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REPORT TO THE CONGRESS

BY THE COMPTROLLER GENERAL OF THE UNITED STATES

Improvements Still Needed In Federal Energy Data Collection, Analysis, And Reporting

Two years ago GAO reported on the need to improve Federal efforts in collecting, analyzing, and reporting energy data. Because the adequacy of Federal energy data continues to be a controversial subject, GAO updated its earlier effort and presented the results at congressional hearings on March 9, 1976.

GAO pointed out that many basic problems continue to persist. New energy data collection efforts for the most part have been piled on top of old efforts, and efforts for improved coordination have yet to show much success.

GAO said establishment of a Department of Energy and Natural Resources with an independent data collection component offers the best long-term organizational solution to energy problems, including energy data problems. In the interim, the Federal Energy Administration could be strengthened to make it a more credible and objective focal point for Federal energy data efforts.

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JUNE 15, 1976

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

B-178205

To the President of the Senate and the
Speaker of the House of Representatives

This report presents a review of recent actions affecting Federal energy data collection, analysis, and reporting, as well as an identification and discussion of current major energy data problems.

Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Two years ago, GAO testified before the Senate Committee on Interior and Insular Affairs on "Actions Needed to Improve Federal Efforts in Collecting, Analyzing, and Reporting Energy Data" (B-178205, Feb. 6, 1974). That study described Federal energy data efforts and discussed problem areas which needed addressing if the Federal Government's capability for collecting and analyzing energy data was to be improved. The report concluded that legislation would be required to establish a comprehensive energy data system and that development of that system should be placed where it would not be influenced by energy policy analysis and formulation.

The current report is based on GAO's testimony before the Senate Interior Committee on March 9, 1976, which updated GAO's earlier work. The testimony consisted of a prepared statement and five attachments.

--Attachment I summarized GAO's February 1974 report.

--Attachment II briefly reviewed actions affecting energy data collection and analysis since February 1974. It pointed out that new data collection efforts for the most part had been piled on top of old efforts.

--Attachment III discussed the current status of the major energy data problems identified in the 1974 report. Some of the problems continue to persist, particularly those regarding credibility and confidentiality of data.

--Attachment IV listed the principal recommendations relating to energy data in other GAO reports issued

since February 1974. Most of these recommendations dealt with the need for better resource and reserve information, particularly with regard to energy resources located on Federal lands.

--Attachment V contained GAO's specific comments on S. 1864, a bill which would establish a new independent Federal agency to collect, analyze, and disseminate energy information.

In summary, many basic problems described in GAO's earlier report have not been resolved. Yet the volume of energy and energy-related data has grown tremendously. Except for certain congressionally mandated Federal Energy Administration efforts, Federal agencies generally continue to design information requests to fit their individual needs, and efforts for improved coordination have shown limited success.

GAO continues to believe that the best long-term organizational approach to the solution of energy problems, including energy data collection problems, would be the establishment of a Department of Energy and Natural Resources. A separate bureau of energy data collection could be insulated within such a department, perhaps by enacting explicit statutory provisions insuring independence and objectivity.

In the interim, an organizational alternative which GAO believes should be considered is to build on the capability already existing in the Federal Energy Administration by expanding that agency's energy data role and insuring the independence and objectivity of its data collection activities. The Federal Energy Administration already has a legislative mandate to act as a focal point for energy data collection and as such would be a logical choice to assume greater control over Federal energy data activities.

Another alternative that deserves attention would be the establishment of a separate new agency for energy information, such as that envisioned in S. 1864.

Whatever course of action is taken, it is essential that the Nation get on with the job of improving the Federal Government's energy data capabilities.

Comptroller General
of the United States

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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

FOR RELEASE ON DELIVERY
Expected at 11:00 a.m. EST
Tuesday, March 9, 1976

STATEMENT OF
PHILLIP S. HUGHES
ASSISTANT COMPTROLLER GENERAL OF THE UNITED STATES
BEFORE THE
SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS
ON S. 1864
THE ENERGY INFORMATION ACT

This Committee has had a long standing interest in improving the Federal Government's capability for collecting and analyzing energy data. Some 2 years ago, I testified before this Committee on a study prepared at the request of the Committee Chairman on "Actions Needed to Improve Federal Efforts in Collecting, Analyzing, and Reporting Energy Data" (B-178205, February 6, 1974.)

That study described Federal energy data efforts, identified and discussed problem areas which needed addressing if the Federal Government's capability for collecting and analyzing energy data was to be improved, discussed executive and legislative actions completed or underway to improve energy data collection and analysis, and proposed major improvements in Federal energy data collection and analysis.

Essentially, we concluded that legislation would be required to establish a comprehensive energy data system and that responsibility

for development of that system should be placed where it will not be influenced by energy policy analysis and formulation. We questioned whether the Federal Energy Administration (FEA), as then envisioned, could fill that role because of the crisis nature of many of its programs, its limited life, and its responsibility for energy policy development. We also pointed out that a separate Executive Branch agency for energy information could provide a desirable separation between data gathering and analysis of data for policy development purposes.

Our most basic conclusion was that the Nation's energy problems would persist for years and that the best approach for the long term would be the establishment of a Department of Energy and Natural Resources having the scope and stability to deal with the complex and long-term energy issues. Within such a department, a separate organization could be given responsibility for energy data collection with statutory provisions to insure its objectivity and appropriate insulation from the policy operations. Nothing that has happened in the past 2 years has changed our views in this regard.

There have been many developments since February 1974 in energy data collection, but most of the basic problems we described still persist. At the time we completed our work for that study, no Federal agency was collecting energy data as such. Rather, agencies were collecting the data designed to fulfill their respective legislative mandates. During the last 2 years the volume of

energy and energy-related data has grown tremendously. FEA was created and given a number of specific responsibilities in the energy data area. As time passes and its responsibilities increase, FEA looks less and less like a temporary organization.

Unfortunately, new energy data collection efforts for the most part have been piled on top of old efforts. Except for certain congressionally mandated FEA efforts, Federal agencies generally have continued to design information requests to fit their individual needs and efforts for improved coordination have yet to show much success.

To keep this statement brief, and yet to give the Committee as complete a picture as possible of the events of the last 2 years and their relationship to the legislation it is now considering, we have prepared five attachments to our testimony.

--Attachment I is a summary of GAO's February 1974 report.

--Attachment II is a brief review of actions affecting energy data collection and analysis since February 1974.

--Attachment III discusses the current status of the major energy data problems identified in the February 1974 report.

--Attachment IV lists the principal recommendations relating to energy data in other GAO reports issued since February 1974. Most of these recommendations deal with the need for better resource and reserve information, particularly with regard to energy resources located on Federal lands.

--Attachment V contains our specific comments on S. 1864, with the proposed amendment of February 26, 1976.

We would appreciate the attachments being placed in the record as attachments to this statement. Now, let me briefly highlight the key energy data actions of the last 2 years and give you our views on S. 1864 with the proposed amendment.

KEY ENERGY DATA ACTIONS OF LAST 2 YEARS

Over the last 2 years GAO has had the opportunity to view Federal energy data actions from two perspectives. First, from our vantage point as a reviewer of Government programs, we have been an interested and sometimes critical observer of Federal energy data collection efforts. Our testimony 2 years ago and our appearance today reflect this perspective. Second, the responsibility given us by section 409 of the Trans-Alaskan Pipeline Act (P.L. 93-153) regarding the information gathering activities of independent regulatory agencies makes us very much aware of the activities of some agencies which have been very active in energy data collection over the last 2 years, including FEA and the Federal Power Commission (FPC).

