

PAPERWORK ELIMINATION ACT OF 1999

FEBRUARY 8, 1999.—Ordered to be printed

Mr. TALENT, from the Committee on Small Business, submitted the following

REPORT

[To accompany H.R. 439]

[Including cost estimate of the Congressional Budget Office]

The Committee on Small Business, to whom was referred the bill (H.R. 439) to amend chapter 35 of title 44, United States Code, popularly known as the Paperwork Reduction Act, to minimize the burden of Federal paperwork demands upon small businesses, educational and nonprofit institutions, Federal contractors, State and local governments, and other persons through the sponsorship and use of alternative information technologies, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The purpose of the “Paperwork Elimination Act of 1999” is to minimize the burdens of Federal paperwork demands upon small businesses, educational and nonprofit institutions, Federal contractors, State and local governments, and other persons through the use of alternative information technologies, including the use of electronic submission, maintenance, or disclosure of information as a substitute for paper, or to more effectively enable Federal agencies to achieve the purposes expressed in Chapter 35 of Title 44, United States Code, otherwise known as the “Paperwork Reduction Act”.

SUMMARY

In brief, the Paperwork Elimination Act of 1999 is intended to accomplish the following:

First, it specifically requires the Director of the Office of Management and Budget (OMB) to promote the acquisition and use of elec-

tronic transmission of information as a substitute for paper when small businesses and individuals are required to comply with the information needs of the Federal government.

Second, the Paperwork Reduction Act requires the Director of OMB to maintain a government-wide strategic plans for information resources management. Section 3 of H.R. 439 requires the Director of OMB to include in this plan a description of progress in providing for the acquisition and use of alternative technologies that provide for electronic submission, maintenance, or disclosure of information. This report is also to include the extent to which the paperwork burden on small businesses and individuals has been reduced as a result of the use of electronic transmission of information.

Third, it clearly states what Federal agencies are required to do. Section 4(a) requires each Federal agency to provide the option of electronically transmitting information when complying with their regulations and other information needs. Section 4(b) requires each Federal agency to certify to the Director of OMB that each collection of information it undertakes has provided, when appropriate, the optional use of electronic transmission of information as a way to reduce, to the extent practicable, paperwork burdens, particularly paperwork burdens on small entities. Section 4(c) requires each Federal agency to certify to the Director of OMB that, to the maximum extent practicable, it has used alternative information technologies to reduce burden, improve data quality, agency efficiency, and responsiveness to the public.

Fourth, it prohibits each Federal agency from collecting information until it has first published a notice in the Federal Register describing how respondents may, if they choose, submit the required information electronically.

Finally, it requires the Director of OMB, when reporting to Congress, to include a report on how paperwork burdens on small businesses and other persons have been reduced by using electronic submission, maintenance, or disclosure of information as a substitute for paper. Furthermore, it requires this report to describe any instances where the use of electronic transmission of information has added to paperwork burdens, and specific identifications of instances relating to the Internal Revenue Service.

NEED FOR LEGISLATION

As part of continuing efforts to enable the Federal government to take advantage of the Information Age, the Committee recognized the need to encourage and monitor the progress of Federal agencies in their efforts to utilize new "information technology" to reduce the public cost of meeting the Federal government's information needs. Moreover, a specific need exists to allow those small businesses, taxpayers, and others with access to computers and modems to use them when dealing with the Federal government.

Witnesses before the Small Business Committee have estimated that the American public expends an amount of time and effort equal to 510 billion dollars, or some 9 percent of the Gross Domestic Product in 1992, in order to meet the Federal government's information needs. Small businesses bear a disproportionate share of that cost.

The Federal government is lagging behind the rest of the nation in using new technology. Individuals can now send and receive mail, accomplish their personal banking transactions, and even read a newspaper from a personal computer or phone. Individuals should be able to conduct much of their business with the government electronically as well. Legislation is needed to seize the opportunity which the Information Age and new information technologies have presented to reduce the huge cumulative burden of meeting the Federal government's information demands.

Clearly, the need exists to promote and monitor efforts to minimize the burdens of Federal paperwork demands upon small businesses, educational and nonprofit institutions, Federal contractors, state and local governments, and other persons through the use of alternative information technologies, including the use of electronic submission, maintenance, or disclosure of information as a substitute for paper. Congressional oversight activities will be enhanced by requiring reporting on the progress of agencies and how regulatory burdens have been reduced.

