

105TH CONGRESS  
1ST SESSION

# H. R. 1235

To establish a Corporate Welfare Reduction Commission, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 8, 1997

Mr. DICKEY introduced the following bill; which was referred to the Committee on Government Reform and Oversight, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To establish a Corporate Welfare Reduction Commission,  
and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Corporate Welfare Re-  
5       duction Act”.

6       **SEC. 2. CORPORATE WELFARE REDUCTION COMMISSION.**

7       (a) ESTABLISHMENT.—There is established an inde-  
8       pendent commission to be known as the “Corporate Wel-  
9       fare Reduction Commission”.

1 (b) PURPOSE.—The purpose of the Commission is to  
2 recommend reductions in corporate subsidies to reduce the  
3 Federal budget deficit in accordance with this Act.

4 (c) APPOINTMENT.—

5 (1) NUMBER OF MEMBERS.—The Commission  
6 shall be composed of 7 members appointed by the  
7 President.

8 (2) TIME OF APPOINTMENTS.—The President  
9 shall appoint the members of the Commission not  
10 later than the first day of the first session of the  
11 first Congress beginning after the date of the enact-  
12 ment of this Act, or as soon thereafter as is prac-  
13 ticable.

14 (3) CHAIRPERSON.—The Commission shall des-  
15 ignate a chairperson from among its members.

16 (d) TERMS.—Each member of the Commission shall  
17 be appointed to serve for the life of the Commission.

18 (e) MEETINGS.—Each meeting of the Commission,  
19 other than meetings in which classified information is to  
20 be discussed, shall be open to the public.

21 (f) VACANCIES.—The President shall fill any vacancy  
22 occurring in the Commission.

23 (g) PAY AND TRAVEL EXPENSES.—

24 (1) PAY.—Subject to paragraph (3), each mem-  
25 ber of the Commission shall be paid at a rate not

1 to exceed the daily equivalent of the annual rate of  
2 basic pay payable for level IV of the Executive  
3 Schedule under section 5315 of title 5, United  
4 States Code, for each day (including travel time)  
5 during which the member is engaged in the actual  
6 performance of duties vested in the Commission.

7 (2) TRAVEL EXPENSES.—Members of the Com-  
8 mission shall receive travel expenses, including per  
9 diem in lieu of subsistence, in accordance with sec-  
10 tions 5702 and 5703 of title 5, United States Code.

11 (3) PROHIBITION OF COMPENSATION OF FED-  
12 ERAL EMPLOYEES.—Members of the Commission  
13 who are full-time officers or employees of the United  
14 States, or Members of Congress, may not receive ad-  
15 ditional pay, allowances, or benefits by reason of  
16 their service on the Commission.

17 (h) DIRECTOR OF STAFF.—

18 (1) IN GENERAL.—The Commission shall ap-  
19 point a Director.

20 (2) PAY.—The Director shall be paid at a rate  
21 not to exceed the rate of basic pay payable for level  
22 IV of the Executive Schedule under section 5315 of  
23 title 5, United States Code.

24 (i) STAFF.—

1           (1) IN GENERAL.—Subject to paragraphs (2)  
2           and (3), the Director, with the approval of the Com-  
3           mission, may appoint and fix the pay of additional  
4           personnel to carry out the functions of the Commis-  
5           sion.

6           (2) APPOINTMENT AND PAY.—The Director  
7           may make such appointments without regard to the  
8           provisions of title 5, United States Code, governing  
9           appointments in the competitive service, and any  
10          personnel so appointed may be paid without regard  
11          to the provisions of chapter 51 and subchapter III  
12          of chapter 53 of that title (relating to classification  
13          and General Schedule pay rates), except that an in-  
14          dividual so appointed may not receive pay in excess  
15          of the annual rate of basic pay payable for level IV  
16          of the Executive Schedule under section 5315 of title  
17          5, United States Code.

18          (3) DETAILING FROM FEDERAL DEPARTMENTS  
19          AND AGENCIES.—Upon the request of the Director,  
20          the head of any Federal department or agency may  
21          detail any of the personnel of that department or  
22          agency to the Commission to assist the Commission  
23          in carrying out its functions under this Act.

