

**Bureau of Labor Statistics Report to the Office of Management and Budget  
On Implementation of  
The Confidential Information Protection and Statistical Efficiency Act of 2002  
Calendar Year 2008**

This report is being issued by the Bureau of Labor Statistics (BLS) in accordance with Office of Management and Budget (OMB) Implementation Guidance for Title 5 of the E-Government Act, the Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) (72 Federal Register 33362, June 15, 2007). CIPSEA establishes strong confidentiality protections for information acquired by the BLS for exclusively statistical purposes. Among other things, CIPSEA strictly limits who may have access to protected data, sets strict fines and penalties for knowing and willful disclosures of confidential information to unauthorized persons, and explicitly exempts protected statistical information from disclosure under the Freedom of Information Act. CIPSEA also authorizes BLS, the Bureau of Economic Analysis (BEA), and the U.S. Census Bureau (Census) to share confidential business data for the purposes of improving the Nation's economic statistical system.

As directed by OMB, this report covers Calendar Year 2008 (CY 2008), addressing which BLS statistical programs have issued CIPSEA confidentiality pledges in the collection of data from respondents, the conditions under which the BLS has designated agents for access to confidential data for statistical activities, and the data sharing arrangements that the BLS has entered into with BEA and Census.

**BLS Use of the CIPSEA Confidentiality Pledge**

During CY 2008, the following BLS surveys acquired data using a CIPSEA pledge of confidentiality. A copy of the pledge used for each survey is attached to this report.

- Report on Employment, Payroll, and Hours – OMB Number 1220-0011
- Report on Occupational Employment – OMB Number 1220-0042
- Consumer Price Index Commodities and Services Survey – OMB Number 1220-0039
- Consumer Price Index Housing Survey – OMB Number 01220-0163
- Producer Price Index – OMB Number 1220-0008
- International Price Program – U.S. Import Product Information – OMB Number 1220-0026
- International Price Program – U.S. Export Product Information – OMB Number 1220-0025
- National Compensation Survey – OMB Number 1220-164
- Survey of Occupational Injuries and Illnesses – OMB Number 1220-0045
- Census of Fatal Occupational Injuries – OMB Number 1220-0133
- Mass Layoff Statistics Program – OMB Number 1220-0090
- Job Openings and Labor Turnover Survey (JOLTS) – OMB Number 1220-0170

- National Longitudinal Survey of Youth 1979 (NLSY79) – OMB Number 1220-0109
- National Longitudinal Survey of Youth 1997 (NLSY97) – OMB Number 1220-0157
- Cognitive and Psychological Research – OMB Number 1220-0141
- Labor Market Information Cooperative Agreement – OMB Number 1220-0079
- Occupational Safety and Health Cooperative Agreement – OMB Number 1220-0149

### **BLS Use of the Agents Provision in CIPSEA**

During CY 2008, BLS had 622 active written agreements authorizing the designation of agents. Under these agreements, a total of 5,545 agents were designated. These include contracts with private vendors, Cooperative Agreements with State partners, Letters of Agreement with academic institutions and other non-profit organizations, and Memoranda of Understanding with government agencies.

#### 1. Contracts with Private Vendors

BLS has designated 1,884 agents working under approximately 43 contracts with private vendors. These “contractor agents” perform a range of statistical activities including data collection, data processing, research and analysis, IT support (designing and maintaining systems for handling or storage of data), and general support for the agency operations. Of these contracts, 29 are for work onsite at the BLS National or Regional Offices and involve 873 contractor agents; 14 are for offsite work at the contract company’s facility and involve 1,011 contractor agents.

#### 2. Cooperative Agreements with State Partners

BLS has designated 2,561 agents working under Cooperative Agreements for 2008. Each fiscal year, BLS enters into 112 Cooperative Agreements with 50 States and 4 Territories. Like contractor agents, “State partner agents” perform a range of statistical activities including data collection, data processing, analysis, and IT support (designing and maintaining systems for handling or storage of data). All of the Cooperative Agreements involve work offsite as well as work at State facilities.

#### 3. Letters of Agreement with Academic Institutions and Other Non-profit Organizations

BLS has designated 945 agents working under 391 different Letters of Agreement (LOAs). “Researcher agent” activities under these agreements include exclusively statistical research and analysis. Of these LOAs, 48 are for work onsite at the BLS National Office and involve 61 researcher agents; 343 are for work offsite at the researcher agent’s institution/organization and involve 884 researcher agents.

