



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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DEC 22 1978

B-153509

Dr. James T. Bonnen
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Federal Statistical System Project
Presidential Reorganization Task Force
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DLG 00508

Dear Jim:

I want to thank you for the opportunity to comment on the issues and options paper of the President's Reorganization Project for the Federal statistical system. Your group is certainly to be commended for putting together, in rather short order, a document that is both informative and comprehensive in terms of its range of recommendations and options for improving the Federal statistical system.

The issues and options paper provides a variety of options and recommendations in eight broad areas. It also discusses options for possible organizational alignments. I generally agree with the thrust of the paper that both organizational and procedural changes are needed to improve the statistical operations of the Federal Government. Following are our comments on those matters which we have previously taken positions.

The paper discusses various organizational alignments for locating the central statistical office. It could be in the Office of Management and Budget (OMB), in the Executive Office of the President outside of OMB, in a cabinet department, in a separate executive branch agency, or in a commission independent of the executive branch. In terms of responsibilities, the paper contains options which would assign policy and oversight responsibilities as well as certain operating functions to the central statistical office.

I believe policy and oversight activities are very dissimilar to operating programs such as those carried out by the Departments of Agriculture and Labor. These activities have always been considered to be staff activities to the President, helping him to oversee the operating departments and agencies and, in my opinion, should continue to be so regarded.

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Letter
Hester

The organizational alternative which I favor would be to consolidate and strengthen central statistical and paper-work responsibilities in OMB. An adequately staffed unit, reporting directly to the Director/Deputy Director of OMB, offers many advantages including the direct association with budgetary, organizational, and management decisions. It would have direct access, through the OMB Director, to the President if necessary. Also, its relationship with associated activities, such as the Council of Economic Advisers and the Domestic Policy Staff, would be greatly enhanced.

However, OMB has responsibility for the Federal Reports Act and had responsibility for the related statistical policy functions for many years (prior to October 1977). During this time, a disinterested observer could have well concluded that OMB's statutory authority in relation to reports control and statistics was adequate. Unfortunately, the track record was not a good one. As you point out in your paper, the resources which were available to the Statistical Policy Division eroded, especially in recent years. Even today, the resources assigned to these responsibilities in OMB and the Department of Commerce remain limited.

As an alternative to a strong central staff in OMB, I favor the establishment of an independent Federal commission to provide comprehensive policy coordination and oversight of Federal information management activities. The commission would be composed of five members, serving full time, with staggered terms to insure the commission's independence. Specifically, the commission could be assigned the following responsibilities:

- Approving and coordinating public reporting forms.
- Recommending a statistical budget to OMB annually.
- Establishing and promulgating standards for information collection, including collection of statistics.
- Serving as the authoritative Government-wide body for establishing policy for information-related activities, such as freedom of information, privacy, and confidentiality.

- Conducting hearings and resolving disputes between the public and Government agencies involving all of these programs. (This would have the additional advantage of relieving the growing burden on the courts for resolving these disputes since there is currently no other place for their resolution.)
- Preparing periodic progress and oversight reports for the President and the Congress on needed changes in statutes or rules and regulations to reduce paper-work burdens.
- Evaluating agency information management activities and recommending needed changes to agency heads, the President, and the Congress.
- Recommending organizational changes and reassignment of responsibilities for information collection, analysis, and dissemination to the President and the Congress.

We have developed four legislative proposals along these lines for what I believe to be the two principal options available to the Congress in improving information management. The first option would consolidate various information management activities in OMB; the second option would consolidate these same activities into an independent Federal commission. These options are represented by separate proposals. Two other proposals would assign Freedom of Information Act and Privacy Act responsibilities to either OMB or the commission.

Other possibilities for strong central control through existing executive departments or agencies appear less promising. The Department of Commerce could be considered a candidate because of an abundance of statistical talent. The National Archives and Records Service in the General Services Administration has expertise in the records management function. However, both agencies would suffer from the inherent problem of trying to impose policies, standards, and practices on their "peer" agencies without any of the clout that resides in OMB.

Other recommendations and options presented in your paper relate to enforcement and evaluation mechanisms used by the central statistical office. As I see it, a basic problem with the existing system is the lack of good mechanisms to assure that agencies abide by established standards. Previously, OMB used the reports clearance process to provide this assurance. As outlined in your paper, this tool has been inadequate.

