

Congress of the United States
Washington, DC 20515

July 23, 2004

BY FACSIMILE

The Honorable John Graham
Administrator
Office of Information and Regulatory Affairs
Office of Management and Budget
Washington, DC 20503

Dear Dr. Graham:

This letter follows up on the July 20, 2004 joint hearing of the Government Reform Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs and the Small Business Subcommittee on Regulatory Reform and Oversight, entitled "What is OMB's Record in Small Business Paperwork Relief? - Part II." As discussed during the hearing, please respond to the enclosed followup questions for the record.

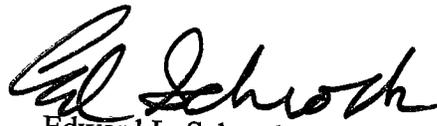
Please hand-deliver the agency's response to the Subcommittee majority staff in B-377 and B-363 Rayburn House Office Building and the minority staff in B-350A and B-343C Rayburn House Office Building not later than August 13, 2004. If you have any questions about this request, please call Barbara Kahlow on 226-3058.

Thank you for your attention to this request.



Doug Ose
Chairman
Subcommittee on Energy Policy, Natural
Resources and Regulatory Affairs

Sincerely,



Edward L. Schrock
Chairman
Subcommittee on Regulatory
Reform and Oversight

Enclosure

cc The Honorable Tom Davis
The Honorable John Tierney

The Honorable Donald A. Manzullo
The Honorable Charles A. Gonzalez

SBPRA IMPLEMENTATION

Our invitation asked for your written testimony to address three specific subjects. The first is:

- the status of implementation of each Small Business Paperwork Relief Act (SBPRA) deliverable, including the reason for: (a) each agency still without a single point of contact (SPOC), (b) each agency still without listed agency compliance assistance resources, and (c) each missing agency enforcement report

Q1. Agency Noncompliance with SBPRA.

- a. Single Points of Contact. SBPRA required each agency to designate a SPOC by June 28, 2003. The Office of Management and Budget's (OMB) June 2003 and June 2004 listings were incomplete. Our records show nine agencies still without a SPOC.
 - OMB has at least one form applicable to small business – its SF-LLL, Disclosure of Lobbying Activities. As a consequence, why hasn't OMB named a SPOC for itself?
 - What reason(s) apply to the other eight agencies still without a SPOC?
- b. Compliance Assistance. SBPRA required OMB to publish, by June 28, 2003, a complete listing of agency compliance assistance resources available to small business. OMB's June 2003 and June 2004 listings were incomplete. Our records show 18 agencies missing from OMB's latest listing. Your written statement said, "Since we received your [7/6/04] letter, OMB has asked each agency without any listed compliance assistance information to provide us with an explanation" (p. 6).
 - What is the reason(s) for noncompliance by each of the following: (1) the General Services Administration, (2) OMB, (3) US International Trade Commission, (4) Office of the US Trade Representative, and (5) the Federal Energy Regulatory Commission?
 - When will the agencies with incomplete compliance assistance information – such as for the Department of the Treasury's Alcohol and Tobacco Tax and Trade Bureau - be supplemented?
- c. Enforcement Reports. SBPRA required each agency to submit its initial agency enforcement report to Congress by December 31, 2003. During our January 28, 2004 hearing, you promised to followup with each of the then 42 noncompliant agencies. Our records now show 30 agencies without enforcement reports submitted to Congress. Your written statements said, "since receiving your [7/6/04] letter, OMB has requested that each agency that has not submitted a regulatory enforcement report provide us with an explanation" (p. 11).

- What specific followup has OMB taken since our January 28, 2004 hearing with each of the noncompliant agencies?
- What is the reason(s) for noncompliance by each of the following: the (1) Department of Defense, (2) Department of Homeland Security (for the missing bureaus), (3) Department of Justice (for the missing bureaus), (4) Department of Veterans Affairs (for the missing bureaus), and (5) Tennessee Valley Authority?

