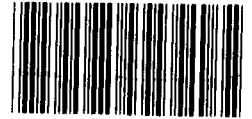


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STATEMENT OF  
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COMPTROLLER GENERAL OF THE UNITED STATES  
BEFORE THE  
SUBCOMMITTEE ON INFORMATION MANAGEMENT  
AND REGULATORY AFFAIRS OF THE  
SENATE COMMITTEE ON GOVERNMENTAL AFFAIRS  
ON  
EXTENDING THE AUTHORIZATION OF  
THE PAPERWORK REDUCTION ACT OF 1980



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Mr. Chairman and Members of the Subcommittee:

I am pleased to participate in your deliberations on extending the authorization of the Paperwork Reduction Act of 1980. As you know, the act was passed to improve federal information policymaking, better manage information resources, and reduce the burden and costs associated with collecting, using, and disseminating information. By effectively implementing the act, agencies can save money, increase government productivity, reduce the paperwork burden imposed on the public, and improve the delivery of services and benefits to

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the public. The key to achieving these goals is the effective management of agencies' information resources.

To ensure that agencies effectively manage their information resources, the Congress established the Office of Information and Regulatory Affairs, within the Office of Management and Budget (OMB), to develop policies and coordinate federal agencies' activities in carrying out the act's provisions.

OMB PROGRESS IN  
IMPLEMENTING THE ACT

Since May 1983, when we last testified before your Subcommittee, OMB has made significant progress in carrying out its responsibilities. I will briefly discuss OMB's progress in meeting its information resources management (IRM) responsibilities for paperwork, automatic data processing (ADP) and telecommunications, and statistics. I will also discuss OMB's efforts in providing policy and guidance to agencies in these areas.

In the **paperwork management area**, OMB is working to broaden and improve its control over major classes of government information requirements. For example, requirements used to procure goods and services must now be approved by OMB before being put into use. OMB is also working to reduce the reporting and recordkeeping burden the government imposes on

the public. In its fiscal year 1984 Information Collection Budget, OMB reported that the burden imposed on the public had been reduced by 32 percent (or 477 million hours) since 1980.

Further, OMB is working to improve the management of **ADP and telecommunications resources** through improved agency planning and budgeting. Better use of ADP and telecommunications technologies represent highly efficient means to collect, process, use, and distribute information.

Working with the Department of Commerce and the General Services Administration, OMB developed and issued in April 1983, a 5-year ADP and telecommunications plan, as required by the act. Although not required to do so, OMB is currently updating this plan. OMB's goal is to institutionalize effective ADP and telecommunications planning and budgeting in the agencies. OMB officials believe that the new plan--which they plan to update annually--will be a considerable improvement over past efforts because of improvements made in the plan content and in the planning process itself. As part of agency planning, OMB is requiring agencies to document that they have considered using these technologies when requesting OMB's approval of their forms.

In the **statistical policy area**, OMB has done a turn-around. Previously, OMB gave little attention to statistical policy development and coordination, and even went so far as to reduce the number of staff assigned to carry out these responsibilities. Within the past year, OMB has appointed a

Chief Statistician, established priorities for improving statistical activities, and begun using the forms approval process as a tool for monitoring compliance with statistical standards.

A central theme of the Paperwork Reduction Act is that OMB play a strong role in developing uniform and consistent federal information policies--which address all areas of activity covered by the act--and vigorously oversee implementation of these policies. In the information policy area, OMB has issued detailed policy and procedural guidance for the paperwork management area. However, OMB has yet to issue updated policy statements and definitive guidance for the ADP and statistical areas. Nor has it issued any guidance in the telecommunications area.

As part of its policymaking responsibilities, OMB plans to develop and issue a policy circular on IRM within the next several months. OMB will consolidate four of its circulars issued between March 1965 and September 1980. These circulars cover managing ADP resources, maintaining privacy of records, and working with state and local governments to improve information systems. OMB is also working with five interagency task groups to update and reissue the procedural guidance contained in the four circulars.

