E-GOVERNMENT AND REGULATION:  
THE DEPARTMENT OF LABOR'S WEB-BASED  
COMPLIANCE ASSISTANCE RESOURCES

Katherine Lotspeich  
Michael Fix

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# E-Government and Regulation: The Department of Labor’s Web-Based Compliance Assistance Resources

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I. Executive Summary

In the mid-1990s the U.S. Department of Labor (DOL) began developing a set of web-based resources intended to increase information on Department rules and regulations and compliance with them among regulated entities. Over time the Internet initiative has become a key component of the Department’s broad efforts to promote compliance assistance as a means of increasing regulations’ effectiveness while limiting their cost to government and to regulated firms.

In 2001 the Department contracted with The Urban Institute to conduct a preliminary study of regulated firms’ awareness of the web-based tools and perceptions of their effectiveness. To that end, Urban Institute researchers held structured discussions with regulated firms and selected private third parties that provide compliance assistance (such as safety experts and industry associations). The Urban Institute also reviewed compliance assistance initiatives on web sites maintained by other federal agencies and conducted a literature review on regulatory reform, compliance assistance and e-government. The project’s focus was regulatory regimes administered by the Department’s Wage and Hour Division (WHD) and the Occupational Safety and Health Administration (OSHA).

While much has been written about the need for regulatory reform and about e-government, very little is written—or known—about the use of e-government tools to achieve the goals of regulatory reform (i.e., greater efficiency, lower compliance costs, and reduced conflict). Because of the limited number of firms examined (38), the results presented here should be viewed as preliminary and taken as a point of departure in understanding the reach and effectiveness of these web-based tools.

Our principal findings were that a surprisingly larger share (60 percent) of the firms we contacted use e-government to learn about government rules. We also found that many of the respondents who used these tools used them in conjunction with safety experts or other private parties who provide compliance guidance. These third-party intermediaries were also extensive users of DOL’s web-based tools.

Not surprisingly, there had been comparatively little systematic evaluation of web-based compliance assistance tools at the time of our study. We suggested that a method of obtaining user feedback be embedded in the tools to assess their perceived effectiveness among users.

Further, given the continued reliance of firms on third-party intermediaries, we suggested further study of their characteristics, the roles they play, and the ways third-party services could be leveraged by DOL. Firms’ continued reliance on these intermediaries also pointed to another issue for further study: whether compliance assistance generates savings, and if so, who captures them—regulated firms, third parties, or both.
Finally, while the emphasis on the use of web-based tools has been on employer compliance, it appears that more concerted efforts to make the tools available to employees might also promote increased levels of firm level compliance.
II. Introduction

A. Scope of this report

This report presents our findings regarding regulated firms’ awareness of the Department of Labor’s (DOL) web-based compliance assistance tools. These tools are intended to assist regulated entities and employees understand labor regulations and to promote voluntary compliance. The report brings together our structured discussions with regulated entities, analysis of other agencies’ web-based compliance assistance, data from the Department’s National Call Center and Internet site visits, and our review of the literature on compliance assistance. We conclude with recommendations on targeting future web-based compliance assistance initiatives at DOL and directions for further research.

B. Defining compliance assistance

For the purposes of this study, compliance assistance is defined as Agency-provided services, materials, and guidance intended to assist regulated entities and their employees in fulfilling the requirements of a law, regulation, or standard. Compliance assistance resources can include training sessions, brochures, seminars, pamphlets, direct mail, or web-based materials. It can also include guidance instruction that is combined with incentives to comply, such as the Occupational Safety and Health Administration’s Voluntary Protection Program, partnerships, and consultation services.

Figure 1 provides an overview of the types of compliance assistance offered by DOL.
The focus of this report will be on the subset of DOL compliance assistance strategies that are web- and telephone-based. The comprehensive Internet- and telephone-based compliance assistance tools that we examined include the Employment Laws Assistance for Workers and Small businesses (ELAWS), eTools, and the National Call Center.

- **ELAWS.** ELAWS are web-based, interactive systems that provide easy-to-understand, tailored information about a number of federal employment laws and safety and health standards using a question-and-answer format. The interactive systems, known as “expert advisors,” simulate an interaction between a user and an employment law expert by asking questions and providing answers based on individual responses.

- **eTools.** OSHA’s eTools are “stand-alone”, interactive, web-based training tools on select occupational safety and health topics. They are heavily illustrated and utilize graphical menus. Some also use expert system modules that enable the user to ask questions and receive reliable advice on how OSHA regulations apply to their work site.

- **National Call Center.** The National Call Center provides assistance to customers with questions about job loss, business closures, pay and leave, workplace safety and health, pension and health benefits, and workplace injuries. DOL’s National Call Center, the first cabinet-level, Department-wide, toll-free call center, is also aligned with DOL’s Internet compliance assistance resources. Telephone operators have access to the Internet and can follow up with callers by e-mail or refer them to specific compliance assistance web sites.
Our primary programmatic focus has been on regulations administered by the Occupational Safety and Health Administration (OSHA) and the Wage and Hour Division (WHD).

C. General approach and study limits

To evaluate DOL client perceptions of compliance assistance resources, Urban Institute (UI) staff conducted semi-structured telephone discussions with up to nine firms in each of five DOL regions: Atlanta, Georgia; Dallas, Texas; Chicago, Illinois; Kansas City, Missouri; and Philadelphia, Pennsylvania. Discussions were also held with third-party intermediaries that provide compliance assistance (such as associations and safety professionals), mostly in the Washington, D.C., metropolitan area.

We also reviewed the web-based compliance assistance strategies undertaken by several key regulatory agencies: the Environmental Protection Agency (EPA), the Small Business Administration (SBA), the Internal Revenue Service (IRS), the Equal Employment Opportunity Commission (EEOC), and the Food and Drug Administration (FDA). These web sites were assessed for the visibility of their compliance assistance resources, the range of tools available, and whether their strategies had an evaluation component.

While our results are indicative of awareness and perceived utility of DOL’s web-based compliance assistance tools among regulated businesses and how DOL’s web-based tools compare to those of other agencies, these results are not statistically representative. Moreover, the analysis is not meant to serve as an evaluation of web-based compliance assistance strategies, much less an assessment of the trade-offs between compliance assistance and more conventional, deterrence-based enforcement strategies.
D. From deterrence to compliance assistance

A new emphasis on cooperation-based compliance assistance has several roots.

One is the growing mismatch between the level of inspection resources available to DOL and other regulatory agencies and the number of firms to be regulated. Between 1980 and 2000, the number of business establishments in the United States grew by 56 percent, from 4.5 million to more than 7 million (U.S. Census Bureau 2002).\(^1\) During these two decades, the growth rate of business establishments was much faster than that of the overall workforce, which grew by 36 percent, from 99.3 to 135.2 million. Despite the rapid growth in the number of business establishments, resources available to DOL for inspection actually declined over the same period. From 1980 to 2001, for instance, the number of Wage and Hour inspectors declined by 9 percent, from 1,042 to 945.\(^2\) The number of OSHA inspectors declined by 29 percent between 1980 and 2002, from 1,529 to 1,087.\(^3\)

Further, a large share (85 percent) of all business establishments have fewer than 20 employees (U.S. Census Bureau 2002). As has been well documented, these firms are likely to encounter disproportionately high effort and information burdens in attempting

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\(^1\) According to the Census Bureau, an “establishment” is a single physical location at which business is conducted or services or industrial operation performed. It is not necessarily identical to a company or enterprise, which may consist of one or more establishments.


\(^3\) Data obtained from Kim Locey at the OSHA Administrative Programs Office.
to comply with federal regulations. Not all firms, however, are covered by DOL-enforced laws.

Other developments also impel DOL and other regulatory agencies toward focusing on a cooperative, compliance-oriented strategy. These include technological changes and the diversification of firm functions, an expansion in the regulatory regimes for which agencies are responsible, and the simple accumulation of regulations and standards of which firms and staff need to be aware (Ruhl and Saltzman 2002).

Against this backdrop of change in the number and diversity of firms, we see continuing efforts on the part of both Democratic and Republican administrations to realize the regulatory reform agenda advanced over the past 30 years. This agenda emphasizes the need to address the regulations’ complexity, as well as government agencies’ limited efforts to help businesses comply. The Department’s compliance assistance initiatives respond to these long-standing regulatory critiques, including—most notably for our purposes—relieving the information burden.

The compliance assistance theory that underlies DOL and other federal agency initiatives takes as its point of departure the assumption that most firms are inclined to comply with law for civic and other reasons. They are not profit-maximizing actors whose compliance choices are based exclusively on cost-benefit calculations. Thus, the regulatory strategies for these firms should be cooperation rather than enforcement-based

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4 For firms employing fewer than 20 employees, the annual regulatory burden is estimated at $6,975 per employee—nearly 60 percent more than the $4,463 of firms with more than 500 employees (Crain and Hopkins 2001).