Eighteen energy-related bills have been enacted into law in the last 2 years. Five of those have specific mandates for energy data programs, ranging from a very specific requirement for the Department of the Interior to inventory U.S. geothermal

resources, to the very broad requirement for FEA to act as a Federal energy information clearinghouse.

In general, the legislation gave FEA significant data collection responsibilities and established it as a focal point for Federal energy data. The legislation, however, did not give FEA any authority to influence the energy data collection efforts of other agencies. Thus, while FEA became a principal collector of energy data, its efforts were additive to the already existing as well as the new efforts of other agencies. Some statistics from the July 1975 edition of an FEA annual publication entitled "Energy Information in the Federal Government" indicate the magnitude of Federal energy data collection activity.

--There are 261 separate Federal energy-related programs being administered by 44 Federal agencies and bureaus.

--Four agencies (FEA, ERDA, National Science Foundation, and Bureau of Census) account for over one-third of all energy data-related programs.

--The Federal Government operates 98 separate computerized data bases or major files containing some form of energy-related data.

A significant portion of the energy data activity originates with the Congress, either by legislative mandate or by urging agencies to expand their energy data bases. Congressional interest in U.S. oil and gas reserve information is one example.

At the time of the Arab oil embargo, there arose a significant credibility issue concerning industry-supplied U.S. oil and gas reserve data. Four Federal agencies have undertaken reserve studies dealing with oil, gas, or both. However, the credibility issue related to oil and gas reserves has not been resolved even though most of the data published differ by not more than 10 percent from industry figures, in the aggregate.

One of the reasons for this is the fact that the agencies conducting the studies did not make their respective data bases compatible with one another. Each agency professed to be unable to incorporate into its own study information developed by the other agencies because of legal constraints, tight reporting timeframes--both congressionally and self-imposed--different agency mandates, and difficulties in exchanging data between agencies.

The Federal agencies concerned have recognized the need to address problems of proliferation and the related problems of incompatibility, duplicative collection efforts, and respondent burden.

In April 1975, at the suggestion of FEA, GAO and the Office of Management and Budget (OMB) sponsored an Ad Hoc Committee on Energy Data, comprised of the major energy data agencies. The immediate result was a major cooperative effort by FEA and the Bureau of Mines in the Department of the Interior to combine their monthly petroleum refining reporting systems,

thereby saving both the Government and the respondents substantial burden. The effort also made the information more manageable and useful.

As an outgrowth of this Committee, FEA in August 1975 called for the creation of a more formal "Federal Inter-Agency Council on Energy Information." Built around the membership of the Ad Hoc Committee, such a Council was formed and a charter was adopted in December 1975. An FEA representative chairs the Council and GAO attends Council meetings as an observer. The significance of the Council is that it goes beyond joint recognition of energy data problems to a commitment to engage in cooperative and corrective action. The challenge for this as well as for any other interagency council is the age-old problem of getting a number of Federal agencies, each with their own special interests, to act together.

Now I'd like to talk briefly about GAO's responsibility for clearing the information gathering requests of independent regulatory agencies. Since the beginning of 1974, GAO has reviewed over 100 forms submitted by regulatory agencies requesting energy information from the private sector. Over 80 of these forms are of a recurring nature, imposing a total annual burden estimated at 10 million hours and eliciting 1,300,000 annual responses. Almost 9 million hours of this burden, or 90 percent has been imposed by some 30 new forms approved since January 1974.

I would caution you that these burden estimates are those furnished us by the collecting agency and they are probably low.

Although the total of 100 forms indicates a substantial amount of recent energy data collection activity, it does not include any energy data collection efforts initiated by such agencies as the Departments of Interior or Commerce. GAO's regulatory reports review authority extends only to independent regulatory agencies, including FEA. Current statistics on OMB clearance of energy-related forms over the past 2 years were not readily available, but indications are such activity has also been substantial. Moreover, FEA officials have indicated to us that the recently passed Energy Policy and Conservation Act will require FEA to undertake substantial new energy data collection efforts.

Our experience in conducting forms clearance reviews over the past 2 years has revealed basic problems in the areas of burden determination and the identification and reduction of duplication.

Regarding the determination of burden, most Federal agencies appear to believe their need for the information overrides any burden on the respondents of providing that information. Further, agencies often put little thought into computing estimates of respondent burden and, as I suggested earlier, are inclined to underestimate it. With regard to duplication, we have found that: (1) the identification and reduction of duplication is a

difficult task; and (2) generally speaking, agencies are not doing a very good job of it. As a result, the same respondents are repeatedly asked to provide similar--but not the same--data to various Government agencies.

We expect to issue a report to Congress in May 1976 discussing our experience to date in clearing the information requests of independent regulatory agencies.

GENERAL COMMENTS ON S. 1864

What can be done now to improve Federal energy data collection?

We continue to believe that the best long-term organizational approach to the solution of energy problems including energy data collection problems would be the establishment of a Department of Energy and Natural Resources. We believe a separate bureau for energy data collection could be insulated within such a department perhaps by enacting explicit statutory provisions insuring independence and objectivity.

Short of the establishment of a Department of Energy and Natural Resources, other organizational alternatives for improving Federal energy data collection which should be considered are:

--Building on the capability already existing in FEA by expanding that agency's energy data role and assuring the independence and objectivity of its data collection activities.

--Creating a separate agency for energy information either within the Executive Branch, or in the form envisioned by S. 1864.

FEA already has a legislative mandate to act as a focal point for energy data collection, although that mandate did not give FEA any authority to coordinate or streamline the energy data collection efforts of other agencies. FEA now is a principal Federal collector of energy data and has been instrumental in efforts to date to improve the coordination of energy data collection. With the new responsibilities given FEA under the Energy Policy and Conservation Act, it is likely that FEA's life will be extended indefinitely.

Questions still could be raised regarding FEA's ability to establish itself as a credible source of objective energy data in view of its responsibility for energy policy analysis and development. FEA's problem, however, is similar to the problem which would have to be faced if a Department of Energy and Natural Resources were created. Establishing a separate organizational unit for energy data collection within FEA and insulating it from energy policy analysis and development would be somewhat more difficult than in a Department of Energy and Natural Resources, but it should be possible. As with that department, Congress could enact explicit statutory provisions to insure the necessary independence of the data unit. Moreover, the new responsibility vested in GAO by the Energy Policy and Conservation Act, to verify energy data submitted to Federal agencies could help insure the integrity and credibility of energy data.

Whether FEA's responsibility increased or an independent agency is created the legislative action should provide the agency with adequate authority to coordinate, streamline, and raise the quality of energy data collection. This is particularly important with regard to duplicative reporting requirements and the respondent burden. S. 1864 does contain a number of provisions in that regard. While Attachment V provides our detailed comments on S. 1864, let me highlight two of them.

1. Section 103(f) would transfer the responsibility for energy forms clearance from OMB and GAO to the new agency. We question the desirability of involving a third agency in forms clearance. To transfer energy forms clearance responsibility to an energy agency could establish a precedent for transferring forms clearance responsibilities for other functional areas to a lead agency.

