



Committee on Oversight and Government Reform
United States House of Representatives
March 23, 2017

Testimony of Hudson Hollister
Executive Director, Data Coalition

Empowering Transparency through the OPEN Government Data Act

Chairman Chaffetz, Ranking Member Cummings, members of the Committee: thank you for inviting me to testify.

This Committee's mission is to exercise effective oversight over the federal government and to investigate and expose waste, fraud, and abuse. To support that mission, Chairman Chaffetz, under the rules of this House and this Committee, you wield the authority to issue Congressional subpoenas.¹

This Committee and its staff² work hard every day to review the information received in response to requests and subpoenas; to uncover hidden waste, fraud, and abuse; to expose those things through Committee hearings and reports, and to craft reforms safeguarding Americans and their money from government malfeasance in the future.

However, even considering the awesome power of the subpoena and the professionalism of the staff, this Committee needs Americans' help.

¹ In addition, federal law requires executive agencies to respond to requests for information issued by the Chairman or by any seven members of this Committee 5 U.S.C. sec. 2954 (2015), *available at* www.law.cornell.edu/uscode/text/5/2954 (accessed March 12, 2017).

² I was proud to serve on the staff myself from 2009 to 2012. It is an honor to be on the other side of the dais this morning, and, because I know firsthand the power and the professionalism of the people I am addressing, perhaps a little frightening.

In 2016 the federal government took in \$3 trillion and spent roughly \$3.5 trillion, accounting for over one-fifth of the gross domestic product.³ By revenue, that's bigger than the ten biggest companies in the world - combined.

Our federal government is not just the largest organization in human history. It is also the most complex. When I was an Oversight Committee staffer, I asked OMB, GAO, and the Congressional Research Service how many agencies there are in the federal government. I received three different answers.

To conduct oversight across such scale and complexity is a daunting challenge.

Fortunately, that is where transparency comes in. By giving Americans direct access to their government's information, we can deputize millions of citizen inspectors general to help this Committee fulfill its mission.

This Committee pioneered, passed, and has championed the Freedom of Information Act for over fifty years. But FOIA's basic model of request and response, while still an essential avenue for transparency, is no longer the most efficient one. Because most of the government's operations and decisions are electronic, information technologies now make it possible for the government to operate in the open, online - without waiting to receive a FOIA request.⁴

The DATA Act of 2014, which Ranking Member Cummings, then-Chairman Issa, and this Committee championed, makes open data the default for federal spending information. But the DATA Act is limited to spending. It is time for Congress to affirm that not just spending, but all federal information, everything that is legally public, should be freely available and electronically searchable.

Representatives Farenthold and Kilmer are introducing the OPEN Government Data Act to take that next step. The OPEN Government Data Act provides that *all* government

³ An interactive breakdown of federal revenues and expenditures - and a prime example of an open data business model that delivers transparency to Americans - can be found on Graphiq's InsideGov platform at federal-budget.insidegov.com/ (accessed March 12, 2017).

⁴ For example, consider how Utah, Maryland, and most other states treat their spending information. They publish every transaction, using a machine-readable data format, sourced directly from their internal financial systems. Last week I used Transparent.Utah.gov to discover that Governor Gary Herbert spent \$460 on office supplies on July 9, 2015, from a vendor called One Moment in Time. And I used the [Maryland Funding Accountability](http://MarylandFundingAccountability.com) website to discover that Governor Larry Hogan spent \$2,412.99 on FedEx last fiscal year. Increasingly, these states' financial managers are finding that their transparency websites are easier to use than the internal systems. This means citizens and government are sharing the same view of the same information.

information, unless it is legally restricted, should be published online, using machine-readable data formats.

The OPEN Government Data Act won't just help Americans conduct citizen oversight. It will also help agencies cut costs. Most of the expense of big data projects comes from extracting data sets from different sources, transforming them into the same format, and loading them into new systems to be analyzed. If federal data sets were publically available in consistent, machine-readable formats to begin with, these expensive one-off projects would be unnecessary.

