106TH CONGRESS 1ST SESSION

H. R. 3221

To review, reform, and terminate unnecessary and inequitable Federal payments, benefits, services, and tax advantages.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 4, 1999

Mr. Hoeffel (for himself, Mr. Campbell, Mr. Waxman, Mr. Kasich, Mr. Bonior, Mr. George Miller of California, Mr. Toomey, Ms. Delauro, Mr. Sanford, Mr. Coyne, Ms. Pelosi, Mr. Stark, Mr. Kucinich, Mr. Andrews, Mr. Ackerman, Mrs. Lowey, Mr. Brady of Pennsylvania, Mr. Tierney, Mr. Fattah, Mr. Stupak, Mr. Capuano, Mr. Holt, Mr. Wu, Mr. Traficant, and Mr. Sanders) introduced the following bill; which was referred to the Committee on Government Reform, and in addition to the Committees on Ways and Means, Rules, and the Budget, 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

A BILL

To review, reform, and terminate unnecessary and inequitable Federal payments, benefits, services, and tax advantages.

- 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 form Commission Act of 1999".

1 SEC. 2. FINDINGS.

2	The Congress finds that—
3	(1) the cost of corporate welfare is estimated to
4	be equivalent to nearly 2 weekly paychecks from
5	every working man and woman in the United States;
6	(2) various private organizations have estimated
7	that the annual cost of corporate welfare to the Fed-
8	eral Government is between \$60 and \$125 billion,
9	yet no comprehensive public estimate of that cost is
10	available;
11	(3) corporate welfare may discourage private
12	sector competition and may even have detrimental
13	consequences to the environment which outweigh the
14	benefits to the corporate welfare recipient;
15	(4) some corporate welfare benefits which were
16	initially provided for valid goals have, over the years,
17	become redundant or unnecessary;
18	(5) rather than diminishing, special interest tax
19	provisions which benefit small numbers of taxpayers
20	are increasing;
21	(6) 4 of every 10 companies with more than
22	\$250 million in assets or more than \$50 million in
23	gross receipts paid less than \$100,000 in Federal in-
24	come taxes for 1995;
25	(7) there has been no congressionally-directed
26	systematic review of the multitude of corporate wel-

1	fare benefits which have been institutionalized in
2	Federal tax provisions or incorporated into other
3	Federal programs; and
4	(8) an advisory commission is needed to rec-
5	ommend to the Congress whether some corporate
6	welfare provisions need to be revised or terminated.
7	SEC. 3. PURPOSE
8	The purpose of this Act is to establish a congressional
9	advisory committee to identify and evaluate inequitable
10	Federal payments.
11	SEC. 4. DEFINITION.
12	(a) In General.—For purposes of this Act, the term
13	"inequitable Federal payment" means a payment, benefit,
14	service, or tax advantage that—
15	(1) is provided by the Federal Government to
16	any corporation, partnership, joint venture, associa-
17	tion, business trust, or industry other than—
18	(A) a nonprofit organization described
19	under section $501(c)(3)$ of the Internal Revenue
20	Code of 1986 that is exempt from taxation
21	under section 501(a) of the Internal Revenue
22	Code of 1986; or
23	(B) a State or local government or Indian
24	Tribe or Alaska Native village or regional or vil-
25	lage corporation as defined in or established

1	pursuant to the Alaska Native Claims Settle-
2	ment Act (43 U.S.C. 1601 et seq.);
3	(2) is provided without a reasonable expecta-
4	tion, demonstrated with the use of reliable perform-
5	ance criteria, that actions or activities undertaken or
6	performed in return for such payment, benefit, serv-
7	ice, or tax advantage would result in a return or
8	benefit, quantifiable or nonquantifiable, to the public
9	at least as great as the payment, benefit, service, or
10	tax advantage; and
11	(3) provides an unfair competitive advantage or
12	financial windfall.
13	(b) Exception.—Such term shall not include a pay-
14	ment, benefit, service, or tax advantage that—
15	(1) is awarded for the purposes of research and
16	development that—
17	(A) is in the broad public interest on the
18	basis of a peer reviewed or other open, competi-
19	tive, merit-based procedure;
20	(B) is for a purpose consistent with the
21	mission of the agency;
22	(C) supports competing technologies at lev-
23	els appropriate to their potential, as determined
24	by an appropriate priority setting process; and

