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GAO: Lack of Competition in Some Contracting Difficult to Overcome

In a recent [report](#) to the House Committee on Oversight and Government Reform, the Government Accountability Office (GAO) found systemic hurdles to reducing the dollars spent on contracts not competed or those that are competed but only receive one bid. The reasons provided to GAO for the use of these contract vehicles reveal the difficulties that the Obama administration and Congress will face in instituting further reforms; they range from technical hegemony or general expertise by contractors to institutional indolence.

Noncompetitive contracts represent 31 percent of obligations, while competed contracts that receive only one bid make up 13 percent. The Office of Management and Budget (OMB) recently cited the latter as high risk because the lack of responses deprives "agencies of the ability to consider alternative solutions in a reasoned and structured manner."

While GAO identified few "contracts or orders that did not reflect sound procurement or management practices," they found that agencies often could not compete a contract because of the expertise or monopoly on proprietary data of one contractor. This was especially true of Department of Defense (DOD) contracts for services supporting a weapons program. Over half

of the noncompetitive DOD contracts that GAO reviewed used "lack of access to proprietary technical data" as a justification.

In almost all of those contracts, the government forwent purchase of the rights to the technical data based on short-term budgetary considerations. As the contractor tasked with creating the weapons system gains expertise over the course of development, the government essentially becomes "stuck" with the contractor, which can end up costing the government much more down the road in noncompetitive contract costs compared to the price of purchasing the technical data at the beginning of program development.

Congress has begun to address the issue of access to technical data. Most recently, Congress near-unanimously [passed](#) in 2009 the Weapon Systems Acquisition Reform Act that, along with other competition-enhancing elements, "requires acquisition strategies for major defense acquisition programs to include measures to ensure competition throughout the life cycle of the program," which "includes considering the acquisition of complete technical data packages." There is no evidence yet that the legislation will produce the desired results.

Purchase of proprietary data at the start of a weapons program, however, is not a panacea to DOD noncompetitive contracts. GAO also found that, because of the ever-shrinking pool of defense contractors (which [ironically](#) is partly the result of the peace dividend Washington urged contractors to take part in at the end of the Cold War), the government often has "little choice other than to rely on the contractors that were the original equipment manufacturers."

GAO also found that a federal agency could become too comfortable with a contractor and thus limit the use of competition to favor a certain company. Contracting officials told GAO that it is not unusual for a federal agency's program office, which dictates the requirements of a contract, to lean on a contracting office, which carries through with the award of the contract, to award a contract to a favored incumbent contractor. Sometimes the program office will go further and produce overly restrictive requirements that could only lead to an offer from the incumbent contractor.

The Obama administration has attempted to correct these deficiencies in competition. In its FY 2010 [budget guidance](#), "OMB instructed agencies to reduce dollars obligated to high-risk contracts – including noncompetitively awarded contracts and contracts competed with only one offer received – by 10 percent." The required reductions, according to OMB, have already produced [results](#) with a reduction in contracts awarded without competition in the first six months of FY 2010. The Office of Federal Procurement Policy (OFPP), following up in October 2009, released "[guidelines](#) for agencies to evaluate, in part, the effectiveness of their ... competition practices."

GAO recognizes these advancements but concludes that the federal government could do more. One of the most often heard complaints during the GAO study was the lack of well-trained staff, and thus GAO recommends "establishing an effective, adequately trained team of contracting and program staff working together, starting early in the acquisition process." GAO appreciates

that this may "challenge conventional thinking," but it stresses that it is "key" to taking full advantage of targets of opportunity.

GAO also recommends that OFPP investigate amending the Federal Acquisition Regulation (FAR), the government's contracting code, to require federal agencies to "regularly review and critically evaluate the circumstances leading to only one" contractor offering a bid on a contract. GAO adopted this solution straight from several agencies that have attempted to boost competition on their own by instituting in-house reforms. GAO acknowledges, "Some degree of noncompetitive contracting is unavoidable," but, "Given the nation's fiscal constraints," lack of competition within contracting just because a contractor "is doing a good job," or the agency is comfortable with the company, is unacceptable.

