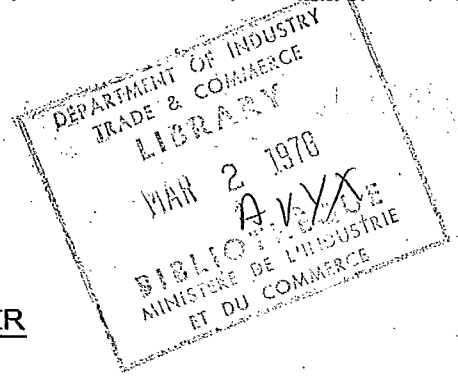


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PAPERBURDEN

DISCUSSION PAPER

Canada. Minister of State for Small Business
The Honourable A.C. Abbott



ORGANIZATION OF THE PAPER

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OBJECT:

The purposes of this paper are to examine and assess the paperburden problem as it relates to business; to describe the elements common to any solution and to outline three alternative courses of action designed to provide a solution.

FACTORS

A. DEFINITION

1. The *paperwork* requirements which governments impose on business and the public may be grouped under three categories:

(a) Reporting

This includes the entire array of information gathering activities in which the government acts as requestor and the public as respondent. It includes statistical surveys of all kinds, information collected for government policy and management purposes, information collected for program evaluation, etc.

(b) Applications for Services, Benefits or Assistance

This includes all forms that business or the public must complete to obtain some kind of service, benefit or assistance from the government. It includes welfare, medical and health benefits, veteran's aid, student loans, small business loans, licenses, registrations, permits, etc.

(c) Record-keeping requirements

This covers all requirements described by law or regulation as binding business or the public to some kind of record-keeping. The records may be for purposes of financial audit, compliance with some regulation or rule (such as records of safety and health practices), etc.

Apart from these categories, an underpinning fourth category may be cited as:

(d) Regulations, Procedures and Systems

Collectively, this refers to: the sum of administrative processes associated with individual regulations, procedures or instructions; a single program or a family of related programs; or an entire benefit/delivery system.

2. These paperwork requirements do not necessarily constitute paperburden per se. Rather, for purposes of this paper, *paperburden* is defined as *information requirements established by government which can be judged to be unduly burdensome and costly. They include applications, forms, reports and surveys, record-keeping requirements and unnecessarily complex regulations and procedures.*

B. THE ROOTS OF THE PAPERBURDEN PROBLEM

There is no single cause of excess paperwork and, consequently, there is no single or simple solution to the problem. An analysis of the comments received during the Enterprise Canada '77 exercise identified at least six broad sources of the problem. These sources, which correspond closely to the U.S. experience described later in this discussion paper, were:

✓ (a) Lack of Communication

It is quite probable that, if the affected public were consulted early enough during the program design, laws might be simpler and more effective, programs designed in a less complex way with fewer but effective information requirements, and procedures and systems designed in less cumbersome, less paperwork-intensive ways.

✓ (b) Insensitivity

Government is sometimes insensitive to the problems that paperwork causes others. In the past government techniques to identify and estimate burdens have dealt largely with direct costs which government itself expects to incur. Moreover, those techniques that are in place are often rather crude and understate, even sometimes distort, the nature and magnitude of the cost of paperburden to all parties concerned, and the respondent in particular.

(c) Complex Government Forms

Often businesses and citizens forego the benefits, services and rights to which they are legally entitled simply because they do not understand the instructions or procedures they are expected to follow. It may occur, moreover, that professional assistance must be purchased (eg. for income tax returns) to enable compliance with the law when forms and instructions are too complex, too abstruse or written in a fashion incomprehensible to the mass public.

✓ (d) Overlapping Organizations

Paperburden results when laws issued by multiple levels of government overlap each other in whole or in part (eg. building codes). Often such codes, laws, rules, regulations, procedures and forms are inconsistent, even contradictory, thereby causing confusion, frustration and anxiety on the part of citizens who want to obey the law but are frightened because they do not know how to respond to this ambiguity. Often concern is prompted by the myriad of different requests for information - information which the respondent can see is only slightly different in terms of substance, format, timeframe, etc.. Consequently, citizens (particularly small businessmen) complain vociferously.