1	(D) the private sector cannot reasonably be
2	expected to undertake without Federal support
3	at a level or in a timeframe consistent with the
4	payment, benefit, service, or tax advantage's po-
5	tential to provide broad economic or other pub-
6	lie benefit;
7	(2) primarily benefits public health, safety, the
8	environment, or education;
9	(3) is necessary to comply with international
10	trade or treaty obligations; or
11	(4) is for the purpose of procurement of prop-
12	erty or services by the United States Government.
13	SEC. 5. COMMISSION.
14	(a) Establishment.—There is established an inde-
15	pendent commission to be known as the "Corporate Wel-
16	fare Reform Commission" (hereafter in this Act, referred
17	to as the "Commission").
18	(b) Duties.—The Commission shall—
19	(1) examine the programs and tax laws of the
20	Federal Government and identify programs and tax
21	laws that provide inequitable Federal payments;
22	(2) review inequitable Federal payments; and
23	(3) submit the report required under section 6
24	to the Congress.
25	(c) Limitations.—

1	(1) Creation of New Programs or Taxes.—
2	This Act is not intended to result in the creation of
3	new programs or taxes, and the Commission estab-
4	lished in this section shall limit its activities to re-
5	viewing existing programs or tax laws with the goal
6	of ensuring fairness and equity in the operation and
7	application thereof.
8	(2) Elimination of agencies and depart-
9	MENTS.—The Commission shall limit its rec-
10	ommendations to the termination or reduction of
11	payments, benefits, services, or tax advantages, rath-
12	er than the termination of Federal agencies or de-
13	partments.
14	(d) Advisory Committee.—The Commission shall
15	be considered an advisory committee within the meaning
16	of the Federal Advisory Committee Act (5 U.S.C. App.).
17	(e) Appointment.—
18	(1) Members.—The Commissioners shall be
19	appointed for the life of the Commission and shall
20	be composed of 5 members of whom—
21	(A) one shall be appointed jointly by the
22	Speaker of the House of Representatives and
23	the majority leader of the Senate;
24	(B) one shall be appointed by the Speaker
25	of the House of Representatives;

1	(C) one shall be appointed by the minority
2	leader of the House of Representatives;
3	(D) one shall be appointed by the majority
4	leader of the Senate; and
5	(E) one shall be appointed by the minority
6	leader of the Senate.
7	Such appointments shall be made not later than 90
8	days after the date of the enactment of this Act.
9	(2) Consultation required.—The Speaker
10	of the House of Representatives, the minority leader
11	of the House of Representatives, the majority leader
12	of the Senate, and the minority leader of the Senate
13	shall consult among themselves prior to the appoint-
14	ment of the members of the Commission in order to
15	achieve, to the maximum extent possible, fair and
16	equitable representation of various points of view
17	with respect to the matters to be studied by the
18	Commission under subsection (b).
19	(3) Chairman of the Commis-
20	sion shall be the member appointed as provided in
21	paragraph $(1)(A)$.
22	(4) Background.—The members shall rep-
23	resent a broad array of expertise covering, to the ex-
24	tent practical, all subject matter, programs, and tax

laws the Commission is likely to review.

1 (f) TERMS.—Each member of the Commission in-2 cluding the Chairman shall serve until the termination of 3 the Commission.

(g) Meetings.—

- (1) Initial Meeting.—Not later than 180 days after the date of the enactment of this Act, the Commission shall conduct its first meeting. The first nonadministrative business of the Commission shall be to establish criteria for evaluating whether a payment, benefit, service, or tax advantage is an inequitable Federal payment for purposes of this Act.
- (2) OPEN MEETINGS.—Each meeting of the Commission shall be open to the public. In cases where classified information, trade secrets, or personnel matters are discussed, the Chairman may close the meeting. All proceedings, information, and deliberations of the Commission shall be available, upon request, to the chairman and ranking member of the relevant committees of Congress.

20 (h) Vacancies.—A vacancy on the Commission—

- (1) shall be filled in the same manner as the original appointment not later than 30 days after the Commission is given notice of the vacancy, and
- (2) shall not affect the power of the remaining members to execute the duties of the Commission.

(i) PAY AND TRAVEL EXPENSES.—

- (1) PAY.—Notwithstanding section 7 of the Federal Advisory Committee Act (5 U.S.C. App.), each Commissioner, other than the Chairman, shall be paid at a rate equal to the daily equivalent of the minimum annual rate of basic pay for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the Commission.
 - (2) CHAIRMAN.—Notwithstanding section 7 of the Federal Advisory Committee Act (5 U.S.C. App.), the Chairman shall be paid for each day referred to in paragraph (1) at a rate equal to the daily payment of the minimum annual rate of basic pay payable for level III of the Executive Schedule under section 5314 of title 5, United States Code.
 - (3) Travel expenses.—Members shall receive travel expenses, including per diem in lieu of subsistence, in accordance with section 5702 and 5703 of title 5, United States Code.

