

known in their most prevalent form as mutual funds, are intended to provide individual investors the ability to invest easily and with low costs in a diversified pool of professionally managed investments. According to the Investment Company Institute, ICI, the main trade association for mutual funds, more than 50 million American families currently invest in mutual funds.

Most of the current law mutual fund rules were last collectively updated more than two decades ago. H.R. 4337 would modify and update certain technical tax rules pertaining to mutual funds in order to make them better conform to, and interact with, other aspects of the Tax Code and applicable securities laws.

On June 15, 2010, the Ways and Means Subcommittee on Select Revenue Measures held a hearing on H.R. 4337. Invited witnesses, including a representative of ICI, were supportive of the bill, and we are not aware of any controversy or opposition to the legislation.

Let me close by making a broader point. It certainly is appropriate for Ways and Means to periodically review the tax law to ensure that targeted provisions of importance to particular segments of the economy, including the mutual fund industry and their investors, are kept up to date; and I certainly appreciate the majority's decision to hold a hearing on this bill before bringing it to the floor, because our committee works best when it works under regular order.

Having said that, I must say that I am deeply disappointed that our committee seems to have lost sight of its responsibility to address the single most significant tax issue facing Americans right now—preventing a massive \$3.8 trillion tax increase at the end of this year. These looming tax hikes on families, seniors, investors, and small businesses not only threaten every American taxpayer with higher taxes, but they're also contributing significantly to the uncertainty we see in the economy as a whole. So while we should continue to work together to modernize the tax rules governing mutual funds, we also should be working together to prevent harmful tax increases, such as the tax hikes on capital gains and dividends that will dramatically affect the very same mutual fund investors we're focusing on here today.

With that, Madam Speaker, I urge support for the bill before us.

INVESTMENT COMPANY INSTITUTE,  
Washington, DC, September 28, 2010.

Re: ICI Strongly Supports Mutual Fund Modernization Legislation.

Hon. NANCY PELOSI,  
Speaker, House of Representatives,  
U.S. Capitol, Washington, DC.

Hon. JOHN BOEHNER,  
Republican Leader, House of Representatives,  
U.S. Capitol, Washington, DC.

DEAR SPEAKER PELOSI AND REPUBLICAN LEADER BOEHNER: The Investment Company Institute strongly supports the bipartisan

Regulated Investment Company ("RIC") Modernization Act (H.R. 4337). On behalf of the millions of mutual fund shareholders who would benefit from this bill, we urge all House members to vote favorably on this bill when it is considered on the Suspension Calendar.

This bill would modernize the tax laws that govern mutual funds. These laws have not been updated in any meaningful or comprehensive way since 1986, almost a quarter century ago; some of the provisions in current law date back more than 60 years. Numerous developments during the past 20-plus years—including the development of new fund structures and distribution channels—have placed considerable stress on the currently applicable tax rules.

The legislation's many benefits were discussed in detail during the bill's June 2010 hearing before the Committee on Ways and Means Select Revenue Measures Subcommittee. The three key areas in which the bill would benefit funds and their shareholders involve:

- improving the efficiency of mutual fund investment structures,
- reducing disproportionate tax consequences for inadvertent errors, and
- minimizing the need for amended tax statements and amended tax returns.

As discussed in detail in our testimony before the Subcommittee, the bill would reduce the burden arising from amended year-end tax information statements, improve a fund's ability to meet its distribution requirements, create remedies for inadvertent mutual fund qualification failures, improve the tax treatment of investing in a "fund-of-funds" structure, and update the tax treatment of fund capital losses.

This bill reflects the sponsors' conclusion, with which we strongly agree, that it is important to update, clarify, and streamline the mutual fund tax rules. By eliminating uncertainties and allowing appropriate innovations, funds will become more efficient. The ICI supports the pay-fors included in H.R. 4337, which apply to regulated investment companies and fully offset the modest revenue costs of the legislation.

Enacting this legislation will allow our members to focus on what they do best—serving their shareholders.

We urge your support.

