

GOVERNMENT INFORMATION TRANSPARENCY ACT

JULY 30, 2009.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. TOWNS, from the Committee on Oversight and Government Reform, submitted the following

R E P O R T

[To accompany H.R. 2392]

[Including cost estimate of the Congressional Budget Office]

The Committee on Oversight and Government Reform, to whom was referred the bill (H.R. 2392) to improve the effectiveness of the Government’s collection, analysis, and dissemination of business information by using modern interactive data technologies, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

CONTENTS

	Page
Purpose and Summary	3
Background and Need for Legislation	3
Legislative History	4
Section-By-Section	4
Explanation of Amendments	6
Committee Consideration	6
Rollcall Votes	6
Application of Law to the Legislative Branch	6
Statement of Oversight Findings and Recommendations of the Committee	6
Statement of General Performance Goals and Objectives	6
Constitutional Authority Statement	6
Federal Advisory Committee Act	6
Unfunded Mandates Statement	7
Earmark Identification	7
Committee Estimate	7
Budget Authority and Congressional Budget Office Cost Estimate	7
Changes in Existing Law Made by the Bill, as Reported	8

The amendment is as follows:
Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Government Information Transparency Act”.

SEC. 2. DATA STANDARD REQUIREMENTS.

(a) **REQUIREMENT.**—The Director of the Office of Management and Budget shall adopt a single data standard for the collection, analysis, and dissemination of business and financial information for use by private sector entities in accordance with section 3 for information required to be reported to the Federal Government, and a single data standard for use by agencies within the Federal Government in accordance with section 4 for Federal financial information.

(b) **CHARACTERISTICS OF DATA STANDARDS.**—The single data standards required by subsection (a) shall—

- (1) be common across all agencies, to the maximum extent practicable;
- (2) be a widely accepted, open source, non-proprietary, searchable, computer-readable format for business and financial data;
- (3) be consistent with and implement—
 - (A) United States generally accepted accounting principles or Federal financial accounting standards (as appropriate);
 - (B) industry best practices; and
 - (C) Federal regulatory requirements;
- (4) improve the transparency, consistency, and usability of business and financial information; and
- (5) be capable of being continually upgraded to be of maximum use as technologies and content evolve over time.

SEC. 3. IMPLEMENTATION OF SINGLE DATA STANDARD FOR PRIVATE SECTOR.

(a) **OMB GUIDANCE.**—Not later than 180 days after the date of the enactment of this Act, the Director of the Office of Management and Budget shall issue guidance to agencies on the use and implementation of the single data standard required by section 2 for information required to be reported to agencies by the private sector.

(b) **AGENCY REQUIREMENTS.**—

- (1) **REQUIREMENT.**—To the maximum extent practicable and consistent with the guidance provided by the Office of Management and Budget under subsection (a), the head of each agency shall require the use of the single data standard required by section 2 for business and financial information reported to the agency by private sector companies.
- (2) **IMPLEMENTATION.**—The head of the agency shall begin implementing the requirement of paragraph (1) within one year after the date of the enactment of this Act.

SEC. 4. IMPLEMENTATION OF SINGLE DATA STANDARD FOR FEDERAL GOVERNMENT.

(a) **OMB DEVELOPMENT.**—Not later than 1 year after the date of the enactment of this Act, the Director of the Office of Management and Budget shall develop the single data standard required by section 2 for use by agencies within the Federal Government for Federal financial information.

(b) **OMB GUIDANCE.**—Not later than 18 months after the date of the enactment of this Act, the Director shall issue guidance to agencies on the use and implementation of the single data standard developed under subsection (a).

SEC. 5. PUBLIC ACCESS TO DATA.

The head of each agency shall ensure that information collected using the single data standards required under this Act is accessible to the general public in that format to the extent permitted by law.

SEC. 6. REPORT.

Within one year after the date of the enactment of this Act, the Director of the Office of Management and Budget shall submit to the Committee on Oversight and Government Reform of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate a report on the status of the implementation of this Act.

SEC. 7. DEFINITIONS.

In this Act:

- (1) **AGENCY.**—The term “agency” means any executive department, military department, Government corporation, Government controlled corporation, independent establishment, or other establishment in the executive branch of the Government (including the Executive Office of the President), or any independent regulatory agency, but does not include—

- (A) the Government Accountability Office;
 - (B) the Federal Election Commission;
 - (C) the governments of the District of Columbia and of the territories and possessions of the United States, and their various subdivisions; or
 - (D) Government-owned contractor-operated facilities, including laboratories engaged in national defense research and production activities.
- (2) EXECUTIVE DEPARTMENT, MILITARY DEPARTMENT, GOVERNMENT CORPORATION, GOVERNMENT CONTROLLED CORPORATION, INDEPENDENT ESTABLISHMENT.—The terms “Executive department”, “military department”, “Government corporation”, “Government controlled corporation”, and “independent establishment” have the meanings given those terms by chapter 1 of title 5, United States Code.
- (3) INDEPENDENT REGULATORY AGENCY.—The term “independent regulatory agency” has the meaning given that term by section 3502(5) of title 44, United States Code.

