

GOVERNMENT MATTERS

May 20, 2014

Vol. 2, No. 10

In This Issue

Citizen Health & Safety

[West Virginia Mine Deaths Highlight Need for Congressional Action on Mine Safety](#)

Open, Accountable Government

[DATA Act Becomes Law, Increased Transparency on Federal Spending to Follow](#)

Revenue & Spending

[U.S. Defense Spending in Eight Charts](#)

West Virginia Mine Deaths Highlight Need for Congressional Action on Mine Safety

by Katie Weatherford

Two miners were [killed](#) May 12 while working at Brody Mine No. 1 in West Virginia, a coal mine with a history of "significant and substantial" [violations](#), according to the federal Mine Safety and Health Administration (MSHA). While the cause of these two deaths remains under investigation, the incident is just the most recent example of the inadequacy of current mine safety and health programs that are intended to protect miners from on-the-job hazards. To correct these problems and prevent future disasters, MSHA must improve its oversight and enforcement of hazardous mining operations, and Congress must provide the agency the resources it needs to accomplish its important mission.

2010 Upper Big Branch Mine Explosion Spurs Reform

The Brody Mine incident occurred less than 10 miles from the site of the explosion of Massey Energy Company's [Upper Big Branch mine](#) in April 2010, which took the lives of 29 workers. Following the Upper Big Branch explosion, MSHA was heavily [scrutinized](#) for failing to recognize obvious signals that a disaster was imminent.

According to AFL-CIO's 2014 report, [*Death on the Job: The Toll of Neglect*](#), "[a]n internal review of MSHA's activities prior to the UBB explosion in April 2010 found that inspectors failed to identify deficiencies in Massey's dust control program and ventilation and roof control plans, despite repeated inspections of the mine." Further, the review attributed the shortcomings to a "lack of inspector training, inexperience and management turnover."

In response to that incident, MSHA took numerous steps to improve its oversight and enforcement activities. Shortly after the explosion, MSHA began to conduct "impact inspections" to target the mines with the worst safety records, as well as those with a high risk of explosions. According to MSHA's [website](#), the agency has conducted 739 impact inspections since April 2010 and has issued 12,122 citations, 1,109 orders, and 51 safeguards.

MSHA has also taken steps to update its [patterns of violations \(POV\) program](#). Under the program, MSHA annually evaluates the mines within its jurisdiction to identify those with repeated safety and health violations. For mines with a pattern of violations, MSHA will issue a POV notice, which is followed by a complete inspection within 90 days. If, during this inspection, the inspector finds a "significant and substantial" violation of health and safety standards, the inspector will issue a withdrawal order requiring the mine operator to remove all people from the affected area. Workers and others are not allowed to return until the inspector finds the violation has been corrected and no other "significant and substantial" violations exist at the mine.

The Brody Mine Incident Highlights Need for Further Improvements

Despite MSHA's efforts to update its oversight and enforcement activities following the Upper Big Branch explosion, much more work remains to be done.

In 2013, MSHA issued 514 citations, orders, and safeguards against Brody mine, many for serious violations. MSHA proposed penalties of \$3,315,750 for those violations. Since placing it on the POV list in October 2013, MSHA issued 69 withdrawal orders for Brody mine. Nine of the 54 citations/orders identified in MSHA's October 2013 POV notice to Brody mine relate to "conditions and/or practices that contribute to roof and rib hazards."

[Officials believe](#) the two deaths at Brody mine may have been caused when the roof of the mine collapsed on them while they were performing a risky mining procedure called "[retreat mining](#)." The practice involves miners removing pillars of coal that are holding up the roof of a mine. Sections of the roof in front of the miners are supposed to collapse, but if something goes wrong, the entire roof or the wrong sections can fall in, trapping and killing the workers inside.

Despite MSHA's listing of Brody mine as a repeat violator, the agency's authority only allows it to shut down affected areas of the mine. Kevin Stricklin, MSHA's administrator of coal mine safety and health, [told](#) the Associated Press, "We just do not have the ability or authority to shut a mine just because it has so many violations."

Although MSHA alone cannot completely shut down a mine that has repeatedly violated health and safety standards, the agency can ask a court to issue an injunction to stop a mine from operating. The

agency has only sought such an [injunction](#) once, against a Massey Energy mine with a pattern of violations (not Upper Big Branch).

Congress Must Update MSHA's Authority and Provide Additional Funding

The authority and resources MSHA needs to further improve its oversight and enforcement activities require congressional action. First, Congress must enact legislation, such as the [Robert C. Byrd Mine Safety Protection Act](#), to prevent future disasters by deterring violations and empowering miners to raise safety concerns. The bill would update MSHA's POV program, boost criminal and civil penalties, and delegate authority to the agency to issue subpoenas and take additional enforcement actions. Although this legislation has been introduced in the last three sessions of Congress, it has yet to garner enough support to pass in both chambers.

