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before the
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Committee on Government Reform

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Good afternoon, Madame Chairman and Members of this Subcommittee. I am Kimberly T. Nelson, Assistant Administrator for the Office of Environmental Information, and Chief Information Officer at the Environmental Protection Agency (EPA). Thank you for the opportunity to testify about EPA's implementation of the Paperwork Reduction Act of 1995 (PRA).

As you are probably aware, EPA is responsible for implementing and enforcing eight major environmental statutes: the Clean Air Act, the Clean Water Act, the Safe Drinking Water Act, the Solid Waste Disposal Act, the Toxic Substances Control Act, the Federal Insecticide, Fungicide, and Rodenticide Act, the Pollution Prevention Act, and the Superfund law, which includes the Emergency Planning and Community Right-to-Know Act. Over the last three decades these laws have dramatically improved human health and the environment in this country. Citizens are able to boat, swim, and fish in thousands of miles of formerly contaminated rivers and streams. Industrial waste areas have been cleaned and returned to productive use.

National air quality levels measured at thousands of monitoring stations across the country have shown improvements over the past 20 years for all six principal pollutants. Enforcement of the environmental laws by both the federal government and states has been critical to these achievements.

Ensuring the requirements of these statutes are met requires EPA to collect information from the public and to obtain approval from the Office of Management and Budget before doing so under the PRA. As new regulations are developed, the need for collecting information associated with implementing the regulations, translates to an increase in burden. Over the past four years, EPA burden to the public has leveled a bit, with the total burden hours imposed on the public remaining between 140 and 147 million hours for the nearly 400 collections approved by OMB. Typically EPA has about 50 new collections per year while the number of renewals of existing collections will be 136 for FY 2005 and 113 for FY 2006.

To put these numbers in perspective, EPA's burden on the public is less than 2% of the total federal government burden and ranks 6th highest of all agencies. About two-thirds of this burden is on businesses and about one-quarter on state, local or tribal governments. The remaining burden is on farms, non-profit organizations, federal facilities and individuals. Increases in burden over the past four years have been primarily due to three key water programs, *Storm Water Program phase II*, *Cooling Water Intake Structures phase II*, and *Drinking Water Security and Safety* under the *Public Health Security and Bioterrorism Preparedness and Response Act of 2002*. The number of collections and total burden hours imposed by this agency

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are dynamic, as new collections begin, others are completed, and existing collections require changes due to evolving program requirements. In addition to actual changes in burden, our estimates of burden for ongoing collections are sometimes revised to reflect new information. Notably, we have no burden changes due to lapses in OMB approval. (See Appendix 1, EPA Burden Changes)

EPA is proud of the burden reduction "culture" that has developed over the years, even though it does not always translate into raw burden reduction numbers. From the onset, our programs develop regulations and information collections seeking the least burdensome approach to collecting required information while retaining the integrity of our environmental mission.

I would now like to highlight some key EPA burden reduction initiatives and later describe the development and review process for Information Collection Requests that enables EPA under the PRA to collect information of practical utility to EPA programs.

Burden Reduction Initiatives

The following are some of EPA's important ongoing and planned burden reduction initiatives and activities.

Toxics Release Inventory (TRI)

In May 2004, EPA announced a Toxics Release Inventory (TRI) modernization initiative designed to increase the use of electronic reporting and data management tools. The initiative is

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expected to reduce the amount of time between when data are submitted and reported, as well as improve data quality. For the 2003 reporting year, ninety-three percent of the TRI reporting community used our award-winning software, TRI-Made Easy (TRI-ME) to submit their data. In addition, electronic submissions through EPA's Central Data Exchange (CDX) were up 50% in 2004 from 2003. This new electronic system provides a seamless way to transmit data from reporters to EPA over the Internet, and in the near future, from EPA to state governments, reducing the burden for industry, states, and EPA.

