

**Pre-hearing Questionnaire from Chairman Fred Thompson
For Sally Katzen to be Deputy Director for Management,
Office of Management and Budget**

I. Nomination Process and Conflicts of Interests

1. Why do you believe the President nominated you to serve as Deputy Director for Management (DDM) of the Office of Management and Budget?

I believe I was chosen on the basis of my professional and personal qualifications and experience.

2. Were any conditions, expressed or implied, attached to your nomination? If so, please explain.

No.

3. What specific background and experience affirmatively qualifies you to be DDM?

For the last 6 years I have held senior government positions as the Administrator of the Office of Information and Regulatory Affairs (OIRA) and the Deputy Director of the National Economic Council. OIRA is one of the three areas overseen by the DDM. During my tenure as Administrator of OIRA, I had an opportunity to work closely with the DDM, not only in the specific areas within OIRA's jurisdiction but in some related areas as well. In addition, I often attended and participated in many of the management organizations within the Executive Branch (e.g., the President's Management Council, the CIO Council, etc.). More generally, over the last 6 years I have dealt with many of the management and policy issues that have confronted the Executive Branch. This mixture of management and policy gives me a unique ability to integrate the M and the B in OMB. During the past 6 years, I have also been able to establish solid working relationships with many of the senior people in the Federal Government who bear management responsibility for their departments or agencies.

4. Have you made any commitments with respect to the policies and principles you will attempt to implement as DDM? If so, what are they and to whom have the commitments been made?

No.

5. If confirmed, are there any issues from which you may have to recuse or disqualify yourself because of a conflict of interest or the appearance of a conflict of interest? If so, please explain what procedures you will use to carry out such a recusal or disqualification.

I currently have a qualified blind trust for my husband's and my investment portfolio other than U.S. Government securities and mutual funds. My husband is a partner of Jones, Day, Reavis & Pogue. Any potential conflict of interest raised by these or other matters is addressed in the attachment to my SF-278, which specifies that I will recuse myself from any particular matter in which my husband's firm has a financial interest or represents a party. Any other conflict that may rise will be resolved by recusal or other ethics undertaking as specified by OMB ethics officials.

II. Overall Role

1. How do you view the role of the Deputy Director for Management (DDM) at OMB?

The DDM has two principal roles. One is external, providing government-wide leadership to Executive Branch agencies to improve program performance. This role involves working with the Departments and agencies as well as the President's Management Council, Chief Financial Officers Council, the President's Council on Integrity and Efficiency, the Chief Information Officers Council, the Joint Financial

Management Improvement Program, Electronic Process Initiatives Committee, the Federal Credit Policy Working Group, the Procurement Executives Council, and the Inter-agency Alternative Dispute Resolution Working Group. This Administration has used these groups, many of which the DDM chairs, to cooperatively set objectives and undertake joint efforts to achieve them.

The external role also includes working closely with Congress on a variety of management issues. For example, the implementation of the Results Act requires OMB leadership to assist agencies in implementing the requirements of the law. To be effective, GPRA performance information must become useful and used in decision making by both the Executive Branch and the Congress in the normal course of business.

The second role is internal to OMB. As a member of OMB's senior staff, the DDM participates fully with the Director, the Deputy Director and other appointees in determining how OMB will carry out its duties. By virtue of the Chief Financial Officers Act of 1990, the three Statutory Offices (OIRA, OFPP and OFFM) report to the DDM. In addition, OMB 2000 expanded the responsibilities of the five Resource Management Offices (RMO) to more fully and aggressively address management issues. The DDM's role is to act as a coordinator of all such management activity within OMB and to assure active participation of all parts of OMB in dealing with management issues.

2. What challenges currently face OMB? How will you, as DDM, address these challenges?

OMB's challenge during an era of unified budget surpluses is to develop policy that will maintain fiscal discipline and allow important investments in the Nation's future. Another major policy challenge facing OMB is improving government performance in a balanced budget world. Congress has given us some tools, such as the Government Performance and Results Act, to assist this effort. If confirmed as DDM, I would work to assist the agencies to begin to use strategic plans and performance plans to help us make better decisions on policy, program, financial, management, procurement, and regulatory issues.

If confirmed as DDM, I would also work with the various councils described above to achieve the objectives these groups have developed with OMB participation. Furthermore, I would work with Congress to identify needed legislation that will improve management. This cooperative relationship with Congress produced landmark legislation such as the Government Performance and Results Act and the Clinger-Cohen Act. Meeting the challenges at OMB requires continuing this good working relationship.

3. How do you view OMB's role (and yours as DDM) in communicating and working with Congress to improve management in the Federal Government?

If confirmed as DDM, I would expect to establish a productive, bipartisan working relationship with Members and staff in both Houses of Congress and to keep them informed on Federal management issues.

4. What should be the respective role of OMB and the National Partnership for Reinventing Government in promoting management improvement in government?

The NPR's four major initiatives are highlighted in the President's FY 2000 Budget, as part of the Government-wide Performance Plan. OMB has worked closely with NPR since the first two phases of reinventing government when OMB and NPR staffs jointly conducted analysis, training, and encouraged implementation of initiatives. If confirmed as DDM, I would expect to continue a productive and useful working relationship with NPR, especially with the 32 High Impact Agencies that have the most interaction with the public.

III. Management Practices

1. Given the many issues competing for attention of OMB staff, top leadership direction will continue to be an important factor in ensuring consistent guidance and continued concern for government-wide management issues. How will you ensure that OMB provides adequate attention to long-term management issues with the current management staff at OMB?

OMB devotes substantial resources to understanding the long-term implications of current policies and programs. Over the last five years, OMB has presented a wide range of alternative scenarios for the budget in the long term, derived from an increasingly sophisticated model. Our attention to the future solvency of Social Security is another good example.

Ensuring attention to any long-term policy is always difficult with the crush of daily deadlines. Too often the urgent drives out the important. That is precisely why it is important for the DDM to provide leadership to address long-term issues, especially long-term management issues. If confirmed as DDM, I would plan to do so in at least three ways. First, I would place a strong emphasis on getting agencies to integrate GPRA and the use of performance measures into the annual budget process. Second, I would maintain OMB's attention to the Priority Management Objectives (PMOs), which include a number of long-term management issues. Third, as the chair of a number of important interagency councils, I would provide leadership to see that they deal with long-term issues, including long-term management reform.

2. How many OMB staff members are currently devoted full time to management issues?

In addition to four positions in the immediate office of the DDM, 96 positions in the three Statutory Offices, four "matrixed" procurement positions in the RMOs, and several staff in the Budget Review Division work full time on management issues. But those numbers are by themselves very misleading. OMB 2000 expanded the focus of the "budget side" to more formally and aggressively address "management issues." Accordingly, the staff of the RMOs devote significant, albeit not full-time, attention to management issues. Consistent with the principles underlying the Results Act, "management" is about enabling and ensuring program results. It cannot succeed if it is done in isolation or if it is done for its own sake.

A good example of how OMB actually works on a day-to-day basis is the development of the Administration's list of PMOs, which was published for the first time in the President's Fiscal Year 1999 Budget and updated in the FY 2000 Budget. This list contains both crosscutting goals (e.g., Manage the year 2000 (Y2K) computer problem) and agency-specific goals. Each of these goals reflects the desire of the Administration to seek accomplishment of specific results during the remaining years of this Administration. The goals were developed by the RMOs and Statutory Offices in concert. The process for developing them, reviewing them and monitoring them is coordinated by the DDM with assistance from the Budget Review Division. The National Partnership for Reinventing Government has been a third part of this team. NPR's High Impact Agency commitments for improved results that Americans care about were coordinated by each RMO for its assigned agencies and in general by the DDM.

3. Do you believe this level is adequate?

Yes.

4. Under your leadership, how much staff will you seek to be devoted strictly to management issues?

For the reasons noted above, I believe that the DDM has sufficient staff resources from throughout OMB to accomplish its responsibilities with respect to management issues.

5. The President's Commission to Study Capital Budgeting, the Congress, GAO and the administration have identified the need to improve capital asset planning, budgeting, and acquisition. Based on the experiences of federal agencies in dealing with guidance OMB has provided to date:

a. What do you think are the main impediments to implementing changes that would improve the performance of the agencies' capital decision-making practices?

b. How do you think these impediments could be alleviated?

c. What are your plans regarding the use of capital acquisition funds which OMB has previously suggested could help address issues regarding "spikes" in capital spending and incorporation of the full cost of capital into the budget?

- a. My understanding is that a number of areas that warrant continued attention are highlighted in OMB's *Capital Programming Guide*. The problem is that many of the management techniques are relatively new to the agencies, and it will take some time for the agencies to fully develop them.
- b. The most important of the areas, that warrant continued attention may be good planning. Like any other issue, there should be a clear identification of goals and objectives, and the amount and mix of resources needed to reach the objectives in the most efficient manner. To support better planning, efforts now underway to implement the Results Act (GPRA) should be continued and strengthened, including efforts to align GPRA plans with budget resources.
- c. The primary purpose of the Capital Acquisition Funds (CAF) is to ensure that the cost of capital is charged to the program over the life of the asset, so that the value of the resources that the program uses can be compared with the results that it achieves. I am advised that OMB is currently meeting with a task force that has representatives from several agencies to work out the details of how CAFs might be implemented.

6. Sustaining a management focus within OMB as currently organized relies on the capacity and expertise of the program examiners within the Resource Management Offices to address management issues. How do you plan to ensure that program examiners have sufficient training and expertise to effectively oversee financial management, information resources management, and procurement issues?

