

**Statement of Cheryl Cook  
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United States Department of Agriculture  
Before the House Committee on Small Business  
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Chairman Graves and members of the committee, I am pleased to have this opportunity to discuss the Department of Agriculture's efforts to reduce regulatory burdens on small businesses, and to facilitate new business development through cutting-edge research and an array of financial and technical assistance programs. Small businesses, including farms and ranches, create a foundation for prosperity in rural America. They provide millions of jobs, provide an abundant and affordable food supply, and increase our Nation's energy independence. Under President Obama and Secretary Vilsack's leadership, small businesses have been a critical element of our strategy to improve economic opportunity for those living in rural communities. USDA has taken steps to support the productivity and viability of small farming and ranching enterprises, create new opportunity for local and regional marketing, expand conservation efforts and provide support for rural small businesses to expand, grow and hire more. Across each of these efforts, we recognize that farmers, ranchers and rural business owners devote long hours and hard work to their trade – and we have a responsibility to ensure that their efforts are not weighed down by unnecessary, burdensome paperwork.

Given the unique nature of USDA's work, its close relationship with rural America, and its related sensitivity to the small businesses that foster economic growth, the Department was eager to undertake a review of its regulations and paperwork activities as required by Executive Orders 13563 and 13610. Our goal was to identify significant rules and information collections

that were obsolete, unnecessary, unjustified, excessively burdensome, or counterproductive to our efforts to revitalize rural America.

USDA has taken steps to revise or repeal regulations that are unnecessary as a result of changed circumstances, or are duplicative or inappropriately burdensome. To accomplish this, USDA has internal procedures that establish a process for the development and review of all regulatory actions to ensure that USDA's regulatory actions foster economic growth; respect the role of State, local, and tribal governments; and do not impose unreasonable costs on society. The procedures cover the full rulemaking cycle, starting when the need for a regulatory action is first identified, and carries through drafting, technical, legal, policy, and interdepartmental review, publication of proposed rule in the Federal Register, receipt of public comments, and publication of a final rule for inclusion in the Code of Federal Regulations.

In order to implement Executive Orders 13563, "Improving Regulation and Regulatory Review" and 13610, "Identifying and Reducing Regulatory Burdens" Deputy Secretary Kathleen Merrigan directed a retrospective review team comprised of mission area and agency-level regulatory review coordinators and work groups. The team initiated a review of USDA regulations that focused on increasing the public's access to critical USDA programs, particularly those programs where access could be simplified and the reporting burdens reduced. The intent was to minimize burdens on individuals, businesses and communities attempting to access programs that promote economic growth, create jobs, and protect the health and safety of the American people.

The review encompassed the activities of the largest regulatory and service delivery organizations in the Department: RD, RMA, FSA, Natural Resources Conservation Service (NRCS), the Food Safety and Inspection Service (FSIS), the Forest Service (FS), and the Animal and Plant Health Inspection Service (APHIS). These agencies offered the best opportunities to achieve President Obama's goals for promoting regulatory innovation and reducing reporting burdens, while simultaneously reducing administrative and operating costs.

In order to identify candidates for analysis, USDA considered several factors in setting priorities. A number of these factors are outlined under Section 610 of the Regulatory Flexibility Act including: the continued need for the regulation; the nature of comments or petitions received concerning the regulation from the public; the complexity of the regulation; the extent to which the regulation overlaps, duplicates, or conflicts with other Federal regulations, and, to the extent applicable, with State and local government regulations; the length of time since the regulation has been evaluated, and the degree to which technology, economic conditions, or other factors may have changed in the areas affected by the regulation. For the purposes of implementing E.O. 13563, USDA also considered the urgency for improving customer service by simplifying, streamlining, or improving quality for information collection procedures; comments from stakeholders; resource capacity and potential approval process timelines; and need for statutory change.

USDA invited the public to participate in its review through the publication of a Request for Information (RFI) in the Federal Register on April 20, 2011. USDA also invited the public to participate through its Open Government Web site. In addition, USDA's largest regulatory and

service delivery organizations conducted independent public outreach activities employing a variety of mechanisms, including social media and traditional RFI's to continue seeking input from the public. Through this effort, over 2,100 public comments were received from a broad range of stakeholders, including individuals, regulated entities, trade groups, and USDA employees.

Based on USDA's evaluation and public input, USDA released its *Final Plan for Retrospective Analysis* on August 18, 2011. The final plan, which was subsequently updated to reflect input for Executive Order 13610, identifies 13 initiatives that would significantly reduce regulatory burdens and several initiatives aimed at reducing paperwork burdens. Of these, eight were featured in USDA's Fall 2012 Statement of Regulatory Priorities as regulatory actions that would significantly reduce burdens on small business.

Since the release of its *Final Plan for Retrospective Analysis*, USDA has made progress in implementing these initiatives. For example:

On January 23, 2012, FSIS published a proposed rule for Electronic Export Application and Certification Fee to make the export component of Agency's Public Health Information System (PHIS) available as an alternative to the paper-based application and certification process.

On November 27, 2012, FSIS published a proposed rule for Electronic Import Inspection and Certification of Imported Products and Foreign Establishments, which is intended to reduce

the information collection burden on importers by approximately 10,000 hours. We are moving forward with a proposed rule to expand FSIS' use of generic labeling.

On April 12, 2013, RD's Rural Business Service published a rule that proposes to streamline grant application requirements. The final rule is expected to reduce the information collection burden by reducing the number of hours it takes to complete a technical report for projects with total project costs (TPC) of more than \$80,000 to \$200,000; eliminating the requirement for a technical report for projects with TPC of \$80,000 or less; and reducing the number of hours it takes to complete the application.

USDA also has made significant investments in information technology to reduce red tape and make it easier to access USDA's financial and technical assistance programs. While many of USDA's 19 agencies have IT modernization efforts underway to push their programs to the Web, most notable is Farm Service Agency's Modernize and Innovate the Delivery of Agricultural Systems (MIDAS) initiative, the first phase of which was implemented in FSA field offices this month. MIDAS aims to provide FSA employees with better tools to provide stronger service for producers by logging into a single system rather than toggling among several and, for the first time, fully integrates GIS technology with information about farm, fields and crop histories.

USDA continues to accept comments from the public on any of its regulations and continues to look for ways to advance the mission of USDA consistent with the Executive Orders. Consistent with the need for periodic review of its regulations, USDA has continued to

employ its Open Government Web site to give the public an ongoing forum to provide input and discuss the retrospective analysis of regulations, and to help USDA formulate plans for future reviews. If, at any time, members of the public identify possible reforms to streamline requirements and to reduce existing burdens, USDA will give those suggestions careful consideration. USDA is committed to identifying inefficient, duplicative, or obsolete regulations and to identify ways to reduce program burdens and increase access.

That concludes my statement for the record. I would be happy to answer any questions.