✓ (e) Deficient Program Design

Concerned with the substantive administration of their program, officials often neglect the very real negative spin-offs which a program's implementation may have in terms of poor design. Hence, quite valid programs can generate unnecessary and excessive paperburden which could be removed without injury to the program itself, given proper attention at the design stage.

✓ (f) Other Causes

Paperburden also arises where there are: no limitations on the authority of program administrators to collect information; no provisions for modifying information requirements based on the capacity of businesses to respond (such as minimum size thresholds); inter-governmental and inter-departmental data-sharing; few indications of the intended use of information; ineffective requirements for consultation with respondents or other affected parties impacted by the government paperwork; or inadequate performance criteria for measuring departmental efficiency or effectiveness.

4. *Underlying these causes of paperburden rests the fundamental paperwork generator:- the legislation of government.* At the federal level, numerous acts and their attendant provisions, procedures, standards, etc. impose paperwork on business. Seventeen departments and agencies (Agriculture, AIB, CMHC, CCA, CRTC, CTC, DREE, E & I, EMR, Environment Canada, Health and Welfare, ITC, Labour, Revenue Canada, Statistics Canada, Supply and Services, MOT) have programs that generate "substantial" paperwork impacting upon businessmen. Undeniably, some paperwork provisions are essential for the efficient and responsible functioning of government programs. *Hence, although they impose significant paperwork and information burdens, it is inconceivable that all government imposed paperwork can be removed.*

5. Nevertheless there are some legislative provisions that can lead to paperburden as opposed to legitimately required *paperwork*. Moreover, note should be made of the phenomenon that information requirements which are written into law display a tendency to multiply as programs expand. These information requirements are not easily changed and may well last beyond the time period where they are appropriate.

6. In addition to federal departments and agencies, provincial, regional and municipal programs generate massive amounts of paperwork. The proportionate share of the paperwork among the three levels of government will not be known until later in 1978 when the results are known of a Small Business Secretariat study of the paperwork load on a total of 300 small businesses across the country. This study will measure the source of paperwork (federal, provincial and local), the magnitude of paperwork, the economic cost and the psychological cost.

7. It should be noted that provincial awareness of, and interest in, the paperburden problem is increasingly evident. For example, the Ministry of Economic Development in British Columbia commissioned a study in 1977 entitled "Review of Government Burdens Upon Select Business Sectors in British Columbia". The British Columbia study was not, however, sufficiently large (two case studies) to produce specific conclusions other than the fact that the paperwork problem is very significant, very costly and very wide-spread.

C. THE IMPACT OF PAPERBURDEN

8. In the Spring of 1977, Department of Industry, Trade and Commerce interview teams went across Canada and met with business people to listen to their views on how well government operates generally, and how well Industry, Trade and Commerce specifically operates to meet their needs. Of the 5000 businessmen interviewed 35% identified paperburden as the major irritant. The overwhelming response to the subject of paperwork was negative (85%) and this response was fairly uniform in all regions of the country.

9. To these businessmen (and to the general public) paperwork represents an increasing burden of forms, surveys, applications, procedures, questionnaires, licenses, regulations, standards and record-keeping and public resentment to this burden is increasing dramatically. Indeed, the magnitude of these requirements is formidable, as the following list of required government paperwork illustrates:

federal sales tax collection	CMHC housing surveys
provincial sales tax collection	safety inspections
excise duties	tax audits
customs clearance	FIRA requirements
UIC deductions	elevator licenses
workmen's compensation	boiler licenses
hospitalization	subsidy applications
loan applications	development permits
building permits	waste control
equipment operating licenses	minimum wage guidelines
property taxes	Statistics Canada Surveys
vehicle registration	manpower training programs
transport operating licenses	employee hiring procedures
communication licenses	government contracts-procurement
income tax forms	grants and incentive programs
income deductions at source	consumer protection standards
detailed household surveys	census of population
bonding	driver's licenses
business licenses	welfare and health benefits
restaurants and liquor taxes	CPI sample

This list by no means captures the entire problem. For example, such vehicles as shared-cost programs impose high information and paperwork demands on other levels of government. Also, there is the paperwork imposed on institutions, labour unions, professional groups, farmers and fisherman, etc..