In addition to this effort, EPA has initiated other efforts to reduce the burden on the reporters while still retaining important TRI data for communities. To provide burden reduction as quickly as possible, we are pursuing a two-tiered approach: a proposed rule covering more complex issues, to be proposed in August 2005, and a separate, expedited rulemaking proposed in the Federal Register on January 10, 2005, covering modifications to the two TRI Reporting Forms (R and A) that are less complex. The rule issued in January 2005 proposes simple changes, such as obtaining facility location information from existing databases within EPA instead of having the reporting community provide this information in their TRI reports. At the time of the proposal, EPA estimated that the total annual burden savings for the Reporting Forms Modification Rule will be about 45,000 hours and annual cost savings of $1.85 million.

The second, more involved rulemaking scheduled to be proposed later in 2005, will examine the potential for more significant reporting modifications with greater potential impact

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on reducing reporting burden. This rule will provide greater burden reduction than the amounts in the Reporting Forms Modification Rule; however, it is still too early to know the extent and specifics of burden reduction for this rule. There are several options being evaluated for inclusion in this rule such as allowing reporters to certify no significant change in reporting from the previous year. Because of the greater complexity and larger impacts potentially associated with this latter group of changes, additional analysis has been conducted to more thoroughly characterize its impact on TRI reporters and data users.

Resource Conservation and Recovery Act (RCRA) Burden Reduction Initiative

This burden reduction initiative is an EPA effort to significantly reduce or eliminate recordkeeping and reporting burden associated with the nation's hazardous waste program under the Resource Conservation and Recovery Act (RCRA). By only asking for the essential information actually needed to run the nation's hazardous waste program, we are ensuring that environmental expenditures are devoted to environmental protection rather than generating unnecessary paperwork. The Burden Reduction final rule is expected to be promulgated in December 2005 and should contain approximately 150 regulatory changes to the RCRA regulations. The projected burden reduction estimate is 79,000 to 135,000 hours with cost savings of $5.5 million to $9 million.

This final rule is a direct result of our consultations with a number of state experts on potential burden reduction ideas, as well as public input through two Notices of Data Availability

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and a Proposed Rulemaking. While we are still in the rulemaking process and no final decisions have been made, we would characterize the types of changes we are considering as:

- Decreased retention time for certain records;
- Allowing self-inspections for certain hazardous waste management units (including additional incentives for National Performance Track Program members);
- Changes to the requirements for document submittals;
- Reduced frequency for report submittals; and
- Clarifications to and deletions of regulatory language.

The regulatory changes contained in the Burden Reduction rule will not affect the many protections for human health and the environment that EPA has established over the years. At the same time, this rule strives to relieve stakeholders of the burden of non-essential paperwork.

Central Data Exchange Initiative

EPA's Central Data Exchange (CDX) provides a portal through which states, industry, tribes and others can provide data to EPA. It is also EPA's connection to the Environmental Information Exchange Network we are building with the states. The Exchange Network is an Internet and standards-based approach to sharing data among states, tribes and EPA that uses new technology to improve data quality, timeliness and accessibility while lowering the burden of exchanging data. CDX currently supports 19 collections from states and industry. Creating

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the Exchange Network and CDX as a central function (rather than program by program) are part of EPA's efforts to reduce the burden and cost of environmental data collection and exchange for the reporting community, EPA's partners and the Agency. To help understand the impact of CDX, the Agency has launched a set of Business Cases to examine the impact of automation on several of the Agency's programs. I would like to highlight the results of the conversion of the Stormwater Notice of Intent Form to an E-Form (e-NOI). The e-NOI form was developed for the construction industry to report to the NPDES (National Pollutant Discharge Elimination System) stormwater program. It is required for any construction project involving more than an acre of land where EPA remains the permitting authority (most states are authorized to implement the NPDES program and have developed similar forms). The e-NOI system is currently available in the five states, the District of Columbia, Puerto Rico, and the U.S. territories (except the Virgin Islands), and tribal territories where EPA is the permitting authority. EPA currently receives between 1,000 and 2,000 forms each month (electronic and paper). The particular aspects of the e-NOI conversion include the following:

- The application is two pages, plus two pages of instructions.
- The Agency estimates that it takes between 2 and 8 hours to gather all of the information needed and to complete the form, depending on the complexity and size of the project and the experience of the person filling out the form.
- The electronic version of the form not only makes filling out the form easier by providing

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detailed instructions, prompts, and links to helpful information, but also offers automated error checking to eliminate common mistakes that can cause additional delays in processing the stormwater notice.

