

DOCUMENT RESUME

00043 - [A0100192]

[Information-Gathering Activities of the Federal Maritime Commission]. ACGRR-77-1; B-180233. October 21, 1976. 7 pp.

Report to Karl E. Bakke, Chairman, Federal Maritime Commission; by Phillip S. Hughes, Assistant Comptroller General.

Issue Area: Federal Records Management (1400).

Contact: Office of the Comptroller General.

Budget Function: General Government; General Property and Records Management (804).

Congressional Relevance: House Committee on Merchant Marine and Fisheries; Senate Committee on Commerce.

Authority: Trans-Alaska Pipeline Authorization Act of November 1973.

The Federal Maritime Commission's (FMC) regulatory role and the impact of its reporting requirements on industry require that an effective information gathering process exist. FMC does not have an effective forms management program because the necessary management controls are not being applied uniformly. FMC's forms management program does not comply with the guidelines prescribed by the National Archives and Records Service, which incorporate the management controls GAO believes to be essential; specify procedures for the responsible offices to follow in implementing and reviewing reporting requirements; have methods for determining the need for the information or for estimating the compliance burden imposed on prospective respondents; or have guidelines to objectively reassess FMC's information-gathering activities. FMC should have a forms management program which defines reporting requirement initiation, development, and reassessment procedures, as well as the critical management actions necessary for an effective program. The FMC forms control officer is developing a forms management program which should assure that necessary controls are implemented. The Chairman of the FMC should: implement a forms management program that prescribes specific management procedures and responsibilities, as well as necessary management controls, give greater emphasis to the forms management program, and periodically review the forms management process. (SC)



00043
B-180233

OCT 21 1976

The Honorable Karl E. Bakke
Chairman, Federal Maritime
Commission

Dear Mr. Bakke:

The Trans-Alaska Pipeline Authorization Act of November 1973 requires us to study the information-gathering activities of the independent Federal regulatory agencies. As part of that requirement, we evaluated the effectiveness of the Federal Maritime Commission's (FMC) forms management program.

Our objectives were to determine if the program followed sound management practices and if FMC had an effective information-gathering process. To be effective, a forms management program must provide for the forms to be reviewed at key intervals during their development so that appropriate decisions can be made regarding such actions as continuing, modifying, or terminating activities. If a management system does not exist or is not functioning properly, unplanned and undesirable results may occur.

SCOPE

We discussed with FMC officials the practices used in developing and implementing reporting requirements. We examined seven FMC reporting requirements--selected by both FMC and us--to verify FMC's practices and to determine if proper management controls exist within its forms management program. We selected forms which we felt represented the data collection efforts of the different FMC bureaus. We also reviewed 31 FMC reporting requirements not submitted to us for clearance to determine if such clearance should have been requested.

MANAGEMENT ACTIONS AND CONTROLS NECESSARY FOR AN EFFECTIVE FORMS MANAGEMENT PROGRAM

A forms management program should provide the basis for information-gathering activities by prescribing procedures that aid in implementing, revising, and eliminating the information-gathering activities of an agency. According to the National Archives and Records Service, an authority

on forms management, a forms management program should be clearly stated in writing and distributed to all personnel responsible for the program.

The following four management actions and controls, necessary for an effective forms management program, provide for the development of reasonable requirements and the continuing reassessment of their usefulness.

- Information requested should be needed for a specific agency function and should actually meet that need.
- Alternative sources of data should be considered.
- Data collection (and alternatives) should be evaluated by comparing the need for the data with the burden imposed in gathering the data on both the Government and respondents.
- The information-gathering process should be periodically examined to reassess its effectiveness.

Assessment of need for and definition of data requirements

A clear statement of the information needed and the data required to meet that need must be developed to avoid the unnecessary expenditure of money and effort by the agency and respondents. Unless an agency has determined exactly what information it needs, a requirement may be developed that produces less than optimum results.

A reporting requirement should be implemented only if (1) the information is specifically needed, (2) the information collected satisfies that need, and (3) the agency can determine whether the need is being satisfied.

Avoiding and eliminating unnecessary duplication

During development of an information-gathering requirement, an agency must determine whether the information is already available in its existing or modified form. This can be accomplished by reviewing existing FMC reporting requirements for similar data and by contacting other agencies and/or those respondents who will be required to provide the information. By making such efforts, unnecessary costs to

the Government and undue burden on respondents will be avoided.

Assuring that
the data requirement is
reasonable and feasible

Determining whether the data requirement being developed is reasonable and feasible is an involved process. It begins with contacting potential respondents, intra-agency offices, and other interested organizations and proceeds through such steps as soliciting comments and field testing the proposal before it is implemented. This whole process should insure that the proposal is acceptable in terms of anticipated costs and benefits.

In keeping with good management practices, an agency should consider alternative methods of data collection, such as selective sampling, when developing a reporting requirement, to insure that the final product results in a minimal burden on the respondents.