GAO has consistently taken the position that forms clearance
8 is an Executive Branch function. OMB has overall responsibility 24-
for effective management of the Executive Branch, and is the logical choice for the forms clearance function.

Two courses of action regarding energy forms clearance responsibility are possible. One alternative would be to continue the existing energy forms clearance arrangements and require that all Federal agency requests for energy data be coordinated through the National Energy Information Administration (or FEA) prior to submission to the clearing agencies

for approval. The alternative which we would prefer would be to transfer energy and other forms clearance responsibility presently vested in GAO to OMB with the added requirement that requests for energy data be coordinated through the Administration or FEA. This would centralize forms clearance responsibility and at the same time assure coordination of Federal agency requests for energy data.

2. Section 301 requires that the Department of the Interior annually survey all energy resources and reserves on Federal lands. Many of the energy data recommendations made by us over the last 2 years summarized in Attachment II go directly to that point.

We would suggest, however, that Section 301 be revised to require a one time study of energy resources on Federal lands and annual updating of recoverable reserves. Since recoverable reserves essentially represent that portion of resources which are economically recoverable, an annual resource survey would not seem necessary.

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In summary, Mr. Chairman, the establishment of a Department of Energy and Natural Resources with an independent energy data collection component offers, in our opinion, the best organizational solution to energy problems, including energy data problems. As an interim step to creating such a department, we believe that

FEA could be strengthened to make it the agency responsible for Federal energy data efforts. Any strengthening of FEA can and should consider many of the provisions now included in S. 1864 with the proposed amendment. In any event, whatever course of action is taken, it is essential that we get on with the job of improving the Federal Government's energy data capabilities.

ATTACHMENT I

OVERVIEW OF GAO'S FEBRUARY 6, 1974 STUDY ON ENERGY DATA

In April 1973, the Chairman, Senate Interior and Insular Affairs requested GAO to make a study of energy information needs, including recommendations for improving efforts in collecting, analyzing, and reporting energy data. On February 6, 1974, the results of that work was presented in testimony and GAO's study entitled "Actions Needed to Improve Federal Efforts in Collecting, Analyzing, and Reporting Energy data" (B-178205) issued.

GAO's study addressed the magnitude of the then Federal energy data effort, identified and discussed several problem areas which must be addressed if the Federal Government's capability for collecting and analyzing energy data was to be improved, discussed the executive and legislative activity underway at that time to improve energy data collection and analysis, and arrived at certain conclusions regarding the need for improvement in Federal energy data collection and analysis.

MAGNITUDE OF FEDERAL ENERGY DATA EFFORT

In the course of its February 1974 study, GAO contacted 17 Federal agencies comprising 45 bureaus, offices, divisions, and administrations which were collectors or users of energy

data. The principal collection agencies at that time were the Bureau of Mines and the Geological Survey in the Department of the Interior, the Federal Power Commission, the Atomic Energy Commission and the Department of Commerce. GAO found that a great deal of data being collected was to meet the needs of specific programs or agencies rather than as part of a systematic assemblying of data.

PROBLEM AREAS

GAO's February 1974 study identified the following seven problem areas which needed to be addressed in an effort to improve the Federal Government's capability for collecting and analyzing energy data:

--voluntary vs. mandatory reporting of data,

--credibility of data,

--confidentiality of data,

--timely reporting of data,

--data definitions,

--adequacy and completeness of data, and

--analysis of data.

Attachment III briefly discusses the applicability of each of these problem areas to the current energy data situation.

CONCLUSIONS

GAO's February 1974 study concluded that major improvements were essential in collection and analysis of energy data. For the long run, the study pointed out that there

was a need to establish a fully integrated comprehensive energy data system building, where possible, on existing data collection systems and programs. The energy information system envisioned by the study was one in which supervision and responsibility was centralized rather than the collection function. That study suggested that responsibility for developing the system be placed in an organization within the executive branch which could establish itself as a professional, objective, independent gatherer of energy information. To establish the comprehensive data system envisioned the study concluded that legislation would be required to

--Require reporting of needed energy-related information

--Provide for certification of the accuracy of reported data and establish sanctions for nonreporting or incorrect reporting.

--Provide for access to records and other supporting documentation by those collecting data so that programs of data verification can be established.

--Provide for standardization of terms and definitions to insure reporting on a consistent basis.

--Assure that needed data is available to Government agencies.

--Provide for prompt and complete public disclosure, limiting confidential data to the minimum.

--Provide assurance of independent reviews of energy data collection by giving GAO access to all reported data and to the records and supporting documentation of those reporting data.

More specifically, with respect to organization, the study concluded that primary responsibility for energy data collection should preferably be located where it is independent of policy development, administrative and analytical functions.

In that regard, the study pointed out that the Federal Energy Administration could encounter problems in establishing itself as a credible focal point for Federal energy data collection since it (1) would not have the time or manpower to develop a program for improvement of energy data collection due to the energy emergency, (2) would be deeply enmeshed in energy policy analysis adding to credibility questions, and (3) would have a limited life. In contrast, the study pointed out that the other legislative proposal then active to establish a new Bureau of Energy Information in the Department of Commerce could provide an objective, independent location for energy data primarily because a separation would exist between the principal gatherer and principal analyzer of data for energy policy purposes.

Because of the long-term nature of energy problems, the study concluded that the best long-term organizational

approach would be the establishment of a Department of Energy and Natural Resources having the scope and stability to deal with the complex and long-term issues related to energy. Within the Department, a separate organization could be given responsibility for energy data collection with statutory provisions to insure its objectivity and appropriate insulation from the policy and operations of the Department.

Pending any organizational changes, the study concluded that a single reference source or directory for energy data be established to alleviate confusion and aid in long-range development of a more comprehensive system and stressed the need for a full-scale study of energy data user needs.

OVERVIEW OF ACTIONS AFFECTING FEDERAL ENERGY DATA COLLECTION AND ANALYSIS SINCE FEBRUARY 1974

Since the issuance of its February 1974 study, the General Accounting Office (GAO) has been able to view the development of energy data collection and analysis from two perspectives. First we have been an interested observer of efforts to improve Federal energy data collection. Second, we have had specific responsibility for clearing the forms used by independent regulatory agencies--which includes the Federal Energy Administration--to request data from the private sector.

At the time of our February 1974 study, no Federal agency was collecting energy data *per se*. Rather, agencies were collecting the variety of data which they believed were needed to fulfill their individual legislative mandates. With the increased attention on energy problems, the last two years have seen a tremendous growth in the collection of energy data. In general, new data collection efforts have been piled on top of old efforts. Federal agencies have continued to design information requests narrowly to fit their individual needs and efforts for improved coordination have yet to show much success.

The key actions GAO has observed from its two perspectives are summarized below.

KEY ENERGY DATA ACTIONS SINCE 1974

Eighteen energy-related bills have been enacted into law since the start of 1974. Five of those have specific mandates for energy data programs, ranging from a very specific requirement for the Department of the Interior to inventory U.S. geothermal resources to the very broad requirement for FEA to act as a Federal energy information clearinghouse. Three of the five laws--the Federal Energy Administration Act of 1974 (P.L. 93-275), the Energy Supply and Environmental Coordination Act of 1974 (P.L. 93-319), and the Energy Policy and Conservation Act (P.L. 94-163)--have had major impacts on Federal energy data.

