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United States Senate

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS WASHINGTON, DC 20510–6300

April 12, 2017

Hon. John M. Mulvaney Director Office of Management and Budget 725 17th Street NW Washington, DC 20503

Dear Director Mulvaney:

We write today to request that you use your statutory authority to rescind approval of the Equal Employment Opportunity Commission's (EEOC) misguided revisions to the EEO-1 Form. These revisions will increase by 20 times the employment data the commission currently collects from 61,000 private employers on their 63 million employees. These revisions will place significant paperwork, reporting burdens, and new costs on American businesses, and will result in fewer jobs created and higher prices for American consumers.

EEOC's previous EEO-1 required 61,000 employers with 100 or more employees to annually submit data to EEOC about its workforce—categorized by race/ethnicity, gender, and job category—for a total of 180 pieces of information about those employees each year. The revised form increases this data collection 20-fold from 180 to 3,660 for each report, even though the revision was submitted for review under the Paperwork Reduction Act before it was finalized during the previous administration. In total, EEOC will be collecting up to nearly three billion data fields according to one estimate1— in no way would this reduce paperwork for Americans.

We are also concerned about the considerable discrepancies between the EEOC's submitted burden estimate for compliance with the revised EEO-1 Form and an independent burden estimate from the U.S. Chamber of Commerce (Chamber). An empirical survey from the Chamber included more than 50 companies that file approximately 20,000 EEO-1 Forms each

¹ Equal Employment Advisory Council, Comment Letter on Proposed Revisions of the Employer Information (EEO-1) Report (Apr. 1, 2016), available at https://www.regulations.gov/document?D=EEOC-2016-0002-0273.

year.2 The Chamber concurred with the EEOC's estimates that 60,866 respondent companies would file an estimated 674,146 revised EEO-1 Reports for the 2017 reporting year. However, while the EEOC projected compliance to cost \$53.5 million and 1,892,980 hours, the Chamber survey revealed that American employers and federal contractors would spend \$400.8 million and expend 8,056,045 hours.3 The Chamber's \$400.8 million compliance price tag is limited to direct labor costs.4 By factoring in indirect overhead costs, the revised EEO-1 Form may result in costing American employers and federal contractors \$1.3 billion annually.5

The revised EEO-1 Form also raises significant data security and privacy concerns. As highlighted in a letter sent to OMB last month by a diverse coalition of more than 25 business associations, the revised EEO-1 Form will collect vast amounts of sensitive employee compensation information from thousands of employers—information which in the hands of bad actors could cause irreparable harm to American workers and employers.6

We respectfully request that you take all appropriate action to rescind OMB approval of the EEOC's misguided EEO-1 Form revisions. Congress vested the OMB Director with broad statutory authority to review collections of information such as the revised EEO-1 Form and to take action if warranted, and this would be an appropriate use of that authority.

Thank you for your attention to this issue and continued efforts on behalf of the American workforce and job creators. If you have any questions, please have your staff contact Kyle Fortson on Senator Alexander's staff at (202) 224-6770.

Sincerely,

xand

Lamar Alexander Chairman Committee on Health, Education, Labor and Pensions

Pat Roberts United States Senator

See Letter from Randel K. Johnson, Senior Vice President, Labor, Immigration & Emp. Benefits, U.S. Chamber of Commerce & James Plunkett, Dir., Labor Law Policy, U.S. Chamber of Commerce, to Hon. John M. Mulvaney, Dir., Office of Mgmt. & Budget 4 (Feb. 27, 2017).
See id. at 5.

⁴ See id.

⁵ See id.

⁶ Letter from Associations, to Hon. John M. Mulvaney, Dir., Office of Mgmt. & Budget 5 (Mar. 20, 2017).