Sincerely,

PAUL SCHOTT STEVENS,  
President and Chief Executive Officer.

I reserve the balance of my time.

Mr. NEAL. Madam Speaker, I yield myself such time as I might consume.

Madam Speaker, we held a hearing on this bill. It is well received by the investors; it is well received by the mutual fund companies, and it certainly received no negative commentary in the House. Why cannot we just come to this floor and speak to the issue at hand?

I worked hard on this piece of legislation with Mr. TIBERI for a long period of time. This is the legislation that's in front of this Congress at this particular time. It was well met because it was fully vetted in the committee with sufficient opportunity for any- and everyone to comment on it.

This is a product that we should be proud of. For the first time in two decades, we are modernizing issues that relate to the industry that many, if not millions, of Americans come to depend upon for retirement. I don't understand why there would be any additional ar-

gument made on any other piece of legislation that was being considered when, in fact, this is the matter that's before us at this particular time.

I reserve the balance of my time.

□ 1710

Mr. CAMP. I have no further requests for time, and I yield back the balance of my time.

Mr. NEAL. Madam Speaker, I have no further requests for time, I urge adoption of the bill, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts (Mr. NEAL) that the House suspend the rules and pass the bill, H.R. 4337, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### ALGAE-BASED RENEWABLE FUEL PROMOTION ACT OF 2010

Mr. VAN HOLLEN. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 4168) to amend the Internal Revenue Code of 1986 to expand the definition of cellulosic biofuel to include algae-based biofuel for purposes of the cellulosic biofuel producer credit and the special allowance for cellulosic biofuel plant property, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4168

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Algae-based Renewable Fuel Promotion Act of 2010".

#### SEC. 2. ALGAE TREATED AS A QUALIFIED FEEDSTOCK FOR PURPOSES OF THE CELLULOSIC BIOFUEL PRODUCER CREDIT, ETC.

(a) IN GENERAL.—Subclause (I) of section 40(b)(6)(E)(i) of the Internal Revenue Code of 1986 is amended to read as follows:

"(I) is derived solely from qualified feedstocks, and"

(b) QUALIFIED FEEDSTOCK; SPECIAL RULES FOR ALGAE.—Paragraph (6) of section 40(b) of such Code is amended by redesignating subparagraphs (F), (G), and (H) as subparagraphs (H), (I), and (J), respectively, and by inserting after subparagraph (E) the following new subparagraphs:

"(F) QUALIFIED FEEDSTOCK.—For purposes of this paragraph, the term 'qualified feedstock' means—

"(i) any lignocellulosic or hemicellulosic matter that is available on a renewable or recurring basis, and

"(ii) any cultivated algae, cyanobacteria, or lelna.

"(G) SPECIAL RULES FOR ALGAE.—In the case of fuel which is derived from feedstock described in subparagraph (F)(ii) and which is sold by the taxpayer to another person for refining by such other person into a fuel which meets the requirements of subparagraph (E)(i)(II)—

"(i) such sale shall be treated as described in subparagraph (C)(i),

"(ii) such fuel shall be treated as meeting the requirements of subparagraph (E)(i)(II) in the hands of such taxpayer, and

“(iii) except as provided in this subparagraph, such fuel (and any fuel derived from such fuel) shall not be taken into account under subparagraph (C) with respect to the taxpayer or any other person.”.

(C) ALGAE TREATED AS A QUALIFIED FEEDSTOCK FOR PURPOSES OF BONUS DEPRECIATION FOR BIOFUEL PLANT PROPERTY.—

(1) IN GENERAL.—Subparagraph (A) of section 168(1)(2) of such Code is amended by striking “solely to produce cellulosic biofuel” and inserting “solely to produce second generation biofuel (as defined in section 40(b)(6)(E))”.