The Federal Energy Administration Act established FEA as the focal point for Federal energy affairs and specifically required that FEA establish a central clearinghouse for energy information. FEA established the National Energy Information Center (NEIC) to serve as such a clearinghouse. Currently staffed with 30 people, the primary functions of NEIC include

--development of special programs for the exchange of energy information with other Federal agencies, States, cities, and counties;

--identification and cataloging of existing energy data sources, reporting systems, and data;

--retaining, storing, and cataloging of all FEA technical publications and reports; and

--provision for the dissemination of energy information by such means as bibliographies, directories, and the development and use of automated data bases.

Establishment of NEIC has been FEA's prime effort to act as a focal point for energy data collection. As such, NEIC has made efforts toward two of the first steps called for in our February 1974 study--an inventory of existing Federal energy data collection efforts and development of a directory of energy data.

The Energy Supply and Environmental Coordination Act's principal impact on Federal energy information was to define a national data base for energy supplies and require FEA to collect data required to satisfy the needs of such a data base. Although the specific authority to collect and report this data expired in June of 1975, the authority was renewed by the Energy Policy and Conservation Act.

The Energy Policy and Conservation Act, the first major piece of comprehensive energy legislation, addressed matters to increase domestic energy supply and improve energy efficiency. This Act vested responsibility in GAO to verify energy data submitted to Federal agencies. Implementation by GAO of this new authority could help insure the integrity and credibility of energy data.

In spite of these legislative efforts, there continues to be a great deal of Federal agency activity in collecting, maintaining, and disseminating energy information. For example, the new annual publication "Energy Information in the Federal Government" published by the NEIC reported that as of July 1975 there were

--261 separate Federal energy-related programs being administered by 44 Federal agencies and bureaus,

--4 agencies which accounted for over one third of all energy data-related programs, and

--98 separate computerized data bases or major files which the Federal Government operates containing some form of energy-related data.

Much of this activity is totally new or much expanded versions of previously existing but smaller efforts. The events during and since the Arab oil embargo dramatically underscored the need for better information to guide both public and private decisionmaking and policy formulation in the energy area. As a result, there has been increased Federal agency activity and interest in energy data and, of course, a corresponding multiplicity of energy information programs.

A great deal of recent energy data activity has originated in the Congress--either directly via legislative mandate or indirectly by urging agencies to expand their

energy data bases. An example of congressional interest in a specific area is the issue of U.S. oil and gas reserves.

At the time of the Arab oil embargo, there arose a significant credibility issue concerning industry-supplied U.S. oil and gas reserve data. In response, four Federal agencies have undertaken reserve studies. This in-depth coverage has not resolved the credibility issue, even though the Federal reserve data published to date differ by not more than ten percent from industry figures. A problem arising from the various Federal reserve studies is the fact that the agencies conducting the studies developed their own data bases in a manner such that they are not compatible with one another.

For instance, FEA conducted its reserve study by analyzing data obtained from all known operators of natural gas wells in the U.S. FTC canvassed 60 large owners of natural gas reserves on a retroactive basis. In addition, FPC is obtaining information annually from approximately 6,000 owners of natural gas reserves. The Geological Survey in the Department of the Interior, is determining reserves only on Federal leases. FEA's data is at the field level; FTC's at the State level; FPC's at the reservoir level and Geological Survey's at the field level. Also the definitions of "reserves" used by the respective studies, though similar, were not the same. The result of these different approaches is the lack of common and comparable data.

Due to such factors as legal constraints, tight reporting timeframes--both congressionally and self-imposed--different agency mandates, and difficulties in exchanging data between agencies, each agency professed to be unable to incorporate into its own study information developed by the other agencies. Problems created by this type of situation, as well as the need to address traditional problems of duplication and burden have led to some cooperative actions by agencies.

Federal Inter-Agency Council on Energy Information

In April 1975, at the suggestion of FEA, GAO and the Office of Management and Budget sponsored an Ad Hoc Committee on Energy Data, comprised of the major energy data agencies. Almost immediately, there resulted a major cooperative effort by FEA and the Bureau of Mines in the Department of the Interior to combine their monthly petroleum refining reporting systems, thereby saving both the Government and the respondents substantial burden. More importantly, it made the information environment more manageable and useful.

In August 1975, FEA's NEIC called for the creation of a more formal "Federal Inter-Agency Council on Energy Information." Built around the membership of the Ad Hoc Committee, such a Council was formed and a charter was adopted in December 1975. (GAO participates in Council activities as an observer.) The significance of the Council is that

it goes beyond joint recognition of energy data problems to a commitment to engage in cooperative and corrective action. The Council has identified three tasks to receive immediate priority:

--Establish a standards program for energy terminology and classification;

--Establish a registry of energy data collected by the Federal Government; identify redundancy and duplication;

--Analyze Federal Government energy data requirements; identify gaps in energy data collection and additional requirements.

PERSPECTIVE OF ENERGY INFORMATION FROM GAO REVIEWS OF INFORMATION-GATHERING PRACTICES OF INDEPENDENT FEDERAL REGULATORY AGENCIES

Section 409 of the Trans-Alaskan Pipeline Act (P.L. 93-153) which amended the Federal Reports Act of 1942, assigned to GAO certain review functions relating to the information-gathering activities of independent Federal regulatory agencies. One of GAO's functions is to conduct clearance reviews of the information-collection plans and forms proposed by the regulatory agencies. The other function relates to reviews of regulatory agencies' information-collection activities.

Forms clearance

A significant amount of our forms clearance work has involved agency requests for energy information since FEA,

FPC, and the Nuclear Regulatory Commission all fall under GAO's jurisdiction. Since the beginning of 1974, GAO has reviewed over 100 forms submitted by regulatory agencies requesting energy information from the private sector. Over 80 of these forms are of a recurring nature while the remainder are non-recurring. The recurring forms impose a total annual burden 1/ of ten million hours and elicit 1,300,000 annual responses. Almost 9 million hours of this burden, or 90 percent, however, has been imposed by the approximately 30 new forms which were approved since January 1974. (The remaining 50 information requests were reviewed for revisions or extensions of existing forms.)

Although these 100 forms indicate a substantial amount of recent energy data collection activity, they do not include any energy data collection efforts initiated by such agencies as the Departments of the Interior, or Commerce, since GAO's regulatory reports review authority extends only to regulatory agencies (including FEA). Current statistics on OMB clearance of energy-related forms over the past two years are not readily available but, indications are such activity has been substantial.

FEA and FPC are responsible for most of the energy forms approved by GAO. FPC has promulgated only seven new

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1/All burden estimates contained in this attachment represent the agency estimates of the reporting burden on respondents.

recurring forms, but two of them, both pertaining to natural gas reserves, were very extensive efforts requiring a total of 1,000,000 hours of burden on the respondents. FEA has imposed more than seven million man-hours of work with 24 new forms. Among FEA's most burdensome forms are those connected with its market shares reporting system and the petroleum allocation program. The first of these, the market shares system, consists of three non-recurring forms and four recurring (monthly) forms. These forms are all new. The non-recurring forms imposed a one-time burden of nearly 400,000 hours; the monthly forms impose an annual burden of more than 1 million hours on the oil industry. The petroleum allocation program necessitated the promulgation of many forms. GAO has reviewed approximately 10 of these forms which impose more than 3 million hours of annual burden. All but one of these forms is new. In addition, under the Energy Policy and Conservation Act, FEA is required to collect energy data in order to discharge its new program responsibilities. Indications are that this data collection activity will be quite substantial.