USAspending.gov to Increase Transparency through Subrecipient Reporting

Since it was unveiled in 2007, USAspending.gov has been a crucial portal through which the federal government makes spending data available to the public. With [new guidance](#) on subaward reporting released in August, the Office of Management and Budget (OMB) has taken additional steps to ensure USAspending.gov will comply with the law that created the site and will make it possible to track more of the federal spending chain.

Many of the requirements in the guidance are mandated by a landmark transparency law from 2006, [the Federal Funding Accountability and Transparency Act \(FFATA\)](#). FFATA created USAspending.gov and called for federal award and subaward reporting, which would be reported to USAspending.gov. While the Bush administration launched USAspending.gov ahead of the required Jan. 1, 2008, deadline, it did not put in place the required subaward reporting by the law's deadline, Jan. 1, 2009. The executive branch has thus not been in compliance with federal law for almost two years.

At present, USAspending.gov only includes information on so-called "prime recipients," those entities which directly receive federal funds. Since many federal projects involve myriad subawards, a complete picture of where federal funds flow remains incomplete. However, according to the new guidance, all prime recipients must begin collecting and reporting information on the next link in the federal spending chain to a central website, FSRS.gov (short for FFATA Subaward Reporting System), which will then send the information to USAspending.gov. By Oct. 1, prime recipients will begin reporting information on their subrecipients, including:

- Subawardee DUNS (a unique code identifying each recipient; the DUNS numbering system is a proprietary system run by Dun & Bradstreet)
- Subaward amount
- Subaward date
- Subawardee principal place of performance
- Subaward number

- Subaward Project Description

If the subawardee is registered with the Central Contractor Registry (CCR), the following fields will be prepopulated on the prime recipient's report. If the subawardee is not registered in CCR, the prime recipient is required to fill in these fields:

- Subawardee name
- Subawardee address
- Subawardee parent DUNS (if applicable)
- Catalog of Federal Domestic Assistance (CFDA) number
- Federal agency name
- Subawardee executive compensation (if applicable)

With this data, USAspending.gov will contain another layer of spending information. However, the new guidance only pertains to "first tier-subrecipients," or the first level of entities which receive subgrants or subcontracts from prime recipients. Subsequent recipients are not required to report under this guidance. This means that if a federal agency makes an award to a state, and the state makes a subaward to a city, all of that information will be recorded and made public. However, if the city makes subawards to various entities to implement the work, that information will not be disclosed. Thus, the OMB guidance does not trace federal funding to the ultimate recipient(s).

Additionally, all prime and first-tier recipients must report on the compensation of their five highest-paid executives, so long as the entity brings in at least \$25 million a year, at least 80 percent of which is from federal sources.

While the new guidance focuses on federal grants, the Federal Acquisition Regulation (FAR) Council released companion guidance for federal contractors a few weeks earlier in the form of [an interim final rule](#). That rule should be made final in the coming weeks and is similar to the OMB guidance. (OMB Watch submitted [comments](#) on the proposed rule Sept. 7.)

The Obama administration has made compliance with FFATA, authored by then-Sen. Barack Obama (D-IL) and Sen. Tom Coburn (R-OK), a priority. The Bush administration had licensed software from [FedSpending.org](#), a website developed in 2006 by OMB Watch to approximate requirements in FFATA, as its vehicle for implementing the law. The Bush administration put an emphasis on improving the speed of reporting data from federal agencies, and USAspending.gov did not change much until the Obama administration. Toward the end of May, OMB launched a redesign of the website, adding many new features and breaking from the look and feel of FedSpending.org.

Obama also placed early attention on spending disclosure under the American Recovery and Reinvestment Act (Recovery Act). As Obama said in his first primetime news conference on Feb. 9, 2009, "...every American will be able to go online and see where and how we're spending every dime."