(2) CONFORMING AMENDMENTS.—Subsection (1) of section 168 of such Code is amended—

(A) by striking “cellulosic biofuel” each place it appears in the text thereof and inserting “second generation biofuel”;

(B) by striking paragraph (3) and redesignating paragraphs (4) through (8) as paragraphs (3) through (7), respectively;

(C) by striking “CELLULOSIC” in the heading of such subsection and inserting “SECOND GENERATION”, and

(D) by striking “CELLULOSIC” in the heading of paragraph (2) and inserting “SECOND GENERATION”.

(d) CONFORMING AMENDMENTS.—

(1) Section 40 of such Code, as amended by subsection (b), is amended—

(A) by striking “cellulosic biofuel” each place it appears in the text thereof and inserting “second generation biofuel”;

(B) by striking “CELLULOSIC” in the headings of subsections (b)(6), (b)(6)(E), and (d)(3)(D) and inserting “SECOND GENERATION”, and

(C) by striking “CELLULOSIC” in the headings of subsections (b)(6)(C), (b)(6)(D), (b)(6)(H), (d)(6), and (e)(3) and inserting “SECOND GENERATION”.

(2) Clause (ii) of section 40(b)(6)(E) of such Code is amended by striking “Such term shall not” and inserting “The term ‘second generation biofuel’ shall not”.

(3) Paragraph (1) of section 4101(a) of such Code is amended by striking “cellulosic biofuel” and inserting “second generation biofuel”.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to fuels sold or used after the date of the enactment of this Act.

(2) APPLICATION TO BONUS DEPRECIATION.—The amendments made by subsection (c) shall apply to property placed in service after the date of the enactment of this Act.

### SEC. 3. PAYGO COMPLIANCE.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go-Act of 2010, shall be determined by reference to the latest statement titled “Budgetary Effects of PAYGO Legislation” for this Act, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Maryland (Mr. VAN HOLLEN) and the gentleman from Michigan (Mr. CAMP) each will control 20 minutes.

The Chair recognizes the gentleman from Maryland.

#### GENERAL LEAVE

Mr. VAN HOLLEN. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include any extraneous material in the CONGRESSIONAL RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. VAN HOLLEN. Madam Speaker, Americans across the Nation are increasingly interested in the contribution that clean, homegrown fuels can make to our environment, economic development, and energy security. Additionally, I hear from many of my constituents that they believe Federal policy should move toward the development of biofuels that do not compete with food and otherwise operate on a feedstock and technology-neutral basis.

Today’s legislation advances those goals by including algae as a qualified feedstock under the existing cellulosic biofuel credit. It is forward-looking legislation that recognizes the rapidly evolving nature of the advanced biofuels industry and the demonstrated potential of biofuels made from algae.

With that, I yield 5 minutes to my colleague Congressman HARRY TEAGUE of New Mexico and thank him for his extraordinary leadership on this bipartisan initiative.

Mr. TEAGUE. Madam Speaker, I am an oil man. I always have been and always will be. When I was 9 years old, we moved from Caddo County, Oklahoma, to Hobbs, New Mexico, so my daddy could get a job in the oil patch. A few years later, at age 17, with my parents sick and the bills still needing to get paid, I went to work in the oil fields to earn a paycheck and support the family. Eventually, I built a small business from the ground up; and we employed 250 people, drilling oil and gas wells for other people and fixing them when they were broke.

Most every hamburger that I have ever had has come somehow from American oil and gas. The industry employs almost 20,000 people in New Mexico. It’s a critical source of wealth, jobs, energy, and education funding in my State; and I’ve been proud to fight for New Mexico oil and gas in Congress.

While New Mexico has been successful developing its oil and gas resources, we have failed to develop the diverse alternative energy resources that my State also possesses in great abundance. And, unfortunately for thousands of New Mexicans looking for work today, we have failed to create those alternative energy jobs.

Madam Speaker, if we want to create our energy jobs here in America and stop sending a billion dollars to countries like Saudi Arabia and Venezuela every day, we need a “Do it all, do it in America” energy policy. We need to drill for more oil and natural gas. We need to build new nuclear facilities. We need to capture the wind, the sun, and the Earth’s geothermal heat for electricity. We need to produce billions of gallons of liquid biofuels to burn in cars, trucks, and airplane engines, and we need to do it right here in America.