10. Meeting these paperwork requirements poses a significant cost to public and private sectors, but in Canada these costs have not been accurately estimated. One U.S. estimate puts the annual dollar cost alone at \$500.00 for each U.S. citizen. First, there are the economic costs. These vary from business to business and from person to person but include: first time costs to design, develop and install information systems; repetitive direct and indirect costs of data collection, processing and analysis; costs of filling out forms; costs to hire consultants, lawyers, accountants or other professionals to prepare reports; costs of delays; costs to transmit or mail data; costs of correcting reporting errors on completed forms; personnel training costs; costs of extra time to interpret the meaning of government requirements; costs of travel to government offices; record/data storing costs; computer costs; overhead costs; audit and compliance costs. The previously cited study in British Columbia for example, estimated that the cost, for the two small firms studied, to comply with information demands from all three levels of government (but overwhelmingly the federal) were estimated at close to \$5,000 annually. Income Tax and associated regulations added an additional \$3,000.. Second, there are the very important "psychological costs" that unquestionably are strongly counterproductive to government efforts to improve its relationship with business and the general public. These costs are more difficult to measure but they exist and are expressed in terms of anger, frustration, disillusionment, helplessness and the prevalence of a general attitude that it is "them against us". Findings of the Enterprise Canada '77 Survey indicated the existence of these costs quite clearly and dramatically.

11. *In assessing costs exacted by government paperwork, small business can undoubtedly be singled out as particularly hard hit.* Paperwork impacts upon small businesses most because they do not have the resources to hire specialized personnel or outside consultants to handle the paperwork. Often, paperwork represents a direct demand on the time of the principle operator - time he requires to work, plan and innovate in order to stay in business or grow. Long suspected to be true, this phenomena has been confirmed by recent U.S. studies, and the conclusion is applicable here.

D. EXISTING FEDERAL MECHANISMS TO CONTROL PAPERBURDEN

12. There currently are mechanisms in place at the federal level which provide, or will provide, some control over paperwork demands placed upon the public. These include: the Rule of Ten procedures (whereby all federal departments are required to consult with Statistics Canada for statistical surveys involving ten or more respondents); the Central Clearinghouse Project; the new Human Rights Act and the central information bank control unit in the Treasury Board Secretariat which will amalgamate the Rule of Ten and the Clearinghouse project and provide overall control. Combined or individually, however, these mechanisms cannot and, indeed, are not designed to, counter the full scope of the paperburden problem.

13. First, *the Rule of Ten procedures do not embrace all classes of paperwork by any means.* They are directed primarily at statistical surveys and rely principally on advanced consultation by the Departments to ensure that design instruments are concise and simple. However, large classes of paperwork are completely exempt from the procedures, including information collected for management and evaluation purposes, as well as the paperwork generated by administrative requirements, which are estimated to constitute seventy-five (75%) percent of the total. For example, all application forms used by the public to apply for any kind of government benefit, service, or assistance are excluded. Also, the entire array of record-keeping requirements is not covered. Other important exemptions and exceptions exist as well.