In 1983, we reported<sup>1</sup> that OMB should provide agencies with clear-cut guidance for implementing their responsibilities under the act. In January 1984, IRM officials representing 14 agencies said that they believe agencies continue to be unclear as to what is expected of them from OMB guidance. Requiring agencies to submit information or take actions to implement the act essentially on a trial and error basis, as is the case when they have no definitive guidance, is not effective.

In the past, the above four areas have been emphasized as high priority areas by OMB. There are three additional areas mentioned in our April 1983 report. In two of these areas-- records management and information sharing--OMB has placed a lesser priority, and thus minimal activity is occurring. In the last area, organization and administration, which prescribes the organizational framework for implementing the act, almost all tasks have been completed.

I would like to submit later for the record, details of our April 1984 assessment of OMB's implementation of the 39 key tasks, which we use as a basis for assessing OMB's progress.

In brief, OMB is moving forward on implementing 38 of the 39 tasks necessary to carry out the act. However, we found that these tasks were in various stages of implementation,

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<sup>1</sup>Implementing the Paperwork Reduction Act: Some Progress, But Many Problems Remain (GAO/GGD 83-35, Apr. 20, 1983).

from just getting underway to fully completed. Much more needs to be done in many areas before the act is fully implemented. Because we consider most of the 39 tasks to be continual, OMB must perform certain actions as long as the law remains in place.

PAPERWORK REDUCTION ACT  
AMENDMENTS OF 1984--S. 2433

Mr. Chairman, on March 15, 1984, you and Senators Chiles, Durenberger, and Levin introduced S. 2433, a bill to reauthorize funding for the Paperwork Reduction Act and to clarify and strengthen several of its provisions. You asked that we define information resources management for the Subcommittee's consideration. Attachment I contains this definition.

We have also reviewed the bill's proposed amendments and believe that, taken together, they would strengthen the act and further its original purposes. Regarding specific provisions of the bill:

--We believe that the appointment of the Administrator of the Office of Information and Regulatory Affairs by the President with Senate confirmation will provide an additional measure of congressional oversight over implementation of the act.

--We endorse the budget reporting provision for OMB to describe (a) funds requested for specific IRM functions and (b) the allocation of funds

available for the same functions in the preceding fiscal year as a further step to get OMB to specifically identify the resources needed to implement the act promptly and effectively. However, should the provision not have the desired effect, then we believe selection of one of the other options described in our April 1983 report would be in order.

--We believe that the procedure establishing a linkage between the Administrative Procedure Act rulemaking process and the Paperwork Reduction Act reports approval process can be clarified. The Senate bill leaves intact this section of the Paperwork Reduction Act. Attachment II contains a proposal that we believe clarifies the procedure while retaining the intent of the original provision.

Mr. Chairman, we would be happy to work with the Subcommittee, as needed, concerning these and a few other suggestions we have for amending the bill.

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In summary, OMB is making good progress in the high priority area of paperwork management and to a more limited extent in the statistics area. In the areas of ADP management and information policy, OMB is extremely active but it has yet to provide updated guidance to the agencies. It is imperative

that OMB's current endeavors, particularly in the information policy and oversight area, culminates in instructive guidance to the agencies.

We plan to continue reviewing OMB's implementation efforts and will provide constructive suggestions where appropriate.

This concludes my prepared statement, Mr. Chairman. I would be glad to respond to questions you or other members of the Subcommittee may have.



Section 2 of S. 2433 proposes to add a new definition of "information resources management" to the act. In lieu of the definition proposed, we suggest substituting the following group of definitions to more fully describe the concept involved:

"(13) the term 'information resources management' means the process of (1) defining in a systematic way the information needed to effectively accomplish identified agency missions, goals, and objectives, and (2) managing information resources to efficiently and economically meet the defined information needs. It involves integrating the skills of individuals in the various information resources management functions set forth in this chapter--paperwork management, statistical activities, records management, privacy, sharing of information, and information technology--to provide for the information needs of the agency in a reliable, accurate, complete, and timely manner."

