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ELECTRONIC GOVERNMENT

Selected Agency Plans for Implementing the Government Paperwork Elimination Act

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Abstract appreciate the opportunity to be here today to participate in the Committees hearing on implementation of the Government Paperwork Elimination Act (GPEA).1 The act requires that by 2003 federal agencies provide the public, when practicable, the option of submitting, maintaining, and disclosing required informationsuch as employment records, tax forms, and loan applicationselectronically, instead of on paper. In October 2000, federal agencies submitted GPEA implementation plans to the Office of Management and Budget (OMB), which is responsible for executive branch oversight of GPEA.	
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Mr. Chairman and Members of the Committee:

I appreciate the opportunity to be here today to participate in the Committee's hearing on implementation of the Government Paperwork Elimination Act (GPEA).[1] The act requires that by 2003 federal agencies provide the public, when practicable, the option of submitting, maintaining, and disclosing required information—such as employment records, tax forms, and loan applications—electronically, instead of on paper. In October 2000, federal agencies submitted GPEA implementation plans to the Office of Management and Budget (OMB), which is responsible for executive branch oversight of GPEA.

As you know, we are currently conducting a review of agency GPEA implementation plans at the request of the Chairman of the Senate Committee on Governmental Affairs. For this hearing, you asked us to report specifically on the efforts of three agencies to meet the requirements of GPEA, as reflected in the plans they submitted to OMB. The three agencies are the Department of the Treasury, the Environmental Protection Agency (EPA), and the Department of Defense (DOD). After describing the framework of OMB's GPEA guidance, I will discuss each agency's plan, including its overall strategy for complying with GPEA, as well as the data on information-collection activities provided as attachments to each of their plans.

To prepare for this hearing, we obtained and analyzed the plans submitted by each of the three agencies and held discussions with cognizant officials on their progress and challenges in meeting GPEA's October 2003 deadline. Because of time constraints, we did not attempt to verify the data reported in the plans regarding planned electronic conversions for specific systems and processes.

Results in Brief

The plans submitted by Treasury and EPA generally provide the kind of information that was specified in OMB's July 2000 guidance. However, DOD's plan did not include a description of the department's overall GPEA strategy and, in some cases, the data provided for specific information collections may be inaccurate, incomplete, or duplicative.

Officials of all three agencies said that they faced challenges in complying with GPEA, particularly with regard to implementing adequate security assurances for sensitive electronic transactions and in planning for and

[1] P.L. No. 105-277, Div. C, tit. XVII.

implementing computer network infrastructures. Further, OMB will be challenged in providing oversight of agency GPEA activities because the plans submitted by the agencies do not document key strategic actions, nor do they specify when they will be undertaken. Taken in isolation, the plans do not provide sufficient information to assess agencies' progress in meeting the objectives of the act. To address this issue, OMB may wish to require agencies to report on major agencywide activities, including specific planned tasks and milestones and the rationale for adopting them.

Background

Advances in the use of information technology and the Internet are transforming the way federal agencies communicate, use information, deliver services, and conduct business. To increase the ability of citizens to interact with the federal government electronically, in 1998 the Congress enacted GPEA.

GPEA makes OMB responsible for ensuring that federal agencies meet the act's October 21, 2003, implementation deadline. In May 2000, OMB issued GPEA implementation guidance,[2] which lays out a process and principles for agencies to employ in evaluating the use and acceptance of electronic documents and signatures. The guidance calls for agencies to examine business processes that might be revamped to employ electronic documents, forms, or transactions; identify customer needs and demands; consider the costs, benefits, and risks associated with making the transition to electronic environments; and develop plans and strategies for recordkeeping and security. In September 2000, we concluded that OMB's GPEA guidance—as well as the guidance and supplementary efforts being undertaken by Treasury, the National Archives and Records Administration, the Departments of Justice and Commerce and others—provided a useful foundation of information to assist agencies with GPEA implementation and the transition to electronic government (e-government).[3] Our report also laid out information technology management challenges that are fundamental to the success of GPEA.