Congress must also appropriate needed resources for MSHA to carry out its activities. Although Congress increased the agency's budget shortly after the Upper Big Branch mine explosion in 2010, MSHA's budget was substantially impacted by sequestration cuts in FY 2013. The FY 2014 budget did include more resources for MSHA compared to what the agency received during sequestration, but after adjusting for inflation, that funding level is still lower than any year of the Obama administration prior to sequestration's automatic spending cuts.

Fiscal Year	Enacted Budget (in millions of dollars, adjusted for inflation)
FY 2009	\$383
FY 2010	\$388
FY 2011	\$381
FY 2012	\$385
FY 2013	\$360
FY 2014	\$376

Congress must correct its course and provide MSHA with the funding and authority it needs to carry out its critical mission: to protect our nation's miners from on-the-job hazards and long-term injuries and diseases and to prevent future disasters like the ones at Upper Big Branch and Brody mine.

*Table source: Department of Labor FY 2015 Budget Justification, Budget Summary Tables, <http://www.dol.gov/dol/budget/2015/PDF/CBJ-2015-V1-02.pdf>

DATA Act Becomes Law, Increased Transparency on Federal Spending to Follow

by Sean Moulton

On May 9, President Obama quietly signed [the Digital Accountability and Transparency Act of 2014 \(DATA Act\)](#) into law. Congress and open government advocates across the political spectrum worked for years to refine and pass the spending transparency legislation. The new law, if properly implemented, will be a big win for everyone.

Reps. Darrell Issa (R-CA) and Elijah Cummings (D-MD) first introduced the DATA Act in June 2011. Though it has had bipartisan support from the beginning and was introduced in both the House and Senate, the legislation was not as easy to move as expected. It took three years and several revisions to pass this important law.

When the Senate passed an amended DATA Act (S. 994) on April 10, it set the stage for the end game. The House, which had passed an earlier and somewhat broader version of the bill back in November 2013, moved quickly to pass the Senate version and send it to the president's desk. With the administration's long-standing emphasis on open government and spending transparency, there was little doubt the bill would be signed.

What the Law Does

The DATA Act is an important and overdue step to improve oversight of federal government spending. Specifically, the law will require public agencies to disclose more information about federal spending and improve the quality of the data. The new law also requires the Treasury Department to work with the Office of Management and Budget (OMB) to establish government-wide data standards for spending information within a year. These standards should ensure greater consistency of reported data and make the information more machine-readable. As a result, reporters, researchers, and public interest groups should be better able to use and manipulate massive quantities of spending data, analyze trends, and spot potential problems.

The new law also requires the administration to launch a two-year pilot on consolidated reporting by recipients of federal funds, including both contracts and grants. Currently, agencies use different forms to collect various types of information from those who receive federal contracts or grants. The pilot will test using a single reporting system across multiple agencies. The hope is that such reporting can be made easier and more consistent.

The Treasury Department will oversee a new data analytics center to facilitate officials' efforts to identify possible fraud or improper payments. The money saved from such improved internal tools should outweigh the investments in improving the data.

The law also prioritizes improvements in spending data quality. Agency Inspectors General must regularly audit a statistically relevant sample of their agency's spending data and report on the quality

of that information. The Government Accountability Office (GAO) will report on overall data quality trends and performance across all agencies.

Reactions

Issa noted the legislation is essential to foster more accountability in federal spending. After the president signed the legislation, [Issa said](#), "Government-wide structured data requirements may sound like technical jargon, but the real impact of this legislation on our lives will be more open, more effective government."

Hudson Hollister, executive director of the Data Transparency Coalition, a collaboration of mostly private-sector technology companies and a few public interest advocates that has consistently pushed for increased transparency and easier-to-use public data, [looked forward](#) to the potential benefits of the DATA Act's implementation. He said, "The DATA Act will unlock a new public resource that innovators, watchdogs, and citizens can mine for valuable and unprecedented insight into federal spending. America's tech sector already has the tools to deliver reliable, standardized, open data. Today's historic victory will put our nation's open data pioneers to work for the common good."

Matt Rumsey of the Sunlight Foundation [noted](#), "Successfully implementing the bill is key." Rumsey went on to note the importance of ongoing support from the White House for the DATA Act to succeed.

Conclusion

As with all laws, the success of the DATA Act will depend on the executive and legislative branches making the necessary resources available for its enforcement. If fully and properly implemented, the DATA Act should provide the information necessary for the public and decision makers to have more robust and accurate discussions about appropriate contracting and procurement costs and the investments needed to ensure future growth and opportunity for all Americans.