You discuss, in your paper, two mechanisms--statistical audits and substantive reviews--which thus far have been used sparingly. The use of these mechanisms should be greatly expanded because they should do well in providing needed monitoring by the central organization. However, the necessary resources will have to be provided to carry out these activities.

The substantive reviews, as defined in your paper, would be performed concurrently with project planning and conducted by people with a diversity of administrative and statistical skills. I agree with the need for and timing of such reviews. In our report on public opinion polling, we discuss the need for the Office of Federal Statistical Policy and Standards to become involved in the survey design and development stage. We anticipate this could result in improved coordination, better methodologies, closer adherence to standards, and possibly would expedite reports clearance by having most major issues resolved before proposed reporting requirements are submitted for clearance. This is also consistent with our position advocating earlier involvement of a central management authority in the reports clearance process to assure that appropriate steps are taken by the agencies in designing information-collection instruments.

We also discuss in the polling report the need for independent followup on implementing the survey plan and on reporting survey results. This is needed to assure that the surveys result in reliable data and substantiated conclusions. In this regard, the central organization would be a logical focal point for all executive branch statistical audits, evaluations, and reviews. As such, it should have the necessary flexibility to establish a review program that encompasses all of the implementation options shown.

Another recommendation contained in your paper is that all reporting plans should be subject to a standardized process of technical review and approval regardless of whether the current exemptions to the Federal Reports Act are continued. In our legislative proposals, we have taken the position that those executive branch agencies presently excluded from clearance, except the Internal Revenue Service (IRS), would be made subject to the Federal Reports Act. I believe IRS should remain exempt from central reports clearance because of (1) the constant revision of the tax code and (2) the inevitability of tax collection regardless of whether the associated public-use reports meet clearance requirements. These factors would cause the central clearance of IRS reports to have little effect.

Your recommendation would subject the independent regulatory agencies to the technical reviews. Our legislative proposals would have a similar effect by transferring GAO's reports clearance responsibilities to either OMB or the independent commission. However, either case raises a problem of retaining the independent regulatory agencies' necessary degree of independence from executive branch control, while subjecting their reports to central clearance. In our proposals, the Congress would be given veto authority over denials of independent regulatory agencies' recordkeeping and reporting requirements. An alternative, contained in H.R. 13955 introduced in this past Congress, was an override of central agency clearance denials by majority vote of commission membership. My principal concern is to correct the current fragmentation of Federal information management activities, but I also recognize the need to maintain the regulatory agencies' independence.

Your paper discusses the development of new and improved standards and guidance for certain statistical activities. Although we have not dealt with the specific cases which you discuss, we recommended in our polling report that the Office of Federal Statistical Policy and Standards amend its "Standards for Statistical Surveys" to (1) provide more guidance on the potential problems that can occur and ways to overcome or avoid these problems and (2) include guidance on contracting for statistical surveys. We determined that the present standards were not specific enough to be of much value to those inexperienced in sample survey design. Also, we found that agencies need guidance in preparing requests for proposals and in evaluating contractors' proposals for surveys.

An option related to privacy and confidentiality suggests legislation that would provide for (1) access for statistical purposes to individually identifiable data in all Federal files and (2) establishing the priority of this legislation over all conflicting laws. Since the proposed legislation would seem to supersede laws protecting the privacy of individuals, such as the Privacy Act, Tax Reform Act, and Census Act, I believe considerable congressional and public concern and criticism could be raised regarding the proposed legislation. In addition, this could be perceived as an attempt by the executive branch to get access to records on individuals specifically protected by law and could draw attention away from the important issues discussed in your report. It may be more appropriate to advocate the exchange of specific identifiable information, where the need is demonstrated, to eliminate duplicate information collection, unnecessary burden on the public, and costs to the Government. We recommended this type of data exchange in our report on the list building efforts of the Bureau of the Census and Agriculture's Economics, Statistics, and Cooperatives Service.

Another option presented in your paper is to establish a Federal Data Locator Service in the central statistical office. We recommended the creation of a locator system as early as 1975 and continue to favor its establishment. Under our legislative proposals, the locator system could be placed in the independent commission, OMB, or the General Services Administration.

I would also agree with the concept of making technical assistance resources available to those agencies which did not have them.

Again, thank you for the opportunity to review the paper.

Sincerely yours,

(Signed) Elmer

Elmer B. Staats
Comptroller General
of the United States

cc: Mr. Voss, GGD
Mr. Jones, GGD
Mr. Lovelady, GGD
Mr. Gramling, GGD

Mr. Gilroy, LCD
Mr. Dugan, PAD