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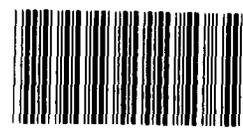
REPORT BY THE U.S.

General Accounting Office

Analysis Of DOE's Sunset Review

Title X, the "Sunset Provisions" of the Department of Energy (DOE) Organization Act, required that the President prepare and submit to the Congress a comprehensive review of DOE's programs. The review was completed by DOE and the report was provided to the Congress in February 1982.

GAO analyzed the integrity of the sunset review and found that DOE's evaluation was carried out in a conscientious manner. Nevertheless, GAO also noted instances where DOE could have provided more thorough information in responding to title X.



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WASHINGTON, D.C. 20548

RESOURCES, COMMUNITY,
AND ECONOMIC DEVELOPMENT
DIVISION

B-205756

The Honorable Charles H. Percy
Chairman, Subcommittee on Energy,
Nuclear Proliferation and
Government Processes
Committee on Governmental Affairs
United States Senate

The Honorable Philip R. Sharp
Chairman, Subcommittee on Fossil
and Synthetic Fuels
Committee on Energy and Commerce
House of Representatives

This letter responds to your separate but similar requests for information on the Department of Energy's (DOE's) performance in implementing Title X, the "Sunset Provisions" of the DOE Organization Act (Public Law 95-91, dated Aug. 4, 1977). The Sunset Provisions established 14 requirements that were to be met by the President in preparing and submitting to the Congress a comprehensive review of DOE's programs. (See app. II.) The sunset review process was actively implemented in June 1981, and the President submitted the results of the review to the Congress on February 9, 1982. This letter summarizes our findings and conclusions which are based on our analysis of the sunset review process and DOE's responses to each of the 14 sunset requirements for 9 of the 59 sunset review program areas. These nine areas, which are listed in appendix III, were selected to respond to the interest expressed by your offices and to provide a reasonably broad cross-section of DOE's programs, particularly those programs in which we had recently completed substantial audit work. The detailed results of our analysis are provided in appendix I.

In summary, we believe that DOE's review was carried out in a conscientious manner. Although we found that some of the program performance information provided an overly positive perspective on DOE's performance, our analysis shows that, for the nine program areas that we analyzed, the sunset report provided a generally balanced reflection of DOE's performance. Nonetheless, in our view the sunset report could have been more useful in these nine program areas if DOE had provided additional, more thorough information in response to the sunset requirements related to duplicate programs, alternate program approaches and funding levels, overall program accomplishments, yearly performance, and recommendations for transitional requirements in the event of program discontinuation. DOE officials maintain that the report provided concise and sufficient information.

Based on your requests and subsequent discussions with your offices, our review focused on (1) the integrity of the process that DOE used to implement the evaluation and (2) the extent to which the review met the requirements of title X. DOE's evaluation was performed by DOE program office personnel under the joint direction of the Assistant Secretary for Management and Administration and the Director of the Office of Policy, Planning and Analysis. The Office of Management and Budget (OMB) was briefed on the approach to the review and participated in the evaluation by reviewing and revising sections of the final report.

The DOE sunset review resulted in a three-volume report consisting of a summary and two detailed volumes. Our analysis of the process used to conduct the review shows that it was a large and wide-ranging effort. We assessed DOE's performance in meeting each of its major areas of responsibility. According to estimates provided by DOE's Office of Policy, Planning and Analysis, the cost of the review was approximately \$1.1 million, including the cost of about 19 staff years of effort.

To determine whether the process used to perform the evaluation was appropriate and whether the title X requirements were met, we examined

- the organizational responsibilities for the review,
- the work of DOE's program offices that performed the detailed analyses,
- DOE and OMB reviews of the program offices' products,
- the extent to which the detailed volumes of the final report addressed the specific requirements of the Sunset Provisions, and
- the preparation and content of DOE's summary report.

Our analysis was performed in accordance with generally accepted government auditing standards. Our audit objectives, scope, and methodology are detailed further in appendix I.

Our analysis showed that organizational responsibilities for the review were assigned to ensure that appropriate top-level DOE management officials were involved throughout each stage of the evaluation process from the initiation of the work through the preparation of the final report. Also, responsibilities for performing detailed analyses and reviews were assigned to program offices that were knowledgeable of the program areas. This organizational structure for the review ensured that DOE's efforts had an appropriate focus.