14. *Of great import to the paperburden question is the new Human Rights Act.* Section 56(3) of the Act states that no new personal information banks shall be established and no existing information banks shall be substantially modified without the approval of a "designated Minister". In implementing the review and approval called for by the Act, the Treasury Board Secretariat promulgated guidelines for the establishment and operation of appropriate structural and procedural mechanisms, both for its own staff as well as for the various departments and agencies, including Statistics Canada (which operates the Rule of Ten procedures). If the purview of the Act were to encompass business as well as personal information, all of this machinery would come into play for reviewing and approving business information banks. This would include: a comprehensive inventory of business information banks; a clearinghouse describing the banks with responsibility for disseminating information about them; annual reports from government institutions on the use of such banks, the response burden they create, as well as information on the operation of the privacy provisions of the Act; ad hoc reviews of existing banks; and new mechanisms for new inter-agency consultations when required. *This measure would of course, be a welcome and necessary move in the overall efforts to grapple with paperburden problems. Nevertheless, it must be viewed only as an important first step toward arresting the overall paperburden problems and should not be considered as the "answer" in its entirety.* While it may be argued that steps such as this, taken to enhance the value of existing data, documentation and other information holdings, will simultaneously reduce paperwork burden, this unfortunately was not the experience in the United States. As the U.S. Commission on Federal Paperwork's Value/Burden Study Report indicates, the "leverage points, incentives and motivation" for improving data value tend to be entirely different from those for minimizing paperburden. These findings were part of the Commission's Final Summary Report, which was submitted to the President on October 3, 1977.

E. THE U.S. EXPERIENCE: ITS RELEVANCE TO CANADA

15. The two-year experience of the U.S. Commission on Federal Paperwork offers the opportunity for Canada to profit by lessons learned, to avoid mistakes made, and to capitalize on new measures adopted which offer promise and payoff for the control of paperburden in Canada. For example, the United States Commission concluded that:

- (a) Significant paperburden reduction can be achieved through common sense solutions worked out with program responsibility centres. This can be done concurrent with the development of long range solutions involving information value/burden methodologies, special institutional arrangements, and new information policies.
- (b) Paperwork is more than statistical surveys; it is one of the fundamental ways that government communicates and interacts with people. Moreover, it extends beyond mere physical forms and reports and involves entire benefit delivery systems, regulations and instructions, program design, rights and obligations (such as the right to privacy and government's need for good information to operate its programs).
- (c) Both short and long term solutions are needed. Short term efforts are required to cut the immediate paperburden, while long term strategies are necessary to ensure that paperburden will not begin growing again after an initial cut-back. Short term efforts also afford the opportunity to evaluate what kind of alternative long term mechanisms may be desirable.
- (d) Public servants, given the opportunity, genuinely want to help reduce and eliminate paperburden which they themselves have helped to create; citizens and businessmen also want to help and have good ideas how to do the job. Public servants and citizens can jointly build a climate conducive to a permanent reduction in paperwork bottlenecks.
- (e) The business community, and in particular the small business community, is a major supporter of government initiatives to reduce paperburden. It is a sector which cannot easily shift the burden onto someone else and for which the benefits of compliance are not readily quantifiable and tangible in terms of rewards and benefits.

16. The U.S. Commission on Federal Paperwork probably constituted the most comprehensive governmental endeavour in this field anywhere to date. The magnitude and scope of its work are best illustrated in the table below which shows the Commission's selected cost, savings, workload and related statistics. A brief description of the make-up of the Commission follows. Its good design was considered one of the main reasons for the success of its work.

1.	Cost of Commission operations, per year for two years	\$5 Million
2.	Estimated total savings, all recommendations, 10 years	\$10-Billion
3.	Estimated savings from already implemented recommendations (approximately 60% were implemented by Agencies and by Congress while the study was still underway)	\$3.5-Billion
4.	Period of Operation: October 3, 1975 - October 3, 1977	2 years
5.	Peak Commission Staff	200
6.	Ombudsman telephone (Hot Line) calls (inquiries, complaints, suggestions)	2000
7.	Public hearings held around the United States	19
8.	Average benefit/cost ratio of Ombudsman function only	700:1
9.	Studies of major U.S. agencies with paperburden-intensive programs	18
10.	Total government-wide studies of major information and rule-making processes affecting paperburden (eg. the Role of Congress as a primary cause of paperburden)	13