23 (j) Director of Staff.—

24 (1) QUALIFICATIONS.—The Chairman shall appoint a Director who has not served in any of the

- entities or industries that the Commission intends to review during the 12 months preceding the date of such appointment.
 - (2) Pay.—Notwithstanding section 7 of the Federal Advisory Committee Act (5 U.S.C. App.), the Director shall be paid at the rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.
 - (3) Reports.—On administrative and personnel matters, the Director shall submit periodic reports to the Chairman of the Commission and the chairman and ranking member of the Committee on Governmental Affairs of the Senate and the Committee on Government Reform and Oversight of the House of the Representatives.

(k) Staff.—

- (1) Additional Personnel.—Subject to paragraphs (2) and (4), the Director, with the approval of the Commission, may appoint and fix the pay of additional personnel.
- (2) APPOINTMENTS.—The Director may make such appointments without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and any personnel so appointed may be paid without regard to the pro-

- visions of chapter 51 and subchapter III of chapter

 53 of that title relating to classification and General

 Schedule pay rates.
 - (3) DETAILEES.—Upon the request of the Director, the head of any Federal department or agency may detail any of the personnel of that department or agency to the Commission to assist the Commission in accordance with an agreement entered into with the Commission.
 - (4) RESTRICTIONS ON PERSONNEL AND DETAILEES.—The following restrictions shall apply to personnel and detailees of the Commission:
 - (A) PERSONNEL.—No more than one-third of the personnel detailed to the Commission may be on detail from Federal agencies that deal directly or indirectly with the Federal payments the Commission intends to review.
 - (B) ANALYSTS.—No more than one-fifth of the professional analysts of the Commission may be persons detailed from a Federal agency that deals directly or indirectly with the Federal payments the Commission intends to review.
 - (C) Lead analyst.—No person detailed from a Federal agency to the Commission may be assigned as the lead professional analyst

1	with respect to an entity or industry the Com-
2	mission intends to review if the person has been
3	involved in regulatory or policy-making deci-
4	sions affecting any such entity or industry in
5	the 12 months preceding such assignment.
6	(D) DETAILEE.—A person may not be de-
7	tailed from a Federal agency to the Commission
8	if, within 12 months before the detail is to
9	begin, that person participated personally and
10	substantially in any matter within that par-
11	ticular agency concerning the preparation of
12	recommendations under this Act.
13	(E) Federal officer or employee.—
14	No member of a Federal agency, and no officer
15	or employee of a Federal agency, may—
16	(i) prepare any report concerning the
17	effectiveness, fitness, or efficiency of the
18	performance on the staff of the Commis-
19	sion of any person detailed from a Federal
20	agency to that staff;
21	(ii) review the preparation of such re-
22	port; or
23	(iii) approve or disapprove such a re-
24	port.
25	(F) Limitation on staff size.—

1	(i) Subject to clause (ii), there may
2	not be more than 50 persons (including
3	any detailees) on the staff at any time.
4	(ii) The Commission may increase
5	personnel in excess of the limitation under
6	clause (i), 15 days after submitting notifi-
7	cation of such increase to the Committee
8	on Governmental Affairs of the Senate and
9	the Committee on Government Reform and
10	Oversight of the House of Representatives.
11	(G) Limitation on Federal Officer.—
12	No member of a Federal agency and no em-
13	ployee of a Federal agency may serve as a Com-
14	missioner or receive additional compensation by
15	reason of being a member of the staff.
16	(5) Assistance.—
17	(A) IN GENERAL.—The Comptroller Gen-
18	eral of the United States may provide assist-
19	ance, including the detailing of employees, to
20	the Commission in accordance with an agree-
21	ment entered into with the Commission.
22	(B) Consultation.—The Commission
23	and the Comptroller General of the United
24	States shall consult with the Committee on
25	Governmental Affairs of the Senate and the

1 Committee on Government Reform and Over-2 sight of the House of Representatives on the 3 agreement referred to under subparagraph (A) 4 before entering into such agreement.

(l) Other Authority.—

5

6

7

8

9

10

11

12

13

15

16

17

- (1) EXPERTS AND CONSULTANTS.—The Commission may procure by contract, to the extent funds are available, the temporary or intermittent services of experts or consultants pursuant to section 3109 of title 5, United States Code.
- (2) Leasing.—The Commission may lease space and acquire personal property to the extent that funds are available.