OMB's May guidance also required each agency, by October 2000, to develop and submit a GPEA implementation plan and schedule. According to this guidance, these plans were to prioritize implementation of systems and system modules based on achievability and net benefit. Further,

[2] OMB Memorandum M-00-10, "OMB Procedures and Guidance on Implementing the Government Paperwork Elimination Act."

[3] *Electronic Government: Government Paperwork Elimination Act Presents Challenges for Agencies* (GAO/AIMD-00-282, September 15, 2000).

agencies were required to coordinate their GPEA plans and schedules with their strategic information technology (IT) planning activities and report progress annually.

OMB's Supplemental Guidance on Preparing Agency Plans

In July 2000 OMB issued supplemental guidance that provided a structured, standardized format for agency reporting of GPEA implementation plans. Unlike the May 2000 guidance, which discussed a wide range of activities needed for an agency to comply with GPEA, this new guidance focused on specific kinds of data that OMB was expecting agencies to submit in the October 2000 plans. The new guidance specified that the plans be divided into four parts:

- First, agencies were to provide a cover letter describing their overall strategy and actions to comply with the act. This letter is the part of the plan that provides an agencywide perspective on GPEA compliance efforts.

- Second, agencies were required to provide data in tabular form regarding information-collection activities approved by OMB under the Paperwork Reduction Act (PRA), which mandates that OMB review how agencies collect and use information.[4] The data tables were to include a column showing when an electronic option would be completed (if one was being planned) and whether electronic signatures were to be used.

- Third, agencies were requested to provide an additional table showing interagency reporting, information-dissemination activities, and other agency-identified transactions. According to OMB's guidance, "interagency reporting" encompasses ongoing, periodic reports, such as personnel and payroll reports, which are exchanged among agencies. "Information-dissemination activities" refers to information products intended for the general public, such as the periodic release of labor statistics. Like the PRA-based inventory, this list was to include a column showing when an electronic option would be completed, if planned, and whether electronic signatures were to be used.

[4] Under the Paperwork Reduction Act of 1995 (P.L. 104-13), OMB determines whether the agency needs the information, whether the agency has minimized the burden on the public of collecting it, and whether the agency has maximized the utility of the information collected.

- Lastly, supplemental information was also to be provided about any of the previously listed transactions that the agency had determined to pose a "high risk," such as those involving particularly sensitive information or very large numbers of respondents. This section of the plan was to include a description of the transactions, their sensitivity, and additional risk management measures that would be taken.

Department of the Treasury

Let me now turn to the three agency plans you asked us to review. According to Treasury's plan, the department's GPEA-related activities are a critical component of the overall departmental effort to fundamentally redefine the way it performs its critical missions. According to the plan, a key element of that effort was the development of an e-government strategic plan—just published this month—which Treasury is using as a framework for selecting and implementing electronic initiatives.

In addition to its internal initiatives, Treasury's plan notes that the department has been involved in governmentwide actions to advance electronic government and comply with GPEA. A key example is Pay.gov, an Internet portal developed by its Financial Management Service. According to the plan, the services of Pay.gov can help agencies meet GPEA requirements to accept forms electronically by 2003 by offering a package of electronic financial services to assist agencies, such as enabling end-users to submit agency forms and authorize payments, presenting agency bills to end-users, and establishing the identity of end-users and reporting information about transactions back to the agencies. Once fully operational, this service could help agencies throughout the federal government to more easily reach the goals of GPEA.

According to the department's deputy chief information officer (CIO), the progress of major GPEA-related initiatives at Treasury is being monitored through monthly CIO meetings with representatives from each of the department's various bureaus and by using an investment management tool.[5] The Deputy CIO added that compliance with GPEA is also included in the criteria that Treasury uses in its investment review process for evaluating newly proposed information technology projects.

[5] This tool, known as I-TIPS (Information Technology Investment Portfolio System), is a web-based decision support and project management tool to help support the management of information technology investments.

Treasury's Data Collection Activities

Treasury used its database of information collections identified under PRA as a starting point for preparing the required data tables for its GPEA implementation plan. PRA information collections include such things as requests for forms and publications, tax-related forms, and business-production reports. To refine the list, the department's CIO organization convened a group comprising representatives from Treasury's IT policy and strategy group, CIO development team, bureau representatives, and policy office representatives. The group reviewed the PRA collections and added a records management initiative that had not been part of the original database.

