

Calendar No. 209

105TH CONGRESS  
1ST Session

**S. 207**

[Report No. 105-107]

**A BILL**

A bill to review, reform, and terminate unnecessary  
and inequitable Federal subsidies

OCTOBER 9, 1997

Reported with amendments and an amendment to the  
title

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## IN THE SENATE OF THE UNITED STATES

JANUARY 28, 1997

Mr. MCCAIN (for himself, Mr. THOMPSON, Mr. KERRY, Mr. FEINGOLD, Mr. KENNEDY, Mr. COATS, Mr. GLENN, Mr. LIEBERMAN, Mr. BROWNBACK, Mr. ABRAHAM, Ms. COLLINS, Mr. SMITH of New Hampshire, and Mr. KOHL) introduced the following bill; which was read twice and referred to the Committee on Governmental Affairs

OCTOBER 9, 1997

Reported by Mr. THOMPSON, with amendments and an amendment to the title  
[Omit the part struck through and insert the part printed in *italic*]

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## A BILL

A bill to review, reform, and terminate unnecessary and inequitable Federal subsidies

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

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Corporate Subsidy Re-  
3 form Commission Act of 1997”.

4 **SEC. 2. FINDINGS.**

5       The Congress finds that—

6           (1) Federal subsidies, including tax advantages,  
7       which may have been enacted with a valid purpose  
8       for specific industries or industry segments can—

9           (A) fall subject to abuse, causing unantici-  
10       pated and unjustified windfalls to some indus-  
11       tries and industry segments; or

12           (B) become obsolete, anticompetitive, or no  
13       longer in the public interest, making such sub-  
14       sidies unnecessary or undesired;

15           (2) it is unfair to force the United States tax-  
16       payer to support unnecessary subsidies, including  
17       tax advantages, that do not provide a substantial  
18       public benefit or serve the public interest;

19           (3) the Congress and the President have been  
20       unable to evaluate methodically those Federal sub-  
21       sidies that are unfair and unnecessary and require  
22       reform or elimination; and

23           (4) a Commission to advise the President and  
24       Congress is essential to a comprehensive review of  
25       such unfair corporate subsidies and to the reform or  
26       elimination of such subsidies.

1 **SEC. 3. PURPOSE.**

2       The purpose of this Act is to establish a fair and de-  
 3 liberative process that will result in the timely identifica-  
 4 tion, review, and reform or elimination of unnecessary and  
 5 inequitable subsidies, including tax advantages, provided  
 6 by the Federal Government to entities or industries en-  
 7 gaged in profitmaking enterprises.

8 **SEC. 4. DEFINITION.**

9       For purposes of this Act, the term “inequitable Fed-  
 10 eral subsidy” means a payment, benefit, service, or tax  
 11 advantage that—

12           (1) is provided by the Federal Government to  
 13 any corporation, partnership, joint venture, associa-  
 14 tion, or business trust, not to include—

15           (A) a nonprofit organization described  
 16 under section 501(c)(3) of the Internal Revenue  
 17 Code of 1986 that is exempt from taxation  
 18 under section 501(a) of the Internal Revenue  
 19 Code of 1986; or

20           (B) a State or local government or Indian  
 21 Tribe *or Alaska Native village or regional or vil-*  
 22 *lage corporation as defined in or established pur-*  
 23 *suant to the Alaska Native Claims Settlement*  
 24 *Act (43 U.S.C. 1601 et seq.);*

25           (2) is provided without a reasonable expecta-  
 26 tion, demonstrated with the use of reliable perform-

1       ance criteria, that actions or activities undertaken or  
 2       performed in return for such payment, benefit, serv-  
 3       ice, or tax advantage would result in a return or  
 4       benefit, quantifiable or nonquantifiable, to the public  
 5       at least as great as the payment, benefit, service, or  
 6       tax advantage;

7           (3) provides an unfair competitive advantage or  
 8       financial windfall; and

9           ~~(4) shall not include a payment, benefit, service,~~  
 10       ~~or tax advantage that—~~

11           ~~(A)(i) is awarded for the purposes of re-~~  
 12       ~~search and development in the broad public in-~~  
 13       ~~terest on the basis of a peer reviewed or other~~  
 14       ~~open, competitive, merit-based procedure;~~

15           ~~(ii) is for a purpose consistent with the~~  
 16       ~~mission of the agency;~~

17           ~~(iii) supports competing technologies at~~  
 18       ~~levels appropriate to their potential, as deter-~~  
 19       ~~mined by an appropriate priority setting proc-~~  
 20       ~~ess; and~~

