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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

FOR RELEASE ON DELIVERY
EXPECTED AT 10 A.M. EDST
THURSDAY, JANUARY 17, 1974

STATEMENT OF
PHILLIP S. HUGHES
ASSISTANT COMPTROLLER GENERAL OF THE UNITED STATES
ON
ENERGY DATA COLLECTION
IN THE FEDERAL GOVERNMENT
BEFORE THE
SUBCOMMITTEE ON ACTIVITIES OF REGULATORY AGENCIES
RELATING TO SMALL BUSINESS OF THE
HOUSE SELECT COMMITTEE ON SMALL BUSINESS

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I am pleased to appear before your Subcommittee to discuss energy data collection in the Federal Government. The events of the last year which made us all aware of the national energy problem are also making us aware of the need for the best possible information upon which to base both public and private decisions. The cutoff of oil imports accelerated the need for fuel allocation programs; voluntary curtailment of fuel consumption is being sought; and serious consideration now is being given to the rationing of gasoline. The need to take and consider such serious steps has resulted in substantial concern in and out of Government about the data on which the Government is basing its decisions and about the system under which such data is being collected.

The General Accounting Office is in the process of completing a study of problems in energy data collection in the Federal Government made at the request of the Chairman, Senate Committee on Interior and Insular Affairs. We are not yet in a position to set forth conclusions

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from our study, but some observations based on information gathered may be of interest to this Subcommittee.

During the course of our study, we identified and visited 17 Federal agencies comprising 48 bureaus, offices, divisions, and administrations which are collectors or users of energy data. Others were identified but not visited because their volume of activity was relatively

- 1 small. The principal collection agencies are the Bureau of Mines and ²¹⁴
- 2 Geological Survey of the Department of the Interior, the Federal Power ²¹⁵
- 3 Commission, the Atomic Energy Commission, and the Department of Commerce. ²⁵⁸
- 45 ⁷⁴³
- ⁷⁴

As a further indication of the volume of data collection, a GAO analysis of Office of Management and Budget information indicated that, as of March 1973, 15 major Federal agencies were circulating 145 questionnaires and forms to private industry and states requesting energy-related data. The questionnaires consisted of some 11 million responses requiring an annual respondent effort of about 3.6 million man-hours.

Thus, a great deal of data is being collected by a wide range of Federal agencies. Such data is being collected, however, to meet the needs of specific programs or agencies, not as part of a systematic assembling of energy data. For example, the Bureau of Mines--the largest collection agency--has a broad and long standing legislative mandate to encourage the development of the mining industry. It therefore collects data relative to some 90 different minerals among which are fossil fuels. There is an acute need, we believe, for improvements in both organization and process to assure systematic collection and analysis of energy data.

Generally speaking, the data presently obtained is reported voluntarily, except for data collected by the Federal Power Commission for regulatory purposes, for data involved in administering the leasing of Federal lands and the outer continental shelf for mineral exploration, data on imports, and price and cost data on petroleum products needed to administer the economic stabilization programs.

The recent establishment of a Federal Energy Office adds a new dimension to energy data collection. White House fact sheets dealing with establishment of that Office indicate that it will be a focal point for the collection, compilation, evaluation, and analysis of energy data in the Government. In testimony on legislation to establish a Federal Energy Administration in place of the Federal Energy Office as a new independent agency to deal with energy problems, Administration witnesses indicated that derivative powers could be used for the mandatory collection of energy data under various provisions of the Economic Stabilization Act of 1970, as amended; the Emergency Petroleum Allocation Act of 1973, and the Defense Production Act of 1950. Authorities contained in these laws as they relate to energy data, however, seem to us to be vague and fragmented. Moreover, none of them constitute a specific mandate to collect energy data, systematically or otherwise. We believe that there is a need for specific statutory authority for energy data collection. The Federal Energy Office now appears to agree with the need for specific statutory authority for energy data collection. In testimony before a subcommittee of the Joint Economic Committee earlier this week, the Administrator of the Federal Energy Office indicated

an intention to submit legislation to the Congress which would provide such authority.

We believe there is also a need for specific statutory support for systematic data verification. Credibility of the data on which policy decisions are based is essential to public acceptance of those policies. Verification provisions in the legislation should provide for access to records and other documentation which private firms have in support of data reported to the Government. Also, any agency having significant responsibility for energy data collection must have clear access to records and other documentation which other Federal agencies have in their files as a result of their data collection efforts.

The question of confidentiality of company data will have to be carefully considered. At present, all individual company data is considered proprietary and confidential and, with very limited exceptions, only aggregate data is disclosed. This situation contributes further to existing credibility problems.

Finally, we believe GAO should be given access to the same records and documentation to which any agency given responsibility for energy data collection is provided access, thus providing Congress the assurance that independent reviews of the energy data collection function can be made.

Legislation already before the Congress deals with several of the matters we have discussed.

H.R. 11793 and S. 2776, bills to establish a Federal Energy Administration reported out by the respective Committees on Government

Operations, would provide the new agency with authority to collect energy data and with access to records of firms furnishing such data. The Senate bill would require the GAO to monitor the data collection and analysis functions of the new agency and provide us with access to records authority of the type given the new agency. The House bill would give GAO access to records authority limited to examination of all books, records, and documents in the possession of the new agency.

S. 2776 also would establish a Council on Energy Policy to serve as a focal point for "the collection, analysis, and interpretation of energy statistics and data necessary to formulate policies for wise energy management and conservation and to anticipate social, environmental, and economic problems associated with existing and emerging technologies". The bill requires GAO to monitor and evaluate the operations of the Council and gives us access to energy data from both public and private sources in carrying out this responsibility.

Other bills have been introduced in the House and Senate to deal in a more comprehensive manner and more directly with the need to improve energy and other data collection. H.R. 11903, referred to the House Interstate and Foreign Commerce Committee, and S. 2782, referred to Senate Interior and Insular Affairs Committee would establish a Bureau of Energy Information as a component of the Social and Economic Statistics Administration of the Department of Commerce, coequal with the Bureau of Census. The Bureau would be responsible for a "National Information System", and would have authority to require reporting of data and be

given access to the records and supporting documentation of those reporting data. Both bills place on the Comptroller General a responsibility for evaluating procedures and activities of the Bureau. However, the extent of our access to information obtained by the Bureau in its data collection activities and the records of those furnishing such data is not clear.

In summary, Mr. Chairman and Members of the Subcommittee, we believe the area of energy data collection is an important and urgent area of legislation concern. We intend to continue our consideration of this whole area as a vital part of our work in the field of energy.

Mrs Shea

NOTICE OF HEARINGS

Committee: House Select Committee on Small Business
Subcommittee on Activities of Regulatory Agencies
Relating to Small Business

Subject: Collection of energy data from oil companies

Date: January 17, 1974

Time: 10 a.m.

Room: 2359 Rayburn House Office Building

Membership: John D. Dingell (D.-Mich.), Chairman

Majority: (3 D.) Representatives Dingell (Mich.), Hungate (Mo.),
and St. Germain (R.I.)

Minority: (2 R.) Representatives Broyhill (N.Car.), and Conte (Mass.)

Principal Staffmen: William Demarest, Subcommittee Counsel
Peter Stockton, Consultant

GAO Representative: Phillip S. Hughes, Assistant Comptroller General

Accompanied by: James Peach, Associate Director, FEED
James Duffus, Office of Energy and Special Projects
Martin J. Fitzgerald, Legislative Attorney, OCR

Car will leave G Street, First Basement at 9:40 a.m.


Martin J. Fitzgerald
Legislative Attorney, OCR