#### 4. Memoranda of Understanding with Government Agencies

BLS has designated 155 agents working under 76 different Memoranda of Understanding (MOU). Researcher agent activities under these agreements include exclusively statistical research and analysis. Of these MOUs, 8 are for work onsite at the BLS National Office and involve 20 researcher agents; 68 are for work offsite at the outside government agency, and involve 135 researcher agents<sup>1</sup>.

### **BLS Use of Data Sharing Provisions under Subtitle B of CIPSEA**

During CY 2008, the BLS has been engaged with the Bureau of Economic Analysis (BEA) and the U.S. Census Bureau (Census) in multiple data sharing initiatives. Below is a summary of the data sharing activities the BLS has entered into with BEA and Census, including the statistical purposes for sharing data and anticipated improvements in efficiency from each data sharing arrangement.

#### *Data Sharing Initiatives between BLS and BEA*

1. BLS is collaborating with BEA to provide them with unpublished aggregates and selected establishment reports from the Quarterly Census of Employment and Wages (QCEW) data for use by the BEA for developing the wage and salary component of the National Personal Income and Gross Domestic Product statistics. Access to the QCEW data from the BLS allows BEA to acquire processed employment and wage data from a centralized location without having to enter into separate data access arrangements with each of the various States.
2. BLS is collaborating with BEA to share Consumer Price Index (CPI) data within the U.S. to develop experimental inter-area price indexes to permit comparisons of price levels between local areas. BEA is using the CPI research database, which contains the information from the CPI Commodities and Services (C&S) Survey, to assess the feasibility of calculating inter-area price measures with the CPI data, to develop methods for calculating these inter-area price measures, and to develop some experimental real personal income measures for select metropolitan areas. Access to the CPI also will help BEA to identify additional data not in the CPI database that would be required to produce interstate price measures. The staff time required for this project is large and working with BEA will provide BLS the necessary resources and additional expertise for the project. The output of this project will enable BLS to determine the feasibility of producing experimental inter-area indexes for the thirty-eight publication areas in the CPI. This data sharing arrangement will provide an efficient source of reliable data for the purposes of constructing consistent and empirically useful inter-area price indexes corresponding to the regions and metropolitan areas for which CPI data are published. It also makes possible a

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<sup>1</sup> The majority of these 69 offsite agreements are represented by MOUs with State Partners, with whom BLS also has a Cooperative Agreement. Agents designated under these MOUs, are not included in the offsite MOU agent count, as they have already been accounted for under the Cooperative Agreement category.

detailed analysis of the CPI data, promoting the continued effective use of these data, and disseminating these data to a wider audience.

3. BLS is collaborating with BEA to share data from the BLS QCEW; the Occupational Employment Statistics survey (OES); and the Mass Layoff Statistics survey (MLS); and from BEA the benchmark and annual surveys of direct investment, which collect information on the financing and operations of U.S. parent companies, their foreign affiliates, and U.S. affiliates of foreign companies; quarterly direct investment surveys, which collect information on transactions and positions between parents and affiliates; a new investments survey, which collects information on new foreign direct investments in the United States; and benchmark, annual and quarterly surveys of U.S. international trade in services. BEA and BLS will plan, conduct, and complete a program of cost-effective research work to accomplish the purposes of this data sharing arrangement. Work will include any project, task, tabulation, simulation, comparison, analysis, research, or other activity determined to be relevant, appropriate, and potentially useful by BEA and BLS. Among other things, the agencies expect to perform work to determine the feasibility of linking BEA and BLS data for the purpose of developing detailed industry-level estimates of the employment, payroll, and occupational structure of foreign-owned U.S. companies or of U.S. companies that own foreign affiliates. This data sharing arrangement will provide an evaluation of the potential to augment and enhance the economic statistics currently published by the two statistical agencies. It will make possible a detailed analysis of the microdata, allowing an analysis of data quality issues, promoting the continued effective use of these data, and disseminating these data to a wider audience. This data sharing arrangement also will increase understanding of the economic impact of off-shoring on the U.S. economy.
4. BLS is collaborating with BEA to share selected company and revenue data from BEA's international surveys with BLS, and to share selected sample frame data from the BLS' international price index for royalties and license fees with BEA, that will enable (a) BLS to study the feasibility of developing an international price index for royalties and license fees, and (b) BEA to compare its sample frame with the BLS sample frame to find omissions in both lists. In addition, the BLS Division of Foreign Labor Statistics will use the BEA data collected from the *Benchmark and Annual Surveys of US Direct Investment Abroad* on employment, compensation, and (as available) hours worked, to conduct international comparisons of the levels and trends of hourly compensation costs of U.S. multinational corporations with that of

the average establishment in that industry in the corporation's host country. With the current emphasis on the effects of outsourcing on the American economy, this type of comparison will be of great interest to BLS data users.<sup>2</sup>

