110TH CONGRESS 1ST SESSION

H. R. 515

To establish a commission on corporate entitlement reform.

IN THE HOUSE OF REPRESENTATIVES

January 17, 2007

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

A BILL

To establish a commission on corporate entitlement reform.

- 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 Entitlement
- 5 Reform Act of 2007".
- 6 SEC. 2. FINDINGS.
- 7 Congress makes the following findings:
- 8 (1) Federal financial support for industries and
- 9 businesses in the United States can serve a signifi-
- 10 cant public purpose by promoting job formation,

- providing small businesses with access to capital, encouraging minority entrepreneurship, and assisting American companies in competing in the global marketplace.
 - (2) Some Federal subsidies, however, either do not provide or no longer provide a public benefit and instead have the effect of providing certain companies or industries with unjustified windfalls or an unfair competitive advantage.
 - (3) Such unfair subsidies are a burden on American taxpayers, and it is in the public interest to eliminate corporate subsidies and entitlements that do not serve or no longer serve a significant public interest.
 - (4) The elimination or reduction of unnecessary subsidies would also potentially save the Federal government billions of taxpayer dollars per year by reducing inefficient spending and waste.
 - (5) A bipartisan commission is essential to conduct a comprehensive review of corporate subsidies and entitlements and to advise Congress on those subsidies and entitlements that should be revised or terminated.
- 24 SEC. 3. DEFINITIONS.

25 For purposes of this Act:

1	(1) Commission.—The term "Commission"
2	means the Corporate Entitlement Reform Commis-
3	sion established pursuant to section 4(a).
4	(2) Corporate entitlement.—The term
5	"corporate entitlement"—
6	(A) means any direct payment, service, tax
7	advantage, tax expenditure, or benefit made by
8	the Federal Government to an entity or indus-
9	try engaged in a profitmaking enterprise, if
10	such payment, service, or benefit is provided
11	without a reasonable expectation that actions or
12	activities undertaken or performed in return for
13	such payment, service, or benefit would result
14	in a return or benefit to the public at least as
15	great as the payment, service, or benefit;
16	(B) includes spending subsidies and free or
17	below-market-rate services which are provided
18	by the Federal Government, or any Federal en-
19	tity, Federal agency, Government-sponsored en-
20	terprise, or Government corporation, to or with
21	respect to any corporation or other profit-mak-
22	ing enterprise;
23	(C) does not include any payment, service,

tax advantage, benefit, or protection provided

1	directly or indirectly by the Federal Govern-
2	ment to—
3	(i) any Federal entity, Federal agen-
4	cy, Government-sponsored enterprise, or
5	Government corporation (as defined in sec-
6	tion 9101 of title 31, United States Code);
7	(ii) any State or local government, In-
8	dian Tribe or Alaska Native village, or re-
9	gional or village corporation as defined in
10	or established pursuant to the Alaska Na-
11	tive Claims Settlement Act (43 U.S.C.
12	1601 et seq.); or
13	(iii) any nonprofit organization de-
14	scribed under section 501(c)(3) of the In-
15	ternal Revenue Code of 1986 that is ex-
16	empt from taxation under section 501(a)
17	of such Code; and
18	(D) does not include any payment, service,
19	tax advantage, benefit or protection provided di-
20	rectly or indirectly by the Federal Government
21	that—
22	(i) is awarded for the purposes of re-
23	search and development;
24	(ii) primarily benefits public health,
25	safety, the environment, or education;

1	(iii) is necessary to comply with inter-
2	national trade or treaty obligations;
3	(iv) is certified by the United States
4	Trade Representative as specifically in-
5	tended and as substantially needed to pro-
6	tect the foreign trade interests of the
7	United States; or
8	(v) is for the purpose of procurement
9	of property or services by the United
10	States Government.
11	(3) Government-sponsored enterprise.—
12	The term "Government-sponsored enterprise" means
13	the Federal National Mortgage Association, the Fed-
14	eral Home Loan Mortgage Corporation, the Federal
15	Home Loan Bank System, the Farm Credit Banks,
16	the Banks for Cooperatives, the Federal Agricultural
17	Mortgage Corporation, and any of their affiliated or
18	member institutions.
19	SEC. 4. THE COMMISSION.
20	(a) Establishment.—There is established an inde-
21	pendent commission to be known as the "Corporate Enti-
22	tlement Reform Commission".
23	(b) Duties.—The Commission shall—

- 1 (1) examine the programs and tax laws of the 2 Federal Government and identify programs and tax 3 laws that provide corporate entitlements;
 - (2) review corporate entitlements;
 - (3) recommend \$50,000,000,000 in Federal Government savings for the period beginning on October 1, 2007, and ending on September 30, 2017; and
- 9 (4) transmit the report described in section 5(a) 10 to the Congress.

