EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

ADMINISTRATOR
OFFICE OF
INFORMATION AND
REGULATORY AFFAIRS

February 23, 2011

MEMORANDUM FOR CHIEF INFORMATION OFFICERS

FROM: Cass R. Sunstein
Administrator

SUBJECT: Minimizing Paperwork and Reporting Burdens; Data Call for the 2011 Information Collection Budget

On January 18, 2011, President Obama issued Executive Order 13563, which emphasizes the importance of reducing regulatory burdens and costs. On the same day, the President issued a memorandum entitled "Regulatory Flexibility, Small Business, and Job Creation," which, among other things, directs agencies to consider streamlining and simplifying reporting requirements for small businesses.[1] Paperwork and reporting requirements impose significant burdens on the American people, including those who run businesses, both large and small. To reduce those burdens, the President has called for "getting rid of absurd and unnecessary paperwork requirements that waste time and money"[2] and "cutting down on the paperwork that saddles businesses with huge administrative costs."[3]

The Paperwork Reduction Act of 1995 (PRA)[4] expresses the national commitment to minimizing paperwork burdens and improving the quality of information collected while ensuring the greatest possible benefit to the public.[5] New technologies, including Internet-based technologies, afford significant opportunities for reducing costs and increasing simplification. Despite these opportunities, paperwork burdens have been growing over time. In FY 2009, the public spent an estimated 9.8 billion hours responding to Federal information collections. This figure represents a net increase of 2.9

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[1] See "Presidential Memoranda – Regulatory Flexibility, Small Business, and Job Creation," January 18, 2011, *available at* <http://www.whitehouse.gov/the-press-office/2011/01/18/presidential-memoranda-regulatory-flexibility-small-business-and-job-cre>

[2] President Barack Obama, "Toward a 21st Century Regulatory System," *Wall Street Journal*, January 18, 2011, *available at* <http://online.wsj.com/article/SB10001424052748703396604576088272112103698.html>

[3] *Remarks by the President to the Chamber of Commerce*, U.S. Chamber of Commerce Headquarters, Washington, D.C., February 7, 2011, *available at* <http://www.whitehouse.gov/the-press-office/2011/02/07/remarks-president-chamber-commerce>

[4] 44 U.S.C. chapter 35; *see* 5 C.F.R. Part 1320.

[5] 44 U.S.C. §3501.

billion burden hours from the corresponding number in FY 1995 – and an increase of 85 million burden hours from the corresponding number in FY 2008.[6]

Notwithstanding these figures, a number of agencies have taken steps to reduce paperwork and reporting burdens. From FY 2008 to FY 2009, some agencies produced substantial decreases, including a 27 percent decrease in estimated burden from the Securities and Exchange Commission, a 13 percent decrease from the Social Security Administration, and a 9 percent decrease from the Department of Energy. Recent burden reduction initiatives, announced in November 2010, promise to eliminate over 60 million annual burden hours.[7]

Although these developments are encouraging, more should be done. To that end, this memorandum asks agencies to produce one or more burden reduction initiatives that promise to produce significant progress in the next year. This memorandum also provides instructions to the Chief Information Officers (CIOs) on the preparation and submission, to the Office of Information and Regulatory Affairs (OIRA), of information that will be included in the 2011 Information Collection Budget (ICB) of the Office of Management and Budget (OMB).

The ICB describes (1) the information collection burden imposed by the Federal government on the public and (2) the progress of the agencies toward achieving the burden reduction goals set forth in the PRA. In this data call, we ask agencies to develop one or more new initiatives to reduce burdens on the American public in particular areas and through particular methods; details are provided below.

1. When are responses to this memorandum due? Submissions are due to OIRA no later than **Friday, April 22, 2011.**

2. Who must respond to this memorandum? The Chief Information Officers from the following agencies must comply with the requirements of this memorandum:

Department of Agriculture
Department of Commerce
Department of Defense
Department of Education
Department of Energy
Department of Health and Human Services
Department of Homeland Security
Department of Housing and Urban Development
Department of the Interior
Department of Justice
Department of Labor

[6] *2010 Information Collection Budget of the United States Government*, <http://www.whitehouse.gov/sites/default/files/omb/inforeg/icb/icb_2010.pdf>
[7] *Id.*

Department of State
Department of Transportation
Department of the Treasury
Department of Veterans Affairs
Environmental Protection Agency
Federal Acquisition Regulation (FAR Secretariat)
Federal Communications Commission
Federal Deposit Insurance Corporation
Federal Energy Regulatory Commission
Federal Trade Commission
National Aeronautics and Space Administration
National Science Foundation
Nuclear Regulatory Commission
Securities and Exchange Commission
Small Business Administration
Social Security Administration

If your agency is not listed here, you do not need to comply with this memorandum. However, agencies that sponsor information collections under the auspices of the E-Gov series (i.e., collections beginning with the OMB prefix "4040") must also comply with this memorandum.