Madam Speaker, a pillar of a “Do it all, do it in America” approach to en-

ergy is producing biofuels from algae. Algal biofuels have high energy density and the near-term potential to produce more energy in a small footprint than earlier generation biofuels. They can be grown using brackish water not suitable for human consumption and on land not suitable for agriculture. And all the algae needs is ample sunlight and a source of nutrition, like cow manure, to grow and get fat with oil.

Although the companies and researchers that are now producing algal biofuels have intensively experimented with various techniques and algae breeds over many years, when it comes down to it, getting oil out of algae is pretty simple: You dig a pond, line it, and fill it with water. You fill the pond with algae, keep them fed. When the algae are good and fat, you squeeze the oil out of the organisms. And depending on your technology, you put it right to use or refine it into gasoline, diesel, or jet fuel. Additionally, many algal biofuels are designed to function on a drop-in basis, so you can pour green crude right into the pipeline or tanker truck coming out of the oil patch. This means we can replace imported oil with homegrown fuel without costly investments in new refining and transportation infrastructure.

My district of southern New Mexico is among the many areas across the country primed to become a center for algal biofuel production and job creation. Our wide open spaces, ample sunlight, and brackish water make us the perfect place to produce our Nation’s next generation of biofuels. We already have algal biofuel facilities in Dona Ana County and Eddy County. Luna County will soon be home to another facility which will create 700 jobs when it breaks ground this fall. The potential, though, is so much greater. Algal biofuels are poised to power America with homegrown energy on a large scale.

However, algal biofuels face an uneven playing field within our Nation’s energy policy framework, most notably in our tax code. Under current law, algal biofuels do not qualify for tax incentives that currently benefit other biofuels, like cellulosic biofuels.

When these tax laws were written, cellulosic biofuels and biodiesel were the only renewable fuels on the lawmakers’ radars and considered capable of actually reducing America’s dependence on foreign oil. Since these laws were written, however, significant advances in the algae-based fuel industry have readied algae for prime time. Now, because algae has many advantages over cellulosic feedstocks and is operating on a near-term commercialization timeline similar to cellulosic fuels, algae-based fuel producers should receive tax incentives on par with those currently received by cellulosic biofuel producers.

H.R. 4168, the Algae-based Renewable Fuel Promotion Act, simply gives algal biofuels tax parity with cellulosic

biofuels. The legislation contains a limitation on the products that will qualify for the tax incentives. They must be derived solely from qualifying feedstocks. Qualifying feedstocks include, in addition to cellulosic materials, cultivated algae, cyanobacteria, and lemna. Beyond that, the bill does not distinguish among these feedstocks with regard to the manner of cultivation, including nutrients or other inputs used to develop the feedstock and the biofuel. It is the intent of this provision to encompass all technologies using qualified feedstocks such as algae.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. VAN HOLLEN. Madam Speaker, I yield the gentleman another 2 minutes.

Mr. TEAGUE. Bottom line, tax parity will help algal biofuel producers attract needed capital to produce energy right here at home and create hundreds of thousands of jobs for new energy in New Mexico and across this great country.

Madam Speaker, when Americans go to the pump to fill up their tanks today, they are sending 70 cents of every dollar to other countries, many of which don't like us very much, and are creating jobs in places like Saudi Arabia and Venezuela. I don't want Americans to be creating jobs for the supporters of Hugo Chavez when they use energy. We should be creating energy jobs right here at home, employing American workers to produce the energy our economy and military needs.

Passing this bill today is a step toward a "Do it all, do it in America" energy policy. We can create American jobs and make our country more secure by producing our energy right here at home. This is a commonsense bipartisan bill that will create jobs and move America toward energy independence.

I would like to thank Chairman LEVIN, Ranking Member CAMP, and members of the Ways and Means Committee for their support.

Mr. CAMP. Madam Speaker, I yield myself such time as I may consume.

