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STATEMENT OF

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BEFORE THE

SUBCOMMITTEE ON INFORMATION MANAGEMENT

AND REGULATORY AFFAIRS OF THE

SENATE COMMITTEE ON GOVERNMENTAL AFFAIRS

ON

OVERSIGHT AND REAUTHORIZATION OF

THE PAPERWORK REDUCTION ACT

Mr. Chairman and Members of the Subcommittee:

I am pleased to participate in your deliberations on oversight and reauthorization of the Paperwork Reduction Act. As you know, the legislation was enacted because of a growing concern that the Federal Government's management structures were inadequate for dealing with the information resources management issues of the 80s. The act goes well beyond issues related to controlling Federal paperwork burdens. It provides a policymaking and organizational structure for improving the management of all Federal information resources with the Office of Management and Budget (OMB) given Government-wide implementation responsibility. The Congress established the



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Office of Information and Regulatory Affairs (OIRA) within OMB to develop policies and coordinate Federal agencies' activities in carrying out the act's provisions.

We believe that the act continues to hold great potential for achieving substantial savings, increased productivity, and improved service delivery to the public. We support reauthorization of the act.

OMB HAS MADE VARIED PROGRESS IN  
IMPLEMENTING THE ACT

My statement today highlights a report we recently issued to the Chairman of the House Committee on Government Operations<sup>1/</sup> which discusses, in detail, OMB's progress in meeting the act's numerous requirements. OMB has made some progress toward implementing the act--especially in reducing Federal paperwork burdens. However, it has fallen behind schedule in meeting statutory milestones for completing other tasks required to achieve the act's objectives. I will touch briefly on OMB's progress in meeting its information resources management responsibilities in the areas of paperwork reduction, ADP, and statistical policy development.

In January 1983, OMB projected that Federal agencies will have reduced paperwork burden by about 29 percent by October 1983, thus surpassing the act's 25-percent burden reduction goal. These paperwork burden reductions would represent a major accomplishment, and OMB's and the agencies' efforts are

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

continuing. OMB also issued a Government-wide paperwork control regulation to be effective in May 1983.

It should be recognized, however, that a substantial number of paperwork requirements have not yet been accounted for and controlled. In early 1982, an issue arose as to whether paperwork requirements in regulations existing prior to the act's effective date were subject to the paperwork review procedures OMB then had in place. The Department of Justice's Office of Legal Counsel concluded that they were not, but that modified procedures could be developed to accommodate OMB's reviews of requirements in regulations. OMB's new regulation contains revised procedures which should eventually bring these requirements under its control.

OMB's work on another of the act's requirements related to paperwork burden reduction--development of the Federal Information Locator System (FILS)--is progressing, but behind schedule. A prototype system is being tested and is expected to be operational by October 1983, some 18 months after the statutory deadline.

OMB has made some progress on the tasks required to improve the acquisition and management of ADP and telecommunications technologies. Working with the Department of Commerce and the General Services Administration (GSA), it has developed a new 5-year ADP and telecommunications plan, as required by the act. Although we have not as yet reviewed the plan, OMB officials believe it will be a considerable improvement over past efforts and intend to update and improve it annually.

On the other hand, ADP policies existing prior to the act have not been revised to incorporate the act's information resources management concepts. For example, OMB Circular A-71, issued in March 1965, continues to provide policy guidance for administering and managing Federal ADP resources. Although some effort has been made to revise the Circular, no revision has yet been completed.

In another recent report issued to the Chairman of the House Committee on Government Operations,<sup>2/</sup> we identified four cases where opportunities exist for significantly reducing paperwork burden through the application of information technology. For instance, in a sample of 10 million Medicare claims, we calculated that the Government could potentially save about \$1.3 million annually by increasing the number of claims submitted in machine-readable form. This would also help health care institutions to reduce their paperwork burdens and achieve other benefits, such as improved cash flow and improved control over data.

