



United States
General Accounting Office
Washington, D.C. 20548

Resources, Community, and
Economic Development Division

B-277381

July 11, 1997

The Honorable Richard K. Armey
Majority Leader
House of Representatives

The Honorable John Kasich
Chairman, Committee on the Budget
House of Representatives

The Honorable Dan Burton
Chairman, Committee on Government Reform
and Oversight
House of Representatives

The Honorable Bob Livingston
Chairman, Committee on Appropriations
House of Representatives

Subject: Results Act: Observations on the Department of Energy's Draft
Strategic Plan

On June 12, 1997, you asked us to review the draft strategic plans submitted by the cabinet departments and selected major agencies for consultation with the Congress as required by the Government Performance and Results Act of 1993 (the Results Act). This report is our response to that request concerning the Department of Energy (DOE). DOE is at a critical juncture in its history. The Department's original core missions—to develop and test nuclear weapons, conduct basic energy research, and set national energy policy—are being replaced in emphasis by major new challenges in environmental cleanup and leadership in science and technology.

Objectives, Scope, and Methodology

We agreed to review DOE's draft plan and (1) assess whether it fulfills the requirements of the Results Act and provide our views on its overall quality; (2) determine whether DOE's key statutory authorities are reflected in the draft plan and, if so, how they relate to the missions and goals in the draft plan; (3) assess whether it reflects interagency coordination for crosscutting programs, activities, or functions that are similar or complementary to those of other federal agencies; (4) assess whether it addresses major management challenges that we had previously identified;

and (5) assess the adequacy of DOE's data and information systems for providing reliable information for measuring results.

We reviewed the most recent draft strategic plan—dated June 16, 1997—that DOE provided to congressional committees. Our overall assessment was generally based on our knowledge of DOE's programs and operations; our numerous reviews of the Department; our discussions with DOE's Acting Director, Office of Strategic Planning, Budget and Program Evaluation; and other information available at the time of our assessment.

Specifically, we used the Results Act, supplemented by Office of Management and Budget's (OMB) guidance on developing the plans (Circular A-11, Part 2), as the criteria for determining whether DOE's draft strategic plan complies with the requirements of the Results Act. To make judgments about the overall quality of the plan, we used our May 1997 guidance for congressional review of the plans (GAO/GGD-10.1.16) as a tool. To determine whether the plan contains information on interagency coordination and addresses management problems we previously identified, we relied on our general knowledge of DOE's operations and programs and on the results of our previous reports. In determining whether DOE's draft plan reflects the Department's major statutory responsibilities, we consulted with DOE's Office of General Counsel and, as you requested, coordinated our review with the Congressional Research Service. To determine whether DOE has adequate systems in place to provide reliable information on performance, we relied on the results of our previous reports and those of the Department's Office of Inspector General.

It is also important to recognize that DOE's final strategic plan is not due to the Congress and OMB until September 1997. Furthermore, the Results Act anticipated that it may take several planning cycles to perfect the process and that the final plan would be continually refined as future planning cycles occur. Thus, our findings reflect a snapshot of the draft plan at this time. We recognize that developing a strategic plan is a dynamic process and that DOE is continuing to revise the draft with input from OMB, congressional staff, and other stakeholders.

Our work was performed in June and July 1997 in accordance with generally accepted government auditing standards. We obtained comments on a draft of this report from DOE. Its comments are enclosed.

Background

Created in 1977 from several diverse agencies, DOE manages the nation's nuclear weapons production complex and conducts research and development on both energy and basic science. DOE operates an elaborate network of facilities, its core being the nuclear weapons complex—a collection of 17 major facilities in 13 states that design, develop, test, produce, and now dismantle the nation's vast nuclear arsenal. About half of DOE's \$16.5 billion fiscal year 1997 budget is devoted to the nuclear weapons complex, an allocation that reflects both the buildup of these weapons through the 1980s and, more recently, the rapidly escalating cost of nuclear waste management and environmental restoration. DOE also maintains one of the world's largest networks of scientific laboratories, comprising nearly 30 sophisticated laboratories valued at over \$100 billion. Highly dependent on contractors, DOE has about 110,000 contract workers and about 18,600 federal employees.