U.S. Defense Spending in Eight Charts

by Scott Klinger

This week, the House is expected to debate and vote on the 2015 Defense Appropriations Act. On May 7, the House Armed Services Committee unanimously approved [\\$496 billion in discretionary spending and \\$79.4 billion in war operations spending](#) for the budget that starts Oct. 1. We explore how this stacks up against the rest of the world, who benefits most from defense spending, and what these funding levels mean for other national priorities.

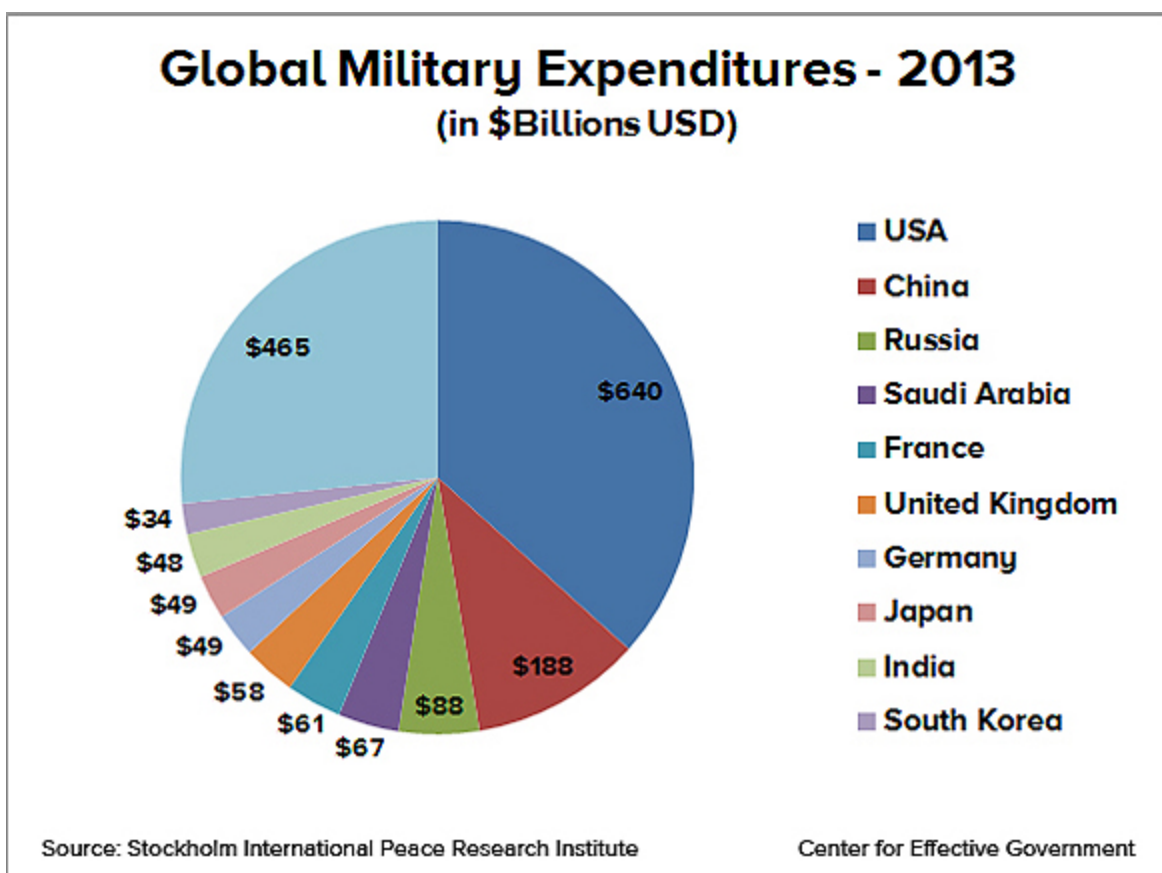
The House committee rejected several of the Pentagon's plans for reducing costs and making military operations more efficient:

- It blocked the Pentagon's plans for retiring 238 A-10 Warthog aircraft, which the Department of Defense projected would save \$4.2 billion over five years.