21           ~~(iv) is for research and development that~~  
 22       ~~the private sector cannot reasonably be ex-~~  
 23       ~~pected to undertake without Federal support at~~  
 24       ~~a level or in a time frame consistent with the~~  
 25       ~~payment, benefit, service, or tax advantage's po-~~

1           tential to provide broad economic or other pub-  
 2           lic benefit;

3           (4) shall not include a payment, benefit, service,  
 4           or tax advantage that—

5                   (A) is awarded for the purposes of research  
 6           and development that—

7                           (i) is in the broad public interest on  
 8                           the basis of a peer reviewed or other open,  
 9                           competitive, merit-based procedure;

10                          (ii) is for a purpose consistent with the  
 11                          mission of the agency;

12                          (iii) supports competing technologies at  
 13                          levels appropriate to their potential, as de-  
 14                          termined by an appropriate priority setting  
 15                          process; and

16                          (iv) the private sector cannot reason-  
 17                          ably be expected to undertake without Fed-  
 18                          eral support at a level or in a timeframe  
 19                          consistent with the payment, benefit, serv-  
 20                          ice, or tax advantage's potential to provide  
 21                          broad economic or other public benefit;

22                          (B) primarily benefits public health, safety,  
 23           the environment, or education;

24                          (C) is necessary to comply with inter-  
 25           national trade or treaty obligations;

1 (D) is certified by the United States Trade  
2 Representative as specifically intended and as  
3 substantially needed to protect the foreign trade  
4 interests of the United States; or

5 (E) is for the purpose of procurement of  
6 property or services by the United States Gov-  
7 ernment.

8 **SEC. 5. THE COMMISSION.**

9 (a) ESTABLISHMENT.—There is established an inde-  
10 pendent commission to be known as the “Corporate Sub-  
11 sidy Reform Commission” (hereafter in this Act, referred  
12 to as the “Commission”).

13 (b) DUTIES.—The Commission shall—

14 (1) examine the programs and tax laws of the  
15 Federal Government and identify programs and tax  
16 laws that provide inequitable Federal subsidies;

17 (2) review inequitable Federal subsidies; and

18 (3) submit the report required under section  
19 6(b) to the President and the Congress.

20 (c) LIMITATIONS.—

21 (1) CREATION OF NEW PROGRAMS OR TAXES.—

22 This Act is not intended to result in the creation of  
23 new programs or taxes, and the Commission estab-  
24 lished in this section shall limit its activities to re-  
25 viewing existing programs or tax laws with the goal

1 of ensuring fairness and equity in the operation and  
 2 application thereof.

3 (2) ELIMINATION OF AGENCIES AND DEPART-  
 4 MENTS.—The Commission shall limit its rec-  
 5 ommendations to the termination or reform of pay-  
 6 ments, benefits, services, or tax advantages, rather  
 7 than the termination of Federal agencies or depart-  
 8 ments.

9 (d) ADVISORY COMMITTEE.—The Commission shall  
 10 be considered an advisory committee within the meaning  
 11 of the Federal Advisory Committee Act (5 U.S.C. App.).

12 (e) APPOINTMENT.—

13 (1) MEMBERS.—The Commissioners shall be  
 14 appointed for the life of the Commission and shall  
 15 be composed of nine members of whom—

16 (A) three shall be appointed by the Presi-  
 17 dent of the United States;

18 (B) two shall be appointed by the Speaker  
 19 of the House of Representatives;

20 (C) one shall be appointed by the minority  
 21 Leader of the House of Representatives;

22 (D) two shall be appointed by the majority  
 23 Leader of the Senate; and

24 (E) one shall be appointed by the minority  
 25 Leader of the Senate.



1           (2) CONSULTATION REQUIRED.—The President,  
2           the Speaker of the House of Representatives, the mi-  
3           nority leader of the House of Representatives, the  
4           majority leader of the Senate, and the minority lead-  
5           er of the Senate shall consult among themselves  
6           prior to the appointment of the members of the  
7           Commission in order to achieve, to the maximum ex-  
8           tent possible, fair and equitable representation of  
9           various points of view with respect to the matters to  
10          be studied by the Commission under subsection (b).

11          (3) APPOINTMENTS.—During the period of  
12          January 1, 1998 through January 31, 1998, the  
13          President shall submit to the Senate the names of  
14          three individuals for appointment to the Commis-  
15          sion.

16          (4) FAILURE TO APPOINT.—If the President  
17          does not submit to Congress the names of three indi-  
18          viduals for appointment to the Commission on or be-  
19          fore the date specified in paragraph (3), the process  
20          established under this Act shall be terminated.

