

## Solution

### Objectives

To reduce the regulatory burden on small businesses and increase compliance, the Federal Government is focusing on three questions:

- How can we reduce the burden of information collection requirements as part of regulatory compliance *at all levels* of government?
- How can we *use the Internet* to streamline the collection and dissemination of data from regulated small businesses?
- How can we provide user-friendly and cost effective *compliance assistance*?

Governments at all levels must reduce duplication and overlap in its data collection, coordinate data definitions and reporting periods and, of course, determine if data is needed in the first place. Further, it is not enough to improve the information demand chain. It is also necessary to look at the information supply chain, which includes assisting small businesses in identifying reporting and recordkeeping requirements, providing compliance assistance tools, and user friendly submission systems.

### Strategies

We can reduce the regulatory burden by:

- Reducing the number of required data elements (by elimination or by standardizing similar elements in an e-forms format).
- Reducing the number of updating cycles (for example, from monthly to quarterly, if possible).
- Reducing the number of separate submission with similar data to different recipients (for example by having a single collection point for one or more agencies).
- Reducing the amount of historical data a respondent must keep.
- Reducing manual efforts through the use of software.
- Introducing intermediaries (professional groups, associations, or government agencies) as collection and dissemination points.

### The Business Compliance One Stop Portal

The major vehicle for implementing a regulatory burden reduction solution is the Business Compliance One Stop. Its goal is to reduce the regulatory information burden on business owners by making it easy to find, understand, and comply with governmental laws and regulations. The BCOS solution is to build upon the *businesslaw.gov* platform to provide interactive

electronic legal and regulatory information and compliance assistance.

The portal offers the following functionalities to the business community:

- (1) *Find*: efficient access to laws and regulations at all levels of government (helps you find what applies to you as a business owner, where you live);
- (2) *Understand*: compliance assistance digital guides or expert tools that will help businesses determine if they are in compliance and how to comply;
- (3) *Comply*: online transactions, such as allowing businesses to register their business, apply for licenses and permits, and file information electronically.

A number of Federal agencies (*i.e.*, DOT, DOI, DOE, EPA, IRS, DOL, OSHA, INS, and GSA) and seven states (*i.e.*, Illinois, Georgia, Washington, Missouri, Iowa, New Jersey and Texas) are working together with SBA as the managing partner to build this interactive electronic system. The initiative has also enlisted the partnership of several associations to represent the business customer.

During its first year, the BCOS focused on compliance assistance in the areas of environment, workplace health and safety, taxes and employment. For its second and third years, while continuing to focus on creating compliance assistance tools, BCOS will increase the emphasis on reducing the burden that emanates from the 7.7 billion hours created by government paperwork.

Evaluations of modern forms management systems which include interactive, electronic forms as well as streamlining collection processes and harmonizing data requirements across agencies have the potential to reduce by 50 percent agency costs and the small business burden using the following three e-forms strategies:

1. Reduce the information required through analyzing if information is needed, if definitions in different forms and forms in different agencies can be harmonized to reduce overlap;
2. Increase the effectiveness of data collection processes by collecting once and sharing data among programs and agencies;
3. Reduce the work of submitting data by using interactive, electronic, forms that aid the user.

The BCOS initiative will initially concentrate on highly regulated industries such as trucking, health care, food, and mining.

### BCOS Results

BCOS has demonstrated that using interactive electronic systems (Internet)

is a cost effective way of reducing regulatory burden. Currently there are over 270,000 accesses per week to our BCOS platform, *Businesslaw.gov*, which features a number of our results, to include:

*Created a Single point of contact for legal and regulatory assistance—the BusinessLaw portal*: BCOS uses *BusinessLaw.gov* as its platform for electronic interaction with users. This portal provides nearly 20,000 links to federal and state legal and regulatory information on 39 different topics, where to go to complete transactions such as licenses and permits, and a host of information on rulemaking, compliance assistance, and regulatory fairness. The portal also offers useful information on where to get help, how to contact Congress and associations, and principal considerations in choosing legal help. The site is adding new navigation aids, additional digital guides or expert tools, and user-friendly transactions.

*Developing Compliance Assistance Guides*: Several guides have been built, including:

- Alien Employee Visa Classification eTool
- Employment Eligibility Verification (I-9) eTool
- OSHA emergency building evacuation procedures eTool
- Choosing a Legal Structure eTool
- Auto Dismantler & Recycler Environmental Audit Advisor
- Motor Vehicle (Class V) Waste Disposal Wells Advisor

*Integrated State Registration and Federal Employer Identification Number (EIN) Application*: This web services application demonstrates that significant savings can ensue when state and Federal processes are integrated and offered as a single web services. State business registration requires many of the same data elements as the Federal Employer Identification Number (FEIN) submission. This tool permits the user to apply on-line for a state registration and then elect to apply for a FEIN, which is pre-populated with data from the state application. For additional information, the application asks for additional data in an interview format. IRS estimates that more than 2.4 million businesses acquire EINs annually.

*Coal Mining Report Harmonization*: This BCOS project is an excellent example of an e-forms solution. Agencies worked together to reduce the information burden on nearly 1,000 coal miners who submit reports to DOI, DOE, EPA, DOL, IRS, and State EPAs. Eighty percent of the data in these reports are identical and require about 50,000 hours annually. A tool developed by DOI