(c) Limitations.—

- (1) Creation of New Programs or taxes.—
 This Act is not intended to result in the creation of new programs or taxes, and the Commission established in this section shall limit its activities to reviewing existing programs or tax laws with the goal of ensuring fairness and equity in the operation and application of such programs and laws.
- (2) Elimination of agencies and departments.—The Commission shall limit its recommendations to the termination or reform of payments, benefits, services, or tax advantages, rather than the termination of Federal agencies or departments.

I	(d) ADVISORY COMMITTEE.—The Commission shall
2	be considered an advisory committee within the meaning
3	of the Federal Advisory Committee Act (5 U.S.C. App.).
4	(e) APPOINTMENT.—
5	(1) Members.—The Commission shall be com-
6	posed of 9 members, as follows:
7	(A) 1 member appointed jointly by the
8	Speaker of the House of Representatives and
9	the majority leader of the Senate.
10	(B) 2 members appointed by the Speaker
11	of the House of Representatives.
12	(C) 2 members appointed by the minority
13	leader of the House of Representatives.
14	(D) 2 members appointed by the majority
15	leader of the Senate.
16	(E) 2 members appointed by the minority
17	leader of the Senate.
18	(2) TERMS OF APPOINTMENT.—The members
19	of the Commission shall be appointed not more than
20	90 days after the date of the enactment of this Act.
21	The members of the Commission shall serve for the
22	life of the Commission.
23	(3) Consultation required.—The Speaker
24	of the House of Representatives, the minority leader
25	of the House of Representatives, the majority leader

- of the Senate, and the minority leader of the Senate shall consult among themselves prior to the appointment of the members of the Commission in order to achieve, to the maximum extent possible, fair and equitable representation of various points of view with respect to the matters to be studied by the Commission under subsection (b).
 - (4) Chair.—The member of the Commission appointed pursuant to paragraph (1)(A) shall serve as Chair of the Commission.
 - (5) Background.—The members shall represent a broad array of expertise covering, to the extent practical, all subject matter, programs, and tax laws the Commission is likely to review.
 - (6) Restrictions.—The following restrictions shall apply:
 - (A) No member of the Commission shall be a current Member of Congress.
 - (B) No member of the Commission shall be on detail from a Federal agency that deals directly or indirectly with the Federal payments that the Commission intends to review.
 - (C) The Chair of the Commission shall not have served in any of the entities or industries that the Commission intends to review during

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1 the 12 months preceding the date of such ap-2 pointment. 3 (f) Meetings.— 4 (1) Initial meeting.—Not later than 180 5 days after the date of the enactment of this Act, the 6 Commission shall conduct its first meeting. 7 (2) OPEN MEETINGS.—Each meeting of the 8 Commission shall be open to the public. In cases 9 where classified information, trade secrets, or per-10 sonnel matters are discussed, the Chair may close 11 the meeting. All proceedings, information, and delib-12 erations of the Commission shall be available, upon 13 request, to the chairs and ranking members of the 14 relevant committees of Congress. 15 (g) VACANCIES.—A vacancy on the Commission— 16 (1) shall be filled in the same manner as the 17 original appointment not later than 30 days after 18 the Commission is given notice of the vacancy, and 19 (2) shall not affect the power of the remaining 20 members to execute the duties of the Commission. 21 (h) PAY AND TRAVEL EXPENSES.— 22 (1) Pay.—Notwithstanding section 7 of the

Federal Advisory Committee Act (5 U.S.C. App.),

each Commissioner, other than the Chair, shall be

paid at a rate equal to the daily equivalent of the

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- 1 minimum annual rate of basic pay for level IV of the
- 2 Executive Schedule under section 5315 of title 5,
- 3 United States Code, for each day (including travel
- 4 time) during which the member is engaged in the ac-
- 5 tual performance of duties vested in the Commis-
- 6 sion.
- 7 (2) Chair.—Notwithstanding section 7 of the
- 8 Federal Advisory Committee Act (5 U.S.C. App.),
- 9 the Chair 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.
- 14 (3) Travel expenses.—Members shall receive
- travel expenses, including per diem in lieu of subsist-
- ence, in accordance with sections 5702 and 5703 of
- title 5, United States Code.
- (i) Director of Staff.—
- 19 (1) QUALIFICATIONS.—The Chair 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 ap-
- pointment.
- 24 (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 Chair of the Commission and the chairs and ranking members of the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of the Representatives.