OMB's program examiners are expected to perform analysis related to financial management, information technology, procurement, and program evaluation issues for their assigned agencies. These requirements are part of the job description and qualifications OMB uses to recruit and select examiners, as well as the performance standards that Branch Chiefs use to assess individual performance.

OMB's training program for new examiners includes sessions led by the Statutory Offices to ensure that examiners integrate agency management into their work. If confirmed as DDM, I would participate in new examiner training to emphasize the importance of such integration.

In addition to the annual training for new examiners, OFFM, OFPP and OIRA provide ad hoc training for RMO staff on significant requirements in their areas. For example, OIRA recently provided training for the RMOs on Business Continuity and Contingency Plans and on Computer Security. In addition, later this summer OMB will conduct a special training session devoted to the Results Act. Developed and led by several of OMB's senior career staff (Deputy Associate Directors), this training will focus on how to better integrate GPRA into the budget process.

Statutory Office staff also serve as consultants to the RMOs and participate on teams reviewing significant issues, such as reviews of financial statements and major information technology investments.

7. More specifically, given the increased emphasis on performance information and managerial cost accounting, would you encourage building the Resource Management Office staffs' capacity to effectively utilize this information? If so, how?

I am committed to encouraging RMO staff development and enhancement of the skills and experience they need to use performance and cost accounting information to address the management and budget issues the Federal Government faces. The key to achieving greater use is to have this information integrated into the normal course of business by OMB, the President, and Congress when examining programs and making budget decisions, and by the agencies in managing their programs.

8. OMB has an important role in leading and coordinating the implementation of numerous statutory management efforts, such as the Results Act, the Chief Financial Officers (CFO) Act, and

the Clinger-Cohen Act. Describe your role and OMB's current approach to leading and coordinating such efforts. Do you propose changes to enhance OMB's coordination efforts?

OMB relies on inter-agency groups to assist in developing certain policies and to identify and implement ways to better manage Federal resources. The groups meet regularly to exchange information, set priorities, recommend policy direction, initiate action, and undertake projects. They comprise senior officials who share common responsibilities or sets of objectives and concerns within their own departments and across agencies. The DDM chairs many of these groups (including the President's Management Council, Chief Financial Officers Council, President's Council on Integrity and Efficiency, and the Chief Information Officers Council). If confirmed as DDM, I would rely heavily on these groups and their members to continue to assist OMB in improving management in the Federal Government. At this time, I do not have any plans to change these coordination efforts.

IV. Addressing Major Management Problems

1. We appear to be making little progress in resolving mission-critical management problems that impede program performance, waste countless billions of taxpayer dollars annually, and undermine public confidence in the Federal government. [General Accounting Office] (GAO) inspectors general tend to report on the same seemingly intractable programs year after year. What changes do occur are mostly adding rather than subtracting problems. The most obvious example is GAO's "high-risk" list, which grows each time it is updated and now stands at 26 problem areas. In your view, what will it take to generate real movement on these problems?

I am encouraged, rather than discouraged, by the progress that has occurred over the last few years. As noted above, the Administration has identified 24 priority management objectives (PMOs). These are areas that are in need of real change and which receive ongoing attention from OMB's senior officials. The PMOs are published annually in the President's Budget, and OMB staff report monthly to the Director (and the DDM) regarding ongoing efforts, achievements, and planned next steps. I have been advised that most of the 26 mission-critical management problems discussed in GAO's "High-Risk Series" are addressed in the PMOs. Resolving each of the PMO objectives will require sustained commitment over many years. Nonetheless, I believe that OMB has developed an effective approach to ensuring that senior Administration officials remain focused on these objectives.

2. What can OMB in general and you as Deputy Director for Management do to develop and implement an action agenda to get at these problems?

As noted above, I believe that OMB has an effective approach to resolving mission-critical management problems in the Federal Government.

3. What, in your view, can Congress do to help?

Congress has supported many management reform initiatives through key pieces of legislation such as the Chief Financial Officers (CFO) Act of 1990, as amended by the Government Management and Reform Act (GMRA) of 1994, and the Government Performance and Results Act (Results Act) of 1993. These legislative initiatives have resulted in improved management practices throughout the Federal government.

Continued Congressional focus on management issues emphasizes Congress' desire to see issues addressed effectively and thus complements the Administration's efforts. In addition, I would encourage a dialogue with the Appropriations Committees about the alignment of results with appropriations so as to make performance plans more useful.

V. The Results Act

1. Many agency officials (and others) tell us that OMB has not provided sufficient leadership and support to agencies in implementing the Government Performance and Results Act ("Results Act"). Do you believe OMB can and should do more in this regard?

My understanding is that OMB has shown strong leadership on implementing the Results Act, which is reflected in the steady improvement in the scope, quality, and usefulness of Results Act plans. Executive branch agencies have accomplished much over the past two years, and I believe OMB's effort made a significant contribution to this accomplishment by providing guidance, reviewing plans, and giving advice.

If confirmed as DDM, I would continually assess how we might better carry out our responsibilities, and regularly solicit the agencies on how we can improve our interaction with them. Ultimately, however, the Results Act plans and reports are the responsibilities of the agencies.

2. In general, how would you describe OMB's responsibilities (as well as your own as DDM) with respect to Results Act implementation?

OMB's Results Act responsibilities are largely defined by the statute. I understand that OMB has prepared and issued guidance and instructions on carrying out virtually every provision in the Results Act. Apparently this guidance was well crafted; no substantive changes were needed based on three years of experience in carrying out the Act. I am advised that in several instances, OMB amended the guidance to enhance several areas of particular Congressional interest.

Another major OMB Results Act responsibility is the preparation of the annual government-wide performance plan, which is part of the President's budget.

OMB is also responsible for designating several sets of pilot projects under this Act, and reporting to Congress on the results of these pilots, and on overall GPRA implementation. OMB is also charged with making determinations on whether to exempt certain small agencies from having to comply with this Act.

3. In a report on agency FY 1999 Results Act performance plans (GAO/GGD/AMD-98-228, September 1998) GAO recommended that OMB "implement a concrete agenda aimed at substantially enhancing the usefulness of agencies' performance plans for congressional and executive branch decision-making." What has OMB done to act on this recommendation? What more, if anything, do you believe needs to be done?"

OMB continues to work with the agencies on improving the annual performance plans. OMB's efforts have included changes to OMB guidance, greater review of draft plans, and continuing engagement with the agencies on making their plans more useful. OMB's efforts, in part, have contributed to solid progress. Most commentators have concluded that the FY 2000 annual plans are significantly better, overall, than their FY 1999 counterparts. At this time, I do not have any specific proposals in this area.

4. What other specific steps can OMB take to assist agencies in developing detailed strategies for achieving their goals as the agencies revise their strategic plans and continue to prepare their annual performance plans?

The long-term goals in a strategic plan, as well as the specific means and strategies that an agency applies to achieving its goals, must come from the agency. OMB can advise, assist and support agency efforts, but in the final analysis responsibility for managing an agency and its programs rests with the agency managers.

5. Do you think that the Resources Management Offices need to be held more accountable for the quality of the agencies' Results Act plans? If so, how will you make them more accountable?

To make OMB's RMOs 'accountable' for the quality of agency plans, rather than the agencies themselves, would likely distort and diffuse the very accountability these plans and reports seek to promote. If confirmed as DDM, I would work to help OMB continue to assure that the plans are compliant with the statute and consistent with OMB implementing guidance.

6. What is OMB doing and what more can be done to enhance the integration of agency strategic and annual performance planning and performance review, and to ensure that budget decisions are made* on the basis of program results?

I understand that as agencies have responded to GPRA by providing more and better performance data, OMB has steadily increased its use of performance information in its review of agency budget requests. I am advised that in its review of the FY 2001 agency budget requests, OMB will be assessing how well the agency budget requests and performance plans are integrated. The Director's memorandum to agency heads transmitting this year's version of OMB Circular No. A-11 underscores this emphasis. If confirmed as DDM, such integration would be among my highest priorities.

7. Can you provide specific examples of how OMB has used performance data from agency Results Act plans to make budget decisions?

Performance information has always been used by OMB as one factor in making budget decisions. From what I am told, the advent of Results Act performance plans has significantly increased the quality and extent of this information, and performance information is steadily becoming an important factor in more decisions. I do not have first-hand knowledge of specific examples.

8. How can OMB best continue to encourage the development and effective use of results-oriented performance results by agencies?

In my view, the best encouragement comes from knowing that OMB is using this information in budget reviews, in preparing policy recommendations, and in assessing how well programs are being carried out.

9. According to GAO, most agency FY 2000 performance plans suffer from the same three key weaknesses as the their FY 1999 plans; failure to address major management problems; failure to coordinate similar (cross-cutting) programs; and lack of credible performance data. GAO found that agencies established specific and measurable goals to address only 40 percent of their major management problems. Hardly any agencies had worked with others to establish complementary goals and measures for cross-cutting program activities. Perhaps most disturbing of all, GAO found that the plans of 20 of the 24 major agencies provided little confidence that their performance data will be credible.

My understanding is that the annual plans for FY 2000 were markedly better, for most part, than their FY 1999 predecessors. OMB expects the FY 2001 plans to be even better still. I think everyone recognizes both that this process will take years and that we are making progress.

10. Do you agree that agencies should, whenever possible, establish specific and measurable performance goals to address their mission-critical management problems for which they can be held accountable in their performance reports?

Yes. I am advised that OMB guidance in Circular No. A-1 I calls on agencies to do this.

11. OMB's Results Act guidance already states that agency performance plans should contain goals to address mission-critical management problems. However, based on GAO's findings, agencies disregard this guidance over half the time. What steps can you and OMB take to ensure that they do better?