(Mr. CAMP asked and was given permission to revise and extend his remarks.)

Mr. CAMP. Madam Speaker, this bill seeks to expand the eligibility for certain current law tax benefits to algae-based fuels. Specifically, it would make algae or algae plant property eligible for both the cellulosic biofuel producer credit and for 50 percent bonus depreciation.

Regardless of whether Members believe these enhanced tax benefits for algae are appropriate, I think it's important to make a few observations about this bill, about the process under which we are considering it, and about the majority's decision to make this the centerpiece of its tax agenda during this, the final week of session. With respect to the bill itself, I would note

that these same algae-related benefits, along with many other energy-related tax provisions, were included as a part of Chairman LEVIN's much broader green jobs discussion draft which had been expected to be formally considered by the Ways and Means Committee as a package. It's worth asking why only the algae-related provisions of that broader energy bill merit special consideration in stand-alone legislation, which is quite unusual for tax legislation from the committee, while the other provisions in that broader bill languish without so much as a committee markup.

□ 1720

If Ways and Means had actually held a mark-up on these algae-related provisions, Members could have fully explored whether it is advisable to expand the cellulosic biofuel producer credit, a credit that has proved controversial over the past several years.

Indeed, Members of both parties supported efforts to close a major potential loophole in that credit that could have permitted "black liquor," an alternative fuel created as a byproduct of the paper-making process to qualify. Given such recent, high-profile alarm about potential abuse of the cellulosic biofuel producer credit, one would think that efforts to further expand the credit would be pursued only after consideration and a formal Ways and Means Committee mark-up under regular order. I think we do the best work when we proceed under regular order. But, instead, these provisions have been rushed directly to the floor.

But what is most disturbing about the tax debate we are having here today is what we are not debating. Rather than using this last week of session prior to the election to prevent a massive \$3.8 trillion tax increase from taking effect at the end of the year, the majority's tax agenda for this final week, instead centers on a bill that provides tax benefits for algae. And let me repeat: instead of protecting American families, seniors and investors and small businesses from a job-killing, \$3.8 trillion tax hike, we are here debating tax benefits for algae.

Madam Speaker, governing is about setting priorities, and the majority's tax agenda for the week shows just how out of line the majority's priorities are with those of the American people.

Madam Speaker, I yield such time as he may consume to the gentleman from California (Mr. BILBRAY).

Mr. BILBRAY. I thank the ranking member. I appreciate the fact of this bill being brought forward.

Madam Speaker, I know there is very little being brought forward, but at least we have something to discuss today. And I have to agree with my colleague that we wish the general tax cut, something that we hear all around, the American people want us to talk about.

But this is an item that hasn't been talked about enough anywhere. And I

want to thank my colleague from New Mexico for cosponsoring this with me. And I want to congratulate the gentleman's State of New Mexico because, I tell you something, as a Californian, I am sort of envious. California spent lots of money on our universities, lots of money on our research. We have some of the best scientists in the world. And as the gentleman from New Mexico knows, our scientists in San Diego developed the ability to create this algae fuel, but, sadly, because of California's regulations and the lack of reform and its government oversight, the scientists in San Diego had to pack up and go to New Mexico to be able to produce this product. And the jobs will be created in New Mexico in the production because California hasn't reformed its government regulatory oversight.

And I think that is a challenge for all of us to look at that, hopefully, as the Federal Government will set an example that jobs aren't being taken overseas, because we are quick to write checks and maybe do research, but we are not quick at making the private sector viable to be able to create the jobs that all of us know the American people are desperate for.

You know, the algae-based fuel is one of the most promising fuels, Madam Speaker, when we talk about the next generation, second or third generation biofuels. We all know, any reasonable person knows, that the mandates of adding renewable fuels in our fuel stream, the mandate that you cannot sell legally gasoline in the United States unless it has a 10 or 8 percent by volume content of renewable fuels, that mandate never, ever meant to leave us with first generation renewable fuels. We all knew that first generation was a necessity, something we had to get through, something that was expensive, maybe not as environmentally friendly as we like, but a transition we hoped would come eventually.