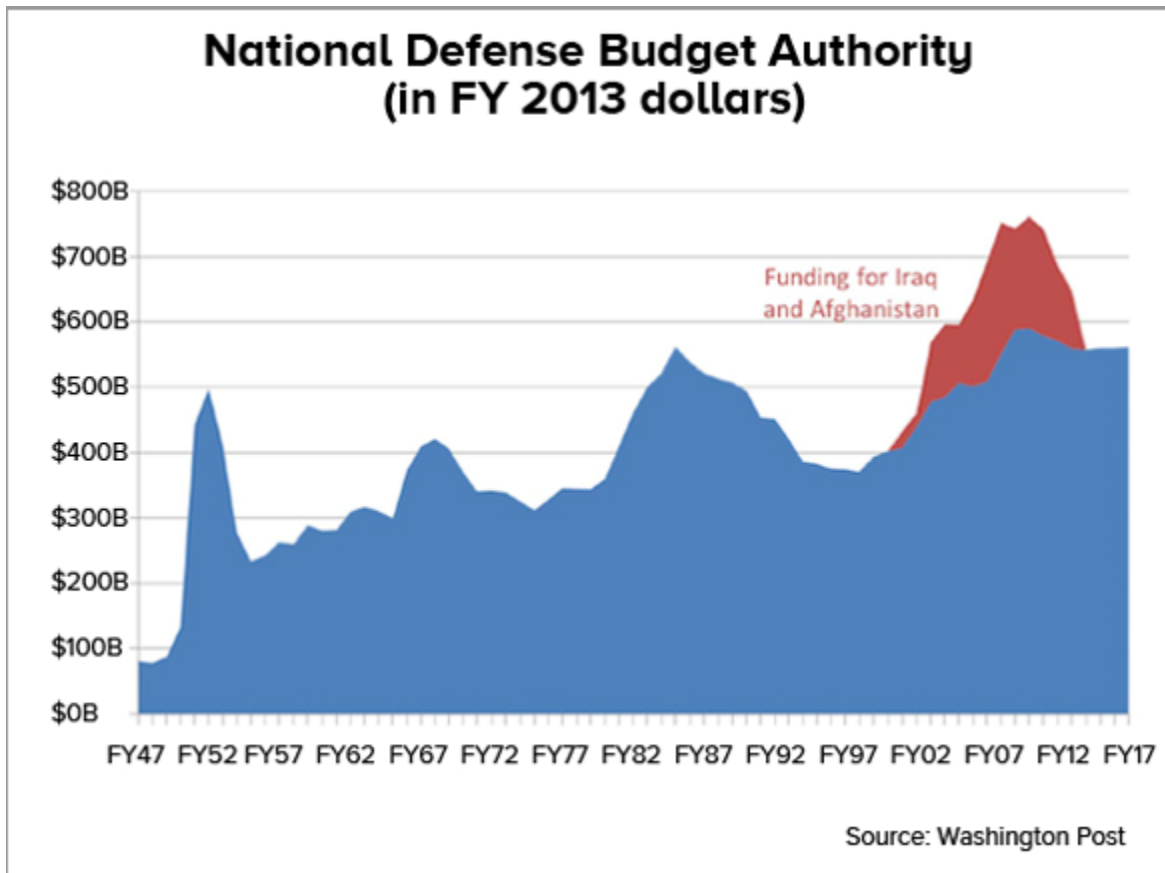
- It also rejected the Navy's plans to remove 11 Ticonderoga-class cruisers, foregoing an additional \$4 billion in cost savings over five years.
- It also set aside Pentagon plans for mothballing the U-2 high-altitude spy planes and reassigning Apache helicopters from state National Guard units to the regular Army, following protests from all 50 governors.
- It prohibited the Department of Defense (DOD) from moving ahead on additional plans for base closings and consolidations.

As a backdrop for the full House debate and the expected Senate Armed Services Committee hearings on the 2015 budget, also slated to begin this week, we offer the following charts on various aspects of Pentagon spending that should be part of the deliberations.

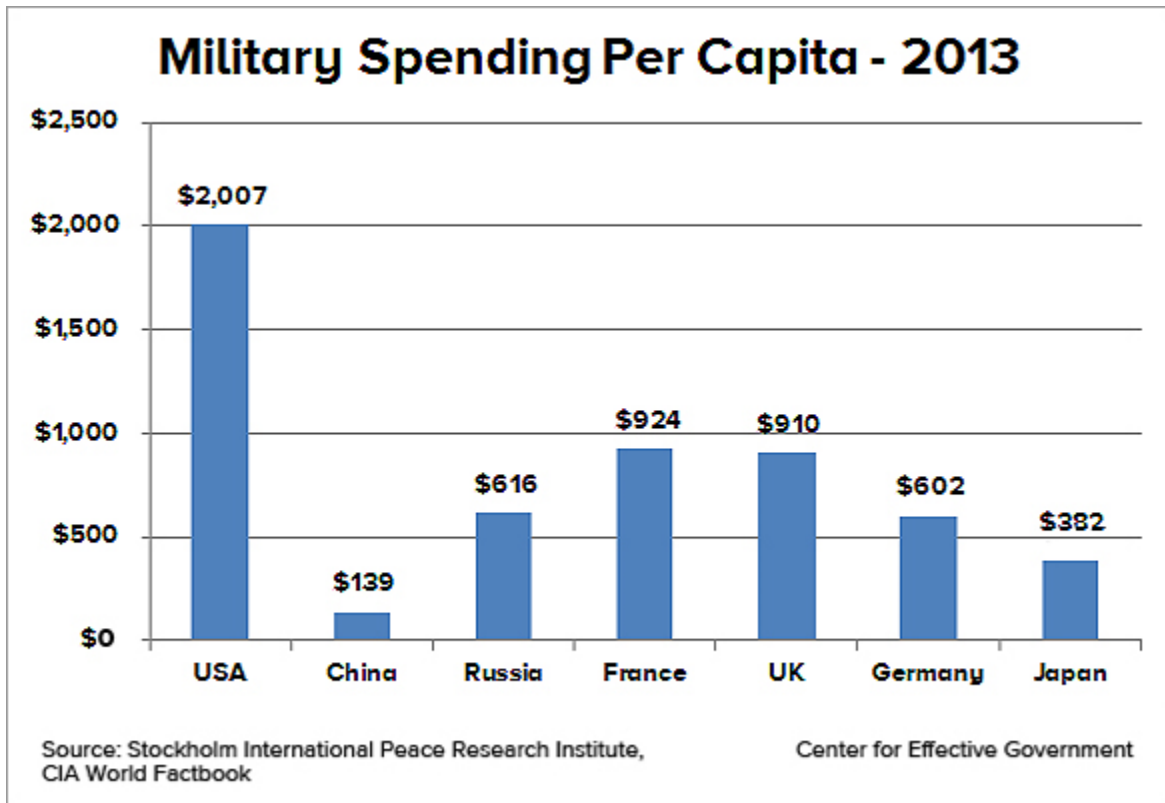
The United States Accounts for 36.6 Percent of All Military Spending in the World