DOE began its strategic planning process in summer 1993, the same year that the Results Act was passed. Although the first strategic plan under the act was not due until September 1997, DOE issued a plan in April 1994. Since that time, DOE has been actively pursuing the objectives of the act by completing several planning and reporting documents before the act required them. For example, DOE has issued an annual performance report for fiscal years 1994 and 1995 and a performance-based budget plan for fiscal year 1998. In addition, the Secretary of Energy entered into annual performance agreements with the President for fiscal years 1995 and 1996. These agreements committed the Department to the achievement of its goals and objectives for those years. Along with early Results Act accomplishments, DOE also began preparing annual audited financial statements, as required by the Chief Financial Officers Act in fiscal year 1995, and received an unqualified opinion from its Office of Inspector General on the fiscal year 1996 statements.

Results in Brief

To its credit, DOE has been actively pursuing the objectives of the Results Act since 1993. Its draft plan provides a mission statement that is generally complete, results-oriented, and fulfills public needs. However, the draft plan does not meet all the requirements of the Results Act. The draft plan fully addresses two of the six required elements of the Results Act—the mission statement and goals and objectives—partially addresses a third, and acknowledges that three others need to be completed for the final plan. Because the draft plan does not contain all six elements, the Congress is missing critical pieces of information for its consultation with DOE.

The draft plan does not expressly link its mission, goals and objectives, and strategies with DOE's relevant major statutory responsibilities. The Results Act does not require agencies' strategic plans to contain a statement of statutory authorities. However, we believe that including such linkages may permit a better understanding of the diversity and complexity of DOE's overall mission and goals and objectives. On the basis of our review of relevant legislation, we believe that (1) the missions and activities defined in DOE's draft plan are generally supported by broad legislation and (2) the draft plan accurately reflects all of DOE's major legislative requirements. However, these current missions have evolved from those that the Congress envisioned when it created DOE in 1977. The Results Act process provides a forum through which the Congress can ensure that DOE's missions and priorities are complementary, are appropriate in scope, do not duplicate those of other agencies unnecessarily, and are in line with congressional priorities.

DOE is sharing its draft plan with other federal agencies for coordination but believes its functions are unique. Its draft plan therefore does not identify programs and activities that are crosscutting or similar to those of other federal agencies. However, DOE's mission does involve or overlap those of other agencies. For example, basic research is also performed by the National Science Foundation; environmental and energy resources issues are also addressed by the Environmental Protection Agency and other agencies; and nuclear weapons production is done to fulfill requirements of the Department of Defense.

Our previous work has highlighted serious problems with DOE's management of contracts and major projects. DOE's plan, under a section called corporate management, includes objectives and strategies that focus on these management challenges. However, the specific measures in the draft plan to address these challenges appear limited in scope or are unclear. For example, while DOE is making progress in addressing the high-risk issue of contract management, the draft plan does not discuss the need to increase competition in DOE's management and operating contracts, a fundamental problem that we have identified in previous reports.

Our review of the information system DOE uses to track performance measures and to identify management problems noted several weaknesses. The system will require modification to track performance measures evolving from the draft plan. In addition, the system depends on

information from other systems, some of which have had problems with data accuracy and completeness.

Draft Strategic Plan Reflects Few of the Key Elements Required by the Results Act

The draft plan does not provide the Congress with complete information for its consultation with DOE. The draft plan includes two of the six critical elements—(1) mission and (2) goals and objectives. While DOE partially included a third element by defining its strategies, it has not identified the associated resources needed to achieve its strategies. Furthermore, three other elements have not been included—the relationship between the long-term goals and the annual performance goals, the key factors external to the agency, and the impact of program evaluations on the development of strategic goals. In issuing its draft plan, DOE acknowledged that it does not yet fully meet the Results Act’s requirements but said that all of the elements will be included in the final plan.

Mission Statement Included in Draft Plan

DOE’s mission statement provides a short overarching statement, but the substance of its mission is described by what it calls four business lines (hereafter called missions). These are energy resources, national security, environmental quality, and science and technology. DOE’s draft plan also includes a section on corporate management, which cuts across the missions.