Algae fuel has the capability of building that bridge to the future to lead the first generation renewables behind and move forward. The fact is that algae fuel is not only highly effective; algae fuel equals the fossil fuel one-to-one in energy capabilities.

The fact is that algae fuel, as it gets developed, is capable of not just driving our cars, but flying our airplanes, of actually replacing diesel. Algae fuel has the capability of total compatibility with the existing infrastructure. Unlike other fuels, you do not have to ship algae fuel by truck from one location to the other, thus creating a whole new group of environmental and air pollution problems. You can transport it within the pipe systems that exist today. You can refine it in the refineries that exist today.

Algae fuel has the capability of being 1, 2 percent, or 90 percent of the fuel stream within the existing infrastructure. It is totally compatible to be phased in, a huge benefit that does not exist with the first generation.

Algae fuel has the ability to consume and sequester massive amounts of CO<sub>2</sub>, something that other fuels do not have the capability of doing along the line at the capability that they have here. And the drop-in capability and the capability is something we do not talk enough about.

Algae fuels have been tested. We have had one aircraft that flew with algae fuel and not only was compatible, but was 4 percent more efficient than fossil fuels of comparable weight and volume.

And the fact is, Madam Speaker, that we have the ability now to even the playing field when it comes to taxes. Why should Washington continue to choose winners and have alternatives that should be allowed to win hamstrung and punished because they weren't here with their lobbyists years ago when these laws were passed?

This bill helps to correct the mistakes made in the past in our tax laws where Washington was choosing some to be winners and cutting out other people from participating in the system. We should allow winners to earn the right to be called winners and not be anointed by Washington or the legislators here in Washington. We should allow the technology and the products to compete on an open market, but equal tax benefits for everyone to be able to prove that America allows people to be innovative, to be creative, and we will not punish them just because they went down one technological road rather than the other.

Our Tax Code should be equal. It should be neutral, and it should be outcome-based, not profit-based and, most importantly, not Washington lobbying-based. This bill now equalizes that to some degree; and that degree, I think is appropriate at this time.

So it may not be doing everything we would like to do this week. It is not going to accomplish what I know we all know the American people want us to get accomplished before January 1 of 2011, but it does take a step in the right direction, helps to correct the mistake.

And yes, Congressman, I will go back to talk to Arnold Schwarzenegger and say, damn it, we have got to change our regulation so we can produce this algae in California so you don't get all the jobs from this great technology breakthrough.

Mr. CAMP. I yield back the balance of my time.

Mr. VAN HOLLEN. Madam Speaker, again, I want to thank the gentleman from New Mexico (Mr. TEAGUE) for this initiative and just respond to a couple of the points raised by Mr. CAMP, the ranking member of the Ways and Means Committee.

First, this piece of the energy bill was brought to the floor for two reasons. Number one, it has strong bipartisan support, as you heard. In addition to Mr. BILBRAY, Mrs. BONO MACK and Mr. DREIER are cosponsors of the legislation.

And, secondly, this piece has no cost associated with it. And so those two as-

pects of the bill made it a good candidate for coming forward.

Secondly, given the other comments made by the gentleman with respect to the importance of moving forward on tax relief for small businesses and others around the country, I would just remind the gentleman that just last Thursday, on the floor of this House, we had a vote on a bill for small business lending to make sure that we increased credit to struggling small businesses around the country to make sure that they could make payroll, to make sure that they could take on the costs that they needed to expand. And part of that bill also contained significant tax relief for small businesses.

And it was ironic that many of our Republican colleagues were off-site at a small business venture, and then came back to the Hill to vote against that bill, a bill that the Republican Senator, retiring Republican Senator from Ohio, Senator VOINOVICH said was important to small businesses, and has said it is time to put aside politics and get this done.

□ 1730

I am very pleased that the result of the action taken in this House and the Senate was the President signed that bill yesterday so that small businesses can have access to credit and small businesses will get the tax relief they need.

