

COMMITTEE ON GOVERNMENT REFORM
TOM DAVIS, CHAIRMAN



NEWS RELEASE

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Contact: Barbara Kahlow, 202-226-3058 (Ose)
Rob White/Drew Crocket, 202-225-5074 (Davis)

Government Reform Committee Approves
Paperwork and Regulatory Improvements Act

Goal is to Understand, Curb Staggering Paperwork and Regulatory Burden

Washington, D.C. – The House Government Reform Committee today approved by voice vote H.R. 2432, The Paperwork and Regulatory Improvements Act, introduced by Congressman Doug Ose (R-CA) and Committee Chairman Tom Davis (R-VA), which is designed to give Congress the tools it needs to more effectively curb growth in regulatory and paperwork burdens. Reducing the burden of government interference will help create an economy that will compete with any on the planet.

The overall burden of Federal paperwork and regulatory requirements is staggering and is an enormous drain on job growth, productivity, and American competitiveness – in fact, Federal paperwork and regulatory burdens have increased in each of the last 8 years.

In Fall 2001, the Small Business Administration (SBA) estimated that Americans spent \$843 billion to comply with Federal regulations during the previous year. The Office of Management and Budget (OMB) estimates the Federal paperwork burden on the public to be over 8 billion hours.

H.R. 2432 gives Congress the tools it needs to effectively study and gauge the value of particular regulations and make informed, cost-benefit judgments on their worth. It will lead to real results in paperwork reduction, assist Congress in its review of agency regulatory proposals, and improve public and Congressional understanding of the true costs and benefits of regulations.

“Our economy cannot retain its competitive edge, create jobs, and improve productivity if business are spending nearly \$1 trillion a year to meet regulatory and

paperwork demands. Given recent trends, the costs associated with these burdens will continue to increase until Congress acts. This is a good government bill. In the current, highly competitive global marketplace, American businesses need every advantage they can find.

“Too many in Congress have grown accustomed to throwing around huge statistics listing the millions of hours that go into meeting the government’s paperwork burden. But, we seem to forget that these hours are spent one by one. It’s as if we can’t see the forest for the regulatory trees.

“While we may have grown numb to the burden we’ve created, individuals and businesses have not. When an American businesswoman spends many hours filling out tax forms, that is time she is not producing for her family or her clients. When a business has to hire a firm to complete a ridiculously complicated required report, that is revenue not spent on expansion or research and development. These millions of hours are not just taken out of the ordinary ‘business day.’ They are hours taken out of people’s lives, and they deserve to be treated with respect.

“Congress has an obligation to do the hard work to understand the costs, as realistically as possible, of the rules and regulations we require. This bill gives us the tools we need to make better decisions on the paperwork and regulatory burdens we place on our economy,” said Chairman Davis.

“Small businesses across the nation have faced unnecessary and burdensome paperwork and regulatory requirements for far too long. The hours spent and penalties paid by small businesses affect productivity, jobs and economic growth. Congress wants and America’s small businesses deserve results - finally there is an end in sight. This bill is a victory for small businesses who are the backbone of America’s economy,” said Congressman Ose.

In 1980, Congress passed the Paperwork Reduction Act and established the Office of Information and Regulatory Affairs (OIRA) in OMB. Despite OIRA’s principal responsibility of reducing Federal paperwork and regulatory burdens, those burdens have increased in each of the last 8 years. To help OIRA achieve the results it is supposed to accomplish, H.R. 2432 requires OMB to devote more effort to identify IRS paperwork reduction opportunities.

H.R. 2432 makes permanent the authorization for the General Accounting Office (GAO) to perform analysis for Congress of selective major rules proposed or issued by Federal agencies. In 2000, Congress authorized a 3-year pilot project, but GAO never hired staff for it. H.R. 2432 would ensure GAO’s having in-house expertise comparable to OIRA’s staff. With GAO’s help, Congress will be better equipped to review final agency rules under the Congressional Review Act and to submit timely and knowledgeable comments on proposed rules during the public comment period.

Current law requires OMB to estimate the total annual costs and benefits for all

Federal rules and paperwork by agency and by individual programs. In addition, OMB is required to include a report on the impacts of Federal rules and paperwork on certain groups, such as small business. While OMB has issued six final regulatory accounting reports, none were issued in final form with the fiscal Budget, as required by law. H.R. 2432 requires the integration of these reports in the Budget so that Congress can simultaneously review both the on-budget and off-budget costs associated with each Federal agency imposing regulatory or paperwork burdens on the public. In addition, H.R. 2432 includes a test to determine the feasibility of regulatory budgeting. This test will determine if agencies can better manage regulatory burdens on the public.

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