May 8, 2025

The Honorable Mike Crapo
United States Senate
Chairman, Senate Finance Committee

The Honorable Mark Warner
United States Senate

The Honorable French Hill
Chairman, House Financial Services Committee
United States House of Representatives

The Honorable Maxine Waters
Ranking Member House Financial Services Committee
United States House of Representatives

RE: Effectively Using Open Data Standards for Government Efficiency Goals

As the CEO of XBRL US, a nonprofits data standards consortium that develops and supports the eXtensible Business Reporting Language (XBRL) standard, I am writing to bring your attention to the use of open data standards as a proven method to meet government efficiency goals.

As you know, the importance of open data standards has been advanced by Congress through several critical bills promulgated over the past several years. The OPEN Government Data Act, passed as Title II of the Foundations for Evidence-Based Policymaking Act of 2018[1], established agency roles and responsibilities to implement information transparency and availability, and provided clear definitions for terms like "machine-readable data" and "metadata".

The Grant Reporting Efficiency and Agreements Transparency (GREAT) Act of 2019[2] called for grant-related data to be submitted in machine-readable standardized data format. The Financial Data Transparency Act (FDTA), Title LVIII of the James M. Inhofe National Defense Authorization

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[1] Foundations for Evidence-Based Poicymaking Act of 2018: https://www.congress.gov/bill/115th-congress/house-bill/4174
[2] Grant Reporting Efficiency and Agreement Transparency Act of 2019: https://www.congress.gov/116/plaws/publ103/PLAW-116publ103.pdf

Act for Fiscal Year 2023[3] was enacted in 2022. The FDTA calls for nine agencies to collaborate on establishing common identifiers and open data standards so that they can collect data that is machine-readable and interoperable.

The aim of these laws is to make data collected by regulatory bodies machine-**understandable**, more timely, easily accessible, and interoperable across datasets. Standardization of data structure across agencies generates economies of scale and allows sharing of data and tools, which in turn produces significant efficiencies and cost reductions for IT and data processing. Data collection and analysis is a critical component of agency work; it enables understanding of the current situation, monitoring of trends, and ultimately the ability to set useful, actionable policies. Successful implementation of open data standards requires collaboration among agencies, and an agreement to adopt a single semantic data language. Only then can government inefficiencies be optimally addressed.

The significant legislative efforts that you have all undertaken, however, have not often been transformed into successful regulations. The GREAT Act has yet to be implemented and is years behind its original deadlines. The FDTA agencies last year published a proposed rule that gives them enormous latitude in how they collect data which flies in the face of the concept of "standards." If adopted as proposed, it is likely to maintain the status quo with agencies opting for custom approaches requiring custom software and resulting in a bespoke industry of vendors supporting individual agency requirements. Data generated will not be interoperable and will not allow sharing or inventorying of data together.

This is not what was envisioned by your legislative efforts. At a conference on November 14, 2024, former Chairman of the House Financial Services Committee, and sponsor of the FDTA, Patrick McHenry noted, "*…there's been a long intentionality of congress when we create regulators that they actually work with each other…[FDTA] is the latest attempt where we hope we can get this righ*t."[4]

The FDTA rule has not yet been finalized and is still underway with the agencies. Like the GREAT Act, it has also been delayed, as the original deadline for a final rule was year-end 2024. There is still time for agencies to produce a workable regulation that meets the goals laid out by legislators. We ask for your continued help in urging the agencies to do so.

The XBRL standard and the global industry that supports it have a long history of helping disparate agencies across governments work together to attain economies of scale and produce shareable, interoperable data, reducing data management costs and improving the usefulness and timeliness of information. XBRL is the cornerstone of Standard Business Reporting (SBR), a

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[3] HR 7776 - James M. Inhofe National Defense Authorization Act for Fiscal Year 2023: https://www.congress.gov/bill/117th-congress/house-bill/7776

[4] Digital Reporting for Measurable Results, Keynote Congressman Patrick McHenry, November 14, 2024: https://youtu.be/zFP5PgbLjuM?list=PLEyg0bSY11l7KtFof2xTVwBraIweactB6&t=773

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business to government reporting program successfully adopted in the Netherlands and in Australia, which could be introduced in the U.S. with significant cost savings and productivity enhancements. A case study on the program conducted in the Netherlands shows that the program resulted in a 25% reduction in administrative burden[5]. More SBR programs are underway in the Nordic countries. The FDTA legislation in fact, contains a clause[6] that requires the Comptroller General of the U.S. to prepare for Congress a report on the feasibility, costs, and potential benefits of implementing such a program in the U.S.

Open data standards are also widely accepted as an optimal source for better outcomes and more efficient (less expensive) processing of data in artificial intelligence (AI) programs such as large language models (LLM). Standardized, structured data provides a framework for organizing and categorizing information, which gives AI systems the tools to make sense of complex data sets[7] and outperforms unstructured data in the same LLM test. The U.S. Department of Commerce recently published the paper, Generative Artificial Intelligence and Open Data: Guidelines and Best Practices[8], noting, "*...Commerce intends to make its open data generative AI-ready, meaning open data that is formatted, structured, and prepared in a way that facilitates its effective use in generative AI systems and reduces costs related to innovation in generative AI system development.*"

We urge you to encourage the regulatory agencies to meet the spirit of the laws set by Congress through the adoption of open, standardized data for regulatory collection. The payoff will be significant in terms of reducing the costs of IT support and software, collecting better quality, more timely data, and will provide regulators and the market better tools to take advantage of new technologies at lower cost.

Open data standards like XBRL are the most effective, long-term method to:
1. Increase government efficiency.
2. Produce data best suited to artificial intelligence programs such as LLMs.
3. Generate efficiencies across both business and government through cross-agency programs such as SBR.

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[5] Tangible benefits of data standards for business and regulators, July 2023: https://xbrl.us/sbr-case-study/
[6] FDTA, Section 5893: "Not later than 3 years after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report on the feasibility, costs, and potential benefits of building upon the taxonomy established by this title, and the amendments made by this title, to arrive at a Federal Governmentwide regulatory compliance standardization mechanism similar to Standard Business Reporting."
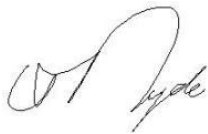[7] Why Structured Data and Definitions Vastly Outperform Unstructured PDFs in LLM Analysis, December 19, 2024: https://www.xbrl.org/why-structured-data-and-definitions-vastly-outperform-unstructured-pdfs-in-llm-analysis/
[8] U.S. Department of Commerce recently published Generative Artificial Intelligence and Open Data: Guidelines and Best Practices, January 16, 2025: https://www.commerce.gov/sites/default/files/2025-01/GenerativeAI-Open-Data.pdf

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XBRL US and the XBRL community stand ready to help regulators adopt standards in the most efficient manner possible. We have worked with many regulatory agencies such as the Securities and Exchange Commission (SEC) and the Federal Energy Regulatory Commission (FERC) in the U.S., and many more in other countries. We are also available to provide contacts and supporting data for the study on Standard Business Reporting.

Please contact me if you have any questions or to schedule a call or meeting to discuss how the XBRL community can be of assistance. I can be reached at (917) 582-6159 or Campbell.Pryde@XBRL.US.

Sincerely,

Campbell Pryde
President and CEO, XBRL US

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