We also found that the sunset review was based on a one-time assessment actively initiated in June 1981, rather than on periodic evaluations of DOE's performance and progress in the areas specified by the Sunset Provisions. When the review was implemented, therefore, it was necessary for DOE to quantify its objectives and performance measures for its program efforts and to gather the information needed to complete the evaluation. Based on the nine program areas that we reviewed, we believe that the stated goals, objectives, and performance indicators were reasonable. Also, DOE reviewed numerous data sources to compile voluminous information on the results of its programs. Nonetheless, from a process-oriented perspective, we believe that a series of reviews over time, rather than a one-time assessment, would have resulted in more useful information. In this regard, our past work in the sunset area indicates that implementing evaluations early in the period to be reviewed, and periodically updating the information obtained, provides an ongoing means for linking objectives and priorities with accomplishments to assist agency management in measuring progress, determining whether programs are being carried out effectively and efficiently, and making informed decisions on needed improvements and other management actions.¹

Our review also showed that DOE's Office of Policy, Planning and Analysis performed iterative reviews of draft program summaries which were prepared by DOE's program offices. According to Office of Policy, Planning and Analysis officials, this was done to ensure that the summaries were complete and presented a balanced perspective on the results of DOE's programs. The program summaries were also reviewed by (1) a senior review group comprised of DOE's senior officials, such as the Deputy Secretary, General Counsel, and staff of the Office of the Secretary, and (2) OMB's Energy and Science Division. We found that DOE and OMB reviews resulted in numerous revisions to the summaries.

Even with these reviews, in four of the nine summaries that we analyzed, we found some performance information was overly positive with respect to the two sunset requirements for information on program accomplishments and performance. Our analysis showed, however, that this problem was not serious enough to affect the overall balance of the summaries that we reviewed. We also identified four other sunset requirements for which DOE could have provided more thorough responses. Officials of DOE's Office of Policy, Planning and Analysis told us that they attempted to keep the report as concise as possible and believed that the information contained in the report was sufficient for responding to each of the sunset requirements. While we recognize that the

¹"Finding Out How Programs Are Working: Suggestions for Congressional Oversight" (PAD-78-3, Nov. 22, 1977).

amount of detail needed to meet the requirements is largely a matter of perspective and opinion, our analysis of nine program areas showed that the information that was provided could have been more thorough with respect to the following sunset legislative requirements for information on

- programs having similar or potentially duplicative objectives,
- alternative program approaches,
- alternative funding levels, and
- proposals to prevent program discontinuations from being unduly disruptive, in the event of program discontinuation.

The final phase of our review involved an assessment of the sunset report's summary volume. Our analysis of this document showed that it was primarily a presentation of the administration's policy positions toward DOE's programs, rather than a summary of the facts which were obtained through the sunset review and which were contained in the two detailed volumes of the report. Given the 713-page length of the report, we believe that a specific summary of the detailed review findings would have been a useful product. Nonetheless, in our view the summary that was prepared was not inappropriate because it was an optional product of the sunset review rather than a requirement of title X. Further, the summary report clearly stated that one of its primary purposes was to describe energy programs in the context of past and present energy policies.

DOE reviewed a draft of this report and commented that it generally presented a fair and reasonable description of the sunset review process. Also, in responding to our position that the sunset report could have provided more thorough information, DOE said that the level of detail required in the sunset review was not specified in the provisions of title X. While we recognize that the Sunset Provisions are not specific on this matter, we continue to believe that DOE should have been more thorough in responding to the specific title X provisions.