21          (5) CHAIRMAN.—At the time the President  
22          nominates individuals for appointment to the Com-  
23          mission the President shall designate one such indi-  
24          vidual who shall serve as Chairman of the Commis-  
25          sion.

1           (6) BACKGROUND.—The members shall rep-  
2       resent a broad array of expertise covering, to the ex-  
3       tent practical, all subject matter, programs, and tax  
4       laws the Commission is likely to review.

5       (f) TERMS.—Each member of the Commission in-  
6       cluding the Chairman shall serve until the termination of  
7       the Commission.

8       (g) MEETINGS.—

9           (1) INITIAL MEETING.—No later than April 1,  
10       1998, the Commission shall conduct its first meet-  
11       ing.

12          (2) OPEN MEETINGS.—Each meeting of the  
13       Commission shall be open to the public. In cases  
14       where classified information, trade secrets, or per-  
15       sonnel matters are discussed, the Chairman may  
16       close the meeting. All proceedings, information, and  
17       deliberations of the Commission shall be available,  
18       upon request, to the chairman and ranking member  
19       of the relevant committees of Congress.

20       (h) VACANCIES.—A vacancy on the Commission shall  
21       be filled in the same manner as the original appointment.

22       (i) PAY AND TRAVEL EXPENSES.—

23           (1) PAY.—Notwithstanding section 7 of the  
24       Federal Advisory Committee Act (5 U.S.C. App.),  
25       each Commissioner, other than the Chairman, shall

1 be paid at a rate equal to the daily equivalent of the  
2 minimum annual rate of basic pay for level IV of the  
3 Executive Schedule under section 5315 of title 5,  
4 United States Code, for each day (including travel  
5 time) during which the member is engaged in the  
6 actual performance of duties vested in the Commis-  
7 sion.

8 (2) CHAIRMAN.—Notwithstanding section 7 of  
9 the Federal Advisory Committee Act (5 U.S.C.  
10 App.), the Chairman shall be paid for each day re-  
11 ferred to in paragraph (1) at a rate equal to the  
12 daily payment of the minimum annual rate of basic  
13 pay payable for level III of the Executive Schedule  
14 under section 5314 of title 5, United States Code.

15 (3) TRAVEL EXPENSES.—Members shall receive  
16 travel expenses, including per diem in lieu of subsist-  
17 ence, in accordance with section 5702 and 5703 of  
18 title 5, United States Code.

19 (j) DIRECTOR OF STAFF.—

20 (1) QUALIFICATIONS.—The Chairman shall ap-  
21 point a Director who has not served in any of the  
22 entities or industries that the Commission intends to  
23 review during the 12 months preceding the date of  
24 such appointment.

1           (2) PAY.—Notwithstanding section 7 of the  
2       Federal Advisory Committee Act (5 U.S.C. App.),  
3       the Director shall be paid at the rate of basic pay  
4       payable for level IV of the Executive Schedule under  
5       section 5315 of title 5, United States Code.

6           (3) REPORTS.—On administrative and person-  
7       nel matters, the Director shall submit periodic re-  
8       ports to the Chairman of the Commission and the  
9       chairman and ranking member of the Committee on  
10      Governmental Affairs of the Senate and the Com-  
11      mittee on Government Reform and Oversight of the  
12      House of the Representatives.

13      (k) STAFF.—

14           (1) ADDITIONAL PERSONNEL.—Subject to para-  
15      graphs (2) and (4), the Director, with the approval  
16      of the Commission, may appoint and fix the pay of  
17      additional personnel.

18           (2) APPOINTMENTS.—The Director may make  
19      such appointments without regard to the provisions  
20      of title 5, United States Code, governing appoint-  
21      ments in the competitive service, and any personnel  
22      so appointed may be paid without regard to the pro-  
23      visions of chapter 51 and subchapter III of chapter  
24      53 of that title relating to classification and General  
25      Schedule pay rates.

1           (3) DETAILEES.—Upon the request of the Di-  
2       rector, the head of any Federal department or agen-  
3       cy may detail any of the personnel of that depart-  
4       ment or agency to the Commission to assist the  
5       Commission in accordance with an agreement en-  
6       tered into with the Commission.

7           (4) RESTRICTIONS ON PERSONNEL AND  
8       DETAILEES.—The following restrictions shall apply  
9       to personnel and detailees of the Commission:

10           (A) PERSONNEL.—No more than one-third  
11       of the personnel detailed to the Commission  
12       may be on detail from Federal agencies that  
13       deal directly or indirectly with the Federal sub-  
14       sidies the Commission intends to review.