E. 1. THE OMBUDSMAN FUNCTION OF THE U.S. COMMISSION ON FEDERAL PAPERWORK

17. The ombudsman function of the Commission on Federal Paperwork and its toll-free hot line started operation in the summer of 1976. It received 2000 telephone calls and it alone made some 128 recommendations for paperburden relief. These recommendations will result in an estimated \$295 million saving to respondents over the next ten years. The cost to operate the Ombudsman Office was \$350,000 annually. The following is a summary of the types of recommendations that were made and the "quick relief" measures that resulted in immediate cuts in government red tape:

- (a) Analysis of a number of statistical surveys revealed that the data was not needed as frequently as it was collected. Consequently, the surveys were taken less often. It was found that the results were as useful.
- (b) Several universal surveys were analyzed and it was shown that sampling could produce statistics that were within acceptable confidence limits.
- (c) It was shown that some companies with data processing systems could deliver statistical information in machine readable form rather than having to transfer the data onto hard copy forms, such as surveys or questionnaires. The statistics were easier to handle and more accurate in machine readable form.

- (d) Families of related programs were identified where it proved possible to use a single application for several programs. It was possible to consolidate and combine administrative and delivery systems.
- (e) In a number of cases the federal government was requesting information that routinely was made available to state or local governments. These reports were combined successfully and the data was shared among different levels of government.
- (f) Many business activities require a license. Studies revealed that the cost to government to process the applications for these licenses, and the payments, was greater than the revenue government obtained. Consequently, the process was not cost effective and the fee was dropped.
- (g) Confusion existed over the mandatory requirement to file income tax returns. By means of a clear exemption statement added at the beginning of the main form, it was possible to inform millions of respondents that filing was not necessary.
- (h) Information could be obtained through alternate sources, and the specific sources were identified.
- (i) Cross-checking the information banks of other departments and agencies allowed information users to eliminate overlapping surveys.

E. 2. NEW CONCEPTS IN INFORMATION RESOURCES MANAGEMENT

18. The report of the U.S. Commission on Federal Paperwork also pointed to long-term measures. Discussions of the paperburden problem in the United States are, at present, focusing on a "total approach". Such an approach recognizes that, while measures such as combination of forms, reduction of reporting frequency requirements, total percentage elimination of number of forms, etc. are laudable and required, they will not redress the paperburden problem in its entirety. Rather, these "streamline/simplify/mechanize" steps are viewed as but one part of a combined strategy for a comprehensive attack on the root causes of paperburden.

19. In attacking these root causes, a fundamental reform sought by some proponents of the "total approach" is the requirement that government officials and departments begin looking upon their information requirements in the same way as they are obliged to assess their other resource needs. This is called *Information Resources Management*. This approach has several components, of which the two primary requisites are:

- (a) a clear and formal announcement, as government policy, that information will be treated as a valuable resource;
- (b) the designation of a senior official in each department or agency, to be held accountable for the efficient and effective management of that department's or agency's information, and its information resources (eg. computers, communications, printing machinery).

In carrying out these responsibilities, it should be stressed that these officials are not engaged in routine administration. Rather, they are involved in a comprehensive and on-going process whose components will only fully evolve over time as information technology advances and they will continually address themselves to the elimination of root causes, and not just the superficial manifestations, of paperburden.

20. Dealing with information by this approach (i.e. as a valuable and manageable resource) requires a new accounting procedure. Existing government systems may effectively account for dollars (in financial accounts), employees (in manpower records), desks and chairs (in inventories) and square feet of laboratory and office space (in property records). However, a department's information gathering activities, and the attendant costs, are nowhere pulled together in meaningful and comprehensive ways so that departmental managers can see exactly the cost, use, etc. of the information. Hence, the new approach envisages budgetary allocations ultimately being made for information as a commodity, such a process thus providing self-policing incentives for control of information demands within departmental systems. Such a process in Canada would involve estimates of the cost to the respondents in complying with government information requirements, and the incorporation of these estimated costs into a departmental information plan and budget. Actual cash transfer need not take place, but higher level departmental officials, the departmental budget officer, Treasury Board and other budget review authorities, would have the opportunity to judge whether the value of the information to be gathered was worth the projected cost and burdens that would be incurred. Essentially, this approach would entail a budgetary estimate for information, to be placed alongside existing requirements for estimates of manpower needs, etc..

