



Testimony

Before the Committee on Oversight
and Government Reform, House of
Representatives

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GOVERNMENT EFFICIENCY AND EFFECTIVENESS

Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits

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GAO Highlights

Highlights of [GAO-18-498T](#), a testimony before the Committee on Oversight and Government Reform, House of Representatives

Why GAO Did This Study

The federal government faces a long-term, unsustainable fiscal path based on an imbalance between federal revenues and spending. While addressing this imbalance will require fiscal policy changes, in the near term opportunities exist in a number of areas to improve this situation, including where federal programs or activities are fragmented, overlapping, or duplicative.

To call attention to these opportunities, Congress included a provision in statute for GAO to identify and report on federal programs, agencies, offices, and initiatives—either within departments or government-wide—that have duplicative goals or activities. GAO also identifies areas that are fragmented or overlapping and additional opportunities to achieve cost savings or enhance revenue collection. GAO's 2018 annual report is its eighth in this series (GAO-18-371SP).

This statement discusses

- new areas identified in GAO's 2018 annual report;
- the progress made in addressing actions GAO identified in its 2011 to 2017 reports; and
- examples of open actions directed to Congress or executive branch agencies.

To identify what actions exist to address these issues, GAO reviewed and updated prior work, including recommendations for executive action and matters for congressional consideration.

View [GAO-18-498T](#). For more information, contact Jessica Lucas-Judy at (202) 512-9110 or lucasjudyj@gao.gov or J. Christopher Mihm at (202) 512-6806 or mihmj@gao.gov.

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Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits

What GAO Found

GAO's 2018 annual report identifies 68 new actions that Congress or executive branch agencies can take to improve the efficiency and effectiveness of government in 23 new program areas. For example:

- The Department of Defense (DOD) could potentially save approximately **\$527 million over 5 years** by minimizing unnecessary overlap and duplication in its U.S. distribution centers for troop support goods.
- The Department of Energy may be able to reduce certain risks and save **tens of billions of dollars** by adopting alternative approaches to treat a portion of its low-activity radioactive waste at its Hanford Site.
- The Department of Veterans Affairs could potentially save **tens of millions of dollars** when acquiring medical and surgical supplies by better adhering to supply chain practices of leading hospitals.
- The Coast Guard should close its boat stations that provide unnecessarily duplicative search and rescue coverage to improve operations and potentially save **millions of dollars**.

Significant progress has been made in addressing many of the 724 actions that GAO identified from 2011 to 2017. As of March 2018, Congress and executive branch agencies have fully or partially addressed 551 (76 percent) of these actions. This has resulted in about \$178 billion in financial benefits, of which \$125 billion has been realized and at least an additional \$53 billion is estimated to accrue. These estimates are based on a variety of sources that considered different time periods, assumptions, and methodologies. GAO estimates that tens of billions of additional dollars could be saved should Congress and executive branch agencies fully address the remaining 365 open actions, including the 68 new ones identified in 2018.

Further steps are needed to fully address these remaining actions. For example:

- Congress and the Internal Revenue Service could realize **hundreds of millions of dollars** in savings and increased revenues by enhancing online services and improving efforts to prevent identity theft refund fraud.
- Medicare could save **\$1 to 2 billion annually** if Congress equalized the rates paid for certain health care services, which often vary depending on where the service is performed.
- DOD could achieve **billions of dollars** in savings over the next several years by continuing to employ best management practices on its weapon systems acquisition programs.
- Congress could consider modifying how Medicare pays certain cancer hospitals to achieve almost **\$500 million annually** in program savings.
- The Social Security Administration could help prevent the loss of billions of dollars by preventing overpayments to beneficiaries of the Disability Insurance program and improper waivers of beneficiaries' overpayment debt.
- Congress could consider modifying tobacco tax rates to eliminate significant tax differentials between similar products to address future revenue losses caused by manufacturers and consumers substituting tobacco products. Federal losses ranged from \$2.6 to 3.7 billion between April 2009 and February 2014.

Chairman Gowdy, Ranking Member Cummings, and Members of the Committee:

The federal government faces an unsustainable long-term fiscal path based on an imbalance between federal revenue and spending, primarily driven by health care spending and net interest on the debt.¹ Addressing this imbalance will require long-term changes to both spending and revenue and difficult fiscal policy decisions. In the near term, however, opportunities exist to take action in a number of areas to better manage fragmented, overlapping, or duplicative federal agencies or programs; achieve cost savings; or enhance revenues.

To call attention to these opportunities, Congress included a provision in statute for us to identify and report to Congress on federal programs, agencies, offices, and initiatives—either within departments or government-wide—that have duplicative goals or activities.² These reports are issued annually to the House and Senate.³

In our first seven annual reports issued from 2011 to 2017, we presented 724 actions in 278 areas for Congress or executive branch agencies to reduce, eliminate, or better manage fragmentation, overlap, or duplication; achieve cost savings; or enhance revenue.⁴ To date, Congress and executive branch agencies have partially or fully addressed 551 (76 percent) of the actions we identified from 2011 to 2017, resulting in about \$178 billion in financial benefits. We estimate that tens of billions more dollars could be saved by fully implementing our open actions.⁵

Our 2018 report, which we are releasing today, presents 68 new actions across 23 new program areas for Congress or executive branch agencies to reduce, eliminate, or better manage fragmentation, overlap, and duplication and achieve other financial benefits.⁶ My testimony today

¹GAO, *Financial Audit: Fiscal Years 2017 and 2016 Consolidated Financial Statements of the U.S. Government*, [GAO-18-316R](#) (Washington, D.C.: Feb. 15, 2018); and *The Nation's Fiscal Health: Action Is Needed to Address the Federal Government's Fiscal Future*, [GAO-17-237SP](#) (Washington, D.C.: Jan. 17, 2017). GAO's analysis of the federal fiscal outlook can be found at http://www.gao.gov/fiscal_outlook/federal_fiscal_outlook/overview.

²Pub. L. No. 111-139, § 21, 124 Stat. 8, 29 (2010), *codified at* 31 U.S.C. § 712 note.

³Specifically, these reports are issued to the House Committees on Appropriations, Budget, and Oversight and Government Reform and the Senate Committees on Appropriations, Budget, and Homeland Security and Governmental Affairs.

⁴See GAO's Duplication and Cost Savings webpage for links to the 2011 to 2017 annual reports: <http://www.gao.gov/duplication/overview>.

⁵In calculating our total estimated realized and potential financial benefits, we relied on individual estimates from a variety of sources, which considered different time periods and utilized different data sources, assumptions, and methodologies. Realized benefits have been rounded down to the nearest \$1 billion. Estimated potential benefits are subject to increased uncertainty, depending on whether, how, and when they are addressed, and are presented using a notional statement of magnitude. These totals represent a rough estimate of financial benefits.

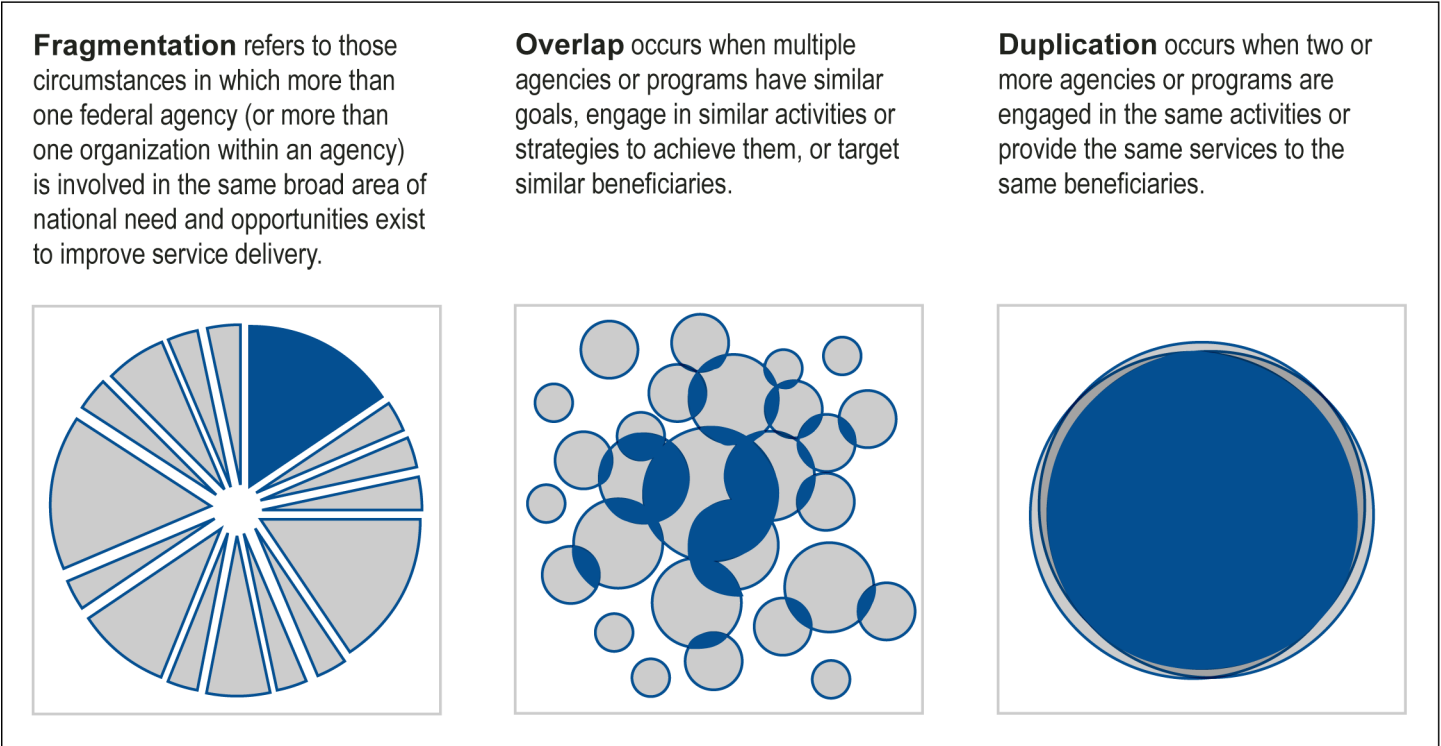
⁶Of the 68 new actions, 7 were added to six existing areas. We also added 1 action to the *Action Tracker* that was inadvertently not included in the 2017 report to the Agencies' Use of Strategic Sourcing area (see [2013, Area 23](#)). See GAO, *2018 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits*, [GAO-18-371SP](#) (Washington, D.C.: Apr. 26, 2018).

describes (1) new issues identified in our 2018 annual report; (2) the progress made in addressing actions identified in our past reports; and (3) examples of open actions directed to Congress or executive branch agencies.

My comments are based upon our 2018 annual report, as well as our update on the progress made in implementing actions that we have suggested in our previous annual reports. These efforts are based on work we previously conducted in accordance with generally accepted government auditing standards. More details on our scope and methodology can be found in the full report.