15           (B) ANALYSTS.—No more than one-fifth of  
16       the professional analysts of the Commission  
17       may be persons detailed from a Federal agency  
18       that deals directly or indirectly with the Federal  
19       subsidies the Commission intends to review.

20           (C) LEAD ANALYST.—No person detailed  
21       from a Federal agency to the Commission may  
22       be assigned as the lead professional analyst  
23       with respect to an entity or industry the Com-  
24       mission intends to review if the person has been  
25       involved in regulatory or policy-making deci-

1           sions affecting any such entity or industry in  
2           the 12 months preceding such assignment.

3           (D) DETAILEE.—A person may not be de-  
4           tailed from a Federal agency to the Commission  
5           if, within 12 months before the detail is to  
6           begin, that person participated personally and  
7           substantially in any matter within that particu-  
8           lar agency concerning the preparation of rec-  
9           ommendations under this Act.

10          (E) FEDERAL OFFICER OR EMPLOYEE.—  
11          No member of a Federal agency, and no officer  
12          or employee of a Federal agency, may—

13               (i) prepare any report concerning the  
14               effectiveness, fitness, or efficiency of the  
15               performance on the staff of the Commis-  
16               sion of any person detailed from a Federal  
17               agency to that staff;

18               (ii) review the preparation of such re-  
19               port; or

20               (iii) approve or disapprove such a re-  
21               port.

22          (F) LIMITATION ON STAFF SIZE.—(i) Sub-  
23          ject to clause (ii), there may not be more than  
24          25 persons (including any detailees) on the  
25          staff at any time.

1           (ii) The Commission may increase person-  
2           nel in excess of the limitation under clause (i),  
3           15 days after submitting notification of such in-  
4           crease to the Committee on Governmental Af-  
5           fairs of the Senate and the Committee on Gov-  
6           ernment Reform and Oversight of the House of  
7           Representatives.

8           (G) LIMITATION ON FEDERAL OFFICER.—  
9           No member of a Federal agency and no em-  
10          ployee of a Federal agency may serve as a Com-  
11          missioner or as a paid member of the staff.

12         (5) ASSISTANCE.—

13           (A) IN GENERAL.—The Comptroller Gen-  
14          eral of the United States may provide assist-  
15          ance, including the detailing of employees, to  
16          the Commission in accordance with an agree-  
17          ment entered into with the Commission.

18           (B) CONSULTATION.—The Commission  
19          and the Comptroller General of the United  
20          States shall consult with the Committee on  
21          Governmental Affairs of the Senate and the  
22          Committee on Government Reform and Over-  
23          sight of the House of Representatives on the  
24          agreement referred to under subparagraph (A)  
25          before entering into such agreement.

1 (l) OTHER AUTHORITY.—

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

7 (2) LEASING.—The Commission may lease  
 8 space and acquire personal property to the extent  
 9 that funds are available.

10 (m) FUNDING.—

11 (1) COMMISSION.—There are authorized to be  
 12 appropriated to the Commission such funds as are  
 13 necessary to carry out its duties under this Act.

14 (2) COMPTROLLER GENERAL.—There are au-  
 15 thorized to be appropriated to the Comptroller Gen-  
 16 eral of the United States such funds as are nec-  
 17 essary to carry out its duties under subsection (k)(5)  
 18 and section 6(b)(5).

19 (n) TERMINATION.—The Commission shall terminate  
 20 on September 1, 1999.

21 **SEC. 6. PROCEDURE FOR MAKING RECOMMENDATIONS TO**  
 22 **TERMINATE CORPORATE SUBSIDIES.**

23 (a) AGENCY PLAN.—

24 (1) IN GENERAL.—No later than April 1, 1998,  
 25 or the date budget documents are submitted to Con-



1       gress in 1998, whichever is earlier, in support of the  
2       budget of each Federal department or agency, the  
3       head of each department or agency shall include in  
4       such documents a list identifying all programs or tax  
5       laws within that department or agency that the head  
6       of the department or agency determines provide in-  
7       equitable Federal subsidies.

8               (2) CONTENTS.—Such a list shall include—

9                   (A) a detailed description of each program  
10                  or tax law in question;

11                  (B) a statement detailing the extent to  
12                  which a payment, benefit, service, or tax advan-  
13                  tage meets the provisions of section 4;

14                  (C) a statement summarizing the legisla-  
15                  tive history and purpose of such payment, bene-  
16                  fit, service, or tax advantage, and the laws or  
17                  policies directly or indirectly giving rise to the  
18                  need for such programs or tax laws; and

19                  (D) a recommendation to the Commission  
20                  regarding actions to be taken under section  
21                  5(b)(3).