5 The Family Medical Leave Act, for example, applies to public agencies and to those private sector employers that employ 50 or more employees for at least 20 work weeks in the current or preceding calendar year. The Occupational Safety and Health (OSH) Act does not cover self-employed persons, farms that employ immediate family members, or industries run by state or local government agencies, such as mining.
and should emphasize securing compliance (Rechtschaffen 2000). Much of the theory and commentary on compliance assistance has emerged from the field of environmental law, which underwent perhaps the most heralded “reinvention” of all regulatory regimes during the 1990s. As one environmental law commentator has written:

Compliance assistance is the practice of building the capacity of regulated entities to comply with environmental laws. The effectiveness of assistance in assuring compliance is founded on the premise that the targeted regulated community is willing to obey regulations, but unable to do so because of lack of awareness or technical capacity. An environmental agency attempts to compensate for these deficiencies through a variety of outreach methods, such as open meetings, hotlines, site visits, and dissemination of printed or electronic resource materials (Stoughton et. al. 2001).

E. E-government and compliance assistance: limited knowledge

One emergent strategy that is intended to compensate for the information burden imposed by regulations on firms generally, and small firms in particular, is the provision of web-based compliance assistance tools. The promotion of web-based compliance assistance strategies is owed in part to rapid growth in Internet use. It is estimated that 63 percent of adults in the United States use the Internet (Council for Excellence in Government 2000) and that 60 percent of Internet users interact with government web sites (Office of Management and Budget 2002). The Department of Labor has taken advantage of the growth in Internet use by posting regulatory guidance on its web site and developing a variety of interactive tools, such as eTools and ELAWS.

Accessing the government through the Internet, often referred to as e-government, is viewed as a means for citizen empowerment and a way for the government to improve service delivery. While there is a growing body of literature on the practices and potential of e-government (Larsen and Rainie 2002; Richer 2003; Stowers 2002), the literature
primarily focuses on management issues, user friendliness, and the accessibility of e-government rather than the use of the Internet as a policy tool.

Moreover, we have found that the literature on the Internet and regulation (Center on Regulatory Effectiveness 2002; General Accounting Office 2001c) that has emerged to date has focused on (a) the use of the Internet to promote increased citizen participation in rule-making (the federal government recently launched a site for posting comments on proposed rules, www.Regulations.gov); (b) license and permit applications; and (c) the quality of enforcement data posted on the Internet. To the extent that the literature explores the use of web-based compliance assistance as a regulatory tool at all, it views compliance assistance as a strategy for assisting the business community (Office of Management and Budget 2002), underemphasizing its value to citizens and employees.

At the same time, the literature on information as a tool of regulatory reform has focused on the feedback effects and behavioral changes of self-reporting and disclosure requirements on firms. It has not, for the most part, examined compliance assistance strategies that emphasize reducing the information burden for regulated firms by clarifying and interpreting rules and making them accessible (Pederson 2002). This is somewhat surprising given the amount of commentary on regulatory complexity, especially in the legal literature (Schuck 1992). The results of this small-scale study of DOL’s web-based compliance assistance tools may contribute to this nascent, but potentially important branch of the regulatory reform literature.

F. Overview of findings

• There was a surprisingly high level of use of the Department of Labor’s compliance assistance web sites among the firms and intermediaries contacted by the Urban Institute: Almost 60 percent of the private firms we contacted had visited the sites. Most firms that reported using web-
based compliance assistance use it in conjunction with other sources (i.e., third parties) and view the web tools as supplementary information.

- There has been little formal evaluation of compliance assistance strategies per se, and virtually no systematic evaluation of web-based compliance assistance strategies. The most advanced assessment, undertaken by the Environmental Protection Agency, involves surveys of the web-based compliance centers that the agency supports and manages. The data reported in these self-administered surveys go beyond satisfaction measures to probe whether compliance assistance changed firm behavior.

- Issues regarding the timeliness, accuracy, and confidentiality of DOL’s compliance assistance materials were raised by the third parties that provide compliance assistance (associations, health and safety specialists). However, these issues did not emerge in discussions with the firms themselves.

- DOL offers a wider array of web-based compliance assistance tools (ELAWS, eTools, online regulations, posters, etc.) than other regulatory agencies reviewed in this study. Moreover, none of the other federal agencies that we reviewed give compliance assistance tools such a prominent place on their web site’s homepage.

- Compared with a select group of other agencies, it appears that DOL places particularly strong emphasis on the phrase “compliance assistance” to identify tools for learning about regulations.

- National Call Center data suggest that employees, as well as employers, are consumers of DOL’s telephone-based compliance tools. Data are less clear with regards to users of web-based compliance assistance tools.
II. Research Approach

A. Overall data collection

To assess perceptions of DOL’s web-based compliance assistance initiatives, the Urban Institute conducted telephone discussions with a cross-section of firms that (1) include manufacturers and industries for which DOL has created eTools, such as construction, nursing homes, loggers, and poultry processors; and (2) represent a diverse group of both large and small firms that have more generalized compliance assistance needs. In conjunction with telephone-based discussions with firms, we also held both telephone and in-person discussions with third-party intermediaries—private organizations such as industry associations and safety consultants that offer compliance assistance.

Prior research at the Urban Institute reveals that semi-structured telephone discussions are an effective means of collecting qualitative data around discrete questions. This method facilitates systematic analysis of key issues and identification of common themes while providing the opportunity to discover unanticipated issues or concerns. See, for example, Patchwork Policies: State Assistance for Immigrants Under Welfare Reform, an Urban Institute report documenting local policy choices following welfare reform’s devolution of power to the states. That report relied solely on telephone discussions to collect welfare eligibility criteria information from all 50 states.

B. Region selection

To ensure geographic diversity among the firms, we selected five DOL regions: Atlanta, Georgia; Chicago, Illinois; Dallas, Texas; Kansas City, Missouri; and

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6 Manufacturers were selected because of the high probability that firms in this sector would be responsible for complying with a wide array of OSHA regulations in addition to other DOL labor laws.
Philadelphia, Pennsylvania. These five regions were also selected because the states in which these DOL regional offices are located are not OSHA-plan states. As a result, in the selected regions there is no overlap between federal and state OSHA compliance assistance initiatives that might confound our results. Within each region, the Urban Institute selected firms from the five most populous counties, provided they did not fall within an OSHA-plan state.

C. Firm selection

We developed three groups of firms from each of the five selected DOL regions. Using Dun & Bradstreet data, we selected (1) manufacturers and industries (both large and small) for which special web-based compliance assistance programs were created (i.e., construction, poultry processing, nursing homes, and logging); (2) small businesses (fewer than 500 employees nationwide); and (3) a general group of both large (more than 500 employees nationwide) and small (fewer than 500 employees nationwide) firms. Constructing these three groups allowed us to target smaller firms and firms for which the Department designed web-based compliance assistance tools.

From each group, approximately 10 firms were selected by generating random numbers using Microsoft Excel. Out of these 10 firms, 3 were eventually contacted, depending on correct identification and willingness of the firm to participate in the discussion. As many as nine firms were selected per region, and a total of 38 structured discussions were conducted. Given the modest number of firms selected and the nonrandomized selection methods, the findings from these discussions should be viewed

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7 OSHA State Plan states operate their own OSHA-approved job safety and health programs.

8 The Small Business Association’s Office of Size Standards (www.sba.gov/size/indexfaqs.html) defines a small business as having less than 500 employees for most manufacturing firms and less than 100 employees for retail and trade.
as anecdotal and cannot be generalized. Also note that, although our selection strategy focused on private firms and businesses, we did speak to two nonprofit organizations (a nursing home and a business association) because they naturally fell into some of the categories we selected. Figure 2 outlines the types and number of firms eventually selected from each region:

**Figure 2. Firms selected by DOL region**

<table>
<thead>
<tr>
<th>Region</th>
<th>Manufacturers and large firms with specialized web-based compliance tools</th>
<th>Manufacturers and small firms with specialized web-based compliance tools</th>
<th>General small firms</th>
<th>General large firms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philadelphia</td>
<td>1 (manufacturer*) 4 (1 nursing home, 2 manufacturers*, 1 waste disposal)</td>
<td>2 (business association, commercial printing)</td>
<td>0</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Atlanta</td>
<td>1 (janitorial) 3 (1 poultry processing, 2 construction)</td>
<td>2 (car dealership, bank)</td>
<td>1 (medical clinic)</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Chicago</td>
<td>1 (nursing home) 3 (nursing home, manufacturer*, janitorial)</td>
<td>3 (accounting firm, retail, restoration services)</td>
<td>1 (hospital)</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Dallas</td>
<td>2 (manufacturer*, waste disposal)</td>
<td>2 (poultry processing, construction)</td>
<td>2 (real estate, repair services)</td>
<td>1 (printing)</td>
<td>7</td>
</tr>
<tr>
<td>Kansas City</td>
<td>1 (nursing home) 5 (nursing home, 2 manufacturers*, janitorial, logger)</td>
<td>3 (retail, billing processing, veterinary hospital)</td>
<td>0</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6</strong></td>
<td><strong>17</strong></td>
<td><strong>12</strong></td>
<td><strong>3</strong></td>
<td><strong>38</strong></td>
</tr>
</tbody>
</table>

* Types of manufacturers selected include makers of plastics, steel wire products, plumbing fixtures, sheet metal, air conditioning, burial caskets, and a nonclay refractory.

