermine the quality of data collected for statistical purposes. The issue of sharing address data beyond the enhancement of the address list for Bureau activities raises questions about the benefits of sharing such data for the Bureau compared with the perceived and possibly real adverse consequences for decennial census operations. Furthermore, Congress has expressed concerns about the improper use of Postal Service address list data by others, and Bureau address list data will be based at least partly on Postal Service information. The Department has provided little evidence of the needs for and benefits of sharing address list data with other federal agencies. Also, it does not specifically address provisions to ensure that this information will not be used to the detriment of census respondents and Postal Service customers. In view of these reasons, we believe the Department has not provided sufficient justification to support its request for authority to share its address list data with agencies other than the Postal Service.

#### CONCLUSIONS

We have long supported the Bureau's development and maintenance of a quality address list by increasing its reliance on the Postal Service. Therefore, we support initiatives to facilitate the sharing of address list data between the Postal Service and the Bureau, but we urge caution and further study before allowing this information to be shared with other government agencies.

We support the general concept of the sharing of data among federal statistical agencies for statistical purposes. But we believe this issue is best handled as part of the broader piece of legislation that OMB is considering.

The Commerce Department's legislative proposal introduces other data sharing purposes that may undermine the efficient and cost-effective completion of the decennial census. If the Bureau were to share address list data broadly with federal agencies and

local governments, it could create a situation that segments of the public perceive as a violation of the privacy and confidentiality afforded census data. This perception could cause a decrease in the public's response to the census and, as a result, increase costs, lower the quality of data collected, and exacerbate the undercount problem.

We believe the 1995 Test Census offers the opportunity for the Bureau to test and evaluate some of the key objectives in the Department's legislative proposals to share and improve address list data. Congressional deliberations on this legislative proposal would be enhanced by having the results of the Bureau's tests and evaluations from the 1995 Test Census.

## Related GAO Products

Decennial Census: Promising Proposals, Some Progress, But Challenges Remain (GAO/T-GGD-94-80, Jan. 26, 1994).

Management Reform: GAO's Comments on the National Performance Review's Recommendations (GAO/OCG-94-1, Dec. 3, 1993).

Decennial Census: Test Design Proposals Are Promising, But Fundamental Reform Is Still at Risk (GAO/T-GGD-94-12, Oct. 7, 1993).

Decennial Census: Focused Action Needed Soon to Achieve Fundamental Breakthroughs (GAO/T-GGD-93-32, May 27, 1993).

Decennial Census: Fundamental Reform Jeopardized by Task of Progress (GAO/T-GGD-93-6, Mar. 2, 1993).

Transition Series: Commerce Issues (GAO/OCG-93-12TR, Dec. 1992).

Decennial Census: Opportunities for Fundamental Reform (GAO/T-GGD-92-51, June 10, 1992).

1990 Census: Comparison of Coverage Improvement Programs for 1980-1990 (GAO/GGD-90-8, Nov. 28, 1989).

Programs of the 1990 Decennial Census: Some Causes for Concern (GAO/T-GGD-90-44, May 21, 1990).

1990 Census: Delays in Completing the Address List for Suburban and Rural Areas (GAO/GGD-89-74, July 10, 1989).

1990 Census: Overview of Key Issues (GAO/GGD-89-77BR, July 3, 1989).

Status of the 1990 Decennial Census (GAO/T-GGD-88-53, Sept. 27, 1988).

Status of the 1980 Decennial Census (GAO/T-GGD-88-42, June 17, 1988).

Decennial Census: 1980 Post Census Day Improvement Programs (GAO/GGD-87-98FS, July 9, 1987).

Status of Census Bureau Plans and Preparation for the 1990 Census (GAO/T-GGD-87-6, Mar. 12, 1987).

The Census Bureau's 1984 Address List Compilation Test (Mar. 13, 1986).

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