Figure 1 outlines the definitions we use for fragmentation, overlap, and duplication for this work.

Figure 1: Definitions of Fragmentation, Overlap, and Duplication



Source: GAO. | GAO-18-498T

GAO's online *Action Tracker*

GAO's *Action Tracker*, a publicly accessible website, allows Congress, executive branch agencies, and the public to track the government's progress in addressing the issues we have identified. GAO updates the *Action Tracker* twice a year, in the spring and fall.

[Click here to access GAO's online *Action Tracker* and downloadable spreadsheet \(available in XLSX or CSV formats\).](#)

Source: GAO. | GAO-18-498T

Along with issuing our report and this statement, we are concurrently releasing the latest updates to our [Action Tracker](#) (see sidebar). Our tracker includes a downloadable spreadsheet (available in [XLSX](#) or [CSV](#) formats) that users can sort and filter based on their specific needs or interests. For example, areas and actions can be sorted by the year identified, mission area name, implementation status, and implementing entities (Congress or specific agencies).

New Opportunities Exist to Improve Efficiency and Effectiveness across the Federal Government

Over 25 of the 68 new actions we identified in our annual report concern fragmentation, overlap, or duplication in government missions and functions (see table 1).⁷

Table 1: New Fragmentation, Overlap, and Duplication Areas Identified

Mission	Area
Agriculture	1. Imported Seafood Oversight: Improved coordination between the Food and Drug Administration and the Food Safety and Inspection Service on the oversight of imported seafood would help the agencies better manage fragmentation and more consistently protect consumers from unsafe drug residues.
Defense	2. Defense Distribution Centers: By minimizing unnecessary overlap and duplication and more efficiently using its U.S. distribution centers to store and process goods for troop support, such as clothing and weapon systems repair parts, the Department of Defense could potentially save approximately \$527 million over 5 years .

⁷The 68 new actions do not include 6 actions in four areas that agencies addressed before we issued our annual report. Specifically, the Department of State addressed 3 actions related to Iraqi and Syrian Cultural Property Protection (see [2018, Area 24](#)), the Department of Transportation (DOT) addressed 1 action related to DOT Operational Improvements (see [2018, Area 25](#)), the Department of Veterans Affairs addressed 1 action related to VA Human Capital Challenges (see [2018, Area 6](#)), and the U.S. Agency for International Development addressed one action related to Combating Wildlife Trafficking (see [2018, Area 11](#)). We added these actions to the [Action Tracker](#) with a status of “addressed.”

Mission	Area
	3. GPS Modernization: To reduce the risk of unnecessary duplication, the Department of Defense should assign a single organization responsibility for ensuring that common solutions for Global Positioning System receiver card modernization efforts are collected and shared among hundreds of programs. Receiver card modernization for a small portion of weapon systems is estimated to cost \$2.5 billion through fiscal year 2021.
General government	4. Federal Use of Identity Theft Services: The Office of Management and Budget should explore options to address the risk that federal agencies may offer duplicative identity theft services in response to data breaches, potentially saving millions of dollars annually in unnecessary expenditures.
Health	5. Graduate Medical Education Funding: The Department of Health and Human Services should coordinate with federal agencies, including the Department of Veterans Affairs, to improve the effectiveness and oversight of fragmented federal funding for physician graduate medical education, which cost the federal government \$14.5 billion in 2015.
	6. VA Human Capital Challenges: The Veterans Health Administration should strengthen its human resources internal control practices and its employee performance management processes to address fragmentation across the agency and improve its ability to serve veterans.
Homeland security/law enforcement	7. Coast Guard Boat Stations: The Coast Guard should close its boat stations that provide unnecessarily duplicative search and rescue coverage to improve operations and potentially save millions of dollars .
	8. National Institute of Standards and Technology Security Program Management: By addressing fragmentation in their physical security management structure, the Department of Commerce and the National Institute of Standards and Technology could improve their physical security program.
Income security	9. Reviews of SSA Disability Appeals: The Social Security Administration should evaluate its quality assurance reviews of decisions on appealed disability claims, which cost at least \$11 million in fiscal year 2016, to reduce or better manage overlap between the types of reviews.
	10. Supplemental Security Income: To better manage fragmentation in service delivery, the Social Security Administration should explore options for better connecting transition-age youth receiving Supplemental Security Income to vocational rehabilitation services.
International affairs	11. Combating Wildlife Trafficking: Federal agencies that combat wildlife trafficking should clarify roles and responsibilities in Southeast Asia to better manage fragmentation and have more reasonable assurance that they can effectively marshal the contributions of all agencies.
Science and the environment	12. High-Containment Laboratories: The Federal Select Agent Program needs to better coordinate workforce planning across its two agencies to help address fragmentation in oversight of high-containment laboratories.
Training, employment, and education	13. STEM Education Programs: Meeting requirements to assess the 163 federal science, technology, engineering, and mathematics education programs could create opportunities to better manage fragmentation and overlap and enhance the effectiveness of the portfolio.

Source: GAO. | GAO-18-498T

In addition, our 2018 report presents over 30 new opportunities for Congress or executive branch agencies to reduce the cost of government operations or enhance revenue collections for the U.S. Treasury across 10 areas of government (see table 2).

Table 2: New Cost Savings and Revenue Enhancement Opportunities Identified

Mission	Area
Defense	14. Foreign Currency Fluctuation: The Department of Defense needs to more efficiently and effectively manage foreign currency funds to potentially save millions of dollars .
	15. Supply Operations at Military Depots: The Department of Defense could improve the efficiency and effectiveness of supply operations at Army and Marine Corps depots and Navy shipyards and save tens of millions of dollars .
Economic development	16. Fiscal Management of the Universal Service Fund: By addressing weaknesses in the management and oversight of the Universal Service Fund, the Federal Communications Commission could eliminate at least \$1 million annually in fees paid to a private bank to manage investments.
Energy	17. DOE's Treatment of Hanford's Low-Activity Waste: The Department of Energy may be able to reduce certain risks and save tens of billions of dollars by adopting alternative approaches to treat a portion of its low-activity radioactive waste.
General government	18. Employment Taxes: Analyzing and using results from the Internal Revenue Service's National Research Program employment tax study could help the agency identify and pursue millions of dollars annually in additional revenue owed.
	19. Tax Fraud and Noncompliance: The Internal Revenue Service should fully assess the benefits and costs of using its existing authority to hold additional taxpayer refunds as well as extending the date for releasing those refunds until it can verify wage information on most returns later in the filing season, which could protect millions of dollars annually .
Health	20. Premium Tax Credit Improper Payments: The Centers for Medicare & Medicaid Services and the Internal Revenue Service could save money by strengthening controls over the Premium Tax Credit for health insurance, which cost about \$35 billion for fiscal year 2017.
	21. VA Medical Supplies Procurement: The Department of Veterans Affairs could potentially save tens of millions of dollars when acquiring medical and surgical supplies by better adhering to supply chain practices of leading hospitals.
Homeland security/law enforcement	22. Bureau of Prisons Health Care Costs: The Federal Bureau of Prisons could improve the oversight and management of its health care costs to more efficiently and effectively acquire health care goods and services and potentially save millions of dollars annually .
Income security	23. Railroad Retirement Board Continuing Disability Reviews: The Railroad Retirement Board could reduce overpayments by millions of dollars and better target resources by using more timely earnings data and reallocating resources used for high-risk continuing disability reviews to more effective efforts.

Source: GAO. | GAO-18-498T

In addition to these new areas, we identified seven new actions that relate to six existing areas presented in our 2011 to 2017 annual reports (see table 3).⁸

⁸See appendix IV of [GAO-18-371SP](#) for more information.

Table 3: New Actions Added to Existing Areas in 2018

Mission	New action (area name links to <i>Action Tracker</i>)	Year introduced (year links to report)
Agriculture	Crop Insurance: In July 2017, GAO identified a new action that Congress can take to reduce the cost of delivering the federal crop insurance program by hundreds of millions of dollars annually .	2013
Defense	Defense Virtual Training: In September 2017, GAO identified a new action to help the Marine Corps better manage fragmentation in its virtual training program.	2016
	Navy Shipbuilding: In March 2017, GAO identified a new action to help the Navy improve its use of incentives in shipbuilding.	2017
General government	Federal Vehicles: In April 2017, GAO identified two new actions to help the federal government better manage its fleet of retained vehicles.	2016
Homeland security/law enforcement	Security of Federal Facilities: In February 2017, GAO identified a new action to better manage fragmentation among federal agencies to address risks to federal courthouse security.	2016
Information technology	Information Technology Investment Portfolio Management: In September 2016, GAO identified a new action to improve federal agencies' efforts to complete software application inventories, which could further contribute to the billions of dollars of potential savings previously identified.	2014

Source: GAO. | GAO-18-498T

Congress and Executive Branch Agencies Continue to Address Actions That Span the Federal Government

We monitor the progress that Congress and executive branch agencies have made in addressing the issues we identified in each of our last seven annual reports. As shown in table 4, Congress and executive branch agencies have made consistent progress in addressing many of the actions we identified from 2011 to 2017. As of March 2018, 376 (52 percent) of the actions we identified from 2011 to 2017 have been fully addressed. See our online [Action Tracker](#) for the status of all actions.

Table 4: Status of 2011 to 2017 Actions Directed to Congress and the Executive Branch, as of March 2018

Status	Number of congressional actions (percentage) ^a	Number of executive branch actions (percentage) ^b	Total (percentage)
Addressed	30 (31%)	346 (55%)	376 (52%)
Partially addressed	11 (11%)	164 (26%)	175 (24%)
Not addressed	44 (45%)	78 (12%)	122 (17%)
Other ^c	12 (12%)	39 (6%)	51 (7%)
Total	97 (100%)	627 (100%)	724 (100%)

Source: GAO. | GAO-18-498T

Note: Due to rounding, the total percentages do not add up to exactly 100 percent.

^aIn assessing actions suggested for Congress, GAO applied the following criteria: “addressed” means relevant legislation has been enacted and addresses all aspects of the action needed; “partially addressed” means a relevant bill has passed a committee, the House of Representatives, or the Senate during the current congressional session, or relevant legislation has been enacted but only addressed part of the action needed; and “not addressed” means a bill may have been introduced but did not pass out of a committee, or no relevant legislation has been introduced. At the beginning of a new congressional session, GAO reapplies the criteria. As a result, the status of an action may move from partially addressed to not addressed if relevant legislation is not reintroduced from the prior congressional session.

^bIn assessing actions suggested for the executive branch, GAO applied the following criteria: “addressed” means implementation of the action needed has been completed; “partially addressed” means the action needed is in development, or started but not yet completed; and “not addressed” means the administration, the agencies, or both have made minimal or no progress toward implementing the action needed.