PURPOSE AND SUMMARY

H.R. 2392, the Government Information Transparency Act, was introduced by Rep. Darrell Issa on May 13, 2009. The purpose of H.R. 2392 is to improve the quality, practicality, and transparency of federal business and financial information by requiring the use of single data standards for the collection, analysis, and dissemination of that information.

H.R. 2392 directs the Office of Management and Budget (OMB) to adopt a single data standard for the collection, analysis, and dissemination of business and financial information reported to federal agencies. The bill also requires OMB to develop a single data standard for the reporting of federal financial information. Both standards are subject to the same requirements, and it is expected that they will be very similar with only minor differences. The bill also requires the head of federal agencies to make information collected using the single data standard available to the general public in that format, to the extent permitted by law.

BACKGROUND AND NEED FOR LEGISLATION

Openness and accountability are deeply rooted in the U.S. Government, so much so that it is written into the Constitution that the Congress keep a record of its activities and make it available to the general public. To this end, the Congress has, over the years, enacted a number of laws requiring a variety of federal information to be made available to the public. Since its passage in 1966, the Freedom of Information Act (FOIA) has been a cornerstone of these efforts. Additionally, there are numerous federal laws requiring the public disclosure of an array of federal information including, but not limited to, the Ethics in Government Act, the Federal Funding Accountability and Transparency Act, and the Honest Leadership and Open Government Act.

While all of these open government laws improve transparency and accountability, the information and data they produce, whether it be because of format, venue, or sheer volume, is not always useful. As it currently stands, a variety of federal business and financial information is available to the public in a number of different formats and places. Although the Internet has greatly improved the accessibility of this information, accessibility alone does not promote accountability. In order to be an efficient and effective resource for both the general public and the federal government itself, federal business and financial information must be made

available in a standard and useful way so that data is more easily manipulated, searched, and shared.

The Government Information Transparency Act directs OMB to adopt single data standards for the collection, analysis, and dissemination of federal business and financial information. H.R. 2392 is intended to improve the transparency, consistency, and usability of federal business and financial information.

LEGISLATIVE HISTORY

The Subcommittee on Domestic Policy held the hearing, *TARP Oversight: Assessing Treasury's Efforts to Prevent Waste and Abuse of Taxpayer Funds* (March 11, 2009).

The witnesses were Neel Kashkari, Acting Interim Assistant Secretary for Financial Stabilization, Department of Treasury; Professor Anthony B. Sanders, W.P. Carey School of Business, Arizona State University; Stephen Horne, Vice President of Master Data Management and Integration Services, Dow Jones & Co.; Mark Bolgiano, President and CEO, XBRL U.S., Inc.; Neil Barofsky, Special Inspector General for the Troubled Assets Relief Program; and Richard Hillman, Managing Director of Financial Markets and Community Investment, Government Accountability Office.

The Committee on Oversight and Government Reform held the hearing, *Preventing Stimulus Waste and Fraud: Who are the Watchdogs?* (March 19, 2009).

The witnesses were Earl Devaney, Chairman, Recovery Accountability and Transparency Board; William G. Holland, Illinois Auditor General; David P. Gragan, Chief Procurement Officer, District of Columbia; Jerome Heer, Founding Member, Association of Local Government Auditors; and Jerry Brito, Senior Research Fellow, Mercatus Center at George Mason University.

H.R. 2392 was introduced by Rep. Darrell Issa on May 13, 2009, and referred to the Committee on Oversight and Government Reform. The Committee held a business meeting on June 4, 2009, and ordered the bill to be reported favorably, as amended, by voice vote. The section-by-section analysis below reflects the bill as amended by the Committee.

SECTION-BY-SECTION

Sec. 1. Short title

The short title of the bill is the Government Information Transparency Act.

Sec. 2. Data standard requirements

Subsection (a) directs the OMB to adopt a single data standard for the collection, analysis, and dissemination of business and financial information for private-sector entities already required to report such information to the federal government, and a single data standard for use by agencies within the federal government to report federal financial information. The Committee's intent is not to change what is being reported to or by the federal government, only how it is reported.

Subsection (b) lists the requirements for the single data standard. Specifically, it stipulates that the standard be: (1) common across all agencies, to the maximum extent practicable; (2) widely

accepted, open source, non-proprietary, searchable, and computer-readable; and (3) consistent with (A) U.S. generally accepted accounting principles or federal financial accounting standards, as applicable; (B) industry best practices; and (C) federal regulatory requirements. Moreover, this subsection also requires that the single data standard (4) improve the transparency, consistency, and usability of business and financial information; and (5) be capable of being continually upgraded as technologies and content evolve over time.

Sec. 3. Implementation of single data standard for private sector

Subsection (a) directs OMB to issue guidance to agencies on the use and implementation of a single data standard for information required to be reported to federal agencies by the private sector within 180 days of enactment.