In many ways, Recovery Act reporting has become a trial run for the new subaward reporting guidance. OMB worked with the Recovery Accountability and Transparency Board to develop guidance during 2009 on recipient and subrecipient reporting for the Recovery Act. The model was nearly identical to OMB's current guidance: OMB required reporting by the prime recipient and one tier below the prime, and the Recovery Board created a centralized website called FedReporting.gov, where the entities could report online.

In some ways, however, the reporting requirements for the Recovery Act are more detailed than the current OMB guidance. For instance, prime recipients of Recovery Act funding must report how many jobs were created by their projects, a data point not required under FFATA. One big difference from Recovery Act reporting is that the current OMB guidance applies to nearly all federal spending, not just Recovery Act funds, so the scope is much larger and potentially more complex.

With this new guidance, OMB is moving federal spending transparency to a central, recipient reporting-based model, but it has made only preliminary steps toward an ideal reporting system. For a truly transparent system, OMB will still need to capture reports from the ultimate recipient of federal funds. Additionally, OMB will need to pay even more attention to data quality issues, as more entities will now be reporting. Finally, OMB has yet to announce how the new data will be presented on USAspending.gov.

Posting Federal Contracts Online: The Next Step in Contracting Transparency?

The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council issued an [advance notice of proposed rulemaking](#) on May 13 that could establish standards for posting federal contracts online. Providing the public online access to electronic copies of federal contracts could create a new level of accountability in federal procurement, but some contractors have opposed the idea, claiming it would cost too much and could reveal confidential business information.

Developing a means to quickly post federal contracts and related documents online could shed new light on how the government spends hundreds of billions of taxpayer dollars each year.

As a senator, President Obama co-sponsored the Federal Funding Accountability and Transparency Act (FFATA), which was signed into law by President George W. Bush and resulted in the creation of USAspending.gov. While USAspending.gov answered questions about who receives government money, as well as how much and what the money was for, it failed to answer the more fundamental questions of why the agencies made the contracting choices they made and whether contractor performance was adequate. Why did some contractors repeatedly receive large contracts with almost no competition? Why were some products and services so expensive? Why did some agencies have to outsource so many activities? Did the contractor actually do the work it was being paid to do and was the work completed on time? Posting

contract documents online certainly won't answer all of these questions, but it would likely be the first significant step into understanding the government's choices.

Posting the records related to all, or even nearly all, contracts would be no small feat. In FY 2009, the federal government spent almost \$540 billion on contracts with more than 250,000 recipients. The number of records associated with such activity, including individual task orders, is substantial. However, many public access advocates assert that technological advances make the handling of such large collections of records more feasible than ever.

What the Notice Said

The advance notice of proposed rulemaking, entitled "[Enhancing Contract Transparency](#)," asked "how best to amend the Federal Acquisition Regulation (FAR) to enable public posting [online] of contract actions, should such posting become a requirement in the future, without compromising contractors' proprietary and confidential commercial or financial information." In particular, the councils were looking for efficient and equitable methods to exclude protected information from disclosure in processing the incredible number of government contracts. The councils also asked for information on the benefits of contract transparency, impacts on contractors and the government, and whether to institute a threshold amount (i.e., to exclude contracts under a certain dollar amount).

The notice received [14 comments](#), but the councils have not yet released their analysis of the comments.

Pros and Cons of Posting Contracts Online

One of the most significant potential advantages of posting contracts online is the increase in comprehensiveness and accountability. Currently, the government discloses some information about federal contracts at the bidding stage through summary data on [USAspending.gov](#) and through responses to Freedom of Information Act (FOIA) requests. Although some agencies and contractors claim these processes provide adequate transparency, the reality is that these systems are not linked and fail to provide comprehensive information about federal procurement.