(j) 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 provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates.
- (3) Detailes.—Upon the request of the Director, the head of any Federal department or agen-

- cy 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:
 - (A) PERSONNEL.—Not 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.—Not 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 with respect to an entity or industry the Commission intends to review if the person has been involved in regulatory or policymaking decisions affecting any such entity or industry in the 12 months preceding such assignment.

1	(D) Detailee.—A person may not be de-
2	tailed from a Federal agency to the Commission
3	if, within 12 months before the detail is to
4	begin, that person participated personally and
5	substantially in any matter within that par-
6	ticular agency concerning the preparation of
7	recommendations under this Act.
8	(E) Federal officer or employee.—
9	No member of a Federal agency, and no officer
10	or employee of a Federal agency, may—
11	(i) prepare any report concerning the
12	effectiveness, fitness, or efficiency of the
13	performance on the staff of the Commis-
14	sion of any person detailed from a Federal
15	agency to that staff;
16	(ii) review the preparation of such re-
17	port; or
18	(iii) approve or disapprove such a re-
19	port.
20	(F) Limitation on Staff size.—
21	(i) Subject to clause (ii), there may
22	not be more than 25 persons (including
23	any detailees) on the staff at any time.
24	(ii) The Commission may increase
25	personnel in excess of the limitation under

clause (i) not less than 15 days after submitting notification of such increase to the
Committee on Homeland Security and
Governmental Affairs of the Senate and
the Committee on Oversight and Governmental Reform of the House of Representatives.

(G) LIMITATION ON FEDERAL OFFICER.—
No member of a Federal agency and no employee of a Federal agency may serve as a Commissioner or receive additional compensation by reason of being a member of the staff.

(5) Assistance.—

- (A) IN GENERAL.—The Comptroller General of the United States may provide assistance, including the detailing of employees, to the Commission in accordance with an agreement entered into with the Commission.
- (B) Consultation.—The Commission and the Comptroller General of the United States shall consult with the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives on the agreement referred to under

1	subparagraph (A) before entering into such
2	agreement.
3	(k) Other Authority.—
4	(1) Experts and consultants.—The Com-
5	mission may procure by contract, to the extent funds
6	are available, the temporary or intermittent services
7	of experts or consultants pursuant to section 3109
8	of title 5, United States Code.
9	(2) Leasing.—The Commission may lease
10	space and acquire personal property to the extent
11	that funds are available.
12	(l) Funding.—
13	(1) Commission.—There are authorized to be
14	appropriated to the Commission such funds as are
15	necessary to carry out its duties under this Act.
16	(2) Comptroller general.—There are au-
17	thorized to be appropriated to the Comptroller Gen-
18	eral such funds as are necessary to carry out its du-
19	ties under subsection $(j)(5)$ and section $6(a)(2)$.
20	(m) Termination.—The Commission shall termi-
21	nate 90 days after the date the Commission submits its
22	report under section $5(a)(1)$.
23	SEC. 5. REPORT; CONGRESSIONAL CONSIDERATION.
24	(a) Report of Commission.—
25	(1) Report to congress.—

1	(A) In general.—Not later than 1 year
2	after the date of the first meeting of the Com-
3	mission, the Commission shall transmit to the
4	Congress a report containing—
5	(i) the Commission's findings; and
6	(ii) recommendations agreed to by at
7	least 5 Commission members for the termi-
8	nation, reduction, or retention of each of
9	the corporate entitlements reviewed by the
10	Commission.
11	(B) Specifications.—Such findings and
12	recommendations shall specify—
13	(i) all actions, circumstances, and con-
14	siderations relating to or bearing upon the
15	recommendations; and
16	(ii) to the maximum extent prac-
17	ticable, the estimated effect of the rec-
18	ommendations upon the policies, laws, and
19	programs directly or indirectly affected by
20	the recommendations.
21	(2) Review of preliminary report by
22	COMPTROLLER GENERAL.—
23	(A) In General.—Not later than 120
24	days before the transmission of the report
25	under paragraph (1), the Commission shall

transmit the most recent version of such reportto Comptroller General.

(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 shall transmit to the Commission a report containing a detailed analysis of such version of the report.

(b) RECOMMENDATIONS.—

- (1) Transmission to congress.—The report described in subsection (a) shall be transmitted to the Senate and the House of Representatives on the same day, and shall be delivered to the Secretary of the Senate if the Senate is not in session, and to the Clerk of the House of Representatives if the House is not in session.
- (2) FEDERAL REGISTER.—Any recommendations and accompanying information transmitted under subsection (a) shall be printed in the first issue of the Federal Register after such transmission.