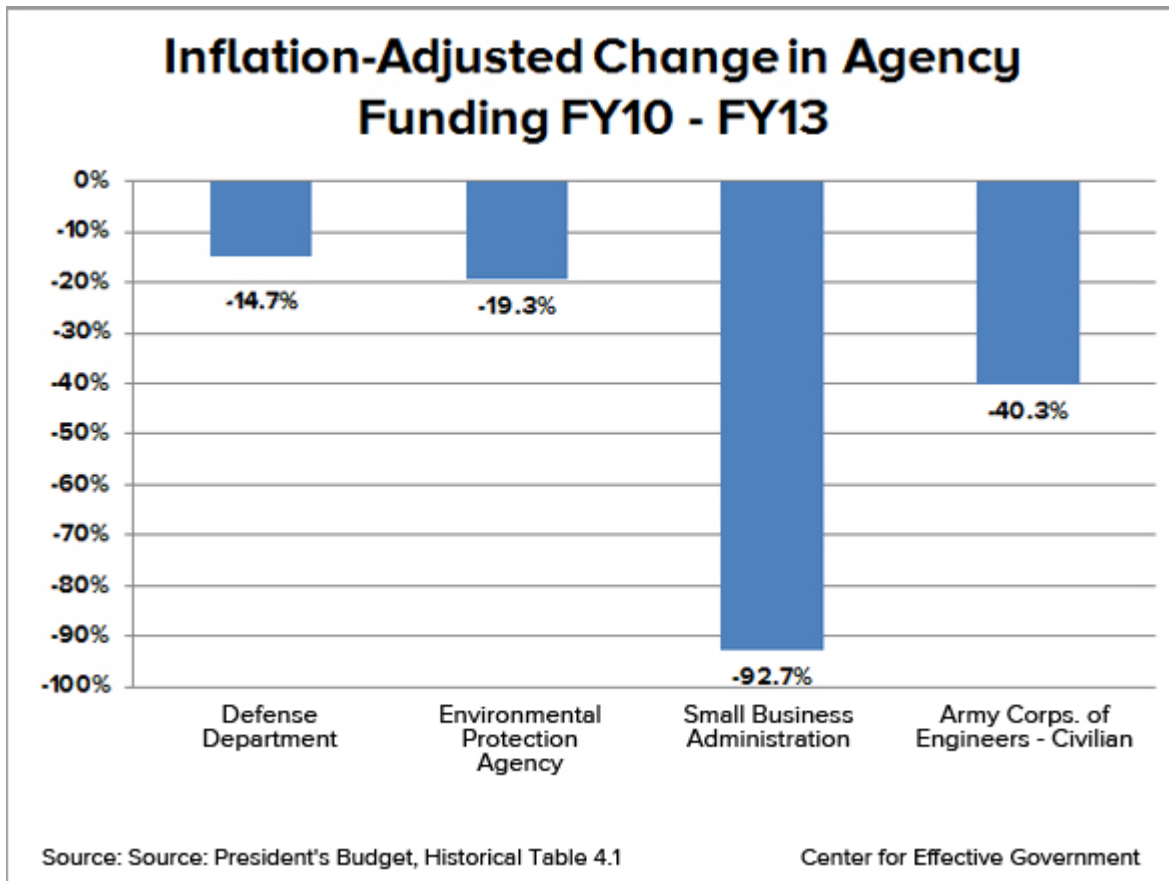
Inflation-Adjusted Defense Spending Is Higher Today than During the Vietnam and Korean Wars