For instance, [USAspending.gov](#) only offers coded summaries – often with [significant data quality problems](#) – such as the total contract amount, but lacking the contract details. Such details may be available through FOIA requests for contracts; however, only such contracts as are requested are even considered for disclosure, rather than comprehensive disclosure of all contracts government-wide. Moreover, even when requested contracts are disclosed, only the requester receives them, not the general public, and often with significant sections redacted.

A comprehensive public posting of contracts could address many of these deficiencies. In fact, some agencies have started voluntarily posting certain contracts online, including the Department of the Treasury [posting](#) many contracts related to the Troubled Asset Relief Program (TARP). However, this practice is still small-scale. Many public access and

procurement reform advocates would like to see this type of posting made mandatory government-wide.

Another major potential advantage of online disclosure is improved ease of use. Rather than requiring citizens to search for the complete details of a contract through separate systems, contract details could instead be provided on USAspending.gov, linked to the summary data already present on that site. Navigating a website is a much easier task for most Americans than pursuing a lengthy and bureaucratic FOIA request.

Studies indicate that the current disclosure process performs poorly on timeliness. [FFATA](#) requires that spending be reported on USAspending.gov within 30 days of its obligation, yet a [recent report](#) found the average delay government-wide to be 55 days, nearly double the limit. Meanwhile, while the backlog of FOIA requests [decreased nearly 40 percent in FY 2009](#), [almost 80,000 requests were still pending at the end of that fiscal year](#).

Another factor that could vary widely depending on specifics is the cost. Several contractor and agency representatives expressed concern in their comments about the workload and resource requirements of online disclosure, including training and oversight. But a well designed system could manage these costs.

Perhaps the greatest variance in cost could depend on the method chosen for processing protected information in contracts. Currently, the process for disclosing contracts under FOIA or voluntary proactive disclosure involves the agency reviewing the issued contract for any protected information to be redacted, as well as contacting the contractor to afford the contractor an opportunity to object to the disclosure of particular information. This time-consuming process would be inappropriate to apply to the routine disclosure of hundreds of thousands of contracts issued each year. A variety of changes have been proposed to better manage this process, including:

- Notifying prospective offerors that successful offers will be made public
- Instructing contractors to provide a version of the offer with protected information redacted, to serve as the basis for the version to be posted online
- Instructing contractors to include all protected information in an appendix, to be excluded from the version posted online
- Designating particular data fields as containing protected information, to be automatically excluded from the version posted online
- Requiring contractors to submit justifications for their proposed redactions simultaneous with the proposed redactions, limiting the need for agencies to contact contractors for clarification during processing

Several contractors and their representatives, such as the [Coalition for Government Procurement](#), raised the specter of protected information being accidentally disclosed through the online posting of a contract containing it. This possibility also can be reduced through proper procedures. Some comments, such as those from the [Associated General Contractors of America](#), went so far as to suggest that government employees could be held personally liable for

revealing trade secrets contained in contracts posted online. However, such liability should not apply to accidental disclosure in the good-faith execution of governmental duties.

Another interesting aspect of posting contracts online would be its effect on competition. Several comments postulated a decrease in competition for government contracts as potential offerors fear exposure of their confidential business information. For instance, the Department of Health and Human Services (HHS) in its [comments](#) asserted, "The posting of contracts will discourage potential offerors from submitting proposals." Likewise, industry group TechAmerica [stated](#) (pp. 32-35) that contract disclosure would produce a "reduction in competition for government requirements, particularly for small businesses." Others said, however, that increased access to market information could lower barriers to entry and thus support a flourish of competition. As the Project on Government Oversight (POGO) stated in its [comments](#), "When contract information is publicly accessible, genuine competition will increase."

Perhaps the most shocking claim came in the HHS comments, which seemed to suggest that increased transparency is undesirable because it could enhance public support for accountability and broader participation:

The real burden and cost to the Government will come following the posting by virtue of a significant surge in public inquiries and how that will detract from the Contracting Officer's primary responsibility to award and manage contracts.