14 (m) Funding.—

- (1) Commission.—There are authorized to be appropriated to the Commission such funds as are necessary to carry out its duties under this Act.
- 18 (2) COMPTROLLER GENERAL.—There are au-19 thorized to be appropriated to the Comptroller Gen-20 eral of the United States such funds as are nec-21 essary to carry out its duties under subsection 22 (k)(5).
- 23 (n) TERMINATION.—The Commission shall terminate 24 on the 90th day after the date that the Commission sub-25 mits its report under section 6(a)(1).

1 SEC. 6. REPORT; CONGRESSIONAL CONSIDERATION.

2	(a) Report of Commission.—				
3	(1) Report to congress.—				
4	(A) In general.—Not later than 1 year				
5	after the date of the first meeting of the Com-				
6	mission, the Commission shall submit to each				
7	House of Congress a report containing—				
8	(i) the Commission's findings, and				
9	(ii) recommendations agreed to by at				
10	least 3 Commission members for the termi-				
11	nation, reduction, or retention of each of				
12	the inequitable Federal payments reviewed				
13	by the Commission.				
14	(B) Specifications.—Such findings and				
15	recommendations shall specify—				
16	(i) all actions, circumstances, and con-				
17	siderations relating to or bearing upon the				
18	recommendations; and				
19	(ii) to the maximum extent prac-				
20	ticable, the estimated effect of the rec-				
21	ommendations upon the policies, laws and				
22	programs directly or indirectly affected by				
23	the recommendations.				
24	(2) Review of preliminary report by				
25	COMPTROLLER GENERAL.—				

- 1 (A) IN GENERAL.—Not later than 120
 2 days before the submission of the report under
 3 paragraph (1), the Commission shall submit the
 4 most recent version of such report to Comp5 troller General of the United States.
 - (B) Analysis by comptroller gen-Eral.—Not later than 60 days after receiving the version of the report referred to in subparagraph (A), the Comptroller General of the United States shall submit to the Commission a report containing a detailed analysis of such version of the report.
- 13 (b) Submission of Recommendations to the 14 Senate and House of Representatives.—
- 15 (1)Submission to CONGRESS.—The 16 ommendations submitted to the Congress under sub-17 section (a) shall be submitted to the Senate and the 18 House of Representatives on the same day, and shall 19 be delivered to the Secretary of the Senate if the 20 Senate is not in session, and to the Clerk of the 21 House of the Representatives if the House is not in 22 session.
- 23 (2) Federal register.—Any recommenda-24 tions and accompanying information submitted

7

8

9

10

11

under subsection (a) shall be printed in the first
issue of the Federal Register after such submission.

(c) Introduction.—

- (1) Date of introduction.—Not later than 75 days after the date the report under subsection (a) is submitted to the Congress, the majority leader of the Senate or his designee, and the Speaker of the House of Representatives, or his designee, shall introduce a bill (or bills as provided under paragraph (2)) that implements the recommendations submitted under subsection (a).
- (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 amend-

ment is confined to terminating or reducing an inequitable Federal payment as defined in section 4 of this Act. Any such reported bill shall be referred to the Committee on Governmental Affairs of the Senate or the Committee on Government Reform and Oversight of the House of Representatives, as applicable.

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

- (i) IN GENERAL.—Any bill referred to the Committee on Finance or the Committee on Ways and Means that contains revenue increases may be amended to include reductions in revenues in the form of tax cuts in an amount up to the amount of the revenue increases.
- (ii) Scorecard.—If the bill referred to in clause (i) is enacted into law, any amount of revenue reductions not made by the bill as provided in clause (i) shall be credited to the pay-as-you-go scorecard under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 and may only be offset by legislation reducing revenues.

1 (2) DISCHARGE.—If a committee does not re-2 port a bill within the 120-day period as provided 3 under paragraph (1), such bill shall be discharged from the committee and referred to the Committee 5 on Governmental Affairs of the Senate or the Com-6 mittee on Government Reform and Oversight of the 7 House of Representatives, as applicable. 8 (3) Report to floor; consolidation.— 9 (A) IN GENERAL.—No later than the first 10 day the Senate or the House of Representatives 11 (as applicable) is in session following 10 cal-12 endar days in session after the end of the 120-13 day period described under paragraphs (1) and 14 (2), the Committee on Governmental Affairs of 15 the Senate and the Committee on Government 16 Reform and Oversight of the House of Rep-

resentatives, as applicable, shall—

- (i) consolidate all bills referred under paragraphs (1) and (2) into a single bill (without substantive amendment) and report such bill to the Senate or the House of Representatives; or
- (ii) if only 1 bill is referred under paragraph (1) or (2), report such bill

17

18

19

20

21

22

23

1	(without	amendment)	to	the	Senate	or
2	House of	Representativ	es.			