During the 104th Congress, the Government Programs Subcommittee held hearings in which a number of witnesses stressed the need for this legislation. Witnesses went into great detail regarding the potential for significant cost savings through the implementation of information management systems which allow small businesses and the public to use electronic technology.

These savings would be complemented by increased productivity in the workplace due to the reduction in time spent on paperwork submissions and updates. Mr. Marvin Beriss of MB Associates, Inc., an expert in database information technology, stated during a hearing in the 104th Congress that intelligent electronic forms save time by automatically populating fields on the same form that require the same information, such as name, social security number, etc. Additionally, if such forms are used as part of a Form Set comprised of multiple forms, the common information can be automatically integrated onto all the forms in the set. This technology has the potential to save significant time that would otherwise be spent filling in forms, while concurrently insuring consistency and efficiency.

Congress took an important first step towards using this technology last year when it included in the Omnibus Appropriations Act of 1998 (P.L. 105-277) legislation sponsored by Senator Spencer Abraham which requires the development of procedures for the use and acceptance of electronic signatures by Executive agencies of the U.S. Government. This legislation was of particular importance to the Committee on Small Business because it included one provision that had been part of the previous versions of the Paperwork Elimination Act that the Committee considered in the 104th and 105th Congresses. This particular provision gave the authority to the Director of OMB to provide direction and oversee the acquisition and use of alternative technologies that provide for the electronic submission, maintenance, or disclosure of information as a substitute for paper. The Paperwork Elimination Act of 1999 (H.R. 439) complements this legislation by clarifying the authority and responsibilities of the Director of OMB, as well as placing specific requirements on Federal agencies.

The Paperwork Elimination Act of 1999 amends chapter 35, Title 44, United States Code, otherwise known as the Paperwork Reduction Act of 1995, by requiring all Federal agencies to provide the option of electronic submission of information, electronic compliance with regulations, and electronic disclosure of information to all who must comply with Federal information demands. Furthermore, Federal agencies would be prohibited from collecting information until they have first published a notice in the Federal Register detailing how the information may be maintained, submitted, or disclosed electronically. The Director of OMB would be required to oversee the implementation of electronic submission, compliance, and disclosure of information. The Director of OMB would also be required to monitor and report on the progress of Federal agencies in meeting these requirements, as well as how regulatory burdens on small businesses have been reduced.

The Paperwork Elimination Act of 1999 amends and complements the Paperwork Reduction Act of 1995, which has resulted in reduced regulatory burdens. The Paperwork Elimination Act of 1999 strengthens the generic statute. It clarifies provisions within the law requiring agencies to consider and utilize information technology by specifying that those small businesses and public persons with access to computers and modems should have the option to use them when dealing with the Federal government.

The Paperwork Elimination Act of 1999 emphasizes that opportunities for the public to use electronic technologies for data submission should be optional. The Act will in no way hinder the ability of small businesses and individuals without access to computers and modems to comply with Federal paperwork requirements. The Act merely requires Federal agencies to consider and provide the option to those who wish and are able to use the technology.

COMMITTEE ACTION

During the 104th Congress, H.R. 2715, the "Paperwork Elimination Act", was introduced on December 5, 1995, by Government Programs Subcommittee Chairman Peter G. Torkildsen, for himself, Congresswomen Meyers and Smith, Congressmen Talent, Manzullo, Zeliff, Ewing, Jones, LoBiondo, Bartlett, Meehan, Chrysler, Metcalf, and Ramstad.

After introduction, the bill was referred to both the Committee on Government Reform and Oversight and the Committee on Small Business. On March 27, 1996, Chairman Torkildsen held a hearing on H.R. 2715 to consider all of the bill's provisions.

Witnesses at the March 27, 1996, hearing included: The Honorable Sally Katzen, Administrator, Office of Information and Regulatory Affairs (OIRA), Office of Management and Budget; The Honorable Jere Glover, Chief Counsel, Office of Advocacy, U.S. Small Business Administration; Ms. Monika Harrison, Associate Administrator, Office of Business Initiatives, U.S. Small Business Administration; Mr. Pedro Alfonso, President, Dynamic Concepts, Inc., testifying on behalf of National Small Business United; Mr. Marvin Beriss, President, MB Associates, Inc.; and Melvin Gerald, M.D., testifying on behalf of the American Academy of Family Physicians.

At the hearing, OIRA Administrator Katzen testified, "As we read this bill, it makes it very clear Congress' expectation that

agencies are to do everything they can to provide opportunities for, and indeed promote the use of, electronic maintenance, submission, or disclosure of information.”

