

APPENDIX 11 REVIEWERS' COMMENTS

The **charge of the OTA panel on TM** which resulted in this report was to advise OTA how to proceed with the request from the Chairman of the Ways and Means Committee. There was therefore no attempt to raise all of the relevant issues, nor to attempt to develop findings from those which were raised.

The boundaries of the OTA preliminary review of the TAS were determined by the terms of the Committee request. The Committee was aware, as was OTA, that the General Accounting Office was already engaged in an evaluation of costs and benefits of the TAS and a study of information privacy and technical and physical aspects of TAS.

At the request of OTA, a number of reviewers commented on the draft report, which recommended that more information be obtained by the Committee on questions regarding privacy, due process and civil liberties. In general, they recommended the addition of questions which would obtain information to help determine the need for a full assessment of TAS. This advice is exemplified by the following excerpts from one reviewer's comments:

"I suggest that similar questions should be raised in relation to the existing tax system, so that Congress may be able to determine whether and how the proposed new system would add to (or diminish) existing risks and add to (or diminish) existing safeguards. Since Congress is to be asked by IRS to change an existing system, such a comparative appraisal would appear necessary to evaluate the significance of the proposed changes.)

Second, I do not know whether the terms of the letter of request from the Subcommittee on Oversight are intended to limit the proposed assessment to risks and safeguards concerning due process, privacy, confidentiality, and security. These are matters of the utmost importance, too often neglected or treated inadequately in regard to governmental (and private) information systems. Nevertheless, for the purposes of a broad congressional appraisal, would it not also be necessary and appropriate to undertake a cost/benefit analysis of anticipated financial costs and anticipated administrative and tax benefits, again on a basis which would emphasize anticipated changes in costs and benefits to be discerned from a comparison between the proposed new system and the existing system? I therefore suggest the addition of a line of questions directed toward such comparative cost-benefit analysis."

Other reviewers recommended that, in view of the complexity of the software, an assessment include the entire question of the technical feasibility of the system. Extrapolation, they felt, could be made from existing systems of comparable size, complexity and sensitivity.

The draft report was reviewed by the members of the OTA Advisory Council who recommended that: (1) a cost benefit analysis be undertaken, and (2) that Congress consider the implications of the misuse of the system for other than tax purposes.