We currently are preparing two reports on independent Federal regulatory agencies' information-gathering practices. One report addresses GAO's role under the Federal Reports Act and the performance of the regulatory agencies in carrying out their information-gathering activities. Though our

observations in this report concern information-gathering in general, they are also applicable to energy data activities. The second report specifically addresses FEA's information-gathering practices. Both reports point out the need for improving Federal information-gathering activities, as discussed below.

Information-Gathering Practices

Based on our experience in conducting clearance reviews over the past two years, we have observed problems in the following two areas.

Burden determination

Good management practices dictate that, when an agency develops an information-gathering proposal, the cost and other burden to the respondents of providing the information should be weighed against the expected benefits. We have found this is not done in most cases. Most agencies believe their need for the information overrides, *a priori*, the respondents' burden of providing that information. Further, agencies often put little thought into computing respondent burden and are, in any case, inclined to underestimate it.

Identification and reduction of duplication

The identification and reduction of duplicate reporting of information within the Federal Government plays a key role in clearing the information-gathering proposals of

the regulatory agencies. This is a very difficult task, particularly in the energy area. Many agencies are collecting energy data, but they, too often, are doing a poor job in coordinating their efforts. It is apparent that agencies are reluctant to seek out and use existing sources of collected data or to design data collections that would be useful to other agencies.

A contributing factor to this problem is that agencies, to facilitate the collection of information, often give pledges to hold the information confidential. Thus, information is not effectively exchanged. As a result, the same respondents are repeatedly asked to provide similar--but not quite the same--data to various Government agencies. While the respondents usually view this as unnecessary duplication, they are equally unwilling to have the data shared among agencies. The sponsoring agencies insist that, although the data being requested is similar to information already being provided, the similar data is either not available because of confidentiality restrictions or it is not precisely duplicative of information already available.

Review of Information-Gathering Practices of the Federal Energy Administration

This is the first of a number of reviews GAO is initiating evaluating the effectiveness of the management processes used by the agencies in developing their information-gathering requirements.

Burden determination

We found that very little attention is given to developing reliable estimates and comparing such estimates with the anticipated benefits. Rather, FEA's prevalant attitude is that the need for the data outweighs any burden that may be incurred by a respondent in complying with the requirement. FEA plans to obtain actual compliance costs from respondents following submission of their reports which will be used during the development of future reporting requirements so as to improve its burden estimates.

Identification and reduction of duplication

FEA reporting clearance procedures require that the initiating office determine whether existing forms or other data sources can supply the required information. Included in this effort is the requirement that the proposed data-collection activity be compared with information possessed by FEA's National Energy Information Center. We noted, however, that FEA fluctuates in its application of those techniques.

 ATTACHMENT III

DISCUSSION OF ENERGY DATA PROBLEM AREAS IDENTIFIED IN GAO'S FEBRUARY 1974 ENERGY DATA STUDY

GAO's February 1974 study identified seven problem areas which must be addressed if the Federal Government's capability for collecting and analyzing energy data was to be improved. Following is a brief discussion of the applicability of these problem areas to the current energy data situation.

VOLUNTARY VS. MANDATORY REPORTING OF DATA

The February 1974 study pointed out that most of the data collected by the Federal Government, with few exceptions, was being furnished voluntarily by private industry. The study pointed out that voluntary reporting of data does not provide the Federal Government with assurance that needed data will be available since under a voluntary system the Federal Government is dependent on the undefined cooperation of industry.

The Bureau of Mines in the Department of the Interior, continues to be the largest collector of energy data on a voluntary basis, collecting comprehensive information on the Nation's petroleum, natural gas, and coal industries. In recent months, however, the Bureau of Mines voluntary monthly petroleum refiner reporting system and FEA's mandatory petroleum system have been merged into one system. The Bureau of Mines while continuing to collect and report the same types of data it always has, is now

collecting its petroleum data on a mandatory basis, using FEA's mandatory collection authority. FEA in turn has ceased its own monthly petroleum reporting system and is relying on the Bureau of Mines for its petroleum data needs.

Virtually all of the major new energy data collection efforts undertaken by Federal agencies since our earlier study were undertaken pursuant to legislative provisions requiring respondents to furnish the desired information. FEA, in particular, has extensive authority to obtain energy information on a mandatory reporting basis. Thus, from all appearances, mandatory reporting is not much of a problem at this time.

CREDIBILITY OF DATA

The February 1974 study identified credibility as perhaps the most important problem with energy data. As long as much of the reporting of data was on a voluntary basis and unverified, credibility continued to be an issue even though the data may be entirely valid. Greater provision for independent data verification was considered essential. A sound system of data verification should be supported by the requirement that, where possible, data furnished be certified as to its accuracy and provision made for appropriate sanctions if the reported data is proven inaccurate. A major credibility issue noted in the earlier report concerned the reliance by the Federal Government on annual oil and gas reserve estimates compiled by the American Petroleum Institute (API) and the American Gas Association (AGA). Since that time, FEA, pursuant to law, conducted an

independent appraisal of U.S. oil and gas reserves as of December 31, 1974, and arrived at reserve estimates substantially in agreement with the estimates developed by API and AGA. While FEA's study has lent credibility to the annual reserve figures compiled by API and AGA, the subsequent employment by API of a key FEA official involved with the reserve study shortly after the study's completion, has caused questions to be raised regarding the study's credibility.

GAO's earlier study pointed out in particular that a credibility problem exists with respect to data collected by the Federal Government on federally-owned lands. The Government relied on leaseholders for information on energy reserves on Federal lands. The Department of the Interior has now stated its intention for fiscal year 1977 to develop an inventory of oil and gas reserves on Federal lands on the Outer Continental Shelf (OCS). In addition, Interior plans to develop a comprehensive oil and gas data bank containing both purchased and internally generated information including data on OCS oil and gas deposits.

The credibility and adequacy of energy information with respect to federally-owned lands, however, continues to be a problem. In reports issued subsequent to our earlier study, GAO has addressed this problem and made recommendations regarding the need for better information on energy resources on Federal lands prior to leasing decisions for Outer

Continental Shelf oil and gas and coal. The reports and our recommendations are briefly summarized in Attachment IV.

Oftentimes the credibility issue is exacerbated by several Federal agencies conducting energy studies of a similar nature. FEA, FPC Geological Survey, and FTC have all conducted natural gas reserves studies, but each agency's data base is incompatible with the data collected by the others. While benefits can be derived from attacking problems from different perspectives, the existence of four "official" Government studies reporting different information without any data bridges between them adds to the proliferation of existing uncoordinated energy data and creates credibility problems for Federal energy data efforts.

The key to resolving questions of credibility continues to lie with the ability to independently verify the reported data. The recently enacted Energy Policy and Conservation Act provides GAO with authority to verify energy information submitted to Federal agencies. While FEA has authority to verify information it collects, its performance in this area has been erratic. GAO has issued several reports 1/on FEA's

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1/Report to the Chairman, Subcommittee on Reorganization, Research and International Organizations, Senate Government Operations Committee on Problems in the Federal Energy Administration's Compliance and Enforcement Effort (B-178205, December 6, 1974).

