

**STATEMENT OF
U.S. SENATOR BLANCHE L. LINCOLN
REGARDING THE
SMALL BUSINESS PAPERWORK REDUCTION ACT OF 1999**

October 19, 1999

Thank you, Mr. Chairman. I appreciate your leadership on this issue and I have enjoyed working with you on the "Small Business Paperwork Reduction Act of 1999." Your experience as Governor of Ohio, working with small businesses that are the lifeblood of most communities, has been very helpful.

Regulatory reform has been a priority of mine since I began my public service in the House of Representatives in 1993. As you may know, I come from a seventh-generation farming family in Phillips County, Arkansas. My brother grows rice, cotton, soybeans and wheat on the same land that our family has farmed for more than 60 years, so my interest in regulatory reform originated with the personal experience of me and my family with too much government intrusion. The farmers in my state are frustrated by having to file too many forms for too many government agencies. They can't imagine why they need to provide the same information to several different offices within the Department of Agriculture. Since all of the agencies are part of the federal government it seems they should share information rather than taking up folks' time filling out forms. So when I came to Congress six years ago, I joined other like-minded Members who tried to relieve the regulatory burden on small businesses and local government by passing Reg-Flex and unfunded mandates legislation. The bill we are discussing today is an important extension to the Paperwork Reduction Act that I supported in 1995.

I would like to highlight a few components of the Small Business Reduction Act of 1999 that are particularly appealing to my constituents. First, it just makes sense to permit agencies to waive fines for first-time violations of paperwork requirements. One small business owner who employs 85 people in Paragould, Arkansas, has complained that many federal laws are difficult to understand. "You don't know you're doing it wrong until they come after you," he said. Especially in rural areas, small business owners are the engines that fuel the local economy. The federal government should not dispassionately levy fines on people who are making a good faith effort to obey the law. Rather than harassing small business owners, we should be eliminating burdensome regulations and making sure the laws that are necessary, are easy to understand.

That is why I support another provision in this bill that requires all federal departments to have a single point of contact for small businesses. Until we can streamline our laws to make them crystal clear, we ought to at least provide a person at the other end of a telephone line to answer questions.

The gentleman I mentioned earlier also said, "with all the regulations, I'm not even sure why I'm in business." He said small business owners have been fined for violating information gathering requirements that they didn't even know existed. That is why another provision in the bill - to

require the OMB to publish annually all information gathering requirements for small businesses - makes sense. Think of how difficult it would be to start a new business. In addition to trying to lease space, hire new employees, purchase equipment and secure financing, a potential small business owner must attempt to follow local, state and federal laws. That would be a lot easier if all the federal paperwork requirements were listed in one place, wouldn't it? We don't want to tie the hands of enterprising young business men and women in government red tape.

Mr. Chairman, I could go on and on sharing stories from constituents who complain about the information gathering requirements associated with well-meaning laws that I have supported. The owner of a small business that employs 75 people in Little Rock said that she has had to pay an outside firm \$75 per employee covered by COBRA just to comply with paperwork requirements. As she said, "The best part is we just have a mere fourteen days to facilitate all of this or face penalties irregardless of how busy we might be in trying to make a living. My business is highly seasonal and we get really busy in the Spring trying to fulfill our state contract obligations, and, you know, it really does become a hassle at some times trying to get all this done within the fourteen day requirement."

The bill we are discussing today won't solve all the frustrations of small businessmen and women, but it is an important first step. I thank you for your leadership on this issue and I encourage you to continue looking for ways that we might alleviate the paperwork requirements for small business owners. On a final note, I understand that the International Association of Fire Chiefs will testify today regarding some concerns about this legislation. Sen. Voinovich and I thought we had addressed the firefighters' concerns, which were raised when the House considered similar legislation. I refer my colleagues to page S8640 of the July 15, 1999 *Congressional Record*, where Sen. Voinovich and I engaged in a colloquy to clarify legislative intent. As we stated, first-time violations of paperwork requirements would not qualify for a civil penalty waiver if human health and safety were endangered. I look forward to working with the firefighters and any other groups that may have concerns with parts of this bill. I view all legislation, until it is signed into law, as a work in progress rather than a work of art. Collaborating with the firefighters, nursing home groups and small businessmen from across the country, I am confident that we can forge this legislation into good law. Thank you.