^cOf the 51 “other” actions, 34 are categorized as “consolidated or other” and 17 as “closed-not addressed.” Actions categorized as “consolidated or other” and “closed-not addressed” are no longer assessed. In most cases, “consolidated or other” actions were replaced or subsumed by new actions based on additional audit work or other relevant information. Actions are generally “closed-not addressed” when the action is no longer relevant due to changing circumstances.

Billions in Financial Benefits Due to Actions Taken by Congress and Executive Branch Agencies

The progress Congress and executive branch agencies have made in addressing our open actions has resulted in \$178 billion in financial benefits, including roughly \$125 billion in financial benefits from 2010 through 2017, with at least an additional \$53 billion in estimated benefits projected to accrue in 2018 or later.⁹ Table 5 highlights examples of these results.

⁹In calculating these totals, we relied on individual estimates from a variety of sources, which considered different periods and utilized different data sources, assumptions, and methodologies. These totals represent a rough estimate of financial benefits and have been rounded down to the nearest \$1 billion.

Table 5: Examples of Addressed or Partially Addressed Actions with Associated Cost Savings and Revenue Enhancements

Area name (links to <i>Action Tracker</i>)	Actions taken	Financial benefit
Farm Program Payments (2011/Area 35)	Congress passed and the President signed the Agricultural Act of 2014, which eliminated direct payments to farmers. ^a	Savings of approximately \$44.5 billion from fiscal year 2015 through fiscal year 2023, of which \$14.8 billion has accrued and \$29.7 billion is expected to accrue in fiscal year 2018 or later, according to the Congressional Budget Office (CBO).
Weapon Systems Acquisition Programs (2011/Area 38)	Congress passed and the President signed the Weapon Systems Acquisition Reform Act of 2009, which implemented a number of GAO's recommendations for how the Department of Defense (DOD) develops and acquires weapon systems. GAO highlighted the need for additional action in this area in its 2011 report. Since then, DOD has followed more best practices for these acquisitions. ^b	Savings of approximately \$36 billion from 2011 through 2015, according to GAO analysis.
Domestic Ethanol Production (2011/Area 13)	Congress allowed the Volumetric Ethanol Excise Tax Credit to expire at the end of 2011, which eliminated duplicative federal efforts directed at increasing domestic ethanol production and reduced revenue losses. ^c	Reduced revenue losses by \$29 billion in fiscal years 2012 through 2016, according to GAO analysis.
Passenger Aviation Security Fees (2012/Area 48)	Congress passed the Bipartisan Budget Act of 2013 which modified the passenger security fee from its current per enplanement structure (\$2.50 per enplanement with a maximum one-way-trip fee of \$5.00) to a structure that increases the passenger security fee to a flat \$5.60 per one-way-trip. ^d	Increased revenue of about \$12.9 billion in fee collections over a 10-year period beginning in fiscal year 2014 and continuing through fiscal year 2023.
Tax Policies and Enforcement (2015/Area 17)	Congress amended the audit procedures applicable to certain large partnerships to require that they pay audit adjustments at the partnership level. ^e	Increase revenue by \$9.3 billion from fiscal years 2019 to 2025, according to the Joint Committee on Taxation.
Real Estate-Owned Properties (2014/Area 18)	The Department of Housing and Urban Development made improvements to increase the recoveries from disposing of properties it receives when loans default, such as by selling these loans and increasing property inspections and oversight of contractors disposing of these properties.	Savings of up to \$4.7 billion from July 2013 through June 2017, according to GAO analysis.
Combat Uniforms (2013/Area 2)	The Army chose not to introduce a new family of camouflage uniforms into its inventory.	Cost avoidance of about \$4.2 billion over 5 years, of which \$3.4 billion has accrued since fiscal year 2014 and \$0.8 billion is expected to accrue in fiscal year 2018, according to agency estimates.
Federal Data Centers (2011/Area 15)	The 24 federal agencies participating in the Office of Management and Budget's (OMB) data center consolidation and optimization efforts have taken steps to consolidate over 5,800 data centers as of August 2017.	Cost savings and avoidances of \$3.9 billion from fiscal years 2011 through 2018, based on GAO analysis of agency reported data. This includes about \$345.4 million expected to accrue in fiscal year 2018, according to agencies' plans.
Agencies' Use of Strategic Sourcing (2013/Area 23)	The Department of Veterans Affairs evaluated strategic sourcing opportunities and set goals and metrics such as increasing managed spending for information technology (IT) products and services.	Cost avoidance of about \$3.6 billion from fiscal years 2013 through 2015, according to agency estimates.
Overseas Defense Posture (2012/Area 37)	United States Forces Korea conducted a series of consultations with the military services to evaluate the costs and benefits associated with tour normalization, and DOD decided not to move forward with the full tour normalization initiative because it was not affordable.	Savings of an estimated \$3.1 billion from fiscal years 2012 through 2016, according to agency estimates.

Area name (links to <i>Action Tracker</i>)	Actions taken	Financial benefit
Homeland Security Grants (2012/Area 17)	Congress limited preparedness grant funding until the Federal Emergency Management Agency completes a national preparedness assessment of capability gaps. ^f	Savings of \$2.6 billion from fiscal years 2011 through 2013, according to GAO analysis.
Treasury's Foreclosure Prevention Efforts (2016/Area 17)	The Department of the Treasury (Treasury) updated its analysis of estimated future expenditures for the Making Home Affordable program, reducing the estimated lifetime cost of the program.	Savings of \$2 billion as a result of deobligating funds in February 2016, according to agency estimates.
Information Technology Investment Portfolio Management (2014/Area 24)	Eight agencies completed efforts to migrate commodity IT areas to shared services in response to OMB's 2012 guidance to review their portfolios and identify duplicative, low-value, and wasteful investments, contributing to savings.	Savings of about \$1.8 billion from fiscal years 2012 through 2016, according to agency estimates.
DOD's Business Systems (2011/Area 8)	DOD canceled the Air Force's Expeditionary Combat Support System because of significant cost and schedule overages.	Savings of about \$1.6 billion from fiscal years 2013 through 2025, according to GAO analysis of agency estimates. This includes about \$985 million expected to accrue in fiscal year 2018 or later.
Strategic Petroleum Reserve (2015/Area 15)	The Department of Energy (DOE) completed a long-term strategic review of the Strategic Petroleum Reserve in August 2016, as Congress required in 2015.	DOE reported savings of \$1.2 billion from selling crude oil from the reserve in fiscal year 2017 and 2018, with potential for over \$8.4 billion in total sales through 2025 according to CBO.
Federal Payments for Hospital Uncompensated Care (2017/Area 25)	The Department of Health and Human Services began to align Medicare Uncompensated Care payments with hospitals' actual uncompensated care costs starting in fiscal year 2018 instead of basing these payments on hospitals' Medicaid workload.	Financial benefits of about \$752 million in fiscal year 2018 from better use of Medicare funds, according to GAO analysis.

Source: GAO. | GAO-18-498T

Note: The estimates in this report are from a range of sources, including GAO, executive branch agencies, CBO, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2017 report to reflect more recent analysis.

^aPub. L. No. 113-79, § 1101, 128 Stat. 649, 658 (2014).

^bPub. L. No. 111-23, 123 Stat. 1704 (2009).

^c26 U.S.C. § 6426(b)(6).

^dPub. L. No. 113-67, § 601(b), 127 Stat. 1165, 1187 (2013).

^eBipartisan Budget Act of 2015, Pub. L. No. 114-74, § 1101, 129 Stat. 584, 625–638 (2015).

^fPub. L. No. 112-10, § 1632, 125 Stat. 38, 143 (2011); Pub. L. No. 112-74, 125 Stat. 786, 960-62 (2011); Pub. L. No. 113-6, 127 Stat. 198, 358-60 (2013); Pub. L. No. 113-76, 118 Stat. 5, 261-62 (2014).

While not all actions result in financial benefits to taxpayers, all of our suggested actions, when implemented, can result in other benefits—for instance, they make government more efficient or eliminate, reduce, or improve management of fragmented, overlapping, or duplicative programs. For example, such benefits can be seen in the results of our work on the government's acquisition of space programs. For over two decades, we and others have reported on problems caused by fragmented leadership and a lack of a single authority in oversight of these multibillion dollar programs.

In 2012, we made a recommendation aimed at strengthening leadership and authority of space systems acquisitions. In response, in 2017 the President revived the National Space Council to provide a coordinated process for developing and monitoring the implementation of national

space policy and strategy. Separately, in the National Defense Authorization Act for Fiscal Year 2018, Congress made changes to certain DOD space leadership positions and required the department to conduct a review and identify a recommended organizational and management structure for its national security space components, and submit related reports. The act also required DOD to contract with a federally funded research and development center not closely affiliated with the Air Force to develop a plan to establish a separate military department responsible for DOD national security space activities.¹⁰ These actions could reduce fragmentation and speed decision making in the development of a substantial investment in space systems.

Action on Remaining and New Areas Could Yield Significant Additional Benefits

While Congress and executive branch agencies have made progress toward addressing the 798 total actions we have identified since 2011, further steps are needed to fully address the 365 actions that are partially addressed or not addressed.¹¹ We estimate that tens of billions of dollars in additional financial benefits could be realized should Congress and executive branch agencies fully address open actions.¹² In addition to producing financial benefits, these actions make government more efficient; improve major government programs or agencies; reduce the risk of mismanagement, fraud, waste, and abuse; and increase assurance that programs comply with laws and funds are legally spent.

Significant Open Actions Directed to Congress

Congress has used our work to identify legislative solutions to achieve cost savings, address emerging problems, and find efficiencies in federal agencies and programs. Our work has contributed to a number of key authorizations and appropriations. In addition, congressional oversight of agencies' efforts has been critical in realizing the full benefits of our suggested actions addressed to the executive branch, and it will continue to be critical in the future.

In our 2011 to 2018 annual reports, we directed 100 actions to Congress, including the 3 new congressional actions we identified in 2018. Of the 100 actions, 58 remain open (11 of which were partially addressed and 47 were not addressed or new) as of March 2018. Table 6 highlights areas with significant open actions directed to Congress. Appendix I has a full list of all open congressional actions.

¹⁰Pub. L. No. 115-91, § 1601(c), (d), 131 Stat. 1283, ____ (2017).

¹¹The 798 total actions include the 68 new actions identified in this report and six new actions that were addressed before this report was issued.

¹²In calculating this estimate, we relied on individual estimates from a variety of sources, which considered different time periods and utilized different data sources, assumptions, and methodologies. These estimates are subject to increased uncertainty, depending on whether, how, and when they are addressed. This amount represents a rough estimate of financial benefits.

