

108TH CONGRESS  
1ST SESSION

# H. R. 2432

To amend the Paperwork Reduction Act and titles 5 and 31, United States Code, to reform Federal paperwork and regulatory processes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 11, 2003

Mr. OSE (for himself, Mr. TANNER, Mr. TOM DAVIS of Virginia, Mr. MOORE, Mr. JANKLOW, Mr. MATHESON, and Mr. RYAN of Wisconsin) introduced the following bill; which was referred to the Committee on Government Reform, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Paperwork Reduction Act and titles 5 and 31, United States Code, to reform Federal paperwork and regulatory processes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Paperwork and Regu-  
5 latory Improvements Act of 2003”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1           (1) In 1980, in the Paperwork Reduction Act,  
2           Congress established the Office of Information and  
3           Regulatory Affairs (OIRA) in the Office of Manage-  
4           ment and Budget. OIRA’s principal responsibility is  
5           to reduce the paperwork burden on the public that  
6           results from the collection of information by or for  
7           the Federal Government. In 2002, OIRA estimated  
8           that the paperwork burden imposed on the public  
9           was 7.7 billion hours, at a cost of \$230 billion. The  
10          Internal Revenue Service accounted for 83 percent  
11          of the paperwork burden.

12          (2) In 1995, Congress amended the Paperwork  
13          Reduction Act and established annual government-  
14          wide paperwork reduction goals of 10 percent for  
15          each of fiscal years 1996 and 1997, and 5 percent  
16          for each of fiscal years 1998 through 2001, but the  
17          paperwork burden increased, rather than decreased,  
18          in each of those fiscal years and fiscal year 2002.  
19          Both the Office of Management and Budget and the  
20          Internal Revenue Service need to devote additional  
21          attention to paperwork reduction.

22          (3) In 2002, the House Report accompanying  
23          the Treasury and General Government Appropria-  
24          tions Act, 2003 (House Report 107–575) stated,  
25          “The Office of Management and Budget has re-

1 reported that paperwork burdens on Americans have  
2 increased in each of the last six years. Since the In-  
3 ternal Revenue Service imposes over 80 percent of  
4 these paperwork burdens, the Committee believes  
5 that OMB should work to identify and review pro-  
6 posed and existing IRS paperwork.”.

7 (4) One key to success in paperwork reduction  
8 is the Office of Management and Budget’s system-  
9 atic review of every new and revised agency paper-  
10 work proposal. Recent statutory exemptions from  
11 that office’s review responsibility, especially those  
12 without any stated justification, should be removed.

13 (5) In 2000, researchers Mark Crain of George  
14 Mason University and Thomas Hopkins of the Roch-  
15 ester Institute of Technology, in their October 2001  
16 publication titled “The Impact of Regulatory Costs  
17 on Small Firms”, estimated that Americans spend  
18 \$843 billion annually to comply with Federal regula-  
19 tions. Congress has a responsibility to review major  
20 rules (as defined by section 804 of title 5, United  
21 States Code) proposed by agencies, especially regu-  
22 latory alternatives and the costs and benefits associ-  
23 ated with each of them. In 2000, in the Truth in  
24 Regulating Act, Congress established new responsi-

1 bility within the General Accounting Office to assist  
2 Congress with this responsibility.

3 (6) In 1996, because of the increasing costs and  
4 incompletely estimated benefits of Federal rules and  
5 paperwork, Congress required the Office of Manage-  
6 ment and Budget for the first time to submit an an-  
7 nual report to Congress on the total costs and bene-  
8 fits to the public of Federal rules and paperwork re-  
9 quirements, including an assessment of the effects of  
10 Federal rules on the private sector and State and  
11 local governments. In 1998, Congress changed the  
12 annual report's due date to coincide with the due  
13 date of the President's budget, so that Congress and  
14 the public could be given an opportunity to simulta-  
15 neously review both the on-budget and off-budget  
16 costs associated with the regulatory and paperwork  
17 requirements of each Federal agency. In 2000, Con-  
18 gress made this a permanent annual reporting re-  
19 quirement.