24          (j) OTHER AUTHORITY.—

1           (1) EXPERTS AND CONSULTANTS.—The Com-  
2 mission may procure by contract, to the extent funds  
3 are available, the temporary or intermittent services  
4 of experts or consultants pursuant to section 3109  
5 of title 5, United States Code.

6           (2) LEASING AND PERSONAL PROPERTY.—The  
7 Commission may lease space and acquire personal  
8 property to the extent funds are available. To the  
9 extent practicable, the Commission shall use suitable  
10 real property available under the most recent inven-  
11 tory of real property assets published by the Resolu-  
12 tion Trust Corporation under section 21A(b)(11)(F)  
13 of the Federal Home Loan Bank Act (12 U.S.C.  
14 1441a(b)(11)(F)).

15          (k) FUNDING.—There are authorized to be appro-  
16 priated to the Commission such funds as are necessary  
17 to carry out its functions under this Act. Such funds shall  
18 remain available until expended.

19          (l) TERMINATION.—The Commission shall terminate  
20 on December 31 of the year of the first session of the  
21 fourth Congress beginning after the date of the enactment  
22 of this Act.

23 **SEC. 3. PROCEDURE FOR MAKING RECOMMENDATIONS**  
24 **FOR CORPORATE SUBSIDY REDUCTIONS.**

25          (a) CRITERIA.—

1           (1) IN GENERAL.—Not later than 6 months  
2       after the first day of the first session of the first  
3       Congress beginning after the date of the enactment  
4       of this Act, the Commission shall publish in the Fed-  
5       eral Register and transmit to the Congress a pre-  
6       liminary draft of the criteria which the Commission  
7       proposes should be used in making recommendations  
8       for reductions in corporate subsidies under this Act.  
9       Before the publication required by this paragraph,  
10      the Commission shall provide an opportunity for  
11      public comment on the proposed criteria for a period  
12      of at least 30 days and shall hold a public hearing  
13      on the proposed criteria. The Commission shall pro-  
14      vide the public with appropriate notice of such op-  
15      portunity to comment and of such hearing.

16           (2) FACTORS CONSIDERED.— In developing the  
17      criteria, the Commission shall consider—

18                   (A) the income categories of individuals af-  
19      fected by any reduction in corporate subsidies;

20                   (B) the number of individuals affected by  
21      any such reduction; and

22                   (C) the number, type, and size of busi-  
23      nesses affected by any such reduction.

24           (3) PUBLICATION AND TRANSMISSION.—Not  
25      later than the last day of the first session of the first

1 Congress beginning after the date of the enactment  
2 of this Act, the Commission shall publish in the Fed-  
3 eral Register and transmit to the Congress the final  
4 criteria for making recommendations for reductions  
5 in corporate subsidies under this Act.

6 (4) AVAILABILITY OF INFORMATION.—The  
7 Commission shall make available to the Comptroller  
8 General of the United States all information used by  
9 the Commission in formulating the criteria.

10 (b) REVIEW AND RECOMMENDATIONS BY THE COM-  
11 MISSION.—

12 (1) IN GENERAL.—By not later than the last  
13 day of the first session of each Congress occurring  
14 during the life of the Commission, the Commission  
15 shall identify corporate subsidies and shall publish in  
16 the Federal Register and transmit to the President  
17 and the Congress a report containing a list of cor-  
18 porate subsidy reductions that the Commission rec-  
19 ommends on the basis of the final criteria referred  
20 to in subsection (a).

21 (2) ADDITIONAL CONTENTS OF REPORT.—The  
22 Commission, with each list of recommendations pub-  
23 lished and transmitted under paragraph (1)—

24 (A) shall include—

1 (i) a summary of the selection process  
2 that resulted in the recommendations; and  
3 (ii) with respect to each subsidy which  
4 the Commission recommends to be reduced  
5 or eliminated, an analysis of the savings  
6 that would result from such elimination or  
7 reduction; and

8 (B) may include legislative language which  
9 if enacted would have the effect of carrying out  
10 the corporate subsidy reductions which are rec-  
11 ommended by the Commission on such list.

12 (3) AVAILABILITY OF INFORMATION.—After  
13 transmitting a report under paragraph (1), the Com-  
14 mission shall make available to the Congress and the  
15 Comptroller General of the United States all infor-  
16 mation used by the Commission in making the rec-  
17 ommendations contained in such report.