Treasury's plan provides the kind of information stipulated in OMB's July 2000 guidance. Altogether, Treasury identified 336 PRA information-collection processes that are subject to GPEA. According to the plan, 23 of these are scheduled for conversion to an electronic option in 2001, 36 are scheduled for 2002, and 84 are scheduled for 2003. Of the remaining initiatives, 80 were reported to already be converted, two are scheduled for conversion in 2004, and 111 were not assigned a completion date for conversion. In all but one case where the conversion date was beyond October 2003 or not assigned, Treasury included explanations, as required by OMB's guidance.

Further, Treasury identified 105 initiatives offering an electronic option for interagency reporting, information-dissemination activities, and other transactions, and four transactions identified as high risk.[6] For those initiatives included in Treasury's plan that did not specify completion dates, the department plans to include that information when it becomes available, according to the deputy CIO. The plan also is expected to be updated as the bureaus and department offices make progress toward completing its initiatives.

Environmental Protection Agency

According to its October 2000 plan, EPA is currently undertaking three major activities in an effort to provide e-government services and comply with GPEA. The first initiative is to establish a new rule that would permit electronic reporting and recordkeeping and establish the requirements necessary to ensure that electronic documents are valid and authentic. EPA has drafted the proposed new rule, and it is currently being reviewed

[6] The four high risk transactions are (1) The Bureau of Engraving and Printing's (BEP) "Owner's Affidavit of Partial Destruction of Mutilated Currency," (2) BEP's "Claim for Amounts Due in the Case of Deceased Owner of Mutilated Currency," (3) multiple application forms associated with the Community Development Financial Institutions Fund, and (4) "Request for Transfer of Property Seized/Forfeited by a Treasury Agency," also known as an asset-sharing request.

by administration officials. Agency officials expect it to be approved this year, with a final rule to be published in 2002.

The second major initiative is the development of a computer network facility known as the Central Data Exchange. This new facility is to be the central point of entry for all electronic reporting, and is expected to provide security, authentication, error detection, and distribution capabilities. EPA expects the facility to be fully operational by the fall of 2002.

The third major initiative is to improve EPA's information security. We have previously reported on significant weaknesses in EPA's information security program.[7] The October 2000 plan states that the agency has made significant progress in improving its cyber defenses by implementing security confidentiality protocols and procedures. Further, agency officials state that they are actively exploring the use of electronic signatures and public key infrastructure (PKI)[8] technology to ensure the security, confidentiality, and non-repudiation of sensitive data collections.

EPA's Data Collection Activities

EPA used an iterative process to develop its October 2000 plan. Starting with its internal PRA database as a baseline, Office of Environmental Information personnel created a template of information collections that was sent to each program office for validation and for completion of additional GPEA-related data. The agency's final plan contains a detailed inventory of its PRA information collections. An EPA official said that this inventory and its related attachments include all of the information regarding plans for electronic interagency reporting, information dissemination activities, and high-risk transactions, as required by OMB.

EPA identified 279 data-collection activities applicable to GPEA. Through iterative reviews, it determined that 108 of these were not candidates for electronic reporting for reasons such as that they involved interaction with only a few members of the public or because filling out a paper form was deemed to not be a significant burden. According to the agency's plan, of the 171 data collections that were considered suitable for electronic

[7] *Information Security: Fundamental Weaknesses Place EPA Data and Operations at Risk* (GAO/AIMD-00-215, July 6, 2000).

[8] A PKI is a system of hardware, software, policies and people that, when fully and properly implemented, can provide a suite of information security assurances—including confidentiality, data integrity, authentication, and nonrepudiation—that are important in protecting sensitive communications and transactions.

reporting, 21 have already been converted, 3 are scheduled for 2001, 13 are scheduled for 2002, and 96 are scheduled for 2003.

The remaining 38 data collections that will not be ready for electronic reporting by the GPEA deadline all involve the reporting of confidential business information. The electronic transmission of this type of data poses additional risks that EPA does not plan to have fully addressed by October 2003. Agency officials state that they are in the process of assessing these data collections to determine how to collect these data centrally and in a secure form. By 2003 they expect that they will be testing methods of secure transmission but do not expect them to be operational until after the GPEA deadline.