She further stated that, “* * * in signing the 1995 Paperwork Reduction Act, President Clinton specifically recognized the concerns now recognized in H.R. 2715; ‘* * * from this point forward, I want all of our agencies to provide for the electronic submission of every new government form or to demonstrate to OMB why it cannot be done that way. The old way will still be available, but I think once people see how fast and efficient electronic filing can be, we’ll see less paperwork and more of these.’”

Administrator Katzen proceeded to testify about the regulations issued by OMB on August 29, 1995, implementing the Paperwork Reduction Act of 1995. As part of those regulations, OMB explicitly included provisions directed at this Congressional and Presidential interest in having agencies expand the opportunities for the public to submit information electronically. Ms. Katzen suggested an amendment to Section 5(a) of the bill which was later adopted by the Committee and added to the bill.

Another witness, Chief Counsel for Advocacy Jere Glover, testified “it is clear that the innovations can lead to significant cost savings by eliminating paper copies and the need for expensive file storage. To the extent that the current legislative proposal, H.R. 2715, clarifies Congressional intent behind the Paperwork Reduction Act of 1995, by requiring agencies to permit the ‘optional’ electronic filing of reports, the Office of Advocacy believes it can benefit small business—at least those with electronic capability.”

Small business witnesses testified favorably on the cost and time savings that would result from the implementation of this legislation.

A preliminary estimate from the Congressional Budget Office (CBO) reported that “H.R. 2715 would not significantly increase costs to the Federal government.” CBO went on to say that the technology already existed to allow Federal agencies to comply with the Act and that the administrative cost of directing and overseeing the initiative would not be significant. Also as confirmed by CBO, the bill contained no mandates, as defined in Public Law 104-4.

After taking into consideration the testimony of the witnesses at the March 27, 1996 hearing and the comments from CBO on H.R. 2715, the Committee on Small Business held a mark-up of H.R. 2715 on March 29, 1996. By voice vote, with a requisite quorum of the Committee members present, the full Committee voted to report H.R. 2715, as amended, favorably to the full House.

After reviewing the legislation and a detailed legislative history created by the Small Business Committee, including the CBO findings, Chairman Clinger, on behalf of the Committee on Government Reform and Oversight, waived that Committee’s jurisdiction over this legislation.

On April 24, 1996, H.R. 2715, as reported, was considered on the House floor under an open rule. The legislation passed the House by a vote of 418 to 0. The legislation was subsequently discharged from the Senate Committee on Governmental Affairs and sent to the desk for action. Unfortunately, the Senate ran out of time at the end of the session before it could act on this measure.

During the 105th Congress, H.R. 852, the Paperwork Elimination Act of 1997, was introduced on February 26, 1997 by Committee on Small Business Chairman James M. Talent. After introduction, the bill was referred to both the Committee on Government Reform and Oversight and the Committee on Small Business.

A preliminary estimate from the CBO stated that H.R. 852 would not significantly increase costs to the Federal government. The CBO also stated that the technology to allow Federal agencies to comply with the Act already existed and that the administrative costs would not be significant. The CBO also confirmed that H.R. 852 contained no mandates, as defined in Public Law 104-4.

In light of the fact that H.R. 852 was virtually identical to H.R. 2715, and after taking into account the extensive legislative history of H.R. 2715 developed in the 104th Congress, the Chairman of the Committee on Small Business, in consultation with the Committee's Ranking Minority Member, decided to move forward with the Committee's consideration of H.R. 852 without any further hearings.

On March 6, 1997, the Committee on Small Business held a mark-up of H.R. 852. By voice vote, with a requisite quorum of the Committee members present, the full Committee voted to report H.R. 852 favorably to the full House.

After reviewing the legislation and the accompanying CBO findings with the Chairman of the National Economic Growth, Natural Resources, and Regulatory Affairs Subcommittee, Chairman Dan Burton, on behalf of the Committee on Government Reform and Oversight, waived that Committee's jurisdiction over the legislation. He stated, however, that the waiver of jurisdiction with respect to H.R. 852 would not limit the jurisdiction of the Government Reform and Oversight Committee on any future consideration of Federal paperwork reduction legislation.

On March 13, 1997, H.R. 852, as reported, was considered on the House floor under an open rule. The legislation passed the House by a vote of 395-0. The legislation was subsequently referred to the Senate Committee on Governmental Affairs. Unfortunately, the Senate failed to act on the measure, other than what was included in the Omnibus Appropriations Act, before the end of the session.