The GAO findings were based on its review of the FY 1999 plans; the cited provision in the OMB guidance was added for the FY 2000 annual plans.

12. As you know, the Federal government is rife with overlapping and potentially duplicative programs and activities. Do you agree that agencies should coordinate with each other to develop complementary performance goals for these programs and activities that, at best, reinforce each other and, at least, ensure that they do not work at cross-purposes?

I understand that OMB guidance for both the strategic plan and annual performance plan instructs the agencies to coordinate on their cross-cutting programs, and identifies specific steps that agencies should follow.

13. Do you agree that OMB is logistically positioned to lead such efforts?

Every year, OMB, prepares cross-cutting reviews of selected program areas. These are intensive assessments of resources, policy, and performance issues associated with these program areas across agencies. Of course, the responsibility for the management and execution of programs lies with the agencies.

14. What is OMB doing, and what more can it (and you as DDM) do, to ensure that cross-cutting programs and activities are coordinated and made subject to complementary performance goals and measures?

Before agencies engage in developing complementary goals for cross-cutting programs, they must first develop quality performance measures and goals for the agencies' programs that are part of any cross-cut effort. As the agency-specific information improves in quality, both OMB and the agencies will be in a position to more extensively engage in the development of cross-cutting goals.

15. What steps will you take to ensure that agencies provide reliable performance data to you and Congress?

OMB's guidance on the preparation and submission of annual performance plans and annual program performance reports provides instructions on describing the systems, processes, and practices for collecting and reporting performance information. In addition, I am advised that OMB has coordinated extensively with the agency Inspectors General on their prospective role regarding the verification and validation of reported data. At this time, I do not have any specific proposals in this area.

16. Given the failure of agencies to address the three key weaknesses in performance plans discussed above (management problems, cross-cutting programs, and data reliability) despite consistent pressure by Congress and OMB, should the Results Act be amended to specifically require agencies to deal with these three issues?

I understand that agencies have addressed these three areas in their most recent performance plans, and the GAO assessment of those plans indicates they have done so. OMB expects that, in the future, plans will continue to improve in these areas.

OMB is required by statute to report to Congress in March 2001 on the overall implementation of GPRA, including recommendations for amending this law. By March 2001, both OMB and Congress will have had the opportunity to review and use four sets of annual performance plans, two sets of strategic plans, and two sets of program performance reports. At that time, OMB will be in a much better position to evaluate overall progress and success in meeting the purposes of this Act.

17. In a July 1 letter to Director Lew, I and other Members of Congress laid out a series of specific Congressional expectations for the first round of agency Results Act performance reports that are due next March. What is OMB's response to our expectations.

I understand that OMB is presently preparing a response to this letter, and that OMB's recently issued guidance in OMB Circular No. A-11 on preparing and submitting program performance reports comports with views in your letter.

18. To the extent that OMB shares our expectations, what will it (and you as DDM) do to ensure that the agencies fulfill them?

If confirmed as DDM, I would work with the agencies to ensure that agency plans and reports are prepared consistent with OMB guidance.

19. Are there areas of disagreement with our expectations? If so, can the Committee have your commitment to promptly advise us of them and work with us to resolve them?

If there are areas of disagreement, I will advise you of them, and be pleased to work with you and other Committees to resolve them.

20. How do you see the role of the DDM regarding agencies' use of program evaluation as a requirement of the Results Act?

If confirmed as DDM, I would promote agency use of evaluation as an appropriate and often necessary means for determining whether goals are achieved. However, coordination with the agencies on the type and schedule of evaluations is best done by OMB's RMOs because of their direct familiarity with individual programs.

21. Better understanding of what we are getting for the resources we are spending is a fundamental premise of the Results Act. In this light:

a. Why have no performance budgeting pilots been designated to date, as required by the Results Act?

b. What specific actions will you take to designate performance budgeting pilots called for by the Act and when will these actions occur?

c. Will pilot agencies make alternative presentations described in the Act in the President's fiscal year 2001 budget?

a. I am advised that OMB's May 1997 report to Congress on Results Act implementation included a copy of a letter to the Chair of this Committee indicating our reasons for delaying the start of these pilot projects. On July 1, in testimony before the House Government Reform Committee, the Acting DDM summarized recent efforts to begin these pilots. I am told that to this point, agencies have shown very little interest in becoming a pilot.

b. At the July 1 hearing, the Acting DDM committed to selecting performance budgeting pilot projects shortly, and to use performance information provided by these pilots in the course of the review of FY 2001 agency budget requests.

c. As the performance budgeting information from these pilots is not yet available, I am advised that OMB is still reviewing whether this presentation should appear as part of the FY 2001 or the FY 2002 budget.

22. How do you plan to address GAO's recommendation (GAO/GGD/AIMD-99-68, February 1999) that OMB develop a concerted agenda to strengthen and clarify linkages between resources and results in agencies' performance plans? Aside from initiating performance budgeting pilots, what actions will you include in such an agenda?

I believe that OMB's instructions to the agencies for reviewing this linkage during the FY 2001 budget formulation are responsive to this GAO recommendation. These instructions are contained in the Director's memorandum to agency heads transmitting the guidance for preparing the FY 2001 budget requests and annual performance plans.

23. The Results Act moves the federal government toward strategic planning and outcome-oriented performance measurement. Implementation of the Act, however, has gone forward without a broad examination at the many functions the federal government now performs and how it is structured to perform them. Do you believe such an examination is warranted? If so, what role could OMB take in such an examination?

A lot of work remains to be done to gain the full benefits of the Results Act. As performance information becomes increasingly available and improves, it will be helpful in evaluating the merits of programs. Such evaluations will of necessity encompass more than performance information.

VI. OMB's Strategic and Performance Planning Processes

1. What improvements do you think are needed in OMB's own strategic and performance planning process?

I am told that OMB's strategic and annual performance planning processes have worked quite well. All the component parts of OMB were fully involved, as was the Director. Revisions to these plans will be managed in the same manner. At this time, I do not have any suggestions for improving the process.

2. How do you view the role of the DDM in achieving the goals set forth in ONIB's strategic and performance plans?

Achieving OMB's strategic and annual performance goals is one of the most important responsibilities of the DDM. The DDM has a number of direct responsibilities detailed in the plan and otherwise provides leadership and support to help OMB and Federal agencies make steady progress in improving the management of the Government's business.

3. What do you see as the most important objectives requiring your attention among those identified in OMB's strategic and performance plans, and how will you focus on them?

If confirmed as DDM, I would participate in OMB's efforts to achieve all the goals and objectives in the strategic and the annual performance plans. I see the most important objectives requiring my attention as follows:

From Goal 2 (Provide management leadership to ensure the faithful execution of the enacted budget programs, regulations and policies), I would single out, in particular,

"Achievement of Commitments for FY 2000 in Priority Management Objectives," noting that in all these objectives, the responsibility is shared with one or more of the RMOs.

"Interagency Working Group achievement of FY 2000 objectives." This is an area where I hope to make a concerted effort to integrate agendas across the various groups (Deputy Secretaries, Inspectors General, CFOs, CIOs, et. al.), and among them and agency program managers and OMB RMOs.

"Improve the performance of government programs by meeting the statutory requirements of GPRA." As indicated in response to the previous set of questions, I hope to work with all of OMB to continue building on the progress made to date on ensuring that Government management and Government budgeting realize the full benefits of GPRA.

In addition, if confirmed as DDM, I would focus on Goal 4 (Improve OMB's means for accomplishing work, including development of its human resources and information systems). I would do what is necessary and appropriate so that OMB has the highest quality, best trained personnel possible.

4. How do you plan to hold OMB's senior executives accountable for implementing the goals and objectives set forth in OMB's strategic and performance plans?

Senior career executives who report to the DDM, directly or through others, are subject to OMB's Senior Executive Performance Appraisal system. If I am confirmed as DDM, I would work to ensure that their performance standards track the requirements of the OMB strategic and annual performance plans, and reflect the levels of achievement that are expected of them.

5. OMB's fiscal year 2000 performance plan states that OMB will work with agencies to achieve certain commitments regarding the President's priority management objectives. What

specific actions will you take to ensure that these commitments are being achieved, and how will you monitor whether progress is being made on these commitments during the year?

As discussed above, the President's FY 2000 budget includes 24 PMOs reflecting a clear set of priorities for management efforts. The list includes twelve government-wide and 12 program-specific objectives that are the Government's biggest management challenges. Responding meaningfully to these serious management challenges requires a collaborative effort between OMB and the agencies to plan solutions and then implement them. The PMOs are coordinated by OMB with assistance from the NPR and inter-agency working groups. Monthly reporting and review of objectives provide me an opportunity for corrective action as necessary throughout the year. If confirmed as DDM, I would work to ensure that the objectives receive frequent and serious senior management attention.

VII. Government-wide Performance-Based Management and Accountability

1. As noted previously, OMB is well positioned to lead a government-wide effort to coordinate cross-cutting programs, yet OMB's fiscal year 2000 performance plan does not indicate any specific actions will be taken in this area. What specific steps will you take to address the need for improved coordination in fiscal year 2000?

Before agencies engage in developing complimentary goals for cross-cutting programs, they should first develop quality performance goals for the agencies' programs that are part of any cross-cut effort. As the agency-specific goals improve in quality, both OMB and the agencies will be in a position to more extensively engage in the development of cross-cutting goals.