5. BLS is collaborating with BEA to provide access to a file that includes all employment, mean wages, percentile wages (10th, 25th, 50th, 75th, and 90th), and wage ranges for all occupational major groups by industry and State. The occupations are coded at the 2-digit Standard Occupational Classification (SOC) major group level, and the industries are coded at the 4-digit North American Industrial Classification System (NAICS) level. BEA is using the data to improve the accuracy of its estimates of employer contributions to Social Security. BEA hopes to use the data to improve upon its current methodology, which involves using industry-wide averages from the BLS QCEW to determine taxable wages. The methodology relying on QCEW data overestimates actual taxable wages. The application of OES wage ranges to QCEW data should provide detailed insight into workers' actual salaries that cannot be determined by simple averages. This advanced interpretation of the QCEW data will provide more accurate taxable wage estimates. While the QCEW data will remain the principal data source used in the published estimates of employer contributions to Social Security, the relationship between QCEW and OES will strengthen the estimates of taxable wages.

#### *Data Sharing Initiatives between BLS and Census*

1. Census shares with the BLS monthly NET export files and names and addresses from the Census annual survey of exporters and commodities. The BLS uses these files to assemble sampling frames for its export price index series. The Census Bureau also shares with the BLS natural gas import files for use by the BLS to assemble sampling frames for its import price survey. Providing BLS access to these data, allows BLS to produce export and import price indexes without having to conduct a separate survey of establishments to build a sampling frame of importers and exporters. Conducting a separate survey would be costly, both in terms of the money needed to conduct the survey and also the additional reporting burden that would be placed on establishments participating in the survey.
2. BLS and Census continue to collaborate on the industry code matching project. Census identifies businesses for which its Business Register (BR) needs industrial classifications, and the BLS supplies classifications, when available, from its Business Establishment List (BEL). Census maintains the BR, which serves primarily as an enumeration list for 5-year economic censuses, as a source of

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<sup>2</sup> The MOU for this project was finalized on November 26, 2007 and has an expiration date of September 30, 2010. However, due to budget reductions, the data sharing activity involving the international price program currently is on hold. Work on this part of the MOU may go forward in fiscal year 2010. With regard to the data sharing activity involving the Division of Foreign Labor Statistics, budget cuts have caused BEA to discontinue the questions that BLS was interested in for the multinationals compensation project. Unless BEA reinstates the questions that are of interest to BLS for this project, this aspect of the existing MOU will not be going forward.

sampling frames for more frequent business surveys, and as a basis for statistical tabulations. Accurate and timely industrial classifications are essential to these basic purposes, because they are a principal factor in determining the scope and coverage of survey frames and in structuring efficient samples to provide high-quality industry statistics. Moreover, industrial classifications strongly affect the accuracy and effectiveness of data collection, survey processing, and statistical estimation and aggregation. The most important benefits of this project accrue to businesses that are relieved of unnecessary response burden previously imposed by the Census Bureau's direct collections done expressly to maintain BR and the Annual Survey of Manufacturers industrial classifications. Additionally, the Census Bureau's use of BLS industrial classifications and further provisions for resolving classification discrepancies works to promote consistency between the Federal statistical system's principal business lists and thereby to improve the comparability of statistical products that depend on those lists. Lastly, the Census Bureau's use of BLS industrial classifications makes Federal statistical programs less duplicative and more cost-effective overall.

3. BLS and Census continue to collaborate on the business list comparison project. The purpose of this data sharing initiative is to conduct research that will evaluate the primary Census and BLS business lists and their utility in meeting statistical program needs and will evaluate major opportunities to improve each list and its uses in developing frames for censuses and surveys. Evaluation of business lists and statistical program uses will emphasize the strengths and weaknesses of the existing lists and uses, and the relative quality measures and underlying processes that support those quality levels. Evaluation of list and use improvements will seek to identify specific opportunities for improvement in coverage, content, accuracy, comparability, and utility. Evaluation of potential improvements will include assessment of their operating feasibility; their advantages and disadvantages for the participating agency, affected businesses, and other interested parties; and the adequacy of available legal authority. Evaluations may consider options for consolidating business lists (in whole or part).