22               (3) INTERNATIONAL TRADE PROGRAMS.—As  
23       part of its agency plan submitted pursuant to this  
24       subsection, the United States Trade Representative  
25       shall survey all federally supported international

1 trade programs in all Federal agencies and shall cer-  
2 tify to the Commission which of those programs  
3 meet the requirements of section 4(4)(D). The  
4 Trade Representative shall provide the Commission  
5 a detailed statement of the reasons each program  
6 was or was not so certified as part of its agency  
7 plan.

8 (b) REVIEW AND RECOMMENDATIONS BY THE COM-  
9 MISSION.—

10 (1) REVIEW AND HEARINGS.—At any time after  
11 the submission of the budget documents to Con-  
12 gress, the Commission shall conduct public hearings  
13 on the recommendations included in the lists re-  
14 quired under subsection (a). All testimony before the  
15 Commission at a public hearing conducted under  
16 this paragraph shall be presented under oath.

17 (2) REPORT OF COMMISSION.—

18 (A) REPORT TO PRESIDENT.—No later  
19 than November 30, 1998, the Commission shall  
20 submit a report to the President containing the  
21 Commission's findings and recommendations  
22 for termination, modification, or retention of  
23 each of the inequitable Federal subsidies re-  
24 viewed by the Commission. Such findings and  
25 recommendations shall specify—

1 (i) all actions, circumstances, and con-  
2 siderations relating to or bearing upon the  
3 recommendations; and

4 (ii) to the maximum extent prac-  
5 ticable, the estimated effect of the rec-  
6 ommendations upon the policies, laws and  
7 programs directly or indirectly affected by  
8 the recommendations.

9 (B) CHANGES IN RECOMMENDATIONS.—

10 Subject to the deadline in subparagraph (A), in  
11 making its recommendations, the Commission  
12 may make changes in any of the recommenda-  
13 tions made by a department or agency if the  
14 Commission determines that such department  
15 or agency deviated substantially from the provi-  
16 sions of section 4.

17 (C) CHANGES.—In the case of a change in  
18 the recommendations made by a department or  
19 agency, the Commission may make the change  
20 only if the Commission—

21 (i) makes the determination required  
22 under subparagraph (B); and

23 (ii) conducts a public hearing on the  
24 Commission's proposed changes.

1 (D) APPLICATION.—Subparagraph (C)  
2 shall apply to a change by the Commission in  
3 a department or agency recommendation that  
4 would—

5 (i) add or delete a payment, benefit,  
6 service, or tax advantage to the list rec-  
7 ommended for termination;

8 (ii) add or delete a payment, benefit,  
9 service, or tax advantage to the list rec-  
10 ommended for modification; or

11 (iii) increase or decrease the extent of  
12 a recommendation to modify a payment,  
13 benefit, service, or tax advantage included  
14 in a department's or agency's rec-  
15 ommendation.

16 (3) JUSTIFICATION.—The Commission shall ex-  
17 plain and justify in the report submitted to the  
18 President under paragraph (2) any recommendation  
19 made by the Commission that is different from a  
20 recommendation made by an agency under sub-  
21 section (a).

22 (4) REPORT TO CONGRESS.—After November  
23 30, 1998, or after the date the Commission submits  
24 recommendations to the President, the Commission  
25 shall, upon request, promptly provide to any Member

1 of Congress the information used by the Commission  
2 in making its recommendations.

3 (5) COMPTROLLER GENERAL.—The Comptrol-  
4 ler General of the United States shall—

5 (A) assist the Commission, to the extent  
6 requested, in the Commission’s review and anal-  
7 ysis of the list, statements, and recommenda-  
8 tions made by departments and agencies under  
9 subsection (a); and

10 (B) no later than 60 days after April 1,  
11 1998, or the public release of the President’s  
12 budget documents in 1998, whichever is earlier,  
13 submit to the Congress and to the Commission  
14 a report containing a detailed analysis of the  
15 list, statements, and recommendations of each  
16 department or agency.

17 (c) REVIEW BY THE PRESIDENT.—

18 (1) IN GENERAL.—No later than December 31,  
19 1998, the President shall submit a report to the  
20 Commission and to the Congress containing the  
21 President’s approval or disapproval of the Commis-  
22 sion’s recommendations submitted under subsection  
23 (b).