H.R. 439, the Paperwork Elimination Act of 1999, was introduced on February 2, 1999 by the Chairman of the Committee on Small Business, James M. Talent, for himself and Representatives Velázquez, Kelly, Pascrell, Sweeney, and Schakowsky. After introduction, the bill was referred to both the Committee on Government Reform and the Committee on Small Business.

In light of the fact that H.R. 439 is virtually identical to both H.R. 2715 and H.R. 852, and after taking into account the extensive legislative history of these bills in previous Congresses, the Chairman of the Committee on Small Business, in consultation with the Committee's Ranking Minority Member, decided to move forward with the Committee's consideration of H.R. 439 without any further hearings.

On February 3, 1999, the Committee on Small Business held a mark-up of H.R. 439. During debate of the legislation, Mr. Davis inquired whether the bill provided financial assistance to help small business owners who do not currently have the equipment or

technical expertise needed to submit information electronically. While the legislation does not authorize any financial assistance, Chairman Talent indicated that the Committee would explore ways in which Federal agencies may be able to provide this support. Mr. Bartlett recommended that Federal agencies, to the extent that they are able to, should provide technical assistance to those small business owners who are in need of it. At the conclusion of debate, with a requisite quorum of the Committee members present, the full Committee voted by voice vote to report H.R. 439 favorably to the full House.

After reviewing the legislation and the accompanying CBO findings with Rep. David McIntosh, Chairman of the National Economic Growth, Natural Resources, and Regulatory Affairs Subcommittee, Chairman Dan Burton, on behalf of the Committee on Government Reform, waived that Committee's jurisdiction of H.R. 439. That waiver, however, would not limit the jurisdiction of the Government Reform Committee on any future consideration of Federal paperwork reduction legislation.

SECTION-BY-SECTION ANALYSIS

SECTION 1. SHORT TITLE

This legislation is entitled the "Paperwork Elimination Act of 1999".

SECTION 2. PROMOTION OF USE OF ELECTRONIC INFORMATION TECHNOLOGY

The Director of the Office of Management and Budget (OMB) is required to promote the acquisition and use of electronic submission, maintenance, or disclosure of information as a substitute for paper as an option for entities complying with the regulatory information needs of Federal agencies. This provision is added to sec. 3504(h) of the Paperwork Reduction Act (44 U.S.C. 35) which outlines the Director's obligations to advance the use of information technology.

SECTION 3. ASSIGNMENT OF TASKS AND DEADLINES

Sec. 3505(a)(3) of the Paperwork Reduction Act requires the Director of OMB, in consultation with the General Services Administration (GSA), National Institute of Standards and Technology (NIST), National Archives and Records Administration (NARA), and Office of Personnel Management (OPM), to develop and maintain a government-wide strategic plan for information resources management. This provision amends sec. 3505(a)(3) by inserting the requirement to include in this plan a progress report on the extent to which the paperwork burden on small businesses and individuals has been relieved as a result of the use of electronic submission, maintenance, or disclosure of information as a substitute for paper.

SECTION 4. FEDERAL AGENCY RESPONSIBILITIES

Subsection (a)

This provision amends sec. 3506(c)(1)(B) of the Paperwork Reduction Act to require each Federal agency, when it is appropriate, to provide respondents with the option of submitting, maintaining, or disclosing information electronically when complying with Federal regulations.

Subsection (b)

This provision amends sec. 3506(c)(3)(C) of the Paperwork Reduction Act to require each Federal agency to certify to the Director of OMB each collection of information that it undertakes has reduced to the extent practicable the burden of paperwork on small businesses and individuals by allowing for the optional submission, maintenance, or disclosure of information electronically.

Subsection (c)

This provision amends sec. 3506(c)(3)(J) of the Paperwork Reduction Act to require each Federal Agency to certify to the Director of OMB that, to the extent practicable, it used alternative information technologies to reduce burden, improve data quality, and make agencies more efficient and responsive to the public.

SECTION 5. PUBLIC INFORMATION COLLECTION ACTIVITIES;
SUBMISSION TO DIRECTOR; APPROVAL AND DELEGATION

This provision amends sec. 3507(a)(1)(D)(ii) of the Paperwork Reduction Act to prohibit Federal agencies from collecting information until they have first published a notice in the Federal Register describing how the information may, if appropriate, be electronically submitted, maintained, or disclosed by a respondent.