The U.S. Spends Twice as Much as Other Industrialized Countries on Defense

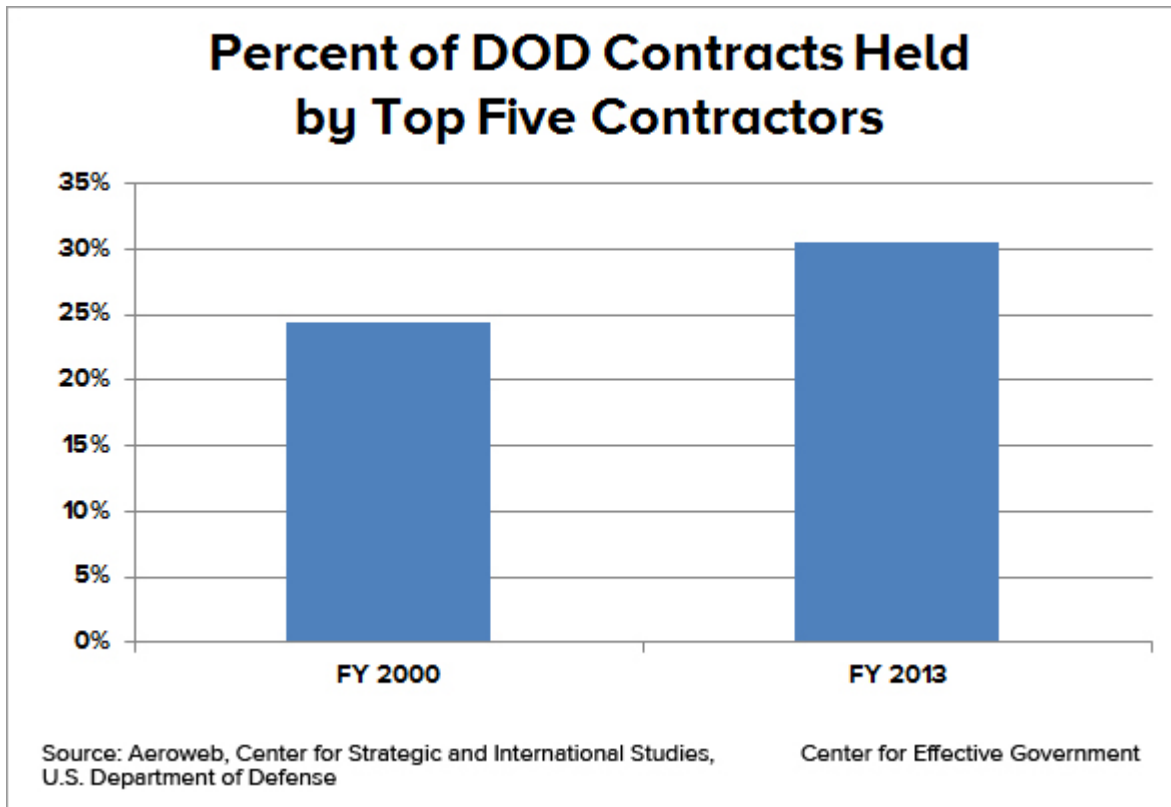


The DOD Fared Better than Other Government Agencies Under the Sequester

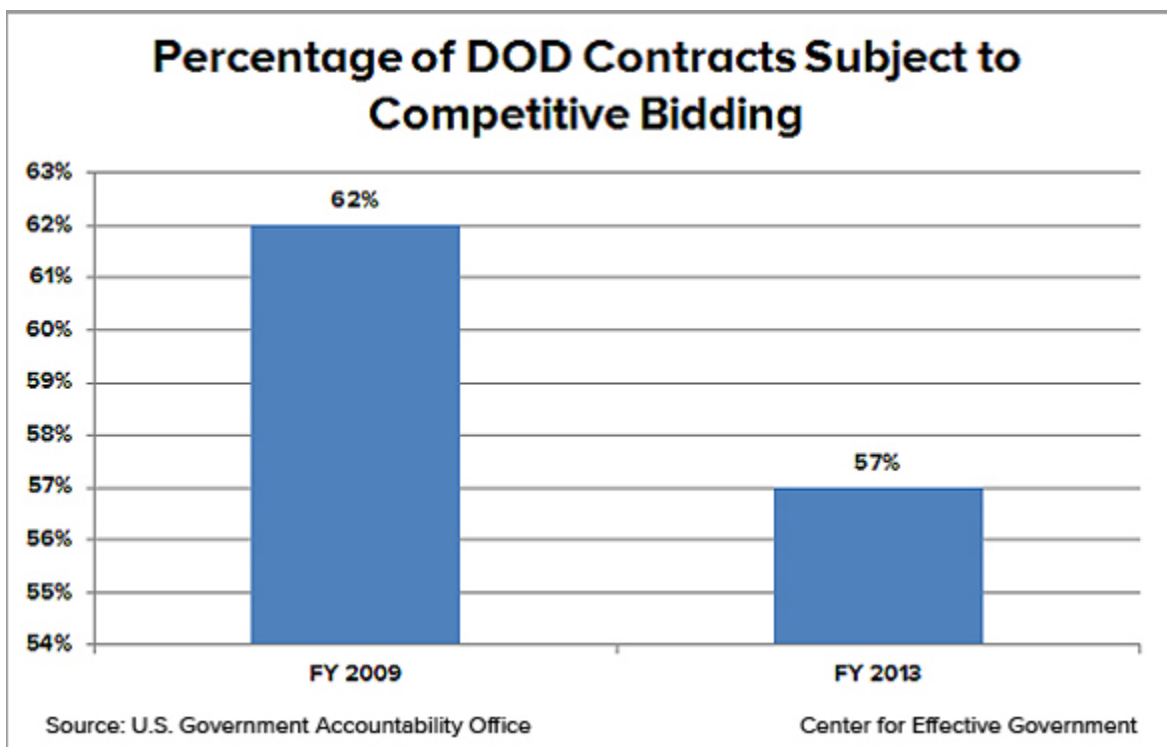


The Budget Control Act of 2011 set in place mandatory automatic budget cuts that would be implemented if Congress failed to successfully negotiate to reach targeted budget savings. When Congress failed to reach that negotiated solution, these cuts, known as "the sequester," kicked in, starting in fiscal year 2013. The sequester was intended to divide