



Tech Industry Coalition Seeks More Government Transparency

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In addition to a "good government" transparency goal of making government data and business information collected by the government more accessible for what DTC Executive Director Hudson Hollister calls "democratizing data," the unlocking of more federal information also provides commercial opportunities. Both large and small IT companies will be able to use their capabilities for new products and services.

President Obama initiated an Open Government program on his second day in office, pledging to make government information more accessible to the public.

Three years later, that program has achieved significant success in many forums, including major improvements in the use of electronic channels for disseminating government information. However, the effort of making more federal information even more accessible is a continuing one that seems to get more challenging every year.

Public advocacy groups, as well as commercial IT providers and private sector companies utilizing the tools of e-commerce  for customer contact, have a valuable stake in programs fostering better access to government data. With a plethora of groups and companies already following federal IT programs, it would seem the open government front is well covered.

Not according to the Data Transparency Coalition (DTC) -- a new organization that began operation April 19 with 13 founding members, including [Teradata](#) and Microsoft (Nasdaq: MSFT).

"We are advocating common sense initiatives that encourage the productivity and transparency necessary for government reform," said Hudson Hollister, DTC executive director.

Formats Stymie Public Access

"Too often, the federal government doesn't publish crucial spending details, regulatory filings, corporate disclosures or legislative actions online. Even when such data is electronically published, the government often fails to adopt consistent machine-readable identifiers or uniform markup languages," Hollister told the E-Commerce Times.

"Without data standardization, citizens, members of the media, watchdog groups, and even the federal agencies themselves have no means of searching the information to identify spending patterns or waste, fraud, and abuse," he said. "We need an industry initiative to make it happen."

DTC claims it is only group unifying the technology industry in support of federal data reform, with an emphasis on utilizing machine-readable IT mechanisms such as [XML](#) and especially XBRL in the dissemination of federal data.

"Data transparency is quite different from other federal IT issues. I don't track the trade groups closely, but plenty of them seem to be about selling to the government or protecting the IT industry's policy interests," said Jim Harper, a senior information policy advisor at the [Cato Institute](#) and a board advisor to DTC. The [Cato Institute](#) itself is not affiliated with DTC.

"I'm not aware of one that is working to make the government more transparent through the use of IT, which is a very different ball of wax," Harper told the E-Commerce Times.

DTC's immediate goal is enactment of the proposed Digital Accountability and Transparency Act (DATA Act), introduced last year by Rep. Darrell Issa, R-Calif., and Sen. Mark Warner, D-Va. The act will open federal spending information to the public by establishing a single public platform for reports by grantees, contractors and agencies. The bill also mandates the consistent use of government-wide identifier codes and markup languages, such as XBRL, to make the data easily searchable.

The bill is likely to be considered by the full House this week.

IT Market Opportunities

However, DTC isn't only interested in tracking contract and grant information. The group also is focusing on the expanded use of XML and XBRL and standardized identifiers. For example, the [Office of Management and Budget](#) (OMB) and the U.S. Treasury Department use different codes for different agencies, making it virtually impossible to compare and relate agency budget and expenditure information.

While the [Securities and Exchange Commission](#) (SEC) requires XML for some corporate financial reports, it does not require that mechanism for a substantial amount of other information, including executive compensation and corporate director data.

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Both large and small IT companies will be able to use their capabilities for new products and services, including search mechanisms provided by Google (Nasdaq: GOOG) and others, as well as data analytics offered by firms of all sizes.

"We have some members who can help the agencies do a better job of monitoring agency contracts and expenditures for possible fraud and waste -- so that's one commercial opportunity. But making more information available in easier-to-use formats could create a whole new industry in the IT field. In fact, a lot of niche companies that bring a focus and energy to a specific use or analytic capability will find some opportunities here," Hollister said.

Analyzing corporate government filings or consumer financial regulation data are just two possibilities.

"There's a lot more data out there," Hollister added.

DTC is supporting other initiatives that could also provide opportunities for commercial IT solutions:

- The Public Online Information Act, which requires that whenever a federal law or regulation requires information to be made public, the information should be published online in a machine-readable fashion.
- The Financial Industry Transparency Act, which requires the adoption of consistent markup languages, such as XBRL, by financial regulators for the information reported to them.
- The Legal Entity Identifier -- a proposal by the Office of Financial Research (OFR) of the U.S. Treasury Department that would establish a standard identification code number for companies. The code would be used by all financial regulatory agencies across different markets and jurisdictions.

DTC is hoping to expand its list of members to include some of the major IT firms in the U.S., as well as boosting its roster of smaller more specialized firms. But even as a startup group, DTC can already demonstrate it has made some fledgling progress.

"DTC has brought new attention to data transparency, though, and perhaps helped catalyze the DATA Act's movement to the House floor this week. So I think it's had some success here in the early going," Harper said.

Progress on the legislative front would bolster the Obama administration's initiative on public access, which included a reference related to the IT language issue.

"Information maintained by the federal government is a national asset. My administration will take appropriate action, consistent with law and policy, to disclose information rapidly in forms that the public can readily find and use," President Obama said in a directive issued Jan. 21, 2009. 