SECTION 6. RESPONSIVENESS TO CONGRESS

This provision amends sec. 3514(a)(2) of the Paperwork Reduction Act to require the Director of OMB, when responding to Congress annually or at other times, to report on how the collection of information by electronic means has affected regulatory burdens on small businesses and other persons. This report must specifically include any instance in which the electronic maintenance, submission, or disclosure of information has added to the regulatory burden on small business. It should also specifically identify instances referring to the information required from small businesses by the Internal Revenue Service.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, February 4, 1999.

Hon. JAMES M. TALENT,
Chairman, Committee on Small Business,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 439, the Paperwork Elimination Act of 1999.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is John R. Righter.

Sincerely,

(For Dan L. Crippen, Director).

Enclosure.

H.R. 439—Paperwork Elimination Act of 1999

CBO estimates that enacting this bill would not significantly increase costs to the federal government. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply. H.R. 439 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

H.R. 439 would build on the Paperwork Reduction Act of 1995. Specifically, the bill would encourage federal agencies to use electronic information technologies to reduce the burden on individuals and businesses that disclose information to or contract with the federal government. In addition, the bill would designate the Office of Management and Budget (OMB) as the agency responsible for promoting and monitoring the use of these technologies.

The bill, however, would not require agencies to acquire and implement new information technologies, and the authority to use these technologies already exists. OMB would incur administrative costs to direct and oversee government-wide activities involving the use of alternative information technologies; we estimate that such additional costs would not be significant. Consequently, we estimate that H.R. 439 would not significantly increase costs to the federal government.

The CBO staff contact is John R. Righter. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

COMMITTEE COST ESTIMATE

Pursuant to clause 3(d)(2)(A) of rule XIII of the Rules of the House of Representatives, the Committee estimates that implementation of H.R. 439 will not significantly increase administrative costs. The Committee feels that implementation of H.R. 439 may actually decrease administrative costs. This concurs with the estimate of the Congressional Budget Office.

WAIVER OF JURISDICTION BY GOVERNMENT REFORM COMMITTEE

HOUSE OF REPRESENTATIVES,
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
Washington, DC, February 4, 1999.

Hon. JAMES TALENT,
Chairman, Committee on Small Business,
Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN TALENT: This letter responds to your request that the Committee on Government Reform waive its primary jurisdiction over H.R. 439, as introduced on February 2, 1999. After reviewing this legislation, I have agreed to waive the jurisdiction of the Committee on Government Reform.

H.R. 439 would build on the Paperwork Reduction Act of 1995, which was signed into law on May 22, 1995 (Public Law 104-13). Specifically, the bill would encourage the use of electronic information technology by federal agencies as a way of reducing the burden on individuals and businesses that disclose information to or contract with the federal government. In addition, the bill would designate the Office of Management and Budget as the agency responsible for promoting and monitoring the use of these technologies.

As you know, House Rule X, Organization of Committees, grants the Government Reform and Oversight Committee with jurisdiction over "Federal paperwork reduction." The waiver of H.R. 439 is not designed to limit our jurisdiction over any future consideration of Federal paperwork reduction legislation.

Thank you for your dedication and hard work on this issue. I look forward to working with you on this and other issues throughout the 106th Congress.

Sincerely,

DAN BURTON, *Chairman.*

OVERSIGHT FINDINGS

In accordance with clause 4(c)(2) of rule X of the Rules of the House of Representatives, the Committee states that no oversight findings or recommendations have been made by the Committee on Government Reform with respect to the subject matter contained in H.R. 439.

In accordance with clause 2(b)(1) of rule X of the Rules of the House of Representatives, the oversight findings and recommendations of the Committee on Small Business with respect to the subject matter contained in H.R. 439 are incorporated into the descriptive portions of this report.

STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds the authority for this legislation in Article I, section 8, clause 18, of the Constitution of the United States.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(g) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill,

as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

CHAPTER 35 OF TITLE 44, UNITED STATES CODE

CHAPTER 35—COORDINATION OF FEDERAL INFORMATION POLICY

* * * * *

§ 3504. Authority and functions of Director

(a) * * *

* * * * *

(h) With respect to Federal information technology, the Director shall—

(1) * * *

* * * * *

(4) ensure, through the review of agency budget proposals, information resources management plans and other means—

(A) agency integration of information resources management plans, program plans and budgets for acquisition and use of information technology; and

(B) the efficiency and effectiveness of inter-agency information technology initiatives to improve agency performance and the accomplishment of agency missions; **[and]**

(5) promote the use of information technology by the Federal Government to improve the productivity, efficiency, and effectiveness of Federal programs, including through dissemination of public information and the reduction of information collection burdens on the public~~].~~; *and*