2. To better consider related federal agency missions and address program overlap and fragmentation concerns, GAO recommended (GAO/AIMD/GGD-98-159, September 1998) that the government-wide performance plan -- an OMB responsibility under the Results Act -- be revised to augment budget presentations where necessary to achieve a more complete view of federal performance. How has OMB addressed this recommendation?

I am advised that the FY 2000 government-wide performance plan contained more and higher quality performance plans than did the FY 1999 government-wide plan. OMB expects the FY 2001 government-wide plan will be further improved. OMB continues to examine opportunities for selective cross-function presentations in the government-wide plan.

3. The government-wide performance plan for fiscal year 2000 followed the same general format that had been developed and published in the fiscal year 1999 plan. How does OMB intend to address GAO's recommendation that OMB develop new approaches to better integrate all federal strategies, including tax expenditures and regulations, in addition to spending, in the discussion of overall federal performance?

The government-wide performance plan identifies the amount of tax expenditures associated with each budget function covered in the government-wide plan. The plan also includes a section on regulation. These are included by OMB, even though there is no statutory requirement that we do so. Additionally, OMB includes a separate presentation on tax expenditures in a related budget volume, which contains the results of any analyses of the effects of tax expenditures on program performance that were completed during the previous fiscal year.

4. The fiscal year 2000 plan eliminated specific performance measures and commitments that had been developed and published in the fiscal year 1999 plan for OMB's priority management objectives. Often these performance measures and commitments had established important intermediate goals in otherwise long-term performance environments. Why were these measures and commitments eliminated, and how does OMB plan to gauge interim performance?

My understanding is that the only difference is presentational: the FY 1999 PMOs were displayed in a table, while the FY 2000 PMOs were described in narrative fashion. FY 2000 PMOs, like the FY 1999 PMOs, are supported by more detailed project plans and milestones maintained by OMB examiners and

the Departments and agencies actually responsible for tackling the problems. Each has intermediate goals, measures and commitments that OMB; examiners use to track progress.

Each month, the Director and DDM receive reports on each PMO indicating progress against detailed milestones, an assessment of what has happened since the last report, what are the next steps, and what the Director should know or do. These reports are carefully reviewed, and questions are posed or actions taken to ensure that we are on track to meet our objectives.

5. What do you see as OMB's role in fostering government-wide management and accountability that is performance-based?

OMB has a critical role in both promoting performance-based management and in expanding and extending its use throughout the government. I believe that OMB is committed to putting this approach in place, as a means to improve the effectiveness and efficiency of government.

6. As you know, the Results Act requires agencies to prepare annual performance reports on their accomplishments under their annual performance plans. The Act also requires OMB to prepare annual government-wide performance plans. However, there is no requirement for an annual government-wide performance report to inform the public and Congress what was accomplished under the government-wide plan. Do you believe that the Results Act should be amended to require annual government-wide performance reports? If not, why not?

It is premature to judge the feasibility or advisability of a government-wide performance report based on the government-wide plan -- before the first of the agency annual reports has even been prepared. The Act envisions a report in 2001 on which Congress can base proposed revisions to the Act.

7. In the absence of a government-wide performance report, what mechanism is there to ensure accountability for results under the government-wide performance plan?

I am advised that every performance goal in the government-wide performance plan is taken from an agency annual performance plan. The agency annual performance reports, collectively, will track actual performance against every goal in the government-wide plan.

1. OMB Statutory Offices

Office of Federal Financial Management (OFFM)

1. Please describe your views on the importance of financial management improvement in general and the financial management requirements of the CFO Act in particular?

Federal financial management improvement is a critical part of our efforts to ensure the both budgetary and management integrity of Federal programs.

The CFO Act, as amended by the (GMRA), requires the preparation of agency-wide financial statements, which provide information for assessing budgetary integrity, operating performance, and stewardship. The audits of these financial statements provide feedback on the reliability of reported information and on the adequacy of agencies' systems and controls.

The CFO Act also provided the means to implement these efforts: the creation of CFO offices within Federal agencies, OFFM, and the Deputy Director for Management and Controller positions, the development and utilization of strategic planning (required preparation of Federal Financial Management Status Report and Five Year Plan), and annual financial reporting and auditing processes. I understand that there has been substantial progress to date, particularly in the achievement of unqualified opinions on agency financial statements, as well as the preparation and audit of government-wide financial statements. Nonetheless, there is clearly much still to be done.

2. Please describe your views on the role of the OFFM and its relationship to the rest of OMB.

OFFM is the focal point for facilitating and improving Federal financial management both within OMB and the executive branch as a whole. Externally, OFFM provides technical guidance and leadership to individual agencies, as well as inter-agency organizations, such as the CFO Council and the President's Council on Integrity and Efficiency (PCIE) in implementing governmentwide policy. OFFM is also responsible for developing requirements on the preparation and audit of agency-wide and government-wide financial statements, and principles relating to the administration of Federal grant programs. Within OMB, OFFM provides both general guidance and specific technical assistance on financial management issues to the RMOs, for their work with their assigned agencies.

3. How do you envision your role regarding agencies' efforts to implement the Federal Financial Management Improvement Act of 1996 (FFMIA)? Specifically, will you lead OMB to actively facilitate agencies' efforts to implement effective cost accounting practices and define appropriate techniques to integrate these practices with budgetary reporting practices? If so, what strategies would you suggest?

I understand that OMB's role regarding implementation of the FFMIA has been to facilitate agency compliance with FFMIA requirements through the issuance of guidance and to monitor agency compliance with FFMIA corrective action efforts. These requirements include maintaining financial management systems that comply substantially with Federal financial management system requirements, applicable Federal accounting standards, and the United States Government Standard General Ledger at the transaction level.

With respect to cost accounting, I understand that OMB, the Joint Financial Management Improvement Program (JFMIP), and the CFO Council have been active recently in this area. OMB issued the Federal Accounting Standards Advisory Board's (FASAB) Statement of Federal Financial Accounting Standard (SSFAS) No. 4 concerning cost accounting, JFMIP issued Cost Accounting Systems Requirements, and the CFO Council issued a corresponding implementation guide.

I understand that integration of cost accounting with budget accounting is a topic of ongoing discussion at OMB. However, it is a technical area and one in which I have not previously worked. At this time, there, I have no specific suggestion for particular strategies.

4. In your view, therefore, are the staff resources dedicated to financial management issues sufficient for OMB to identify and correct systemic problems, improve government-wide financial management practices, and implement the statutory requirements, including the CFO Act, Government Management Reform Act, and FFMIA?

Not having worked with these issues in the past, I cannot offer an authoritative view concerning the level of OMB's resources dedicated to financial management, though I am advised that OMB believes that current resources are sufficient. As with all OMB activities, however, I am sure that OFFM provides leadership, direction and oversight, but relies heavily on the agencies themselves. If confirmed as DDM, I would of course work with the Controller to provide these important efforts the resources they deserve.

5. The 1998 Federal Financial Management Status Report and Five-Year Plan described progress and future plans for eight financial management priorities. What are your views regarding the key challenges OMB needs to meet to accomplish these priorities?

The objective of these documents is to develop a strategy for achieving financial management goals. OMB just issued its 1999 Federal Financial Management Status Report and Five-Year Plan, which describes six priorities. They are listed here, with what I view as the key challenges to each.

Improve Financial Accountability - Agencies must continue to improve the quality of financial information and work to achieve unqualified audit opinions.

Improve Financial Management Systems - OMB need s to exercise continued leadership to support agency implementation of financial systems improvements, and to help ensure that implementation is cost effective.

Develop Human Resources - The CFO Council needs to work with the Office of Personnel Management to develop effective recruitment and retention strategies to maintain a skilled financial management work force.

Improve Management of Receivables - OMB needs to continue to encourage and support implementation of the Debt Collection Improvement Act (DCIA) by agencies; and assures that decisions about holding, servicing, or disposing of debt are made in manner that is consistent with mission objectives and is cost effective.

Use Electronic Commerce to Improve Financial Management - The government must continue its progress in using technology to more efficiently and effectively deliver services and collect information. Properly implemented systems will not only improve service to the public but also streamline and improve financial management operations and reporting, ultimately enabling better integration of financial information management and use with program management. It is also important to ensure that government systems interface successfully with service providers' systems.

Improve Administration of Federal Grant Programs - The government must continue its efforts to modernize and, where possible, to simplify grants management administration.

6,7. No one knows how much the Federal government loses each year to erroneous payments and other forms of fraud, waste, and abuse. Such information can be helpful in highlighting major problem areas, establishing benchmarks, and encouraging improvements. Many believe that annual reporting of estimated Medicare overpayments begun several years ago has contributed to the recent substantial reductions in erroneous payments. Do you believe that encouraging reporting of overpayments and other forms of waste is desirable and represents a way of stimulating improvements?

I believe that reporting the extent of overpayments has resulted, and will continue to result, in significant improvements in the reduction of erroneous payments and process. I am advised that the annual reporting of Medicare overpayments is a direct result of the financial statement and audit process: required by the CFO Act, as amended by GMRA. I understand that the visibility of Medicare overpayments in the HHS financial statements has had a significant positive result: HHS expanded and redesigned its efforts to reduce overpayments. The success experienced in reducing Medicare overpayments can and should be achieved in other Federal programs.

8. If so, what actions will you and OMB take to require disclosure and reporting of overpayment levels?

If confirmed as DDM, I would support OMB's current initiatives to work with GAO and the Inspectors General (IG) community to: identify the Federal programs at greatest risk of improper payments; determine the level at which such programs are delivered (e.g., State, local government, non-profit organization); develop techniques to calculate the amount of improper payments on a national basis; provide a mechanism for periodic reporting on the extent of overpayments by grantees and by Federal funding agencies; and identify the underlying causes of overpayments (e.g., programmatic design deficiencies) and recommend corrective actions.

