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*1st Session*

HOUSE OF REPRESENTATIVES

{ REPORT  
112-130

### REPORT ON THE LEGISLATIVE AND OVERSIGHT ACTIVITIES

OF THE

### COMMITTEE ON WAYS AND MEANS

together with

### MINORITY VIEWS

DURING THE

### 112TH CONGRESS



JUNE 28, 2011.—Committed to the Committee of the Whole House on  
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WASHINGTON : 2011

COMMITTEE ON WAYS AND MEANS

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**LETTER OF TRANSMITTAL**

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U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON WAYS AND MEANS,  
*Washington, DC, June 28, 2011.*

HON. KAREN HAAS,  
*Office of the Clerk,*  
*House of Representatives,*  
*Washington, DC.*

DEAR MS. HAAS: I am herewith transmitting, pursuant to House Rule XI, clause 1(d), the report of the Committee on Ways and Means on its legislative and oversight activities during the 112th Congress (January 1, 2011–May 31, 2011).

Sincerely,

DAVE CAMP,  
*Chairman.*



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## FOREWORD

Clause 1(d) of Rule XI of the Rules of the House, regarding the Rules of procedure for committees, contains a requirement that each committee prepare a report summarizing its activities. The 112th Congress amended the Rules of the House increasing the frequency of reports from annually to semiannually. The 104th Congress added subsections on legislative and oversight activities, including a summary comparison of oversight plans and eventual recommendations and actions. The full text of the amended Rule follows:

*(d)(1) Not later than the 30th day after June 1 and December 1, a committee shall submit to the House a semi-annual report on the activities of that committee.*

*(2) Such report shall include—*

*(A) separate sections summarizing the legislative and oversight activities of that committee under this Rule and Rule X during the applicable period;*

*(B) in the case of the first such report, a summary of the oversight plans submitted by the committee under clause 2(d) of Rule X;*

*(C) a summary of the actions taken and recommendations made with respect to the oversight plans specified in subdivision (B);*

*(D) a summary of any additional oversight activities undertaken by that committee and any recommendations made or actions taken thereon; and*

*(E) a delineation of any hearings held pursuant to clauses 2(n), (o), or (p) of this Rule.*

*(3) After an adjournment sine die of a regular session of a Congress, or after December 15, whichever occurs first, the chair of a committee may file the second or fourth semi-annual report described in subparagraph (1) with the Clerk at any time and without approval of the committee, provided that—*

*(A) a copy of the report has been available to each member of the committee for at least seven calendar days; and*

*(B) the report includes any supplemental, minority, or additional views submitted by a member of the committee.*

The jurisdiction of the Committee on Ways and Means during the 112th Congress is provided in Rule X, clause 1(t), as follows:

*(t) Committee on Ways and Means.*

*(1) Customs revenue, collection districts, and ports of entry and delivery.*

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- (2) *Reciprocal trade agreements.*
- (3) *Revenue measures generally.*
- (4) *Revenue measures relating to insular possessions.*
- (5) *Bonded debt of the United States, subject to the last sentence of clause 4(f).*
- (6) *Deposit of public monies.*
- (7) *Transportation of dutiable goods.*
- (8) *Tax exempt foundations and charitable trusts.*
- (9) *National social security (except health care and facilities programs that are supported from general revenues as opposed to payroll deductions and except work incentive programs).*

The general oversight responsibilities of the committee are set forth in clause 2 of Rule X. The 104th Congress also added the requirement in clause 2 of Rule X that each standing committee submit its oversight plans for each Congress. The text of the Rule, in pertinent part, follows:

2. (a) *The various standing committees shall have general oversight responsibilities as provided in paragraph (b) in order to assist the House in—*

(1) *its analysis, appraisal, and evaluation of—*

(A) *the application, administration, execution, and effectiveness of Federal laws; and*

(B) *conditions and circumstances that may indicate the necessity or desirability of enacting new or additional legislation; and*

(2) *its formulation, consideration, and enactment of changes in Federal laws, and of such additional legislation as may be necessary or appropriate.*

(b)(1) *In order to determine whether laws and programs addressing subjects within the jurisdiction of a committee are being implemented and carried out in accordance with the intent of Congress and whether they should be continued, curtailed, or eliminated, each standing committee (other than the Committee on Appropriations) shall review and study on a continuing basis—*

(A) *the application, administration, execution, and effectiveness of laws and programs addressing subjects within its jurisdiction;*

(B) *the organization and operation of Federal agencies and entities having responsibilities for the administration and execution of laws and programs addressing subjects within its jurisdiction;*

(C) *any conditions or circumstances that may indicate the necessity or desirability of enacting new or additional legislation addressing subjects within its jurisdiction (whether or not a bill or resolution has been introduced with respect thereto); and*

(D) *future research and forecasting on subjects within its jurisdiction.*

(2) *Each committee to which subparagraph (1) applies having more than 20 members shall establish an oversight subcommittee, or require its subcommittees to conduct over-*

*sight in their respective jurisdictions, to assist in carrying out its responsibilities under this clause. The establishment of an oversight subcommittee does not limit the responsibility of a subcommittee with legislative jurisdiction in carrying out its oversight responsibilities.*

*(c) Each standing committee shall review and study on a continuing basis the impact or probable impact of tax policies affecting subjects within its jurisdiction as described in clauses 1 and 3.*

*(d)(1) Not later than February 15 of the first session of a Congress, each standing committee shall, in a meeting that is open to the public and with a quorum present, adopt its oversight plan for that Congress. Such plan shall be submitted simultaneously to the Committee on Oversight and Government Reform and to the Committee on House Administration. In developing its plan each committee shall, to the maximum extent feasible—*

*(A) consult with other committees that have jurisdiction over the same or related laws, programs, or agencies within its jurisdiction with the objective of ensuring maximum coordination and cooperation among committees when conducting reviews of such laws, programs, or agencies and include in its plan an explanation of steps that have been or will be taken to ensure such coordination and cooperation;*

*(B) review specific problems with Federal Rules, regulations, statutes, and court decisions that are ambiguous, arbitrary, or nonsensical, or that impose severe financial burdens on individuals;*

*(C) give priority consideration to including in its plan the review of those laws, programs, or agencies operating under permanent budget authority or permanent statutory authority;*

*(D) have a view toward ensuring that all significant laws, programs, or agencies within its jurisdiction are subject to review every 10 years;*

*(E) have a view toward insuring against duplication of Federal programs; and*

*(F) include proposals to cut or eliminate programs, including mandatory spending programs, that are inefficient, duplicative, outdated, or more appropriately administered by State or local governments.*

Pursuant to H. Res. 72, for the first session of the 112th Congress, the Committee is required to identify any oversight or legislative activity conducted in support of, or as a result of, its “inventory and review of existing, pending, and proposed regulations, orders, and other administrative actions or procedures by agencies of the Federal government” within its jurisdiction. The full text of the Resolution follows:

*Resolved*, That each standing committee designated in section 3 of this resolution shall inventory and review existing, pending, and proposed regulations, orders, and other administrative actions or procedures by agencies of the Federal Government within such

committee's jurisdiction. In completing such inventory and review, each committee shall consider the matters described in section 2. Each committee shall conduct such hearings and other oversight activities as it deems necessary in support of the inventory and review, and shall identify in any report filed pursuant to clause 1(d) of Rule XI for the first session of the 112th Congress any oversight or legislative activity conducted in support of, or as a result of, such inventory and review.

**SEC. 2. MATTERS FOR CONSIDERATION.**

In completing the review and inventory described in the first section of this resolution, each committee shall identify regulations, executive and agency orders, and other administrative actions or procedures that—

- (1) impede private-sector job creation;
- (2) discourage innovation and entrepreneurial activity;
- (3) hurt economic growth and investment;
- (4) harm the Nation's global competitiveness;
- (5) limit access to credit and capital;
- (6) fail to utilize or apply accurate cost-benefit analyses;
- (7) create additional economic uncertainty;
- (8) are promulgated in such a way as to limit transparency and the opportunity for public comment, particularly by affected parties;
- (9) lack specific statutory authorization;
- (10) undermine labor-management relations;
- (11) result in large-scale unfunded mandates on employers without due cause;
- (12) impose undue paperwork and cost burdens on small businesses; or
- (13) prevent the United States from becoming less dependent on foreign energy sources.

**SEC. 3. COMMITTEES.**

The committees referred to in the first section of this resolution are as follows:

- (1) The Committee on Agriculture.
- (2) The Committee on Education and the Workforce.
- (3) The Committee on Energy and Commerce.
- (4) The Committee on Financial Services.
- (5) The Committee on the Judiciary.
- (6) The Committee on Natural Resources.
- (7) The Committee on Oversight and Government Reform.
- (8) The Committee on Small Business.
- (9) The Committee on Transportation and Infrastructure.
- (10) The Committee on Ways and Means.

To carry out its work during the 112th Congress, the Committee on Ways and Means had six standing Subcommittees, as follows:

- Subcommittee on Trade;
- Subcommittee on Oversight;
- Subcommittee on Health;
- Subcommittee on Social Security;
- Subcommittee on Human Resources; and
- Subcommittee on Select Revenue Measures.

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The membership<sup>1</sup> of the six Subcommittees of the Committee on Ways and Means in the 112th Congress is as follows:

SUBCOMMITTEE ON TRADE

KEVIN BRADY, Texas, *Chairman*

GEOFF DAVIS, Kentucky	JIM McDERMOTT, Washington
DAVE REICHERT, Washington	RICHARD E. NEAL, Massachusetts
WALLY HERGER, California	LLOYD DOGGETT, Texas
DEVIN NUNES, California	JOSEPH CROWLEY, New York
VERN BUCHANAN, Florida	JOHN B. LARSON, Connecticut
ADRIAN SMITH, Nebraska	
AARON SCHOCK, Illinois	
LYNN JENKINS, Kansas	

SUBCOMMITTEE ON SOCIAL SECURITY

SAM JOHNSON, Texas, *Chairman*

KEVIN BRADY, Texas	XAVIER BECERRA, California
PAT TIBERI, Ohio	LLOYD DOGGETT, Texas
AARON SCHOCK, Illinois	SHELLEY BERKLEY, Nevada
RICK BERG, North Dakota	FORTNEY PETE STARK, California
ADRIAN SMITH, Illinois	
KENNY MARCHANT <sup>2</sup> , Texas	

SUBCOMMITTEE ON OVERSIGHT<sup>3</sup>

CHARLES BOUSTANY, Louisiana, *Chairman*

DIANE BLACK, Tennessee	JOHN LEWIS, Georgia
AARON SCHOCK, Illinois	XAVIER BECERRA, California
LYNN JENKINS, Kansas	RON KIND, Wisconsin
KENNY MARCHANT <sup>4</sup> , Texas	JIM McDERMOTT, Washington
TOM REED <sup>5</sup> , New York	
ERIK PAULSEN <sup>6</sup> , Minnesota	

SUBCOMMITTEE ON HEALTH<sup>7</sup>

WALLY HERGER, California, *Chairman*

SAM JOHNSON, Texas	FORTNEY PETE STARK, California
PAUL RYAN, Wisconsin	MIKE THOMPSON, California
DEVIN NUNES, California	RON KIND, Wisconsin
DAVE REICHERT, Washington	EARL BLUMENAUER, Oregon
PETER ROSKAM, Illinois	BILL PASCRELL, JR., New Jersey
JIM GERLACH, Pennsylvania	
TOM PRICE, Georgia	
VERN BUCHANAN <sup>8</sup> , Florida	

SUBCOMMITTEE ON HUMAN RESOURCES

GEOFF DAVIS, Kentucky, *Chairman*

ERIK PAULSEN, Minnesota	LLOYD DOGGETT, Texas
RICK BERG, North Dakota	JIM McDERMOTT, Washington
TOM REED <sup>5</sup> , New York	JOHN LEWIS, Georgia
TOM PRICE, Georgia	JOSEPH CROWLEY, New York
DIANE BLACK, Tennessee	
CHARLES BOUSTANY, Louisiana	

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SUBCOMMITTEE ON SELECT REVENUE MEASURES<sup>3 7</sup>

PAT TIBERI, Ohio, *Chairman*

PETER ROSKAM, Illinois	RICHARD E. NEAL, Massachusetts
ERIK PAULSEN, Minnesota	MIKE THOMPSON, California
RICK BERG, North Dakota	JOHN B. LARSON, Connecticut
CHARLES BOUSTANY, Louisiana	SHELLEY BERKLEY, Nevada
KENNY MARCHANT <sup>4</sup> , Texas	
JIM GERLACH <sup>9</sup> , Pennsylvania	

<sup>1</sup> Rep. Charles Rangel, NY, will serve as an *ex officio* member sitting on all of the subcommittees without voting rights in the 112th Congress.

<sup>2</sup> Reassigned June 16, 2011.

<sup>3</sup> Christopher Lee resigned from Congress on February 9, 2011.

<sup>4</sup> Appointed to Ways and Means on March 15, 2011 and assigned Subcommittee on March 15, 2011.