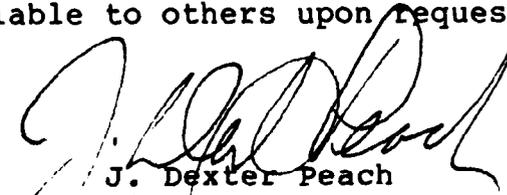
In addition, in response to our comment that the usefulness of the sunset review was limited because it was conducted as a one-time assessment, DOE said that it should be noted that the review and related report were prepared to meet the requirements of title X and that DOE has a variety of other internal processes designed to review its program activities. Although the objectives of our review did not include an assessment of DOE's periodic internal reviews of its programs, in analyzing the work that DOE performed in connection with the sunset review, we noted that DOE had performed several internal reviews. Nevertheless, we also found that these other reviews had not been directed to respond to

the sunset requirements and that when DOE initiated the sunset review it did not have the specific information needed to respond thoroughly to the sunset requirements. We continue to believe that conducting periodic evaluations in the areas specified by the Congress in the title X provisions would have been more useful than a one-time assessment because the information obtained not only would have facilitated the development of the sunset report but also would have been useful in identifying areas in which DOE's operations could be improved.

A copy of DOE's comments on the draft report is provided in appendix IV and discussed further in appendix I.

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As arranged with your offices, we will send copies of this report to the Secretary, Department of Energy; the Director, Office of Management and Budget; and other interested parties. We will also make copies available to others upon request.



J. Dexter Peach
Director

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ABBREVIATIONS

DOE	Department of Energy
GAO	General Accounting Office
OMB	Office of Management and Budget

THE SUNSET REVIEW PROCESS

Pursuant to Title X, the "Sunset Provisions" of the DOE Organization Act, the President was required to prepare and submit to the Congress a comprehensive review of each DOE program by January 15, 1982. DOE began planning for its title X sunset review in late 1980. In January 1981, the Secretary of Energy stated that the title X process should allow for a responsible determination of the best form and structure for energy activities within the Federal Government. Guidance on review implementation and organizational responsibilities was sent to the assistant secretaries responsible for departmental programs in June 1981. Based on the guidance received, DOE program offices drafted individual program summaries that included information on program goals, objectives, and accomplishments. However, since it was the President and not DOE who was required to submit the sunset report, DOE's program summaries were subject to OMB's review and approval. The final report, which consisted of a summary and two detailed volumes, was submitted to the Congress on February 9, 1982.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objective of our review was to analyze the integrity of the sunset review process. As shown in appendix III, we reviewed each of the 14 sunset requirements for 9 of the sunset review's 59 program analysis units. Four of the nine units were selected to respond to the interests expressed by the offices of the chairmen who requested our review. The specific interests were in contingency planning, energy information, and coordination of national energy policy. The five other program analysis units were selected from the fossil energy and conservation program areas because we had recently completed substantial audit work in these areas and because we believed that adding these areas would help broaden our program coverage. Our analysis was conducted in accordance with generally accepted government auditing standards and covered DOE's sunset review activities from October 1980 through February 1982. As described below, we followed a process-oriented approach to perform our work and to reach conclusions on DOE's performance in carrying out the sunset review.

To gain an understanding of the program evaluation process and the basis for decisions on how the process would be implemented and managed, we interviewed the responsible Associate Director in DOE's Office of Policy, Planning and Analysis and the Assistant Division Chief of OMB's Energy and Science Division. We examined DOE program offices' detailed documentation of work relating to the sunset review and relevant congressional hearings and reports on sunset reviews as an oversight mechanism. We examined previous and ongoing GAO studies on the selected program areas and compared

program objectives and accomplishments reported through the sunset process with those we had noted during our previous and ongoing work. In addition, we analyzed DOE's sunset review guidance documents and traced the process from the program level through DOE's Office of Policy, Planning and Analysis to OMB's Energy and Science Division.

For each of the program areas included in our review, we tested the accuracy of significant data that DOE reported. These tests involved obtaining additional documented and oral evidence to substantiate the data. The evidence included copies of published reports prepared by DOE program officials and consultants, internal DOE memorandums, DOE budget presentations for prior years, and information and reports from third parties such as industry trade associations. We also analyzed the final sunset review report to determine whether it responded to the Sunset Provisions' requirements and whether it presented sufficient and balanced information to give a proper perspective on DOE's program performance.

EVALUATION OF THE PROCESS

Because the sunset review involved numerous diverse programs and was conducted by many DOE program office personnel, the extent of the work performed varied for the individual programs evaluated. Nonetheless, general guidance for the evaluation was provided by the Office of Policy, Planning and Analysis and the Office of the Assistant Secretary for Management and Administration. Our process-oriented evaluation, therefore, focused on common sunset review areas that included (1) the overall responsibilities for performing the assessment, (2) the role and work of DOE's program offices, (3) DOE and OMB reviews of the program offices' products, (4) the extent to which the review met the title X requirements, and (5) the preparation of the final summary report.

