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ENVIRONMENT AND

PUBLIC WORKS

United States Senate

WASHINGTON, DC 20510-2503

May 9, 2000

The Honorable Jacob L. Lew
Director
Office of Management and Budget
Executive Office of the President
Eisenhower Executive Office Building
Washington, DC 20503

Dear Director Lew,

The purpose of this letter is to express my concern that the Information Initiative "Collecting Information in the Information Age" that the Office of Management and Budget (OMB) recently commenced is not addressing fundamental paperwork burden management problems at the Environmental Protection Agency (EPA/Agency). Our nation's small businesses suffer under a terrible burden of federally mandated paperwork. Small businesses suffer this burden while attempting to provide jobs and income to our families and meet their obligations to follow environmental requirements, among others. Unfortunately, OMB and EPA are failing to manage the burden reduction process to ensure that small businesses receive real and honest paperwork burden reductions.

Last year, as Chairman of the Senate Committee on Small Business and the Appropriations Subcommittee responsible for funding EPA, I asked GAO to review EPA's claims that it had significantly reduced its paperwork burden. The resulting GAO report released March 16, 2000, *EPA Paperwork: Burden Estimate Increasing Despite Reduction Claims*, found that EPA artificially reduced its estimates of EPA paperwork burden by resorting to math errors, erroneous assumptions and its own estimate recalculations. GAO determined that "EPA's claim that it had reduced its paperwork burden 'by streamlining processes, eliminating outdated provisions, or consolidating duplicative requirements' was misleading." GAO added that, "Also misleading was EPA's statement that these reductions had saved businesses and communities hundreds of millions of dollars." GAO found that in many cases, "the underlying reporting and record keeping requirements did not change, only EPA's method of measuring their effect," and that "EPA's revisions of Agency paperwork estimates had no real impact on the burden being borne by the public."

The role of OMB in accepting and allowing EPA to make these misleading paperwork burden reduction claims is disturbing. EPA reported its burden reduction estimates based on the misleading claims to, and were accepted by, OMB in its annual Information Collection Budget. In March, EPA included misleading paperwork reduction claims in its testimony before the House Appropriations Subcommittee despite OMB's review of that testimony. Even more disturbing, EPA made these misleading claims to Congress subsequent to and despite EPA receiving and reviewing a draft of GAO's report finding that EPA's claims were misleading.

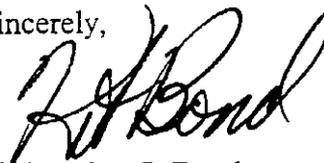
OMB's Information Initiative does not appear to address these fundamental burden reduction management issues. OMB's recently conducted public forum and published Federal Register notice fail to indicate any OMB efforts to address EPA's burden reduction management problems. The initiative provided the Administration an opportunity to publicize its hopes and goals for future burden reduction. Although, ironically, taking credit for goals not achieved was one of the very findings and criticisms lodged by GAO against EPA. OMB's Information Initiative does not appear to address fundamental management issues such as:

- a. What steps are OMB and EPA taking to correct the record before Congress and OMB so that burden reduction estimates to date reflect only real and honest reductions?
- b. What steps is OMB taking to prevent EPA and all federal agencies from claiming goals as actual reductions?
- c. What steps is OMB taking to ensure EPA and all federal agencies do not represent changes in burden calculations resulting from previous math errors or methodology changes as real reductions helping the public?
- d. What steps is OMB taking to ensure testimony made by EPA and all federal agencies to Congress does not include misleading claims of paperwork burden reduction?

For OMB's Information Initiative to bring about meaningful and lasting change, it must address these fundamental management issues. I would appreciate inclusion of these concerns in the initiative as well as a direct response to me at the conclusion of the initiative on OMB's actions to remedy these issues.

The management failures in reducing paperwork burden are not at issue here. EPA agreed that GAO's report, *EPA Paperwork: Burden Estimate Increasing Despite Reduction Claims*, "appeared to be accurate in its characterization of EPA's information collection requests and burden hours." Additionally, EPA admitted that GAO's "assertion that [EPA's] burden-reduction estimates are misleading is technically correct." What is at issue here is whether the Administration will make the management improvements to ensure that future paperwork reductions are honest and real. Our nation's small businesses deserve nothing less. If you have any questions regarding these concerns, please contact John Stody at 224-5175. Thank you in advance for your attention to this matter.

Sincerely,



Christopher S. Bond
Chairman

cc: Hon. Carol M. Browner, Administrator
U.S. Environmental Protection Agency