

107TH CONGRESS  
1ST SESSION

# H. R. 2939

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

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 21, 2001

Mr. HOEFFEL (for himself, Mr. TOOMEY, Mr. BORSKI, Mr. BRADY of Pennsylvania, Mr. FATTAH, Mr. HILLIARD, Mr. STARK, Mr. TIERNEY, Ms. PELOSI, Mr. WAXMAN, Mr. CAPUANO, and Ms. CARSON of Indiana) introduced the following bill; which was referred to the Committee on Government Reform, and in addition to the Committee on Ways and Means, Rule, 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

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## 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 2001”.

6 **SEC. 2. FINDINGS.**

7       The Congress finds that—

1 (1) the cost of corporate welfare is estimated to  
2 be equivalent to nearly 2 weekly paychecks from  
3 every working man and woman in the United States;

4 (2) various private organizations have estimated  
5 that the annual cost of corporate welfare to the Fed-  
6 eral Government is between \$60 and \$125 billion,  
7 yet no comprehensive public estimate of that cost is  
8 available;

13 (4) some corporate welfare benefits which were  
14 initially provided for valid goals have, over the years,  
15 become redundant or unnecessary;

16 (5) rather than diminishing, special interest tax  
17 provisions which benefit small numbers of taxpayers  
18 are increasing;

19 (6) 4 of every 10 companies with more than  
20 \$250 million in assets or more than \$50 million in  
21 gross receipts paid less than \$100,000 in Federal in-  
22 come taxes for 1995;

23 (7) there has been no congressionally-directed  
24 systematic review of the multitude of corporate wel-  
25 fare benefits which have been institutionalized in

1       Federal tax provisions or incorporated into other  
2       Federal programs; and

3                   (8) an advisory commission is needed to rec-  
4                   ommend to the Congress whether some corporate  
5                   welfare provisions need to be revised or terminated.

6 **SEC. 3. PURPOSE.**

7       The purpose of this Act is to establish a congressional  
8       advisory committee to identify and evaluate inequitable  
9       Federal payments.

10 **SEC. 4. DEFINITION.**

11           (a) IN GENERAL.—For purposes of this Act, the term  
12       “inequitable Federal payment” means a payment, benefit,  
13       service, or tax advantage that—

14                   (1) is provided by the Federal Government to  
15       any corporation, partnership, joint venture, associa-  
16       tion, business trust, or industry other than—

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

22                   (B) a State or local government or Indian  
23       Tribe or Alaska Native village or regional or vil-  
24       lage corporation as defined in or established

1                   pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.);

2                   (2) is provided without a reasonable expectation, demonstrated with the use of reliable performance criteria, that actions or activities undertaken or performed in return for such payment, benefit, service, or tax advantage would result in a return or benefit, quantifiable or nonquantifiable, to the public at least as great as the payment, benefit, service, or tax advantage; and

3                   (3) provides an unfair competitive advantage or financial windfall.

4                   (b) EXCEPTION.—Such term shall not include a payment, benefit, service, or tax advantage that—

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

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

7                   (B) is for a purpose consistent with the mission of the agency;

8                   (C) supports competing technologies at levels appropriate to their potential, as determined by an appropriate priority setting process; and

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—

22 (2) review inequitable Federal payments; and  
23 (3) submit the report required under section  
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.

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.—

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;

(C) one shall be appointed by the minority 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.

19 (3) CHAIRMAN.—The Chairman of the Commis-  
20 sion shall be the member appointed as provided in  
21 paragraph (1)(A).

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

4       (g) MEETINGS.—

5           (1) INITIAL MEETING.—Not later than 180  
6 days after the date of the enactment of this Act, the  
7 Commission shall conduct its first meeting. The first  
8 nonadministrative business of the Commission shall  
9 be to establish criteria for evaluating whether a pay-  
10 ment, benefit, service, or tax advantage is an inequi-  
11 table Federal payment for purposes of this Act.

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—

21           (1) shall be filled in the same manner as the  
22 original appointment not later than 30 days after  
23 the Commission is given notice of the vacancy, and

24           (2) shall not affect the power of the remaining  
25 members to execute the duties of the Commission.

## 1        (i) PAY AND TRAVEL EXPENSES.—

2                (1) PAY.—Notwithstanding section 7 of the  
3        Federal Advisory Committee Act (5 U.S.C. App.),  
4        each Commissioner, other than the Chairman, shall  
5        be paid at a rate equal to the daily equivalent of the  
6        minimum annual rate of basic pay for level IV of the  
7        Executive Schedule under section 5315 of title 5,  
8        United States Code, for each day (including travel  
9        time) during which the member is engaged in the ac-  
10        tual performance of duties vested in the Commis-  
11        sion.

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

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

## 23        (j) DIRECTOR OF STAFF.—

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

1 entities or industries that the Commission intends  
2 to review during the 12 months preceding the date  
3 of such appointment.

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

9 (3) REPORTS.—On administrative and per-  
10 sonnel matters, the Director shall submit periodic  
11 reports to the Chairman of the Commission and the  
12 chairman and ranking member of the Committee on  
13 Governmental Affairs of the Senate and the Com-  
14 mittee on Government Reform and Oversight of the  
15 House of the Representatives.