Even in an era of polarized government, the OPEN Government Data Act shows that transparency is bipartisan. It is based on good work by President Obama's administration, is supported by strong leaders on both sides of the aisle, and was unanimously approved by the Senate in the last Congress.

In 2012, I founded the Data Coalition. We represent thirty-six tech and consulting companies, employing over two hundred thousand Americans. Fourteen of our members are startups founded within the last decade. Ten are public companies, with a combined market capitalization exceeding \$1.5 trillion.

Open data creates three business models. First, some of our member companies republish federal information on their platforms to inform citizens, investors, and journalists; second, some perform data analytics to illuminate waste, fraud, and abuse; and a third category offer automated reporting to reduce the cost of compliance. All three business models work best when government information is freely available, using machine-readable data formats, instead of trapped in documents and inaccessible databases. That is why we enthusiastically support the OPEN Government Data Act.

Finally, the OPEN Government Data Act specifies that when the federal government publishes its information, it needs to use nonproprietary data formats. I would like to close by explaining why this is important.

Currently the federal government uses an electronic identification code called the DUNS Number to identify every grantee and contractor across all of its systems. The DUNS Number is proprietary. It is owned by Dun & Bradstreet, Inc., which is itself a contractor. This means nobody can download federal procurement or grant information without purchasing a license from Dun & Bradstreet. Taxpayers paid for this information to be compiled, and they paid for the grant and contract awards that this information

describes, and yet they cannot download or analyze this information without paying again, every time.

The federal government's use of the DUNS Number effectively gives Dun & Bradstreet a protected and profitable monopoly on public information - at the double expense of the taxpayers.

The OPEN Government Data Act challenges this monopoly by requiring the government to use nonproprietary formats. Data Coalition members welcome this challenge. Our member companies want to compete fairly to deliver the best value from public information - not to own it and charge the taxpayers for access, the way Dun & Bradstreet does.

I look forward to the Committee's questions.

**Committee on Oversight and Government Reform
Witness Disclosure Requirement — “Truth in Testimony”**

Pursuant to House Rule XI, clause 2(g)(5) and Committee Rule 16(a), non-governmental witnesses are required to provide the Committee with the information requested below in advance of testifying before the Committee. You may attach additional sheets if you need more space.

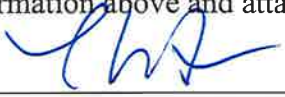
Name:

1. Please list any entity you are testifying on behalf of and briefly describe your relationship with these entities.	
Name of Entity	Your relationship with the entity
Judicial Watch, Inc.	President

2. Please list any federal grants or contracts (including subgrants or subcontracts) you or the entity or entities listed above have received since January 1, 2015, that are related to the subject of the hearing.					
Recipient of the grant or contact (you or entity above)	Grant or Contract Name	Agency	Program	Source	Amount

2. Please list any payments or contracts (including subcontracts) you or the entity or entities listed above have received since January 1, 2015 from a foreign government, that are related to the subject of the hearing.					
Recipient of the grant or contact (you or entity above)	Grant or Contract Name	Agency	Program	Source	Amount

I certify that the information above and attached is true and correct to the best of my knowledge.

Signature 

Date: 3/13/17

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Biography of Hudson Hollister
Executive Director, Data Coalition

Hudson Hollister founded the Data Coalition in 2012 to serve as the leading industry advocacy group for open data in government. He has helped to craft landmark U.S. government data reforms, including the Digital Accountability and Transparency Act of 2014 (DATA Act) and the Financial Transparency Act. He received the FCW Federal 100 award in 2015 and was recognized as a member of the Fastcase 50 and the LinkedIn Next Wave in 2016.

Prior to founding the Data Coalition, Hudson served as counsel to the Committee on Oversight and Government Reform of the U.S. House of Representatives and as an attorney fellow in the Office of Interactive Disclosure at the Securities and Exchange Commission. Before his government service, he was a securities litigator in the Chicago office of Latham & Watkins LLP.

Hudson received his Juris Doctor from Northwestern University School of Law in 2005 and a bachelor's degree in political science and mass communication from the University of St. Francis in 2002. He is a native of Joliet, Illinois.