cuts equally between defense and non-defense spending. However, a subsequent deal allowed some share of military cuts to be shifted from FY 13 to FY 14. In addition, the Defense Department has successfully shifted some of its programs to the Overseas Contingency Fund, a pool of money established to support the war effort, which is not subject to sequester cuts. As a result, Pentagon cuts are far less dramatic than those experienced by some other federal agencies.

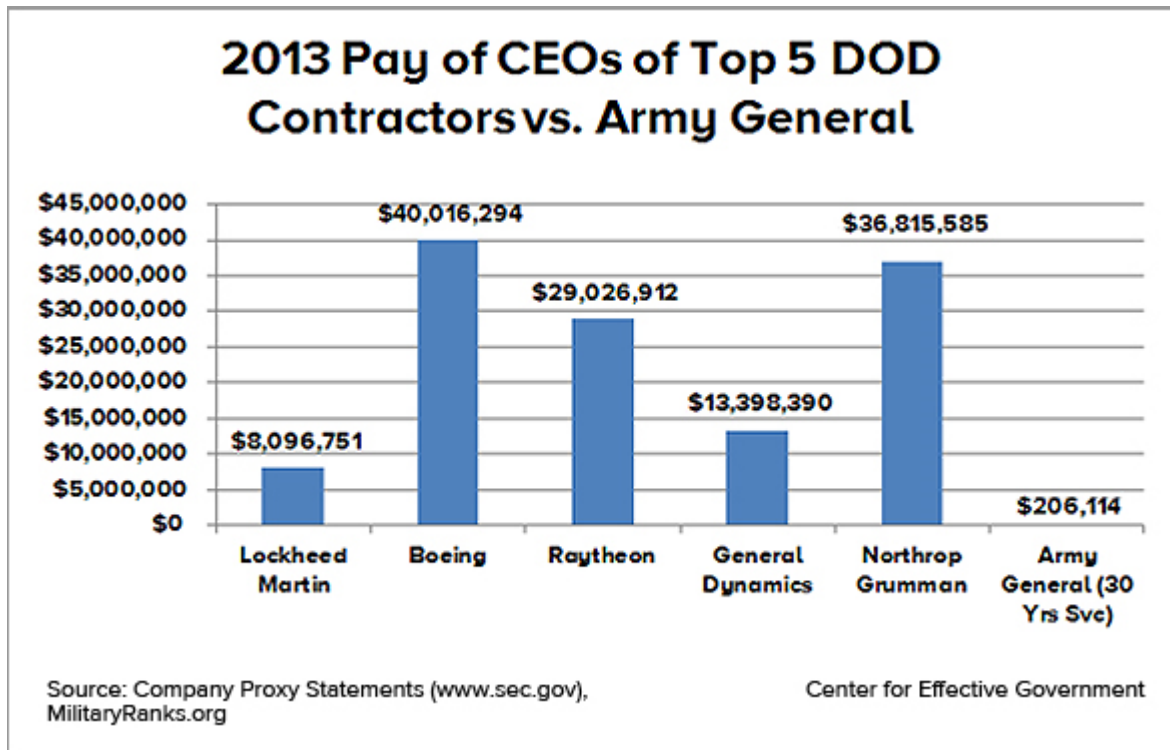
Defense Funding Increasingly Flows into the Hands of the Largest Contractors