Organizational responsibilities

Our evaluation shows that DOE was assigned the responsibility for implementing the sunset review under the Carter administration. According to DOE and OMB officials who were responsible for reviewing and approving the results of the review, DOE was in the best position to carry out the process since it had the most direct access to information needed for the assessment. In our view, it was reasonable to place the responsibility with DOE, given the fact that neither the Sunset Provisions nor the legislative history of the DOE Organization Act provided any indication of how the Congress intended that the review be performed.

In October 1980, the Secretary of Energy specified that the review would be the joint responsibility of DOE's Chief Financial Officer and the Assistant Secretary for Policy and Evaluation. A subsequent reorganization resulted in this joint responsibility being assigned to the Assistant Secretary for Management and Administration and the Director of the Office of Policy, Planning and Analysis. Assigning sunset review responsibilities to these officials provided senior-level management perspective and direction in conducting the review, helped provide for direct access to the Office of the Secretary, and provided a focus for coordinating the review process and results with OMB.

In mid-1981, officials designated by the Office of the Assistant Secretary for Management and Administration and the Office of Policy, Planning and Analysis discussed the approach for the review with officials of the Office of the Secretary and OMB. Subsequently, the Director of Policy, Planning and Analysis and the Assistant Secretary for Management and Administration issued a memorandum that provided guidance for conducting the review, established a schedule for accomplishing all major areas of the review, and established the following organizational responsibilities:

- Program offices were given responsibility for preparing, for each program area within their purview, analyses in response to each of the 14 requirements of the Sunset Provisions.
- The Office of the Assistant Secretary for Management and Administration and the Office of Policy, Planning and Analysis were given responsibility for overall management of the review, integrating individual program analysis units into the final report, and obtaining final DOE and OMB clearances on the report.
- A title X Coordinating Committee was established for the review. The committee, which was comprised of representatives from all major DOE components, was given several responsibilities, including coordinating the preparation of the report; ensuring uniformity and adherence to administration and DOE policies; and ensuring that program analysis units were properly structured, timely, and reviewed and approved.

The responsible Associate Director of the Office of Policy, Planning and Analysis told us that the title X Coordinating Committee was disbanded before it became fully operational because its membership did not provide a top-level management perspective which transcended individual program areas. The responsibilities of the committee were assumed by the Office of Policy, Planning

and Analysis, the Office of the Assistant Secretary for Management and Administration, and a senior review group which was comprised of senior officials such as the Deputy Secretary, the General Counsel, and staff of the Office of the Secretary.

The first requirement for the review was to identify the individual program areas that would be reviewed. This was necessary because the DOE Organization Act, while calling for a review of each of DOE's programs, did not define the meaning of the term "program." Also, within DOE there had been no institutional understanding or agreement on the way that DOE's diverse activities should be aggregated and evaluated for the sunset review. Therefore, to provide a basis for the review, DOE established 59 program analysis units, each of which was comprised of related DOE activities. Also, to facilitate the congressional use of the review results, DOE structured the program areas in a way that could be identified with DOE's budget.

Roles and work of program offices

Although program offices were assigned responsibility for responding to all 14 sunset requirements, the sunset review emphasized several requirements that were critical to its evaluation and that shaped the final products. These requirements called for DOE to

- identify historical goals and objectives,
- assess the extent to which objectives were achieved,
- provide a statement of program accomplishments for each of the 4 years of DOE's existence,
- identify current needs and objectives, and
- assess needed resources and objectives.

We examined the results of the program offices' work related to these and the other sunset requirements for each of the nine program areas that we analyzed.

To assess program performance, it was first necessary to quantify DOE's objectives because earlier statements of objectives that were used in budget justifications and other DOE documents were "very general and rhetorical in nature and not geared to

specific deliverable products on a fixed time schedule."¹ Therefore, based on legislative requirements, budget submissions, internal management reports, and other available documentation, DOE's program offices specified program objectives, performance measurement indicators, and major quantifiable accomplishments.