<sup>5</sup> Appointed to Ways and Means on June 13, 2011 and assigned Subcommittee on June 16, 2011.

<sup>6</sup> Reassigned on June 16, 2011.

<sup>7</sup> Dean Heller resigned from Congress on May 9, 2011.

<sup>8</sup> Reassigned June 16, 2011.

<sup>9</sup> Reassigned June 16, 2011.

The Committee on Ways and Means submits its report on its legislative and oversight activities for the 112th Congress pursuant to the above stated provisions of the Rules of the House. Section I of the report describes the Committee's legislative activities, divided into six sections as follows: Legislative Review of Tax, Trust Fund, and Pension Issues; Legislative Review of Trade Issues; Legislative Review of Health Issues; Legislative Review of Social Security Issues; Legislative Review of Human Resources Issues; and Legislative Review of Debt Issues.

Section II of the report describes the Committee's oversight activities. It includes a copy of the Committee's Oversight Agenda, adopted on February 15, 2011, along with a description of actions taken and recommendations made with respect to the oversight plan. The report then discusses additional Committee oversight activities, and any recommendations or actions taken as a result.

Section III details the Committee's activities pursuant to H. Res. 72.

Finally, the report includes four appendices with Committee information. Appendix I is an expanded discussion of the Jurisdiction of the Committee on Ways and Means along with a revised listing and explanation of blue slip resolutions and points of order under House Rule XXI 5(a). Appendix II is a brief Historical Note on the origins of the Committee; Appendix III is a Statistical Review of the Activities of the Committee on Ways and Means; and Appendix IV is a listing of the Chairmen and Membership of the Committee from the 1st–112th Congresses.

## Union Calendar No. 80

112TH CONGRESS }  
1st Session } HOUSE OF REPRESENTATIVES { REPORT  
112-130

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### REPORT ON THE LEGISLATIVE AND OVERSIGHT ACTIVITIES OF THE COMMITTEE ON WAYS AND MEANS DURING THE ONE HUNDRED TWELFTH CONGRESS

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JUNE 28, 2011.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. CAMP, from the Committee on Ways and Means, submitted the following

### R E P O R T

together with

### MINORITY VIEWS

#### I. LEGISLATIVE ACTIVITY REVIEW

##### A. LEGISLATIVE REVIEW OF TAX, TRUST FUND, AND PENSION ISSUES

###### 1. BILLS ENACTED INTO LAW DURING THE 112TH CONGRESS, FIRST SESSION (JANUARY 5, 2011 TO MAY 31, 2011)

###### *a. Surface Transportation Extension Act of 2011 (P.L. 112-5)*

On February 11, 2011, Transportation and Infrastructure Committee Chairman John Mica and four cosponsors—Representative Peter DeFazio, Representative John Duncan, Jr., Representative Richard Hanna, and Representative Nick Rahall, II—introduced H.R. 662, the “Surface Transportation Extension Act of 2011.” On February 28, 2011 and March 1, 2011, Chairman Camp and Chairman Mica exchanged letters acknowledging the jurisdiction of the Ways and Means Committee on the bill’s tax-related provisions. On March 2, 2011, the House passed the bill, as amended, under a Rule by a vote of 421–4. On March 3, 2011, the Senate passed the bill without amendment by voice vote. On March 4, 2011, the President signed the bill into law.

H.R. 662 extended through September 30, 2011 the authorization of various surface transportation programs under the jurisdiction of the Transportation and Infrastructure Committee. The tax-related provisions of H.R. 662 extended through September 30, 2011 the Internal Revenue Code's expenditure authority for the Highway Trust Fund Highway and Mass Transit accounts and the Sport Fish Restoration and Boating Trust Fund.

*b. Airport and Airway Extension Act of 2011 (P.L. 112-7)*

On March 15, 2011, Transportation and Infrastructure Committee Chairman John Mica and four cosponsors—Chairman Camp, Representative Jerry Costello, Representative Thomas Petri, and Representative Nick Rahall, II—introduced H.R. 1079, the “Airport and Airway Extension Act of 2011.” On March 22, 2011 and March 23, 2011, Chairman Camp and Chairman Mica exchanged letters acknowledging the jurisdiction of the Ways and Means Committee on the bill's tax-related provisions. Those letters noted that the Ways and Means Committee had, on March 16, 2011, ordered favorably reported legislation (H.R. 1034) similar to the tax-related provisions of H.R. 1079. For additional information on H.R. 1034, see section 2g. On March 29, 2011, the House passed H.R. 1079 under suspension of the Rules by voice vote. On March 29, 2011, the Senate passed the bill without amendment by unanimous consent. On March 31, 2011, the President signed the bill into law.

H.R. 1079 extended through May 31, 2011 the authorization of various airport and airway programs under the jurisdiction of the Transportation and Infrastructure Committee. The tax-related provisions of H.R. 1079 extended through May 31, 2011 the Internal Revenue Code's expenditure authority for the Airport and Airway Trust Fund and the excise taxes that support the Airport and Airway Trust Fund.

*c. Comprehensive 1099 Taxpayer Protection and Repayment of Exchange Subsidy Overpayments Act of 2011 (P.L. 112-9)*

On January 12, 2011, House Administration Committee Chairman Dan Lungren and 245 cosponsors introduced H.R. 4, the “Small Business Paperwork Mandate Elimination Act of 2011.” On February 17, 2011, the Committee marked up the bill and ordered it favorably reported without amendment by voice vote (H. Rept. 112-15). At the request of Chairman Camp in a letter submitted to the Rules Committee on February 28, 2011, the text of H.R. 4 was subsequently replaced by the text of H.R. 705, the “Comprehensive 1099 Taxpayer Protection and Repayment of Exchange Subsidy Overpayments Act of 2011,” which the Committee had separately marked up and ordered reported, as amended, on February 17, 2011 (H. Rept. 112-16). For further information on H.R. 705, see section 2f. On March 3, 2011, the House passed H.R. 4, as amended (which incorporated the text of H.R. 705 as reported by the Ways and Means Committee), under a Rule by a vote of 314-112. On April 5, 2011, the Senate passed the bill without further amendment by a recorded vote of 87-12. On April 14, 2011, the President signed the bill into law.

As reported by the Committee, H.R. 4 would have repealed section 9006 of the Patient Protection and Affordable Care Act of 2010

(“PPACA”) (P.L. 111–148), which expanded certain information reporting requirements under Internal Revenue Code section 6041 for payments of \$600 or more to corporations or with respect to gross proceeds for property. As enacted, H.R. 4 amended the Internal Revenue Code to provide for: (1) the repeal of the expanded information reporting requirements enacted in section 9006 of PPACA (P.L. 111–148) for payments of \$600 or more to corporations or with respect to gross proceeds for property, (2) the repeal of the information reporting requirements with respect to real estate expenses enacted in section 2101 of the Small Business Jobs Act of 2010 (P.L. 111–240), and (3) an increase in the amount of the required repayment of overpayments of premium assistance credits for health insurance purchased through an exchange.

*d. Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112–10)*

On April 11, 2011, House Appropriations Committee Chairman Harold Rogers introduced H.R. 1473, legislation to provide continuing appropriations for the remainder of FY 2011. On April 14, 2011, the House passed H.R. 1473 under a Rule by a vote of 260–167. On April 14, 2011, the House-passed bill passed the Senate by a vote of 81–19. On April 15, 2011, the President signed the bill into law.

H.R. 1473 included provisions—which had previously passed the House as part of H.R. 471, see section 2d—authorizing educational scholarships for certain students residing in Washington, DC. The tax-related provisions of this portion of the legislation provided a Rule of construction stating that the education scholarships provided to parents of eligible students under the bill are not to be treated as income under Federal tax law.

*e. Airport and Airway Extension Act of 2011, Part II (P.L. 112–16)*

On May 13, 2011, Transportation and Infrastructure Committee Chairman John Mica and six cosponsors—Chairman Camp, Ranking Member Levin, Representative Jerry Costello, Representative John Lewis, Representative Thomas Petri, and Representative Nick Rahall, II—introduced H.R. 1893, the “Airport and Airway Extension Act of 2011, Part II.” On May 23, 2011, Chairman Camp and Chairman Mica exchanged letters acknowledging the jurisdiction of the Ways and Means Committee on the bill’s tax-related provisions. The Ways and Means Committee had, on March 16, 2011, ordered favorably reported legislation (H.R. 1034) similar to the tax-related provisions of H.R. 1893. For additional information on H.R. 1034, see section 2g. On May 23, 2011, the House passed H.R. 1893 under suspension of the Rules by voice vote. On May 24, 2011, the Senate passed the bill without amendment by unanimous consent. On May 31, 2011, the President signed the bill into law.

H.R. 1893 extended through June 30, 2011 the authorization of various airport and airway programs under the jurisdiction of the Transportation and Infrastructure Committee. The tax-related provisions of H.R. 1893 extended through June 30, 2011 the Internal Revenue Code’s expenditure authority for the Airport and Airway Trust Fund and the excise taxes that support the Airport and Airway Trust Fund.

2. TAX RELIEF AND OTHER PROPOSALS DURING THE 112TH CONGRESS,  
FIRST SESSION (JANUARY 5, 2011 TO MAY 31, 2011)

*a. Repealing the Job-Killing Health Care Law Act (H.R. 2)*

On January 5, 2011, Majority Leader Eric Cantor, along with Chairman Camp and 150 other cosponsors, introduced H.R. 2, the “Repealing the Job-Killing Health Care Law Act.” On January 19, 2011, the House passed the bill, as amended, under a Rule by a vote of 245–189. As of May 31, 2011, the Senate had not yet taken up the legislation.

As passed by the House, H.R. 2 would repeal the “Patient Protection and Affordable Care Act of 2010” (P.L. 111–148) and the health care provisions of the “Health Care and Education Reconciliation Act of 2010” (P.L. 111–152), including the tax provisions contained in those two laws.

*b. No Taxpayer Funding for Abortion Act (H.R. 3)*

On January 20, 2011, Representative Christopher Smith and 161 cosponsors introduced H.R. 3, the “No Taxpayer Funding for Abortion Act.” The bill was referred to the Judiciary Committee, as well as to the Energy and Commerce Committee and to the Ways and Means Committee. On March 3, 2011, the Judiciary Committee ordered H.R. 3, as amended, reported favorably by a vote of 23–14. On March 16, 2011, by letter of request from Chairman Camp, the Subcommittee on Select Revenue Measures held a hearing on the tax provisions contained in H.R. 3 as reported by the Judiciary Committee. Following that hearing, on March 29, 2011, Chairman Camp introduced related legislation, H.R. 1232, in order to address potential ambiguities with respect to the application of certain tax provisions contained in H.R. 3. On March 31, 2011, the Ways and Means Committee marked up H.R. 1232 and ordered it favorably reported, with an amendment, by a vote of 22–14 (H. Rept. 112–55). For further information on H.R. 1232, see subsection h. Under the Rule governing consideration of H.R. 3 on the House Floor, an amendment in the nature of a substitute offered by Judiciary Committee Chairman Smith and Chairman Camp—which substituted the text of H.R. 1232 for the tax provisions of H.R. 3 as reported by the Judiciary Committee—was adopted. On May 4, 2011, the House passed H.R. 3, as amended by a vote of 251–175. As of May 31, 2011, the Senate had not yet taken up the legislation.

As ordered reported by the Judiciary Committee on March 3, 2011, H.R. 3 would not have directly amended the Internal Revenue Code. However, it would have affected the Code by prohibiting certain tax benefits from being used to pay for abortions or for health benefit plans that cover abortions. Specifically, the bill sought to prevent abortions from being paid for with Federal tax credits or deductions or with funds withdrawn on a tax-preferred basis from certain trusts and accounts. As passed by the House—reflecting the incorporation of the text of H.R. 1232—H.R. 3 would: (1) disallow the refundable premium tax credit for coverage under qualified health plans that provide coverage for abortion; (2) disallow the small employer health insurance expense credit for plans that include coverage for abortion; (3) include in gross income any amounts used for abortion that are distributed from Archer Medical Savings Accounts, Health Savings Accounts, and Health Flexi-

ble Spending Arrangements (FSAs); and (4) disallow the deduction for medical expenses for abortion-related expenses. The bill's provisions would not apply to abortions in cases of rape, incest, or life-threatening physical condition of the mother, and they would not apply to the treatment of injury, infection, or other health problems resulting from an abortion.

*c. Termination of Taxpayer Financing of Presidential Election Campaigns and Party Conventions (H.R. 359)*

On January 20, 2011, Representative Tom Cole, along with seven cosponsors—Representative Todd Akin, Representative Roscoe Bartlett, Representative Rob Bishop, Representative John Campbell, Representative Virginia Foxx, Representative Doug Lamborn, and Representative Tom McClintock—introduced H.R. 359, legislation to terminate taxpayer financing of Presidential election campaigns and party conventions. On January 26, 2011, the House passed H.R. 359 under a Rule by a vote of 239–160. As of May 31, 2011, the Senate had not yet taken up the legislation.