Report to the Chairman, Senate Government Operations Committee on Staffing of FEA's Compliance and Enforcement Program (OSP-75-12, March 31, 1975).

Report to the Administrator, Federal Energy Administration on Survey of FEA's Enforcement to Audit Fuel Oil Suppliers of Major Utility Companies (OSP-76-2, July 15, 1975).

Report to the Chairman, Senate Government Operations Committee on Federal Energy Administration Efforts to Audit Domestic Crude oil Producers (OSP-76-4, October 2, 1975).

compliance and enforcement activities regarding petroleum pricing regulation pointing out significant problems in FEA's activities at all four levels of oil industry operations (producers, refiners, wholesalers and retailers).

In summary, credibility of energy data continues to be a problem, particularly in the important resources and reserves area.

CONFIDENTIALITY OF DATA

The February 1974 study pointed out that individual company data is held confidential, and that with limited exceptions, only aggregate data is reported by the Federal Government. Confidentiality of data is a major concern of industry. The central issue to be resolved with regard to confidentiality is the degree to which reported information can and should be made available to other Federal agencies having a need for the data and to the public. The study pointed out that indications were that the terms confidential and proprietary, at least as they relate to needed energy information, have been overused and that confidential data should be restricted to the absolute minimum.

Federal agencies seeking certain energy information from other Federal agencies which have collected the same data continue to be denied access by the collecting agency on the grounds of confidentiality. For example, indications are that FEA intends to independently canvas industry for energy consumption data, as part of its new responsibility under the Energy Policy and Conservation Act, because it has been denied access to the same data from the Bureau of the Census

on the basis of confidentiality. Information FEA currently requires from private companies is generally obtained under a limited pledge of confidentiality rather than Census' absolute pledge. This means that FEA will release confidential company data, but only under very few circumstances. Census is prohibited by law (13 U.S.C. Sec. 9) from releasing information to other Federal agencies. With increasing concern over the proliferation of Government requests for energy information, a legislative change may be warranted which would allow Census to release data to another Federal agency when that agency would otherwise have to collect the information from industry under a mandatory reporting requirement.

GAO continues to believe that the terms confidential and proprietary, as related to energy information, have been overused and that steps should be taken to restrict confidential data to the absolute minimum. Our general view is that the burden of proof should be on those who argue that energy-related information is proprietary and should be withheld from the public. This view was expressed in testimony before joint hearings conducted by the Senate Interior and Commerce Committees on April 9, 1975, concerning Outer Continental Shelf (OCS) resource development in which we suggested some general rules which we believe were appropriate in any legislation dealing with the release of data collected in the process of exploring or leasing the OCS. These included making a distinction between raw and interpreted data and stating those instances when each type of data should be made available to the public.

TIMELY REPORTING OF DATA

The February 1974 study pointed out that the Federal Government lacked the apparatus for timely reporting of energy data. With few exceptions, energy data published by Federal agencies had time lags between the period of publication and the period for which the data is reported ranging from a month to a year. The study pointed out while there is a need for the data to be timely there is tradeoff which must be considered between timely data and verification. Data needed for decisions which must be made on the basis of the most recent information available would be difficult to verify prior to timely submission; however, it would not preclude verification on an after-the-fact basis. The question to ask regarding timeliness is how much does the decision being made depend upon energy information that completely reflects the current energy situation.

Monthly petroleum product allocation decisions made during the Arab oil embargo obviously were dependent on very timely information. Part of FEA's response then was to institute a weekly petroleum reporting system. During 1975, however, FEA discontinued its weekly reporting system in favor of its ongoing monthly system. FEA determined that a weekly petroleum reporting system was not needed in the absence of an emergency situation such as an oil embargo. FEA can reinstitute its weekly system should conditions change.

Our earlier study stated that energy data was published by Federal agencies with time lags between the collection and reporting dates ranging from a month to a year. Conditions

remain pretty much the same today. The absence of a current emergency tends to reduce plans for obtaining more timely information.

Tradeoffs will continue to be demanded between timeliness, accuracy, and completeness. Generally, timeliness can be improved upon only by some sacrifice of accuracy and completeness. Decisions regarding tradeoffs should be made only after a thorough analysis of the specific needs of the agencies using the data. Analyses should be made continually as agency needs will change. The arbitrary establishing of collection and reporting timeframes without an analysis of user needs serves only to increase the burden on both industry and Government without any understanding of corresponding benefits.

DATA DEFINITIONS

The February 1974 study pointed out that standardization of energy terms and adherence to established definitions are essential for uniformity in the collecting, analyzing, reporting, and interpreting energy statistics.

It remains an important function for Federal agencies collecting and reporting energy information to clearly define the terms and figures being reported. Such disclosures will minimize confusion and possible distortion by readers of the reports and those who use the information in further analysis.

The Federal Inter-Agency Council on Energy Information, as discussed on page 24, of Attachment II, recognizes the importance of data definitions and plans to establish a standards program for energy terminology and classification. This could

be a very important program if successful, as agencies have tended to define terms used according to their often narrowly perceived needs for the data, without considering definitions used by other agencies. Federal interagency councils have not always been successful, however, in getting a number of agencies, each with different interests, to act in concert.

ADEQUACY AND COMPLETENESS

The February 1974 study identified certain areas where needed information was not available and called for a full-scale user needs study to be conducted as soon as possible to determine more precisely the national data needs for short-term and long-term energy planning and decisionmaking.

Efforts both by the Congress and Federal agencies to improve on the adequacy and completeness of energy information can best be described as ad hoc.

Congress, in a number of instances has mandated that specific energy information be obtained, such as requiring that FEA collect oil and gas reserves information and petroleum market shares information. Several agencies have instituted major information gathering programs using their general legislative authority, among them FPC's and FTC's collections of natural gas reserve data. Also, FEA is collecting extensive data on petroleum industry operations in conjunction with its petroleum allocation and price control authority.

The fact that "more" energy information is currently being collected does not necessarily mean that we have a "better" understanding of the U.S. energy picture. Agency data

collection efforts are usually very narrowly focused to satisfy perceived agency mandates or needs, without attempting to utilize or build on data collection efforts of other agencies. Thus we have FEA, FTC, Geological Survey, and FPC each developing separate and uncoordinated data bases on natural gas reserves.

Improved coordination between agencies on energy information matters is desperately needed. There needs to be a focal point for analyzing all Federal energy information from the standpoint of identifying gaps and eliminating duplication and evaluating whether an agency's need for specific information justifies the cost, both to the Government and the respondent, of obtaining it.

ANALYSIS OF DATA

The February 1974 study pointed out that the myriad of programs and activities comprising the Federal energy effort evolved over the years without benefit of a formal national policy, and therefore without centralized direction or control. The most crucial need is for analyses of energy data from the perspective of identified energy problems, other than from the vastly different perspective of individual agencies and programs.

FEA has emerged as the Federal agency most heavily involved in the continuing analysis of energy information. FEA has access to over 40 energy policy assessment and forecasting models which were either developed or acquired by FEA. FPC is involved in the continuing analysis of natural gas

issues as part of its regulatory responsibility. Because energy is a topical issue, other agencies traditionally not energy-oriented have conducted energy studies. FTC is currently collecting and analyzing ownership information on natural gas reserves in its study of competition in the natural gas industry.