24 (2) APPROVAL.—If the President approves all  
25 the recommendations of the Commission, the Presi-

1       dent shall submit a copy of such recommendations  
2       to the Congress, together with a certification of such  
3       approval.

4           (3) DISAPPROVAL.—If the President dis-  
5       approves the recommendations of the Commission in  
6       whole or in part, the President shall submit to the  
7       Commission and the Congress the reasons for that  
8       disapproval. No later than February 1, 1999, the  
9       Commission shall submit to the President a revised  
10      list of recommendations.

11          (4) REVISION.—If the President approves all of  
12      the revised recommendations of the Commission sub-  
13      mitted to the President under paragraph (3), the  
14      President shall submit a copy of such revised rec-  
15      ommendations to the Congress, together with a cer-  
16      tification of such approval.

17          (5) APPROVAL OF ENTIRE PACKAGE.—The  
18      President may only submit an approval certificate  
19      that pertains to the entire package of recommenda-  
20      tions submitted by the Commission under subsection  
21      (b)(2) or paragraph (3) of this subsection.

22          (6) FAILURE TO SUBMIT.—If the President  
23      does not submit to the Congress an approval and  
24      certification described in paragraph (2) or (4) by

1 February 15, 1999, the process established under  
2 this Act shall be terminated.

3 **SEC. 7. CONGRESSIONAL CONSIDERATION.**

4 (a) SUBMISSION OF RECOMMENDATIONS OF THE  
5 PRESIDENT.—If the President submits the Commission  
6 recommendations to the Congress under section 6(c) (2)  
7 or (4), such recommendations shall be accompanied by in-  
8 formation specifying—

9 (1) the reasons and justifications for the rec-  
10 ommendations;

11 (2) to the maximum extent practicable, the esti-  
12 mated fiscal, economic, and budgetary impact of ac-  
13 cepting the recommendations;

14 (3) the amount of the projected savings result-  
15 ing from each recommendation;

16 (4) all actions, circumstances, and consider-  
17 ations relating to or bearing upon the recommenda-  
18 tions and to the maximum extent practicable, the es-  
19 timated effect of the recommendations upon the poli-  
20 cies, laws and programs directly or indirectly af-  
21 fected by the recommendations; and

22 (5) the specific changes in Federal statute nec-  
23 essary to implement the recommendations.

24 (b) SUBMISSION OF RECOMMENDATIONS TO THE  
25 SENATE AND HOUSE OF REPRESENTATIVES.—

1           (1) SUBMISSION TO CONGRESS.—The rec-  
 2           ommendations submitted by the President to the  
 3           Congress under subsection (a) shall be submitted to  
 4           the Senate and the House of Representatives on the  
 5           same day, and shall be delivered to the Secretary of  
 6           the Senate if the Senate is not in session, and to the  
 7           Clerk of the House of the Representatives if the  
 8           House is not in session.

9           (2) FEDERAL REGISTER.—Any recommenda-  
 10          tions and accompanying information submitted  
 11          under subsection (a) shall be printed in the first  
 12          issue of the Federal Register after such submission.

13         (c) INTRODUCTION.—

14           (1) DATE OF INTRODUCTION.—The Majority  
 15          Leader of the Senate or his designee, and the Speak-  
 16          er of the House of Representatives, or his designee,  
 17          shall introduce a bill (or bills as provided under  
 18          paragraph (2)) that implements the recommenda-  
 19          tions submitted by the President under subsection  
 20          (a), no later than the later of 14 calendar days in  
 21          session after the date on which—

22                 (A) the Senate or the House of Represent-  
 23                 atives received the recommendations submitted  
 24                 by the President under subsection (a), if the  
 25                 Senate or the House of Representatives (as ap-



plicable) is in session on the date of such submission; or

(B) the Senate or the House of Representatives is first in session after such recommendations are submitted, if the Senate or the House of Representatives (as applicable) is not in session on the date of such submission.

(2) MULTIPLE BILLS.—The majority leader of the Senate, or his designee, or the Speaker of the House of Representatives, or his designee, shall introduce a bill or separate bills ensuring that all such recommendations will be implemented.

(d) COMMITTEE REFERRAL AND ACTION.—

(1) IN GENERAL.—

(A) *IN GENERAL.*—Any committee to which a bill or bills introduced under subsection (c) is referred shall report such bill no later than 120 calendar days after the date of referral. *No amendment during committee consideration of a bill or bills introduced under subsection (c) shall be in order unless that amendment is confined to terminating or reforming an inequitable Federal subsidy as defined in section 4 of this Act.* Any such reported bill shall be referred to the Committee on Governmental Affairs of the Senate

1 or the Committee on Government Reform and  
 2 Oversight of the House of Representatives, as  
 3 applicable.