After the above steps were accomplished, the program offices gathered and collected performance information from all available sources that they considered appropriate and summarized their responses to the questions raised in the Sunset Provisions. These draft summaries were transmitted to the Office of Policy, Planning and Analysis, which reviewed and commented on the work. This was an iterative process with some work summaries being returned to the program offices several times before the Office of Policy, Planning and Analysis was satisfied with the presentation. The final drafts of the summaries were submitted to the cognizant DOE assistant secretaries for their review and approval.

Our review showed that the work done by the program offices was intensive and resulted in voluminous information on DOE's performance over a 4-year period. We also found that program objectives and performance measures established for the nine program areas that we reviewed were fair and reasonable. From a process-oriented perspective, however, we believe that conducting the review as a one-time assessment limited the usefulness of the performance information. In this regard, our previous work involving program evaluations showed that establishing quantified objectives, performance measures, and related information sources early in the period to be evaluated provides valuable management information on how well programs are achieving their purposes.² It also provides needed direction for program managers and enables agency management to identify areas needing improvement and to determine when it is appropriate to alter program objectives, evaluation criteria and measures, and data requirements.

DOE and OMB reviews

As mentioned previously, the Office of Policy, Planning and Analysis played a major role in reviewing the program area summaries contained in the two detailed volumes of the sunset report. Officials of this office told us that they initially had some concern about the objectivity of the information that would

¹Title X Sunset Review, Summary Report, U.S. Department of Energy, February 1982, p. 5.

²"Finding Out How Programs Are Working: Suggestions for Congressional Oversight" (PAD-78-3, Nov. 22, 1977).

be provided by the program officials. They stated, however, that based on their internal reviews, they considered the report generally accurate. These reviews were performed by program analysts and program coordinators who were assigned the summaries of program areas in which they were knowledgeable. Officials of the Office of Policy, Planning and Analysis told us that, while the reviewers were concerned with the objectivity and accuracy of the information, the reviews were also designed to ensure that the summaries provided a balanced perspective on the program areas. These reviews resulted in numerous revisions to balance statements which the reviewers believed to be overly positive with regard to program performance.

After the Office of Policy, Planning and Analysis completed its review, the program summaries were reviewed by a senior review group which included senior officials such as the Deputy Secretary, General Counsel, and staff of the Office of the Secretary of Energy. This review was less detailed and was principally concerned with ensuring that the summaries reflected DOE's policies, goals, and objectives. Finally, the draft summaries were approved by the Secretary of Energy before they were sent to OMB for review and comment.

OMB's review was meant to ensure that the administration's energy policy positions were properly reflected in the sunset report and to ensure that the information in the program summaries was properly balanced. While OMB made suggestions on several program summaries, it played a larger role in shaping the sunset report's summary volume. (See p. 9.)

More thorough responses
would have been useful

Our analysis showed that the information provided through the sunset review could have been more thorough. We found that DOE's Office of Policy, Planning and Analysis instructed DOE program offices to respond to each of the requirements and that top-level DOE management officials reviewed the program summaries to help ensure that they were responsive to the requirements. Based on our review of six sunset requirements for nine program summaries, however, we believe that 33 of the 54 responses could have been more thorough and thus more useful. The six sunset requirements were for information on

- overall program accomplishments,
- yearly program performance,
- programs having similar or potentially duplicative objectives,

- alternative program approaches,
- alternative funding levels, and
- proposals to prevent program discontinuations from being unduly disruptive.

In discussing these areas with Office of Policy, Planning and Analysis officials, we were told that (1) to keep the report as concise as possible, the program summaries did not contain all of the information that was analyzed during the review and (2) the information that was provided, in DOE's opinion, was sufficient to respond to the requirements. We recognize that the Sunset Provisions are not precise with respect to the level of detail required and that there is room for differences in opinion on the appropriate level of detail.

