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MEMORANDUM FOR MEMBERS OF THE SUBCOMMITTEE ON ENERGY POLICY, NATURAL RESOURCES AND REGULATORY AFFAIRS

FROM:

Doug Ose 

SUBJECT: Briefing Memorandum for April 24, 2001 Hearing, "Paperwork Inflation - Past Failures and Future Plans"

On Tuesday, April 24, 2001, at 10:00 a.m., in Room 2154 Rayburn House Office Building, the Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs will hold a hearing on the Paperwork Reduction Act (PRA). The hearing is entitled, "Paperwork Inflation - Past Failures and Future Plans."

The Federal Reports Act (FRA) of 1942 required the Bureau of the Budget (which became the Office of Management and Budget (OMB)) to review and approve agency paperwork proposals. In 1980, the PRA replaced the FRA and established an Office of Information and Regulatory Affairs (OIRA) in OMB, whose principal responsibility is paperwork reduction. The PRA was principally intended to "minimize the paperwork burden for individuals, small businesses, educational and nonprofit institutions, Federal contractors, State, local and tribal governments, and persons resulting from the collection of information by or for the Federal Government."

The PRA was reauthorized in 1995 and set the following government-wide paperwork burden reduction goals for six Fiscal Years (FYs):

FY 1996	-10%	FY 1999	- 5%
FY 1997	-10%	FY 2000	- 5%
FY 1998	- 5%	FY 2001	- 5%

After three annual increases in paperwork, instead of decreases, the 1999 Treasury-Postal Appropriations Act required OMB to issue a report, by March 31, 1999, that "identifies specific paperwork reduction accomplishments expected, constituting annual five percent reductions in paperwork expected in fiscal year 1999 and fiscal year 2000."

OMB's April 1999 report only identified a limited number of specific expected reductions. For example, the Internal Revenue Service (IRS), which accounts for 82 percent of the government-wide paperwork burden on Americans, identified no specific expected reductions in FY 2000. On April 15, 1999, the Subcommittee held a PRA hearing, which examined OMB's mis-management of the paperwork burden imposed on Americans, OMB's falsely-claimed paperwork reduction accomplishments, 872 violations of law where agencies levied unauthorized paperwork burdens on the American people, and a clearly inadequate number of specific paperwork reduction initiatives for 1999 and 2000. GAO testified that OMB provided a falsely inflated picture of the prior Administration's paperwork reduction accomplishments. After the hearing, we requested that, starting July 1, 1999, OMB keep basic information about OMB's role in government-wide paperwork reduction. In the past, OMB has repeatedly refused to comply with this oversight request.

On April 12, 2000, the Subcommittee held a followup PRA hearing with IRS Commissioner Rossotti, OMB and GAO returning as witnesses. The hearing revealed little or no progress in paperwork reduction and another year of increased (instead of decreased) paperwork burden. As a consequence, the 2001 Treasury-Postal Appropriations Act required OMB to issue a report, by July 1, 2001, that "evaluates, for each agency, the extent to which [the PRA of 1995] has reduced burden imposed by rules issued by the agency, including the burden imposed by each major rule issued by the agency ... and evaluates the burden imposed by each major rule that imposes more than [10 million] hours of burden, and identifies specific reductions expected to be achieved in each of fiscal years 2001 and 2002 in the burden imposed by all rules issued by each agency that issued such a major rule."

The hearing will also review some recent rules, which imposed new, burdensome paperwork requirements, not required by law. The hearing will consider not only substantive concerns but also procedural flaws in issuance of these rules.

The invited witnesses for the April 24, 2001 hearing are: IRS Commissioner Charles Rossotti; OMB's Deputy Director Sean O'Keefe; Chris Mihm, Governmentwide Management Issues Director, GAO; Dr. John Bobis, Director of Regulatory Affairs, Aerojet; James Knott, President and CEO, Riverdale Mills Corporation; and Ken LaGrande, President, Sun Valley Rice.