Urban Institute staff contacted the selected firms and asked to speak with the individual at the firm who handles compliance issues for OSHA and wage and hour regulations. In most of the firms, we found that human resource (HR) directors handled these issues, but some firms referred us to safety specialists or firm managers. As a result, discussions were held with 26 HR directors, 8 firm owners, and 4 on-site safety specialists. Firms were initially asked, “What resources do you use to ensure that your firm is in compliance with OSHA and wage and hour regulations?” If the Internet or any
of DOL’s compliance assistance initiatives were mentioned, probes were used to further
assess the firms’ experiences and perceptions.

D. Third-party intermediary selection

Since employees responsible for OSHA and wage and hour regulations often use
off-site specialists to advise them on their compliance needs, we made an effort to
conduct discussions with a special subgroup of these third-party intermediaries. Third-
party intermediaries contacted for this study included two of the largest for-profit firms in
the areas of health and safety and benefit administration, two smaller associations
representing industries targeted by eTools, a small business association, a university’s
technical research institute, and an association of health and safety professionals. We
spoke with their government liaison representatives or directors of research. The
intermediaries were asked to elaborate on the usefulness of DOL’s compliance assistance
tools, the relevance of the tools to the day-to-day work of the intermediaries and their
clients, and whether the tools raise issues such as confidentiality or competition.

E. Review of web-based compliance assistance in other agencies

The Urban Institute reviewed several other federal agencies’ web-based
compliance assistance tools to set the Department of Labor’s practices in context. We
examined web sites for five federal agencies: the Environmental Protection Agency
(EPA); the Small Business Administration (SBA); the Equal Employment Opportunity
Commission (EEOC); the Internal Revenue Service (IRS); and the Food and Drug
Administration (FDA). We considered the visibility of their compliance assistance
materials, the types of materials posted, whether or not the agency had a call center, and
whether the agency’s compliance assistance initiative had a built-in user satisfaction or
other evaluation component. Urban Institute staff also searched through
www.FirstGov.gov to find other federal web sites that offer compliance assistance, and we conducted an extensive review of all of the links from the SBA’s www.BusinessLaw.gov site to explore web-based compliance assistance in other agencies. State sites were also searched using the www.FirstGov.gov search engine. Finally, Urban Institute employees interviewed staff from the EPA’s Office of Compliance Assistance to learn about the management of its web-based compliance assistance centers.

F. Literature review

The Urban Institute reviewed a diverse set of sources to (1) identify the literature on compliance assistance and its place in regulatory reform; (2) set web-based compliance assistance in the larger literature of regulatory reform and e-government; and (3) identify any analysis or evaluations of web-based compliance assistance initiatives at federal and state levels.

We examined literature in the areas of environmental law, e-government, health and safety regulation, employment law regulation, and reform initiatives, such as the use of regulatory incentives. Our search involved reviewing materials from research centers that follow regulation (AEI-Brookings Joint Center for Regulatory Studies, Mercatus Center at George Mason University, Rutgers University Center for Research in Regulated Industries, Cato Institute, and OMB Watch); practitioner publications such as Occupational Hazards or newsletters from the Society for Human Resource Managers; and listserves that track regulatory issues administered by the National Association of Manufacturers, AFL-CIO, OSHA, and the National Employment Law Project. We also used a number of standard indexes and databases to help us conduct our search, including
The Urban Institute obtained web site visit data from the information technology staff at the Department of Labor’s Office of the Assistant Secretary for Policy to determine how differing web-based compliance assistance tools were used. DOL was able to provide six months of data for eTools (April through August 2002) and one month (September 2002) of data for ELAWS. National Call Center data were also collected to learn about call volume, typical questions, and types of callers (i.e., employees or employers). Call center data were available from July 2002 through March 2003. We examined the data to identify the most commonly queried compliance assistance issues and the most frequent users of compliance assistance tools.
III. Findings

A. Firm use of DOL compliance assistance

A large share of firms (22 out of 38) contacted for this study used some form of DOL compliance assistance. The forms of compliance assistance mentioned range from web-based tools, such as online regulations or eTools, to posters and other materials firms received from local DOL offices. Specifically, we found that:

- 15 of the 22 firms using DOL compliance assistance reported using the web-based compliance tools.
- 3 of the 15 firms using DOL’s web-based compliance assistance mentioned the OSHA site as their primary compliance assistance resource. All three of these firms were small manufacturers.
- 2 out of 15 firms that reported using DOL web-based compliance assistance said that they used eTools or ELAWS.
- 7 out of 38 firms do not have Internet access at their work sites. More than half of the firms without access were small manufacturers.

DOL’s web-based compliance assistance tools were most frequently used to review regulations, research specific regulations, and to check federal standards against state standards. It is important to note that firms reported that DOL’s compliance assistance tools were used most often to complement the assistance they received from third-party intermediaries such as industry associations, trade organizations, safety consultants, insurance companies, unions, HR associations, accountants, attorneys, suppliers, and other private firms selling compliance services.

Firms also reported accessing several different forms of DOL compliance assistance without using the DOL web site (although some of these tools are found there),
including OSHA newsletters and mailings, OSHA guidebooks, OSHA posters, and training conducted by local OSHA offices. These tools were also used in combination with assistance from third parties and were generally viewed as supplementary information.

Not surprisingly, some compliance assistance resources were not mentioned at all by the limited number of firms contacted for this study. These include the National Call Center, CD-ROMs, and speeches posted on the Internet. None of the firms contacted mentioned receiving OSHA’s listserv e-mail, “QuickTakes.”

Confidentiality was not mentioned as a concern by firms in this study, as none of them expressed any worries about DOL monitoring their questions or visits to the web site. Confidentiality was, however, a concern of the third-party intermediaries.

Only one of the firms contacted in this study that used the Internet as a compliance assistance resource did not use the DOL site.

B. Third-party intermediary use of web-based compliance assistance

The Urban Institute found that intermediaries contacted for this study rely heavily on DOL compliance assistance tools. Intermediaries reported using the DOL site almost daily to check regulations, read interpretive letters, and review the latest information on rulemaking. Two intermediaries reported using the National Call Center. None relied on eTools or ELAWS, despite the fact that two firms claimed that they were consulted on the development of these tools. As an intermediary representing the poultry industry observed, “These tools are designed for people who don’t understand all the risks and issues and want to check. They are not being used by safety professionals because they are designed for the average worker.”
Third-party intermediaries generally consider DOL’s web-based compliance assistance to be helpful, although some noted that they sometimes have trouble finding exactly what they need on the web site and question the timeliness and accuracy of some of the materials. By and large, the intermediaries did not view the compliance assistance tools as competitors to their products; in fact, several used the tools to help them develop products for their clients.

Most intermediaries (six out of seven) contacted for this study said that their clients use DOL’s web-based compliance assistance tools. One intermediary had previously conducted a survey of its clients and found that they also used DOL’s web site. However, only one intermediary contacted for this study was aware of its constituents using the eTools. An association representing nursing homes reported that its clients found the nursing home tool helpful because it “alerted them to risks they wouldn’t otherwise consider.”

Intermediaries also thought that, regardless of how much compliance assistance DOL provides, there would always be a need for their organizations to interpret the assistance for their clients. Another intermediary commented that small businesses want one-on-one compliance assistance, not Internet-based assistance, as researching compliance assistance only adds to the administrative burden imposed by regulations.

In sum, all the third-party intermediaries contacted for this study were aware of and used DOL’s compliance assistance tools, although they had some concerns about their timeliness, accuracy, and confidentiality. They were also uncertain as to whether these tools would increase compliance.
C. Web-based compliance in other federal and state agencies

The Urban Institute staff looked at web sites maintained by the EPA, the SBA, the IRS, the EEOC, and the FDA to compare their web-based compliance assistance materials with the DOL’s. We reviewed the sites using several criteria:

- **Visibility of compliance assistance resources:** Is compliance assistance mentioned on the homepage? Are there obvious links to compliance materials?

- **Is the online assistance passive/passive?** The information is simply posted online with no means of interaction.\(^9\)

- **Is the online assistance active/passive?** The online assistance allows the user to communicate electronically with the government, but the government does not provide an electronic response.

- **Is the online assistance active/active?** The user and agency may communicate back and forth electronically.

- **Availability of call center:** Does the agency have a call center?

- **Evaluation Component:** Does the agency allow for evaluative feedback on its web-based materials?

Figure 3 compares the types of web-based compliance assistance found on each of the reviewed agencies’ web sites.