FEA and FPC have encountered credibility problems in some of their studies since these agencies have also taken positions on the issues being analyzed. Critics have accused the agencies of bias in their analyses and of manipulating the data presented to fit the agencies' preconceived positions.

It is extremely important that agencies involved in both analyzing data and advocating specific policies make a distinction as to where the factual presentation and analysis ends and the interpretation of those facts begins. Such a distinction enables the person examining the agency's position to clearly identify the assumptions and interpretations made in arriving at the position. Thus, it should be possible to argue about specific assumptions made without having to challenge the veracity of the underlying factual data presented. Entire reports are often subjected to criticism, factual data included, because of objections over the manner in which conclusions are drawn. It is important for agencies, such as FPC, that both collects natural gas data and takes positions such as advocating natural gas deregulation, to distinguish between these two roles so as not to subject its data collection function to unwarranted criticism.

LISTING OF PRINCIPAL ENERGY DATA-RELATED RECOMMENDATIONS IN GAO REPORTS ISSUED SINCE FEBRUARY 1974

Report to the Congress on "Outer Continental Shelf Oil and Gas Development--Improvements Needed in Determining Where to Lease and at What Dollar Value" (RED-75-359, June 30, 1975)

This report concerns improvements needed in determining where to lease Outer Continental Shelf oil and gas and at what dollar value. The report points out that the effectiveness of Shelf tract selection and valuation has been seriously hindered by inadequate data and analysis. GAO recommended that the Secretary of the Interior

--direct a geological exploration program which would provide for the development and implementation of a systematic plan for appraising Shelf oil and gas resources, including selective stratigraphic test drilling in Shelf areas, before leasing and which would insure implementation of planned exploration through federally financed activities. Data produced through federally financed activities should be made available to the public as soon as practicable.

--direct a geophysical exploration program which would provide for the development and implementation of a systematic plan for appraising Shelf oil and gas

resources and insure implementation of planned exploration through federally financed activities. Data produced through wholly financed activities should be made available to the public as soon as practicable.

--issue prelease geological exploration permits under which exploratory work could be done and financed by industrial groups with Government approval. All geotechnical data, including interpreted data, should be available to the Government. The raw and processed data should be made available to the public at large at a time certain when determined by the Secretary of the Interior that it would not be detrimental to the competitive position of the permittees. A clear distinction should be made among raw, processed, and interpreted data, to avoid disputes at some later date as to which specific data should be made available for public inspection.

--issue prelease geophysical exploration permits under which exploratory work could be done and financed by industrial groups with Government approval. All geotechnical data, including interpreted data, should be available to the Government. The raw and processed data should be made available to the public at large at a time certain when determined by the Secretary of the Interior that it would not be detrimental to the competitive position of the permittees.

Issue Paper to the Congress on "The Liquid Metal Fast Breeder Reactor; Promises and Uncertainties" (OSP-76-1, July 31, 1975)

This was the sixth GAO study issued since December 1974 concerning the Federal program to develop a Liquid Metal Fast Breeder Reactor (LMFBR) for use in electrical power generating plants. This study addresses the LMFBR's economic, environmental, and social implications.

Several recommendations were made to resolve existing uncertainties in the program, including the need to obtain adequate information on domestic uranium resources at current and anticipated prices. With regard to uranium resource data, GAO recommended that

--ERDA expedite the work and final report of its National Uranium Resource Evaluation Program currently scheduled for completion in 1980.

--the Congress explore with ERDA, the Geological Survey, and the Federal Energy Administration the feasibility of establishing a program to thoroughly appraise the U.S. uranium resource base by having the Federal Government conduct or sponsor extensive exploratory drilling, including such program and funding authorizations as may be needed.

Report to Congressman Pierre S. DuPont on "Need for the Federal Power Commission to Evaluate the Effectiveness of the Natural Gas Curtailment Policy" (RED 76-18, September 19,1975)

This report deals with the need for the Federal Power Commission to obtain information necessary to evaluate the effectiveness of its natural gas curtailment policy. GAO recommended that

--the FPC Chairman report to the Congress on the results of the FPC-FEA coordinated effort to obtain the natural gas curtailment data needed to evaluate the effectiveness of FPC's curtailment policy. The report should comment on the adequacy of the data and on additional actions needed to obtain the data.

--if the desired results are not obtained or if FPC finds the mechanism too cumbersome, the FPC Chairman seek legislative revisions to the Natural Gas Act to expand FPC's authority to obtain information on (1) natural gas sales by intrastate pipeline and distributing companies and (2) the end use of the gas by ultimate consumers who purchase the gas from interstate and intrastate pipeline and distributing companies.

Draft Report to the Congress on "Impact of Federal Coal Resources on Meeting National Coal Production Goals Uncertain"*

This report addressed actions needed to be taken by the Secretary of the Interior to provide a sound basis for policy

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*The report was issued to the Congress on April 1, 1976.

decision and insure effective implementation of a coal leasing program.

On February 16, 1976, GAO testified before the Subcommittee on Minerals, Materials, and Fuels, Senate Interior and Insular Affairs Committee on the draft report's tentative findings and recommendations. Several recommendations have been made to the Secretary of the Interior including that he

--Require lessees and permittees holding preference rights to furnish information on (1) reserve holdings, (2) production plans, (3) reasons and justifications for nonproduction, and the need, if any, for additional Federal coal reserves.

--Develop a systematic coal drilling program which would provide data for appraising coal resources and insure planned and coordinated drilling through federally financed activities. Data produced through wholly financed Government activities should be made available to the public.

--Have the Director, Geological Survey acquire from lessees, and other appropriate sources, the economic and cost data it needs to value coal areas.

--Issue special use permits for coal exploration under which exploratory work could be done and financed by the private sector with Government approval. Prior to start of drilling, permittees should be required to allow other interested parties to share in the drilling costs and results. All geotechnical data, including interpreted data, should be available to the Government.

ATTACHMENT V

SPECIFIC COMMENTS ON S. 1864--ENERGY INFORMATION ACT--WITH FEBRUARY 26, 1976, PROPOSED AMENDMENT

S. 1864, as amended, would establish a National Energy Information System and authorize the Department of the Interior to undertake a survey of U.S. energy resources on public lands, including Federal mineral rights on private lands and submerged lands of the Outer Continental Shelf. The principal purposes of the bill are to create a new independent Federal agency to collect, analyze, and disseminate energy information, coordinate and consolidate existing Federal energy data efforts, establish standards for disseminating energy information and authorize a Federal program to systematically assess U.S. energy resources.

We continue to believe that the best long-term organizational approach to the solution of energy problems including energy data collection problems would be the establishment of a Department of Energy and Natural Resources. We believe a separate bureau for energy data collection could be insulated within such a department, perhaps by enacting explicit statutory provisions insuring independence and objectivity.

Short of the establishment of a Department of Energy and Natural Resources, other organizational alternatives for improving Federal energy data collection which should be considered are:

--Building on the capability already existing in FEA by expanding that agency's energy data role and assuring the independence and objectivity of its data collection activities.