18 (c) ASSISTANCE FROM COMPTROLLER GENERAL.—  
19 The Comptroller General of the United States shall—

20 (1) assist the Commission, to the extent re-  
21 quested by the Commission, in the Commission's re-  
22 view and analysis of the criteria transmitted by the  
23 Commission under subsection (a); and

24 (2) not later than 45 days after each trans-  
25 mission required by subsection (b)(1), transmit to



1 the Congress, to the President, and to the Commis-  
2 sion a report containing a detailed analysis of the  
3 Commission's recommendations and selection proc-  
4 ess.

5 **SEC. 4. JOINT COMMITTEE ON CORPORATE SUBSIDY RE-**  
6 **DUCTION.**

7 (a) ESTABLISHMENT.—There is established a Joint  
8 Committee on Corporate Subsidy Reduction.

9 (b) MEMBERSHIP.—

10 (1) IN GENERAL.—The Joint Committee shall  
11 consist of 22 members as follows:

12 (A) 11 members of the House of Rep-  
13 resentatives, to be appointed by the majority  
14 leader of the House of Representatives, 6 from  
15 the majority and 5 from the minority party.

16 (B) 11 members of the Senate, to be ap-  
17 pointed by the majority leader of the Senate, 6  
18 from the majority and 5 from the minority  
19 party.

20 (2) MANNER OF APPOINTMENTS.—In making  
21 appointments under paragraph (1), the majority  
22 leader of the House of Representatives and the ma-  
23 jority leader of the Senate shall give due consider-  
24 ation to providing appropriate representation on the  
25 Joint Committee to committees of the House and

1 Senate, respectively, which have jurisdiction over  
2 matters relating to corporate subsidies.

3 (3) TIME OF APPOINTMENTS.—The appoint-  
4 ments referred to in paragraph (1) shall be made  
5 not later than 30 days after the first transmission  
6 of recommendations under section 3(b)(1).

7 (c) VACANCIES.—Vacancies in the membership of the  
8 Joint Committee shall not affect the power of the remain-  
9 ing members to execute the functions of the Joint Com-  
10 mittee and shall be filled in the same manner as in the  
11 case of the original appointment.

12 (d) CHAIRPERSON AND VICE CHAIRPERSON.—The  
13 Joint Committee shall elect a chairperson and vice chair-  
14 person from among its members at the beginning of each  
15 Congress in which the Joint Committee exists. The vice  
16 chairperson shall be chosen from among the members of  
17 that House of Congress other than the House of Congress  
18 of which the chairperson is a member. The vice chair-  
19 person shall act in the place and stead of the chairperson  
20 in the absence of the chairperson.

21 (e) STAFF.—The Joint Committee is authorized to  
22 appoint and fix the compensation of such professional and  
23 clerical staff and such experts as it deems appropriate.

24 (f) LEGISLATIVE JURISDICTION AND POWERS.—

1           (1) PREPARATION AND INTRODUCTION OF LEG-  
2       ISLATIVE LANGUAGE TO IMPLEMENT COMMISSION  
3       RECOMMENDATIONS.—By not later than 3 months  
4       after the beginning of the second session of each  
5       Congress, until the Joint Committee terminates  
6       under subsection (h), the Joint Committee shall pre-  
7       pare, and the chairperson shall introduce, in the  
8       House in which the chairperson is a Member, and  
9       the vice chairperson shall introduce, in the House in  
10      which the vice chairperson is a Member, a bill which,  
11      if enacted, would have the effect of carrying out the  
12      corporate subsidy reductions which are rec-  
13      ommended by the Commission in the report submit-  
14      ted under section 3(b) in the preceding session of  
15      that Congress. Each bill under this paragraph shall  
16      be introduced on the same day.

17           (2) LEGISLATIVE JURISDICTION.—Bills intro-  
18      duced under paragraph (1) and other bills and reso-  
19      lutions which if enacted would accomplish the gov-  
20      ernment-wide reduction or elimination of corporate  
21      subsidies shall be referred to the Joint Committee.  
22      The members of the Joint Committee who are Mem-  
23      bers of the Senate shall from time to time report to  
24      the Senate, and the members of the Joint Commit-  
25      tee who are Members of the House of Representa-

1       tives shall from time to time report to the House of  
2       Representatives, by bill or otherwise, their rec-  
3       ommendations with respect to matters within the ju-  
4       risdiction of their respective Houses which are re-  
5       ferred to the Joint Committee.