Table 6: Examples of Areas with Open Actions Directed to Congress

Annual report (year links to report)	Area description (area number links to <i>Action Tracker</i>)
2018	DOE's Treatment of Hanford's Low-Activity Waste (Area 17): Congress should consider granting the Department of Energy (DOE) authority to manage certain portions of Hanford's tank waste as a waste type other than high-level waste, which would allow DOE to use alternative waste treatment approaches and could reduce certain risks and save tens of billions of dollars .
2017	Use of the Do Not Pay Working System (Area 11): The Office of Management and Budget (OMB) needs to develop a strategy and additional guidance on the use of the Do Not Pay working system, and Congress should consider amending the Social Security Act to explicitly allow the Social Security Administration (SSA) to share its full death file through the system to reduce improper payments and mitigate the risks associated with potential duplication.
2016	Treasury's Foreclosure Prevention Efforts (Area 17): Congress could rescind and direct \$4.8 billion to other priorities upon the Department of Treasury's review of potential unexpended balances and deobligation of excess funds for the Making Home Affordable Program.
2016	Medicare Payments by Place of Service (Area 30): Medicare could save \$1 to 2 billion annually if Congress were to equalize the rates Medicare pays for certain health care services, which often vary depending on where the service is performed. ^a
2015	DOD US Family Health Plan (Area 6): To potentially save millions of dollars and eliminate duplication within the Department of Defense's (DOD) health care system, Congress should terminate the statutorily required US Family Health Plan because it offers military beneficiaries the same health care benefit offered by other DOD health care contractors within many of the same geographic service areas.
2015	Medicare Payments to Certain Cancer Hospitals (Area 19): To achieve almost \$500 million annually in program savings, Congress should consider modifying how Medicare pays certain cancer hospitals.
2014	Disability and Unemployment Benefits (Area 8): Congress should consider passing legislation to prevent individuals from collecting both full Disability Insurance benefits and Unemployment Insurance benefits that cover the same period, which could save almost \$2.5 billion over 10 years in the Social Security Disability Insurance program, according to OMB.
2014	Advanced Technology Vehicles Manufacturing Loan Program (Area 13): Unless DOE can demonstrate demand for new Advanced Technology Vehicles Manufacturing loans and viable applications, Congress may wish to consider rescinding all or part of the remaining \$4.3 billion in credit subsidy appropriations.
2013	Crop Insurance (Area 19): To achieve up to \$1.4 billion annually in cost savings in the crop insurance program, Congress could consider limiting the subsidy for premiums that are provided on behalf of individual farmers—as it limits the amount of payments to individual farmers in many farm programs—or reducing the subsidy or some combination of limiting and reducing these subsidies.
2013	Tobacco Taxes (Area 31): Federal revenue losses ranged from as much as \$2.6 to \$3.7 billion between April 2009 and February 2014 because manufacturers and consumers substituted higher-taxed smoking tobacco products with similar lower-taxed products. To address future revenue losses, Congress should consider modifying tobacco tax rates to eliminate significant tax differentials between similar products.
2011	Social Security Offsets (Area 80): SSA needs data on pensions from noncovered earnings to better enforce offsets and ensure benefit fairness, which could result in estimated savings of \$2.4 to \$7.9 billion over 10 years if enforced both retrospectively and prospectively, according to the Congressional Budget Office and SSA. Congress could consider giving the Internal Revenue Service the authority to collect the necessary information. Estimated savings would be less if SSA only enforced the offsets prospectively as it would not reduce benefits already received.

Source: GAO. | GAO-18-498T

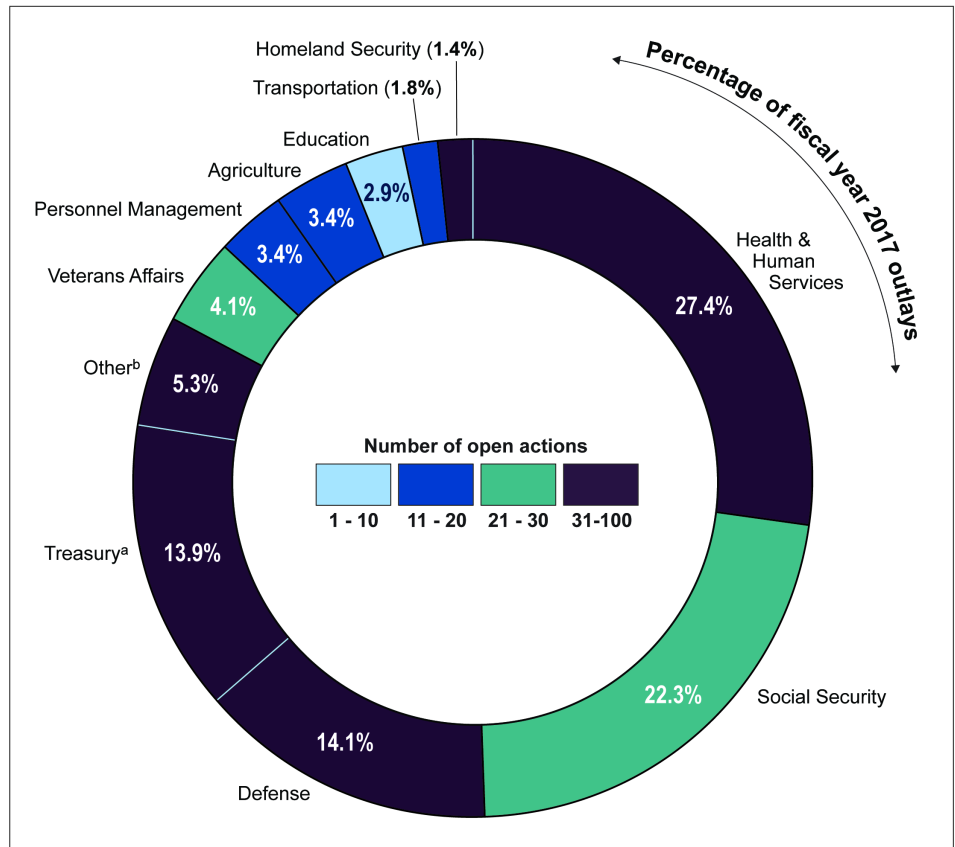
Note: The estimates in this report are from a range of sources, including GAO, executive-branch agencies, the Congressional Budget Office, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2017 report to reflect more recent analysis.

^aIn 2015, Congress took some steps to address this by excluding services furnished by off-campus hospital outpatient departments from this higher payment, effective January 1, 2017. However, this exclusion will not apply to services furnished by providers billing as hospital outpatient departments prior to enactment of the legislation—that is, all providers billing as hospital outpatients during GAO's study—who would continue to be paid under higher rate or to services provided by on-campus hospital outpatient departments. Congress later added providers meeting a mid-build requirement to the list of providers to which the exclusion would not apply.

Significant Open Actions Directed to Executive Branch Agencies

In our 2011 to 2018 annual reports, we directed 698 actions to executive branch agencies, including 65 new actions identified in 2018. Of the 698 actions, 307 remained open as of March 2018. Of these open actions, 164 were partially addressed and 143 were not addressed or new. While these open actions span the government, a substantial number of them are directed to seven agencies that made up 83 percent—\$3.7 trillion—of federal outlays in fiscal year 2017 and have the largest number of open actions (see figures 2 and 3).

Figure 2: Fiscal Year 2017 Outlays and Number of Open Actions since 2011, by Agency



Source: GAO. | GAO-18-498T

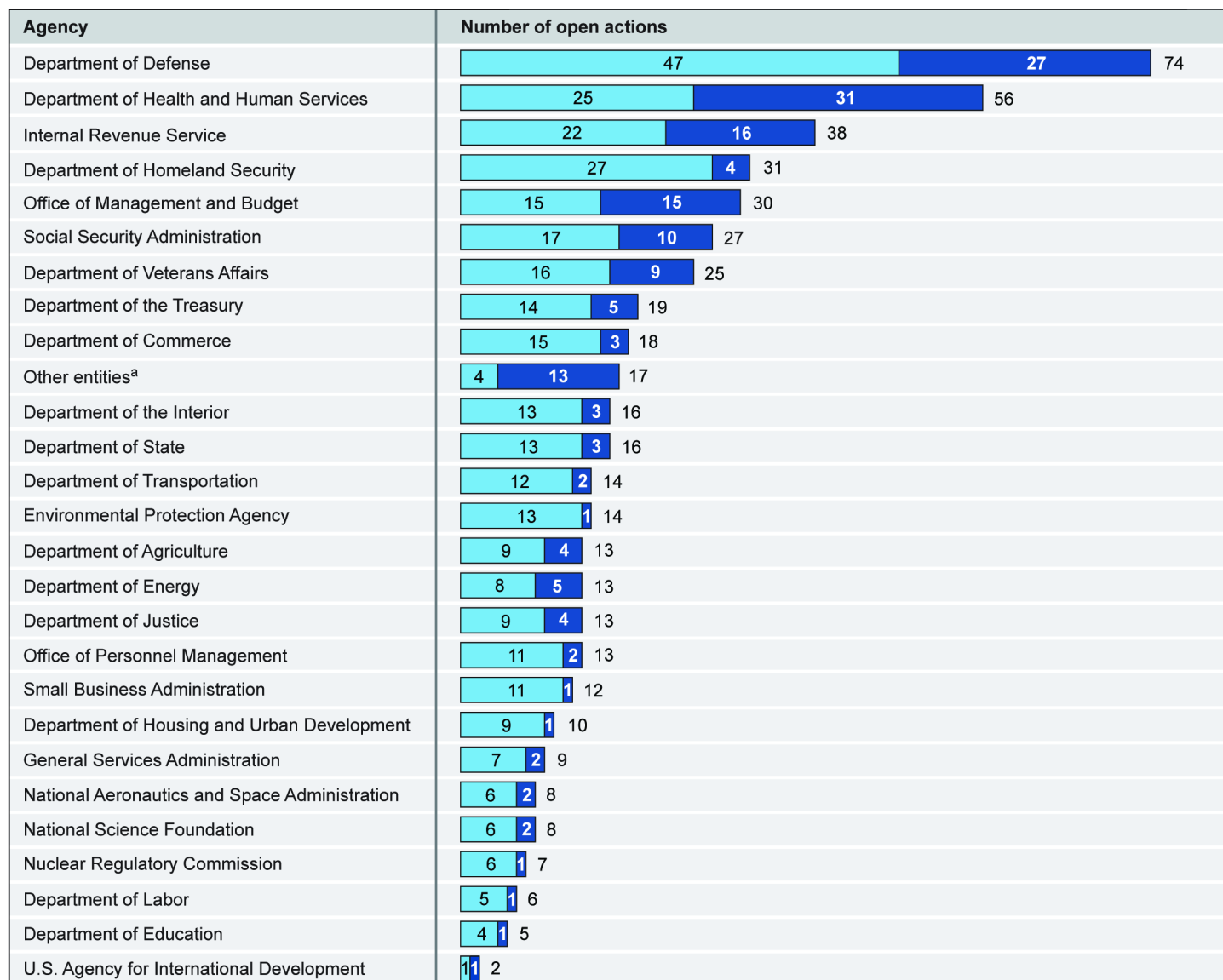
Notes: Number of open actions includes actions that are partially addressed and not addressed.



^aTreasury's percentage of fiscal year 2017 outlays includes interest payments on the national debt as well as costs associated with administering Bureaus including the Internal Revenue Service.