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\(^9\) Criteria on passive/passive, active/passive, and active/active online assistance were adapted from a paper that evaluated online access to public benefits on state and federal web sites (Richer 2003).
<table>
<thead>
<tr>
<th>Visibility of Compliance Assistance Resources</th>
<th>Department of Labor</th>
<th>Environmental Protection Agency</th>
<th>Small Business Administration</th>
<th>Internal Revenue Service</th>
<th>Equal Employment Opportunity Commission</th>
<th>Food and Drug Administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Compliance Assistance” link found on the homepage.</td>
<td>A link to “Compliance and Enforcement” found on the homepage.</td>
<td>No mention of compliance assistance, but can select business law as a topic that links to businesslaw.gov, allowing users to search for assistance by topic.</td>
<td>No mention of compliance assistance, but links on the homepage are organized by user (i.e., the individual, business, tax professionals) .</td>
<td>Does not mention compliance assistance, but links to regulations organized by user (i.e., employers, employees).</td>
<td>No mention of compliance assistance, but links user to a “reference room” with compliance guides.</td>
<td></td>
</tr>
<tr>
<td>Passive/Passive Compliance Assistance</td>
<td>Posting of major laws, regulations, executive orders, fact sheets, FAQs, reports, press releases.</td>
<td>The National Compliance Assistance Clearinghouse site posts fact sheets and regulations that are organized by sector.</td>
<td>Links to laws and regulations governing small business across federal and state governments.</td>
<td>Information (regulations and handbooks) posted by topic.</td>
<td>Lists of regulations, compliance manuals, and FAQs sorted by topic and by user (employee, employer).</td>
<td>Under compliance and enforcement page there are links to guidance documents (laws, FAQs, guides, etc.).</td>
</tr>
<tr>
<td>Active/Passive Compliance Assistance</td>
<td>eTools, virtual tours, downloadable forms and posters, listserves, Power Point presentations.</td>
<td>Virtual tours, downloadable forms, searchable databases on air quality and other data on compliance.</td>
<td>Allows user to search for regulations depending on topic and takes user to other agencies’ compliance assistance tools. There are 19 links that lead to 69 agency sites.</td>
<td>Downloadable forms and CD-ROMs, listserv, can check refund status on-line, online filing.</td>
<td>No.</td>
<td>Searchable databases of rules and regulations, forms, dockets, and guidance drafts. Listserv by topic.</td>
</tr>
<tr>
<td>Active/Active Compliance Assistance</td>
<td>ELAWs, can submit questions electronically by topic.</td>
<td>Some of the sector-oriented sites have “ask the expert” tools allowing questions to be submitted electronically.</td>
<td>Of the 69 sites that the SBA is linked to, only 3 had e-mail services (DOL, EPA, and the Department of Commerce).</td>
<td>Can submit tax questions (by topic), online quiz about tax issues.</td>
<td>No.</td>
<td>No.</td>
</tr>
<tr>
<td>Call Center?</td>
<td>Yes.</td>
<td>Yes. Different lines depending on the sector.</td>
<td>Yes. 1-800-UASK-SBA</td>
<td>Yes. Call centers for the public and for professionals.</td>
<td>Yes-1-800-669-4000</td>
<td>No.</td>
</tr>
</tbody>
</table>
Out of the six sites reviewed, only DOL and the EPA use the words “compliance” and “compliance assistance” to link the public to materials that cover their laws, regulations, and standards. Other regulatory agencies have compliance assistance materials (i.e., regulations on line, virtual tours), but they are not labeled as “compliance assistance.” The materials are usually organized by links directed to particular users (employers, employees, small businesses, nonprofits, individual tax filers, tax professionals).

Only DOL offers interactive, expert advisor tools, such as ELAWS, that are capable of answering questions immediately. Like DOL, several other agencies (EPA, SBA, IRS) allow the public to submit questions about regulatory issues via e-mail, but a response may take several days.

Most of the agencies reviewed in this study tend to employ information posting (passive/passive) as their primary means of compliance assistance, but several agencies took different compliance assistance approaches as well. For example, the FDA has a searchable database of regulations, and the IRS has an online quiz that users can take to learn about filing returns.

All agencies, except for the FDA, had a call center. The DOL, SBA, and EEOC call centers used a single 1-800 number, whereas the IRS and the EPA had separate numbers for different types of callers (businesses or nonprofits, individuals, different sectors).

Of the six sites reviewed, only the IRS and the EPA had evaluation components for their compliance assistance resources. The EPA has an online survey and allows users to submit additional topics that they would like to see covered on the EPA site. The IRS allows users to send in comments about its sites.
In sum, DOL seems to place the strongest emphasis on “compliance assistance” as a tool for learning about regulations and offers a wider array of formats (passive/passive, active/passive, active/active) than the other agencies reviewed. The EPA and the SBA come the closest to DOL in terms of their compliance assistance tools.

**The Environmental Protection Agency.** EPA’s online National Compliance Assistance Clearinghouse ([http://cfpub.epa.gov/clearinghouse/](http://cfpub.epa.gov/clearinghouse/)) provides access to compliance tools (i.e., fact sheets and regulations) from the EPA as well as other compliance assistance providers such as state and local governments. The site also directs users to EPA’s 13 Compliance Assistance Centers ([http://www.assistancecenters.net/](http://www.assistancecenters.net/)) which are sites targeted to specific industries and managed in partnership with industry and government.

The nongovernmental organizations managing the sites are predominantly from industry associations and their research divisions—environmental groups are not represented in site management. Site managers include the Illinois Waste Management and Research Center, National Center for Manufacturing Research Science, American Association of Airport Executives, Printed Wiring Board Manufacturers, and Pacific Northwest National Laboratory. Three of the sites are run by government agencies (two by EPA and one by the U.S. Department of Agriculture).

The Compliance Assistance Centers provide environmental regulatory information on agriculture, auto repair, paints and coatings, chemicals, printed wiring boards, printing, transportation, metal finishing, local and federal maintenance of government facilities (two separate sites), auto recyclers, construction, and border compliance (a pilot site intended to help individuals who transport hazardous materials between the United States and Mexico). Types of compliance assistance information
range from information posting on the Internet, telephone assistance lines, and fax-back systems to e-mail discussion groups.

Although most of the EPA Compliance Assistance Centers simply post information on rules and regulations, the National Metal Finishing Resource Center and the Paints and Coating Resource Center have “ask the expert” tools, which allow users to send questions to industry specialists. These are not interactive tools, so it could take up to several days for a reply. Another feature offered by several of the Compliance Assistance Centers (ChemAlliance, Auto Recyclers, and Fedsite) is virtual tours of plant facilities that highlight regulatory requirements and health and safety issues. These virtual tours are similar to OSHA’s eTools for poultry processors and nursing homes.

EPA’s 13 web-based Compliance Assistance Centers cost approximately $1.3 million per year. Managing partners are paid by means of cooperative agreements. The first center was begun in 1996, followed by nine additional centers by 2002. No full-time employees work on the Compliance Assistance Centers, but approximately five part-time people maintain each site.

EPA has attempted to evaluate the usefulness of its centers by tracking site visits and through online user surveys. The Agency found that its centers were visited over 501,000 times in FY01, and 63 percent of the users who answered confidential online evaluation surveys visit the centers at least monthly. From these evaluations, EPA has learned that the audience for the centers includes regulated businesses, farms, government, the public, and other assistance providers. EPA also found that half of the online users of the Compliance Assistance Centers are from the regulated community, 10 percent from third-party intermediaries, and 16 percent from regulatory agencies. Nearly 73 percent of the surveyed users reported that use of the center resulted in “behavior
A behavioral change was characterized as (1) contacting a regulatory agency; (2) changing a process or practice; (3) contacting a vendor or service provider; (4) conducting a self-audit; or (5) changing the handling of waste or emissions.

And as of February 2003, EPA was in the process of developing a site called ENVCAP—the Environmental Compliance Assistance Platform. It will provide links to other compliance assistance providers in different industries that maintain their own compliance assistance sites. Currently, the links are only to EPA’s existing Compliance Assistance Centers. The site also has a feature that links users to state-specific environmental regulations. The state locator links users to state-by-state regulations on storm water resources, hazardous waste, asbestos, wetlands, and land use in areas where endangered species might be at risk.

**Small Business Administration.** SBA’s web-based compliance assistance site was initially designed in 1995 as a cross-agency portal for small businesses, allowing them to access business start-up information from several federal agencies. After consulting with the National Federation of Independent Businesses—which informed SBA that regulatory compliance was the primary concern of small business owners—SBA expanded this initiative to include links to compliance assistance tools on federal- and state-level business regulations. The site, [www.BusinessLaw.gov](http://www.BusinessLaw.gov), is the first integrated searchable site for state and federal government regulations and includes more than 20,000 links.

The BusinessLaw.gov site allows users to search for regulatory information by topic and then links users to federal and state agencies’ compliance assistance sites.11

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10 Information on the user survey and Compliance Assistance Center budgetary figures obtained from Tracy Back at the Environmental Protection Agency’s Office of Compliance, September 19, 2002.
Users can also select a state or territory to find links to state-specific regulations and laws that pertain to small businesses.¹²

SBA manages the BusinessLaw.gov site’s content, and a private contractor carries out the site’s maintenance. Funding for the site comes from the Office of Management and Budget (OMB) e-government initiative and SBA’s technology budget.