Our invitation asked for your written testimony to address three specific subjects. The second is:

- the specific paperwork reduction accomplishments from the June 2003 and June 2004 final reports of the OMB-led task force

Q2. Task Force. As discussed at our July 18, 2003 hearing and in correspondence with OMB both before and after the hearing, the Subcommittees found OMB's first task force report and OMB's second draft task force report to be largely nonresponsive to Congressional intent. In Consumer Specialty Products Association's (CSPA) testimony, John DiFazio stated, "the *Report* focuses on only a portion of the problem: how to get information efficiently from the federal government. It fails to ask the fundamental question: does each federal agency really need to collect all the information that it does?" (p. 2).

a. Meetings.

- How many meetings did the task force have in year one (June 2002-June 2003)? Please include the attendance list for each meeting.
- How many meetings did the task force have in year two (June 2003-June 2004)? Please include the attendance list for each meeting.
- Were each of the statutorily-named agencies invited to at least one of these meetings? If not, why not?

b. Accomplishments. Your written statement said, "it is not possible to accurately attribute specific paperwork burden reduction accomplishments to recommendations in the Task Force reports" (p. 13). Given this statement, what specific other accomplishments, if any, have resulted from this 2-year effort?

c. Milestones.

- Which agencies have not yet provided their forms and website information for the Business Gateway Project?
- When will Phases II and III of the Business Gateway Project be completed?
- Has OMB ensured sufficient funding for completions of Phases II and III in Fiscal Year (FY) 2005 and 2006?
- Did each of the 14 key agencies include the expected level of funding in their FY 2005 Budget requests?
- If Congress does not fund some of these agency requests, from where will the additional funding come?

d. Pilots.

- What is expected from the 2 pilot burden reduction efforts – on trucking and surface coal mining?
- Which agencies and how many forms were included in the trucking pilot?
- Which agencies and how many forms were included in the surface coal mining pilot?
- Will the result of either or both pilots be any integration of paperwork requirements across Federal agencies and programs (consistent with SBPRA)?
- Will there be any consolidation of paperwork requirements within an agency so that a small business can submit all information required by the agency to one point of contact at the agency, in a single format or using a single electronic reporting system, and with synchronized reporting (consistent with SBPRA)?

PAPERWORK REDUCTION INITIATIVES/RESULTS

Our invitation asked for your written testimony to address three specific subjects. The third is:

- the specific reductions in reporting and recordkeeping requirements of at least 100,000 hours (exclusive of electronic filing) accomplished since our January 28, 2004 hearing or planned in the rest of 2004 for small businesses (i.e., for most of 2004)

Q3. Small Business Paperwork Reduction Initiatives from 1/28/04 to 12/31/04. What significant paperwork reduction initiatives of at least 100,000 hours (exclusive of electronic filing) were accomplished to benefit small businesses since our January 28, 2004 hearing, and what are planned in the rest of 2004? Please do not include any initiatives that were discussed in your previous testimony before the Ose Subcommittee.

- a. How many of these initiatives reduce the frequency of small business reporting?
- b. How many introduce thresholds below which reporting is not required?
- c. How many raise thresholds to reduce reporting for more small businesses?
- d. How many introduce sampling instead of requiring universe reporting so fewer small businesses will need to report?
- e. How many create short forms for small businesses?

Q4. Thresholds. What is OMB's estimate for the average and total burden reduction in hours if thresholds for small business reporting were increased, such as from 25 employees to 35 employees or from \$10 million to a higher number?

Q5. Paperwork Reduction for Very Small Businesses. Section 2(c) of SBPRA, "Additional Reduction of Paperwork for Certain Small Businesses, calls for "efforts to further reduce the information collection burden for small business concerns with fewer than 25 employees." In CSPA's testimony, Mr. DiFazio's stated, "CSPA recommends that OMB

initiate a one-year suspension of all federal-agency reporting requirements, excluding tax-related items, for businesses with fewer than 25 employees, unless such reporting is required by law” (p. 3).

- a. What has the Administration done to effectuate this SBPRA requirement?
- b. What is your reaction to Mr. DiFazio’s recommendation?