DOE’s descriptions of its four missions generally are complete, are results-oriented, and address public needs. By complete, we mean that the agency’s major activities appear to be covered. In addition, the descriptions broadly focus on the expected outcomes. For example, a broad outcome of one of the missions is to effectively support and maintain a safe, secure, and reliable nuclear weapons stockpile without nuclear testing. Moreover, the descriptions focus on public needs, such as the need to reduce the environmental, safety, and health risks from DOE facilities.

As we have reported and testified before the Congress, DOE’s current missions bear little resemblance to those envisioned when the agency was created in 1977.¹ DOE was created to deal primarily with the energy crisis of the 1970s. By the early 1980s, its nuclear weapons production activities had grown substantially. Following revelations about DOE’s environmental problems in the mid- to late-1980s, the Department’s cleanup budget began

¹Department of Energy: Observations on the Future of the Department (GAO/T-RCED-96-224, Sept. 4, 1996) and Department of Energy: A Framework for Restructuring DOE and Its Missions (GAO/RCED-95-197, Aug. 21, 1995).

to expand and now overshadows the budget for all other activities. With the Cold War's end, DOE's missions were expanded to include industrial competitiveness; science education; environment, safety, and health; and nuclear arms control and verification. The Results Act process provides a forum for the Congress to examine DOE's current missions to ensure that Department's priorities are in line with those of the Congress and that DOE's functions are complementary, appropriate in scope, and not unnecessarily duplicative.

Goals and Objectives Defined in Draft Plan

The second element in DOE's draft plan is the goals and objectives of its missions and corporate management. The goals and objectives cover the agency's major functions and operations, and the goals are generally results-oriented. For example, one goal includes aggressively cleaning up the environmental legacy of nuclear weapons and civilian nuclear research and development programs, minimizing future waste generation, safely managing nuclear materials, and permanently disposing of the nation's radioactive waste. Although some of the terms are vague, the goal focuses on results.

For each goal, DOE has multiple objectives. Our review identified several objectives that are stated in ways that will make it difficult to measure whether they are being achieved. One example of an objective that is not measurable as written is under DOE's national security mission: to maintain confidence in the safety, reliability, and performance of the nuclear weapons stockpile without nuclear testing. But we recently reported that DOE had not defined a minimum acceptable level of confidence for its stockpile surveillance testing.² We noted that DOE had not performed stockpile surveillance tests as scheduled and was not able to measure the resulting decrease in confidence. For this objective to be measurable, it should include a specific, measurable definition of confidence.

Another objective, listed under the environmental quality mission, is to reduce the most serious risks first. Although a valid and important objective, it cannot be achieved because DOE has not identified priorities across its various sites. As we reported in 1995, DOE's cleanup strategy has been shaped by site-specific environmental agreements without consideration of other agreements or available resources.³ To enable DOE

²Nuclear Weapons: Improvements Needed to DOE's Nuclear Weapons Stockpile Surveillance Program (GAO/RCED-96-216, July 31, 1996).

³Department of Energy: National Priorities Needed for Meeting Environmental Agreements (GAO/RCED-95-1, Mar. 3, 1995).

to allocate its resources to reducing the greatest environmental risks, we recommended that DOE set national priorities and initiate discussions with regulators to renegotiate milestones in agreements according to those national priorities. Without overall priorities for the risks to be addressed, the Congress will not be able to determine whether this objective is being achieved, nor will DOE be able to target its resources to ensure that this objective is achieved.

Strategies Included in Draft Plan

DOE's draft plan includes strategies and, to the Department's credit, about 220 performance measures, which DOE calls success measures, for evaluating the results of the strategies. However, although DOE acknowledges that it has not yet included the resource information the Results Act requires, other information under this element is also missing. The missing information includes linkages to day-to-day activities; the historical resource trends; and the extent to which managers have the knowledge, skills, and abilities to implement the strategies. Without this information, it is difficult to judge DOE's likelihood of success in achieving the goals or the appropriateness of the strategies.