The BusinessLaw.gov site does not incorporate a formal evaluation (such as the survey found at EPA). SBA staff does track the number of visits and the most popular sites. The site receives an average of 250,000 hits per week. The most popular questions researched are (1) How do I start a business? (2) How can I apply for a loan? (3) How do I contact my congressional representative?

In March 2003, SBA was in the process of creating a tool called a “Profiler” that operates as an expert adviser to identify a type of business and its location (state or territory). Results from the Profiler will generate a search and select all of the compliance assistance tools that the particular business needs. For example, if a user identifies itself as a dry cleaning business in Maryland, the Profiler will select all relevant state and federal compliance assistance links for EPA, OSHA, Wage and Hour, etc. This tool, still under construction, is intended to help businesses find a wider range of compliance assistance tools than they might if they were searching for each compliance assistance topic separately.

¹¹ Regulatory topics include advertising, agriculture, communications, customs regulation, e-commerce, employment, energy, environment, financial services, food product safety, immigration, intellectual property, international trade, retirement benefits, safety and health, sales, taxes, and transportation.

¹² State topics include buying a business, buying a franchise, business structure, licenses and permits, paying taxes, selling to government, international trade, business resources, financing option, and managing employees.
D. State agency links to DOL’s compliance assistance

A search for state-level web-based compliance assistance found that the web sites of many state departments of labor have links to eTools and ELAWS. ELAWS were linked most often by state DOL sites (31 state DOL sites had links), whereas eTools were linked by only four states. All four of the states with links to OSHA’s eTools were state plan states—Minnesota, North Carolina, Oregon, and Washington. It is worth noting that North Carolina’s Department of Transportation had a link to OSHA’s eTools and an article recommending OSHA’s PowerPoint Presentations and CD-ROMs (www.doh.dot.state.nc.us/safety/safezone/news00024.html).

E. Results of Internet site visit and National Call Center data

Internet site visits. ELAWS Advisors provide assistance on Wage and Hour Division laws, workplace poster requirements, veterans’ issues, OSHA requirements for confined spaces, fire safety, lead in construction, workplace hazards, mine safety, retirement and health benefits, drugs in the workplace, and federal contracting laws. Figure 4 outlines the top five ELAWS topics accessed in September 2002.

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13 Keyword searches were conducted using the www.FirstGov.gov site to identify state agencies with links to ELAWS and eTools.
In September 2002, there were approximately 879,853 visits to the ELAWS site. The Department’s eTools site appears to have had about half that number of monthly visits.\(^\text{14}\)

The most frequently visited OSHA eTools from April through August 2002 were the computer workstation ergonomic eTool (42,840 visits); the Safety and Health tutorial that teaches users how to develop a safety plan (21,840); the construction eTool (20,369); the respiratory systems eTool (19,995); and the eTool on lockout/tagout standards (15,898).

**National Call Center Data.** The National Call Center received 60,351 calls between July 1 and December 31, 2002. Eight percent of these calls (5,082 calls) were coded by customer service representatives as responding to requests for compliance assistance. A call is considered to be a compliance assistance request if the caller is looking for information on a particular law administered by the Department of Labor. Figure 5 outlines the top five compliance assistance areas that callers addressed during this period.\(^\text{15}\)

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\(^{14}\) The number of average monthly site visits March to August 2002 to the eTools’ site ranged from 300,000 to 400,000.

\(^{15}\) Call center data obtained from Virginia Klien at DOL’s Office of the Assistant Secretary for Policy (OASP).
Figure 5. National Call Center data

<table>
<thead>
<tr>
<th>National Call Center Requests (July 1, 2002–December 31, 2002)</th>
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<tbody>
<tr>
<td>1. Fair Labor Standards Act (1,114 calls)</td>
</tr>
<tr>
<td>2. Poster Requirements (925 calls)</td>
</tr>
<tr>
<td>3. Family Medical Leave Act (703 calls)</td>
</tr>
<tr>
<td>4. Employee Retirement and Income Security Act (541)</td>
</tr>
<tr>
<td>5. Immigration and Nationality Act (273)</td>
</tr>
</tbody>
</table>

One set of data provided by the National Call Center on volume from mid-November 2002 until mid-January 2003 indicated that 21,261 inquiries came from employees versus 3,202 calls from employers. (If callers do not self-identify whether they are employers or employees, customer service representatives at the National Call Center ask them.) These data suggest—and only suggest—that employees may be a major constituency for compliance assistance tools.

Although the Internet site visit and the National Call Center data represent different time periods and different tools, the findings suggest that a majority of users of DOL’s compliance assistance tools are in search of information on the Fair Labor Standards Act, the Family Medical Leave Act, and poster requirements. Our preliminary analyses of these data also suggest that more systematic, integrated time series data on use of DOL’s different web-based tools might provide a clearer picture of site traffic levels and point the way to future areas of investment.
IV. Conclusions and Recommendations

1. Increase standardization of data on the use of differing compliance assistance tools. In our own efforts to analyze records for ELAWS, eTools, and the National Call Center, we found it difficult to develop reasonably uniform, longitudinal data for comparable periods. Site visit data for ELAWS and eTools are collected by separate technology providers that track visits differently. ELAWS data, for example, include length of time a page is viewed, whereas eTools data counts only the number of times a page is viewed. Data on other types of web-based compliance assistance tools, such as online posters or regulations, were unavailable. We believe that more consistently maintained data that record compliance assistance visits, their length, the topics that users are searching for, and where possible, the general characteristics of the user (e.g., employer, employee.) could help the Department understand audiences that are and are not being reached and tools that are and are not being heavily used.

2. Assess use of compliance assistance in state plan states. Our qualitative assessment of firms’ use and perceptions of DOL compliance assistance was limited to states in which OSHA is administered by the Department itself. (OSHA was one of two substantive foci of the work—the other was the Wage and Hour Division.) Given the fact that 26 states are state plan
states, accounting for 53 percent of the national labor force, a parallel analysis would provide a more complete picture of compliance assistance use and issues. The work should be supplemented by an assessment of how the discrete, web-based compliance assistance efforts are mounted by individual states, how they intersect with those of DOL, and the views of third-party intermediaries within the state.

3. **Insert a user evaluation module in compliance assistance tools.** DOL might consider following the lead of EPA and IRS and appending a brief assessment module to compliance assistance sites. The Department is already planning an online customer service survey, as outlined in its E-Government Strategic Plan (February 2003). But the module suggested here would probe more than users’ views regarding the accessibility of the site and topics they would like to see covered. Using EPA’s evaluation as an example, the online evaluation could attempt to get at the impact of compliance assistance tools by inquiring about changes in firm behavior that arise from use of the tools. Although an online evaluation has its pitfalls—respondents are self-selected and results are not statistically representative—it might still be a useful measure for identifying new topics or learning more about user responses.

4. **Systematically document the evolution and objectives of the Department’s compliance assistance initiative.** The relative significance of compliance assistance to the Department’s overall regulatory strategy, its multifaceted quality, and importantly, its institutionalization within the

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new Office of Compliance Assistance with the OASP, suggest the need to systematically document the current program and its evolving goals. The documentation could serve as a policy baseline for assessing future progress and prove helpful to other agencies as, presumably, the use of web-based compliance assistance expands.

5. **Ensure that compliance assistance reaches beyond employers to employees.** Data from the National Call Center in particular suggest that many of the inquiries come from self-identified employees, not employers. This is not surprising, of course, given the historical mission of the Department. But these data suggest that employees (or protected populations) may not be finding their way to the tools (other than the National Call Center) that are linked to compliance assistance—some of which might prove of substantial interest and value. It further suggests the utility of making the application of compliance assistance to audiences other than firms clearer on the DOL homepage. Indeed, employees are likely to have even less information available to them than employers as they try to understand the rules that govern the workplace and their employers.

This, in turn, suggests that DOL might consider additional efforts to make these user-friendly, interactive tools more broadly available. In this regard, the Department might:

- Advertise the National Call Center and Internet tools on DOL posters that are already required by law to be posted in the workplace.
- Expand translation of tools into languages other than Spanish for both employer and employee audiences. (Our own research indicates that a quarter of low-wage workers in the United States are immigrants; almost half of all immigrant workers have limited English proficiency.) Research on the occupations of these workers could help identify the compliance assistance tools that should be translated to reach the most workers and employers.