Nevertheless, we believe that, in four of the nine program areas that we analyzed, DOE could have provided additional information which would have placed the programs' stated accomplishments and yearly performance information, which tended to be overly positive, in a broader perspective. For example, the summary table on DOE's Energy Information Administration Program Accomplishments stated that the agency documented 29 of its computer models that are used to project energy data. The report did not note, however, the findings of a November 1980 report³ prepared by the Professional Audit Review Team which performs periodic evaluations of the Energy Information Administration's performance. This report stated that none of the models had been completely documented in accordance with the agency's own documentation standards. In a May 1982 report,⁴ the Professional Audit Review Team repeated their concern in this area by stating that only one of the models had been completely documented.

Also, the summary table on DOE's energy emergency preparedness efforts stated that DOE analyzed State energy emergency contingency plans in fiscal year 1980. It did not provide, however, any information on how many or what types of plans were prepared. The Manager of the Plans Development and Testing Division of the Office of Contingency Planning stated that (1) the

³"Activities of the Energy Information Administration," Professional Audit Review Team, November 13, 1980.

⁴"Performance Evaluation of the Energy Information Administration," Professional Audit Review Team 82-1, May 19, 1982.

plans referred to were not contingency plans but rather management plans for preparing the contingency plans and (2) only two or three States had submitted informal contingency plans, none of which had been approved.

Furthermore, we believe that DOE's response to the following four title X requirements could have been more thorough:

- Four of the nine program areas that we reviewed could have provided additional information in addressing the area of duplicate programs. For example, duplicative Federal and private energy information programs were not discussed although our review shows that in corresponding with and testifying before the Congress, DOE acknowledged duplication in certain energy information programs.
- Five program areas could have provided additional information on whether methods other than those available through DOE programs would be appropriate for achieving the programs' purposes. For example, in discussing emergency preparedness programs, the sunset report identified alternative methods for achieving program purposes but did not provide information on the advantages of alternative approaches.
- Two of the program areas provided no information on possible program achievements under alternative funding levels. Further, the information provided for five other program areas was general and vague. For example, the sunset report stated that funding reductions in the area of coal liquefaction would limit technical options, while funding increases would provide for wider technical opportunities. No indication was given, however, as to what these options are or the extent to which different funding levels would influence program results.
- Nine of the program areas we reviewed could have provided more thorough responses to the sunset requirement for recommendations for transitional program requirements to prevent program discontinuation from being unduly disruptive. For example, seven of the nine provided only a standard statement that DOE had no legislative recommendations to ameliorate discontinuation disruptions and did not discuss the amount of cost involved, time required, or administrative actions needed to effectively discontinue operations.

These examples illustrate that, in certain cases, limited reporting detracted from the thoroughness of the sunset report. Nonetheless, our analysis showed that DOE was conscientious in preparing and reviewing the report. Furthermore, while additional information would have improved the report, we believe that the deficiencies that we noted were not serious enough to affect the report's overall balance.

Preparation of the summary report

The final phase of the review involved the preparation of volume I, the sunset review's summary report. The objectives of the summary were to provide a description of the background and conduct of the review, set the policy context of the period being reviewed, and summarize the review's findings. The summary was prepared by the Office of Policy, Planning and Analysis, and OMB reviewed the report and suggested numerous energy policy-related revisions.

Our review of the summary shows that it is essentially a presentation of the administration's policy positions, rather than a summary of the results of the sunset review. For example, the four segments included in the introduction to the report were (1) a background section which stressed the need for a much less active Federal role in energy, (2) a discussion of current energy policy, (3) a discussion of the review results, focusing on the need to reduce the Federal energy role, and (4) a discussion of the need to dismantle DOE. Also, in discussing the major DOE program areas, the summary stressed the policy aspects of the programs rather than the evaluation requirements of the Sunset Provisions. For example, the summary presentation on nuclear energy programs critiqued past Federal policies toward developing this energy source and reiterated the administration's policies presented in DOE's July 1981 National Energy Policy Plan. Similarly, in discussing programs for fossil fuel and renewable energy sources, the summary stressed diminished Federal involvement and increased private-sector efforts that would be promoted through the administration's policies on the economy, taxes, and reduced regulation of oil and natural gas.

Because the summary volume was an optional product and not a sunset review requirement, it was not inappropriate for DOE to present a policy-oriented discussion of its programs, rather than a concise presentation of the main facts identified in the sunset review. Further, the summary made it clear that its main focus was a discussion of DOE's programs in the context of the administration's energy policy. Nonetheless, we believe that, given the 713-page length of the detailed volumes of the sunset report, a specific summary of the principal findings, unconstrained by

policy considerations, would have been an appropriate and useful product of the review.