--Creating a separate agency for energy information either in the form envisioned by S. 1864, or within the Executive Branch.

FEA already has a legislative mandate to act as a focal point for energy data collection, although that mandate did not give FEA any authority to influence the energy data collection efforts of other agencies. FEA now is a principal Federal collector of energy data and has been instrumental in efforts to date to improve the coordination of energy data collection. With the new responsibilities given FEA under the Energy Policy and Conservation Act, it is likely that FEA's life will be extended indefinitely.

Questions still could be raised regarding FEA's ability to establish itself as a credible source of objective energy data in view of its responsibility for energy policy analysis and development. FEA's problem, however, is similar to the problem which would have to be faced if a Department of Energy and Natural Resources were created. Establishing a separate organizational unit for energy data collection within FEA and insulating it from energy policy analysis and development would be somewhat more difficult than in a

Department of Energy and Natural Resources, but it should be possible. As with that department, Congress could enact explicit statutory provisions to insure the necessary independence of the data unit. Moreover, the new responsibility vested in GAO by the Energy Policy and Conservation Act, to verify energy data submitted to Federal agencies could help insure the integrity and credibility of energy data.

Whether an independent agency is created or FEA's responsibility increased, the legislative action should provide the agency with adequate authority to coordinate, streamline, and raise the quality of energy data collection. This is particularly important with regard to duplicative reporting requirements and the respondent burden. S. 1864 does contain a number of provisions in that regard.

Our specific comments on S. 1864 follow.

1. Section 101(c) which applies to retirement and survivorship benefits of the Administrator should be changed to indicate that survivorship benefits are provided for in 31 U.S.C. 43b rather than 31 U.S.C. 43. Accordingly, the phrase "31 U.S.C. 43b relating to" should be inserted before the word "survivorship" and the words "these sections" substituted for the words "this section".

2. Section 101(d)(9) refers to any functions which the Administrator of the Federal Energy Administration may exercise under paragraph 5(a)(9) of the Federal Administration Act

(P.L. 93-275). The specific functions of the Administrator of the Federal Energy Administration with regard to energy data collection and analysis appear in section 5(b)(9) of the Act.

3. Section 103(e) exempts the President from transferring energy information collection activities of other Federal agencies to the Administrator of the National Energy Information Administration where such activities are essential to law enforcement or otherwise essential to special investigations by the Departments of Treasury and Justice, and the Federal Trade Commission or compliance and enforcement investigations of other independent regulatory agencies. To preclude any misinterpretation, we believe that "special investigations" and "compliance and enforcement investigations" should be defined in the bill. It would appear that the key to such definitions should relate to data collection from a limited number of respondents and not be a broad data collection effort. Compliance and enforcement investigations especially need to be defined, since FEA--which is considered an independent regulatory agency under the Federal Reports Act--collects extensive information in carrying out compliance and enforcement activities regarding petroleum pricing regulation.

4. Section 103(f) would transfer present energy forms clearance responsibility of the Office of Management and Budget (OMB) and the General Accounting Office (GAO) to

the Administrator. Presently, OMB is responsible for review and approval of all Federal agency requests for information with the exception of review and approval of requests for information by independent regulatory agencies (including the Federal Energy Administration) which, under 44 U.S.C. 3512, is vested in GAO. While this section would result in centralizing the review and approval of Federal agency requests for energy information, overall, it would result in having three Federal agencies responsible for review and approval of agency requests for information.

GAO has consistently taken the position that forms clearance is an Executive Branch function. We concluded that OMB in view of its overall responsibility for effective management of the Executive Branch, represents the logical choice for the forms clearance function.

Two courses of action regarding energy forms clearance responsibility are possible. One alternative would be to continue the existing energy forms clearance arrangements and require that all Federal agency requests for energy data be coordinated through the National Energy Information Administration (or FEA) prior to submission to the clearing agencies for approval. The alternative which we would prefer would be to transfer energy and other forms clearance responsibility presently vested in GAO to OMB with the added requirement that requests for energy data be coordinated through the Administration

or FEA prior to approval by OMB. In addition, the requesting agency should be charged with the responsibility for adequately resolving any questions raised by the Administration or FEA. This would centralize forms clearance responsibility and at the same time assure coordination of Federal agency requests for energy data.

5. Section 202(a)(3) sets forth the conditions under which the Congress can request and disclose any energy information in the possession of the Administration. Section 202(c) states, however, that energy information to which public access is restricted shall be available to committees of Congress upon request by the Chairman. It would appear that Section 202(c) should be amended to refer to the procedure outlined in Section 202(a)(3) as follows: The phrase "upon request by the chairman" be deleted and the phrase "in accord with the procedure described in paragraph (a)(3) of this section" substituted.

6. Section 204(b)(2)(A) states that the Administrator shall not have access to energy information in the possession of any Federal agency which disclosure to another Federal agency is expressly prohibited by law. Section 204(c) states that in such a case, the Administrator shall obtain the information directly from the original source and notify the source the reason for the separate request. With current concern over the proliferation of Government requests for

information, some legislative change appears warranted which would allow Federal agencies authority to release data to other agencies. We believe that such change should extend, however, the same disclosure requirements to the receiving agency as exists with respect to the collecting agency.

7. Section 301 requires that the Department of the Interior annually survey all energy resources on public lands. Energy reserve estimates rather than resource estimates have traditionally been made annually by industry and other groups, while the more complex and costly resource studies have been undertaken primarily by Federal agencies on a less regular basis. We believe that there is merit to conducting a one-time energy resource study, but energy reserves rather than resources be annually surveyed. We have reported on several occasions since our earlier study on having the Federal Government conduct continuing assessments of energy reserves on public lands. These reports along with the related recommendations are contained in Attachment IV.

As a final comment, we believe there needs to be some consideration given to the timeframes imposed in the bill for mandated activities. In view of the administrative and technical complexities of simultaneously building a major Federal organization and implementing numerous, varied, and far-reaching programs, the requirements and constraints appear to be too stringent. We believe that some greater allowance in

timeframes specified needs to be made for staff-building, complexity of the mandated activities, and for the interaction of a variety of dependent efforts. The Federal Energy Administration's first year under very similar conditions provides first-hand expert testimony to the validity of this concern. The following two examples illustrate the potential time reporting problems.

--Section 103(c)(3) requires the Administrator to submit a plan to the Congress and the President within 9 months of enactment for consolidating Federal energy information activities. Section 103(c)(2) requires each Federal agency collecting energy information to report to the Administrator within 6 months of enactment on their energy information activities. If these agencies take the full 6 months to report, then the Administrator is left with only 3 months to prepare a consolidation plan. We believe that this is not adequate time to prepare a quality plan especially when the staff to prepare such a plan must be hired and assimilated at the same time.

--Sections 203(b) and 203(c) require the Administrator to promulgate a reporting scheme for major energy producing and consuming companies and after consultation with the Securities and Exchange Commission to develop accounting practices to be used in such reporting. Since

the report required under these sections is to be ready for use in the first full calendar year after enactment, the effort to design and implement would have to commence immediately. Such an effort, however, would be critically dependent on at least a firm feel for the consolidation plan prepared under Section 103(c)(3) and on the list of categories of energy information required to be provided by Federal agencies to the Administrator under Section 204(b)(1). The consolidation plan and information categories however will not be available for 6 to 9 months.