4 (B) COMMITTEES ON FINANCE AND WAYS  
 5 AND MEANS.—

6 (i) IN GENERAL.—Any bill referred to  
 7 the Committee on Finance or the Committee  
 8 on Ways and Means that contains revenue  
 9 increases may be amended to include reduc-  
 10 tions in revenues in the form of tax cuts in  
 11 an amount up to the amount of the revenue  
 12 increases.

13 (ii) SCORECARD.—If the bill referred to  
 14 in clause (i) is enacted into law, any  
 15 amount of revenue reductions not made by  
 16 the bill as provided in clause (i) shall be  
 17 credited to the pay-as-you-go scorecard  
 18 under section 252 of the Balanced Budget  
 19 and Emergency Deficit Control Act of 1985  
 20 and may only be offset by legislation reduc-  
 21 ing revenues.

22 (2) DISCHARGE.—If a committee does not re-  
 23 port a bill within the 120-day period as provided  
 24 under paragraph (1), such bill shall be discharged  
 25 from the committee and referred to the Committee

1 on Governmental Affairs of the Senate or the Com-  
2 mittee on Government Reform and Oversight of the  
3 House of Representatives, as applicable.

4 (3) REPORT TO FLOOR; CONSOLIDATION.—

5 (A) IN GENERAL.—No later than the first  
6 day the Senate or the House of Representatives  
7 (as applicable) is in session following 10 cal-  
8 endar days in session after the end of the 120-  
9 day period described under paragraphs (1) and  
10 (2), the Committee on Governmental Affairs of  
11 the Senate and the Committee on Government  
12 Reform and Oversight of the House of Rep-  
13 resentatives, as applicable, shall—

14 (i) consolidate all bills referred under  
15 paragraphs (1) and (2) into a single bill  
16 (without substantive amendment) and re-  
17 port such bill to the Senate or the House  
18 of Representatives; or

19 (ii) if only 1 bill is referred under  
20 paragraph (1) or (2), report such bill  
21 (without amendment) to the Senate or  
22 House of Representatives.

23 (B) LEGISLATIVE CALENDAR.—The bill re-  
24 ported under subparagraph (A) shall be placed

1           on the legislative calendar of the appropriate  
2           House.

3           (e) PROCEDURE IN SENATE AFTER REPORT OF COM-  
4 MITTEE; DEBATE; AMENDMENTS.—

5           (1) DEBATE ON BILL.—Debate in the Senate  
6           on a bill reported by the Committee on Govern-  
7           mental Affairs under subsection (d)(3), and all  
8           amendments thereto and debatable motions and ap-  
9           peals in connection therewith, shall be limited to not  
10          more than 30 hours. The time shall be equally di-  
11          vided between, and controlled by, the Majority Lead-  
12          er and Minority Leader or their designees.

13          (2) DEBATE ON AMENDMENTS.—Debate in the  
14          Senate on any amendment to the bill shall be limited  
15          to 1 hour, to be equally divided between, and con-  
16          trolled by, the mover and the manager of the bill,  
17          and debate on any amendment to an amendment,  
18          debatable motion, or appeal shall be limited to 30  
19          minutes, to be equally divided between, and con-  
20          trolled by, the mover and the manager of the bill, ex-  
21          cept that in the event the manager of the bill is in  
22          favor of any such amendment, motion or appeal, the  
23          time in opposition thereto shall be controlled by the  
24          minority leader or his designee.

1           (3) LIMIT OF DEBATE.—(A) A motion to fur-  
 2           ther limit debate is not debatable. A motion by the  
 3           majority leader or his designee to extend debate is  
 4           not debatable. A motion to recommit is not in order.

5           ~~(B) No amendment not germane to the bill re-~~  
 6           ~~ported by the Committee on Governmental Affairs~~  
 7           ~~under subsection (d)(3) shall be in order.~~

8                     *(B) No amendment to the bill reported by*  
 9                     *the Committee on Governmental Affairs under*  
 10                    *subsection (d)(3) shall be in order unless—*

11                    *(i) that amendment is confined to ter-*  
 12                    *minating or reforming an inequitable Fed-*  
 13                    *eral subsidy as defined by section 4 of this*  
 14                    *Act;*

15                    *(ii) that amendment is germane to the*  
 16                    *bill reported by the Committee on Govern-*  
 17                    *mental Affairs; and*

18                    *(iii) for the purposes of such bill, “ger-*  
 19                    *mane” means only amendments which*  
 20                    *strike language from such bill, or restore*  
 21                    *language in the bill or bills introduced*  
 22                    *under subsection (c).*

23           (4) CONFERENCE REPORTS.—

24                    (A) MOTION TO PROCEED.—A motion to  
 25           proceed to the consideration of the conference

1 report on a bill subject to the procedures of this  
 2 section and reported to the Senate may be  
 3 made even though a previous motion to the  
 4 same effect has been disagreed to.