As passed by the House, H.R. 359 would amend the Internal Revenue Code to terminate: (1) the taxpayer election to designate \$3 of income tax liability for financing of Presidential election campaigns; (2) the Presidential Election Campaign Fund; and (3) the Presidential Primary Matching Payment Account. The bill would also require the Secretary of the Treasury to transfer all amounts in the Presidential Election Campaign Fund after its termination to the general fund of the Treasury, to be used only for deficit reduction.

*d. Scholarships for Opportunity and Results Act (H.R. 471)*

On January 26, 2011, Speaker of the House John Boehner, along with five cosponsors—Representative Darrell Issa, Representative John Kline, Representative Daniel Lipinski, Representative Duncan Hunter, and Representative Trey Gowdy—introduced H.R. 471, legislation to authorize educational scholarships for certain students residing in Washington, DC. On March 30, 2011, the House passed H.R. 471, as amended, under a Rule by a vote of 225–195. A version of this proposal was subsequently enacted into law as part of H.R. 1473, the “Department of Defense and Full-Year Continuing Appropriations Act, 2011” (see section 1d).

The tax-related provisions of H.R. 471—which were subsequently enacted into law as part of H.R. 1473—provide a Rule of construction stating that the education scholarships provided to parents of eligible students under the bill are not to be treated as income under Federal tax law.

*e. FAA Air Transportation Modernization and Safety Improvement Act (H.R. 658)*

On February 11, 2011, Transportation and Infrastructure Committee Chairman John Mica—along with 21 cosponsors—introduced H.R. 658, the “FAA Air Transportation Modernization and Safety Improvement Act.” On March 11, 2011, Chairman Camp introduced related legislation, the “Airport and Airway Trust Fund Financing Reauthorization Act of 2011” (H.R. 1034). On March 16, 2011, the Ways and Means Committee held a mark-up on H.R. 1034 and ordered it favorably reported by voice vote (H. Rept. 112–

44, Part I). As noted in a March 29, 2011 letter from Chairman Camp to Rules Committee Chairman David Dreier, the text of H.R. 1034, as reported by the Ways and Means Committee, was, at Chairman Camp's request, incorporated into the March 22, 2011 Rules Committee Print of H.R. 658 prior to that bill's consideration by the Rules Committee. For further information on H.R. 1034, see subsection g. On April 1, 2011, the House passed H.R. 658, as amended to incorporate the text of H.R. 1034, under a Rule by a vote of 223–196. On April 7, 2011, the Senate amended the bill by substituting the House-passed text with the language of S. 223 and, by unanimous consent, passed the bill as amended. The Senate requested a conference and subsequently appointed conferees. As of May 31, 2011, the differences between the House and Senate versions of H.R. 658 remained unresolved.

As introduced, H.R. 658 would provide for the authorization of the Federal Aviation Administration and related programs under the jurisdiction of the Transportation and Infrastructure Committee through FY 2014. As passed by the House—reflecting the incorporation of the text of H.R. 1034—the bill would also extend through September 30, 2014 the Internal Revenue Code's expenditure authority for the Airport and Airway Trust Fund (AATF) and the excise taxes that support the AATF. The tax title of the Senate-passed version includes a shorter extension of AATF expenditure authority and the associated excise taxes, as well as various other provisions.

*f. Comprehensive 1099 Taxpayer Protection and Repayment of Exchange Subsidy Overpayments Act of 2011 (H.R. 705)*

On February 15, 2011, Chairman Camp introduced H.R. 705, the “Comprehensive 1099 Taxpayer Protection and Repayment of Exchange Subsidy Overpayments Act of 2011.” On February 17, 2011, the Committee held a mark-up on the bill and ordered it favorably reported, as amended, by a vote of 21–15 (H. Rept. 112–16). At the request of Chairman Camp in a letter submitted to the Rules Committee on February 28, 2011, the text of H.R. 705, as reported by the Ways and Means Committee, was subsequently substituted for the text of H.R. 4, the “Small Business Paperwork Mandate Elimination Act of 2011.” On April 14, 2011, H.R. 4—as amended to incorporate the text of H.R. 705—was signed into law by the President. For further information on H.R. 4, see section 1c.

As ordered reported by the Ways and Means Committee—and subsequently enacted into law as H.R. 4—H.R. 705 amends the Internal Revenue Code to provide for: (1) the repeal of the expanded information reporting requirements enacted in section 9006 of PPACA (P.L. 111–148) for payments of \$600 or more to corporations or with respect to gross proceeds for property, (2) the repeal of the information reporting requirements with respect to real estate expenses enacted in section 2101 of the Small Business Jobs Act of 2010 (P.L. 111–240), and (3) an increase in the amount of the required repayment of overpayments of premium assistance credits for health insurance purchased through an exchange.

*g. Airport and Airway Trust Fund Financing Reauthorization Act of 2011 (H.R. 1034)*

On March 11, 2011, Chairman Camp introduced H.R. 1034, the “Airport and Airway Trust Fund Financing Reauthorization Act of 2011.” On March 16, 2011, the Committee held a mark-up on the bill and ordered it favorably reported by voice vote (H. Rept. 112–44, Part I). As noted in a March 29, 2011 letter from Chairman Camp to Rules Committee Chairman David Dreier, the text of H.R. 1034, as reported by the Ways and Means Committee, was, at Chairman Camp’s request, incorporated into the March 22, 2011 Rules Committee Print of H.R. 658 prior to that bill’s consideration by the Rules Committee. For further information on H.R. 658, see subsection e. For further information on two other related bills subsequently passed by the House and signed into law by the President following Committee action on H.R. 1034, see sections 1b and 1e regarding H.R. 1079 and H.R. 1893, respectively.

As ordered favorably reported by the Ways and Means Committee, H.R. 1034 would reauthorize through September 30, 2014 the Internal Revenue Code’s expenditure authority for the Airport and Airway Trust Fund and the excise taxes that support the Airport and Airway Trust Fund.

*h. Amending the Internal Revenue Code of 1986 to eliminate certain tax benefits relating to abortion (H.R. 1232)*

On March 29, 2011, Chairman Camp introduced H.R. 1232, a bill to amend the Internal Revenue Code to eliminate certain tax benefits relating to abortion. This legislation was developed to address potential ambiguities with respect to the application of certain tax provisions contained in a related bill, the “No Taxpayer Funding for Abortion Act” (H.R. 3), which was the subject of a March 16, 2011 hearing of the Subcommittee on Select Revenue Measures. On March 31, 2011, the Ways and Means Committee marked up H.R. 1232 and ordered it favorably reported, with an amendment, by a vote of 22–14 (H. Rept. 112–55). Under the Rule governing consideration of H.R. 3 on the House Floor, an amendment in the nature of a substitute offered by Judiciary Committee Chairman Smith and Chairman Camp—which substituted the text of H.R. 1232 for the tax provisions of H.R. 3 as reported by the Judiciary Committee—was adopted. On May 4, 2011, the House passed H.R. 3, as amended to incorporate the text of H.R. 1232 as reported by the Ways and Means Committee, under that Rule by a vote of 251–175. As of May 31, 2011, the Senate had not yet taken up the legislation. For further information on H.R. 3, see subsection b.

As reported by the Ways and Means Committee—and subsequently included in H.R. 3 as a replacement for that bill’s tax provisions—H.R. 1232 would: (1) disallow the refundable premium tax credit for coverage under qualified health plans that provide coverage for abortion; (2) disallow the small employer health insurance expense credit for plans that include coverage for abortion; (3) include in gross income any amounts used for abortion that are distributed from Archer Medical Savings Accounts, Health Savings Accounts, and Health Flexible Spending Arrangements (FSAs); and (4) disallow the deduction for medical expenses for abortion-related expenses. The bill’s provisions would not apply to abortions in cases of rape, incest, or life-threatening physical condition of the

mother, and they would not apply to the treatment of injury, infection, or other health problems resulting from an abortion.

### 3. OTHER TAX MATTERS (JANUARY 5, 2011 TO MAY 31, 2011)

#### *a. Budget Hearings*

On February 15, 2011, the full Committee held a hearing to receive testimony from Secretary of the Treasury Timothy F. Geithner concerning provisions of the President's FY 2012 budget proposal within the jurisdiction of the Committee.

On February 16, 2011, the full Committee held a hearing to receive testimony from Secretary of Health and Human Services Kathleen Sebelius concerning provisions of the President's FY 2012 budget proposal within the jurisdiction of the Committee.

On February 16, 2011, the full Committee held a hearing to receive testimony from Jacob Lew, Director of the Office of Management and Budget, concerning provisions of the President's FY 2012 budget proposal within the jurisdiction of the Committee.

#### *b. Tax Reform Hearings (Full Committee)*

On January 20, 2011, the Committee received testimony on the economic and administrative burdens imposed by the current structure of the Federal income tax from: (i) Nina E. Olson, National Taxpayer Advocate, Internal Revenue Service; (ii) Robert A. McDonald, Chairman of the Board, President, and Chief Executive Officer, The Procter & Gamble Company, and Chairman, Fiscal Policy Initiative of the Business Roundtable; (iii) Warren S. Hudak, President, Hudak & Company, LLC; (iv) Kevin A. Hassett, Ph.D., Senior Fellow & Director of Economic Policy Studies, American Enterprise Institute; and (v) Martin A. Sullivan, Ph.D., Contributing Editor, Tax Analysts.

On April 13, 2011, the Committee received testimony on how the tax code's burdens on individuals and families demonstrate the need for comprehensive tax reform: (i) Alan Viard, Resident Scholar, American Enterprise Institute; (ii) Annette Nellen, CPA, Director, Masters of Science in Taxation Program, San Jose State University; (iii) Mark E. Johannessen, CFP, Managing Director, Harris SBSB; and (iv) Neil H. Buchanan, Associate Professor of Law, The George Washington University.

On May 12, 2011, the Committee received testimony on the need for comprehensive tax reform to help American companies compete in the global market and create jobs for American workers from: (i) Greg Hayes, Senior Vice President and Chief Financial Officer, United Technologies Corporation; (ii) Edward J. Rapp, Group President & Chief Financial Officer, Caterpillar Inc.; (iii) James T. Crines, Executive Vice President, Finance, and Chief Financial Officer, Zimmer Holdings, Inc.; (iv) Mark A. Buthman, Senior Vice President and Chief Financial Officer, Kimberly-Clark Corporation; (v) James R. Hines, Jr., L. Hart Wright Collegiate Professor of Law, University of Michigan Law School; (vi) Dirk J.J. Suringa, Partner, Covington & Burling LLP; and (vii) Jane Gravelle, Senior Specialist in Economic Policy, Congressional Research Service.

On May 24, 2011, the Committee received testimony on how other countries have used tax reform to help their companies compete in the global market and create jobs from: (i) Gary M. Thom-

as, Partner, White & Case; (ii) Frank Schoon, Partner, Dutch Desk, International Tax Services, Ernst & Young; (iii) Steve Edge, Partner, Slaughter and May; (iv) Jörg Menger, Partner, German Desk, International Tax Services, Ernst & Young; and (v) Reuven S. Aviyonah, Irwin I. Cohn Professor of Law, University of Michigan Law School.

*c. Hearings Held by the Subcommittee on Select Revenue Measures*

On March 3, 2011, the Subcommittee received testimony on the special burdens that the tax code imposes on small businesses and pass-through entities and the need for comprehensive tax reform to address these problems from: (i) Dr. Robert Carroll, Principal, Qualitative Economics and Statistics, Ernst & Young LLP; (ii) Ms. Patricia A. Thompson, Chair, Tax Executive Committee, American Institute of Certified Public Accountants, Piccerelli, Gilstein & Co. LLP; (iii) Mr. Dennis Tarnay, Chief Financial Officer, Lake Erie Electric, Inc.; and (iv) Dr. Donald B. Marron, Director, Tax Policy Center, The Urban Institute.

On March 16, 2011, the Subcommittee received testimony on tax policy issues raised by H.R. 3, as ordered reported by the House Judiciary Committee on March 3, 2011, from: Thomas A. Barthold, Chief of Staff, Joint Committee on Taxation.

## B. LEGISLATIVE REVIEW OF TRADE ISSUES

### 1. PENDING TRADE AGREEMENTS

In preparation for legislative action to implement the pending trade agreements with Colombia, Panama, and South Korea signed in 2007, the Committee held a hearing on January 25, 2011, on Congressional consideration of the pending trade agreements and the benefits these agreements will bring to American businesses, farmers, workers, consumers, and the U.S. economy. The hearing also explored developments with each of these countries that have occurred since the trade agreements were concluded. The Subcommittee received testimony from: (i) Roy Paulson, President, Paulson Manufacturing Corporation, on behalf of the National Association of Manufacturers; (ii) Bob Stallman, President, American Farm Bureau Federation; (iii) Michael L. Ducker, Chief Operating Officer and President, International, FedEx Express; (iv) William J. Toppeta, President, International, MetLife; Stephen E. Biegun, Corporate Officer and Vice President of International Governmental Affairs, Ford Motor Company.

On February 9, 2011, the Committee held a hearing on current trade issues, including the pending trade agreements. Ambassador Kirk testified before the Committee.