(c) Introduction.—

(1) Date of introduction.—Not later than 75 days after the report is transmitted to Congress pursuant to subsection (a), 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 included
 in such report.
 - (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 shall be implemented.

(d) COMMITTEE REFERRAL AND ACTION.—

(1) Consideration and report.—Any committee to which a bill or bills introduced under subsection (c) is referred shall report such bill not 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 a corporate entitlement. Any such reported bill shall be referred to the Committee on Homeland Security and Governmental Affairs of the Senate or the Committee on Oversight and Government Reform of the House of Representatives, as applicable.

1 (2) DISCHARGE.—If a committee does not re2 port a bill within the 120-day period as provided
3 under paragraph (1), such bill shall be discharged
4 from the committee and referred to the Committee
5 on Homeland Security and Governmental Affairs of
6 the Senate or the Committee on Oversight and Gov7 ernment Reform of the House of Representatives, as
8 applicable.

(3) Report to floor; consolidation.—

(A) IN GENERAL.—Not later than the first day the Senate or the House of Representatives (as applicable) is in session following 10 calendar days in session after the end of the 120-day period described under paragraphs (1) and (2), the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives, 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

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1	(ii) if only 1 bill is referred under
2	paragraph (1) or (2), report such bill
3	(without amendment) to the Senate or
4	House of Representatives.
5	(B) LEGISLATIVE CALENDAR.—The bill re-
6	ported under subparagraph (A) shall be placed
7	on the legislative calendar of the appropriate
8	House.
9	(e) Procedure in Senate After Report of Com-
10	MITTEE; DEBATE; AMENDMENTS.—
11	(1) Debate on Bill.—Debate in the Senate
12	on a bill reported by the Committee on Homeland
13	Security and Governmental Affairs under subsection
14	(d)(3), and all amendments thereto and debatable
15	motions and appeals in connection therewith, shall
16	be limited to not more than 30 hours. The time shall
17	be equally divided between, and controlled by, the
18	majority leader and minority leader or their des-
19	ignees.
20	(2) Debate on Amendments.—Debate in the
21	Senate on any amendment to the bill shall be limited
22	to 1 hour, to be equally divided between, and con-
23	trolled 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

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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 favor of any such amendment, motion, or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. No amendment shall be agreed to unless three-fifths of the whole number of the Senate votes in favor of such amendment.

(3) Limit of Debate.—

- (A) A motion to further limit debate is not debatable. A motion by the majority leader or his designee to extend debate is not debatable. A motion to recommit is not in order.
- (B)(i) No amendment to the bill reported by the Committee on Homeland Security and Governmental Affairs under subsection (d)(3) shall be in order unless—
 - (I) that amendment is confined to terminating or reforming a corporate entitlement; and
 - (II) that amendment is germane to the bill reported by the Committee on Homeland Security and Governmental Affairs.

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(ii) For the purposes of a bill described under clause (i), the term "germane" means only amendments which strike language from such bill, or restore language in the bill or bills introduced under subsection (c).

(4) Conference reports.—

- (A) MOTION TO PROCEED.—A motion to proceed to the consideration of the conference report on a bill subject to the procedures of this section and reported to the Senate may be made even though a previous motion to the 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).
- 3 (f) PROCEDURE IN HOUSE OF REPRESENTATIVES4 AFTER REPORT OF THE COMMITTEE; DEBATE.—
- 5 (1) MOTION TO CONSIDER.—When the Com-6 mittee on Oversight and Government Reform of the 7 House of Representatives reports a bill under sub-8 section (d)(3) it is in order (at any time after the 9 fifth day (excluding Saturdays, Sundays, and legal 10 holidays) following the day on which any committee 11 report filed on a bill referred under subsection (d)(1) 12 to the Committee on Oversight and Government Re-13 form has been available to Members of the House) 14 to move to proceed to the consideration of the bill 15 reported to the House of Representatives. The mo-16 tion is highly privileged and is not debatable. An 17 amendment to the motion is not in order, and it is 18 not in order to move to reconsider the vote by which 19 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

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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 XVIII of the Rules of the House of Representatives. No amendment shall be agreed to unless three-fifths of the whole number of the House of Representatives votes in favor of such amendment. After the committee rises and reports the bill back to the House, the previous question shall be considered as ordered on the bill and any amendments thereto to final passage without intervening motion.
- (4) Limit on Debate in the House 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.
- 3 (5) APPEALS.—Appeals from decisions of the 4 Chair relating to the application of the Rules of the 5 House of Representatives to the procedure relating 6 to the bill shall be decided without debate.
- 7 (g) Rules of the Senate and House of Rep-8 resentatives.—This section is enacted by Congress—
 - (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.

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