Office of Federal Procurement Policy (OFPP)

1. What are your views on the major challenges facing federal government procurement and your priorities for the Office of Federal Procurement Policy?

The major challenges are to ensure that agencies fully integrate procurement planning and management into their GPRA and budget processes and that managers at all levels understand the implications of good procurement management on their ability to deliver services to the public.

OFPP must ensure that all the procurement reform initiatives of the Administration and the Federal Acquisition Streamlining Act of 1994 and the Clinger-Cohen Act of 1996 are fully implemented by the

agencies within a reasonable time. If confirmed as DDM, there are six initiatives that would be my priorities:

Acquisition Workforce - Strengthen the government's ability to recruit, develop and retain a workforce with the necessary knowledge, skills and abilities to act as the principal business advisors in meeting agency needs through contracting,

Electronic Commerce - Increase the government's use of electronic commerce to make the government's buying and paying processes easier, faster and less costly.

Multiple Award Contracting - Increase the use of this type of contract to gain efficiencies while ensuring that agencies make effective use of competition in awarding orders.

Past Performance - Ensure that agencies use contractor performance information to administer current contracts and for future source selection decisions.

Performance-Based Service Contracting - Assist the agencies in achieving the benefits of this technique on their current and future outsourcing efforts.

Small Business Outreach - Encourage agencies to provide maximum opportunities to all categories of small businesses to meet or exceed established goals.

2. In what ways do you think OMB should provide leadership regarding agencies implementation of the Federal Activities Inventory Reform Act (FAIR), and why? Do you regard FAIR as more than a codification of OMB Circular A-76? Does it require any more attention from agencies than A-76 has historically received?

The agencies and OMB have an ongoing responsibility to ensure that commercial activities are performed in a manner that is cost-effective and in the best interest of the taxpayer. I understand that OMB has in the past provided guidance to the agencies on these matters through Circular A-76, through publication of supplemental guidance and by direct contacts with individual agencies. I also understand that Congress wanted to make sure that agencies took these obligations seriously and therefore enacted the FAIR Act to back some of A-76's requirements with the force of law.

Under the FAIR Act, all Federal agencies, unless specifically exempt by the Act itself, are required to submit to OMB, each year, inventories of their commercial activities performed by Federal employees. OMB will review the inventories and discuss them with the agencies, to ensure comprehensiveness within an agency and consistency among agencies. The Act imposes other requirements as well.

I understand that OMB has already developed and published guidance to the agencies on the Act. In addition, OMB has notified agencies that they will now be required to report on the management of this inventory process and on the performance of commercial activities generally. There is clearly much work yet to be done here, but it seems that OMB is making the .

3. In your opinion, does FAIR provide an opportunity to take a broad look at the many functions of the Federal Government and how it is structured to perform?

Yes. My understanding is that one of the intended benefits of undertaking an inventory of commercial activities was to force agencies to consider which activities are core.

4. What are the major challenges agencies face in adopting performance-based service contracting methods and how does OMB plan to assist agencies in addressing these challenges?

OMB, through the DDM and OFPP Administrator, has been working with the Procurement Executives Council to promote the use of PBSC and to develop a core metric and PBSC implementation goals. PBSC is one of the PMOs, with monthly progress reporting. I am advised that OFPP plans to continue providing technical support to the agencies through such actions as disseminating model contract

documents, assisting agencies in developing their acquisition strategies, and assisting in the review of specific contract documents. Attention is also being devoted to the training of people implementing PBSC, and working with agency procurement officials to devote the up-front planning and work to ensure conversion to PBSC.

5. What do you see as the principal challenges for the government in conducting business in an electronic commerce environment?

Electronic commerce offers important opportunities to achieve significant process simplification, increase efficiency, and implement more effective buying strategies. To take advantage of these opportunities, however, the government must keep abreast of, and participate in, the rapid technological and strategic advances being made in the commercial world with respect to EC. In doing so, agencies must be careful not simply to apply EC because the technology is available; rather, they must consider the need to restructure their business processes and assess the benefits to be attained by making the investment.

While our trading partners -- large and small -- will undoubtedly benefit from our adoption of EC applications that promote easier and more efficient interactions (including easier access to business opportunities through a single, government-wide point of entry), we must continue to make concerted efforts to assist small businesses as they reengineer their processes to maintain their competitiveness in an electronic environment.

6. What do you see as government's role in promoting electronic commerce?

From the perspective of OFPP, the government-wide strategic plan for buying and paying (issued by the President's Management Council's Electronic Processes Initiatives Committee in March 1998), states the government's goal to rely upon commercial products, services and practices whenever possible and cost effective. The commercial marketplace continues to invest significantly in technologies that may make buying practices and transaction processing effective and efficient.

Office of Information and Regulatory Affairs (OIRA)

1. Please provide your views on Executive Order 13083, which has now been suspended.

- A. It is our understanding that you were primarily responsible for the development and issuance of E.O. 13083 in May 1998. Is that correct? If not, please explain the extent of your involvement with E.O. 13083.**
- B. Why was E.O. 13083, which would have required agencies to consult with state and local governments, issued without consulting state and local governments?**
- C. Why did the administration not consult with State and local representatives regarding E.O. 13083?**
- D. Why did the Administration try to repeal Executive Order 12612 in the first place?**
- E. Who was responsible for the idea of repealing E.O. 12612?**
- F. Who was responsible for directing the drafting of E.O. 13083?**
- G. Who is directing the drafting of the new federalism Order currently being negotiated?**

As the OIRA Administrator, I was primarily responsible for executive orders that had to do with the development of Federal regulations, including, for example, E.O. 12866, "Regulatory Planning Review", E.O. 12875, "Enhancing the Intergovernmental Partnership", E.O. 13045, "Protection of Children from Environmental Health Risks and Safety Risks", and E.O. 13083, "Federalism".

Over the course of my several years serving as OIRA Administrator, I, in consultation with others in the Executive Office and in the agencies, reviewed the existing relevant executive orders to consider whether they were serving their apparent purposes, were clear in how they should be carried out, and were being implemented in reasonable and constructive ways. E.O. 12612, "Federalism", was evaluated as part of this review. It became clear that agencies were not adhering to the terms of E.O. 12612, partly because of uncertainty concerning the preemption principles that were to be evaluated and because it was not feasible to carry out all that appeared to be required and still perform their statutory missions. The Administration had supported UMRA and wanted an effective intergovernmental partnership and a workable Executive Order; we therefore decided to rewrite E.O. 12612 so that it could be implemented and the agencies could be held accountable. With the redrafting of the Order, we rescinded the original Order, just as we had rescinded E.O. 12291, "Federal Regulation", when we revised it (E.O. 12886).

The failure to consult with State and local governments regarding E.O. 13083, "Federalism", was obviously a mistake, a most regrettable mistake -- one we have now worked for months to correct.

I was responsible for directing the drafting of E.O. 13083 while I was OIRA Administrator, I continued on this project when I moved to the National Economic Council and as a result of my experience with these issues, the Director asked me to direct for him the drafting of the new federalism Order currently under discussion.

2. GAO recently reported that, for the past several years, federal agencies have been routinely ignoring the Reagan executive order on "Federalism" (Executive Order 12612).

- A. Why have agencies only conducted 5 federalism assessments for 11,414 of the final rules issued between April 1996 and December 1998?**
- B. Can you explain how an agency can, in successive sentences on the same page of the Federal Register, say that a rule will preempt state and local authority but that it has no federalism implications? (See GAO's written statement submitted for the record of the July 14 hearing on S. 1214).**
- C. Why did EPA not even mention E.O. 12612 in any of the 1,900 rules it issued between April 1996 and December 1998?**

I do not have firsthand knowledge of the specific examples to which you refer. However, I am not surprised that there was little adherence to E.O. 12612, both by agencies in the preceding Administrations (which authored and formally supported this Order) and in this Administration. As I noted above, this situation caused us to rewrite the Order to achieve the same objectives in a reasonable way.

3. Your successors at OIRA (Messrs. Arbuckle and Spotila) have suggested that Executive Order 12612 has never been implemented by Republican or Democratic administrations.

- a. If that is true, isn't that a compelling reason for putting these requirements in law and providing for judicial review of agencies' actions?**
- b. Do you believe that the agencies have done enough to consider and assess the potential preemptive effects of their rules?**

a. It is also my understanding that non-compliance was the practice in the previous Administrations. I do not believe, however that such non-compliance is a compelling reason to put a flawed Executive Order into statute and make it subject to judicial review. Rather, I think it a reason for us to redraft the federalism Order so that the federalism principles are strong, and the analytic and other procedural provisions are clear and feasible. Issuing a clear Order permits the agencies to understand what they are to do and to become accountable for their failure to do so.

b. I believe that agencies could do more to consider and assess potential preemptive effects of their rules.

4. When Mr. Spotila testified before this Committee at the July 14 hearing on S. 1214, he said that he had supported the addition of judicial review of agency actions under the Regulatory Flexibility Act and that adding judicial review had been very effective, making the agencies pay attention to the Act's requirements. The Small Business Administration's Chief Counsel for Advocacy has said the same thing. The Vice President recommended judicial review for the Regulatory Flexibility Act in 1993. In 1996, Congress provided for judicial review under the Regulatory Flexibility Act when it passed the Small Business Regulatory Enforcement Fairness Act (SBREFA).