History of Online Posting Idea

Lawmakers and organizations have previously proposed posting contracts online. A requirement to do just that was included in the [Strengthening Transparency and Accountability in Federal Spending Act of 2008](#), introduced by then-Sen. Barack Obama (D-IL) and Sens. Tom Coburn (R-OK), John McCain (R-AZ), and Tom Carper (D-DE). The bill was a follow-up to FFATA. The bill would have [required](#) that the government provide copies of the request for proposal, announcement of award, actual contract, and scope of work documents, linked to the spending information on [USAspending.gov](#). The bill did not pass in the 110th Congress.

A similar requirement nearly became law under the [American Recovery and Reinvestment Act of 2009](#), (the Recovery Act). As OMB Watch [noted at the time](#), the provision passed in the House but was not included in the Senate bill and was eventually dropped in conference.

Next Steps

The councils' analysis of the comments should be forthcoming, which may address the questions that have been raised about the proposed rulemaking. Additionally, the councils may hold a public hearing on the topic.

Food Safety Bill Pushed after Salmonella Outbreak

A salmonella outbreak that has sickened more than 1,500 people and led to the recall of 550 million eggs highlights the need for Congress to pass legislation that would empower the Food and Drug Administration (FDA) to better protect the food supply, advocates say.

Leading food safety advocacy groups in Washington are calling on the Senate to take up the FDA Food Safety Modernization Act ([S. 510](#)) as soon as possible, citing the need for a preventative approach to food safety in the wake of the massive salmonella outbreak and egg recall. The Senate returned to Washington Sept. 13 after its five-week summer recess.

The Center for Science in the Public Interest, Consumer Federation of America, and U.S. Public Interest Research Group (U.S. PIRG) published a [study](#) Sept. 8 finding that 85 food recalls have sickened at least 1,850 people since July 30, 2009, the day the House passed [H.R. 2749](#), its version of food safety reform legislation. The vast majority of the illnesses have been linked to the salmonella outbreak. Eight other recalls have been linked to between one and 272 illnesses each, according to the study. The remaining recalls have not been linked to any illnesses.

The groups say that the continued occurrence of foodborne illness outbreaks proves the need for a food safety reform bill that would give FDA more regulatory tools to prevent future outbreaks. "We need this food safety reform legislation so that the FDA can focus on preventing contamination in the first place—before the food ends up in Americans' cupboards and refrigerators," [said](#) Elizabeth Hitchcock of U.S. PIRG in a release from the Center for Science in the Public Interest.

The study looked only at FDA-regulated products. FDA regulates 80 percent of the food Americans eat, including produce, nuts, spices, cheese, and fish. The U.S. Department of Agriculture (USDA) regulates meat and poultry products. The two agencies share responsibility for egg safety.

Both the House and Senate food safety bills aim to prevent food contamination by requiring facilities to maintain food safety plans, with an emphasis on prevention, and enabling FDA to inspect food facilities more frequently. In the event of contamination or suspected contamination, both bills would give FDA the power to order mandatory recalls, an authority the agency does not currently possess. Both bills would also require the FDA to improve the traceability of foods to help investigators link contaminated food to processors, farms, and other facilities.

A July 2009 regulation meant to prevent salmonella contamination in eggs did not take effect until July 2010, after the eggs subject to the current recall had been laid. FDA has [acknowledged](#) that the rule, proposed in 2004 but delayed for years by the George W. Bush administration, could have helped the agency prevent the outbreak and the subsequent recall.

As the groups point out, food safety regulation, like many other forms of federal regulation, is too often reactive and does not adequately focus on preventing problems or mitigating risk. A

reactive philosophy makes the public too susceptible to tragedies like the salmonella outbreak, the BP oil spill disaster, the Upper Big Branch mine explosion that killed 29 in April, and other regulatory failures.