6. **Examine the scope of third-party intermediary compliance assistance.**

   Our discussions with firms revealed that employers often rely on private third parties to guide compliance, even if firms refer to compliance assistance materials on government web sites. We also found that third parties use the Department’s compliance assistance tools for their own research; several were consulted in the development of compliance assistance tools for DOL’s web site, and all of them used the web site regularly to inform their own work. To better understand how the Department’s compliance assistance tools fit into the context of private compliance assistance, DOL could consider research initiatives that map the universe of third-party compliance assistance providers (associations, health and safety specialists, unions, private firms that provide fee-based assistance), the types of compliance assistance they provide to firms, and how they use DOL’s compliance assistance tools. An understanding of the scope and character of third-party compliance assistance and how it may be changing is crucial if the Department plans to develop and leverage compliance assistance tools in the future. If the purpose of the e-
government compliance assistance tools is to relieve firms of the information burden, but firms continue to rely on third parties for regulatory guidance, then the hoped-for savings may not be realized. This scenario reinforces the need to take a closer look at third parties to determine whether government-provided compliance assistance is a substitute for or a complement to the services third parties provide. It would also require a systematic assessment of the cost-effectiveness of the tools, the savings that may be generated, and who (employers or third-party intermediaries) is capturing them.

7. **Concluding thoughts and caveats.** This research effort examined e-government and compliance assistance, two policy areas that are rapidly evolving. E-government is a nascent field that has been in existence for a little more than half a decade. At the same time, though, the merits of information and cooperation versus sanctions-based enforcement regimes have long been debated in the literature—especially in the field of environmental regulation. To the degree that regulation is considered in the context of e-government, it is usually thought of as online submission of comments on proposed regulations; online licensure; and regulation of the Internet, along with the First Amendment issues that flow from such regulation.

The preliminary results we report here, then, tie together new and previously unrelated strands of research. While our results might be described as preliminary, we believe they represent an important step in understanding
how firms use compliance assistance as e-government initiatives continue to evolve.
V. Annotated Bibliography

A. Index of selected articles by topic

Selected articles from our literature review are organized by topic area. The general topics cover compliance assistance policy, e-government, and regulatory reform. In the section that follows, synopses of these articles and their full citation are arranged according to topic.

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<th>Topic</th>
<th>Articles</th>
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<td>Compliance Assistance</td>
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<td>policies</td>
<td></td>
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<tr>
<td>assistance tools</td>
<td>Brooks, Roger (2002). “What Good Is a Regulation if No One Comprehends It? OSHA Tries to Help by Bringing Answers to Employers and Workers via the Internet.”</td>
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<tr>
<td>E-Government</td>
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<tr>
<th>Regulatory Reform</th>
<th>Center for Regulatory Effectiveness (2002). “Regulation by Information.”</th>
</tr>
</thead>
</table>
B. Compliance assistance articles


Topic: Compliance Assistance Policies

In 1999, Congress asked NAPA to conduct an independent evaluation of state and federal enforcement and compliance data and to recommend strategies for collecting reliable data. Data reliability has grown as an issue after EPA devolved power to the states in the 1990s and they began implementing compliance assistance programs.

NAPA finds that enforcement data and data on the number and participation levels of compliance assistance programs are not complete or accurate enough to reveal whether environmental conditions are improving. NAPA concludes that “virtually no useful data on the effectiveness of state and EPA compliance assistance programs are available” and recommends that the states and EPA develop sound methods for evaluating the effectiveness of their compliance assistance programs. In general, the report recommends that EPA and the states focus on environmental outcomes and impacts rather than the number of enforcement and compliance activities as indicators of effectiveness.

**Topic:** Compliance Assistance Policies

This article characterizes environmental enforcement issues as a debate between the states and EPA over deterrence versus cooperation as alternative means to achieve compliance. The article also reviews empirical evidence to date and finds that the limited research points to little evidence of cooperative regulation being more effective than deterrence-based regulation. The author notes, however, that researchers are still in the early stages of collecting data on cooperative compliance and the effectiveness of compliance assistance and incentive programs. On balance, the author concludes that enhancing compliance assistance as one of the many tools of regulation is still a valid objective, but it should not fully replace deterrence models. The author recommends that compliance assistance programs should target small businesses and be used as a follow-up to inspections and other enforcement activities.

In the 1990s, the states began to push EPA for greater state autonomy and more emphasis on cooperative enforcement, with “compliance assistance” as their preferred tool for achieving compliance. State compliance assistance programs were aimed at small businesses and included workshops, newsletters, fact sheets, web information, technical assistance visits, and “plain English” guides explaining regulatory requirements. The states created compliance assistance programs that provided information by industry levels, and in some cases, by city and township levels, so they could reach larger numbers of small facilities more efficiently. At the same time that the states expanded compliance
assistance programs, they cut back on traditional deterrence-based tools—inspections, enforcement actions, and penalties. During this period EPA data revealed dramatic drops in overall state enforcement of federal statutes.

A few studies indicate improvement in compliance rates after cooperative strategies were substituted for traditional practices. These include:

- A pilot cooperative compliance program conducted by Cal/OSHA (California’s OSHA) that found lower accident rates after promoting self-regulation by labor and management.
- OSHA’s Voluntary Protection Program, which found that injury rates were lowered at 150 worksites from 65 percent to 35 percent.
- A compliance incentive program in the auto repair industry in Santa Rosa, California, that reported positive results.
- A 1998 survey by the Association of State and Territorial Solid Waste Management Officials that found noticeable improvement in compliance after technical assistance and information was provided.

There are also a few studies that directly compare the effectiveness of deterrence- and cooperative-oriented strategies. A study of the pulp and paper industries in the United States and Canada found that compliance is lower in Canada, where a cooperative model is used (Harrison 1995). A review of nonpoint source control programs in 20 states found that cooperative approaches were less effective than deterrence (Burby and Paterson 1993). Another Canadian study (Krahn 2000) of the forest sector in British Columbia found that a period of voluntary compliance resulted in an increase in discharged pollutants. In contrast, a series of studies (Gray and Deily 1996; Helland 1998; Magat and
Viscusi 1990) of deterrence-based approaches for the pulp and paper industry in the
United States and Canada revealed that increasing enforcement increases compliance and
decreasing deterrence often translates into noncompliance.

**Topic:** Compliance Assistance Policies

This article explores the problem of “regulatory accretion,” which the authors define as the growth in size, extent, and scope of regulatory law. Accretion of regulatory law is so obvious, the authors contend, that most critics of regulation fail to see that it warrants scrutiny. Rather, criticism of regulatory systems focuses on inefficiency, complexity, and the democratic deficit of the administrative state. Their article describes the phenomenon of regulatory accretion and how it increases noncompliance by changing how the regulatory system operates, as it increases both the information burden (tasks required to comply) and the effort burden (performing compliance tasks). The paradox of accretion, the authors point out, is that the best strategy for managing system burdens is to “keep up,” thus adding to the information and effort burdens. Compliance assistance theory is based on the premise that regulators can and should help regulated parties keep pace with the growth in regulation through plain English translation of rules that are disseminated through a variety of outreach methods, such as meetings, hotlines, site visits, and printed or electronic resource materials.

The authors assert that compliance assistance theory focuses only on information burdens rather than effort burdens. Compliance assistance also faces the problem of “there being so much regulation for which assistance is needed….it risks making the false promise that one can read the brochures, check the websites, call the hotlines, and attain full compliance through this path of enlightenment and education alone.” The authors conclude that although the spirit and intent of compliance assistance should be
applauded, it is insufficient on its own and does not take system burdens sufficiently into account.
This chapter is based on the premise that when an agency decides that its reactive, traditional regulatory strategies are no longer effective, agency staff begin to seek other compliance tools. They search for an optimal mix of deterrence and cooperative strategies, often resulting in a “balanced compliance strategy.” The optimal mix of compliance and enforcement, however, is difficult to calculate.

The chapter cites a controversy in 1995 when Congress considered designating 50 percent of OSHA’s annual appropriation for use in cooperative programs, which reflected the preferences of the legislative branch over the executive branch. Critics of the congressional proposal acknowledged that “the policy literature does not provide a basis for such a change (shifting 50 percent of resources into cooperative programs) because the optimal mix of cooperation and enforcement is not known.” Other agencies, such as the Internal Revenue Service, have developed econometric models to try to calculate the best mix. Still, no real conclusions have been drawn from these statistical experiments. The author recommends, in the absence of literature and empirical evidence, a balanced model, which consists of (1) identifying a range of desirable strategies (enforcement vs. cooperative); (2) deciding overall resource allocation; and (3) assigning a specific set of targets for each strategy.
C. Reviews of compliance assistance tools


**Topic:** Review of Compliance Assistance Tools

A study at Purdue University’s Center for Customer Driven Quality compared federal, state, and local government call center operations with business-to-business (B2B) and business-to-customer (B2C) call centers in the private sector. A 16-page questionnaire was distributed at trade shows and through direct mailings, and Purdue University held a telephone campaign requesting that possible participants answer the questionnaire online. There were 93 respondent questionnaires analyzed for this study, but Purdue is continuing to collect information for a database of 500 to 1,000 public sector participants for future reports.