On March 17, 2011, the Subcommittee on Trade held a hearing focusing on Congressional consideration of the pending trade agreement with Colombia. The hearing addressed the economic benefits this agreement will bring to American businesses, farmers, workers, consumers, and the U.S. economy. In addition, the hearing examined the national security and geopolitical implications of the agreement and explored developments within Colombia that have occurred since the trade agreement was concluded. The Subcommittee received testimony from: (i) Ambassador Miriam Sapiro, Deputy U.S. Trade Representative, Office of the United States

Trade Representative; (ii) The Honorable Robert D. Hormats, Under Secretary for Economic, Energy & Agricultural Affairs, U.S. Department of State; (iii) The Honorable Thomas C. Dorr, President & Chief Executive Officer, U.S. Grains Council, and Former Under Secretary for Rural Development, U.S. Department of Agriculture; (iv) William D. Marsh, Vice President Legal, Western Hemisphere, Baker Hughes, Inc. on behalf of Baker Hughes, Inc. and the National Association of Manufacturers; (v) Ambassador Peter F. Romero President and Chief Executive Officer, Experior Advisory LLC, Former Assistant Secretary for Western Hemisphere Affairs, U.S. Department of State, and Former U.S. Ambassador to Ecuador; (vi) Adam Isaacson, Director, Regional Security Policy Program, Washington Office on Latin America; (vii) General Barry R. McCaffrey, USA (Retired), President, BR McCaffrey Associates, LLC, Former Director of the Office of National Drug Control Policy, and Former Commander of the U.S. Southern Command.

On March 30, 2011, the Subcommittee on Trade held a hearing focusing on Congressional consideration of the pending trade agreement with Panama. The hearing addressed the economic benefits this agreement will bring to American businesses, farmers, workers, consumers, and the U.S. economy. In addition, the hearing examined the national security and geopolitical implications of the agreement, as well as action taken by Panama to address tax transparency. The Subcommittee received testimony from: (i) Ambassador Miriam Sapiro, Deputy U.S. Trade Representative, Office of the United States Trade Representative; (ii) Doug Oberhelman, Chairman and Chief Executive Officer, Caterpillar Inc. on behalf of Caterpillar Inc., the U.S. Chamber of Commerce, the National Association of Manufacturers, the Business Roundtable and the Latin America Trade Coalition; (iii) Gary LaGrange, President and Chief Executive Officer, Port of New Orleans; (iv) Doug Wolf, President, National Pork Producers Council; (v) Jasper Sanfilippo, President and Chief Operating Officer, John B. Sanfilippo & Son, Inc.; (vi) Hal S. Shapiro, Partner, Akin Gump Strauss Hauer & Feld LLP, testifying in an individual capacity.

On April 7, 2011, the Subcommittee on Trade held a hearing focusing on Congressional consideration of the pending trade agreement with South Korea. The hearing addressed the economic benefits this agreement will bring to American businesses, farmers, workers, consumers, and the U.S. economy. In addition, the hearing examined the national security and geopolitical implications of the agreement and developments that have occurred since the trade agreement was concluded, particularly the supplemental agreement reached between the United States and South Korea relating to trade in autos. The Subcommittee received testimony from: (i) Ambassador Demetrios Marantis, Deputy U.S. Trade Representative, Office of the United States Trade Representative; (ii) William Rhodes, Chairman, U.S.-Korea Business Council; President and Chief Executive Officer, William R. Rhodes Global Advisors, LLC; Senior Advisor to Citigroup, on behalf of the U.S.-Korea Business Council and the U.S.-Korea FTA Business Coalition; (iii) John A. Schoch, Jr., President and Chief Executive Officer, Profile Products LLC, on behalf of the United States Chamber of Commerce; (iv) Robert Holleyman, President and Chief Executive Officer, Business Software Alliance; (v) Ambassador Thomas Hubbard,

Senior Director for Asia, McLarty Associates and Former Ambassador to South Korea.

On April 18, 2011, Chairman Camp led a bipartisan delegation of Members to Bogota, Colombia to assess the benefits of the pending trade agreement with Colombia as well as progress made by Colombia to address its labor law and conditions as well as protection against, and prosecution of, labor violence.

On January 27, Chairman Camp requested that the International Trade Commission (ITC) conduct a study assessing the supplemental autos agreement reached by USTR with South Korea, and the ITC released that report publicly on April 7, 2011.

## 2. WORLD TRADE ORGANIZATION

On February 9, 2011, the Committee held a hearing on current trade issues, including the prospect for trade expansion in agriculture, industrial goods, and services through the Doha Round negotiations at the World Trade Organization (WTO) and the issues surrounding Russia's efforts to accede to the WTO. Ambassador Kirk testified before the Committee on the Administration's views on these issues.

## 3. ENFORCEMENT

On February 9, 2011, the Committee held a hearing on current trade issues, including addressing the full range of issues impeding American companies from selling U.S. goods and services in China and distorting trade flows through unfair trade practices. In addition, the hearing addressed the management of trade disputes and other trade issues. Ambassador Kirk testified before the Committee on the Administration's views on these issues.

## 4. THE TRANS-PACIFIC PARTNERSHIP NEGOTIATIONS

On February 9, 2011, the Committee held a hearing on current trade issues, including the structure, content, and prospect for the ongoing Trans-Pacific Partnership negotiations. Ambassador Kirk testified before the Committee on the Administration's views on these issues.

## 5. OTHER BILATERAL AND REGIONAL ISSUES

### *Andean Countries*

On February 10, 2011, Chairman Camp introduced H.R. 622, to extend the Andean Trade Preferences Act.

### *China*

On February 9, 2011, the Committee held a hearing focusing on current trade issues, including the full range of issues impeding American companies from selling U.S. goods and services in China and distorting trade flows through unfair trade practices. United States Trade Representative Ron Kirk provided testimony. On May 6, 2011, Chairman Camp led a letter signed by a majority of Committee Members to Secretaries Geithner, Clinton, and Locke, and Ambassador Kirk discussing systemic problems in U.S.-China trade relations, including issues related to China's consistent lack of protection and enforcement of U.S. intellectual property rights, indigenous innovation requirements, use of industrial subsidies, export re-

straints on key products such as rare earth minerals, and currency misalignment. In that letter, the Members asked the Administration to develop metrics for assessing China's progress on these issues.

On May 10, 2011, Committee Members met with Chinese Vice Premier Wang Qishan to discuss the U.S.-China trade relationship.

### *Russia*

On February 9, 2011, the Committee held a hearing on current trade issues, including the issues surrounding Russia's efforts to accede to the WTO, in preparation for considering legislation, at the appropriate time, to graduate Russia from the Jackson-Vanik amendment and grant it Permanent Normal Trade Relations. Ambassador Kirk testified before the Committee on the Administration's views on this issue.

## C. LEGISLATIVE REVIEW OF HEALTH ISSUES

### *a. Full Committee Hearings*

On January 26, 2011, the full Committee received testimony on the economic and regulatory burdens imposed by the enactment and implementation of the Patient Protection and Affordable Care Act (P.L. 111-148) and the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152) and how such burdens are impacting job growth and retention from (i) Austan Goolsbee, Ph.D., Chairman, Council of Economic Advisors; (ii) Douglas Holtz-Eakin, Ph.D., President, American Action Forum; (iii) Scott Womack, President, Womack Restaurants; and (iv) Joe Olivo, Owner/CEO, Perfect Printing. The hearing examined the impact the new taxes and new federal regulatory requirements, including the shared responsibility employer requirement, were having on job creation and small business.

On February 10, 2011, the full Committee received testimony about the impact the Patient Protection and Affordable Care Act (P.L. 111-148) and the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152) are having on the Medicare program and its beneficiaries from (i) Donald M. Berwick M.D., Administrator, Centers for Medicare and Medicaid Services; and (ii) Richard S. Foster, Chief Actuary, Centers for Medicare and Medicaid Services. The hearing examined the impact these laws will have on the Medicare program and its beneficiaries.

### *b. Subcommittee Hearings*

#### *i. Medicare Payments*

On March 15, 2011, the Subcommittee received testimony on MedPAC's March 2011 Report to Congress from Glen M. Hackbarth, Chairman, Medicare Payment Advisory Commission. The hearing focused on MedPAC's March 2011 Report to the Congress on Medicare payment policies and recommendations.

On May 12, 2011, the Subcommittee received testimony about Medicare payments to physicians from (i) Stuart Guterman, Vice President, Payment and System Reform, Executive Director, Commission on a High Performance Health System, The Commonwealth Fund; (ii) Lisa Dulsky Watkins, MD, Associate Director, Vermont Blueprint for Health, Department of Vermont Health Ac-

cess; (iii) Dana Gelb Safran, Sc.D., Sr. Vice President for Performance Measurement and Improvement, Blue Cross Blue Shield of Massachusetts; (iv) Keith Wilson, M.D., Chair, Governing Board and Executive Committee, California Association of Physician Groups. The hearing focused on innovative delivery and physician payment system reform efforts.

#### D. LEGISLATIVE REVIEW OF HUMAN RESOURCES ISSUES

##### 1. UNEMPLOYMENT INSURANCE ISSUES

On February 10, 2011, the Subcommittee received testimony on improving efforts to help unemployed Americans find jobs from (i) Kristen Cox, Executive Director, Utah Workforce Services; (ii) Tom Pauken, Chairman, Texas Workforce Commission; (iii) Heather Boushey, Ph.D., Senior Economist, Center for American Progress; (iv) Douglas J. Holmes, President, UWC-Strategic Services on Unemployment and Workers' Compensation. The hearing focused on current policies and programs designed to help unemployed individuals return to work and how they can be improved.

On May 5, 2011, Chairman Dave Camp with two original cosponsors, Human Resources Subcommittee Chairman Geoff Davis and Representative Rick Berg, introduced H.R. 1745, the "Jobs, Opportunity, Benefits, and Services Act of 2011."

Title One of the JOBS Act provides for common sense reforms to improve the operation of permanent law unemployment benefits. It requires States to adopt a minimum standard for job searches required of unemployment benefit recipients; expects States to engage unemployment benefit recipients who are most likely to exhaust benefits without finding work—such as those without high school degrees—in education and training that will improve both their chances of finding work and future wages; and allows States to apply for waivers of Federal unemployment laws, allowing them to pursue innovative prowork strategies—similar to the State waivers that preceded successful Federal welfare reforms in the 1990s. It also provides for data element and reporting standardization to improve information sharing.

Title Two of the JOBS Act provides all States new flexibility in spending their share of the \$31 billion in remaining temporary Federal unemployment funds. Under the JOBS Act, States could use this money to continue paying current Federal unemployment benefits, or instead pass laws that would use some or all of this Federal money to keep unemployment taxes down or otherwise promote employment, as needed by local conditions.

The Committee held a markup on May 11, 2011. The bill was ordered favorably reported, as amended, by a vote of 20–14 (H. Rept. 112–87). The Bill was placed on the Union Calendar, Calendar No. 48 on May 23, 2011. No further action has been taken by the House.

##### 2. CHILD WELFARE ISSUES

On March 17, 2011, Representative Jim McDermott and Human Resources Subcommittee Chairman Geoff Davis introduced H.R. 1194, a bill to renew the authority of the Secretary of Health and Human Services to approve demonstration projects designed to test innovative strategies in State child welfare programs. The House

agreed to suspend the Rules and pass the bill by voice vote on May 31, 2011.

H.R. 1194 amends title XI of the Social Security Act to renew through FY2016 the authority of the Secretary of Health and Human Services (HHS) to authorize waivers for states to conduct child welfare program demonstration projects likely to promote the objectives of Parts B (Child and Family Services and Promoting Safe and Stable Families Programs) or E (Foster Care, Adoption Assistance, and Kinship Guardianship) of Title IV of the Social Security Act (SSA). Demonstration projects that may be approved include those designed to identify and address barriers that result in delays to kinship guardianship for children in foster care, provide early intervention and crisis intervention services that safely reduce out-of-home placements and improve child outcomes, and identify and address domestic violence that endangers children and results in the placement of children in foster care.

### 3. DATA MATCHING ISSUES

On March 11, 2011, the Subcommittee received testimony on the use of data matching to improve customer service, program integrity, and taxpayer savings from: (i) The Honorable Patrick P. O'Carroll, Jr., Inspector General, Social Security Administration; (ii) Sundhar Sekhar, Principal, National Health and Human Services Practice Leader, Deloitte Consulting; (iii) Joseph Vitale, Director, Information Technology Systems Center (ITSC), National Association of State Workforce Agencies (NASWA); (iv) Elizabeth Lower-Basch, Senior Policy Analyst, Center for Law and Social Policy; and (v) Ron Thornburgh, Senior Vice President of Business Development, NIC. The hearing focused on the use of data matching to improve public benefit programs under the Subcommittee's jurisdiction.