...And Fewer Contracts Are Bid Competitively

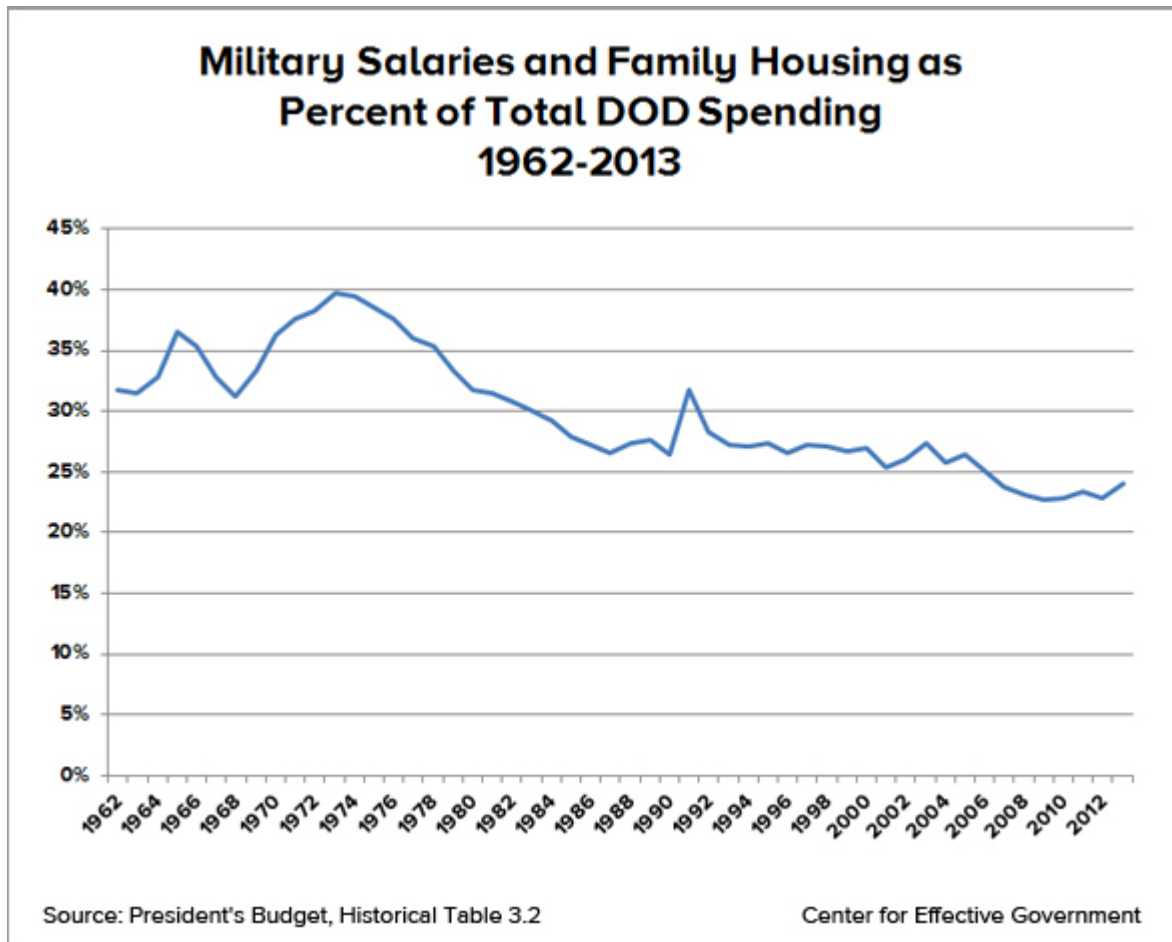


Private Contractor CEOs Make 40 to 200 Times More than Army Generals



When they retire, Pentagon contractor CEOs have a lot more than retired generals. Five leading CEOs had \$160 million in their company-sponsored retirement accounts, an average of \$32 million per executive. Boeing CEO James McNerney, Jr. leads a firm which derives about a third of its sales from government contracts. McNerney led the way with a company retirement account worth \$45.5 million, enough to generate a monthly retirement check of \$260,494. A retired general with 30 years of service to our country receives an average monthly retirement payment of [\\$10,964](#).

An Ever Smaller Share of Pentagon Spending Supports Military Families



Conclusion

As the House and Senate deliberate on how much our nation spends on national defense, they should also take a look at how that money is spent, particularly the amount spent on outsourced contracts to the for-profit sector. And as they continue to balance tight budgets, they should consider how much more our nation spends on national security than other nations in the world before so quickly dismissing the Pentagon's own ideas for belt-tightening.



©2014 Center for Effective Government

2040 S Street, NW, 2nd Floor

Washington, DC 20009

202-234-8494

[Comments Policy](#)

[Privacy Statement](#)

[Contact the Center for Effective Government](#)