21. Complimentary to the *Information Resources Management* approach is an increasingly popular American school of thought sometimes termed *Service Management*. Predicated upon the growing concern most recently enunciated by the current President during his campaign, that government is reaching the point where continued growth of its administrative apparatus may no longer be the best interests of either individual citizens or the national economy, this approach encompasses a number of key stances:

- (a) Related types of programs can be consolidated *gradually* so that eligibility determination of citizens, businesses and others, for benefits and services, is affected through a "one stop, single integrated process" that would replace the myriad, fragmented and fractionated systems and processes that currently exist.
- (b) Government officials can be directed to recognize that they must take into account the total costs imposed on others, including the full cost of paperburden, when they are in the process of recommending of a new program, or amendments to an existing one. This also would include a commitment to careful consideration of analyses of alternative ways to operate programs, with input solicited from all parties involved.
- (c) *Recognition is given to the reality that the paperburden problem is not that of the government alone.* Hence, crucial to this approach is a recognition by citizens outside government of their responsibility to assist in the redesigning or reforming of government programs so that their objective of eliminating unnecessary paperwork is met.

22. In essence, then, the *Service Management* approach envisages a government-citizen partnership which requires that individuals develop the best possible data on the cost to them of government paperwork requirements and suggest alternative ways of operating programs. To this end, individuals, consumer groups and trade associations (among others) should be permitted to make a direct input into government operations affecting paperburden through existing or, if necessary, newly created channels. This individual and group consultation should range the full gamut: legislative drafting; regulation writing; program evaluation; program planning and design, etc..

F. THE BASIC FUNCTIONAL AND STRUCTURAL ELEMENTS OF ANY COMPREHENSIVE FEDERAL GOVERNMENT STRATEGY TO ARREST PAPERBURDEN

23. In the following section of this Discussion Paper, three possible alternative strategies for confronting the paperburden problem will be put forward. Fundamental to all of these, however, are five core elements and attendant structures which must be embodied in any initiative undertaken to ensure success in this area. These are: a central governmental group which serves as an ongoing communication link with the business community (hereafter termed the *Paperburden Communication Structure*); a group which will, in cooperation with departments and agencies, conduct studies of paperburden intensive programs in order to provide short term relief (the *Paperburden Analysis Structure*); a body which will, in consultation with departments and agencies, undertake research designed to develop long term resolutions to the paperburden problem (the *Policy Research and Technical Structure*); a group which will ensure maximum public involvement in the ongoing resolution of the paperburden problem; (the *Public Information Structure*); and a group to act as an administrative support service to the various working groups involved in implementing the overall strategy (the *Management and Administrative Support Facility*).

F. 1. A PAPERBURDEN COMMUNICATION STRUCTURE

24. This element's primary purpose would be to serve as a focal point to receive complaints, suggestions, enquiries and requests for assistance from businesses and others. Perhaps its most important component would be a widely publicized "hot line service" with a direct toll free number to allow access from all parts of the country.

25. Additionally, the Communication Structure would serve as the correspondence unit, answering mail as well as verbal requests. From both conduits, the Communication staff would distinguish between complaints for routine assistance and complaints which offer some promise of reducing the paperburden in a significant way. While the staff would be careful to be responsive to both kinds of requests, priority would be given to the latter. The former would be referred expeditiously for action to the appropriate department or agency with authority over the matter. Where complaints and suggestions appeared to warrant an in-depth investigation of an important paperburden problem - a particularly onerous form or report, a difficult record-keeping requirement, a complicated procedure, etc. - the Communication Staff would discuss with the Analysis Team the desirability of establishing a discrete project. In some cases, a project would be established and action responsibility passed to the Analysis Team which would then begin intensive work with the department or agency concerned. In other instances, the Communication staff would continue to follow up the matter and keep its files open. As well, the Policy Research and Technical Assistance staff might become involved.