We look forward in this body to being able to move on to make sure that middle class taxpayers, 98 percent of the American people, can get tax relief without being held hostage to the demand of the Senate Republican leader that we also provide budget-busting tax breaks to the folks at the very top, adding \$700 billion to the deficit over the next 10 years, which is fiscally reckless and which, in the long term, will crimp economic and job growth.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Maryland (Mr. VAN HOLLEN) that the House suspend the rules and pass the bill, H.R. 4168, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### REDUNDANCY ELIMINATION AND ENHANCED PERFORMANCE FOR PREPAREDNESS GRANTS ACT

Mr. CUELLAR. Madam Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 3980) to provide for identifying and eliminating redundant reporting requirements and developing meaningful performance metrics for homeland security preparedness grants, and for other purposes.

The Clerk read the title of the bill.

The text of the Senate amendment is as follows:

Senate amendment:  
Strike out all after the enacting clause and insert:

#### SECTION 1. SHORT TITLE.

*This Act may be cited as the "Redundancy Elimination and Enhanced Performance for Preparedness Grants Act".*

#### SEC. 2. IDENTIFICATION OF REPORTING REDUNDANCIES AND DEVELOPMENT OF PERFORMANCE METRICS FOR HOMELAND SECURITY PREPAREDNESS GRANT PROGRAMS.

*(a) IN GENERAL.—Title XX of the Homeland Security Act of 2002 (6 U.S.C. 601 et seq.) is amended by adding at the end the following:*

#### "SEC. 2023. IDENTIFICATION OF REPORTING REDUNDANCIES AND DEVELOPMENT OF PERFORMANCE METRICS.

*"(a) DEFINITION.—In this section, the term 'covered grants' means grants awarded under section 2003, grants awarded under section 2004, and any other grants specified by the Administrator.*

*"(b) INITIAL REPORT.—Not later than 90 days after the date of enactment of the Redundancy Elimination and Enhanced Performance for Preparedness Grants Act, the Administrator shall submit to the appropriate committees of Congress a report that includes—*

*"(1) an assessment of redundant reporting requirements imposed by the Administrator on State, local, and tribal governments in connection with the awarding of grants, including—*

*"(A) a list of each discrete item of data requested by the Administrator from grant recipients as part of the process of administering covered grants;*

*"(B) identification of the items of data from the list described in subparagraph (A) that are required to be submitted by grant recipients on multiple occasions or to multiple systems; and*

*"(C) identification of the items of data from the list described in subparagraph (A) that are not necessary to be collected in order for the Administrator to effectively and efficiently administer the programs under which covered grants are awarded;*

*"(2) a plan, including a specific timetable, for eliminating any redundant and unnecessary reporting requirements identified under paragraph (1); and*

*"(3) a plan, including a specific timetable, for promptly developing a set of quantifiable performance measures and metrics to assess the effectiveness of the programs under which covered grants are awarded.*

*"(c) BIENNIAL REPORTS.—Not later than 1 year after the date on which the initial report is required to be submitted under subsection (b), and once every 2 years thereafter, the Administrator shall submit to the appropriate committees of Congress a grants management report that includes—*

*"(1) the status of efforts to eliminate redundant and unnecessary reporting requirements imposed on grant recipients, including—*

*"(A) progress made in implementing the plan required under subsection (b)(2);*

*"(B) a reassessment of the reporting requirements to identify and eliminate redundant and unnecessary requirements;*

*"(2) the status of efforts to develop quantifiable performance measures and metrics to assess the effectiveness of the programs under which the covered grants are awarded, including—*

*"(A) progress made in implementing the plan required under subsection (b)(3);*

*"(B) progress made in developing and implementing additional performance metrics and measures for grants, including as part of the comprehensive assessment system required under section 649 of the Post-Katrina Emergency Management Reform Act of 2006 (6 U.S.C. 749); and*

*"(3) a performance assessment of each program under which the covered grants are awarded, including—*