3. **What changes has OMB made to this data call?** As in last year's data call, we are asking agencies to provide OMB with one or more new initiatives, but we are now focusing on the particular burden reduction areas listed in the Appendix. In last year's data call, we asked for updates on existing burden reduction initiatives. We continue to request such updates in this year's data call.

4. **How does the ICB fit into OMB's initiatives under the E-Government Act?** The E-Government Act has implications for information collections covered by the PRA. While information is collected on this statute through other reporting mechanisms (i.e., the annual E-Government Act Report), agencies should be aware of the E-Government Act when preparing their ICB submission and work to coordinate agency efforts under the PRA and the E-Government Act.

5. **What must my agency's submission include?** The CIO's office is required to submit a detailed description of one or more new agency initiatives to reduce burdens, focusing on targeted areas, in accordance with the instructions in the Appendix. All submissions should be consistent with OMB fiscal and policy guidance.

6. **In what format should the CIO provide this information to OMB?** The information required under this memorandum should be sent electronically to Ross Rutledge (Ross_Rutledge@omb.eop.gov).

7. **Will OMB conduct hearings on my agency's submission?** OMB will schedule, as needed, hearings with an agency on its progress toward burden reduction goals and agency compliance with the PRA.

8. **Whom should I contact for further information about specific issues relating to my agency?** Questions about specific agency matters should be directed to your agency's desk officer within OMB's Office of Information and Regulatory Affairs.

9. **Whom should I contact for further information about this memorandum?** Questions about this memorandum should be directed to Ross Rutledge (Ross_Rutledge@omb.eop.gov).

Appendix

BURDEN REDUCTION INITIATIVE

1. What is an appropriate initiative in response to this bulletin?

We ask you to identify one or more initiatives, in the areas sketched below, to reduce paperwork burdens on the public and to enhance the efficiency of information collections. We seek initiatives that:

a. Significantly reduce the burden per response and/or overall on the public;

b. Lead to a comprehensive review of an entire program (both within the agency and, in the case of related information collection activities, among agency components or across agencies), including regulations and procedures, with the goal of burden reduction; and/or

c. Improve program performance by enhancing the efficiency of agency information collections (both within the agency and, in the case of related information collection activities, among agency components or across agencies).

Please note: Initiatives **MUST NOT** consist of methodological changes in the manner by which agencies estimate burden.

2. On what areas of burden reduction would we like you to focus?

To address the increase in burdens detailed earlier in this memorandum, we request that agencies submit to OMB one or more initiatives that simplify and reduce current paperwork and reporting burdens on the American people. This year, we are asking agencies to give particular consideration to burden reduction initiatives that provide relief to small businesses or recipients of Federal benefits. Because of economies of scale, a collection may be proportionally more burdensome for a small entity than a large one. Burden reduction efforts of this kind may involve different reporting requirements for small entities, such as less frequent reporting or simplified "short" forms.[8] Likewise, the process of renewing or applying for benefits can be time-consuming, confusing, and unnecessarily complex, thus discouraging participation and undermining program goals. Sometimes agencies collect data that are unchanged from prior applications; in such circumstances, they might be able to use, or to give people the option to use, pre-populated electronic forms.

[8] To promote such burden reduction, it may be useful for agencies to work with their Small Business Paperwork Relief liaison. See the list of agency contacts at http://www.whitehouse.gov/omb/inforeg_infocoll.

More generally, we recommend consideration of initiatives, with illustrations below, that eliminate unnecessary complexity, standardize inconsistent processes and requirements, eliminate duplicative or otherwise unnecessary reporting requirements, use pre-populated forms, and improve coordination among multiple offices that gather information from a common group of stakeholders. Synthesis of reporting platforms within and across agencies should be considered. Of course, agencies are not limited to these burden reduction areas, but we ask that they consider these areas in particular. Agencies are encouraged to consult with OIRA desk officers as needed with respect to their burden reduction plans.

- **Use of "Short Form" options:** Significant burden reductions can be achieved by providing respondents the option of using streamlined short forms for situations of lesser complexity or importance. This step is particularly useful for applications to receive a Federal benefit. By adopting short forms similar in concept to the IRS Tax Form 1040EZ, agencies can eliminate unnecessary burden and complexity.

- **Reducing Record Retention Requirements:** Administrative record retention requirements can often be costly, as regulated entities must set aside valuable storage space, time, and human resources to maintain records. Simply reducing the amount of time that entities must retain records (to the extent consistent with law) could result in significant reductions in paperwork burden.

- **Electronic communication: "fillable fileable" forms (or data systems):** Electronic communication can substantially reduce burdens on respondents and simultaneously increase efficiency in data collection and processing. In particular, OMB seeks initiatives that implement "fillable fileable" approaches where feasible, appropriate, and consistent with law. By reducing or even eliminating the use of paper, such initiatives allow entirely electronic communication between agencies and the private sector. They may include the pre-population of appropriate forms, particularly those imposing high burdens.