- A. Do you endorse the judicial review provision added by SBREFA to the Regulatory Flexibility Act?**
- B. Why does the administration oppose judicial review for federalism assessments when it supported judicial review for Reg-Flex analyses?**
- C. Are state and local governments less deserving of a judicial remedy than small businesses?**

a. At the time of passage, I endorsed the judicial review provisions of SBREFA.

b. The issues surrounding judicial review for federalism assessments are different from those surrounding the Regulatory Flexibility Act (Reg-Flex). Reg-Flex was enacted in 1980. By the time of the White House Conference on Small Business, in June 1995, many small businesses had complained about an apparent long-standing non-compliance with Reg-Flex, which did not pose any feasibility issues for agencies during both Republican and Democrat Administrations. Based on the issues raised at that Conference, the Administration decided to support the judicial review provisions that were added to Reg-Flex.

On the other hand -- and as I indicated above -- in the course of our review of existing Executive Orders, we decided to rewrite E.O. 12612 to make its standards clearer and ensure compliance and accountability by the agencies.

c. The issue here is not whether State and local government is important --it is obviously critical. Rather it is that we do not think there should be litigation over administrative procedures before we have developed and used them.

5. At the July 14 hearing on S. 1214, the Administration suggested that instead of normal judicial review available under the Administrative Procedure Act, Congress should only permit courts to require agencies to prepare federalism assess merits--not to stay, enjoin, or invalidate regulations. However, the net effect of that would be that if an agency fails to comply with the law, the only punishment would be that the agency has to comply with the law.

- A. What kind of incentive structure is that?**
- B. Do you take the that position Congress should only permit courts to require agencies to prepare federalism assessments -- not to provide any sanction**

for failing to comply with the law, such as staying, enjoining, or invalidating regulations?

C. Would the administration support the same kind of judicial enforcement for environmental or tax compliance?

a. With respect, I do not believe that the only "punishment" for failure to comply with the law is that the agency has to comply with the law. In the course of E.O. 12866 reviews, OIRA will be reviewing agency adherence to the new Federalism Order or any federalism legislation that may be enacted. Congress will be carrying out vigilant oversight. And the interested members of the public, and the various representatives of state and local governments, will continue to bring public attention to any failure by the agencies to meet their Federalism assessment responsibilities.

b. Litigation is not the best way to supervise the internal management process of executive agencies. In addition, it is important to recognize that there is a cost of judicial review, both in terms of resources and delay, and when those costs are applied to regulations that protect our health, safety, and the environment, the cost is borne by all citizens, not just the agency.

c. Environmental or tax compliance are not matters relating to internal agency management tools.

6. Do you support putting the requirements for agency federalism assessments in statute?

A. What are your views on S. 1214?

B. Do you support applying the normal judicial review standards available under the Administrative Procedure Act (APA) to a statutory requirement for federalism assessments, as in S. 1214?

C. If you do not support applying the normal judicial review standards available under the APA to federalism assessment as required in S. 1214, what, if any, judicial review standard would you support? Please provide specific language.

a. As noted by the OIRA Administrator and the Department of Justice in their testimony before this Committee on July 14, 1999, S. 1214 clearly represents a serious effort to guide relations between the Federal government and State and local governments. However, I join them in their concerns relating to the failure to bar judicial review of the agency management procedures established in this bill and from the establishment of rules of construction that vary from existing practice.

b. & c. As indicated above, I prefer at most limited judicial review of internal agency management tools. There are several available models, including the Judicial review provisions in S. 746 and those in the Unfunded Mandates Reform Act. I would be happy to work with you and your staff to develop specific language appropriate for S. 1214.

7. What are your views on the success or lack thereof of the Unfunded Mandates Reform Act (UMRA)?

A. Have the agencies adequately complied with the UMRA?

B. Do you have any suggestions on how UMRA could be improved?

a. During the time I served as OIRA Administrator, I thought that agencies took the requirements of UMRA seriously, consulted in a timely and meaningful way with State, local, and tribal governments, and modified their proposed regulations to reflect many of the concerns they heard. As is common across the broad range of Federal regulation generally, each agency did not perform perfectly in each and every case, but I believe that they made a good faith effort to comply with UMRA.

b. At this time, I do not have any suggestions on how UMRA could be improved.

8. The regulatory side of OIRA, with a staff of 22, acts on 3,000-5,000 information collection requests from agencies per year, reviews about 500 proposed and final rules each year, and is responsible for calculating the costs and benefits of all federal regulations. Does OIRA have sufficient staff to perform its work well?

OIRA is allotted 54 positions in FY 1999. Twenty-two analysts are now tasked, at least in part, with review of individual regulatory and paperwork clearance packages. Other OIRA analysts are assigned to regulatory cost-benefit analysis, information policy activities, statistical policy, and the coordination of privacy policy. Other OIRA staff are managers or administrative staff support. In addition to the staff assigned directly to OIRA, OMB staff in the RMOs contribute to OMB's analysis of information collections and regulations. OIRA also leverages its resources by working cooperatively with the agencies, both those responsible for the information collection requests and those affected by them. For these reasons, and based upon my (no longer) current knowledge of OIRA's staffing situation, I believe OIRA at its existing staffing level carries out its assigned responsibilities well.

9. Last year, GAO reported that OIRA had not performed some of its responsibilities as required by the Paperwork Reduction Act of 1995 (PRA). For example, the documents that OIRA cites as its information resource management plan do not provide a central focus on how agencies should use information resources to improve agency and program performance. Also, OIRA does not require that agencies' information collection requests and budget submissions contain all elements that PRA requires. As DDM, what will you do to rectify this situation?

I am aware that you asked the nominee for OIRA Administrator, John Spotila, about this GAO report. He answered by describing a number of planned or ongoing initiatives to address these concerns. If confirmed at DDM, I would discuss with him the progress that OIRA has made and work with him to help as required.

10. What are your views on S. 746, the Regulatory Improvement Act?

I believe that S. 746 reflects responses to most of the Administration's concerns about previous versions of across-the-board regulatory reform legislation. If S. 746 is presented to the President in its current form, I would concur in the views expressed by Acting Director Lew in his July 15, 1998, letter to your Committee.

11. What are your views on the Thompson Regulatory Accounting Amendment that passed last year on the Omnibus Appropriations Act?

- A. Are you committed to fully implementing the Regulatory Accounting Amendment?**
- B. Will the required report include the costs of tax paperwork?**
- C. Will the required report break down the costs and benefits of regulation by agency, agency program and major rule?**
- D. What specifically does the Administration intend to do to comply with the peer review requirement of the Regulatory Accounting Amendment?**

a. Yes.

b. I expect that it will.

c. The report will break down the cost and benefits of regulations to the extent that there are existing data, or readily available data, to do that.

d. I am advised that the OIRA Administrator intends to comply with the peer review requirement. I am also advised that how that will happen will depend on the circumstances and the timing of the preparation of the material.

12. What are your views on S. 59, the Regulatory Right-to-Know Act?

I believe that S. 59 goes too far. While I was OIRA Administrator, we prepared the first cost-benefit report. There was a learning curve, and I believe that the second report was a significant improvement over the first. OIRA appears to be on the right track as it gains further experience in developing these reports, and I would expect continued improvement as a result of the public comments it receives and from the additional peer review it will have. Adding requirements for additional detailed analysis and adding cumbersome procedures for developing this report will, in my view, be counterproductive.

13. What are your views on S. 1244, the Truth in Regulating Act?

At this time, I do not have any views on this bill; it appears to be a matter for the Legislative Branch.

14. What are your views on the issuance of executive orders that arguably serve the function of legislation in the absence of it?

The President has the Constitutional authority to assure that the laws are faithfully executed. It is fully appropriate for a President to issue Executive orders in furtherance of that fundamental Constitutional responsibility. Of course, to the extent that the Congress has concerns about the content of an Executive order, the Congress has full Constitutional authority to pass appropriate legislation, which once enacted takes precedence over an Executive Order.

15. Given the magnitude of its statutory responsibilities, OIRA appears to have adopted a policy-setting and coordination approach to its oversight role. What are the pros and cons of this approach?

The greatest advantage of adopting a policy-setting and coordination approach is that OIRA is able to work with the agencies to have them internalize -- and thus over the long run, institutionalize -- the policy and management policies involved. The disadvantage of this approach is that it takes longer, and may result in varying forms of implementation.

I should note that this policy-setting oversight approach is the one of management (GPRA, procurement, etc.). Top-down, detailed instructions are easier to state, and may achieve faster apparent compliance. However, experience suggests that such a command-and-control approach only works in specific circumstances, often of an emergency nature, and does in most circumstances bring about a shift in agency culture or routine internal practices.

16. In some cases, OIRA has taken the view that agencies are responsible for implementing OMB's policies and guidelines, and that OIRA's oversight should focus on policy setting and coordination rather than on agencies' compliance with laws and policies. Does this view pose any potential problems for OMB's ultimate responsibility for information technology (IT) policy and budget formulation oversight of executive agencies?

Under Clinger-Cohen, OMB has direct responsibility for information technology policy, as well as oversight of agencies' IT activities. I believe this role works well, and indeed compliments OMB's responsibilities for budget information.

Information Technology

1. Although good progress has been made in the last 12 months, many federal departments and agencies are confronted with significant challenges in the little time remaining for operational and end-to-end testing, validation, and remediation of their information systems and embedded technologies to avoid year 2000 date conversion problems. Are there additional steps OMB

should take to ensure that agencies have comprehensive contingency and business continuity plans in place to that will assure taxpayers that federal agencies' missions and services are not adversely affected by year 2000 date conversion problems? Are additional costs likely to be incurred if these contingency plans need to be implemented, and if so, how will these costs be funded?