6           (3) POWERS.—The Joint Committee, or any  
7       duly authorized subcommittee thereof, is authorized  
8       to sit and act at such places and times and to hold  
9       such hearings as it deems appropriate. The Joint  
10      Committee, or any duly authorized subcommittee  
11      thereof, is authorized to require by subpoena (to be  
12      issued under the signature of the chairperson or vice  
13      chairperson) or otherwise the attendance of such  
14      witnesses and the production of such books, papers,  
15      and documents, to administer such oaths and affir-  
16      mations, to take such testimony, to procure such  
17      printing and binding, and to make such expenditures  
18      as it deems advisable.

19      (g) HOUSE OF REPRESENTATIVES EXPENSES.—Not-  
20      withstanding any law, rule, or other authority, there shall  
21      be paid out of the applicable accounts of the House of  
22      Representatives such sums as may be necessary for one-  
23      half of the expenses of the Joint Committee. Such pay-  
24      ments shall be made on vouchers signed by the House of  
25      Representatives chairperson or vice chairperson of the

1 Joint Committee and approved in the manner directed by  
2 the Committee on House Oversight of the House of Rep-  
3 resentatives. Amounts made available under this para-  
4 graph shall be expended in accordance with regulations  
5 prescribed by the Committee on House Oversight of the  
6 House of Representatives.

7 (h) TERMINATION.—The Joint Committee shall ter-  
8minate on December 31 of the year of the second session  
9 of the fourth Congress beginning after the date of the en-  
10actment of this Act.

11 **SEC. 5. CONGRESSIONAL CONSIDERATION OF COMMISSION**  
12 **REPORT.**

13 (a) AMENDMENTS IN ORDER.—It shall be in order  
14 for the Joint Committee to consider amendments to any  
15 bill which is referred to the Joint Committee.

16 (b) DISCHARGE OF CORPORATE SUBSIDY REDUC-  
17TION LEGISLATION.—If the Joint Committee has not re-  
18ported a bill introduced under section 4(f)(1) by the end  
19 of the 3-month period beginning on the date of such intro-  
20duction, the Joint Committee shall be, at the end of such  
21 period, discharged from further consideration of such bill,  
22 and such bill shall be placed on the appropriate calendar  
23 of the House involved.

24 (c) CONSIDERATION.—

1           (1) IN GENERAL.—On or after the third day  
2       after the date on which the Joint Committee has re-  
3       ported, or has been discharged (under subsection  
4       (b)) from further consideration of, a bill introduced  
5       under section 4(f)(1), it is in order (even though a  
6       previous motion to the same effect has been dis-  
7       agreed to) for any Member of the respective House  
8       to move to proceed to the consideration of such bill  
9       (but only on the day after the calendar day on which  
10      such Member announces to the House concerned the  
11      Member’s intention to do so). All points of order  
12      against the bill (and against consideration of the  
13      bill) are waived. The motion is highly privileged in  
14      the House of Representatives and is privileged in the  
15      Senate and is not debatable. The motion is not sub-  
16      ject to amendment, or to a motion to postpone, or  
17      to a motion to proceed to the consideration of other  
18      business. A motion to reconsider the vote by which  
19      the motion is agreed to or disagreed to shall not be  
20      in order. If a motion to proceed to the consideration  
21      of the bill is agreed to, the respective House shall  
22      immediately proceed to consideration of the bill with-  
23      out intervening motion, order, or other business, and  
24      the bill shall remain the unfinished business of the  
25      respective House until disposed of.

1           (2) DEBATE, ETC.—Debate on the subsidy re-  
2       duction bill, and on all debatable motions and ap-  
3       peals in connection therewith, shall be limited to not  
4       more than 2 hours, which shall be divided equally  
5       between those favoring and those opposing the bill.  
6       An amendment to the bill is not in order. A motion  
7       further to limit debate is in order and not debatable.  
8       A motion to postpone, or a motion to proceed to the  
9       consideration of other business, or a motion to re-  
10      commit the bill is not in order. A motion to recon-  
11      sider the vote by which the bill is agreed to or dis-  
12      agreed to is not in order.

