

## Congress of the United States

Washington, DC 20515

June 3, 2004

BY FACSIMILE

The Honorable Joshua B. Bolten  
Director  
Office of Management and Budget  
Washington, DC 20503

Dear Director Bolten:

This letter provides our comments on the "Draft Report of the Small Business Paperwork Relief Act Task Force," which was published on May 5, 2004, by the Office of Management and Budget (OMB) for public comment. The Small Business Paperwork Relief Act of 2002 (SBPRA, Pub. L. 107-198) established an interagency task force, chaired by OMB, and required OMB to submit reports on the task force's analysis to Congress by June 28, 2003 and June 28, 2004.

The law required the task force to examine integration and consolidation of paperwork requirements within and across agencies so that small businesses "may submit all information required by the agency – (A) to 1 point of contact in the agency; (B) in a single format, such as a single electronic reporting system, with respect to the agency; and (C) with synchronized reporting for submissions having the same frequency." OMB's May 9, 2003 draft report stated, "Our review indicates that while each of these options outlined in the law may be desirable and feasible under the appropriate circumstances, there are several barriers that need to be addressed" (68 FR 25172). Congress intended that OMB use the task force's analysis to relieve small businesses of paperwork burdens. As you know, in a May 21st letter, four Chairmen asked you to remove such barriers and move ahead with the needed simplification for small businesses.

The law also required the task force to examine the feasibility and benefits to small businesses of OMB's publishing a list of small business paperwork "organized – (A) by North American Industry Classification System code; (B) by industrial sector description; or (C) in another manner by which small business concerns can more easily identify requirements with which those small business concerns are expected to comply." OMB's May 9th draft report discussed a variety of technical issues and concluded by stating, "Neither approach – a listing by NAICS code or a listing using multiple categories [e.g., an industry sector identification] – would fully meet small business needs" (68 FR 25174).

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OMB's conclusion answers a question that Congress did not ask, namely that OMB use this analysis to "fully meet" the needs of small business. Rather, Congress intended only that OMB identify and implement a means of organizing and publishing small business paperwork requirements that would allow small businesses to "more easily identify [paperwork] requirements." A system that does not "fully meet" the needs of small business may, nevertheless, help them "more easily identify" applicable requirements. As you know, four Chairmen also asked you to find an organizational structure for OMB's listing to assist small business compliance.

Despite that letter, OMB's June 27, 2003 final task force report was largely nonresponsive to Congressional intent. For example, it recommended against a list organized by NAICS codes, by industrial sector description, or in another manner by which small business concerns can more easily identify applicable requirements. Instead, it recommended a new electronic system with the burden on each individual small business "to self-identify applicable criteria that profile their business" and "to self-identify a comprehensive list of applicable requirements." On July 22nd, we held a joint hearing on the disappointing first year final report.

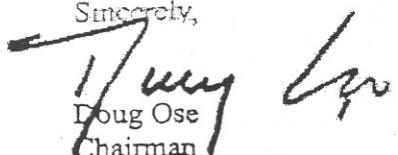
The second draft task force report is also disappointing. First, it does not provide an update on the followup actions, if any, taken by the Administration to effectuate the findings in the first year's task force report. We ask that you include such a discussion in the second year final report.

Second, most of the recommended actions have not yet taken place and the two with scheduled completion dates are both after the June 28, 2004 deadline for the final report. The two forthcoming dates are: September 2004 for Phase I (a business "metasite" with links to various Federal websites rather than a true portal) of the Business Gateway project and October 2004 for the completion of the two pilot burden reduction programs (on trucking and surface coal mining). The draft states, "The timeline for subsequent phases are to be determined" (69 FR 25153). In the final version, please include expected completion dates for Phases II (a true business portal) and III (a portal with small business content and services in a common technology platform) of the Business Gateway project. In addition, please include expected completion dates for any other expected followup actions.

Third, in the final report, please identify the 43 departments and agencies that are expected to have their Federal forms included in the "single point of entry for 'Government to Business' (G2B) and 'Government to Citizen' (G2C) Federal forms and forms systems" ( 69 FR 25154). Also, please send us a copy by June 16, 2004 of each agency's SBPRA implementation plan, which the draft report recommends for augmentation (69 FR 25151).

If you have any questions about this letter, please contact Barbara Kahlow at 226-3058. Thank you for your attention to this request.

Sincerely,

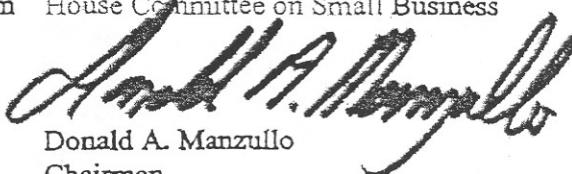


Doug Ose  
Chairman

Subcommittee on Energy Policy, Natural  
Resources and Regulatory Affairs  
House Committee on Government Reform



Edward L. Schrock  
Chairman  
Subcommittee on Regulatory Reform  
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House Committee on Small Business



Donald A. Manzullo  
Chairman  
House Committee on Small Business

cc: The Honorable Tom Davis  
The Honorable John Tierney

The Honorable Nydia M. Velazquez