^bOther agencies include all federal agencies with fiscal year 2017 outlays not listed above.

As shown in figure 3, seven agencies have at least 25 open actions.

Figure 3: Number of Not Addressed and Partially Addressed Actions since 2011, by Agency



 Number of actions partially addressed
 Number of actions not addressed

Source: GAO. | GAO-18-498T

Notes: Action status is as of March 2018. Individual actions are counted multiple times when they are directed to more than one federal department or agency. As a result, the number of open actions shown in this figure totals 514 instead of 307, the latter of which is the total number of open actions directed to the executive branch as of March 2018.

The number of actions “partially addressed” means the action needed is in development or started but not yet completed. The number of actions “not addressed” means the administration, the agencies, or both have made minimal or no progress toward implementing the action needed. Actions that were introduced in this 2018 annual report are counted as “not addressed.”

^a“Other entities” reflects open actions directed to the following federal entities: The Executive Office of the President, National Security Council, Office of the Director of National Intelligence, Office of National Drug Control Policy, Office of Science and Technology Policy, Homeland Security Council, Consumer Financial Protection Bureau, Federal Reserve, U.S. Commission on International Religious Freedom, National Telecommunications and Information Administration, Railroad Retirement Board, the Committee on Science, Technology, Engineering, and Mathematics Education and the Federal Communications Commission.

The following sections highlight examples of open actions across those seven major agencies.

More Efficiently Targeting Defense Resources

In our 2011 to 2018 reports, we directed 176 actions to DOD in areas that center on DOD’s effectiveness in providing the military forces needed to deter war and to protect the security of the United States. As of March 2018, 74 of these 176 actions remained open. DOD represented about 14 percent of federal spending in fiscal year 2017, with outlays totaling about \$635.5 billion. Our work suggests that effectively implementing these open actions, including those related to areas listed in table 7, could yield substantial financial benefits and improve DOD’s effectiveness.

Table 7: Examples of Areas with Open Actions Directed to the Department of Defense

Annual report (year links to report)	Area description (area number links to Action Tracker)
2018	Defense Distribution Centers (Area 2): By minimizing unnecessary overlap and duplication and more efficiently using its U.S. distribution centers to store and process goods for troop support, such as clothing and weapon systems repair parts, the Department of Defense (DOD) could potentially save approximately \$527 million over 5 years .
2017	DOD Commissaries (Area 16): By managing its commissaries more efficiently, DOD could position itself to better achieve its cost savings target of \$2 billion.
2013	Agencies’ Use of Strategic Sourcing (Area 23): Selected agencies—including DOD—could better leverage their buying power and achieve additional savings by directing more procurement spending to existing strategically sourced contracts and further expanding strategic sourcing practices to their highest spending procurement categories. GAO originally estimates that savings of 1 percent from selected agencies’ procurement spending alone would equate to over \$4 billion. Resulting action from one of these agencies (the Department of Veterans Affairs) has already resulted in \$3.6 billion in savings.
2012, 2015	DOD Headquarters Reductions and Workforce Requirements (Areas 34, 14): DOD could potentially save \$9.4 billion by identifying further opportunities for consolidating or reducing the size of headquarters organizations to meet their assigned missions through periodic reassessments of its workforce requirements.
2011	Weapon Systems Acquisition Programs (Area 38): Continuing to employ best management practices could help DOD save money on its weapon systems acquisition programs. Given the trillion-dollar size of the portfolio, GAO estimates potential savings from addressing the remaining actions could be in the billions of dollars over the next several years .

Source: GAO. | GAO-18-498T

Note: The estimates in this report are from a range of sources, including GAO, executive branch agencies, the Congressional Budget Office, and the Joint Committee on Taxation. Some estimates have been updated since GAO’s 2017 report to reflect more recent analysis.

Improving the Efficiency of Health Care Programs

In our 2011 to 2018 reports, we directed 111 actions to the Department of Health and Human Services (HHS) in areas that contribute to HHS’s mission to enhance the health and well-being of Americans. HHS provides health coverage for over 145 million Americans through three principal programs—Medicare, Medicaid, and the Children’s Health Insurance Program—as well as the health-insurance marketplaces. HHS also operates other public health-related agencies such as the Food and Drug Administration, the Centers for Disease Control and Prevention, and the National Institutes of Health.

HHS represented about 27 percent of the fiscal year 2017 federal budget, with outlays totaling about \$1.2 trillion. As of March 2018, 56 of HHS’s 111 actions remained open. Our work suggests that effectively implementing these actions, including those related to areas listed in table 8, could reduce costs, provide services more efficiently, and yield substantial financial benefits.

Table 8: Examples of Areas with Open Actions Directed to the Department of Health and Human Services

Annual report (year links to report)	Area description (area number links to <i>Action Tracker</i>)
Medicare	
2015	Medicare Postpayment Claims Reviews (Area 7): To prevent inappropriate duplicative postpayment claims reviews by contractors, the Centers for Medicare & Medicaid Services (CMS) should monitor the Recovery Audit Data Warehouse—the database developed in part to prevent duplicative reviews.
2012	Medicare Advantage Payments (Area 45): To help ensure appropriate payments to Medicare Advantage plans, CMS should take steps to improve the accuracy of the adjustment made for differences in diagnostic coding practices between Medicare Advantage plans and traditional Medicare providers, which could result in savings of billions of dollars .
Medicaid	
2017	Medicaid Personal Care Services Data (Area 26): CMS needs timely, complete, and consistent data on Medicaid personal care services so it can effectively monitor these services, which could lead to savings of tens of millions of dollars annually .
2016	Medicaid Payments to Institutional Providers (Area 29): CMS should take steps to improve the oversight of state Medicaid payments to institutional providers and better ensure that the federal government does not provide funds for excessive state payments made to certain providers, which could result in savings of hundreds of millions of dollars annually .
2014, 2016	Demonstration Spending (Areas 21, 27): Federal spending on Medicaid demonstrations could be reduced by billions of dollars if the Department of Health and Human Services improved the process for reviewing, approving, and making transparent the basis for spending limits approved for Medicaid demonstrations, including better ensuring that valid methods are used to demonstrate budget neutrality and implemented other actions and recommendations, such as establishing specific criteria for assessing whether demonstration spending furthers Medicaid objectives.

Source: GAO. | GAO-18-498T

Note: The estimates in this report are from a range of sources, including GAO, executive branch agencies, the Congressional Budget Office, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2017 report to reflect more recent analysis.

Enhancing Federal Revenues

In our 2011 to 2018 reports, we directed 91 actions to the Internal Revenue Service (IRS) in areas that contribute to effectively and efficiently providing high-quality service to taxpayers and enforcing the law with integrity and fairness to all. As of March 2018, 38 of these 91 actions remained open. The funding of the federal government depends largely upon IRS's ability to collect taxes legally owed. Our work suggests that effective implementation of our open actions, including those related to areas listed in table 9, could increase revenues through better compliance or reduce costs.

Table 9: Examples of Areas with Open Actions Directed to the Internal Revenue Service

Annual report (year links to report)	Area description (area number links to <i>Action Tracker</i>)
2018	Employment Taxes (Area 18): Analyzing and using results from the Internal Revenue Service's (IRS) National Research Program employment tax study could help the agency identify and pursue millions of dollars annually in additional revenue owed.
2018	Tax Fraud and Noncompliance (Area 19): IRS should fully assess the benefits and costs of using its existing authority to hold additional taxpayer refunds as well as extending the date for releasing those refunds until it can verify wage information on most returns later in the filing season, which could protect millions of dollars annually .
2017	Refundable Tax Credits (Area 24): IRS could potentially realize hundreds of millions of dollars in cost savings by improving the administration of three large refundable tax credits (the Earned Income Tax Credit; the Additional Child Tax Credit, which is sometimes combined with its nonrefundable counterpart, the Child Tax Credit; and the America Opportunity Tax Credit).

Annual report (year links to report)	Area description (area number links to <i>Action Tracker</i>)
2016	Identity Theft Refund Fraud (Area 22): IRS and Congress could potentially save billions of dollars in fraudulent refunds by improving the agency's efforts to prevent refund fraud associated with identity theft.
2014	Online Taxpayer Services (Area 17): IRS could potentially realize hundreds of millions of dollars in cost savings and increased revenues by enhancing its online services, which would improve service to taxpayers and encourage greater tax-law compliance.
2013, 2015	Tax Policy and Enforcement (Areas 22, 17): By using more-rigorous analyses to allocate enforcement resources and using data to improve management of enforcement programs such as large partnership and correspondence audits, among other things, the IRS can increase revenue collections by hundreds of millions of dollars .

Source: GAO. | GAO-18-498T

Note: The estimates in this report are from a range of sources, including GAO, executive branch agencies, the Congressional Budget Office, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2017 report to reflect more recent analysis.

Improving the Efficiency and Effectiveness of Homeland Security Operations

In our 2011 to 2018 reports, we directed 79 actions to the Department of Homeland Security (DHS) in areas that contribute to the effective implementation of its mission. In fiscal year 2017, DHS spent about \$63.6 billion, about 1.4 percent of federal outlays. As of March 2018, 31 of the 79 actions to DHS remained open. Fully implementing these actions, including those related to areas listed in table 10, could result in financial benefits and substantial improvements in agency operations.

Table 10: Examples of Areas with Open Actions Directed to the Department of Homeland Security

Annual report (year links to report)	Area description (area number links to <i>Action Tracker</i>)
2018	Coast Guard Boat Stations (Area 7): The Coast Guard should close its boat stations that provide unnecessarily duplicative search and rescue coverage to improve operations and potentially save millions of dollars .
2012	Border Security (Area 47): The Department of Homeland Security's (DHS) future acquisitions of border surveillance technology could be better informed by using performance metrics to assess the contributions of existing surveillance technologies.
2012	Domestic Disaster Assistance (Area 51): The Federal Emergency Management Agency could reduce the costs to the federal government related to major disasters declared by the President by updating the principal indicator on which disaster funding decisions are based and better measuring a state's capacity to respond without federal assistance.
2012	Homeland Security Grants (Area 17): DHS needs better project information and coordination among four overlapping grant programs and needs to establish a framework for assessing preparedness capabilities to identify gaps and prioritize investments.

Source: GAO. | GAO-18-498T

Note: The estimates in this report are from a range of sources, including GAO, executive branch agencies, the Congressional Budget Office, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2017 report to reflect more recent analysis.

Advancing the Implementation of Government-Wide Policies and Performance

Many of the results the federal government seeks to achieve require the coordinated effort of more than one federal agency, level of government, or sector. OMB manages and coordinates many government-wide efforts. In our 2011 to 2018 reports, we directed 66 actions to OMB in areas to improve the efficiency and effectiveness of government-wide programs and activities. As of March 2018, 30 of the 66 actions to OMB remained open. Fully implementing these actions, including those related to areas

listed in table 11, could yield significant financial benefits and substantial program improvements across government.