CONCLUSIONS

The sunset review was conducted to assess DOE's programs over a 4-year period. Our review shows that senior-level DOE management officials participated in the sunset review and provided program offices with general guidance on how it should be conducted. These officials reviewed the evaluation results to help ensure that they reflected a balanced perspective on DOE's accomplishments. While we found that some of the information contained in the final sunset report was not as thorough or as balanced as possible, our analysis showed that this deficiency was not serious enough to affect the overall balance of DOE's assessment in the nine program areas that we reviewed.

Nevertheless, we also found that each of the nine sunset report program summaries that we analyzed could have been improved. These summaries could have provided more thorough information in response to Sunset Provisions on duplicative programs, alternative program approaches and funding levels, program accomplishments and performance, and recommendations for transitional requirements in the event of program discontinuation.

AGENCY COMMENTS

DOE reviewed a draft of this report and commented that the draft report presented a fair and reasonable description of the sunset review process. DOE responded to our conclusion that the sunset report could have been more thorough by stating that the Title X Sunset Provisions of the DOE Organization Act are not precise on the level of detail required in the sunset report. While we recognize that the Sunset Provisions are not specific on this matter, we continue to believe that DOE's response to the title X provisions should have been more detailed and should have responded thoroughly to the sunset provisions.

In addition, in response to our comment that the usefulness of the sunset review was limited because it was conducted as a one-time assessment, DOE said that the review and related report were prepared to meet the requirements of title X and that DOE has a variety of other internal processes designed to review its program activities. Although the objectives of our review did not include an assessment of DOE's periodic internal reviews of its programs, in analyzing the work that DOE performed in connection with the sunset review, we found that the internal reviews that had been conducted prior to the sunset evaluation had not been directed toward areas specified by the title X provisions and did not provide the specific information needed to respond thoroughly to the sunset requirements. We continue to believe that conducting periodic evaluations in the areas specified by the Congress in

title X provisions would have been more useful than a one-time assessment because the information obtained would not only have facilitated the development of the sunset report but also would have been useful in identifying areas in which DOE's operations could be improved.

DOE provided two additional specific comments involving the report sections on the Energy Information Administration. One comment indicated that we inappropriately criticized DOE for incomplete information by pointing out that the information that we mentioned as being missing was not available to DOE at the time the sunset report was issued. In response, we clarified the timing of the Professional Audit Review Team's finding on the inadequacy of the Energy Information Administration's documentation for its energy forecasting models by pointing out that the team's first report was published in November 1980, more than 1 year before the sunset report was prepared.

In its other comment, DOE acknowledged that it was not explicit in the sunset report discussion of duplicate energy information programs and stated that the omission may have been an oversight. DOE added, however, that the Energy Information Administration is continuing to pursue the elimination of such duplicate programs.

DOE ORGANIZATION ACTTITLE X—SUNSET PROVISIONSSUBMISSION OF COMPREHENSIVE REVIEW

Submittal to
Congress.
42 USC 7351.

SEC. 1001. Not later than January 15, 1982, the President shall prepare and submit to the Congress a comprehensive review of each program of the Department. Each such review shall be made available to the committee or committees of the Senate and House of Representatives having jurisdiction with respect to the annual authorization of funds, pursuant to section 600, for such programs for the fiscal year beginning October 1, 1982.

CONTENTS OF REVIEW

42 USC 7352.

SEC. 1002. Each comprehensive review prepared for submission under section 1001 shall include—