20 (7) The Office of Management and Budget re-  
21 quires agencies to submit annual budget and paper-  
22 work burden estimates in order to prepare certain  
23 required reports for Congress, but it does not re-  
24 quire agencies to submit estimates on costs and ben-  
25 efits of agency rules and paperwork. The Office of

1 Management and Budget needs to require agencies  
2 to submit such estimates on costs and benefits to  
3 help prepare the annual accounting statement and  
4 associated report required under section 624 of the  
5 Treasury and General Government Appropriations  
6 Act, 2001.

7 **SEC. 3. REDUCTION OF TAX PAPERWORK.**

8 Section 3504 of title 44, United States Code, is  
9 amended by adding at the end the following new sub-  
10 section:

11 “(i) In carrying out subsection (c)(3), the Director  
12 shall assign, at a minimum, the equivalent of at least 2  
13 fulltime staffers to review the Federal information collec-  
14 tion burden on the public imposed by the Internal Revenue  
15 Service.”.

16 **SEC. 4. REPEAL OF EXEMPTIONS FROM PAPERWORK RE-**  
17 **DUCTION ACT, ETC.**

18 The following provisions of the Farm Security and  
19 Rural Investment Act of 2002 (Public Law 107–171) are  
20 repealed:

- 21 (1) Subparagraphs (A) and (C) of section  
22 1601(e)(2).
- 23 (2) Section 1601(e)(3).
- 24 (3) Section 2702(b)(1)(A).
- 25 (4) Section 2702(b)(2)(A).

1 (5) Section 2702(c).

2 (6) Subparagraphs (A) and (C) of section  
3 6103(b)(2).

4 (7) Section 6103(b)(3).

5 (8) Subparagraphs (A) and (C) of section  
6 10105(d)(2).

7 (9) Section 10105(d)(3).

8 **SEC. 5. AMENDMENT OF TRUTH IN REGULATING ACT TO**  
9 **MAKE PERMANENT PILOT PROJECT FOR RE-**  
10 **PORT ON RULES.**

11 The purpose of this section is to make permanent the  
12 authority to request the performance of regulatory anal-  
13 ysis to enhance Congressional responsibility for regulatory  
14 decisions developed under the laws enacted by Congress.  
15 The Truth in Regulating Act of 2000 (Public Law 106–  
16 312; 5 U.S.C. 801 note) is amended—

17 (1) in the heading for section 4, by striking  
18 **“PILOT PROJECT FOR”**;

19 (2) by striking section 5 and redesignating sec-  
20 tion 6 as section 5; and

21 (3) in section 5 (as redesignated by paragraph  
22 (2))—

23 (A) in the heading, by striking **“AND DU-**  
24 **RATION OF PILOT PROJECT”**;

1 (B) in subsection (a), by striking “(a) EF-  
2 FECTIVE DATE.—”; and

3 (C) by striking subsections (b) and (c).

4 **SEC. 6. IMPROVED REGULATORY ACCOUNTING.**

5 (a) REQUIREMENT FOR AGENCIES TO SUBMIT IN-  
6 FORMATION ON REGULATIONS AND PAPERWORK TO  
7 OMB.—Section 624 of the Treasury and General Govern-  
8 ment Appropriations Act, 2001 (as enacted into law by  
9 Public Law 106–554; 114 Stat. 2763A–161), is amend-  
10 ed—

11 (1) by redesignating subsections (b), (c), and  
12 (d) as subsections (e), (f), and (g), respectively, and

13 (2) by inserting after subsection (a) the fol-  
14 lowing new subsection:

15 “(b) AGENCY SUBMISSIONS TO OMB.—To carry out  
16 subsection (a), the Director of the Office of Management  
17 and Budget shall require each agency annually to submit  
18 to the Office of Management and Budget an estimate of  
19 the total annual costs and benefits of Federal rules and  
20 paperwork—

21 “(1) for the agency in the aggregate; and

22 “(2) for each agency program.”.