Field testing, which involves the voluntary participation of potential respondents, can provide valuable information on

--data availability because respondents complete the form rather than FMC merely inspecting it and

--the clarity of the form by citing problems with ambiguous terms and complex instructions.

Reassessment of data
collection and usage

To insure that the reported data is being used fully and effectively, an agency must continually reassess its data collection efforts. The same management actions that are applied during a form's development must be applied during reassessment. For example, the need for the data and the method of obtaining it should be reviewed, to assure that the data is reasonable, feasible, and does not duplicate other requirements. Reassessment should show whether the information-gathering process is functioning properly and resulting in the best possible product. Based on the results of the reassessment, decisions can be made to

- continue collecting the information,
- modify the data requirement,
- consolidate requirements that duplicate each other,
or
- eliminate the requirement.

FMC'S FORMS MANAGEMENT PROGRAM

FMC's regulatory role and the impact of its reporting requirements on industry require that an effective information-gathering process exist. Otherwise, the respondents and the Government may submit and compile data which may prove to be useless. FMC does not have an effective forms management program because the necessary management controls are not being applied uniformly.

FMC's forms management program, as set forth in FMC Order 75 (revised), does not

- comply with the guidelines prescribed by the National Archives and Records Service,
- incorporate the management controls we believe to be essential,
- specify procedures for the responsible offices to follow in implementing and reviewing reporting requirements,
- have methods for determining the need for the information or for estimating the compliance burden imposed on prospective respondents, or
- have guidelines to objectively reassess FMC's information-gathering activities.

FMC should have a forms management program which defines reporting requirement initiation, development, and reassessment procedures, as well as the critical management actions necessary for an effective program. The following examples illustrate the problems which can occur if the necessary management controls are not applied uniformly.

FMC-9, Information Circular

The FMC-9, Information Circular, is an organizational and operational information form voluntarily completed by foreign carriers who submit tariff reports to FMC. This information is not part of a data base system but is used case by case in monitoring the activities of foreign shippers. The form is updated approximately every 3 years, but the information is usually too old to satisfy current needs and an update is required within the 3-year period.

Two management controls have not been used in developing and using the FMC-9. First, the reporting requirement does not provide information which meets the current needs of FMC. Second, there was no effective reassessment process to identify the somewhat vague use of this reporting requirement.

Shippers' Requests and Complaints Report

According to FMC officials, the quarterly Shippers' Requests and Complaints Report helps the Commission monitor the procedures that various shipping conferences use in handling requests and complaints from shippers regarding such matters as changes in tariff rates, rules or regulations, and rate increases. Under an approved agreement, each conference with ratemaking authority is required to file the report, but a quarterly submission of it is not always necessary. Although it may be necessary to continue the quarterly requirement for those conferences which have either recently organized or not exhibited reasonable procedures in the past, the requirement seems unduly burdensome to conferences which have exhibited reasonable procedures. Therefore, the controls to minimize the burden on the respondent have not been fully implemented. An effective reassessment process should show whether meeting FMC's needs with a less frequent reporting requirement would be desirable.

Clearance procedures

We identified four reporting requirements that were subject to GAO clearance, but for which no clearance had been requested. We subsequently received and approved the four reporting requirements. An effective forms management program should determine and update the clearance status of all reporting requirements.

AGENCY ACTIONS
AND COMMENTS

The Chairman of FMC disagreed with our conclusion that FMC's forms management program is not effective. He said that management actions and controls were implemented and enforced informally and, therefore, were somewhat effective. He agreed, however that the program could be improved.

However, we maintain that FMC does not have an effective forms management program because management controls are not being applied uniformly. Also, FMC Order 75 (revised) does not contain the guidance necessary to insure uniform application of these controls.

The FMC forms control officer is developing a forms management program which should assure that necessary controls are implemented. The forms control officer has also undertaken a survey of all forms with the objective of eliminating those which are no longer used. We suggested, and FMC agreed, that this survey include all information-gathering activities to insure that they are necessary, relevant, and if applicable, cleared by GAO. FMC also agreed with our recommendation to establish a forms control representative in each office.

RECOMMENDATIONS

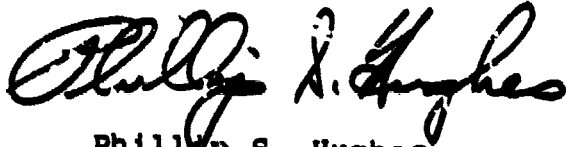
We recommend that you

- implement a forms management program that prescribes specific management procedures and responsibilities as well as necessary management controls and
- give greater emphasis to the forms management program and periodically review the forms management process.

Section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House and Senate Committees on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this report to the Director, Office of Management and Budget; the Chairmen of the House and Senate Committees on Government Operations and Appropriations; and other interested parties.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Phillip S. Hughes". The signature is written in a cursive style with a large initial "P".

Phillip S. Hughes
Assistant Comptroller General