According to DOE's Acting Director, Office of Strategic Planning, Budget and Program Evaluation, the Secretary is looking for several improvements in the draft plan. The Acting Director said that many of the objectives were supported with process-oriented measures as opposed to expected results and that both the strategies and the measures need to be more action oriented. We concur.

Three Elements Not Included in Draft Plan

In addition to the missing components of the strategy and resources element, three other elements have not been included. They are the relationship between the long-term goals and annual performance goals, the key factors external to the agency, and the impact of program evaluations on the development of strategic goals. Without these elements, we cannot assess the overall draft plan, nor can the Congress have an effective consultation with DOE because the elements required by the Results Act are interdependent. For example, key external factors are important in evaluating the likelihood of achieving the strategic goals and the actions needed to better meet these goals. Furthermore, program evaluation can be a potentially critical source of information for the Congress and others in ensuring the validity and reasonableness of the goals and strategies as well as in identifying factors likely to affect performance.

According to the Acting Director, DOE's Office of Strategic Planning, Budget and Program Evaluation, these elements, while not included in the draft plan, are being finalized and were considered in preparing the elements included in the draft plan. He stated that these missing elements will be included in the final plan.

Legislative Authorities Considered but Not Included

The Results Act does not require a statement of major statutory responsibilities to be included with the agency's plan.⁴ Thus, DOE's draft plan does not include references to its major statutory authorities nor does it expressly link the missions, goals and objectives, and strategies with its relevant major statutory responsibilities. Nevertheless, we believe that including such linkages in the plan may permit a better understanding of the diversity and complexity of DOE's overall mission and goals and objectives. According to DOE's Acting Director, Office of Strategic Planning, Budget and Program Evaluation, these references were considered and will be provided as part of the plan when it is issued in final form in September.

On the basis of our review of relevant legislation, we believe that (1) the activities defined in DOE's draft plan are broadly supported by legislation and (2) the draft plan accurately reflects all of DOE's major legislative requirements. We noted that in addition to its statutory authority, DOE has taken into consideration implementation of relevant international treaties or agreements, such as the Agreed Framework executed with North Korea. However, we question the reference in the national security objective to reducing the danger from nuclear and "other weapons of mass destruction." In our view, DOE's role with respect to weapons of mass destruction other than nuclear is peripheral to its other responsibilities.

Although DOE's missions are broadly supported by legislation, they have evolved from those that the Congress envisioned when it created DOE in 1977. As discussed earlier, the Results Act process provides a forum through which the Congress can ensure that DOE's missions and priorities are complementary, are appropriate in scope, do not duplicate those of other agencies unnecessarily, and are in line with congressional priorities.

⁴OMB Circular A-11 suggests that an agency's mission statement may include a brief discussion of the agency's enabling or authorizing legislation. This suggestion, however, does not extend to the statement of goals and objectives.

Crosscutting Program Activities Not Identified, but Coordination Is Occurring

DOE's draft plan does not identify programs and activities that are crosscutting or similar to those of other federal agencies, primarily because DOE believes its functions are unique. Nonetheless, DOE is sharing its draft plan with other federal agencies for coordination. On the basis of our work, however, we believe that DOE's four broad missions do involve or overlap those of other agencies. Because overlapping and fragmented programs can waste scarce funds, confuse and frustrate program customers, and limit the overall effectiveness of the federal effort, it is important for DOE to address this issue in its plan.

In the science and technology area, for instance, where the federal government spent \$60 billion in fiscal year 1996 and the potential for unnecessary overlap is particularly pronounced, close coordination is essential. We have identified several examples of agencies with potentially overlapping missions. According to draft strategic plans,

- DOE's science mission is to maintain leadership in basic research and to advance scientific knowledge;
- the National Science Foundation's mission includes promoting the progress of science, and one of its overarching goals is to enable the United States to uphold a position of world leadership in all aspects of science, mathematics, and engineering; and
- the Department of Commerce's mission includes keeping the United States competitive with cutting-edge science and technology.

Furthermore, DOE states that it will use its laboratories and the nation's universities to contribute to the nation's science and mathematics education. However, the National Science Foundation's authorizing legislation directs it to initiate and support science and engineering education programs at all levels and in all the various fields of science and engineering.