## E. LEGISLATIVE REVIEW OF DEBT ISSUES

### 1. DEBT ISSUE PROPOSALS

On May 24, 2011, Chairman Dave Camp introduced H.R. 1954, "To implement the President's request to increase the statutory limit on the public debt." The bill provides for an increase in the statutory debt limit of \$2.4 trillion, the amount needed to implement the President's FY 2012 budget proposal. On May 31, 2011, the House rejected the bill under suspension of the rules by a vote of 97–318, with 7 voting present (Roll no. 379).

### 2. OTHER DEBT MATTERS—FULL COMMITTEE HEARINGS

On March 30, 2011, the full Committee received testimony on impediments to jobs creation from (i) Dr. Edward Lazear, Professor, Stanford University; (ii) Dr. Andrew Biggs, Resident Scholar, American Enterprise Institute; (iii) Dr. Heather Boushey, Senior Economist, Center for American Progress; and (iv) Dr. Veronique de Rugy, Senior Research Fellow, Mercatus Center. The hearing focused on identifying impediments to job creation and the impact of budget deficits and growing debt levels in particular.

F. LEGISLATIVE REVIEW OF MULTI-JURISDICTIONAL ISSUES

a. *National Defense Authorization Act for Fiscal Year 2012 (H.R. 1540)*

On April 14, 2011, Armed Services Committee Chairman Howard P. “Buck” McKeon introduced the “National Defense Authorization Act for Fiscal Year 2012” (H.R. 1540), which the Armed Services Committee ordered favorably reported to the House, with an amendment, on May 11, 2011. On May 12, 2011 and May 16, 2011, Chairman Camp and Chairman McKeon exchanged letters acknowledging the jurisdiction of the Ways and Means Committee over various provisions in the bill, including a tax-related provision relating to an energy grant program established under P.L. 111–5.

H.R. 1540 also included a provision that would require future Medicare-eligible enrollees in the Uniformed Services Family Health Plan to enroll in Medicare when they turn 65. These enrollees would also receive TRICARE for Life as wraparound coverage once they were enrolled in Medicare. The Subcommittee on Health received a referral based on the inclusion of this provision.

In an exchange of letters, the Committee waived jurisdiction. H.R. 1540 passed the House May 26, 2011, and was subsequently referred to the Senate Committee on Armed Services.

**II. OVERSIGHT ACTIVITY REVIEW**

A. OVERSIGHT AGENDA

COMMITTEE ON WAYS AND MEANS,  
U.S. HOUSE OF REPRESENTATIVES,  
*Washington, DC, February 15, 2011.*

Hon. DARRELL ISSA,  
*Chairman, Committee on Oversight & Government Reform,  
Rayburn House Office Bldg., Washington, DC.*

Hon. DANIEL E. LUNGREN,  
*Chairman, Committee on House Administration,  
Longworth House Office Bldg., Washington, DC.*

DEAR CHAIRMAN ISSA AND CHAIRMAN LUNGREN: In accordance with the requirements of clause 2 of Rule X of the Rules of the House of Representatives, the following is a list of oversight hearings and oversight-related activities that the Committee on Ways and Means and its Subcommittees plan to conduct during the 112th Congress.

*Matters under the Committee’s Federal Budget Jurisdiction*

- *Economic and Budget Outlook.* Oversight hearings with various Administration officials to discuss current economic and budget conditions, including the long-term outlook, the state of the economy, prospects for recovery and long-term growth, our economic competitiveness, private sector job creation, and limits on the public debt.

*Matters under the Committee's Tax Jurisdiction*

- *Tax Reform.* Hearings on simplifying and reforming the tax code for individuals, families, and employers in order to better promote economic growth and job creation.
- *Priorities of the Department of the Treasury.* Hearings with the Treasury Secretary and other Administration officials to receive information regarding the Administration's tax-related priorities for the 112th Congress. Specifically, discuss and consider legislative and administrative proposals contained in the President's fiscal year 2012 and 2013 budgets.
- *Appropriate Tax Relief for Individuals, Families, and Employers.* Hearings on appropriate tax relief measures for individual taxpayers, families, and employers of all sizes.
- *Internal Revenue Service Operations/Administration of Tax Laws.* Oversight of the major Internal Revenue Service (IRS) programs, including enforcement, collection, taxpayer services, returns processing, and information systems. Consider analyses and reports provided to the Congress by the IRS National Taxpayer Advocate, Treasury Inspector General for Tax Administration, and the Government Accountability Office (GAO). Oversight of IRS funding and staffing levels needed to provide taxpayer assistance and enforce the tax law fairly, effectively and efficiently. Evaluate tax return filing seasons, including use of paid tax preparers, electronic filing, IRS and volunteer taxpayer assistance programs, and the Free File Program. Discuss proposed funding and staffing levels for the IRS and legislative proposals and administrative proposals contained in the President's fiscal year 2012 and 2013 budgets. Review IRS realignment and closure of service centers and other facilities.
- *Delivery of Tax Refunds.* Oversight related to the delivery of Federal tax refunds via the use of debit cards to assist individuals who do not have access to financial accounts or institutions.
- *Tax-Exempt Organizations.* Oversight of Federal tax laws, regulations, and filing requirements that affect tax-exempt organizations, particularly charities and foundations. Evaluate overall IRS efforts to monitor tax-exempt organizations, identify areas of non-compliance, prevent abuse, and ensure timely disclosure to the public about tax-exempt organization activities and finances.
- *Tax Code and Tax Form Simplification.* Oversight of tax code and tax form complexity, particularly for individuals, with the goal of simplification. Review areas where taxpayers and professional return preparers have difficulty, including areas where they make the most errors, and consider solutions. Evaluate simplification of information returns to assist taxpayers in determining taxable income. Examine proposals to close the "tax gap" by simplifying compliance with our tax laws.
- *Earned Income Tax Credit ("EITC").* Oversight of IRS programs designed to provide tax assistance to more than 23 million low-income working taxpayers claiming the EITC. Evaluate the participation and error rates within the program.
- *Tax Scams.* Oversight of the latest tax scams and tax fraud activities with a goal of protecting taxpayers and preventing identity theft.
- *Federal Excise Taxes.* Oversight review of Federal excise taxes, credits, and refunds, including the trust funds financed by these taxes.

- *Pensions and Retirement Security.* Oversight review of the financial condition, operations, and governance of the Pension Benefit Corporation (“PBGC”), including financial exposure of the PBGC.

*Matters under the Committee’s Health Jurisdiction*

- *Priorities of the Department of Health and Human Services (HHS).* Oversight hearing with the HHS Secretary to discuss priorities for the 112th Congress and concerns related to the delivery of health services and reimbursement under Medicare. Specifically, discuss and consider legislative and administrative proposals contained in the President’s fiscal year 2012 and 2013 budgets.

- *Medicare Part A and Part B (Fee-for-Service Providers).* Oversight of the major Medicare programs to ensure efficient use of resources, quality of care, and access to providers for Medicare beneficiaries. Specific topics include: adequacy and appropriateness of provider reimbursements, including incentive payments; program benefits; cost sharing; workforce supply; the doctor-patient relationship; treatment of specific populations such as people with disabilities and low-income beneficiaries; quality improvement efforts; implementation of recently enacted Medicare legislation and regulations; and waste, fraud, and abuse activities.

- *Medicare Advantage.* Oversight of Medicare health plans, including: enrollment; reimbursements; benefit packages; quality; beneficiary choice; and recent statutory and regulatory changes affecting Medicare health plans and their enrollees.

- *Medicare Part D (Prescription Drug Plans).* Oversight of the Medicare prescription drug program, including: drug pricing; beneficiary premiums and cost-sharing; beneficiary choice; impacts of recently enacted legislation and regulations and their impact on the Part D program; and access to retiree prescription drug coverage.

- *Medicare Entitlement.* Oversight of program changes on the Medicare Trust Funds; premium and copay levels; and benefit design.

- *CMS Administration.* Oversight of Centers for Medicare and Medicaid Service (CMS), including issuance of regulations and their impact on Medicare providers and beneficiaries; the adequacy and use of CMS’ budget and staff; contracting activities; communications with beneficiaries; adherence to the Administrative Procedures Act; and general agency accountability.

- *Private Health Insurance Coverage.* Oversight and review of private health coverage, including: cost, access, subsidies to purchase insurance, benefit design, coverage options, pooling mechanisms, and employer-sponsored benefits; COBRA; Health Coverage Tax Credit (HCTC); health savings accounts and flexible spending arrangements; options to reduce the cost of health coverage, expand coverage, and address the rate of increase in health care costs; the impact of recently enacted legislation and regulations on those with private insurance, employers, the economy, and state budgets; and adherence to the Administrative Procedures Act.

*Matters under the Committee’s Human Resources Jurisdiction*

- *Welfare Reform.* Review and consider proposals to reauthorize the Temporary Assistance for Needy Families (TANF) program and

related welfare reform programs. Examine barriers to increasing self-sufficiency among low-income families with children, and how changes to TANF and related programs may better address the needs of adult beneficiaries who face barriers to employment. Review the role that related programs such as child care and child support enforcement play in facilitating economic opportunity for low-income families.

- *Unemployment Compensation.* Provide oversight of the nation's unemployment compensation benefits and employment security systems, with a focus on reforms that could better assist beneficiaries in returning to work.

- *Child Welfare.* Provide oversight of the nation's child welfare programs, including foster care, adoption assistance, and child and family service programs under Titles IV-B and IV-E of the Social Security Act. Review State efforts to implement new statutory and regulatory requirements under the Fostering Connections to Success and Increasing Adoptions Act, including providing assistance to relatives to care for children and improving the oversight of the health and educational needs of foster children. Consider proposals for reauthorizing several child welfare services programs whose authorization expires at the end of FY 2011, as well as proposals designed to improve the financing of child welfare programs and to reduce abuse and neglect of at-risk children.

- *Low-Income Disabled and Aged Individuals.* Provide oversight of the Supplemental Security Income (SSI) program to examine trends in the program, agency program integrity efforts, and options to reduce administrative complexities in order to target program resources to those most in need.

#### *Matters under the Committee's Social Security Jurisdiction*

- *Strengthening Social Security.* Examine how Social Security programs are meeting the needs of today's and tomorrow's beneficiaries, along with the financial challenges facing the program and proposals to strengthen Social Security.

- *Stewardship of Social Security Programs.* Provide oversight of the management and performance of Social Security programs, including their potential vulnerability to waste, fraud, and abuse, and to explore necessary legislative remedies.

- *Use of the Social Security Number (SSN).* Examine the integrity and protection of SSNs by the Social Security Administration (SSA) and, the use of SSNs and Social Security cards as identifiers and in identity theft and other fraud, along with options for change.

- *Challenges Facing the Disability Insurance (DI) Program.* Provide oversight of the DI program including: assessing the effectiveness of return to work programs, efforts to improve disability claims processing and service delivery, and examining the growth of and options to strengthen the DI program.

- *SSA's Information Technology (IT) Infrastructure.* Assess the effectiveness of the SSA's IT infrastructure, including its management, performance, and strategic planning for future programs and systems development.

- *Service Delivery.* Oversight of the SSA's service to the public during a time of fiscal constraint and evolving service delivery approaches.

*Matters under the Committee's Trade Jurisdiction*

- *Signed Trade Agreements with Colombia, Panama, and South Korea.* Oversight of the three signed and pending trade agreements, with focus on setting a clear path forward to consider all three agreements early in 2011.

- *China.* Oversight of systemic problems in U.S.-China trade relations, including issues related to China's consistent lack of protection and enforcement of U.S. intellectual property rights, indigenous innovation requirements, use of industrial subsidies, export restraints on key products such as rare earth minerals, and currency undervaluation.

- *Other Bilateral and Regional Negotiations.* Oversight of ongoing bilateral and regional negotiations including the Trans-Pacific Partnership. Evaluate prospect for additional trade and investment agreement negotiations.

- *Preference Programs.* Oversight of major U.S. trade preference programs, such as the Generalized System of Preferences, African Growth and Opportunity Act, Caribbean Basin Initiative, Andean Trade Preference Act, and Haitian Hemispheric Opportunity Through Partnership Encouragement Act. Evaluate efficacy of programs and address possible improvements.

- *World Trade Organization ("WTO").* Oversight of U.S. goals. Evaluation of reasons for the current stalemate in WTO negotiations and consideration of proposals to break impasse and achieve meaningful outcome in all areas. Oversight of accessions to the WTO, including Russia.

- *Enforcement.* Oversight of U.S. enforcement of WTO rights and rights under trade agreements. Evaluation of proposals to strengthen border enforcement related to U.S. intellectual property rights, import safety, and illegal transshipment. Oversight of administration of U.S. trade remedy laws, including border enforcement. Oversight of whether the United States is in compliance with its obligations, particularly where the United States is facing retaliation.

- *Implemented Trade Agreements.* Oversight of implemented agreements involving Peru, Central America/the Dominican Republic, Oman, Bahrain, Singapore, Chile, Australia, Morocco, Jordan, the North American Free Trade Agreement ("NAFTA"), and Israel.

- *Trade Adjustment Assistance.* Renew and provide continued oversight concerning the Trade Adjustment Assistance programs for Workers, Firms, Communities, and Farmers.