(6) *specifically promote the acquisition and use of alternative information technologies that provide for electronic submission, maintenance, or disclosure of information as a substitute for paper and for the use and acceptance of electronic signatures.*

* * * * *

§ 3505. Assignment of tasks and deadlines

(a) In carrying out the functions under this chapter, the Director shall—

(1) * * *

* * * * *

(3) in consultation with the Administrator of General Services, the Director of the National Institute of Standards and Technology, the Archivist of the United States, and the Director of the Office of Personnel Management, develop and maintain a Governmentwide strategic plan for information resources management, that shall include—

(A) a description of the objectives and the means by which the Federal Government shall apply information resources to improve agency and program performance;

(B) plans for—

(i) reducing information burdens on the public, including reducing such burdens through the elimination of duplication and meeting shared data needs with shared resources;

(ii) enhancing public access to and dissemination of, information, using electronic and other formats; and

(iii) meeting the information technology needs of the Federal Government in accordance with the purposes of this chapter; **[and]**

(C) a description of progress in applying information resources management to improve agency performance and the accomplishment of missions~~...~~; *and*

(D) a description of progress in providing for the acquisition and use of alternative information technologies that provide for electronic submission, maintenance, or disclosure of information as a substitute for paper and for the use and acceptance of electronic signatures, including the extent to which such progress accomplishes reduction of burden on small businesses or other persons.

* * * * *

§ 3506. Federal agency responsibilities

(a) * * *

* * * * *

(c) With respect to the collection of information and the control of paperwork, each agency shall—

(1) establish a process within the office headed by the Chief Information Officer designated under subsection (a), that is sufficiently independent of program responsibility to evaluate fairly whether proposed collections of information should be approved under this chapter, to—

(A) * * *

(B) ensure that each information collection—

(i) is inventoried, displays a control number and, if appropriate, an expiration date;

(ii) indicates the collection is in accordance with the clearance requirements of section 3507; **[and]**

* * * * *

(iv) provides to persons required to submit information the option to use, where appropriate, electronic submission, maintenance, or disclosure of information; and

* * * * *

(3) certify (and provide a record supporting such certification, including public comments received by the agency) that each collection of information submitted to the Director for review under section 3507—

(A) * * *

* * * * *

(C) reduces to the extent practicable and appropriate the burden on persons who shall provide information to or for

the agency, including with respect to small entities, as defined under section 601(6) of title 5, the use of such techniques as—

- (i) establishing differing compliance or reporting requirements or timetables that take into account the resources available to those who are to respond;
- (ii) the clarification, consolidation, or simplification of compliance and reporting requirements; **[or]**
- (iii) an exemption from coverage of the collection of information, or any part thereof; *or*
- (iv) *the promotion and optional use, where appropriate, of electronic submission, maintenance, or disclosure of information.*

* * * * *

[(J) to the maximum extent practicable, uses information technology to reduce burden and improve data quality, agency efficiency and responsiveness to the public.]
(J) to the maximum extent practicable, uses information technology, including alternative information technologies, that provide for electronic submission, maintenance, or disclosure of information, to reduce burden and improve data quality, agency efficiency, and responsiveness to the public.

* * * * *

§ 3507. Public information collection activities; submission to Director; approval and delegation

(a) An agency shall not conduct or sponsor the collection of information unless in advance of the adoption or revision of the collection of information—

(1) the agency has—

(A) * * *

* * * * *

(D) published a notice in the Federal Register—

(i) stating that the agency has made such submission; and

(ii) setting forth—

- (I) a title for the collection of information;
- (II) a summary of the collection of information;
- (III) a brief description of the need for the information and the proposed use of the information;
- (IV) a description of the likely respondents and proposed frequency of response to the collection of information;
- (V) an estimate of the burden that shall result from the collection of information; **[and]**
- (VI) notice that comments may be submitted to the agency and Director; *and*
- (VII) *a description of how respondents may, if appropriate, electronically submit, maintain, or disclose information under the collection of information.*

* * * * *

§ 3514. Responsiveness to Congress

(a)(1) * * *

(2) The Director shall include in any such report a description of the extent to which agencies have—

(A) * * *

* * * * *

(C) improved public access to Government information;
[and]

(D) improved program performance and the accomplishment of agency missions through information resources management[.]; and

(E) *reduced the collection of information burden on small businesses and other persons through the use of electronic submission, maintenance, or disclosure of information as a substitute for the use of paper, including—*

(i) a description of instances where such substitution has added to burden; and

(ii) specific identification of such instances relating to the Internal Revenue Service.

* * * * *