- EPA estimates that using the electronic version of the form as compared to the paper process reduces by 30% the amount of time required to fill out the form.
- The more significant benefit is that filing the form electronically rather than in paper eliminates an average of 33 days in processing time, including additional delays caused by mistakes and incomplete forms.
- The e-NOI system also facilitates public awareness as EPA makes this information immediately available to the public on the web (www.epa.gov/npdes/noisearch).

For the five states where e-NOI is currently being used, if we assume 18,000 forms are submitted each year, each requires 2 to 8 hours to complete, and everyone eligible files electronically, then the Agency has saved the construction industry in these five states between 10,000 to 43,000 hours per year in addition to the 33 day reduction in processing time previously mentioned.

Small Business Initiative

EPA's Small Business Division has convened an Agency-wide workgroup to address the requirement of the Small Business Paperwork Relief Act (SBPRA) to "make efforts to further reduce information collection burden for small business concerns with fewer than 25 employees." The workgroup is in the early stages of identifying and developing the best

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approaches for EPA to take across the Agency to further reduce the paperwork burden on these very small businesses.

Development and Review Process for Information Collection Requests

Each information collection, whether from business, states or local governments, is established through an Information Collection Request (ICR) to OMB as required under the PRA. The process for developing and reviewing ICRs has six main steps: (1) guidance from an independent PRA/ICR review team to Program Offices needing to collect information, (2) preparation of the ICR by the Program Office, (3) review of the ICR by the independent review team, (4) publication of a notice in the Federal Register seeking public comment on the information collection, (5) adjustments to the ICR by the Program Office, and (6) submission of the ICR to OMB for their review and approval (see flow charts of the detailed ICR process in Appendix 2). The independent PRA/ICR review team is within my office. Tools and resources developed by this team are available to the programs and include a handbook, quick guides, and templates. This team works with the program offices to ensure that the ICRs conform to the PRA and in particular with the ten standards for compliance with the PRA. ICRs are initially created within our individual program offices, typically in response to statutory or regulatory requirements. In addition, a rather unique ICR database and tracking system was developed to automatically notify and offer guidance to the programs regarding key events in the renewal process to avoid potential lapses in approval or violations. The fact that EPA has had only two

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violations of the PRA since the beginning of FY 2000 speaks to the success of this team and the process in place.

Potential Future Burden Reduction

The agency will continue to look for opportunities to reduce its burden on the public especially as new technologies emerge and partnerships are developed.

Again, thank you for this opportunity to testify. I would be happy to answer any questions you may have.

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Appendix 1

Burden Changes
(in millions of hours)[1]

Fiscal Year	Due to Agency Action	Due to Statute	Total Changes in Actual Burden	Adjustment	Change in Reported Burden
2000	1.94	0.95	2.89	6.95	9.84
2001	(0.72 combined Agency and Statute)		0.72	1.18	1.90
2002	-0.03	0.07	0.04	9.66	9.70
2003	7.39[1]	2.65[2]	10.04	-3.27	6.77
2004	2.48[3]	0.02	2.5	-7.39	-4.89

Note: There are no changes due to lapses in OMB approval

[1] Increases are primarily due to two regulations:
- 4.9 million hours for the Office of Water NPDES Storm Water Program Phase II rule
- 1.9 million hours for the Office of Water Concentrated Animal Feeding Operations rule

[1] Increase due to one regulation – 2.6 million hours for the Office of Water Title IV of the Public Health Security and Bioterrorism Preparedness and Response Act of 2002: Drinking Water Security and Safety rule

[1] Increases are primarily due to two regulations:
- 1.7 million hours for the Office of Water Cooling Water Intake Structure Phase II rule
- 1.1 million hours for the Office of Air NESHAP for Industrial, Commercial, and Institutional Boilers and Process Heaters rule

[1] Source: OMB's Information Collection Budget reports to Congress