Unless DOE addresses crosscutting issues in its plan, the Congress cannot be assured that federal programs are working effectively. As we have reported previously, the effectiveness of DOE and a host of other science agencies has been hampered by unfocused missions and unclear goals.⁵ For example, the DOE national laboratories, in which DOE estimates it has invested over \$100 billion in the last two decades, are a specific area in

⁵Managing for Results: Key Steps and Challenges in Implementing GPRA in Science Agencies (GAO/T-GGD/RCED-96-214, July 10, 1996).

which our work, and that of others, has shown a long-standing need for clarified missions.⁶

DOE's other missions also involve or overlap those of other agencies. For example, environmental and energy resources issues are addressed by DOE as well as by the Environmental Protection Agency and other agencies. Similarly, nuclear weapons production issues involve DOE and the Department of Defense.

Draft Strategic Plan Addresses Major Management Challenges

Under its corporate management goal and objectives, DOE's draft plan addresses major management challenges that we have previously identified—management of contracts and major projects. However, the measures to address these challenges are unclear and do not address issues that we consider to be significant.

In discussing contracting approaches, the draft plan proposes strategies that emphasize results, contractor accountability, and customer satisfaction. We commend DOE for including a specific success measure for converting its management and operating contracts to performance-based contracts because we consider the Department's contract management a high-risk area that is vulnerable to fraud, waste, abuse, and mismanagement. But the draft plan does not address the need to increase competition in DOE's management and operating contracts, a fundamental problem that we have identified in previous reports. As we reported in our 1997 high-risk report, DOE continues to award most of its management and operating contracts noncompetitively.⁷ From July 5, 1994, through the end of August 1996, DOE decided to extend 16 of 24 contracts on a noncompetitive basis; it awarded the other 8 on a competitive basis. If this pattern continues, DOE will not gain the full benefits of competition and will remain in the same weak negotiating position it has maintained for years.

Similarly, another strategy of DOE's is to strengthen the management of facilities, projects, and infrastructure to ensure cost-effective, safe, and environmentally sound operations and the successful completion of new projects. This strategy is important because DOE has had a dismal track record for its major systems acquisitions—those costing at least \$100 million and required to fulfill the Department's missions. Of the 80

⁶Department of Energy: National Laboratories Need Clearer Mission and Better Management (GAO/RCED-95-10, Jan. 27, 1995).

⁷High-Risk Series: Department of Energy Contract Management (GAO/HR-97-13, Feb. 1997).

major acquisitions that DOE initiated from 1980 through 1996, it has completed 15.⁸ Most were finished behind schedule with cost overruns. Three of the completed acquisitions have not yet been used for their intended purposes. Thirty-one others were terminated prior to completion after expenditures of over \$10 billion. Many of the remaining 34 ongoing projects are experiencing cost overruns and delays.

In its draft plan, DOE included a success measure that focuses on meeting established project scope, schedule, and cost baselines. DOE plans to accomplish this by adopting management systems based on the best project management practices of industry and government. But this strategy does not address the four causes that we identified in our 1996 report as contributing to these problems: the lack of effective incentives for both DOE and contractor employees, inadequate technical and management expertise, the Department's changing missions, and inconsistent support for the projects either from the Department or from the Congress. We believe that addressing these root causes is crucial to correcting DOE's deficiencies in project management.

Actions May Be Needed to Provide Reliable Information on Achievement of Strategic Goals

DOE will need to modify the existing information system it anticipates using to track performance measures evolving from the draft plan and to identify management problems. Moreover, that system depends on information from other systems, some of which have problems with data accuracy and completeness, according to reviews conducted by both us and by DOE's Office of Inspector General.

According to DOE's Acting Director, Office of Strategic Planning, Budget and Program Evaluation, DOE will initially use an existing information system to measure progress under its strategic plan. This system is the one that DOE currently uses to measure progress against the performance goals in the Secretary's annual performance agreements with the President. Although this system addresses many of the same issues that are in the draft strategic plan, it will require fairly extensive modifications to track performance goals that are based on the success measures in DOE's draft plan.