### BLS Use of the CIPSEA Pledge 2008

TITLE OF SURVEY	OMB NUMBER	CIPSEA PLEDGE
Producer Price Index Survey	1220-0008	The Bureau of Labor Statistics, its employees, agents, and partner statistical agencies, will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (Title 5 of Public Law 107-347) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent.
Report on Employment, Payroll, and Hours	1220-0011	The Bureau of Labor Statistics, its employees, agents, and partner statistical agencies, will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (Title 5 of Public Law 107-347) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent.
International Price Program – U.S. Export Product Information	1220-0025	The Bureau of Labor Statistics, its employees, agents, and partner statistical agencies, will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (Title 5 of Public Law 107-347) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent.
International Price Program – U.S. Import Product Information	1220-0026	The Bureau of Labor Statistics, its employees, agents, and partner statistical agencies, will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (Title 5 of Public Law 107-347) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent.
Consumer Price Index Commodities and Services Survey	1220-0039	The Bureau of Labor Statistics, its employees, agents, and partner statistical agencies, will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (Title 5 of Public Law 107-347) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent.
Report on Occupational Employment	1220-0042	The Bureau of Labor Statistics, its employees, agents, and partner statistical agencies, will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (Title 5 of Public Law 107-347) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent.
Survey of Occupational Injuries	1220-0045	The Bureau of Labor Statistics, its employees, agents, and partner statistical agencies, will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (Title 5 of Public Law 107-347) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent.
Quarterly Census of Employment and Wages (QCEW)--Labor Market Information (LMI) Cooperative Agreement	1220-0079	Upon receipt by BLS of the QCEW files, BLS considers this information confidential. BLS will use the QCEW data for exclusively statistical purposes and will hold this information in confidence to the full extent permitted by law. The BLS considers the QCEW data covered under CIPSEA and handles the data accordingly once they are in the possession of the BLS.

TITLE OF SURVEY	OMB NUMBER	CIPSEA PLEDGE
Mass Layoff Statistics (MLS)— LMI Cooperative Agreement	1220-0079	Upon receipt by BLS of UI data for the MLS program, BLS considers this information confidential. BLS will use the UI data for exclusively statistical purposes and will hold this information in confidence to the full extent permitted by law. The BLS considers the MLS data covered under CIPSEA and handles the data accordingly once they are in the possession of the BLS.
MLS	1220-0090	The Bureau of Labor Statistics will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law.
National Longitudinal Survey of Youth 1979 (NLSY79)	1220-0109	We want to reassure you that your confidentiality is protected by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002, the Privacy Act, and other applicable Federal laws, the Bureau of Labor Statistics, its employees and agents, will, to the full extent permitted by law, use the information you provide for statistical purposes only, will hold your responses in confidence, and will not disclose them in identifiable form without your informed consent. All the employees who work on the survey at the Bureau of Labor Statistics and its contractors must sign a document agreeing to protect the confidentiality of your data. In fact, only a few people have access to information about your identity because they need that information to carry out their job duties. Some of your answers will be made available to researchers at the Bureau of Labor Statistics and other government agencies, universities, and private research organizations through publicly available data files. These publicly available files contain no personal identifiers, such as names, addresses, Social Security numbers, and places of work, and exclude any information about the States, counties, metropolitan areas, and other, more detailed geographic locations in which survey participants live, making it much more difficult to figure out the identities of participants. Some researchers are granted special access to data files that include geographic information, but only after those researchers go through a thorough application process at the Bureau of Labor Statistics. Those authorized researchers must sign a written agreement making them official agents of the Bureau of Labor Statistics and requiring them to protect the confidentiality of survey participants. Those researchers are never provided with the personal identities of participants. The National Archives and Records Administration and the General Services Administration may receive copies of survey data and materials because those agencies are responsible for storing the Nation's historical documents.
Census of Fatal Occupational Injuries (CFOI)	1220-0133	The Bureau of Labor Statistics, its employees, agents, and partner statistical agencies, will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (Title 5 of Public Law 107-347) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent.
Cognitive and Psychological Research	1220-0141	<u>For Cog Labs collected in the laboratory at the BLS:</u> (Privacy Act Statement) In accordance with the Privacy Act of 1974, as amended (5 U.S.C. 552a), you are hereby notified that this study is sponsored by the U.S. Department of Labor, Bureau of Labor Statistics (BLS), under authority of 29 U.S.C. 2. Your voluntary participation is important to the success of this study and will enable the BLS to better understand the behavioral and psychological processes of individuals, as they reflect on the accuracy of BLS information collections. The BLS, its employees, agents, and partner statistical agencies, will use the