According to EPA officials, in anticipation of a request by OMB for updated information on the data-collection inventories, they sent a letter to the program offices asking for such updated information. Using these responses, EPA officials plan to update their data-collection inventory.

Department of Defense

DOD's October 2000 GPEA plan does not include a description of the department's overall strategy and efforts to comply with GPEA. Likewise, DOD officials could not provide us with documentation specifically addressing a departmentwide implementation strategy.

Officials from DOD's Office CIO told us that major GPEA-related activities within the department are focused on enabling and enhancing electronic business applications and that the department's strategic plans for business process transformation include objectives that incidentally address the goals of GPEA. Examples include the department's paperless contracting project—which aims to achieve paperless processes for many aspects of contracting and invoicing—and its Central Contractor Registration System, which contains electronic information about contractors and vendors. The bulk of DOD's departmentwide activity is focused on developing a PKI to control access to sensitive information and provide security for electronic transactions via digital signatures.

DOD's Data Collection Activities

To assemble the department's plan, officials from the CIO's office began by providing the military services and other departmental components with listings of their information collections reported under PRA and requested that they provide GPEA information for those items and add any others that might be appropriate. The services and components, in turn, relayed the data requests to their sub-components until a level was reached that could provide information about the specific collections. The

data were then reported back up to the office of the CIO, where they were consolidated into a single report for OMB.

The data tables provided in DOD's plan generally conform to the format specified in OMB's July 2000 guidance. The tables indicate that DOD conducted 449 information collection-activities meeting OMB's reporting requirements for PRA. They also identify 13 interagency reporting and information dissemination activities, as well as four transactions that were determined to pose a high risk.[9]

The Office of the CIO did not review the data it received from the various DOD components for completeness or accuracy before reporting the information to OMB in October 2000. In reviewing the data, we found indications that some may be inaccurate, incomplete, or duplicative. For example, the Defense Security Service made 238 entries for data-collection activities that included little of the information requested by OMB and appeared, in many cases, not appropriate as separate entries. In discussions with us, DOD officials agreed that the Defense Security Service had reported incomplete and possibly inaccurate information and said that they would request that the service correct it.

The Office of the CIO has taken steps to follow up on the information submitted by the military services and DOD components. In January 2001, the CIO issued a memorandum to the services and components forwarding OMB's May 2000 guidance on GPEA implementation. The memo stated that CIOs of the DOD components would be expected to apply it during their continued planning, development, redesign, operation, and oversight of department systems. According to CIO officials, this memo is the first formal DOD guidance document specifically addressing GPEA.

Further, in April, the DOD CIO office requested that the services and components review the accuracy of their portions of the GPEA implementation plan. However, DOD CIO officials indicated that only one official—from the Office of the Assistant Secretary of Defense (Public Affairs)—had responded to this information request, and that was to correct possible errors for a single item.[10]

[9] The four high-risk transactions are (1) Application for Uniformed Services Identification Card, (2) Exceptional Family Member Medical and Educational Summary, (3) TRICARE Senior Prime Enrollment Application, and (4) Continued Health Care Benefit Program Application.

[10] The item was "Stars and Stripes Audience Survey."

Data-Collection Activities for Personnel and Readiness

Mr. Chairman, you also asked us to assess the Personnel and Readiness portion of DOD's plan. For this category, DOD reported 76 PRA information-collection activities and ten interagency reporting and information-dissemination activities. DOD provided a projected completion date for one of the 76 PRA-type activities and for two of the ten interagency and information-dissemination activities.

Additionally, we found that 38 of the 76 PRA information collections and four of the ten interagency reporting and information-dissemination activities were likely duplicate entries. We met with officials from the Office of the CIO and the Undersecretary of Defense for Personnel and Readiness and pointed out the potential duplication. The officials agreed and subsequently notified us that Personnel and Readiness had corrected the discrepancies.