In addition, the information used to update the tracking system depends on various other information systems. However, we and DOE's Inspector

⁸Department of Energy: Opportunity to Improve Management of Major System Acquisitions (GAO/RCED-97-17, Nov. 26, 1996).

General have found that, in some cases, the information from those systems may be incomplete or inaccurate, as these examples show:

- Under a corporate management objective, one of the success measures is to have no fatalities, serious accidents, or environmental releases. However, DOE's Inspector General reported that the Department's computerized accident reporting system underreports the number of significant work-related illnesses and injuries.⁹
- Under the environmental quality mission, one of DOE's strategies is to develop and deploy innovative environmental cleanup, nuclear waste, and spent fuel treatment technologies that reduce costs. But, according to a recent Inspector General report, the Department's contractors have not implemented a system to collect and disseminate scientific and technical information.¹⁰ Also, we recently testified that confidence in the cost-savings estimates varied for the environmental projects that we reviewed because they were based on preliminary data or reflected changes in project scope and duration.¹¹
- Under the national security mission, one of the success measures is to protect all U.S.-origin nuclear materials in foreign countries from possible illicit nuclear trafficking. However, we have reported that the U.S. system that tracks exported nuclear materials does not have all the information needed to identify the specific location and status of all nuclear materials of U.S. origin that are supplied to foreign countries.¹²

Observations

To its credit, DOE has been actively pursuing the objectives of the Results Act since 1993. DOE has done a good job of focusing on Department-wide missions that transcend the interests of individual programs. However, in not completing more than two of the six elements, DOE may have lost an opportunity to have the most effective congressional consultation process.

Nonetheless, the consultation process provides the opportunity for the Congress to evaluate the continuing appropriateness of DOE's missions in light of the fact that (1) these missions have changed drastically from

⁹Audit of Department of Energy Contractor Occupational Injury and Illness Reporting Practices (DOE/IG-0404, May 7, 1997).

¹⁰Audit of the Department of Energy's Scientific and Technical Information Process (DOE/IG-0407, June 17, 1997).

¹¹Cleanup Technology: DOE's Program to Develop New Technologies for Environmental Cleanup (GAO/T-RCED-97-161, May 7, 1997).

¹²Nuclear Nonproliferation: U.S. International Nuclear Materials Tracking Capabilities Are Limited (GAO/RCED/AIMD-95-5, Dec. 27, 1994).

those that existed when DOE was created and (2) the four broad missions significantly involve or overlap those of other agencies. In this way, the Congress can ensure that DOE's priorities are in line with its own and that DOE's functions are complementary, appropriate in scope, and not unnecessarily duplicative.

Agency Comments and Our Evaluation

We provided a draft of this report to the Department of Energy for its review and comment. (DOE's comments are in the enclosure.) Overall, DOE agreed that our report will be helpful as the Department moves to the next stage of its strategic plan's development. However, DOE (1) disagreed that the incompleteness of its strategic plan lessened the effectiveness of its consultation with congressional staffs and (2) believed that, in general, the consultation process could be impaired if agencies are taken to task for not having fully developed final plans. While we agree with DOE that effective consultation can be based on working draft plans, we believe that these draft plans should discuss the six elements outlined in the Results Act to provide a better foundation for the consultation process. Recognizing DOE is continuing to revise its draft plan, our report focused on issues not resolved in the Department's working draft. We believe that it is important for these issues to be considered over the few remaining months of consultation before a final plan is required.

As arranged with your offices, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from its issue date. At that time, we will send copies of this report to the Minority Leader of the House of Representatives; Ranking Minority Members of your Committees and the Chairmen and Ranking Minority Members of other committees that have jurisdiction over DOE; the Secretary of Energy; and the Director, Office of Management and Budget. We will send copies to others on request.

Please call me at (202) 512-3841 if you or your staff have any questions concerning this report.

A handwritten signature in black ink, appearing to read "Victor S. Rezendes". The signature is fluid and cursive, with the first name being the most prominent.

