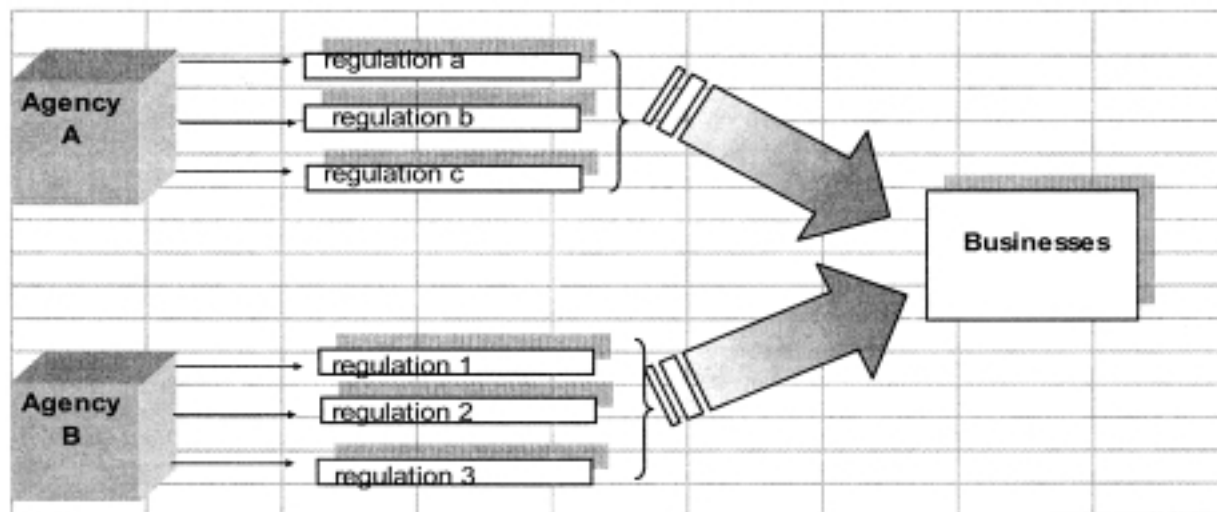


The Regulatory Information Demand Chain

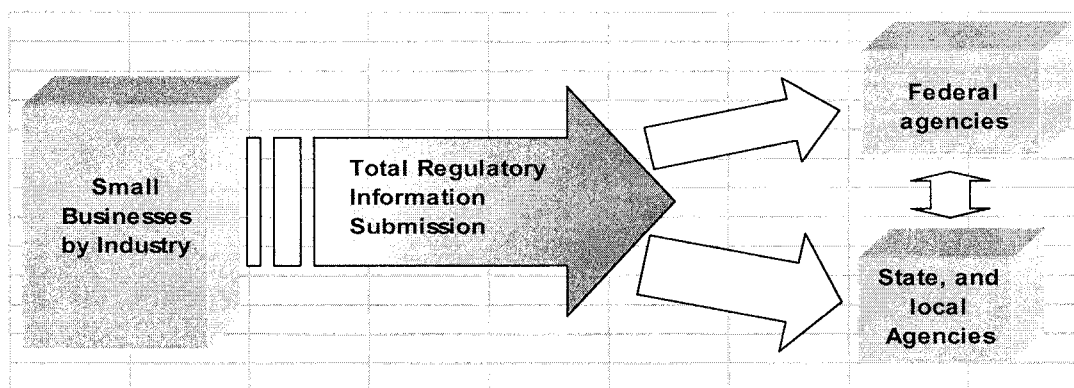


An alternative way of analyzing the regulatory burden is from the perspective of the information supplier, *i.e.*, the regulated businesses. A customer-driven government would analyze the regulatory burden from the point of view of specific businesses or,

more practically, from the point of view of clusters of “regulated” communities, and find ways to streamline and harmonize regulatory information collected from these clusters. The graphic below shows the environment from the information provider point of

view. In this case, burden reduction focuses on clusters of regulatory requirements from all Federal, State, and local governments that affect a particular regulatory community.

Small Business Regulatory Information Supply Chain



Background: Efforts To Address the Problem

What Prior Efforts Have Been Made To Address the Information Collection Burden?

Federal Reports Act of 1942

The Federal Reports Act of 1942¹⁵⁻¹⁸ gave OMB's predecessor agency, the Bureau of the Budget, the authority to approve federal information collections. OMB's Division of Statistical Standards was given responsibility for approving Federal forms. After World War II, the Division concentrated mostly on increasing the use of statistical sampling

and other techniques to reduce the costs of Federal information collections.

Paperwork Reduction Act of 1980

Congress first passed the Paperwork Reduction Act (PRA) in 1980.¹⁹ The PRA eliminated the exemptions granted under the FRA to the Internal Revenue Service, bank regulatory agencies, and independent regulatory commissions. It also made clear that OMB would approve all Federal information collections, including recordkeeping and reporting requirements contained in regulations.

¹⁹ Pub. L. 96-511.

The PRA also added a “bottom up” component to paperwork review; each agency is required to perform an internal review of each information collection request before submitting it to OMB for approval. The PRA also requires public notice and the opportunity for public comment on proposed information collections.

Regulatory Flexibility Act of 1980

The Regulatory Flexibility Act of 1980²⁰ recognized that small entities may be less able to manage the burdens imposed by Federal regulation, or even unable to achieve compliance, than

²⁰ Pub. L. 96-354.