- *Priorities of U.S. Customs and Border Protection (CBP).* Oversight concerning customs revenue functions and trade facilitation, including enforcement of U.S. trade and customs laws and regulations. Consider proposals related to CBP's capacity, resources, and organizational structure to carry out its mandate.

- *Miscellaneous Tariff Bill ("MTB").* Continue work concerning noncontroversial bills to eliminate or reduce duties on products not made in sufficient quantities in the United States, in accordance with Committee guidelines and House Rules.

- *Priorities of the Office of the United States Trade Representative.* Oversight hearing with the United States Trade Representative to discuss priorities for the 112th Congress and concerns related to the international trade agenda.

- *Priorities of the United States International Trade Commission.* Oversight over the Commission concerning overall priorities and operations.

This list is not intended to be exclusive. The Committee anticipates that additional oversight hearings and activities will be scheduled as issues arise and as time permits. Also, the Committee's oversight priorities and particular concerns may change as the 112th Congress progresses over the coming 18 months.

Sincerely,

DAVE CAMP,  
*Chairman.*

## B. ACTIONS TAKEN AND RECOMMENDATIONS MADE WITH RESPECT TO OVERSIGHT PLAN

### *Subcommittee on Oversight*

#### *A. Subcommittee Hearings for 112th Congress*

##### 1. Reducing Health Care Fraud

*Actions taken:* On March 2, 2011, the Oversight Subcommittee received testimony on improving efforts to combat health care fraud from (i) Peter Budetti, M.D., Deputy Administrator and Director, Center for Program Integrity, Centers for Medicare and Medicaid Services; (ii) Lewis Morris, Chief Counsel, Office of Inspector General; (iii) Karen Ignagni, President and CEO, America's Health Insurance Plans; (iv) Louis Saccoccio, Executive Director, National Health Care Anti-Fraud Association; and (v) Aghaebuna "Ike" Odelugo, who pled guilty to state and federal charges related to nearly \$10 million in Medicare fraud.

The hearing focused on current policies and programs designed to prevent and punish Medicare fraud, as well as new and innovative practices aimed at preventing health care fraud used in the private sector. Health care fraud costs the American taxpayer tens of billions of dollars every year, significantly increasing Medicare spending. As a GAO-designated "high-risk" program since 1990, Medicare continues to attract those who defraud the government through kickbacks, identity theft, and billing for services and equipment beneficiaries never receive or do not need.

The Subcommittee explored how the public sector and private sector could learn from each other about new tools to combat health care fraud, waste, and abuse. The witnesses testified about the latest efforts to reduce Medicare fraud, including various data matching techniques. Mr. Odelugo testified about how easy it was for him to commit health care fraud, and what roadblocks might be put in place to deter others from engaging in similar activity.

##### 2. IRS Operations and the 2011 Tax Return Filing Season

*Actions taken:* On March 31, 2011, the Oversight Subcommittee received testimony concerning the Internal Revenue Service operations and the 2011 tax return filing season from The Honorable Douglas Shulman, Commissioner, Internal Revenue Service. The Subcommittee considered (1) the protection of taxpayer rights, (2) fairness in tax examinations and tax administration, (3) IRS efforts to prevent tax fraud, waste, and abuse, and (4) the 2012 budget proposal for the IRS and the requested increases over the fiscal year 2010 enacted level. The Commissioner's testimony focused on

IRS e-filing initiatives, taxpayer outreach and education initiatives, and the agency's budget request.

On November 22, 2010, the Subcommittee requested the GAO monitor and assess the Internal Revenue Service's performance during the 2011 tax return filing season, with an emphasis on the IRS' efforts to streamline returns processing, improve taxpayer service, and enhance compliance. The GAO's report, which was released at the hearing, found that while the IRS had made progress in improving access to electronic tax administration, more needed to be done to address taxpayer noncompliance and improve taxpayer service. The GAO report also highlighted the need for IRS to provide actual performance results of its various enforcement initiatives in order to better assess agency resources.

### 3. AARP's Organizational Structure and Finances

*Actions taken:* On April 1, 2011, the Subcommittee on Oversight and the Subcommittee on Health received testimony on AARP's organizational structure and finances from (i) A. Barry Rand, Chief Executive Officer, AARP accompanied by Lee Hammond, President, AARP Board of Directors; (ii) William Josephson, J.D., Of Counsel Fried, Frank, Harris, Shriver & Jacobson LLP; (iii) Frances R. Hill, J.D., Ph.D, Professor, University of Miami School of Law. The hearing focused on AARP's organizational structure, management, and financial growth over the last decade.

### 4. Transparency and Funding of State and Local Pensions

*Actions taken:* On May 5, 2011, the Oversight Subcommittee received testimony on the transparency and funding of state and local pension plans from (i) The Honorable Walker Stapleton, Colorado State Treasury; (ii) Josh Barro, Walter B. Wriston Fellow, Manhattan Institute for Policy Research; (iii) Jeremy Gold, FSA, CERA, MAAA, PhD, Jeremy Gold Pensions; (iv) Robert Kurtter, Managing Director, U.S. Public Finance, Moody's Investors Service; and (v) Iris J. Lav, Senior Advisor, Center on Budget and Policy Priorities.

The hearing focused on the measurement and transparency of funding levels of State and local pension plans and explored whether improvements to those plans' actuarial assumptions—and enhanced transparency in the reporting of the financial health of those plans—are warranted.

Among the approaches to these issues that the Subcommittee reviewed was the "Public Employee Pension Transparency Act" (H.R. 567). The legislation, sponsored by Ways and Means Committee member Devin Nunes (R-CA), is intended to enhance transparency in this area by encouraging public plans to disclose: (1) various plan funding data using their own actuarial assumptions, including a statement of those assumptions, and (2) the fair market value of plan assets and the value of plan liabilities using Treasury yields as the discount rate. State and local governments failing to make the disclosures proposed under the bill would lose their ability to issue debt that is tax-preferred under Federal income tax law.

### 5. Improper Payments in the Administration of Refundable Tax Credits

*Actions taken:* On May 25, 2011, the Oversight Subcommittee received testimony on improper payments in the administration of refundable tax credits from (i) Steven Miller, Deputy Commissioner for Services and Enforcement, Internal Revenue Service; (ii) The

Honorable J. Russell George, Treasury Inspector General for Taxpayer Administration, U.S. Department of the Treasury, accompanied by Mike McKenney, Assistant Inspector General for Audit; (iii) Michael Brostek, Director, Tax Policy and Administration, Strategic Issues, GAO; and (iv) Nina E. Olson, National Taxpayer Advocate, Internal Revenue Service.

The Subcommittee examined the administration of refundable tax credits, with an emphasis on the estimated \$106 billion in improper payments attributable to refundable credits and the steps the IRS is taking, and plans to take to reduce the level of waste, fraud, and abuse related to refundable credits. In response to numerous reports issued by the Treasury Inspector General for Tax Administration and the GAO, on February 11, 2011, Chairman Camp and Subcommittee Chairman Boustany sent a letter to the IRS regarding the high levels of abuse of the Earned Income Tax Credit (EITC)—as much as \$83.9 billion since 2002. The IRS agreed that the level of improper payments related to the Earned Income Tax Credit is a significant problem the agency is facing and noted that it was implementing a new approach targeting paid return preparers to reduce preparer fraud and improper payments.

According to the Commissioner, over 60 percent of EITC returns are from paid tax return preparers and the IRS has commenced a paid return preparer initiative that imposes registration and competence requirements on paid preparers, in an effort to increase oversight of these preparers and reduce erroneous refund claims. The IRS is also enforcing due diligence requirements through correspondence audits of return preparers and due diligence office visits, in an effort to reduce the level of improper payments. To date, the IRS has sent 10,000 return preparer notices and conducted more than 1,000 due diligence visits in an effort to curb refundable credit abuse. Inspector General George testified that the IRS has failed to implement many of its recommendations made to curb improper payment abuse and has consistently refused to provide Congress with improper payment reduction goals. Had the recommendations been implemented, they would have saved an estimated \$8.2 billion.

#### *Subcommittee on Trade*

1. Signed Trade Agreements with Colombia, Panama, and South Korea.

*Action taken:* The Committee held a hearing on January 25, 2011, on Congressional consideration of the pending agreements and the benefits these agreements will bring to American businesses, farmers, workers, consumers, and the U.S. economy. On February 9, 2011, the Committee held a hearing focusing on current trade issues including the pending trade agreements with Colombia, Panama, and South Korea. United States Trade Representative Ron Kirk testified. The Subcommittee on Trade also held a hearing on March 17, 2011 on the pending trade agreement with Colombia; on March 30, 2011 on the pending trade agreement with Panama; and on April 7, 2011 on the pending trade agreement with South Korea. On April 18, 2011, Chairman Camp led a bipartisan delegation of Members to Bogota, Colombia to evaluate the status of the pending agreement and progress taken by Colombia on labor issues. On January 27, Chairman Camp requested that

the International Trade Commission (ITC) conduct a study assessing the supplemental autos agreement reached by USTR with South Korea, and the ITC released that report publicly on April 7, 2011.

## 2. China.

*Action taken:* On February 9, 2011, the Committee held a hearing focusing on current trade issues, including the full range of issues impeding American companies from selling U.S. goods and services in China and distorting trade flows through unfair trade practices. United States Trade Representative Ron Kirk provided testimony. On May 6, 2011, Chairman Camp led a letter signed by a majority of Committee Members to Secretaries Geithner, Clinton, and Locke, and Ambassador Kirk discussing systemic problems in U.S.-China trade relations, including issues related to China's consistent lack of protection and enforcement of U.S. intellectual property rights, indigenous innovation requirements, use of industrial subsidies, export restraints on key products such as rare earth minerals, and currency misalignment. In that letter, the Members asked the Administration to develop metrics for assessing China's progress on these issues. On May 10, 2011, Committee Members met with Vice Premier Wang Qishan to discuss the U.S.-China trade relationship. The Committee has held regular staff consultations with USTR and the Treasury Department regarding U.S.-China issues.

## 3. Other Bilateral and Regional Negotiations.

*Action taken:* On February 9, 2011, the Committee held a hearing focusing on current trade issues, including the ongoing Trans-Pacific Partnership negotiations. United States Trade Representative Ron Kirk provided testimony. The Committee has also held frequent staff consultation sessions with USTR to discuss ongoing progress in the negotiations and to provide Member views on the conduct and content of the negotiations.

### Preference Programs.

*Action taken:* On February 10, 2011, Chairman Camp introduced H.R. 622 to extend the Andean Trade Preferences Act. The Committee has also held staff consultations with USTR several times concerning the efficacy of the programs, including the Generalized System of Preferences, the Caribbean Basin Initiative, the Andean Trade Preferences Act, the Africa Growth and Opportunity Act, and the Haitian Hemispheric Opportunity through Partnership Encouragement Act.

## 4. World Trade Organization ("WTO").

*Action taken:* On February 9, 2011, the Committee held a hearing focusing on current trade issues, including the prospect for trade expansion in agriculture, industrial goods, and services through the Doha Round negotiations at the WTO and the issues surrounding Russia's effort to accede to the WTO. United States Trade Representative Ron Kirk provided testimony. The Committee has held several staff consultations with USTR concerning the ongoing negotiations, including evaluating reasons for the current stalemate in WTO negotiations and considering proposals to break the impasse and achieve meaningful outcome, as well as accessions to the WTO.

## 5. Enforcement.

*Action taken:* On February 9, 2011, the Committee held a hearing focusing on current trade issues, including the full range of issues impeding American companies from selling U.S. goods and services around the world, particularly China, and other trade disputes, including whether the United States is in compliance with its obligations, particularly where the United States is facing retaliation. The Committee held regular staff sessions with USTR discussing pending cases. In addition, on May 23, 2011, Chairman Camp requested that the International Trade Commission conduct an analysis of the conditions of competition in the business jet industry, in particular barriers abroad faced by the U.S. industry and the role of government subsidies abroad.

6. Implemented Trade Agreements.

*Action taken:* The Committee continued its oversight of implemented agreements involving Peru, Central America/the Dominican Republic, Oman, Bahrain, Singapore, Chile, Australia, Morocco, Jordan, Mexico, Canada, and Israel.

7. Trade Adjustment Assistance.

*Action taken:* The Committee continued its oversight and its assessment concerning the operation and renewal of the Trade Adjustment Assistance programs for Workers, Firms, Communities, and Farmers.

8. Priorities of U.S. Customs and Border Protection.

*Action taken:* The Committee continued its oversight concerning customs revenue functions and trade facilitation, including enforcement of U.S. trade and customs laws and regulations. Monthly Committee staff sessions with Customs and Border Protection have provided the Committee with valuable information concerning these issues as the Committee considered legislative proposals related to CBP's capacity, resources, and organizational structure to carry out its mandate and various other issues.

9. Miscellaneous Tariff Bill ("MTB").

*Action taken:* The Committee continued its work concerning non-controversial bills to eliminate or reduce duties on products not made in sufficient quantities in the United States.