OMB issued guidance to the agencies calling for the submission of Business Continuity and Contingency Plans (BCCPs) by June 15th . All of the requested agencies submitted BCCPs, and they are now being reviewed and assessed by the RMOs and OIRA staff. Among other things, OMB is assuring that agencies are using consistent assumptions. Throughout the summer, OMB and the President's Council will continue to work with Congress, Federal agencies, States, and the private sector to make certain that agency BCCP's reflect a well-defined, appropriate set of core business processes. At this time, we are not in a position to say whether additional funds may be required and if so how much.

2. Earlier this year, OMB decided it was time to set government-wide IT priorities for year 2000. In doing so, it identified 43 high impact IT programs for the highest priority areas for the federal government, including such programs as Medicare and air traffic control. However, some crucial areas such as national defense and tax collection were excluded. How can such high priority IT areas such as these be excluded from OMB's list?

OMB selected the 43 high impact programs not as IT priorities but rather as Y2K priorities. The list based on their potential direct impact on the *health, safety or well-being of individuals*. Other functions while still vitally important, are not likely to have such a direct impact on individuals. This is not to say the Administration does not consider them critical -- we do and the Department of Defense and the IRS are working hard to make sure that they will not be disrupted by the Year 2000 problem.

3. The estimated cost of year 2000 date conversions for just the 24 major federal departments and agencies has continued to escalate from \$2.3 billion in 1997 to a current estimate of \$8.7 billion. Is OMB confident that agency funding for year 2000 work is not being used for non-year 2000 purposes? Given that a vast majority of the \$3.35 billion in emergency supplemental year 2000 funding provided by the Congress has already been allocated by the executive branch, will OMB be asking for another supplemental in the next few months?

As the Director has previously testified, the original estimates for date conversion were based on remediating mainframe computers and legacy systems. As agencies completed assessments, additional cost, such as embedded chips, telecommunications equipment, and desktop computers, were added to the estimate. Now that assessment and testing is virtually complete, we believe the new estimate for Federal systems is unlikely to significantly change.

OMB has carefully reviewed agency Y2K funding requirements -- both those activities that were funded with agency base appropriations and those that required additional emergency supplemental funds. In particular, allocations of emergency funding have been subjected to a rigorous policy review to make certain that these funds are not intended for non-Y2K-related activities. I am advised that OMB has followed up with agencies to make certain that this is the case, and we are confident that Y2K funds detailed in the OMB Quarterly Report are being used for Y2K purposes.

4. Many agencies have indicated that they have been forced to put other information technology projects on hold that could not be funded because of year 2000 priorities. Does OMB have any sense of what the magnitude of this pent-up IT demand is and what are the possible ramifications for future IT funding needs? If not, do you plan to work with agencies to determine the scope of this demand?

Undoubtedly there is some pent-up IT demand. The agencies are currently developing their requests for the FY 2001 budget process. In the fall, OMB will receive detailed information from each agency requesting IT projects - including justifications, performance benefits, and costs for each proposed major IT investment.

5. What specifically is OMB doing to ensure that agency budget requests for IT funding are supported by the required IT investment and capital planning management processes required by the Clinger-Cohen Act? Can you provide examples where OMB has effectively used the "Raines' Rules" criteria (OMB Policy Memorandum 97-02) to change, stop, delay, or cancel major IT investment funding requests?

OMB has built into the budget process assurances for compliance with IT investment and capital planning processes required by the Clinger-Cohen Act. Best practices for planning for IT are succinctly summarized in the "Raines Rules" and are incorporated in each year's budget guidance. In addition, OMB uses the CIO, CFO, and Budget Offices Advisory Council to further heighten awareness and enlist the cooperation of senior managers in the agencies. I am aware that, using "Raines Rules," OMB stopped at least two major IT investments, saving the public hundreds of millions of dollars - one was the Federal Employees Retirement System (FERS) Automated Processing System (FAPS) project at OPM and the other was the Medicare Transaction System at HCFA.

6. As DDM, do you plan to strengthen OMB's government-wide oversight and budget reviews of major IT funding requests? Do you intend for OMB to continue to use "Raines Rules as the primary criteria for departments and agencies to justify funding requests contained in the President's budget?

If confirmed as DDM, I would whole heartedly support continued application of "Raines Rules." These rules are good business rules that have stood the test of time in the private sector and continue to be the gold standard for OMB.

7. As DDM, in addition to chairing the CFO Council, you would also serve as Chair of the Chief Information Officers' (CIO) Council. Is this dual responsibility practical or are there advantages to creating a "national CIO" position that might report to you? In general, how do you assess the contribution made by the CIO Council towards focusing executive attention and commitment to IT management reforms in the government?

The dual responsibility of the DDM to chair the CFO Council and the CIO Council is, in my opinion, wholly appropriate and very productive role. Participation in these two Councils enables the DDM to coalesce different knowledge sets and experience and should lead to more effective government. A National CIO could create an additional layer of reporting that may be counter-productive.

Overall, I am impressed with the CIO Council's initial steps in identifying and initiating government-wide IT activities. Additionally, the Council provides a forum for hearing different agency perspectives on common IT problems, which can lead to creative and innovative solution sharing.

8. How effective have CIO appointments made by the heads of major federal departments and agencies been thus far in getting management focused on achieving better results with major IT investments? Are there any special requirements that should be considered in filling the CIO position in the federal government setting?

As information technology becomes increasingly important in the day to day operation of all federal agencies, the Chief Information Officers of major departments and agencies have become increasingly effective in getting management attention on major IT investments. The quality of CIOs continue to improve in that they are more technically savvy and have a better understanding of the budget and management structure of their agencies. What has been clearly demonstrated - in both the private and public sectors - is that for a CIO to be truly effective one must be an integral player in the uppermost levels of the department or agency's management team.

9. Regarding electronic records management, what should be OMB's role in helping the National Archives and Records Administration establish electronic records management policies for the federal government?

Throughout this Administration, OMB has assisted the National Archives and Records Administration (NARA) in its efforts to ensure that Federal agencies comply with their recordkeeping responsibilities with

respect to electronic records. In response to the Court of Appeal's decision in the Armstrong case, OMB worked with NARA on the promulgation of its 1995 instructions to agencies on their recordkeeping responsibilities for electronic records. More recently, OMB worked with NARA on the promulgation of its March 1999 Bulletin that responds to the District Court's Carlin decision striking down General Records Schedule 20.

In assisting NARA with respect to electronic recordkeeping, OMB is acting pursuant to its information, regulatory, and budgetary authorities. Under the Paperwork Reduction Act, OMB - through OIRA --"provide[s] advice and assistance to the Archivist ... to promote coordination in the administration of" the Federal Records Act. In addition, as with regulations issued by other agencies, OIRA reviews draft NARA regulations under Executive Order 12866 in order to ensure "that decisions made by one agency do not conflict with the policies or actions taken or planned by another agency." Finally, OMB reviews agencies' information technology plans and funding requests in connection with OMB's preparation of the President's Budget and OMB's implementation of the Information Technology Management Reform Act of 1996.

10. An area of growing concern, given our government's increasing reliance on interconnected computer systems, is information security. Audit reports indicate that agencies are not effectively addressing problems both for individual systems and at an organization-wide level. Weaknesses include not just the protection of their respective infrastructures but also the protection of citizens' private information.

- a. **What is OMB's role in improving agencies' abilities to protect their information systems, detect intrusions, and react to security violations?**
- b. **How can you more effectively enforce agency compliance with OMB security management guidance?**
- c. **What suggestions do you have for future improvements to existing laws and OMB guidance on federal information security management?**

a. OMB works with the CIO Council, the National Institute for Standards and Technology, and the individual agencies to establish risk-based, cost-effective security policies that enable, rather than impede, the agencies' business operations. OMB uses its budget and management oversight process to assist agencies in assuring that their information systems investments include appropriate levels of security. In addition, OMB coordinates various efforts to improve security of agency information systems. Among the specific efforts now underway with the CIO Council, NIST, GSA, and the NSC are piloting new ways of monitoring for intrusions into agency networks and determining the most effective way to ensure timely application of fixes to known security vulnerabilities.

b. I am advised that there has been a renewed effort in this area recently. On June 23rd the Director issued a memorandum to heads of departments and agencies that reminds them of OMB's security policies and calls for each agency to conduct a review of their security practices to ensure that they have in place a risk management process. Agencies are to report back to OMB in 90 days, and OMB will follow-up with individual agencies as circumstances warrant. OMB has undertaken a renewed effort in this area and is capitalizing on the CIO Council to assist by raising security awareness at the management level.

c. I am advised that the consensus among civilian, and indeed some military agencies, is that current law is adequate. The problem is that we need to improve compliance with that law. At this time, I do not have any proposals in this area.

11. Since the passage of the Computer Security Act in 1987, federal organizations other than OMB and the National Institute of Standards and Technology have been created that play important roles in information security issues. For example, Presidential Decision Directive 63 established the Critical Infrastructure Assurance Office and the National Infrastructure Protection Center. What is OMB's role - statutory and otherwise-with these organizations?

OMB works closely with the CIAO to ensure coordinated actions and compliance with current policies and guidance on a number of important security initiatives. Moreover, representatives from the CIAO attend every meeting of the Security Committee of the CIO Council to ensure broad agency input into the CIAO's proposed actions. The relationship with the NIPC is similar in that OMB works directly with them on a variety of issues, most particularly technical initiatives such as intrusion detection monitoring.