We believe that OMB needs to provide stronger leadership to Federal agencies to capitalize on the potential benefits of advanced ADP and telecommunications technology. Its efforts to improve the 5-year ADP plan and to update and revise its outdated ADP policies would be positive steps in that direction. GSA's recent reorganization of its information resources management activities into a single unit should

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<sup>2/</sup>"Better Use of Information Technology Can Reduce the Burden of Federal Paperwork" (GAO/GGD 83-39, April 11, 1983).

enhance its ability to support OMB in implementing the information technology provisions of the act.

OMB has done little to carry out its responsibilities for statistical policy development, coordination, and oversight. The OMB statistical policy unit has been abolished, the Chief Statistician's position has been vacant for over a year, and the resources applied by OMB to this area have been sharply reduced since the act was passed. We understand that the Chief Statistician's position may be filled shortly.

WHAT SHOULD BE DONE TO ENHANCE  
PROGRESS IN IMPLEMENTING THE ACT?

We believe that OMB's progress toward full implementation of the act has not been as complete or timely as it could have been. In large measure, this appears to result from decisions to assign OIRA--which was specifically established to lead the act's implementation--regulatory reform responsibilities outside the scope of the act. OIRA has assumed these responsibilities along with a sharply increased Paperwork Reduction Act workload. However, it now has available only slightly more staff resources than were available for a much smaller information resources management workload prior to the act's passage.

We do not wish to minimize the importance of regulatory reform, but the effect of the combined responsibilities is to dilute OIRA resources needed to carry out its Paperwork Reduction Act responsibilities. We recommend in our recent report that the Director of OMB:

--Identify specifically in OMB's budget the resources needed for timely and effective implementation of the act.

--Assess the feasibility of applying a greater portion of its currently available resources to implement the act, particularly those requirements having statutory milestones and include the results of this assessment in OMB's budget submission.

Positive action on these recommendations would enhance the Congress' ability to assess progress on the act's requirements and the level of resources needed for its full implementation.

We also suggest three options for the Congress to consider, which we believe complement our recommendations to OMB. These include (1) a requirement that OMB report to the Congress on the resources needed and expended for its Paperwork Act activities, (2) provision of separate funding to OMB for implementing the act, or (3) specific statutory prohibition of OIRA undertaking activities not related to the act.

PAPERWORK REDUCTION ACT  
AMENDMENTS OF 1983--H.R. 2718

Mr. Chairman, on Wednesday, May 3, the House Government Operations Committee reported out H.R. 2718, a bill to reauthorize the Paperwork Reduction Act and strengthen several of its provisions. We support the bill's objectives.

Key provisions of H.R. 2718 include:

--specifically authorizing resources for implementing the act;

- ensuring that all paperwork requirements are covered by the act's public protection clause;
- strengthening OMB's ability to bring under control paperwork requirements contained in regulations;
- consolidating the existing ADP and telecommunications funds;
- shifting to GSA the responsibility for developing information resources management principles, standards, and guidelines and for conducting reviews of agency information activities; and
- establishing a Chief Statistician with responsibility for statistical policy development and oversight.

We support the thrust of these provisions and believe they are consistent with our recommendations and would contribute to achieving the act's objectives.

We do have some technical concerns about the provision of H.R. 2718 which affects OMB's procedure for reviewing paperwork requirements contained in regulations. As we understand it, this provision would require OMB to approve or disapprove a proposed paperwork requirement within a maximum of 90 days after issuance of a notice of proposed rulemaking.

This could result in an OMB decision before the agency has had the opportunity to fully consider public comments solicited under the Administrative Procedure Act. We have provided the Subcommittee staff with technical suggestions which we believe would correct this problem. The House Committee asked that we respond for the record to several

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questions regarding the proposed consolidation of the revolving funds for ADP and telecommunications. We will be happy to provide you with a copy of our response on this matter and to work with the Subcommittee staff as needed.

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