10. Priorities of the Office of the United States Trade Representative.

*Action taken:* The Committee held a staff briefing with USTR to discuss its budget and priorities. In addition, Chairman Camp, together with Ranking Member Levin, Trade Subcommittee Chairman Brady, and Trade Subcommittee Ranking Member McDermott, sent a letter on May 25, 2011, to House Appropriators asking assurance of adequate resources for USTR.

11. Priorities of the United States International Trade Commission.

*Action taken:* The Committee continued its oversight over the Commission concerning overall priorities and operations, examining the Commission's budget and financial statements.

*Subcommittee on Health*

*a. Full Committee Hearings*

On February 16, 2011, the full Committee received testimony on the Fiscal Year proposed budget for the Department of Health and Human Services (HHS) from Secretary Kathleen Sebelius. The

hearing examined the Presidents' FY12 Budget proposal for the Department of HHS. The hearing also focused on the "Patient Protection and Affordable Care Act" (P.L. 111-148) and the "Health Care and Education Reconciliation Act of 2010" (P.L. 111-152).

*b. Subcommittee Plans*

1. Medicare Program Oversight and Improvements. The Committee will continue to conduct oversight over the management of the Medicare program by the Centers for Medicare and Medicaid Services (CMS). The Subcommittee will explore changes that can be made to improve the program for beneficiaries and improve program solvency. The Subcommittee will also continue to examine the impact and implementation of "Patient Protection and Affordable Care Act" (P.L. 111-148) and the "Health Care and Education Reconciliation Act of 2010" (P.L. 111-152) on the Medicare program and its beneficiaries.

2. Oversight and repeal of the "Patient Protection and Affordable Care Act" (P.L. 111-148) and the "Health Care and Education Reconciliation Act of 2010" (P.L. 111-152). The Committee will continue its efforts to repeal this law in total or in part and continue to conduct oversight and review of private health coverage, including: cost, access, subsidies to purchase insurance, benefit design, coverage options, pooling mechanisms, and employer-sponsored benefits; health savings accounts and flexible spending arrangements; options to reduce the cost of health coverage and national health expenditures, expand coverage, and address the rate of increase in health care costs; the impact of recently enacted legislation and regulations on those with private insurance, employers, the economy, and state budgets; and adherence to the Administrative Procedures Act. The Committee will also examine policies that reduce the cost of health insurance, increase health care quality and improve outcomes, encourage transparency, and eliminate waste, fraud, and abuse.

*c. Actions Taken*

1. On April 1, 2011, the Subcommittee on Health and the Subcommittee on Oversight received testimony on AARP's organizational structure and finances from (i) A. Barry Rand, Chief Executive Officer, AARP who was accompanied by, Lee Hammond, President, AARP Board of Directors; (ii) William Josephson, J.D., Of Counsel Fried, Frank, Harris, Shriver & Jacobson LLP; and (iii) Frances R. Hill, J.D., Ph.D, Professor, University of Miami School of Law. The hearing focused on AARP's organizational structure, management of its boards, financial growth over the last decade. Of particular interest is AARP's reliance on revenue from insurance companies and the expected future financial growth based on recently-enacted AARP-endorsed legislation and how such growth may be influencing AARP's lobbying activities.

2. Letter to IRS regarding AARP's 501(3)(c) tax exempt status. As a follow-up to the joint hearing between the Subcommittee on Health and the Oversight Subcommittee regarding the appropriateness of AARP's organizational structure, reliance on insurance revenue, and AARP's financial windfall from the Democrats' health care law, three Members of the Committee sent a letter to the IRS requesting a review of AARP's tax-exempt status. The requested re-

view was based on a Congressional report detailing that AARP stands to gain an additional \$1 billion in revenues as a result of the law and in particular the one-half trillion dollars in Medicare cuts.

The IRS responded on May 26, 2011, that it received the letter and referred the request to its Exempt Organizations Examination office in Dallas, TX.

*d. Other Actions Taken*

1. Letter to HHS Secretary Sebelius regarding the Community Living Assistance Services and Support (CLASS) Act. The subcommittee sent letter to HHS on April 13, 2011 requesting the Secretary explain what legal authority she was relying on to modify the CLASS Act in order to make the program actuarially sound. Secretary Sebelius responded June 3, 2011 without referring to any specific statutory provisions, but a more general reliance on the Administrative Procedures Act.

2. Letter to HHS Secretary Sebelius expressing concerns with the Secretary's letter on H.R. 1. On March 09, 2011, Chairman Camp sent a letter with Senate Finance Ranking Member Hatch criticizing HHS for its assertions regarding the impact of the House-passed Full-Year Continuing Appropriations Act and HHS' ability to run the Medicare Advantage program. Secretary Sebelius has yet to respond to this letter.

3. Letter to HHS Secretary Sebelius regarding the Medicare Advantage quality bonus demonstration program (MA QBP). Chairman Camp sent a letter with Senate Finance Ranking Member Hatch to Secretary Sebelius on April 13, 2011, outlining concerns with the Department's authority to enact the MA QBP. This demonstration program was authorized under Section 402 of the Social Security Act, which generally requires such demonstrations to be budget neutral. However, CMS actuaries estimated the actual cost of this demonstration to be \$8.3 billion over ten years. On May 26, 2011, CMS Administrator Don Berwick responded on behalf of Secretary Sebelius but did not address any of the questions raised by Chairman Camp and Senator Hatch.

4. Letter to President Obama requesting further information regarding his proposed Medicare and Medicaid savings plan. On April 20, 2011, Chairman Camp and Energy and Commerce Chairman Fred Upton wrote to President Obama requesting specific information regarding the Medicare and Medicaid savings the president included in an informal second budget proposal submission. The President announced that he would seek \$340 billion in savings from these programs by 2021, \$480 billion by 2023 and at least an additional \$1 trillion in the subsequent decade but provided little detail as to how the savings would be achieved or what he was basing the savings figures on. The White House has yet to respond to this letter.

5. Letter to HHS Secretary Sebelius on Administration Health Care Waivers. On May 24, 2011, Chairman Camp and Senate Finance Committee Ranking Member Hatch sent a letter to HHS Secretary Sebelius inquiring about the agency's protocol for reviewing and approving or denying requests for waivers from the new health laws requirements regarding health plans' annual limits on benefits. Chairman Camp and Senator Hatch expressed concern

about the lack of transparency in the waiver process and the failure to conduct appropriate outreach to companies who may be eligible for a waiver. HHS has yet to respond to this letter.

*Subcommittee on Human Resources*

1. Hearing on Improving Efforts to Help Unemployed Americans Find Jobs.

*Actions Taken:* On February 10, 2011, the Subcommittee received testimony on improving efforts to help unemployed Americans find jobs from (i) Kristen Cox, Executive Director, Utah Workforce Services; (ii) Tom Pauken, Chairman, Texas Workforce Commission; (iii) Heather Boushey, Ph.D., Senior Economist, Center for American Progress; (iv) Douglas J. Holmes, President, UWC-Strategic Services on Unemployment and Workers' Compensation. The hearing focused on current policies and programs designed to help unemployed individuals return to work and how they can be improved.

2. Hearing on the Use of Data Matching to Improve Customer Service, Program Integrity, and Taxpayer Savings.

*Actions Taken:* On March 11, 2011, the Subcommittee received testimony on the use of data matching to improve customer service, program integrity, and taxpayer savings from: (i) The Honorable Patrick P. O'Carroll, Jr., Inspector General, Social Security Administration; (ii) Sundhar Sekhar, Principal, National Health and Human Services Practice Leader, Deloitte Consulting; (iii) Joseph Vitale, Director, Information Technology Systems Center (ITSC), National Association of State Workforce Agencies (NASWA); (iv) Elizabeth Lower-Basch, Senior Policy Analyst, Center for Law and Social Policy; and (v) Ron Thornburgh, Senior Vice President of Business Development, NIC. The hearing focused on the use of data matching to improve public benefit programs under the Subcommittee's jurisdiction.

3. Hearing on GAO Report on Duplication of Government Programs; Focus on Welfare and Related Programs.

*Actions Taken:* On April 5, 2011, the Subcommittee received testimony on the GAO report on duplication of government programs from (i) Kay E. Brown, Director, Education, Workforce, and Income Security, U.S. Government Accountability Office; (ii) LaDonna Pavetti, Vice President for Family Income Support Policy, Center on Budget and Policy Priorities; (iii) Robert Rector, Senior Research Fellow, Domestic Policy, The Heritage Foundation. The hearing focused on overlap involving welfare and related programs under the Subcommittee's jurisdiction, and considered recommendations for reducing such duplication and providing more effective services to low-income families.

*Subcommittee on Social Security*

1. Hearings on Stewardship of Social Security Programs.

*Action Taken:* On April 14, 2011, the Subcommittee on Social Security held a hearing on the Social Security Administration's (SSA) role in verifying employment eligibility. Witnesses discussed the progress made and challenges created by E-Verify, including the potential burdens on employees and the SSA. In addition, current shortcomings and potential improvements to the verification process were considered. The Subcommittee received testimony from; (i)

Richard M. Stana, Director, Homeland Security and Justice, United States Government Accountability Office Testimony; (ii) Marianna LaCanfora, Assistant Deputy Commissioner, Office of Retirement and Disability Policy, Social Security Administration; (iii) Tyler Moran, Policy Director, National Immigration Law Center; (iv) Ana I. Ant, Ph.D., Professor, Department of Computer Science, College of Engineering, North Carolina State University, on behalf of the Association for Computing Machinery; (v) Austin T. Fragomen, Jr., Chairman of the Board of Directors of the American Council on International Personnel, on behalf of the HR Initiative for a Legal Workforce.

2. Hearings on the Use of the Social Security Number (SSN).

*Action Taken:* On April 13, 2011, the Subcommittee on Social Security held a hearing on the role of Social Security numbers in identity theft and options to guard their privacy. Witnesses discussed the impacts of identity theft, the role of SSNs in abetting identity theft, and options to restrict its use. In addition, the role of the SSN in administering Social Security programs and how the Social Security Administration protects SSNs were considered, along with legislative proposals to limit the use of SSNs. The Subcommittee received testimony from: (i) The Honorable Patrick P. O'Carroll Jr., Inspector General, SSA; (ii) Maneesha Mithal, Associate Director of the Division of Privacy and Identity Protection, Federal Trade Commission; (iii) Theresa L. Gruber, Assistant Deputy Commissioner, Office of Operations, Social Security Administration

3. Hearings on SSA's Information Technology (IT) Infrastructure.

*Action Taken:* On February 11, 2011, the Subcommittee on Social Security and the Transportation and Infrastructure Subcommittee on Economic Development, Public Buildings, and Emergency Management held a joint oversight hearing on managing costs and mitigating delays in the building of Social Security's new National Support Center (NSC). Witnesses discussed the importance of information technology in delivering 21st century customer service at Social Security and the steps being taken to mitigate risk and delays in the building of the NSC. The Subcommittee received testimony from: (i) The Honorable Patrick P. O'Carroll Jr., Inspector General, SSA; (ii) David Foley, Deputy Commissioner of the Public Buildings Service, U.S. General Services Administration; (iii) Kelly Croft, Deputy Commissioner, SSA.

### **III. SELECTED REGULATIONS, ORDERS, ACTIONS, AND PROCEDURES OF CONCERN THROUGH MAY 31, 2011**

Pursuant to H. Res. 72, for the first session of the 112th Congress, the Committee is required to identify any oversight or legislative activity conducted in support of, or as a result of, its "inventory and review of existing, pending, and proposed regulations, orders, and other administrative actions or procedures by agencies of the Federal government" within its jurisdiction.

1. IRS regulations on tanning tax (*TD 9486 and REG-112841-10*)

*Description:* Implement new 10 percent excise tax on users and providers of indoor tanning services imposed under new health law.

*Specific legislative or oversight activities undertaken in response:* On January 19, 2011, the House passed H.R. 2, legislation repeal-

ing the new health law, including the tanning tax. The provision has been discussed during Committee hearings in the 112th Congress, including at the January 21, 2011, full Committee hearing on the health law's impact on employers.

2. IRS guidance on Flexible Spending Arrangement (FSA) and Health Reimbursement Account (HRA) restrictions (*Notice 2010-59 and Notice 2011-5*).

*Description:* Implement certain aspects of new restrictions—effective January 1, 2011—on the use of FSAs and HRAs under the new health law.

*Specific legislative or oversight activities undertaken in response:* On January 19, 2011, the House passed H.R. 2, legislation repealing the new health law, including the new restrictions on FSAs and HRAs.

These provisions have been discussed during Committee hearings in the 112th Congress, including at the January 26, 2011, full Committee hearing on the health law.

3. IRS regulations on new medical loss ratio (MLR) requirements (*Notice 2010-79, Notice 2011-4, Rev. Proc. 2011-14, and Notice 2011-51*).

*Description:* Implement certain aspects of new MLR requirements applicable to certain health plans under Internal Revenue Code Sec. 833 pursuant to the new health law.

*Specific legislative or oversight activities undertaken in response:* On January 19, 2011, the House passed H.R. 2, legislation repealing the new health law, including the new MLR Rules.