Table 11: Examples of Areas with Open Actions Directed to the Office of Management and Budget

Annual report (year links to report)	Area description (area number links to <i>Action Tracker</i>)
2018	Federal Use of Identity Theft Services (Area 4): The Office of Management and Budget (OMB) should explore options to address the risk that federal agencies may offer duplicative identity theft services in response to data breaches, potentially saving millions of dollars annually in unnecessary expenditures.
2014	Information Technology Investment Portfolio Management (Area 24): OMB and multiple agencies could help the federal government realize billions of dollars in savings by taking steps to better implement PortfolioStat, a process to help agencies manage their information technology investments.
2013	Geospatial Investments (Area 11): Better coordination among federal agencies that collect, maintain, and use geospatial information could help reduce duplication in geospatial investments and provide the opportunity for potential savings of millions of dollars .
2012	Federal User Fees (Area 43): Regularly reviewing federal user fees and charges can help Congress and federal agencies identify opportunities to address inconsistent federal funding approaches and enhance user financing, thereby reducing reliance on general fund appropriations.
2011	Tax Expenditures (Area 17): Periodic reviews could help identify ineffective tax expenditures and redundancies in related tax and spending programs, potentially reducing revenue losses by billions of dollars .
2011	Government-Wide Improper Payments (Area 46): Efforts to address the reported estimate of about \$141 billion in government-wide improper payments for fiscal year 2017 could result in significant cost savings.

Source: GAO. | GAO-18-498T

Note: The estimates in this report are from a range of sources, including GAO, executive branch agencies, the Congressional Budget Office, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2017 report to reflect more recent analysis.

More Efficiently Administering Services to Retirees and Citizens with Disabilities

In our 2011 to 2018 reports, we directed 32 actions to the Social Security Administration (SSA) in areas that contribute to SSA providing financial assistance to eligible individuals through Social Security retirement and disability benefits and Supplemental Security Income (SSI) payments. As of March 2018, 27 of these 32 actions remained open.

In fiscal year 2017, SSA spent about \$1 trillion, roughly 22 percent of federal outlays. While most of SSA's funding is used to pay Social Security retirement, survivors, and disability benefits from the Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund, our work suggests that effective implementation of these actions, including the examples listed in table 12, could result in significant benefits.

Table 12: Examples of Areas with Open Actions Directed to the Social Security Administration

Annual report (year links to report)	Area description (area number links to <i>Action Tracker</i>)
2018	Supplemental Security Income (Area 10): To better manage fragmentation in service delivery, the Social Security Administration (SSA) should explore options for better connecting transition-age youth receiving Supplemental Security Income to vocational rehabilitation services.
2016	Disability Insurance Overpayments (Area 32): To help prevent the loss of billions of dollars, SSA should take steps to prevent overpayments to beneficiaries of the Disability Insurance program and improper waivers of beneficiaries' overpayment debt.
2016	Disability Reviews (Area 33): SSA may increase federal savings realized as a result of disability reviews by further considering factors that affect individuals' expected lifetime benefits when prioritizing its reviews of Disability Insurance and Supplemental Security Income cases.
2012	Social Security Benefit Coordination (Area 27): Benefit offsets for related programs help reduce the potential for overlapping payments but pose administrative challenges.

Source: GAO. | GAO-18-498T

Note: The estimates in this report are from a range of sources, including GAO, executive branch agencies, the Congressional Budget Office, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2017 report to reflect more recent analysis.

Improving Support and Services for Veterans

In our 2011 to 2018 reports, we directed 54 actions to the Department of Veterans Affairs (VA) in areas that contribute to VA effectively and efficiently achieving its mission to promote the health, welfare, and dignity of all veterans by ensuring that they receive medical care, benefits, and social support. As of March 2018, 25 of these 54 actions remained open. In fiscal year 2017, VA spent about \$183.0 billion—about 4 percent of federal outlays—for veterans' benefits and services. Our work suggests that effective implementation of these actions, including those related to areas listed in table 13, could yield cost savings and efficiencies that would improve the delivery of services to the nation's veterans and their families.

Table 13: Examples of Areas with Open Actions Directed to the Department of Veterans Affairs

Annual report (year links to report)	Area description (area number links to <i>Action Tracker</i>)
2018	VA Human Capital Challenges (Area 6): The Veterans Health Administration should strengthen its human resources internal control practices and its employee performance management processes to address fragmentation across the agency and improve its ability to serve veterans.
2018	VA Medical Supplies Procurement (Area 21): The Department of Veterans Affairs (VA) could potentially save tens of millions of dollars when acquiring medical and surgical supplies by better adhering to supply chain practices of leading hospitals.
2017	Department of Veterans Affairs Medical Facility Construction (Area 20): VA could better avoid cost increases and schedule delays on its medical facility construction projects by improving management of facility construction.
2013	Information Technology Operations and Maintenance (Area 30): Strengthening oversight of federal agencies'—including VA's—major information technology investments in operations and maintenance provides opportunity for savings of billions of dollars across the federal government.
2012	Military and Veterans Health Care (Area 15): The Departments of Defense (DOD) and Veterans Affairs (VA) need to improve integration across care coordination and case-management programs to reduce duplication and better assist service members, veterans, and their families.

Source: GAO. | GAO-18-498T

Note: The estimates in this report are from a range of sources, including GAO, executive branch agencies, the Congressional Budget Office, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2017 report to reflect more recent analysis.

We will continue to look for additional or emerging instances of fragmentation, overlap, and duplication and opportunities for cost savings or revenue enhancement. Likewise, we will continue to monitor developments in the areas we have already identified. We stand ready to assist this and other committees in further analyzing the issues we have identified and evaluating potential solutions.

Thank you, Chairman Gowdy, Ranking Member Cummings, and Members of the Committee; this concludes my prepared statement. I would be pleased to answer questions.

GAO Contacts

For further information on this testimony or our April 26, 2018 report, please contact J. Christopher Mihm, Managing Director, Strategic Issues, at (202) 512-6806 or mihmj@gao.gov, and Jessica Lucas-Judy, Director, Strategic Issues, at (202) 512-9110 or lucasjudyj@gao.gov. Contact points for the individual areas listed in our 2018 annual report can be found at the end of each area in [GAO-18-371SP](#). Contact points for our Congressional Relations and Public Affairs offices may be found on the last page of this statement.

Appendix I: Open Congressional Actions, by Mission

In our 2011 to 2018 annual reports, we directed 100 actions to Congress, of which 58 remain open. Of the 58 open congressional actions, 11 are partially addressed and 47 are not addressed or new, as of March 2018. See table 14.

Table 14: Open Congressional Actions Related to Fragmentation, Overlap, Duplication, Cost Savings, or Revenue Enhancement, 2011-2018

Mission	Annual report	Area	Action summary
Agriculture	2013	Agricultural Quarantine Inspection Fees (Area 18)	Congress should consider taking steps to allow the Secretary of Agriculture to set fee rates to recover the full costs of the Agricultural Quarantine Inspection program.
		Crop Insurance (Area 19)	Congress may wish to consider either limiting the amount of premium subsidies that an individual farmer can receive each year as it limits the amount of payments to individual farmers in many farm programs or reducing premium subsidy rates, or both limiting premium subsidies and reducing premium subsidy rates. Implementing this action could result in \$1.4 billion annually in cost savings, according to GAO analysis.
			Congress should consider repealing the 2014 farm bill requirement that any revision to the standard reinsurance agreement not reduce insurance companies' expected underwriting gains, and directing the Risk Management Agency to, during the next renegotiation of the agreement, (1) adjust the participating insurance companies' target rate of return to reflect market conditions and (2) assess the portion of premiums that participating insurance companies retain and, if warranted, adjust it. Implementing this action could result in hundreds of millions of dollars in savings annually, according to GAO analysis.
Defense	2011	Food Safety (Area 1)	Congress should consider commissioning the National Academy of Sciences or a blue ribbon panel to conduct a detailed analysis of alternative food safety organizational structures.
			Congress should consider formalizing the Food Safety Working Group through statute to help ensure sustained leadership across food safety agencies over time.
	2013	Joint Basing (Area 20)	Congress should consider directing the Assistant Secretary of Defense for Energy, Installations, and Environment, in collaboration with the military services and joint bases, to evaluate the purpose of the program and determine whether the current goals, as stated in the 2005 Base Realignment and Closure Commission recommendation, are still appropriate, or whether goals should be revised; communicate these goals to the military services and joint bases, and adjust program activities accordingly; provide direction to the joint bases on requirements for meeting program goals, including determining reporting requirements and milestones; and determine any next steps for joint basing, including whether to expand it to other installations.
	2012	Stabilization, Reconstruction, and Humanitarian Assistance Efforts (Area 6)	Congress should consider amending the legislation that supports the Overseas Humanitarian, Disaster, and Civic Aid-funded humanitarian assistance program—the Department of Defense's (DOD) largest humanitarian assistance program—to more specifically define DOD's role in humanitarian assistance, taking into account the roles and similar types of efforts performed by the civilian agencies.

Appendix I: Open Congressional Actions, by Mission

Mission	Annual report	Area	Action summary
Economic development	2016	Treasury's Foreclosure Prevention Efforts (Area 17)	<p>Congress should consider rescinding any excess Making Home Affordable (MHA) balances that the Department of the Treasury (Treasury) deobligates and does not move into the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets (Hardest Hit Fund). Implementing the actions in this area could result in \$4.8 billion in savings, according to GAO analysis.</p> <p>The agency estimated \$4.8 billion in potential excess funds, \$2 billion of which Treasury deobligated in February 2016. As of March 1, 2018, Treasury had not deobligated MHA funds beyond the \$2 billion that it transferred to the Troubled Asset Relief Program-funded Hardest Hit Fund in February 2016. To the extent that Treasury identifies and deobligates any MHA funds that are likely to not be expended, these funds may then be available for Congress to rescind and use elsewhere for other priorities.</p>
	2011	Essential Air Service (Area 42)	<p>Congress may wish to consider revising the program's operating requirements for providing air service to communities to improve efficiency and to better match capacity with community use.</p> <p>This action is partially addressed. Congress has taken some action to address this action, such as revising the program's operating requirements most recently in the Consolidated Appropriations Act, 2018. However, opportunities still exist to address this action, such as allowing flexibility in the number of flights provided.</p> <p>Congress may wish to consider assessing multimodal solutions, such as more cost-effective bus service to hub airports or air taxi service, to provide communities alternatives to Essential Air Service.</p>
	2018	DOE's Treatment of Hanford's Low Activity Waste (Area 17)	<p>Congress should consider clarifying, in a manner that does not impair the regulatory authorities of the Environmental Protection Agency and the state of Washington, Department of Energy's (DOE) authority at Hanford to determine, in consultation with the Nuclear Regulatory Commission, whether portions of the supplemental low-activity waste can be managed as a waste type other than high-level waste. Implementing this action could result in savings of tens of billions of dollars from 2018 to 2061, according to GAO analysis.</p>
Energy	2015	U.S. Enrichment Corporation Fund (Area 16)	<p>Congress may wish to permanently rescind the entire \$1.6 billion balance of the U.S. Enrichment Corporation Fund. Implementing this action could result in savings of \$1.6 billion, according to GAO analysis.</p>
	2014	Advanced Technology Vehicles Manufacturing Loan Program (Area 13)	<p>Congress may wish to consider rescinding all or part of the remaining \$4.3 billion in credit subsidy appropriations, unless the DOE can demonstrate a demand for new Advanced Technology Vehicles Manufacturing loans and viable applications. Implementing this action could result in a one-time savings of up to \$4.3 billion, according to a DOE estimate.</p>
	2011	Federal Fleet Energy Goals (Area 12)	<p>Changes in existing laws could streamline the requirements and provide fleet managers with more flexibility in meeting goals.</p>
		Oil and Gas Resources (Area 45)	<p>Congress may need to take action to require the Department of the Interior (Interior) to establish an annual production incentive fee or similar fee for nonproducing leases.</p>