23 (b) REQUIREMENT FOR OMB ACCOUNTING STATE-  
24 MENT TO COVER SAME YEARS COVERED BY BUDGET.—

25 Section 624 of the Treasury and General Government Ap-

1 appropriations Act, 2001 (as enacted into law by Public Law  
2 106–554; 114 Stat. 2763A–161), is further amended by  
3 inserting after subsection (b), as added by subsection (a),  
4 the following new subsection:

5 “(c) YEARS COVERED BY ACCOUNTING STATE-  
6 MENT.—Each accounting statement submitted under this  
7 section shall, at a minimum—

8 “(1) cover the fiscal year for which the state-  
9 ment is submitted and each of the 4 fiscal years  
10 after that fiscal year; and

11 “(2) cover the current fiscal year and the fiscal  
12 year prior to the current fiscal year.”.

13 (c) INTEGRATION OF OMB ACCOUNTING STATE-  
14 MENT AND REPORT INTO PRESIDENT’S BUDGET.—Sec-  
15 tion 624 of the Treasury and General Government Appro-  
16 priations Act, 2001 (as enacted into law by Public Law  
17 106–554; 114 Stat. 2763A–161) is further amended—

18 (1) in subsection (a), by striking “with the  
19 budget” and inserting “as part of the budget”; and

20 (2) by inserting after subsection (c), as added  
21 by subsection (b), the following new subsection:

22 “(d) FORM OF SUBMISSION.—The accounting state-  
23 ment and associated report required by subsection (a)  
24 shall be included in the budget documents submitted  
25 under section 1105 of title 31, United States Code, in a

1 form that allows direct comparison of the budget for ac-  
2 tivities and functions of the Government with the costs  
3 and benefits to the public of Federal rules and paperwork  
4 associated with those activities and functions.”.

5 (d) PILOT PROJECTS FOR REGULATORY BUDG-  
6 ETING.—(1) Chapter 11 of title 31, United States Code,  
7 is amended by adding at the end the following new section:

8 **“§ 1120 Pilot projects for regulatory budgeting**

9 “(a) The Director of the Office of Management and  
10 Budget, after consultation with the head of each agency,  
11 shall designate not less than five agencies as pilot projects  
12 in regulatory budgeting for fiscal years 2006 and 2007.  
13 The designated agencies shall reflect a representative  
14 range of Federal regulatory programs, and shall include  
15 at least the Department of Labor, the Department of  
16 Transportation, and the Environmental Protection Agen-  
17 cy.

18 “(b) Pilot projects in the designated agencies shall  
19 cover the preparation of regulatory budgets. Such budgets  
20 shall present, for one or more of the major regulatory pro-  
21 grams of the agency, the varying levels of costs and bene-  
22 fits to the public that would result from different budgeted  
23 amounts.

24 “(c) The Director of the Office of Management and  
25 Budget shall include, as an alternative budget presen-

1 tation in the budget submitted under section 1105 for fis-  
2 cal year 2007, the regulatory budgets of the designated  
3 agencies for that fiscal year.

4 “(d) No later than the first Monday in February of  
5 2009, the Director of the Office of Management and  
6 Budget shall transmit to the President and to Congress  
7 a report on the regulatory budgeting pilot projects. The  
8 report shall—

9 “(1) assess the feasibility and advisability of in-  
10 cluding a regulatory budget as part of the annual  
11 budget submitted under section 1105;

12 “(2) describe any difficulties encountered by the  
13 pilot agencies in preparing a regulatory budget; and

14 “(3) recommend whether legislation requiring  
15 regulatory budgets should be proposed and the gen-  
16 eral provisions of any legislation.

17 “(e) After receipt of the report required under sub-  
18 section (d), Congress may specify that a regulatory budget  
19 be submitted as part of the annual budget submitted  
20 under section 1105.”.

21 (2) The table of sections at the beginning of such  
22 chapter is amended by adding at the end the following  
23 new item:

“1120. Pilot projects for regulatory budgeting.”.

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