16 (k) STAFF.—

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

21 (2) APPOINTMENTS.—The Director may make  
22 such appointments without regard to the provisions  
23 of title 5, United States Code, governing appoint-  
24 ments in the competitive service, and any personnel  
25 so appointed may be paid without regard to the pro-

1 visions of chapter 51 and subchapter III of chapter  
2 53 of that title relating to classification and General  
3 Schedule pay rates.

10 (4) RESTRICTIONS ON PERSONNEL AND  
11 DETAILEES.—The following restrictions shall apply  
12 to personnel and detailees of the Commission:

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

23 (C) LEAD ANALYST.—No person detailed  
24 from a Federal agency to the Commission may  
25 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.—

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.

5           (l) OTHER AUTHORITY.—

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

11          (2) LEASING.—The Commission may lease  
12          space and acquire personal property to the extent  
13          that funds are available.

14          (m) FUNDING.—

15          (1) COMMISSION.—There are authorized to be  
16          appropriated to the Commission such funds as are  
17          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.—

6 (B) ANALYSIS BY COMPTROLLER GEN-  
7 ERAL.—Not later than 60 days after receiving  
8 the version of the report referred to in subpara-  
9 graph (A), the Comptroller General of the  
10 United States shall submit to the Commission  
11 a report containing a detailed analysis of such  
12 version of the report.

13 (b) SUBMISSION OF RECOMMENDATIONS TO THE  
14 SENATE AND HOUSE OF REPRESENTATIVES.—

23 (2) FEDERAL REGISTER.—Any recommendations  
24 and accompanying information submitted

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

3 (c) INTRODUCTION.—

4 (1) DATE OF INTRODUCTION.—Not later than  
5 75 days after the date the report under subsection  
6 (a) is submitted to the Congress, the majority leader  
7 of the Senate or his designee, and the Speaker of  
8 the House of Representatives, or his designee, shall  
9 introduce a bill (or bills as provided under para-  
10 graph (2)) that implements the recommendations  
11 submitted under subsection (a).

12 (2) MULTIPLE BILLS.—The majority leader of  
13 the Senate, or his designee, or the Speaker of the  
14 House of Representatives, or his designee, shall in-  
15 troduce a bill or separate bills ensuring that all such  
16 recommendations will be implemented.

17 (d) COMMITTEE REFERRAL AND ACTION.—

18 (1) IN GENERAL.—

19 (A) IN GENERAL.—Any committee to  
20 which a bill or bills introduced under subsection  
21 (c) is referred shall report such bill no later  
22 than 120 calendar days after the date of refer-  
23 ral. No amendment during committee consider-  
24 ation of a bill or bills introduced under sub-  
25 section (c) shall be in order unless that amend-

1       ment is confined to terminating or reducing an  
2       inequitable Federal payment as defined in sec-  
3       tion 4 of this Act. Any such reported bill shall  
4       be referred to the Committee on Governmental  
5       Affairs of the Senate or the Committee on Gov-  
6       ernment Reform and Oversight of the House of  
7       Representatives, as applicable.

10 (i) IN GENERAL.—Any bill referred to  
11 the Committee on Finance or the Com-  
12 mittee on Ways and Means that contains  
13 revenue increases may be amended to in-  
14 clude reductions in revenues in the form of  
15 tax cuts in an amount up to the amount  
16 of the revenue increases.

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-  
17 resentatives, as applicable, shall—

23 (ii) if only 1 bill is referred under  
24 paragraph (1) or (2), report such bill

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

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.—

9 (1) DEBATE ON BILL.—Debate in the Senate  
10 on a bill reported by the Committee on Govern-  
11 mental Affairs under subsection (d)(3), and all  
12 amendments thereto and debatable motions and ap-  
13 peals in connection therewith, shall be limited to not  
14 more than 30 hours. The time shall be equally di-  
15 vided between, and controlled by, the majority leader  
16 and minority leader or their designees.

17 (2) DEBATE ON AMENDMENTS.—Debate in the  
18 Senate on any amendment to the bill shall be limited  
19 to 1 hour, to be equally divided between, and con-  
20 trolled by, the mover and the manager of the bill,  
21 and debate on any amendment to an amendment,  
22 debatable motion, or appeal shall be limited to 30  
23 minutes, to be equally divided between, and con-  
24 trolled by, the mover and the manager of the bill, ex-  
25 cept 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.—

7 (B) TIME LIMITATION.—The consideration  
8 in the Senate of the conference report on the  
9 bill and any amendments in disagreement there-  
10 to, including all debatable motions and appeals  
11 in connection therewith, shall be limited to 5  
12 hours, to be equally divided between, and con-  
13 trolled by, the majority leader and minority  
14 leader or their designees. Debate on any debat-  
15 able motion, appeal related to the conference re-  
16 port, or any amendment to an amendment in  
17 disagreement, shall be limited to 30 minutes, to  
18 be equally divided between, and controlled by,  
19 the mover and the manager of the conference  
20 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-

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

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

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

1       XXIII of the Rules of the House of Representatives  
2       for the 107th 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.

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

19               (5) APPEALS.—Appeals from decisions of the  
20       Chair relating to the application of the Rules of the  
21       House of Representatives to the procedure relating  
22       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—