- 3 (B) LEGISLATIVE CALENDAR.—The bill re-4 ported under subparagraph (A) shall be placed 5 on the legislative calendar of the appropriate 6 House.
- 7 (e) PROCEDURE IN SENATE AFTER REPORT OF COM-8 MITTEE; DEBATE; AMENDMENTS.—
 - (1) Debate on Bill.—Debate in the Senate on a bill reported by the Committee on Governmental Affairs under subsection (d)(3), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 30 hours. The time shall be equally divided between, and controlled by, the majority leader and minority leader or their designees.
 - (2) Debate on amendment to the bill shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the bill, and debate on any amendment to an amendment, debatable motion, or appeal shall be limited to 30 minutes, to be equally divided between, and controlled by, the mover and the manager of the bill, except that in the event the manager of the bill is in

1	favor of any such amendment, motion or appeal, the
2	time in opposition thereto shall be controlled by the
3	minority leader or his designee.
4	(3) Limit of Debate.—
5	(A) A motion to further limit debate is not
6	debatable. A motion by the majority leader or
7	his designee to extend debate is not debatable.
8	A motion to recommit is not in order.
9	(B) No amendment to the bill reported by
10	the Committee on Governmental Affairs under
11	subsection (d)(3) shall be in order unless—
12	(i) that amendment is confined to ter-
13	minating or reducing an inequitable Fed-
14	eral payment as defined by section 4 of
15	this Act;
16	(ii) that amendment is germane to the
17	bill reported by the Committee on Govern-
18	mental Affairs; and
19	(iii) for the purposes of such bill,
20	"germane" means only amendments which
21	strike language from such bill, or restore
22	language in the bill or bills introduced
23	under subsection (c).
24	(4) Conference reports.—

- 1 (A) MOTION TO PROCEED.—A motion to
 2 proceed to the consideration of the conference
 3 report on a bill subject to the procedures of this
 4 section and reported to the Senate may be
 5 made even though a previous motion to the
 6 same effect has been disagreed to.
 - (B) TIME LIMITATION.—The consideration in the Senate of the conference report on the bill and any amendments in disagreement thereto, including all debatable motions and appeals in connection therewith, shall be limited to 5 hours, to be equally divided between, and controlled by, the majority leader and minority leader or their designees. Debate on any debatable motion, appeal related to the conference report, or any amendment to an amendment in disagreement, shall be limited to 30 minutes, to be equally divided between, and controlled by, the mover and the manager of the conference report (or a message between Houses).
- 21 (f) PROCEDURE IN HOUSE OF REPRESENTATIVES 22 AFTER REPORT OF THE COMMITTEE; DEBATE.—
- 23 (1) MOTION TO CONSIDER.—When the Com-24 mittee on Government Reform and Oversight of the 25 House of Representatives reports a bill under sub-

- section (d)(3) it is in order (at any time after the fifth day (excluding Saturdays, Sundays, and legal holidays) following the day on which any committee report filed on a bill referred under subsection (d)(1) to the Committee on Government Reform and Oversight has been available to Members of the House) to move to proceed to the consideration of the bill reported to the House of Representatives. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.
 - (2) Debate.—General debate on the bill in the House of Representatives shall be limited to not more than 10 hours, which shall be divided equally between the majority and minority parties. A motion further to limit debate is not debatable. A motion to postpone debate is not in order, and it is not in order to move to reconsider the vote by which the bill is agreed to or disagreed to.
 - (3) TERMS OF CONSIDERATION.—Consideration of the bill by the House of Representatives shall be in the Committee of the Whole, and the bill shall be considered for amendment under the 5-minute rule in accordance with the applicable provisions of rule

- 1 XXIII of the Rules of the House of Representatives 2 for the 106th Congress. After the committee rises 3 and reports the bill back to the House, the previous 4 question shall be considered as ordered on the bill 5 and any amendments thereto to final passage with-
- 6 out intervening motion.

- of Representatives on the conference report on a bill subject to the procedures under this section and reported to the House of Representatives shall be limited to not more than 5 hours, which shall be divided equally between the majority and minority parties. A motion further to limit debate is not debatable. A motion to recommit the conference report is not in order, and it is not in order to move to reconsider the vote by which the conference report is agreed to or disagreed to. A motion to postpone is not in order.
 - (5) APPEALS.—Appeals from decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to the bill shall be decided without debate.
- 23 (g) Rules of the Senate and House of Rep-
- 24 RESENTATIVES.—This section is enacted by Congress—

2

3

4

5

6

7

8

9

10

11

12

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a bill under this section, and it supersedes other rules only to the extent that it is inconsistent with such rules; and

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

 \bigcirc