IX. Human Capital

1. A strong trend seems to be developing for federal agencies to tailor their personnel practices in some manner that departs from the "standard" procedures under Title 5 of the US Code. For instance, Congress recently authorized much greater personnel flexibility for the Internal Revenue Service and created a performance-based organization with personnel flexibilities for the student loan function in the Department of Education. What are your views on this trend? If such flexibility is good for the IRS, should we consider adoption of such flexibility throughout the federal government?

The "one-size fits all" competitive civil service system, which covers over three fourths of the Federal workforce in nearly all agencies, is in need of reform. Agencies need flexibility to reorganize in a manner that best suits their management needs. But rather than developing individual human resource solutions one-agency at a time, I believe we should approach the issue in a comprehensive way, to provide a set of government-wide human resource management tools that agencies can choose from so as to best support each agency's mission.

I am advised that over the past several years, the Administration has, under the leadership of the Office of Personnel Management, developed a number of proposals to provide increased flexibility for agencies to hire, compensate, reward, and manage their workforce. To ensure that the federal government operates as a single employer, the proposals have attempted to strike a balance between the need for flexibility and a level of consistency across the government.

Whatever the form of report, certain principles must be maintained:

- having a merit-based system that is open to all qualified citizens so that Government can hire and retain the best person for each job that needs to be performed;
- protecting veterans preference;
- ensuring that fairness and equity are applied in innovative compensation and performance management systems;
- continuing to foster solid labor-management partnerships so that employee interests and concerns are heard and understood as new standards are developed for employee accountability; and ensuring that a trusted due-process system is available when needed.

2. What are OPM's and OMB's roles in an increasingly decentralized federal personnel system?

I understand that OPM and OMB work together to lead and coordinate the Federal government's human resource management system. OPM oversees the government-wide implementation of personnel policies to ensure that agencies will abide by merit principles, which are the common foundation of all personnel practices in a decentralized federal civil service system. OPM also administers benefits programs -- including health, retirement, and life insurance programs -- for active Federal employees, retirees, and covered family members in all agencies. OMB monitors the planning and execution of agencies' personnel budgets, and reviews and coordinates the development of legislative initiatives together with agencies, working to ensure consistency with Administration policy. OPM and OMB work together and with other agencies in various interagency groups, such as the President's Management Council and the National Partnership Council, to develop and implement human resource policies on a government-wide basis and to promote effective performance management.

3. The Results Act envisions that agencies will link their human capital planning with agencies' strategic and annual performance plans. However, discussions of how agencies plan to strategically develop their human capital to achieve results continue to be notably absent from most agencies' fiscal year 2000 annual performance plans. To what extent is OMB satisfied with

agencies' attention to human capital in support of Results Act implementation? What efforts should OMB take to ensure that agencies do a better job of linking human capital planning to achieving results?

Good long-term human capital planning, and the integration of that planning with agency mission objectives, needs continued attention. I am advised that OMB is not satisfied with the level of effort thus far applied.

At OMB's request, OPM included the development of performance measures for assessing the effectiveness of agency human resources programs in its FY 2000 Annual Performance Plan. OPM is best suited to do this. The common measures will provide performance and cost comparisons of personnel operations within agencies and across government.

If confirmed as DDM, I would work to place greater attention to this issue and would work with each agency to help them many their measures to their own strategic plan and the achievement of agency and program mission.

4. As you know, since 1991, Congress and the Bush and Clinton administrations have been reducing federal employment levels as a means of restructuring the workforce and reducing federal costs and budget deficits. In furtherance of this effort, the department of Defense and non-DOD agencies have each been using pay separation incentives, commonly known as buyouts, to induce employees to leave federal services. Just recently, the General Services Administration has informed the Committee it is seeking buyout authority legislation to cope with the closure of four distribution centers and four forward supply centers. According to GSA, these closures could affect up to 2,000 employees nationwide and GSA is in the preliminary stages of developing, with OMB and OPM, draft legislation authorizing buyouts for affected employees. What role does OMB play in overseeing the restructuring of federal workforce through he use of buyouts? What other agencies have come to OMB seeking clearance for buyout authority legislation? Do you anticipate that OMB, in consultation with OPM, will seek system-wide buy-out authority rather than proceed in granting agencies this authority on an ad hoc basis?

The Administration's achievement in downsizing the Federal Government is historic. The civilian workforce has been cut by 365,000 full time equivalent employees, resulting in the smallest workforce since the Kennedy Administration. As the agencies continue to reinvent themselves to be more effective and responsive to America's needs, they need an expanded set of human resources management tools to right-size their workforce, establish an appropriate skills mix, and achieve even greater efficiencies.

The FY2000 budget indicates that the Administration will seek government-wide authority to offer voluntary separation incentive payments, or buyouts, to be targeted where the highest cost to benefit ratio would be achieved. I am told that a number of other agencies are seeking agency-specific authority, including the Department of Veterans Affairs, the Federal Communications Commission and certain organizations within the Treasury. I am also advised that OMB actively consults with the agencies on their restructuring plans, and reviews and approves buyout plans in accordance with statutory requirements, administration policy, and the agency's mission and strategic plans. OMB also works closely with the agencies in reviewing agency resources and plans for staffing and organization, which are a key component of agency budget requests.

X. Inspector General (IG)

1. The Deputy Director for Management serves as Chairman of both the Executive Council on Integrity and Efficiency [ECIE] and the President's Council on Integrity and Efficiency [PCIE]. What do you view as your role and responsibility regarding the IGs?

If confirmed as DDM, I would provide leadership and coordination to maximize the value of the Inspector General community's contributions to improving government. I believe it is particularly important to emphasize interagency IG efforts to pool resources and knowledge on crosscutting issues, such as electronic benefit payments, grants, travel and other common administrative services, credit and debt management, financial and information systems, and systems security.

2. What support can OMB give the IGs? Regarding OMB's organization and staffing, what steps will you take to ensure positive communication and working relationships with the IG community?

It is essential for OMB to ensure that both councils have the support they need to function effectively. I understand there are ongoing discussions between OFFM staff and the Vice Chairs of both councils concerning the needs of the IG community and how OMB could best support the councils. If confirmed as DDM, I would work closely with the PCIE and ECIE in achieving their goals.

3. IGs, according to the IG Act, are to be selected without regard to political affiliation and solely on the basis of integrity and demonstrated ability. In your view, what are the key qualifications for IGs, and how will you review their qualifications?

While I have no direct experience with the IG selection and appointment process, I believe that IGs must be individuals of the highest personal integrity, as well as seasoned professionals with proven track records. I believe it is critical that the DDM, as Chair of the PCIE and ECIE, work within the selection and appointment process to ensure that only candidates of unblemished reputations and with appropriate experience are nominated for these positions. If confirmed as DDM, I would make it a priority to study this process and work with the Office of Presidential Personnel to identify potential candidates with experience in IG matters. In the case of the designated Federal entity IGs, who are appointed by their respective agency heads, I would be pleased to assist agency heads in their selection processes.

4. An effective IG office is a tool available for identifying fraud, waste, and mismanagement. When IGs are in dispute with agency management about their findings and recommendations, the IG and management may turn to OMB for mediation. What do you see as your role in these situations?

OMB can prevent some disputes by ensuring that new agency heads and their senior political appointees thoroughly understand the role and responsibilities of the IGs and by facilitating ongoing dialogue between agency heads and IGs. When an agency head and IG cannot reach agreement on an issue, OMB should serve as an "honest broker" and attempt to mediate the situation with tact and discretion. If confirmed as DDM and mediation efforts fail, my goal would be to reach a "respectfully agree to disagree" position where both the agency head and the IG remain committed to improving the programs and operations of the agency.

5. In the past, some IG's have encountered harassment and intimidation by their agency head. Some of those IG's turned to OMB for help in resolving their problems. How would you deal with a dispute between an IG and an agency head?

If confirmed as the DDM, I would take very seriously allegations of harassment and intimidation -- by any party involved. I would hope that good will, a commitment to finding the best solution to the agency's problem, and frank discussions between the principals with OMB as mediator would resolve most disputes. I am advised that early warning systems are already in place to alert the DDM of any brewing issues that potentially could lead to unfortunate disputes.

6. What are your views on the amount of attention that IGs should give to issues of program effectiveness and to making recommendations for achieving improvements in that area -- particularly in light of the Results Act? What role should IGs play in auditing and verifying the results reported by programs in evaluating program performance?

Implementation of the Results Act is still an evolving process. I think it would be more useful at this time for the IGs to focus on controls to ensure the integrity of the data underlying reported measures and to share their perspective on appropriate measures given their knowledge of agency programs and operations.

7. What specific responsibilities do you believe IGs should have with respect to Results Act implementation? For example, do you believe IGs should regularly review and report on challenges facing agencies in producing credible performance data?

I am advised that OMB issued Audit Bulletin 98-08, "Audit Requirements for Federal Financial Statements," which articulated the role of the IGs in Results Act implementation. The Bulletin requires review of the internal controls relating to performance measures as part of the financial statement audit process. As noted above, IGs can best serve the interests of their agencies by reviewing and reporting on the internal controls that have a direct effect upon the ability of the agencies to produce accurate and meaningful performance data.

XI. Relations with Congress

1. Do you agree without reservation to respond to any reasonable summons to appear and testify before duly constituted committee of the Congress if you are confirmed?

Yes

2. Do you agree without reservation to reply to any reasonable request for information from any duly constituted committee of the Congress if you are confirmed?

Yes

XII. Assistance

1. Are these answers your own? Have you consulted with OMB or any other interested parties? If so, please indicate which entities.

The answers are my own. I have consulted with OMB staff who has provided information, amplification, and clarification of particular matters based on their knowledge and experience.