Appendix I: Open Congressional Actions, by Mission

Mission	Annual report	Area	Action summary
General government			Congress may wish to provide additional guidance or take additional actions to direct Interior to improve its oversight of federal lands and waters and the revenues derived from production of oil and gas if Interior chooses not to take any action on its study examining how other oil and gas resource owners select fiscal parameters for leasing and adjusting oil and gas royalty rates. Implementing the actions in this area could result in additional revenue of \$1.7 billion , according to Interior estimates.
	2017	Use of the Do Not Pay Working System (Area 11)	<p>Congress should consider amending the Social Security Act to explicitly allow the Social Security Administration to share its full death file with Treasury for use through the Do Not Pay working system.</p> <p>As of March 2018, members of Congress have introduced the Stopping Improper Payments to Deceased People Act (HR.4929 and S.2374) that, if enacted into law, would address this issue. Sharing the full death file through the Do Not Pay working system would provide agencies with additional information and enhance efforts to identify and prevent improper payments to deceased individuals.</p>
		Recovery Operations Center Closure (Area 10)	Congress may wish to consider directing the Council of the Inspectors General for Integrity and Efficiency to develop a legislative proposal to reconstitute the essential capabilities of the Recovery Operations Center to help ensure federal spending accountability.
	2016	Financial Regulatory Structure (Area 5)	<p>Congress should consider whether additional changes to the financial regulatory structure are needed to improve (1) the efficiency and effectiveness of oversight; (2) the consistency of consumer and investor protections; and (3) the consistency of financial oversight for similar institutions, products, risks, and services.</p> <p>This action is partially addressed. As of March 2018, at least two bills, the Financial CHOICE Act of 2017 (H.R. 10) and the Economic Growth, Regulatory Relief, and Consumer Protection Act (S. 2155) have been introduced in the 115th Congress that would change the financial regulatory structure, to some degree, to address fragmented and overlapping regulatory authorities, as GAO suggested in February 2016. GAO will continue to monitor the reform efforts to determine the extent to which they could help to address fragmentation and overlap between the federal financial regulatory agencies and reduce opportunities for inefficiencies in the regulatory process and inconsistencies in how regulators conduct oversight activities over similar types of institutions, products, and risks.</p> <p>Congress should consider whether legislative changes are necessary to align the Financial Stability Oversight Council's authorities with its mission to respond to systemic risks.</p> <p>This action is partially addressed. As of March 2018, two bills were introduced, the Financial CHOICE Act of 2017 (H.R. 10) and the Economic Growth, Regulatory Relief, and Consumer Protection Act (S. 2155), which may alter the FSOC's authorities, but it is not clear to what extent the legislation would address GAO's February 2016 suggestion. GAO will continue to monitor the reform efforts to determine the extent to which they help to align FSOC's authorities with its mission to respond to systemic risks.</p>
		Identity Theft Refund Fraud (Area 22)	Congress should consider providing the Secretary of the Treasury with the regulatory authority to lower the threshold for electronic filing of W-2s from 250 returns annually to between 5 to 10 returns, as appropriate. Implementing the actions in this area could result in savings of billions of dollars , according to GAO analysis.

Appendix I: Open Congressional Actions, by Mission

Mission	Annual report	Area	Action summary
	2015	Consumer Product Safety Oversight (Area 4)	<p>Congress should consider transferring the oversight of the markings of toy and imitation firearms in section 5001 of title 15 of the U.S. Code from the Department of Commerce's National Institute of Standards and Technology to the Consumer Product Safety Commission.</p> <p>Congress should consider establishing a formal comprehensive oversight mechanism for consumer product safety agencies to address crosscutting issues as well as inefficiencies related to fragmentation and overlap such as communication and coordination challenges and jurisdictional questions between agencies. Different types of formal mechanisms could include, for example, creating a memorandum of understanding to formalize relationships and agreements or establishing a task force or interagency work group. As a starting point, Congress may wish to obtain agency input on options for establishing more formal coordination.</p>
		Tax Policies and Enforcement (Area 17)	<p>Congress should consider revisiting the use of individual retirement accounts (IRA) to accumulate large balances and considering ways to improve the equity of the existing tax expenditure on IRAs. Options could include limits on (1) the types of assets permitted in IRAs, (2) the minimum valuation for an asset purchased in an IRA, or (3) the amount of assets that can be accumulated in IRAs and employer-sponsored plans that get preferential tax treatment.</p> <p>Congress should consider expanding the mandate that partnerships and S corporations electronically file their tax returns in order to cover a greater share of filed returns. Implementing the actions in this area could potentially enable IRS to collect hundreds of millions of dollars in additional revenue, according to GAO analysis.</p>
	2012	Internal Revenue Service Enforcement Efforts (Area 44)	<p>To help improve taxpayer compliance, Congress may wish to make owners of rental real estate subject to the same payment reporting requirements regardless of whether they engaged in a trade or business under current law.</p> <p>To help improve taxpayer compliance, Congress may wish to require payers to report service payments to corporations, thereby reducing payers' burden to determine which payments require reporting. Implementing the actions in this area could result in tax revenues of billions of dollars, according to GAO analysis of information from the Joint Committee on Taxation.</p>

Appendix I: Open Congressional Actions, by Mission

Mission	Annual report	Area	Action summary
	2011	Simple Tax Return Errors (Area 56)	<p>Congress may want to consider granting the Internal Revenue Service (IRS) broader math error authority, with appropriate safeguards against misuse of that authority, to correct errors during tax return processing.</p> <p>This action is partially addressed. The Consolidated Appropriations Act, 2016 gave IRS additional math error authority, but limited to certain circumstances. Giving IRS broader math error authority with appropriate controls would enable IRS to correct obvious noncompliance, would be less intrusive and burdensome to taxpayers than audits, and would potentially help taxpayers who underclaim tax benefits to which they are entitled.</p> <p>If Congress decides to extend broader math error authority to IRS, controls may be needed to ensure that this authority is used properly such as requiring IRS to report on its use of math error authority. The administration also requested that Congress expand IRS's math error authority as part of the Service's Congressional Budget Justification and Annual Performance Report and Plan for fiscal year 2019. Specifically, the administration requested authority to correct a taxpayer's return in the following circumstances: 1) the information provided by the taxpayer does not match the information contained in government databases; 2) the taxpayer has exceeded the lifetime limit for claiming a deduction or credit; or 3) the taxpayer has failed to include with his or her return certain documentation that is required by statute. As of March 2018, the Congress had not provided Treasury with such authority.</p>
		S Corporations (Area 63)	Congress could require S corporations to use information already available to them to calculate shareholders' basis as completely as possible and report it to shareholders and the IRS. Implementing this action could result in savings of hundreds of millions of dollars, according to GAO analysis.
		Research Tax Credit (Area 65)	Congress could eliminate the regular credit and add a minimum base amount (equal to 50 percent of a taxpayer's current spending) to the method for computing the alternative simplified credit.
		New Markets Tax Credit (Area 66)	Congress should consider offering grants in lieu of credits to Community Development Entities if it extends the program again. If it does so, Congress should require Treasury to gather appropriate data to assess whether and to what extent the grant program increases the amount of federal subsidy provided to low-income community businesses compared to the New Markets Tax Credit; how costs for administering the program incurred by the Community Development Financial Institutions Fund, Community Development Entities, and investors would change; and whether the grant program otherwise affects the success of efforts to assist low-income communities. One option would be for Congress to set aside a portion of funds to be used as grants and a portion to be used as tax credit allocation authority under the current structure of the program to facilitate comparison of the two program structures.
		Governmental Bonds (Area 67)	Congress should consider whether facilities, including hotels and golf courses, that are privately used should be financed with tax-exempt governmental bonds. Implementing this action could result in savings of hundreds of millions of dollars, according to GAO analysis.
Health	2016	Medicare Payments by Place of Service (Area 30)	Congress should consider directing the Secretary of Health and Human Services to equalize payment rates between settings for evaluation and management office visits and other services that the Secretary deems appropriate and return the associated savings to the Medicare program. Implementing this action could result in savings of billions of dollars annually, according to MedPAC and Bipartisan Policy Center estimates.

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	2015	DOD US Family Health Plan (Area 6)	Congress should terminate the Secretary of Defense's authority to contract with the US Family Health Plan (USFHP) designated providers in a manner consistent with a reasonable transition of affected USFHP enrollees into TRICARE's regional managed care program or other health care programs, as appropriate. Implementing this action could save millions of dollars from fiscal years 2019 to 2022, according to GAO analysis.
		Medicare Payments to Certain Cancer Hospitals (Area 19)	Congress should consider requiring Medicare to pay these prospective payment system (PPS)-exempt cancer hospitals (PCH) as it pays PPS teaching hospitals, or provide the Secretary of HHS with the authority to otherwise modify how Medicare pays PCHs, and provide that all forgone outpatient payment adjustment amounts be returned to the Supplementary Medical Insurance Trust Fund. Implementing this action could result in savings of almost \$500 million annually, according to GAO analysis.
	2014	Medicaid Demonstration Waivers (Area 21)	Congress could consider requiring the Secretary of Health and Human Services to improve the Medicaid demonstration review process, through steps such as improving the review criteria, better ensuring that valid methods are used to demonstrate budget neutrality, and documenting and making clear the basis for the approved limits. GAO had previously recommended that the Department of Health and Human Services (HHS) take these actions. GAO elevated these actions for Congress to consider after HHS disagreed with the need to improve budget neutrality criteria, methods, and documentation of the basis for approved spending limits. Implementing the actions in this area could result in savings of billions of dollars , according to GAO analysis.
	2013	Medicaid Supplemental Payments (Area 26)	<p>Congress should consider requiring the Administrator of the Centers for Medicare & Medicaid Services (CMS) to improve state reporting of non-Disproportionate Share Hospital (DSH) supplemental payments, including requiring annual reporting of payments made to individual facilities and other information that the agency determines is necessary to oversee non-DSH supplemental payments.</p> <p>This action is partially addressed. In January 2017, a bill, H.R. 541, was introduced in the House of Representatives which, if enacted, would require annual state reporting of non-DSH supplemental payments made to individual facilities. However, as of March 2018, Congress has not enacted legislation to require such reporting. In addition, CMS has taken some action, including issuing a State Medicaid Director Letter requiring annual reporting of certain Medicaid supplemental payments and awarding a contract to review Medicaid supplemental payment information submitted by states.</p> <p>Congress should consider requiring the CMS Administrator to clarify permissible methods of calculating non-DSH supplemental payments.</p> <p>This action is partially addressed. In January 2017, a bill, H.R. 541, was introduced in the House of Representatives which, if enacted, would require CMS to issue guidance to states that identifies permissible methods for calculating non-DSH supplemental payments to providers. However, as of March 2018, Congress has not enacted legislation to require CMS to issue such guidance. In addition, CMS has taken some action, including issuing a State Medicaid Director Letter requiring states to submit non-DSH supplemental payment information and awarding a contract to review Medicaid supplemental payment information submitted by states.</p>

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Mission	Annual report	Area	Action summary
Homeland security/law enforcement	2011	Medicare's Health Care Payment (Area 74)	Congress should consider requiring the CMS Administrator to require states to submit an annual independent certified audit verifying state compliance with permissible methods for calculating non-DSH supplemental payments. Implementing these three actions could result in savings in the hundreds of millions of dollars , according to GAO analysis.
			Congress could exempt from the budget neutrality requirement savings attributable to policies that reflect efficiencies occurring when services are furnished together. This action is partially addressed. The Consolidated Appropriations Act of 2016 revised the payment reduction for the professional component of multiple diagnostic imaging services from 25 percent to 5 percent beginning on January 1, 2017, and exempted the reduced expenditures attributable to this multiple procedure payment reduction (MPPR) from the budget neutrality provision. MPPRs or other policies that may result in a reduction to payments for the technical component for diagnostic cardiovascular and ophthalmology services continue to be subject to budget neutrality for 2016. Unless Congress exempts from the budget neutrality requirement savings realized from the implementation of all MPPRs or other policies that reflect efficiencies occurring when services are furnished together, these savings will not accrue to the Medicare program.
			Congress may want to consider requiring the Department of Homeland Security (DHS) to report on the results of the Federal Emergency Management Agency's (FEMA) efforts to identify and prevent unnecessary duplication within and across its preparedness grant programs, and consider these results when making future funding decisions for these programs.
Homeland security/law enforcement	2012	Homeland Security Grants (Area 17)	Once FEMA has completed its assessment, Congress may wish to consider limiting the use of federal preparedness grant programs to fund only projects to fill identified, validated, and documented capability gaps that may (or may not) include maintaining existing capabilities developed.
			Congress may wish to require the Secretary of the Department of Homeland Security (DHS) to adjust the air passenger immigration inspection fee as needed so that collections are aligned with total inspection costs, if it is determined that total immigration fee collections do not cover total immigration inspection costs. Implementing this action could increase annual fee revenue by tens of millions of dollars , according to GAO analysis of fiscal year 2012 data.
			This action is partially addressed. As of March 2018, Congress had not enacted legislation, as GAO suggested in February 2012, to adjust the air passenger immigration fee. However, Immigration and Customs Enforcement (ICE) and Customs and Border Protection (CBP) have identified the extent to which collections are aligned with total immigration inspection costs.
Income security	2018	Immigration Inspection Fee (Area 49)	Congress may wish to require the Secretary of DHS to direct U.S. Immigration and Customs Enforcement and Customs and Border Protection to establish a regular schedule to review and coordinate on the costs of their respective air passenger immigration inspection activities, and revise the proportion of the fee received by each agency accordingly.
			Congress should consider granting the Board access to the HHS's quarterly earnings information from the National Directory of New Hires database. Implementing this action could result in savings of millions of dollars annually, according to GAO analysis.
Income security	2018	Railroad Retirement Board Continuing Disability Reviews (Area 23)	

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Mission	Annual report	Area	Action summary
	2014	Disability and Unemployment Benefits (Area 8)	Congress should consider passing legislation to require the SSA to offset Disability Insurance benefits for any Unemployment Insurance benefits received in the same period. Implementing this action could save about \$2.5 billion dollars over 10 years, according to an OMB estimate.
		Federal Employees' Compensation and Unemployment Benefits (Area 9)	Congress should consider granting the Department of Labor (DOL) the additional authority to access wage data to help verify claimants' reported income and help ensure the proper payment of benefits.
		Veterans' and Survivors' Benefits (Area 23)	<p>Congress should consider passing legislation that would establish a look-back and penalty period for claimants who transfer assets for less than fair market value prior to applying for pension benefits. Implementing this action could save about \$4 million annually, according to a Congressional Budget Office estimate.</p> <p>This action is partially addressed. As of March 2018, there has been no legislative action taken in the current Congress. In the 113th Congress, the House of Representatives passed H.R. 2189, which contained language to establish a 3-year look-back and penalty period for the VA pension program. However, the bill was not ultimately enacted. Additionally, in January 2015, the Department of Veterans Affairs (VA) proposed regulations establishing a look-back and penalty period for the VA pension program. In February 2018, VA officials told GAO the regulations were undergoing legal review as part of the final concurrence process.</p>
	2011	Social Security Offsets (Area 80)	Congress could consider giving the IRS the authority to collect the information that the Social Security Administration (SSA) needs on government pension income to administer the Government Pension Offset and the Windfall Elimination Provision accurately and fairly. Implementing this action could result in savings between \$2.4 billion to \$7.9 billion over 10 years, if enforced both retrospectively and prospectively, based on estimates from the CBO and SSA.
Information technology	2014	Interoperable Radio Communications Systems (Area 10)	<p>Congress should consider requiring DHS, the Department of Justice (DOJ), and Treasury to collaborate on the development and implementation of a joint radio communications solution that specifically requires the departments to establish an effective governance structure that includes a formal process for making decisions and resolving disputes, define and articulate a common outcome for this joint effort, and develop a joint strategy for improving radio communications.</p> <p>This action is partially addressed. Legislation has been enacted to provide funding for, among other things, the development of a nationwide, interoperable broadband network that is aimed at improving interoperable radio communications among public safety officials. However, the use of the broadband network by public safety users will be voluntary. In addition, DHS, DOJ, and Treasury officials indicated that once mission-critical voice capabilities have been developed for the broadband network, they will determine whether they will use the network for that purpose. Therefore, until the three departments make a decision to use the nationwide public safety broadband network to support mission critical voice capabilities, it is uncertain if the legislation will address these agencies' fragmented approaches to improving interoperable radio communications. As of March 2018, there has been no legislative action taken in the current Congress.</p>

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Mission	Annual report	Area	Action summary
	2013	Dissemination of Technical Research Reports (Area 10)	<p>Congress should consider examining the appropriateness and viability of the fee-based model under which the National Technical Information Service (NTIS) currently operates for disseminating technical information to determine whether the use of this model should be continued.</p> <p>This action is partially addressed. As of March 2018, there has been no legislative action taken in the current Congress. Several bills were introduced during the 115th Congress, including H.R. 3354, S.1662, that had the potential to address this action. However, these bills were not ultimately enacted. Additionally, the Department of Commerce Appropriations Act, 2015, 2016, and 2017, limited instances where NTIS could charge customers fees for reports. This limitation continues in effect under the Consolidated Appropriations Act, 2018.</p>
		Geospatial Investments (Area 11)	<p>Congress should consider assessing the impact of the disclosure restrictions of Section 9 of Title 13 and Section 412 of Title 39 of the U.S. Code in moving toward a national geospatial address database. If warranted, Congress should consider revising those statutes to authorize the limited release of addresses, without any personally identifiable information, specifically for geospatial purposes. Such a change, if deemed appropriate, could potentially result in significant savings across federal, state, and local governments. Implementing the actions in this area could result in savings of millions of dollars, according to GAO analysis.</p>
International affairs	2016	Cargo Preference for Food Aid (Area 36)	<p>While recognizing that cargo preference serves policy goals established by Congress with respect to the U.S. merchant marine, including maintenance of a fleet capable of serving as a naval and military auxiliary in time of war or national emergency, Congress should consider clarifying cargo preference legislation regarding the definition of “geographic area” to ensure that agencies can fully utilize the flexibility Congress granted to them when it lowered the cargo preference for food aid requirement. Implementing this action could potentially result in millions of dollars in savings, according to GAO analysis.</p>
	2013	Tobacco Taxes (Area 31)	<p>Congress, as it continues oversight of the Children’s Health Insurance Program Reauthorization Act (CHIPRA), may wish to consider equalizing tax rates on roll-your-own and pipe tobacco.</p>
			<p>Congress, as it continues oversight of CHIPRA, may wish to consider, in consultation with Treasury options for reducing tax avoidance due to tax differentials between small and large cigars. Federal revenue losses were as much as \$2.6 to \$3.7 billion between April 2009 and February 2014, and Congressional action could address future revenue losses.</p>
	2012	Overseas Administrative Services (Area 20)	<p>Congress may wish to consider requiring agencies to participate in International Cooperative Administrative Support Services (ICASS) unless they provide a business case to show that they can obtain these services outside of ICASS without increasing overall costs to the U.S. government or that their mission cannot be achieved within ICASS.</p>
	2011	Antidumping and Countervailing Duties (Area 81)	<p>Congress could eliminate the retrospective component of the U.S. antidumping and countervailing duty system and, instead, treat the antidumping and countervailing duties assessed at the time the product enters the country as final.</p>

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Mission	Annual report	Area	Action summary
Social services	2012	Housing Assistance (Area 28)	Congress may wish to consider requiring the Departments of Agriculture (USDA) and Housing and Urban Development (HUD) to examine the benefits and costs of merging those programs that serve similar markets and provide similar products. As a first step, Congress could consider requiring USDA and HUD to explore merging their single-family insured lending programs and multifamily portfolio management programs, taking advantage of the best practices of each and ensuring that targeted populations are not adversely affected.

Source: GAO. | GAO-18-498T

Notes: Unless otherwise indicated, actions in this table are not addressed, meaning that a bill may have been introduced but did not pass out of a committee, or no relevant legislation has been introduced. At the beginning of a new congressional session, we reapply the criteria. As a result, the status of an action may move from partially addressed to not addressed if relevant legislation is not reintroduced from the prior Congressional session.

As of March 2018, eleven actions are partially addressed. Partially addressed means a relevant bill has passed a committee, the House of Representatives, or the Senate, or relevant legislation has been enacted but only addressed part of the action needed. This table provides information on steps Congress took for actions that are considered partially addressed.

This table provides estimates of cost savings or increased revenue where such information was available. The potential cost savings for implementing individual actions are provided when known, or for implementing multiple actions in an area, when the savings are not attributable to a specific action.

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