- **Frequency of information collection:** In some instances, monthly or daily information collections can be far more burdensome to the public than collections on a quarterly, bi-annual, or annual basis. OMB seeks initiatives that reexamine the frequency of routine reporting requirements to determine whether less frequent reporting would meet program needs.

- **Maximizing the re-use of data that are already collected:** Administrative or program data can sometimes be re-used or shared to reduce the paperwork burdens imposed on the public. Such administrative or program data may be held either within the agency asking for the new information or by other agencies, including statistical agencies. OMB encourages agencies to share data to the extent practical, appropriate, and consistent with law.[9]

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[9] OMB M-11-02, November 3, 2010, *available at* Sharing Data While Protecting Privacy.

3. What information about these initiatives must we submit?

We ask that your submission include:

a. A concise description of the program or programs that are affected, including statutory and regulatory citations, a description of the affected public, and a description of the agency structure that implements the program (both within the agency and, in the case of related information collection activities, among agency components or across agencies).

b. Measurable objectives you expect to achieve through this initiative, which must include estimates of expected burden reduction linked to specific collections that will be affected (the total estimated burden reduction for each initiative must be broken out by information collection, with OMB control numbers noted).

c. Proposed timeline for actions that you will take.

d. Perceived difficulties in accomplishing this initiative, including statutory or policy barriers.

4. Updates on Progress Made on Previous Burden Reduction Initiatives.

In the 2010 ICB, we asked agencies to provide OMB with burden reduction initiatives that made greater use of electronic communication, utilized e-signatures, reduced the frequency of collection, improved administrative efficiency, and/or reduced burden on small entities. As in previous ICB data calls, we are requesting that agencies provide a status update on progress made on burden reduction initiatives of the previous year, FY 2009. We ask that your submissions include:

a. Whether the burden reduction has been completed. If it has been completed, please include the month and year of completion. Please report the initiative as "completed."

b. If the initiative is not complete, please provide us with a status update and an estimated completion date. Please report the initiative as "in progress."

c. If the agency will not be able to complete the initiative, please provide an explanation for why the agency will be unable to complete it. Please report the initiative as "unsuccessful" or "suspended."

5. Reporting Violations of the Paperwork Reduction Act.

As in last year's ICB data call, this Appendix requires you to report on violations of the PRA and OMB's regulations implementing the PRA. In this year's data call, OMB is requesting that you report PRA violations occurring in FY 2010. OMB is also reminding you of the importance of the requirement that a senior agency official certify that PRA standards have been met. Specifically, OMB calls on CIOs to review their procedures to ensure that this certification process is robust. This includes ensuring that, when seeking OMB approval of an information collection, you have taken steps to (1) reduce burden on the members of the public providing the information, (2) determine whether small entities are affected by the collection and to reduce burden on these entities, and (3) establish a plan for the management and use of information to be collected and identify necessary resources.

In addition, OMB reminds you of the importance of periodically reviewing your websites to ensure that all forms subject to the PRA have been approved by OMB. This follows up OMB Memorandum M-05-04, December 17, 2004, "Policies for Federal Agency Public Websites," which was issued as required by the E-Government Act and is available at www.whitehouse.gov/omb/memoranda/fy2005/m05-04.pdf. That OMB Memorandum noted that agencies are already required under the PRA to manage information collections from the public or State and local governments (including website surveys or questionnaires) in the manner prescribed in OMB's PRA implementing regulations.

This Appendix explains what you must submit to OMB to report violations of the information collection provisions of the PRA and OMB's implementing regulations, 5 C.F.R. 1320, over the last fiscal year. OMB is required to report PRA violations to Congress and will report the information you submit in the FY 2010 Information Collection Budget.

6. How do I Report Violations of the PRA to OMB?

a. OMB will provide you with a list of your agency's known PRA violations for FY 2010. You must verify that the information we provide you is correct and add any violations that were excluded from the list.

b. The table provided by OMB will have a column for each of the following items in this order: OMB number; title; date of expiration; date of reinstatement; and date discontinued. For each additional violation added during your review, you must list each collection in numerical order by OMB number. If the collection has been reinstated, include the reinstatement date and put a N/A in the date discontinued box. If the collection was discontinued instead of reinstated, include the date it was discontinued and put a N/A in the date of reinstatement box. If the violation is not yet resolved by reinstatement or discontinuation, please provide a brief explanation in the date of reinstatement box. Please refer to the following table as a model for your submission.

OMB Number	Title	Date of Expiration	Date of Reinstatement	Date Discontinued
1000-0001	Please place full title here.	1/31/06	3/22/06	N/A
2000-0002	Please place full title here.	2/28/06	N/A	4/1/06

c. If your agency has zero known violations for FY 2010, OMB will so indicate in its submission to you. If your internal review yields no further violations, please include a brief statement that your agency reports zero violations.