5 (B) TIME LIMITATION.—The consideration  
 6 in the Senate of the conference report on the  
 7 bill and any amendments in disagreement there-  
 8 to, including all debatable motions and appeals  
 9 in connection therewith, shall be limited to 5  
 10 hours, to be equally divided between, and con-  
 11 trolled by, the majority leader and minority  
 12 leader or their designees. Debate on any debat-  
 13 able motion, appeal related to the conference re-  
 14 port, or any amendment to an amendment in  
 15 disagreement, shall be limited to 30 minutes, to  
 16 be equally divided between, and controlled by,  
 17 the mover and the manager of the conference  
 18 report (or a message between Houses).

19 (f) PROCEDURE IN HOUSE OF REPRESENTATIVES  
 20 AFTER REPORT OF THE COMMITTEE; DEBATE.—

21 (1) MOTION TO CONSIDER.—When the Commit-  
 22 tee on Government Reform and Oversight of the  
 23 House of Representatives reports a bill under sub-  
 24 section (d)(3) it is in order (at any time after the  
 25 fifth day (excluding Saturdays, Sundays, and legal

1       holidays) following the day on which any committee  
2       report filed on a bill referred under subsection (d)(1)  
3       to the Committee on Government Reform and Over-  
4       sight has been available to Members of the House)  
5       to move to proceed to the consideration of the bill  
6       reported to the House of Representatives. The mo-  
7       tion is highly privileged and is not debatable. An  
8       amendment to the motion is not in order, and it is  
9       not in order to move to reconsider the vote by which  
10      the motion is agreed to or disagreed to.

11           (2) DEBATE.—General debate on the bill in the  
12      House of Representatives shall be limited to not  
13      more than 10 hours, which shall be divided equally  
14      between the majority and minority parties. A motion  
15      further to limit debate is not debatable. A motion to  
16      postpone debate is not in order, and it is not in  
17      order to move to reconsider the vote by which the  
18      bill is agreed to or disagreed to.

19           (3) TERMS OF CONSIDERATION.—Consideration  
20      of the bill by the House of Representatives shall be  
21      in the Committee of the Whole, and the bill shall be  
22      considered for amendment under the 5-minute rule  
23      in accordance with the applicable provisions of rule  
24      XXIII of the Rules of the House of Representatives.  
25      After the committee rises and reports the bill back

1 to the House, the previous question shall be consid-  
 2 ered as ordered on the bill and any amendments  
 3 thereto to final passage without intervening motion.

4 (4) LIMIT ON DEBATE.—Debate in the House  
 5 of Representatives on the conference report on a bill  
 6 subject to the procedures under this section and re-  
 7 ported to the House of Representatives shall be lim-  
 8 ited to not more than 5 hours, which shall be divided  
 9 equally between the majority and minority parties. A  
 10 motion further to limit debate is not debatable. A  
 11 motion to recommit the conference report is not in  
 12 order, and it is not in order to move to reconsider  
 13 the vote by which the conference report is agreed to  
 14 or disagreed to. A motion to postpone is not in  
 15 order.

16 (5) APPEALS.—Appeals from decisions of the  
 17 Chair relating to the application of the Rules of the  
 18 House of Representatives to the procedure relating  
 19 to the bill shall be decided without debate.

20 (g) RULES OF THE SENATE AND HOUSE OF REP-  
 21 RESENTATIVES.—This section is enacted by Congress—

22 (1) as an exercise of the rulemaking power of  
 23 the Senate and the House of Representatives, re-  
 24 spectively, but applicable only with respect to the  
 25 procedure to be followed in that House in the case



1 of a bill under this section, and it supersedes other  
2 rules only to the extent that it is inconsistent with  
3 such rules; and

4 (2) with full recognition of the constitutional  
5 right of either House to change the rules as far as  
6 relating to the procedure of that House at any time,  
7 in the same manner, and to the same extent as in  
8 the case of any other rule of that House.

Amend the title so as to read: “A bill to review, reform, and terminate unnecessary and inequitable Federal subsidies.”