Agencies Face Challenges in Achieving Full Compliance with GPEA

In our discussions with agency officials, several themes emerged as significant challenges in meeting the goals of GPEA. First, all three agencies have determined that the security assurances provided through the use of PKI technology will be needed to enable many of their sensitive electronic transactions.[11] As I mentioned earlier, DOD's Office of the CIO is developing a departmentwide PKI, and the office is working with the General Services Administration (GSA) to make its PKI interoperable with GSA's governmentwide Access Certificates for Electronic Services program. EPA is also pilot-testing the use of electronic signatures and digital certificates through GSA's program, and has applied for a grant from GSA to conduct a PKI interoperability project. Treasury is also closely involved in the governmentwide effort to develop PKI, having recently chaired the CIO Council's Federal PKI Steering Committee. According to Treasury's deputy CIO, the department will be challenged to develop its own PKI because it will need to pool resources from, and coordinate activities with, all of its bureaus.

Second, EPA and Treasury both commented about the importance of adequately planning for and implementing computer network and telecommunications infrastructures to provide the capacity and connectivity needed to support the electronic traffic generated by new or enhanced electronic offerings. According to agency officials, many types of transactions covered by GPEA will require the support of new

[11] Issues related to implementation of PKI technology are discussed in further detail in *Information Security: Advances and Remaining Challenges to Adoption of Public Key Infrastructure Technology* (GAO-01-277, February 26, 2001).

enterprisewide infrastructure. For example, EPA's Central Data Exchange project is a major infrastructure undertaking that will be critical to enabling the electronic exchange of information between EPA and state environmental agencies. Likewise, Treasury is developing the Treasury Communications Enterprise to provide a common departmentwide communications infrastructure to support electronic government initiatives throughout the department.

Third, agencies will need adequate capabilities for storing, retrieving, and disposing of electronic records. EPA officials expressed concern about the status of governmentwide electronic recordkeeping standards, which have not yet been finalized. Many electronic systems are already being developed and implemented that may be incompatible with future standards.

As we reported last September,[12] federal agencies face additional information management challenges that are also fundamental to the success of GPEA. Specifically, agencies will need to

- use disciplined investment management practices to ensure that the full costs of providing electronic filing, recordkeeping, and transactions prompted by GPEA are identified and examined within the context of expected benefits; and
- ensure that IT human capital needs are addressed so that staff can effectively operate and maintain new e-government systems, adequately oversee related contractor support, and deliver responsive service to the public.

OMB Will Be Challenged in Overseeing Agency Strategic GPEA-Related Activities

OMB will also be challenged in its oversight role of ensuring that agencies comply with GPEA. As I mentioned, OMB's initial guidance issued in May 2000 prescribed policies and procedures for agencies to follow in implementing the act. For example, the guidance states that agencies should prioritize GPEA implementation based on achievability and net benefit. A number of the prescribed procedures were focused on agencywide strategic actions, such as

- examining business processes that might be revamped to employ electronic documents, forms, or transactions;

[12] *Electronic Government: Government Paperwork Elimination Act Presents Challenges for Agencies* (GAO/AIMD-00-282, September 15, 2000).

- identifying customer needs and demands as well as the existing risks associated with fraud, error, or misuse; and

- evaluating electronic signature alternatives, including risks, costs, and practicality.

However, the GPEA implementation plans submitted by federal agencies do not provide sufficient information with which to assess whether agencies have been engaging in these processes. While OMB's subsequent July reporting guidance called for a brief cover letter describing an agency's overall strategy and actions to comply with the act, it did not stipulate a full report on the variety of strategic activities and other tasks that agencies were expected to perform, and their schedules for carrying them out. Further, the format prescribed for the information-collection data tables does not provide for any indication of whether electronic implementation has been prioritized based on achievability and net benefit.

OMB may wish to consider whether a more comprehensive agency status report is necessary in order to gain better insight into agencywide GPEA planning. Specifically, agencies could be asked to report on the status of the specific tasks outlined in OMB's May 2000 guidance, and provide milestones for completing tasks that are still underway. This would allow OMB to better assess whether individual agencies are likely to achieve the objectives of the act.

Mr. Chairman, this concludes my statement. I would be pleased to respond to any questions that you or other members of the Committee may have at this time.

Contacts and Acknowledgments

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