13           (3) VOTE.—Immediately following the conclu-  
14      sion of the debate on the subsidy reduction bill and  
15      a single quorum call at the conclusion of the debate  
16      (if requested in accordance with the rules of the ap-  
17      propriate House), the vote on final passage of the  
18      bill shall occur.

19           (4) APPEALS.—Appeals from the decisions of  
20      the Chair relating to the application of the rules of  
21      the Senate or the House of Representatives, as the  
22      case may be, to the procedure relating to the subsidy  
23      reduction bill shall be decided without debate.

24   **SEC. 6. RULES OF THE SENATE AND HOUSE.**

25       Sections 4 and 5 are enacted by the Congress—

1           (1) as an exercise of the rulemaking power of  
2       the Senate and House of Representatives, respec-  
3       tively, and as such sections 4 and 5 are deemed a  
4       part of the rules of each House, respectively, but ap-  
5       plicable only with respect to the procedure to be fol-  
6       lowed in that House in the case of the subsidy re-  
7       duction bill, and such sections supersede other rules  
8       only to the extent that such sections are inconsistent  
9       with such rules; and

10          (2) with full recognition of the constitutional  
11       right of either House to change the rules (so far as  
12       relating to the procedure of that House) at any time,  
13       in the same manner and to the same extent as in  
14       the case of any other rule of that House.

15 **SEC. 7. DEFINITIONS.**

16       For purposes of this Act:

17          (1) COMMISSION.—The term “Commission”  
18       means the Corporate Welfare Reduction Commis-  
19       sion.

20          (2) CORPORATE SUBSIDY.—The term “cor-  
21       porate subsidy”—

22               (A) means any direct payment, service, or  
23       benefit made by the Federal Government to an  
24       entity or industry engaged in a profitmaking



1 enterprise, if such payment, service, or bene-  
2 fit—

3 (i) predominantly serves the pecuniary  
4 interests of the specific entity or industry  
5 rather than a clear and compelling public  
6 interest;

7 (ii) provides an unfair competitive ad-  
8 vantage to one entity within an industry or  
9 market segment, or to one particular in-  
10 dustry;

11 (iii) is provided without a reasonable  
12 expectation that actions or activities under-  
13 taken or performed in return for such pay-  
14 ment, service, or benefit would result in a  
15 return or benefit to the public at least as  
16 great as the payment, service, or benefit;  
17 or

18 (iv) has the effect of creating any  
19 other inequitable Federal direct or indirect  
20 benefit;

21 (B) includes spending subsidies (including  
22 those for inland waterway operators) and free  
23 or below-market-rate services which are pro-  
24 vided by the Federal Government to or with re-

1 spect to any corporation or other profit-making  
2 enterprise;

3 (C) does not include any subsidy, service,  
4 or protection provided directly or indirectly by  
5 the Federal Government to any Federal entity,  
6 Federal agency, government-sponsored enter-  
7 prise, or Government corporation (as defined in  
8 section 9101 of title 31, United States Code),  
9 but does include any subsidy within the mean-  
10 ing of subparagraph (A) or (B) provided by any  
11 such Federal entity, Federal agency, govern-  
12 ment-sponsored enterprise, or Government cor-  
13 poration to an entity or industry engaged in a  
14 profitmaking enterprise; and

15 (D) does not include any tax benefit or ad-  
16 vantage.

17 (3) GOVERNMENT-SPONSORED ENTERPRISE.—

18 The term “government-sponsored enterprise” means  
19 the Federal National Mortgage Association, the Fed-  
20 eral Home Loan Mortgage Corporation, the Federal  
21 Home Loan Bank System, the Farm Credit Banks,  
22 the Banks for Cooperatives, the Federal Agricultural  
23 Mortgage Corporation, the Student Loan Marketing  
24 Association, the College Construction Loan Insur-

1       ance Association, and any of their affiliated or mem-  
2       ber institutions.

3               (4) JOINT COMMITTEE.—The term “Joint Com-  
4       mittee” means the Joint Committee on Corporate  
5       Subsidy Reduction.

6               (5) SUBSIDY REDUCTION BILL.—The term  
7       “subsidy reduction bill” means a bill introduced  
8       under section 4(f)(1) which the Joint Committee has  
9       reported or with respect to which the Joint Commit-  
10      tee has been discharged under section 5(b) from fur-  
11      ther consideration.

○