A common thread among those tragedies has been the inability of regulators to police firms with well-known health and safety problems, such as BP and Massey Energy, the owner of the Upper Big Branch mine. A *Washington Post* [investigation](#) uncovered a comparably negligent record at DeCoster Farms, the owner of Wright County Egg in Iowa, which is responsible for the majority of the eggs in the recall. DeCoster has been cited for occupational safety, fair labor, and environmental violations by both federal and state regulators.

Another food safety problem is industry influence that permeates the food safety regulatory system, according to a [new report](#). The Union of Concerned Scientists surveyed more than 1,700 scientists at the FDA and USDA. According to UCS, 38 percent of respondents said that "public health has been harmed by agency practices that defer to business interests," and 25 percent said they had experienced an incident in which corporate influence weakened a consumer protection.

UCS is also calling for passage of food safety reform in the Senate. The survey shows that federal food safety scientists overwhelmingly support some of the bill's provisions. Seventy-three percent of respondents said they support an electronic trace back system, and 75 percent said they support increased inspections.

Critics also say that better coordination is needed among food safety officials. Two former Wright County Egg employees [told the Associated Press](#) that they reported unsanitary conditions, including mishandled manure and dead chickens, to USDA inspectors but were ignored. It does not appear as though the complaints made their way to FDA.

In the past, food safety experts have called on the government to fold the responsibilities of the USDA, and other agencies operating on the periphery of food safety, into the FDA, or a new agency entirely, creating a master food safety regulator. Neither the House nor the Senate bill would make such a change.

According to the UCS survey, many federal scientists would support consolidating the agencies' responsibilities. Forty-one percent of survey respondents said consolidation would improve food safety, while 25 percent said it would worsen food safety. "Fifteen percent predicted no significant change in food safety from such a reform and 18 percent said they didn't know," according to UCS.

S. 510 is one of several pressing matters on the Senate's agenda, but Senate leaders have yet to indicate a timeline for the bill. If the Senate passes the bill before adjourning ahead of November's midterm elections, it would have to be reconciled with the House version, and each chamber would have to schedule another vote before the president could sign it. The House may adjourn for midterm elections as early as Oct. 1. Lawmakers could also work on the bill in the

lame-duck period following the elections.

Reports Start Flowing on BP's Gulf Oil Disaster

New reports on BP's April 20 *Deepwater Horizon* oil spill disaster detail problems with oil drilling operations and regulation, including environmental reviews, agency approvals, and industry oversight.

On Aug. 16, the White House Council on Environmental Quality (CEQ) released [a report](#) on the former Minerals Management Service's (MMS) National Environmental Policy Act (NEPA) policies and practices related to outer continental shelf oil and gas production. The CEQ review and report were prompted by the April 20 BP *Deepwater Horizon* oil rig explosion and subsequent underwater oil and gas spill.

MMS, renamed and restructured as the Bureau of Ocean Energy and Management, Regulation and Enforcement (BOEMRE), had procedures that allowed policymakers to incorporate broad environmental reviews into subsequent, narrower reviews. The result was that the agency did not evaluate the environmental impacts of specific projects like BP's drilling project.

The report detailed MMS's process and makes recommendations for reform. The NEPA process requires agencies to produce detailed environmental impact statements for broad programmatic planning and then use "tiering" to incorporate information from the general impact statements to progressively narrower projects, adding new information if necessary. The goal of tiering, according to [CEQ's regulations](#), is "to focus on the issues which are ripe for decision and exclude from consideration issues already decided or not yet ripe." The process MMS used to approve the *Deepwater Horizon* exploration plan and the various permits to drill the well used this tiering process to address environmental impacts of outer continental shelf activities. According to the report:

This process was not transparent, however, and has led to confusion and concern about whether environmental impacts were sufficiently evaluated and disclosed. It is essential to ensure that information from one level of review is effectively carried forward to—and reflected in—subsequent reviews, that the agencies independently tests assumptions, and that there is appropriate evaluation of site-specific environmental impacts.