26. The Communication function might also include holding official "town hall" meetings throughout the country in order to bring together businessmen, citizens, provincial and local government officials, and professionals with knowledge and expertise on the paperburden problem. The U.S. experience found this to be an excellent way to obtain the cooperation and support of these parties. Finally, the Communication structure would provide assistance to businesses, civic action groups, industry association and other organizations with a desire to participate in resolution of the paperburden problem. The Communication staff could help such individuals and organizations identify their problems with paperwork, help plan ways to build support for their ideas within the federal government and, finally, carry on follow up.

F. 2. PAPERBURDEN ANALYSIS TEAM STRUCTURE

27. Depending on allotted resources, a paperburden Analysis structure would be divided into two to six "teams", each team being assigned a cluster of paperburden-intensive problems identified by the communications staff. The basis for the clustering could be established after initial meetings with departments and agencies commence and the problems are crystallized and prioritized. In addition, there are other sources for the flow of investigation assignments. It is reasonable to expect that departments and agencies would step forward and volunteer a program, or family of programs, which they believe should be studied for paperburden impact. Indeed, some (notably Statistics Canada) already would have an effort underway and the establishment of a central problem analysis body would provide a timely opportunity to accelerate and publicize the remedial work. Here, a premium would have to be placed on selecting those priority program areas where the prospects of achieving some paperburden reduction were feasible from a "technical" and practical standpoint. A major source of proposals for long-term solutions to paperburden problems would be the Policy, Research and Technical Assistance Structure.

28. In daily operation the teams would, of course, be required to establish good and close liaison mechanisms with departments and agencies. Such mechanisms would ensure not only that the teams would receive all information required but would ensure that all recommendations were fully reviewed by all levels of the department concerned and that publicly announced recommendations would have the concurrence of the departments involved. The analysts then, would work in close and daily cooperation with the departments at all stages leading toward the resolution of a particular paperburden problem.

F. 3. A POLICY RESEARCH AND TECHNICAL ASSISTANCE STRUCTURE

29. This structure would require a small staff, responsible for undertaking research into problems generally, and for monitoring the "state-of-the-art" developments on this subject in Canada, the United States, and elsewhere.

30. The "technical" function of this structure rests in large part on the question of the fundamental need for strengthening the standards and guidelines which government uses to measure the value of data and information it collects and the burdens and costs incurred on those from whom it is collected. For example, the unit would answer such questions as: why certain information is collected by government from the public; how it is used; how paperburden is measured in terms of cost to issuers and respondents; and - of crucial importance - the examination of legislation as the "root cause" of paperburden. Finally, this structure would provide technical assistance to departments and agencies which needed help to assess the paperburden impact of their activities.

F. 4. A PUBLIC INFORMATION STRUCTURE

31. This structure would work with Information Branches of Departments and Agencies to ensure that publicity and promotion efforts to spearhead paper "unburdening" initiatives were carefully orchestrated and synchronized to achieve best results. In addition, such a group might produce news material containing paperburden relevant information to "educate" the maximum number of constituencies on the question of paperburden, etc..

G. ALTERNATIVES

33. Having identified the core elements requisite to a sustained and effective federal thrust toward resolution of the paperburden problem encountered by business, three alternative courses of action can be identified: (a) the location of a *Controller of Paperburden and related functions, in a lead department* to work in cooperation with business respondents on the one hand, and with concerned departments and agencies on the other, to bring about both immediate resolution of specific paperburden problems of businessmen and, concurrently, to plan long term methods for resolution of the question; (b) *the creation by legislation of an independent, autonomous paperburden control agency* with power to limit directly the amount of paperwork required by all departments and agencies; (c) *the establishment of a Royal Commission* with wide investigatory power to identify the problem in depth and arrive at a comprehensive solution. An evaluation of these alternatives suggest that only one possesses a minimal number of remedial adverse consequences.