"(14) the term 'information resources' includes, but is not limited to, (a) data and information collected from the public or otherwise obtained or created for agency use, (b) individuals having information-related skills, and (c) information technology hardware and software (i.e., automatic data processing, telecommunications, audio, image, and other technology for collecting, processing, storing, and disseminating information);"

"(15) the term 'managing information resources' extends through the stages of collection or creation, processing, use, dissemination, and disposition of information by agencies and includes the planning, budgeting, organizing, directing, controlling, evaluating and otherwise managing such resources, as well as training of personnel resources and promoting the effective and efficient use of information resources;"

We offer the following alternative language for section 3504(h) of the Paperwork Reduction Act to clarify the linkage of the Administrative Procedure Act rulemaking process and the information collection request approval process under section 3507:

"(h)(1) As soon as practicable, but no later than the date of publication of a notice of proposed rulemaking in the Federal Register, each agency shall forward to the Director a copy of any proposed rule which contains an information collection request and, upon request, information necessary to make the determination required pursuant to paragraph (2) below.

"(2) Within sixty days after the notice of proposed rulemaking is published in the Federal Register, the Director may file public comments, pursuant to the standards set forth in section 3508, on the information collection request contained in the proposed rule; nothing in this subsection provides the Director authority to comment on the substantive nature of the proposed rule itself.

"(3) After the agency has fully considered public comments obtained in response to its notice of proposed rulemaking and determined the final form its regulation and related information collection request will take, it shall submit them to the Director for review under section 3507 of this chapter.

"(4) No agency or official may cause to be published in final form in the Federal Register any rule or regulation which contains, or from which is derived, an information collection request for which a control number has not been obtained from the Director pursuant to section 3507.

"(5) When a final rule is published in the Federal Register, the agency shall explain how any information collection request contained in the final rule responds to the comments, if any, filed by the Director or the public, or explain why it rejected those comments.

"(6) The Director has no authority to disapprove, pursuant to section 3507, any information collection request specifically contained in an agency rule, if he has received notice and failed to comment in accordance with paragraph (2) above within sixty days of the notice of proposed rulemaking.

"(7) Nothing in this section prevents the Director, in his discretion, from disapproving any information collection request pursuant to section 3507--

"(A) which was not specifically required by an agency rule;

"(B) contained in an agency rule, if the agency failed to comply with the requirements of paragraph (1) of this subsection;

"(C) if the Director finds that the agency's response to his comments filed pursuant to paragraph (2) of this subsection was unjustified; or

"(D) where the Director determines that the agency has substantially modified the information collection request contained in the proposed rule or where the agency has not given the Director the information required in paragraph (1), with respect to the modified information collection request at the time of submitting the request for approval pursuant to section 3507.

"(8)(A) At least ninety days prior to the expiration date of an approval of an information collection request which is contained in, or derives from, a rule or regulation, the agency which caused such rule or regulation to be published shall submit such request (in identical or revised form) to the Director for renewal of the approval pursuant to section 3507.

"(B) No later than the expiration date of an approval of such a request, the agency involved shall cause to be published in the Federal Register a statement describing the changes, if any, in such request, and in the rule or regulation in which it is contained or from which it derives.

"(C) Whenever an agency fails or refuses to comply with the provisions of this paragraph with respect to any information collection request, such request shall cease to have effect on its expiration date.

"(9) Any written communication to or from the Director or any other officer or employee of the Office of Management

and Budget with regard to any information collection request proposed to be contained in, or to be derived from, any rule or regulation shall be made part of the public record pertaining to such rule or regulation.

"(10) The Director shall make publicly available any decision to approve or disapprove an information collection request contained in an agency rule, together with the reasons for such decision.

"(11) The authority of the Director under this subsection is subject to the provisions of section 3507(c).

"(12) This subsection shall apply only when an agency publishes a notice of proposed rulemaking for a proposed rule containing an information collection request and requests public comments.

"(13) There shall be no judicial review of any kind of the Director's decision to approve or not to act upon an information collection request contained in an agency rule."