From the 93 questionnaires, it was found that federal call centers handle more incoming calls from citizens (67.9 percent) than from business (19.1 percent) or government employees (14.2 percent). Similar trends were found in state and local public sector call centers. Federal and state call centers were found to have service levels (measured by how many seconds it takes to handle an incoming call) comparable to B2B and B2C centers, but local municipality centers lag behind. It was also found that public sector call centers average 12 percent fewer errors per 1,000 data entries during a call compared with the private sector. Caller satisfaction for public sector call centers (59 percent) was greater than B2C (45 percent) or B2B (54 percent) call centers. Federal satisfaction (54 percent), however, was lower than satisfaction scored by local (62 percent) and state (67 percent) call centers.

**Topic:** Reviews of Compliance Assistance Tools

Brooks reviews the Logout/Tagout Interactive Training program on OSHA’s website. He states that the tool was developed in an effort to get employers and workers to think about the standard and understand what the rule mandates. The article explains the training module step-by-step. The site is characterized as “fluid and well put together….navigation from one section to the next is easy and by keeping the training module simple, OSHA makes it easier to digest the maze of confusing rules that make up the lockout/tagout standard.” The author also comments that the wording is easy to grasp and that the treatment of a very dry topic is “entertaining.” After completing the tutorial, the user is led to a “Hot Topics” section about logout/tagout, which the author says is organized logically and includes a useful glossary. Finally, the author walks through seven case studies included in the tool, which he believes to be the most interesting and useful feature of the program. The author concludes that this is “a wonderful auxiliary tool that works miracles by breaking down a cumbersome standard into text both simple and engaging.”
The article describes eTools as “free and confidential assistance that is available on-line by the Department of Labor” and notes that OSHA created these tools with the help of trade associations, labor unions, local governments, and the public. The article provides an overview of what topics eTools cover and provides testimonials from several health and safety professionals who claim that eTools are helpful and reliable and alert them to hazards of which they were not previously aware.

**Topic:** Reviews of Compliance Assistance Tools

**Topic**: Reviews of Compliance Assistance Tools

The article addresses certified OSHA trainers who may be concerned that they will lose their jobs because of web-based training programs. It reviews OSHA guidelines on training and concludes that web-based training rather than instructor-led training is permissible under OSHA training guidelines in most cases, depending on the training objectives. The article compares different styles of training (video, classroom, hands-on) and recommends that instructors understand how the merits of different training styles meet the training objectives of the regulation in question. It also recommends that instructors ask vendors for proof of e-training’s effectiveness. Finally, the article encourages trainers to integrate electronic technologies into their practices and to understand the training preferences of their audiences.
D. E-government trends


**Topic:** E-government Trends

On behalf of the Council of Excellence in Government, Hart-Teeter conducted a poll of the general public, government officials, and institutional “customers” of government (businesses and nonprofits) on how they use government web sites. The poll found that 79 percent of businesses and nonprofit leaders interviewed use government web sites and that 72 percent of them rate the sites as excellent or good. Nearly three-quarters (73 percent) of those institutions said that being able to find information or conduct transactions over the Internet has made it easier to do business with federal agencies. The poll also found that 53 percent of businesses and nonprofit leaders said that the ability to find government information on the Internet has “made it easier for them to comply with government regulations.”
At the request of Senator Joseph Lieberman, the General Accounting Office (GAO) reviewed the selection process that the OMB task force on e-government used to select 24 e-government initiatives. The GAO looked at the documentation related to the selection and implementation of each of the e-government initiatives and found that only nine identified a strategy for obtaining funding and that fewer than half of the initiatives addressed collaboration with other agencies and/or a customer focus.

The GAO recommends identifying funding streams and collaboration between managing partners of the initiatives. It also recommends that e-government managers solicit input from the public before implementing e-government projects.

**Topic:** E-government Trends

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This report examines the use of government web sites by individuals, not businesses. Based on a January 2002 telephone poll of 2,391 respondents, the authors estimate that 68 million American adults use government agency web sites. Eighty percent of respondents said they found what they were looking for on the sites. Federal (visited by 80 percent of adults) and state (76 percent) sites are more popular than local government sites (41 percent); the most frequent use of government web sites is for tourism and recreational information (77 percent). Use of government web sites related to regulation includes obtaining advice or information about health or safety issues (49 percent) and applying for permits and licenses (7 percent). The poll also found that users are more likely to search government sites for information than to conduct service transactions.
NFIB commissioned the Gallup organization to conduct a poll of small businesses on their Internet use. Gallup completed 752 interviews with small businesses (defined as no more than 249 employees) and found that 57 percent of all small employers use the Internet for business-related activities. The most common applications are gathering information on prices and products and e-mail communication with suppliers and customers. The Gallup poll also found that 16 percent of small businesses do not use computers. The poll did not include any questions concerning the use of government web sites or using the Internet to find compliance assistance information for regulations.

**Topic:** E-government Trends

The paper provides background information on the size and scope of e-government and proposed e-government initiatives under the Bush administration. OMB states that more than 60 percent of all Internet users interact with government web sites and that there are more than 35 million federal web pages online at more than 22,000 federal web sites. OMB predicts that federal information technology (IT) spending in the United States will exceed $48 billion in FY2002 and $52 billion in FY2003.

The e-government strategy consists of four pillars: Government to Citizens (G2C), Government to Business (G2B), Government to Government (G2G), and Internal Efficiency and Effectiveness (IEE). The G2G strategy includes an integrated government-wide business architecture that will support (1) rulemaking, (2) program administration (permits and licensing), and (3) compliance information (consumer safety, law enforcement). There is also a planned initiative for a single, cross-agency business compliance portal to be managed by SBA that would offer tutorials to help users determine which regulatory rules apply to them and how to proceed. (Note: As of February 2003, SBA has a site that provides links to all government regulatory agencies, [www.BusinessLaw.gov](http://www.BusinessLaw.gov), but this site does not include tutorials or expert systems. The site does include a link to eTools and ELAWS.)

**Topic:** E-government Trends

This study examined 148 federal web sites and evaluated the sites for usability, effective information architecture (how information is organized and presented), user help and service navigation tools, features that lend legitimacy and credibility to the site (privacy policies and visible contact information), and accessibility for persons with disabilities. Using an additive index of these features, the study rated the top 12 federal web sites. One of these was the Mine Safety and Health Administration (MSHA), which was ranked seventh, but the study did not profile MSHA’s site in the report. (It profiled only the top five.) None of the profiled agencies had compliance assistance tools that were recommended by the study’s author.

Reviewing the sites using the criteria listed above led the author to the following conclusions:

1. Consider users’ privacy and security concerns by developing and prominently displaying privacy and security policies.

2. Assure users that the web site is current and regularly maintained by providing contact information for the agency and the site and posting the date the site was last updated.

3. Web designers and managers need to educate agency leadership on changes in the field and the importance of maintaining a web site well in order to cultivate support for e-government and management initiatives.

4. Organize web sites with the user in mind. Often, sites are designed along the lines of the agency’s structure, which the average user may not understand.
Organization should therefore include ample and varied types of user help and clear navigational aids that direct users to services and specific types of information.
E. Regulation on the Internet

Center for Regulatory Effectiveness. 2002. “Regulation by Information.”

**Topic:** Regulation on the Internet

The Center for Regulatory Effectiveness (CRE) identifies “regulation by information” as a practice that emerged in the past 15 to 20 years and is characterized as the government’s practice of collecting and making public various types of information on private business activities. CRE claims that publishing private business data can put regulated entities in an unfavorable light in order to force compliance with public norms. This form of regulation is applauded by some as a means of attaining policy objectives without the need for “costly” and “time-consuming” rulemaking, and the Internet has given regulation by information an entirely new dimension. Through the Internet, corporate reporting data can be made instantly available worldwide without the public knowing for certain whether or not the data are reliable. The issue was litigated by a firm regulated by EPA that brought suit to prevent EPA’s publication of data that could be used to compare the toxicity of different reported diseases (*Tozzi v. EPA*). EPA had assembled the data as part of a new pilot data project called the Sector Facility Indexing project, or SFIP. The SFIP data set was controversial because it used a contested logarithmic calculation. EPA dropped its plan to publicize the data three days before the case was to be argued. CRE believes that this form of Internet-based regulation by information calls for an amendment to the Paperwork Reduction Act and the implementation of a Federal Data Quality Program.
Topic: Regulation on the Internet

This study examines how federal regulatory agencies are using IT as a regulatory tool for rulemaking, compliance assistance, information collection and dissemination, and regulatory enforcement. In the area of compliance assistance, the report identifies DOL’s eTools and ELAWS and EPA’s 10 Compliance Assistance Centers. The study notes that DOL’s tools were finalists for the Innovations in American Government Award, awarded by Harvard University’s John F. Kennedy School of Government and the Ford Foundation.