Victor S. Rezendes
Director, Energy, Resources,
and Science Issues

Enclosure

Comments From the Department of Energy



Department of Energy

Washington, DC 20585

July 7, 1997

Mr. Vic Rezendes, Director
Energy, Resources, and Science Issues
United States General Accounting Office
Resources, Community, and
Economic Development Division
Washington, DC 20548

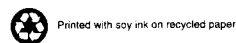
Dear Mr. Rezendes:

Late in the afternoon of July 2, 1997, the Department of Energy received for comment the GAO report entitled "RESULTS ACT: Observations on the Department of Energy's June 16, 1997, Draft Strategic Plan". The difficulty of GAO's task—to review what is in effect a work-in-progress—is duly noted and, in many ways, the results of the review are helpful as we move to the next stage of the Strategic Plan's development. However, the GAO also appears to be using this report as an opportunity to raise a number of issues that stem from numerous previous GAO reports that have little bearing on Government Performance and Results Act (GPRA) implementation and have been the subject of much dialogue between our two Agencies. We will not rehash those comments here; rather, our comments will be limited to the effective implementation of GPRA and the GAO comments on strategic planning.

The Department supported the Legislation resulting in GPRA and, as noted in the draft GAO Report, began implementing its provisions immediately upon enactment in the belief GPRA provided meaningful guidance on the management of Government Agencies. As a result, we have three years of experience in strategic planning and performance management and have made much progress. However, we will be the first to acknowledge the difficulty of this task and that we are still learning. The Department is committed to this process and is hopeful that this first year of actual GPRA implementation can lead to greater management improvements as envisioned by the Act.

Perhaps the most significant provision of GPRA is that the Agency strategic plan be done with the "consultation" of Congress. It was clear from the beginning that all of us needed to understand what this meant. We have tried in earnest to find the most meaningful and effective way to ensure that Congressional interests are considered *early* in the Department's process. We have held numerous meetings on both the Senate and House side to elicit ideas and opinions from key Congressional staff. These discussions have proven to be invaluable to our strategic plan development. Key House staff have acknowledged that the Department of Energy had the best consultative process. So it comes as some surprise to us that GAO believes the working draft of the strategic plan as insufficient for consultation purposes.

This brings us to the larger issue—how to make the GPRA process work so that all parties benefit from its implementation. The most important ambition of GPRA is that Congress and the



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Comments From the Department of Energy

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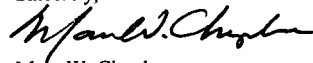
Administration better understand how Government provides improved services to the American taxpayer. There will be policy differences, as is always the case, but even these differences would be better understood by clearly enunciating intended results and the strategic aims of Government Agencies.

The Department furnished a working draft of its strategic plan to Congress in order to ensure a meaningful consultation process. Congressional staff found this preliminary working draft useful as beginning discussion points between Congress and DOE. These discussions have also proved useful to us and will have a fundamental impact on the final product. If, on the other hand, Agencies are taken to task for not having fully developed "final" plans, this could seriously impair the effectiveness of the Congressional consultation process and undermine the intent of GPRA. This consultation should not become merely a review and comment process. In fact, the real benefit to us, and to the Senate and House staff with whom we have met, has been the opportunity to exchange real ideas and review differences before positions have become "official" and rigid. This benefit of GPRA would be lost if the GAO and others get caught up in scorekeeping and "side-by-side" comparisons of draft plans before they have had the benefit of real discussions. This is a critical issue that is not acknowledged in the GAO draft Report.

As a result of an extensive stakeholder and intergovernmental review and the consultative process we have constructed with Congressional staff over the past three months, we expect to have a significantly improved draft plan to OMB by August 15 of this year. That review and commenting process will substantially improve the quality of the September 30 submission to Congress. This iterative approach to strategic planning provides the maximum value to all parties concerned. As a result of this process, we plan to include a section linking statutory authority to our goals and objectives even though it is not required by GPRA. This is yet another example of the advantages of having an open process that allows for give and take among the participants.

I would like to thank you for your comments and suggestions for improving our strategic plan and processes. I also hope you take to heart some of our suggestions in making the GPRA process realize its full potential for success.

Sincerely,



Marc W. Chupka
Acting Assistant Secretary
Policy and International Affairs

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