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		<p>information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (Title 5 of Public Law 107-347) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent. The BLS may release individually identifiable information to individuals designated as agents of the BLS in accordance with Public Law 107-347 to perform exclusively statistical activities. Individuals designated as agents of the BLS may be imprisoned for not more than 5 years or fined not more than \$250,000 or both for any knowing and willful disclosure of respondent information to unauthorized persons. Such designated agents may include individuals from other sponsoring agencies; to contractors, grantees, and their employees or volunteers who are working on this study for the BLS and who need access to the information; or to the National Archives and Records Administration or the General Services Administration for records management purposes. Under written agreements to protect the confidentiality and security of individually identifiable information, the BLS may provide individually identifiable information to other researchers designated as agents of the BLS to conduct statistical research projects that further the mission and functions of the BLS.</p> <p><u>For Cog Labs collected outside of the BLS laboratory:</u> Current approved pledge for that survey (if it has an approved OMB number) or the above Privacy Act Statement.</p>
CFOI—Occupational Safety and Health Administration Cooperative Agreement	1220-0149	<p>Data collected on the CFOI-1 form and all information incorporated into the CFOI operating system will be used by the Bureau of Labor Statistics for exclusively statistical purposes and will be held in confidence to the full extent permitted by Federal law. Only BLS officers, employees, and agents will have access to the confidential information. The BLS and SGA employees designated as Agents of the BLS shall abide by the Confidential Information Protection and Statistical Efficiency Act and all other applicable Federal laws governing confidentiality and by the confidentiality provisions in Part I, Section Q of this cooperative agreement in handling data from the CFOI-1 form and in handling data from the CFOI operating system.</p>
National Longitudinal Survey of Youth 1997 (NLSY97)	1220-0157	<p>We want to reassure you that your confidentiality is protected by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002, the Privacy Act, and other applicable Federal laws, the Bureau of Labor Statistics, its employees and agents, will, to the full extent permitted by law, use the information you provide for statistical purposes only, will hold your responses in confidence, and will not disclose them in identifiable form without your informed consent. All the employees who work on the survey at the Bureau of Labor Statistics and its contractors must sign a document agreeing to protect the confidentiality of your data. In fact, only a few people have access to information about your identity because they need that information to carry out their job duties. Some of your answers will be made available to researchers at the Bureau of Labor Statistics and other government agencies, universities, and private research organizations through publicly available data files. These publicly available files contain no personal identifiers, such as names, addresses, Social Security numbers, and places of work, and exclude any information about the States, counties, metropolitan areas, and other, more detailed geographic locations in which survey participants live, making it much more difficult to figure out the identities of participants. Some researchers are granted special access to data files that include geographic information, but only</p>

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		after those researchers go through a thorough application process at the Bureau of Labor Statistics. Those authorized researchers must sign a written agreement making them official agents of the Bureau of Labor Statistics and requiring them to protect the confidentiality of survey participants. Those researchers are never provided with the personal identities of participants. The National Archives and Records Administration and the General Services Administration may receive copies of survey data and materials because those agencies are responsible for storing the Nation's historical documents.
Consumer Price Index Housing Survey	1220-0163	The Bureau of Labor Statistics, its employees, agents, and partner statistical agencies, will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (Title 5 of Public Law 107-347) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent.
National Compensation Survey	1220-0164	<p><u>Private industry forms:</u> The Bureau of Labor Statistics, its employees, agents, and partner statistical agencies, will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (Title 5 of Public Law 107-347) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent.</p> <p><u>Government forms:</u> The BLS publishes statistical tabulations from this survey that may reveal the information reported by individual state and local governments. Upon your request, however, the BLS will hold the information provided on this survey form in confidence.</p>
Job Openings and Labor Turnover Survey (JOLTS)	1220-0170	The Bureau of Labor Statistics, its employees, agents, and partner statistical agencies, will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (Title 5 of Public Law 107-347) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent.