



Testimony of Hudson Hollister

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Chairman Smith, Vice Chair Ryan, and Ranking Member Cera, members of the committee, the Data Transparency Coalition is honored to provide testimony on the DataOhio Initiative: House Bills 3.

The Data Transparency Coalition, which is based in Washington, DC, is a trade association of technology and consulting firms advocating for the publication of government information as standardized, machine-readable data. In other words, we want governments to transform their public documents into data, and make that data available online.

Even today, twenty-two years after the first web page went live, crucial government information—spending reports, regulatory filings, legislative actions, and judicial materials, and much more—is either not available online at all, or else available as text documents, unstructured image files, or in other formats that make it difficult to find, search, and reuse.

Data transparency, boiled down, is a two-step process: standardization and publication. We believe governments should first adopt common data standards for their information. That means, for example, that governments should use common ID codes for basic concepts like agency, program, grant, contract, and accounting line item. It also means governments should use common data formats like XML so that information can be exchanged without manual transcription. Second, as long as data is not legally protected, it should be available to all.

We believe that this transformation from disconnected documents into open, public data is good for government and good for our civil society—for three reasons. Data transparency will strengthen democratic accountability, improve government management, and reduce compliance costs. Let me give you an example of each of these benefits.

First, data transparency allows citizens to see exactly what their government is doing. New York City, Iowa, and Kentucky all now publish their spending—grants, contracts, and internal expenses like salaries—at the transaction level. Accountability at this level doesn't just allow waste to be noticed and stopped; it discourages waste in the first place.

Second, data transparency improves government management because as information is transformed from documents into data, it becomes ripe for analysis. When 21 different Michigan state agencies adopted a common identifier code for the recipients of state funds, the state began saving \$1,000,000 per day by stopping payments to recipients who should not legally be receiving them.

Third, the government of Australia has adopted a common data format across many different regulatory agencies, allowing companies to report all their information once, to a single portal, rather than repeatedly to every agency. Australia estimated the savings to the private sector at \$500 million per year.

Data transparency does not just strengthen democratic accountability, improve government management, and reduce compliance costs. Data transparency also offers opportunities for the tech sector to create new industries, new companies, and new jobs that did not exist before.

To explain how data transparency creates business opportunities, I'll tell you what some of our members are doing.

- **StreamLink Software**, headquartered in downtown Cleveland, is a national leader in grant management systems. StreamLink's main product, AmpliFund, is used by over 300 clients, including the health departments of Perry County, Knox County, Fairfield County, and Licking County. AmpliFund allows grant recipients to manage that money, ensure compliance, and report automatically. Here's why data transparency matters to StreamLink: if governments adopt common data formats, instead of documents, for grant and financial reporting, AmpliFund can automate more of the compliance process, just like TurboTax did for individual tax returns.
- **Teradata**, headquartered in Dayton, is one of the world's leading data analytics companies. Its products help public sector and private sector clients consolidate data from different sources and analyze it to find insights. For Teradata, the transformation from disconnected documents into open data means its products have more raw material to work with and can deliver better insights. The Michigan project I mentioned earlier—millions saved after Michigan standardized its recipient ID—is a Teradata project.
- **PricewaterhouseCoopers**, with offices in Cleveland, Columbus, and Toledo, helps the public and private sectors solve complex business issues, manage risk, and add value through a comprehensive suite of service offerings in assurance, tax and advisory. With nearly 1,000 employees locally, PwC understands that impact that data transparency can have to help clients deliver better information, deploy analytics, and reduce compliance costs.
- **RR Donnelley** has 1600 employees in more than a dozen Ohio locations, including 870 in Willard. RR Donnelley, which is the world's largest commercial printer, has also embraced a new business model: digital conversion services for companies filing disclosures with the Securities and Exchange Commission. These services eliminate

manual transcription and reduce compliance costs through automation. RR Donnelley would like to expand these efforts—and can, if governments adopt common data formats for reporting.

These companies, and many others, have joined the Data Transparency Coalition because they see business opportunities in data transparency. As governments transform their disconnected documents into open data, the private sector can build products that create democratic accountability, improve government management, and automate compliance.

I think you'll understand that none of these opportunities are conventional compliance plays. They create new value.

Here's what our board member, former Federal Communications Commission consumer affairs director Joel Gurin, wrote in his new book *Open Data Now*, published this month by McGraw-Hill:

"The value of government Open Data is that it's a long-term, permanent resource that innovators can use for decades, developing new ideas and new companies as technology makes them possible."

Deriving value from government data, once it's published and standardized, is a long-term proposition, and in some ways an unpredictable one. President Reagan decided to make GPS available for civilian use in 1983. We didn't get Google Maps on our iPhones until 2007.

Our Coalition was thrilled to learn of the DataOhio Initiative and is eager to serve as a resource as House Bills 3 make their way through the legislative process. I'd like to share four observations we have learned from pursuing similar legislation on the federal level.

First, someone must be made clearly responsible for establishing data standards in specific areas. The journey from disconnected documents to open data can't be made without a roadmap.

Second, the transformation from documents to data requires domain-specific expertise. It's necessary but not sufficient to just declare that all data will be standardized and published, as President Obama did on the federal level when he issued his Open Data Policy last May. If you want to transform local governments' financial information, for instance, you'll need expertise from the Government Accounting Standards Board and others. Fortunately, that expertise exists.

Third, the DataOhio Initiative will need to rely on incremental progress. We've seen with our advocacy in Washington that no one bill can bring about this transformation. I commend Reps. Duffey and Hagan for working carefully, domain by domain, to craft targeted bills that will bring change.

Finally, the benefits of data transparency can be anticipated, but they cannot be predicted. President Reagan in 1983 was not planning for the iPhone. The DataOhio Initiative will bear fruit that we cannot imagine today.

But whatever unpredictable forms they may take decades from now, we can start building, right now, for public accountability, better government management, automated compliance, and new growth and jobs. The DataOhio Initiative is the way to do that.

Thank you, Mr. Chairman.