34. *The location of a controller of paperburden function within a lead department*, Alternative (a), rests on the assumption that paperburden is perceived by the business community as a critical problem and that fast relief and effective solutions are best achieved by having a focal point in government to listen to the specific complaints and suggestions that business has and, in turn, to coordinate among departments and agencies the resolution of the identified paperburden problems. This Alternative likely would: attract media and public support as it is an activist approach to the immediate problem; permit Canada to capitalize most quickly on the recent research and experience of the United States; involve the shortest start-up time; be relatively simple to operate and leave further options open for more permanent solutions if its mandate were to expand. On the other hand, its effectiveness would depend upon departmental and agency adherence to Cabinet directives that full support be given to the work of the Controller group. *On balance, however, this approach would appear to have the minimum number of liabilities and the maximum number of immediate and long term benefits, and is thus the one put forward in this paper.*

35. *The creation by legislation of an independent, autonomous paperburden control agency, Alternative (b), rests on the contention that paperburden relief is possible only through an autonomous agency much like the Office of the Auditor General, independent from any one single department, and with a legislated structure and adequate power to control paperwork and a theoretical "veto power" over programs on the basis of information value/burden. This Alternative has the advantage that: it gives recognition to the fact that a long-standing problem requires permanent solution with enduring structures; its "arm's-length" relationship with departments might possibly give it a favourable public image of adequate power and responsibility. In its detracting, this alternative: engenders the risk of structuring prematurely, or incorrectly locating, policy machinery; risks being criticized as a "bureaucratic solution" to a real problem; would take substantial time to create and set in operation. From the perspective of the businessman, this course of action offers little immediate relief to the paperburden question and risks evolving into a complex bureaucratic operation itself.*

36. *Establishment of a Royal Commission, Alternative (c), is predicated on the assumption that paperburden is a vital and deeply rooted problem requiring detailed study with a national input, a research-oriented team to identify problem areas, and permanent machinery to find solutions. The advantages are that: it would give the paperburden problem high visibility; it would command the national authority and resources to research the problem in detail; it would function outside the public service and this would reflect well in the public image; it would provide an easy method for involvement of the provinces and municipalities. On the other hand, this alternative has the disadvantages that: from the U.S. experience, it would appear that paperburden is not a problem requiring research and study in a formal academic sense; Canada's economic and business problems are so immediate that a Royal Commission investigating this area might be viewed as an attempt by the federal government to side step its responsibilities; it would be expensive (\$3 - 5 million); departments and agencies might be less inclined to volunteer support and resources. In view of the government's firm commitment to immediate and effective action on the paperburden question, and in light of current imperatives regarding restraint of government expenditure, this alternative does not suggest itself as the most appropriate course of action.*

APPENDIX A

Canada-United States Approaches - A Comparison

In the course of developing this initiative to reduce paperburden, we have tried to learn from the lessons and experiences of the U.S. Commission on Federal Paperwork. The following chart shows the differences and similarities using Alternative (a) from paragraph 34 of this Discussion Paper.

<u>United States</u>	<u>Canada</u>
<u>Differences</u>	
1. Formal autonomous Congressional body	Program is an organic component of two existing departments
2. Investigative and legal powers	No formal investigative nor legal powers
3. Specified time limit of two years	Expected on-going function
4. Major resource commitment 200 staff years \$10 million budget	Modest incremental commitment
5. Scope of problems examined were broad. (Business, labour, agriculture, general public, institution)	Initial focus on business
6. Modus operandus: Full backing of Congress to effect change	Change through moral suasion, negotiation and compromise with departments
7. A large and time-consuming research phase.	"leap-frog" much of the research and concentrate on solutions
8. Emphasis on federal paperwork	Principally federal, but provincial cooperation to be sought
<u>Similarities</u>	
9. An ombudsman function with a communication hot-line link to respondents	A Communication Unit with a telephone link to respondents
10. Investigative teams to work with Agencies	Analysis teams to work with Departments
11. Alternative long-term machinery will be identified concurrently with short-term strategies	Same
12. Activist philosophy. Turn-key solution	Activist philosophy. Solution identification and implementation
13. National publicity and media visibility	Same
14. Paperwork Impact Assessment to accompany new programs (already passed by Senate and House)	Paperburden Impact Statement to accompany new programs (Under consideration)