As a result, MMS issued categorical exclusions – environmental waivers – for plans and permits that allowed MMS to ignore the environmental impacts of BP's oil drilling project.

The CEQ report made several recommendations to the agency dealing with the use of tiering, ensuring greater transparency and accountability, revising the agency's categorical exclusions, and reconsidering its NEPA policies and practices in light of the BP oil spill disaster. The report stated that the agency will be using these recommendations as "guideposts" as the agency continues its reforms.

Also on Aug. 16, the Department of Interior and BOEMRE [announced](#) that BOEMRE "will restrict its use of categorical exclusions for offshore oil and gas development to activities involving limited environmental risk." The announcement did not identify specific limited-risk activities but noted that shallow water permits could be issued. The announcement also said that Interior will conduct a new environmental analysis for the Gulf of Mexico. BOEMRE will publish details about the agency's supplemental environmental impact statement in the *Federal Register* "in the coming days," according to the announcement.

On Sept. 9, BP released the results of an internal investigation it conducted on the *Deepwater Horizon* disaster. [The report](#) is mostly an evaluation of the technical and engineering problems that occurred around the date of the April explosion.

The report identified eight key findings that allow BP to spread the blame for the incident to many companies and attribute the disaster to multiple causes. For example, the report stated that the investigators "did not identify any single action or inaction that caused this accident" but that it was a combination of failures that escalated. "Multiple companies, work teams and circumstances were involved over time," the report concluded.

However, a one-page disclaimer undermined the report by minimizing the reader's ability to draw firm conclusions from the information in the report. For example, the report noted that additional information may have led others to different conclusions, that the information gathered was not evaluated according to legal standards of evidence, and that the investigating team did not attempt to establish the credibility of the evidence when it was "contradictory, unclear or uncorroborated."

The disclaimer may be an important component of BP's legal strategy. There are many other investigations of the disaster ongoing, including those of the U.S. Justice Department and the U.S. Coast Guard, and BP faces potentially significant liability for the explosion, spill, and cleanup. On Sept. 9, a [New York Times article](#) on the BP report called it "part mea culpa, part public relations exercise, but mostly a preview of BP's legal argument as it prepares to defend itself against possible criminal or civil charges, federal penalties and hundreds of pending lawsuits." The report's technical analysis laying out multiple engineering and design failures appears designed to spread the blame for the disaster to multiple parties involved in the project.

Also on Sept. 9, Interior [announced](#) the release of a report to Interior Secretary Ken Salazar on the agency's oversight and regulation of offshore energy production programs. The [report](#) was undertaken by a team of senior Interior officials, the Safety Oversight Board, including the acting inspector general of the department. The report recommended "a framework for improvement that would create more accountability, efficiency, and effectiveness in a bureau with significant responsibilities." The major themes in the report are the need to create a culture of safety and for more personnel who are well-trained and capable of meeting the challenges presented by the increased complexity of deepwater drilling.

The announcement also stated that BOEMRE Director Michael R. Bromwich issued an [implementation plan](#) based on the 59 recommendations in the report. The plan addressed

interagency cooperation, resources, ethics reforms, permitting procedures and training, inspections, enforcement, environmental management, and post-accident investigations.

In conjunction with the release of these reports, Salazar asked for an additional \$100 million for the agency to hire hundreds of additional inspectors, according to a Sept. 8 [Washington Post article](#). BOEMRE has about 60 inspectors for the more than 3,500 oil rigs in the Gulf of Mexico, according to the *Post*.

The need for additional inspectors is made clear in the Safety Oversight Board's report. It quoted a 2007 management consulting report given to MMS that, despite a 200 percent increase in leasing and a 185 percent increase in oil production, staffing at MMS had decreased by 36 percent since 1983. As a result of these and other inspection-related issues, the Board's report recommended that BOEMRE "undertake a comprehensive workforce and workload analysis of the inspection program."

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