Interviews with representatives from nongovernmental and governmental organizations about the usefulness of the tools raise issues of content accuracy and access to online information. Representatives from nongovernmental organizations and government observe that IT-based applications in regulatory information may make individual businesses more vulnerable to scrutiny and federal enforcement actions and disadvantage those with limited IT access. The study also identified factors that encourage successful IT regulatory management in government agencies, such as top-level support, financial resources, legislative and executive branch IT initiatives, reengineering of existing business processes, and internal and external partnerships with critical stakeholders. The study finds that states are less likely than the federal government to use interactive IT applications for regulation.
F. Regulatory reform: administrative management


Topic: Regulatory Reform: Administrative Management

GAO examines whether having multiple government agencies oversee the same hazardous material regulations places unnecessary burdens on employers. According to the report, eight primary statutes governing hazardous materials are administered by four agencies: OSHA, EPA, the Bureau of Alcohol, Tobacco and Firearms (ATF), and the Chemical Safety and Hazard Investigation Board (CSB). GAO found that OSHA, EPA, and ATF regulations overlap and that 29 percent of hazardous materials covered by EPA statutes were also covered by OSHA and ATF, thus causing managers in these industries to duplicate their efforts in training, record keeping, and emergency response planning and notification. GAO recommends consolidation of common training, establishment of general protocols for multi-agency incident investigations, and outreach to employers for preparing consolidated emergency response plans. OSHA, providing commentary, agrees that there is overlap between EPA and OSHA in the areas of worker training and emergency response procedures, but claims that the report fails to cover ways in which the agencies have attempted to minimize overlap.
G. Regulatory reform: incentive regulation


**Topic:** Regulatory practices: Incentive Regulation

This article examines regulatory programs in which the federal government leaves many compliance decisions to the regulated entities, a practice the author calls “cooperative implementation.” He believes cooperative implementation is feasible if (1) regulatory standards are written to leave discretion in methods of compliance; (2) economic incentives exist to offset costs; and (3) entities report their own compliance.

The Department of Labor’s Voluntary Protection Program (VPP) is highlighted as an example of cooperative implementation. The author notes that OSHA regulation is a prime candidate for “adoption of cooperative regulatory strategies, given the practical difficulties accompanying direct enforcement of OSHA standards.” He asserts that difficulty in implementing the VPP is that the benefit provided—relief from annual inspections—might not be perceived to be of much value to regulated entities if inspections are not perceived to be a realistic threat.

**Topic:** Regulatory Reform: Incentive Regulation

This article defines incentive regulation as “the implementation of rules that encourage a regulated firm to achieve desired goals by granting some, but not complete, discretion to the firm.” The article focuses on how to design incentive regulation programs for economic regulation and states that incentive regulation is most appropriate in settings where the regulated firm has better information than the regulator about its environment. The article also states that design of incentive regulation is complicated because of the conflicting goals of ensuring reasonable prices of goods and protecting the environment.

**Topic:** Regulatory Reform: Incentive Regulation

The authors contend that incentive-based regulatory theory, the theory that the government should hold regulated communities accountable for achieving results while freeing them to develop and choose among differing means of accomplishing those results, should serve as a model relationship between the U.S. Congress and federal regulatory agencies. While this argument is not directly relevant to this study of compliance assistance, the article makes salient points applicable to incentive-based regulation and compliance assistance: (1) incentive-based regulation is a sign that a new generation of regulators is emerging, one that depends on trust and cooperation; (2) incentive-based regulation signifies a shift from direct government; and (3) incentive-based regulation is a starting point for other regulatory approaches that began to take root in the 1990s (i.e., cooperative and voluntary), which the authors call “beyond incentives.” Examples are the first Bush administration’s 1990 Pollution Prevention Act; EPA’s 33/50 voluntary program to reduce use of 17 specific toxic chemicals; and EPA’s partner program. The authors note that OSHA’s 1982 Star program started this trend. The Star program recognized that some members of the regulated community had demonstrated trustworthiness and had their own internal governing systems and therefore did not require the same level of scrutiny as others. These new “beyond incentive” initiatives have been widely embraced by regulatory thinkers and offer an opportunity to enhance the substantive aims of government while reducing both the cost of administration and the ultimate cost of compliance to the regulated.
H. Regulatory reform: wage and hour compliance


**Topic:** Regulatory Reform: Administrative Management; Wage and Hour Compliance

This paper discusses the feasibility, challenges, and merits of conducting random surveys of firm compliance by the DOL and other agencies administering health and safety regulations. Research was conducted through field visits to DOL district offices, interviews with key informants in the national office of the Employment Standards Administration in Washington, D.C., and a review of DOL compliance surveys for the garment industry, nursing homes, and restaurants. The authors identified several challenges to conducting compliance surveys, such as developing consistent sampling frames, obtaining sufficient sample sizes, identifying businesses not found in databases (e.g., underground garment firms), and disentangling the sources of compliance and noncompliance.

Given these limitations, alternate methods of measuring regulatory performance were recommended. These include using (1) readily available Wage and Hour administrative data; (2) employer sample surveys; (3) worker samples from the U.S. Current Population Survey; (4) employment audits; and (5) econometric studies on wage and enforcement efforts.
I. Regulatory reform: OSHA compliance


**Topic:** Regulatory Reform: OSHA Compliance

This article considers the applicability of DOL’s interpretive letters to the regulated community. The author begins by explaining that in 1999, OSHA and the Wage and Hour divisions each issued interpretive letters that raised concerns within the business community. OSHA’s letter provided guidance on employer liability for telecommuters; the Wage and Hour letter advised employers to include profits from a stock option program as part of nonexempt workers’ base pay for purposes of overtime calculations under the Fair Labor Standards Act (FLSA). The OSHA letter was eventually rescinded, while the Wage and Hour letter was still under review at the time this article was written.

The author explains that when a regulatory agency issues an interpretive letter under a practice known as deference, the agency can bind the affected parties with the letter until a court reviews the agency’s interpretation. The article reviews the legal framework of federal court deference to agency actions, citing specific cases where the courts have been persuaded by the Department’s interpretive rule (*Falken v. Glynn County 1999*, *Herman v. NationsBank Trust Co. 1997*) and cases where courts disregarded the rule (*Owley v. San Antonio Independent School District 1999*, *Kilgore v. Outback Steakhouse of Florida 1998*). The author concludes that the legal effect of interpretive rulings by DOL is not clear-cut, as rulings can go either way. Furthermore, most interpretive letters may not be brought to courts, as employers must expend their
own resources to spur court review. Given the inequity of the process and the inconsistency of court rulings, she argues that agencies should not rely on such letters to promulgate regulatory standards, but should follow Administrative Procedure Act notice-and-comment procedures.

The article implicitly raises an issue that bears on DOL’s compliance assistance efforts, as posting interpretive letters on the web is one of the DOL’s compliance assistance strategies.

**Topic:** Regulatory Reform: OSHA Compliance

Using longitudinal data from OSHA’s Integrated Management Information System (IMIS) of establishments in the custom woodworking industry, the author examines the relationship between OSHA enforcement pressure and levels of compliance. According to the author, one view of OSHA, “the onerous ogre,” is that it needlessly subjects firms to high compliance costs. The other view, “the toothless tiger,” asserts that OSHA conducts a small number of inspections relative to the total number of establishments, thus leaving OSHA unable to effectively regulate businesses and leaving room for violations that will go unchecked. Aggregate data on enforcement activity supports the “toothless tiger” view, and other studies have shown that incentives to comply are minimal, as there is a small probability (5 percent) of follow-up inspections, even after a violation.

Through examining IMIS inspection records for the custom woodworking industry from 1972 to 1991 (a sample chosen for its uniformity of safety regulations), the author discovers a high level of initial compliance (between 42 and 51 percent). According to the author, this is occurring because (1) compliance decisions may be made on the basis of potential, rather than actual penalties; (2) when firms are inspected, they are given information on the benefits of compliance and thus improve their compliance practices; and (3) other factors, such as union status and establishment size, also have positive impacts on compliance. The author concludes that the results of this study point to a strong link between OSHA enforcement and compliance, even in an industry subject to modest pressure.
VI. **E-government Resources**

Center for Democracy and Technology  

Center for Technology in Government, University at Albany  
[http://www.ctg.albany.edu/](http://www.ctg.albany.edu/)

Democracy Online Project, George Washington University  

Employment Laws Assistance for Workers and Small Businesses  

Government Site for Submitting Comments on Federal Regulations  
[www.regulations.gov](http://www.regulations.gov)

Legal and Regulatory Information for America’s Small Businesses  

[http://www.whitehouse.gov/omb/memoranda/m03-18.pdf](http://www.whitehouse.gov/omb/memoranda/m03-18.pdf)

Office of Management and Budget’s Office of Information Policy, IT, and E-Government  
[http://www.whitehouse.gov/omb/inforeg/infopoltech.html](http://www.whitehouse.gov/omb/inforeg/infopoltech.html)

Pew Internet and American Life  
[http://www.pewinternet.org/](http://www.pewinternet.org/)

The President’s E-Government Initiatives  
[http://www.whitehouse.gov/omb/egov/](http://www.whitehouse.gov/omb/egov/)

Technology Policy Research Council  

The U.S. Government’s Official Web Portal  
VII. Bibliography


