



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

September 1, 1998

S. 2107

Government Paperwork Elimination Act

*As ordered reported by the Senate Committee on Commerce, Science, and Transportation
on July 29, 1998*

S. 2107 would require federal agencies to make certain forms available on-line and would allow individuals and businesses to submit these forms electronically with authenticated signatures. Specifically, to the extent practicable and feasible, the bill would require agencies to make most forms available on the Internet within 18 months of enactment and allow for the electronic filing of forms within five years of enactment. S. 2107 would require agencies to establish policies and procedures to implement the bill's provisions and the Office of Management and Budget to develop guidelines for agencies in using and accepting electronic signatures. The bill would require the Department of Commerce to study the impact of these legislative changes on electronic commerce and on individual privacy and to report its findings to the Congress within 18 months of enactment.

CBO estimates that implementing S. 2107 would increase administrative costs by a total of less than \$1 million over fiscal years 1999 and 2000 for the Department of Commerce to complete its report and for agencies to adopt new policies and procedures. S. 2107 also could affect direct spending; therefore, pay-as-you-go procedures would apply. CBO estimates, however, that any increase in direct spending would not be significant. S. 2107 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The Department of Commerce is currently studying the efforts of private industry to protect the privacy of users of on-line resources, and much of that information could be used to complete the report required by S. 2107. Also, according to the Office of Management and Budget, some agencies already have procedures in place regarding the use of electronic technologies. Thus, CBO estimates that implementing these provisions would increase discretionary costs by less than \$1 million.

Because the remaining provisions of S. 2107 would codify current policy, CBO estimates that they would have no significant impact. For instance, agencies already make many forms available on-line, including receiving some forms electronically. Also, the National Institute

of Standards and Technology has issued standards on, and agencies are conducting pilot projects involving the use and acceptance of, electronic signatures. In addition, the Administration has submitted to the Congress a strategic plan for agencies to provide full-service electronic commerce to federal customers by 2001. Thus, while S. 2107 could accelerate the implementation of information technologies at a few agencies, CBO estimates that there would probably be no significant change in federal spending on such technologies. Because receiving and processing forms electronically should generally reduce administrative costs at federal agencies, enacting S. 2107 could result in savings if it were to increase the number of forms filed electronically. CBO, however, has no basis for estimating any such potential savings.

For most agencies, any impact on spending would be subject to the availability of appropriated funds; however, the bill could also affect direct spending by agencies not funded through annual appropriations, such as the Tennessee Valley Authority and the Bonneville Power Administration. CBO estimates, however, that any increase in spending by these agencies would not be significant.

The CBO staff contact is John R. Righter. This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.