- (1) the name of the component of the Department responsible for administering the program;
- (2) an identification of the objectives intended for the program and the problem or need which the program was intended to address;
- (3) an identification of any other programs having similar or potentially conflicting or duplicative objectives;
- (4) an assessment of alternative methods of achieving the purposes of the program;
- (5) a justification for the authorization of new budget authority, and an explanation of the manner in which it conforms to and integrates with other efforts;
- (6) an assessment of the degree to which the original objectives of the program have been achieved, expressed in terms of the performance, impact, or accomplishments of the program and of the problem or need which it was intended to address, and employing the procedures or methods of analysis appropriate to the type or character of the program;
- (7) a statement of the performance and accomplishments of the program in each of the previous four completed fiscal years and of the budgetary costs incurred in the operation of the program;
- (8) a statement of the number and types of beneficiaries or persons served by the program;
- (9) an assessment of the effect of the program on the national economy, including, but not limited to, the effects on competition, economic stability, employment, unemployment, productivity, and price inflation, including costs to consumers and to businesses;
- (10) an assessment of the impact of the program on the Nation's health and safety;
- (11) an assessment of the degree to which the overall administration of the program, as expressed in the rules, regulations, orders, standards, criteria, and decisions of the officers executing the program, are believed to meet the objectives of the Congress in establishing the program;
- (12) a projection of the anticipated needs for accomplishing the objectives of the program, including an estimate if applicable of the date on which, and the conditions under which, the program may fulfill such objectives;
- (13) an analysis of the services which could be provided and performance which could be achieved if the program were continued at a level less than, equal to, or greater than the existing level; and
- (14) recommendations for necessary transitional requirements in the event that funding for such program is discontinued, including proposals for such executive or legislative action as may be necessary to prevent such discontinuation from being unduly disruptive.

Approved August 4, 1977.

SUNSET REVIEW PROGRAM AREAS
SELECTED FOR DETAILED ANALYSIS

Energy Information

Strategic Petroleum Reserve

Naval Petroleum and Oil Shale Reserves

Energy Emergency Preparedness

Coal Liquefaction

State and Local Conservation Programs

Magnetohydrodynamics

Building and Community Conservation Systems

Alcohol Fuels



Department of Energy
Washington, D.C. 20585

APR 15 1983

Mr. J. Dexter Peach
Director, Resources, Community and
Economic Development Division
U.S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Peach:

DOE appreciates the opportunity to comment on the GAO draft letter and appendices concerning DOE's implementation of the Sunset Provisions of the DOE Organization Act.

In general, the GAO draft presents a fair and reasonable description of the process that was established to conduct the Sunset Review and prepare the Report to Congress as required by Title X of the DOE Organization Act. The major GAO criticism of the Sunset Report concerns the level of detail provided in response to Title X requirements related to duplication of effort, alternative methods for accomplishing program objectives and transitional requirements in the event of program termination. As indicated in the GAO draft, the provisions of Title X are not precise with respect to the level of detail required, and we would, therefore, agree with GAO's statement, "...there is room for differences in opinion on the appropriate level of detail" (p. 7).¹

In connection with energy information programs, the GAO draft states that the Sunset Review did not mention findings in a GAO report of May 19, 1982, "Performance Evaluation of the Energy Information Administration, Part 82-1". That report was issued three months after the February 9, 1982 Sunset Review and was not, therefore, reflected in the Sunset Report. In addition, the GAO draft is critical of the fact that duplicative information activities were not discussed in the Sunset Review, although EIA had acknowledged such duplication in Congressional testimony. EIA has frequently called attention to duplicative activities and has proposed legislation to eliminate them. The legislation was not acted on by the last Congress. We acknowledge that failure to be more explicit in the Sunset Report about these duplications and attempts to eliminate them may have been an oversight, but the GAO draft should not be interpreted as suggesting lack of attention to this issue by EIA.

¹This page reference has been changed to refer to the correct page in the final report.

Finally, with respect to your suggestion that periodic, on-going program evaluations may be more useful than a complex, one-time Sunset-type process, it should be noted that the comprehensive review was conducted and related report prepared to meet the legislative requirement of Section 1001 of Public Law 95-91. This should not be confused with other internal Departmental program review actions both before and after the Sunset Review. In this connection, it should be noted that DOE has a variety of internal processes which are designed to review program activities on an annual or more frequent basis. In addition, Secretary Hodel recently initiated a management-by-objectives process which he directly administers, and has taken action to review all DOE program management processes and to strengthen DOE's program management and review functions.

DOE appreciates the opportunity to comment on the GAO draft and trusts that GAO will consider our comments in preparing the final letter and appendices.

Sincerely,



Martha O. Hesse
Assistant Secretary
Management and Administration

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