Subsection (b) requires the head of each agency to (1) require the use of the single data standard for business and financial information reported to the agency by private sector companies; and (2) begin implementing that standard within one year of enactment.

Sec. 4. Implementation of single data standard for Federal Government

Subsection (a) directs OMB to develop the single data standard for use by agencies within the federal government for federal financial information within one year of enactment.

Subsection (b) directs OMB to issue guidance to agencies within the federal government on the use and implementation of the single data standard within 18 months of enactment.

Sec. 5. Public access to data

This section directs the head of each agency to make information collected using the single data standard accessible to the general public in that format to the extent permitted by law.

Sec. 6. Report

This section requires OMB to report to the House Committee on Oversight and Government Reform and the Senate Committee on Homeland Security and Governmental Affairs on the status of the implementation of the Act within one year of enactment.

Sec. 7. Definitions

This section offers several definitions pertinent to the Act.

Subsection (1) defines “agency” as any executive department, military department, Government corporation, Government controlled corporation, independent establishment, or other establishment in the executive branch of the Government (including the Executive Office of the President), or any independent regulatory agency, excluding: (A) the Government Accountability Office; (B) the Federal Election Commission; (C) the governments of the District of Columbia and of the territories and possessions of the United States, and their various subdivisions; and (D) Government-owned contractor-operated facilities, including laboratories engaged in national defense research and production activities.

Subsection (2) defines “Executive department”, “military department”, “Government corporation”, “Government controlled corpora-

tion”, and “independent establishment” as having the meanings given those terms by chapter 1 of title 5, United States Code.

Subsection (3) defines “independent regulatory agency” as having the meaning given that term by section 3502(5) of title 44, United States Code.

EXPLANATION OF AMENDMENTS

Reps. Towns and Issa offered an amendment in the nature of a substitute, which was adopted by voice vote. The section-by-section analysis in this report describes the content of that amendment.

COMMITTEE CONSIDERATION

On Thursday, June 4, 2009, the Committee met in open session and favorably ordered H.R. 2392, as amended, to be reported to the House by a voice vote.

ROLLCALL VOTES

No rollcall votes were held.

APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch where the bill relates to terms and conditions of employment or access to public services and accommodations. The bill does not relate to employment or access to public services and accommodations.

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee’s oversight findings and recommendations are reflected in the descriptive portions of this report, including the need to improve transparency and the usability of federal business and financial information.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee’s performance goals and objectives are reflected in the descriptive portions of this report, including improving the transparency, consistency, and usability of federal business and financial information.

CONSTITUTIONAL AUTHORITY STATEMENT

Under clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee must include a statement citing the specific powers granted to Congress to enact the law proposed by H.R. 1387. Article I, Section 8, Clause 18 of the Constitution of the United States grants Congress the power to enact this law.

FEDERAL ADVISORY COMMITTEE ACT

The Committee finds that the legislation does not establish or authorize the establishment of an advisory committee within the definition of 5 U.S.C. App., Section 5(b).

UNFUNDED MANDATES STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandates Reform Act, P.L. 104-4) requires a statement on whether the provisions of the report include unfunded mandates. In compliance with this requirement the Committee has received a letter from the Congressional Budget Office included herein.

EARMARK IDENTIFICATION

H.R. 2392 does not include any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e) or 9(f) of rule XXI.

COMMITTEE ESTIMATE

Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs that would be incurred in carrying out H.R. 2392. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act.

BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 2392 from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 14, 2009.

Hon. EDOLPHUS TOWNS,
*Chairman, Committee on Oversight and Government Affairs,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2392, the Government Information Transparency Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Matthew Pickford.

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure.

H.R. 2392—Government Information Transparency Act

This legislation would require the Office of Management and Budget (OMB) to adopt a single standard within the federal government for reporting financial and business information. Such information is currently collected and reported by government agencies using a variety of technologies, accounting standards, and for-

mats. Generally, H.R. 2392 would expand the ongoing efforts of OMB, the Financial Management Service, and the General Services Administration to standardize federal agencies' business processes, financial data, and financial reporting through the use of common standards.

Based on the experiences of the Securities and Exchange Commission and the Federal Deposit Insurance Corporation, CBO estimates that, subject to the availability of appropriated funds, standardizing financial reporting definitions across federal agencies would cost about \$5 million over the 2010–2012 period for salaries and expenses and smaller amounts in subsequent years for ongoing maintenance and agencywide coordination. In addition, individual agencies would need to modify their current computer systems and train employees to use the new financial reporting procedures and systems. Such costs could total up to a few million dollars per agency, depending on the agency's current financial reporting system and how the final standard would be developed and implemented by OMB.

The use of a single data standard for reporting financial information could reduce certain administrative costs, but because developing and implementing new standards would take some time, CBO expects that any such savings would be small over the next five years.

The legislation also would affect direct spending by agencies not funded through annual appropriations, such as the Tennessee Valley Authority and the U.S. Postal Service, but CBO estimates that any net increase in spending by those agencies would not be significant.

The legislation contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

No changes to existing law are made by H.R. 2392, as reported.