4. Department of Labor regulations on definition of “fiduciary.”, (*RIN 1210-AB32*).

*Description:* Would change the regulatory definition of the term “fiduciary” under Internal Revenue Code Section 4975(e)(3) and under ERISA.

*Specific legislative or oversight activities undertaken in response:* Chairman Camp and others sent an April 14, 2011 letter to DOL, Treasury, and IRS expressing various concerns.

5. Treasury's Pilot Program of Prepaid Debit and Payroll Cards, launched January 13, 2011.

*Description:* Program invited select low and moderate-income individuals to participate in Prepaid Debit Card Program for federal tax refunds.

*Specific legislative or oversight activities undertaken in response:* On January 20, 2011, Chairmen Camp and Boustany sent a letter to Secretary Geithner requesting information and documents concerning the program's cost, contract and participant selection, and other information.

6. Federal-State Unemployment Compensation Program: Funding Goals for Interest-Free Advances, (20 CFR Part 606, *Notice 2010-22926*).

*Description:* This regulation requires that States meet a solvency criterion in one of the five calendar years preceding the year in which advances are taken and to meet two tax effort criteria for each calendar year after the solvency criterion is met up to the year in which an advance is taken.

*Specific legislative or oversight activities undertaken in response:* On May 5, 2011, legislation was introduced (H.R. 1745) containing the repeal of the regulation, and the Committee held a mark-up on

May 11, 2011. The bill was ordered favorably reported and placed on the Union Calendar, Calendar No. 48 on May 23, 2011. No further action has been taken by the House.

7. Letter to HHS Secretary Sebelius on Administration Health Care Waivers (OCIIO-9994-IFC: Patient Protection and Affordable Care Act: Preexisting Condition Exclusions, Lifetime and Annual Limits, Rescissions, and Patient Protections; OCIIO Sub-Regulatory Guidance: Process for Obtaining Waivers of the Annual Limits Requirements of PHS Act Section 2711, OCIIO Supplemental Guidance: Waivers of the Annual Limits Requirements; OCIIO Supplemental Guidance: Consumer Notices on Waivers of the Annual Limits Requirements; and OCIIO Supplemental Guidance: Sale of New Business by Issuers Receiving Waivers).

*Description:* This regulation and subsequent sub-regulatory guidance implemented a process by which employers could seek a waiver from certain annual benefit limits if they could show meeting the requirement would substantially increase employee costs or decrease benefits.

*Specific legislative or oversight activities undertaken in response:* On May 24, 2011, Chairman Camp and Senate Finance Committee Ranking Member Hatch sent a letter to HHS Secretary Sebelius inquiring about the agency's protocol for reviewing and approving or denying requests for waivers from the requirement regarding health plans' annual limits on benefits. Chairman Camp and Senator Hatch expressed concern about the lack of transparency in the waiver process and the failure to conduct appropriate outreach to companies who may be eligible for a waiver. They also asked for the total number of employers that had been granted a waiver.

8. HHS Secretary Sebelius testimony before House Ways and Means Committee February 16th, 2011 referencing the Community Living Assistance Services and Support (CLASS) program (P.L. 111-148).

*Description:* The CLASS program is a federal long-term care insurance program that is expected to begin collecting premiums in 2011 to provide cash benefits to covered individuals. However, there have been concerns expressed by the Medicare actuaries and HHS Secretary Sebelius that it will be financially unsustainable as envisioned by the health care law.

*Specific legislative or oversight activities undertaken in response:* Subcommittee Chairman Herger sent letter to HHS on April 13, 2011 requesting that HHS Secretary Sebelius explain what legal authority she was relying on when she said she would modify the CLASS program in order to make the program actuarially sound.

9. HHS letter to Senate Finance Chairman Max Baucus (March 8, 2011).

*Description:* The letter discussed how HHS would operate the Medicare program in response to the House passage of H.R. 1, the House-passed "Full-Year Continuing Appropriations Act," and stated that CMS would be prohibited from using funds under H.R. 1 to pay Medicare Advantage (MA) plans.

*Specific legislative or oversight activities undertaken in response:* On March 9, 2011, Chairman Camp sent a letter with Senate Finance Ranking Member Hatch criticizing HHS for its assertions regarding the impact of the House-passed Full-Year Continuing Ap-

ropriations Act would have on the MA program. HHS did not respond to this letter.

10. HHS regulation regarding Medicare Advantage 2012 payments (CMS-4144-F—Final revisions to Parts C and D programs for CY2012).

*Description:* The regulation implements a new Medicare Advantage quality bonus demonstration program (MA QBP).

*Specific legislative or oversight activities undertaken in response:* Chairman Camp sent a letter with Senate Finance Ranking Member Hatch to HHS Secretary Sebelius on April 13, 2011, outlining concerns with the Administration’s authority to implement the MA QBP. This demonstration program was authorized under Section 402 of the Social Security Act, which generally requires such demonstrations to be budget neutral. However, Medicare actuaries estimated the actual cost of this demonstration to be \$8.3 billion over ten years.

11. Release of President Obama’s Framework for Shared Prosperity and Shared Fiscal Responsibility (<http://www.whitehouse.gov/the-press-office/2011/04/13/fact-sheet-presidents-framework-shared-prosperity-and-shared-fiscal-resp>).

*Description:* On April 13, 2011, the President announced that he would seek \$340 billion in savings from the Medicare and Medicaid programs by 2021, \$480 billion by 2023 and at least an additional \$1 trillion in the subsequent decade. His announcement had few details as to how these savings would be achieved.

*Specific legislative or oversight activities undertaken in response:* On April 20, 2011, Chairman Camp and Energy and Commerce Chairman Fred Upton wrote to President Obama requesting specific information regarding his Medicare and Medicaid proposals the President referenced in his April 13, 2011, announcement. The letter requested specific policy details of the President’s plan and rationale for his savings estimates, including his proposal to expand the Independent Payment Advisory Board (IPAB).

12. IRS Regulation on Grandfathered Health Plans (REG-118412-10 Notice of Proposed Rulemaking by Cross-Reference to Temporary Regulations Group Health Plans and Health Insurance Coverage Rules Relating to Status as a Grandfathered Health Plan under the Patient Protection and Affordable Care Act).

*Description:* On July 19, 2010, the IRS issued temporary regulations regarding what constituted “grandfathered health plan” status under the provisions of the new health care law in connection with changes in policies, certificates, or contracts of insurance. The Administration estimates that up to 7 in 10 employers will have to change the coverage they offer because they would lose their grandfathered status.

*Specific legislative or oversight activities undertaken in response:* On January 19, 2011, the House passed H.R. 2, legislation repealing the new health law.

On January 26, 2011, the full Committee received testimony on the economic and regulatory burdens imposed by the enactment and implementation of the Patient Protection and Affordable Care Act (P.L. 111-148) and the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152).

13. HHS Letter to Glenn M. Hackbarth, Chairman of the Medicare Payment Advisory Commission (MedPAC). (March 10, 2011).

*Description:* CMS Deputy Administrator Jonathan Blum sent a letter to Mr. Hackbarth providing the CMS estimates of the 2012 physician fee schedule (PFS) conversion factor update, conversion factor, and sustainable growth rate (SGR), along with the data used in making the estimates.

*Specific legislative or oversight activities undertaken in response:* On May 12, 2011, the Subcommittee held a hearing to explore new models for delivering and paying for services that physicians furnish to Medicare beneficiaries, as the current payment model including the SGR has been determined to be unsustainable.

## **Appendix I. Jurisdiction of the Committee on Ways and Means**

### A. U.S. CONSTITUTION

Article I, Section 7, of the Constitution of the United States provides as follows:

All Bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or concur with Amendments as on other Bills.

In addition, Article I, Section 8, of the Constitution of the United States provides the following:

The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and . . . To borrow Money on the credit of the United States.

### B. RULE X, CLAUSE 1, RULES OF THE HOUSE OF REPRESENTATIVES

Rule X, clause 1(t), of the Rules of the House of Representatives, in effect during the 110th Congress, provides for the jurisdiction of the Committee on Ways and Means, as follows:

(t) Committee on Ways and Means.

(1) Customs revenue, collection districts, and ports of entry and delivery.

(2) Reciprocal trade agreements.

(3) Revenue measures generally.

(4) Revenue measures relating to insular possessions.

(5) Bonded debt of the United States, subject to the last sentence of clause 4(f).

Clause 4(f) requires the Committee on Ways and Means to include in its annual report to the Committee on the Budget a specific recommendation, made after holding public hearings, as to the appropriate level of the public debt that should be set forth in the concurrent resolution on the budget.

(6) Deposit of public monies.

(7) Transportation of dutiable goods.

(8) Tax exempt foundations and charitable trusts.

(9) National Social Security (except health care and facilities programs that are supported from general revenues as opposed to payroll deductions and except work incentive programs).

### C. BRIEF DESCRIPTION OF COMMITTEE'S JURISDICTION

The foregoing recitation of the provisions of House Rule X, clause 1, paragraph (t), does not convey the comprehensive nature of the

jurisdiction of the Committee on Ways and Means. The following summary provides a more complete description:

(1) Federal revenue measures generally—The Committee on Ways and Means has the responsibility for raising the revenue required to finance the Federal Government. This includes individual and corporate income taxes, excise taxes, estate taxes, gift taxes, and other miscellaneous taxes.

(2) The bonded debt of the United States—The Committee on Ways and Means has jurisdiction over the authority of the Federal Government to borrow money. Title 31 of Chapter 31 of the U.S. Code authorizes the Secretary of the Treasury to conduct any necessary public borrowing subject to a maximum limit on the amount of borrowing outstanding at any one time. This statutory limit on the amount of public debt (“the debt ceiling”) currently is \$14.294 trillion. The Committee’s jurisdiction also includes conditions under which the U.S. Department of the Treasury manages the Federal debt, such as restrictions on the conditions under which certain debt instruments are sold.

(3) National Social Security programs—The Committee on Ways and Means has jurisdiction over most of the programs authorized by the Social Security Act, which includes not only those programs that are normally referred to colloquially as “Social Security” but also social insurance programs and a whole series of grant-in-aid programs to State governments for a variety of purposes. The Social Security Act, as amended, contains 21 titles (a few of which have either expired or have been repealed). The principal programs established by the Social Security Act and under the jurisdiction of the Committee on Ways and Means in the 112th Congress can be outlined as follows:

(a) Old-age, survivors, and disability insurance (Title II)—At present, there are approximately 157 million workers in employment covered by the program, and for calendar year 2010, \$702 billion in benefits were paid almost 54 million individuals.

(b) Medicare (Title XVIII)—Finances health care benefits through the Hospital Insurance trust fund for 47.1 million persons over the age of 65 and for 7.9 million disabled persons. Finances voluntary health care benefits through the Supplementary Medical Insurance trust fund for 43.8 million aged persons and 7.1 million disabled persons. Total program outlays through these trust funds were \$522.8 billion in 2010.

(c) Supplemental Security Income (SSI) (Title XVI)—The SSI program was inaugurated in January 1974 under the provisions of P.L. 92–603, as amended. It replaced the former Federal-State programs for the needy aged, blind, and disabled. In January 2011, 7.9 million individuals received Federal SSI benefits on a monthly basis. Of these 7.9 million persons, approximately 1.2 million received benefits on the basis of age, and 6.7 million on the basis of blindness or disability. Federal expenditures for cash SSI payments in 2010 totaled \$47.0 billion, while State expenditures for federally administered SSI supplements totaled \$3.7 billion.

(d) Temporary Assistance for Needy Families (TANF) (part A of Title IV)—The TANF program is a block grant of about \$16.5 billion dollars awarded to States to provide income as-

sistance to poor families, to end dependency on welfare benefits, to prevent nonmarital births, and to encourage marriage, among other purposes. In most cases, Federal TANF benefits for individuals are limited to 5 years and individuals must work to maintain their eligibility. In September 2010, about 1.9 million families and 4.6 million individuals received benefits from the TANF program.

(e) Child support enforcement (part D of Title IV)—In fiscal year 2010 Federal administrative expenditures totaled \$5.8 billion for the child support enforcement program. Child support collections for that year totaled \$26.6 billion.

(f) Child welfare, foster care, and adoption assistance (parts B and E of Title IV)—Titles IV B and E provide funds to States for child welfare services for abused and neglected children; foster care for children who meet Aid to Families with Dependent Children eligibility criteria; and adoption assistance for children with special needs. In fiscal year 2010, Federal expenditures for child welfare services totaled \$690 million. Federal expenditures for foster care and adoption assistance were approximately \$7.1 billion.

(g) Unemployment compensation programs (Titles III, IX, and XII)—These titles authorize the Federal-State unemployment compensation program and the permanent extended benefits program. In FY 2010, an estimated \$156.1 billion was paid in unemployment compensation, with approximately 13.9 million workers receiving unemployment compensation payments.

(h) Social services (Title XX)—Title XX authorizes the Federal Government to reimburse the States for money spent to provide persons with various services. Generally, the specific services provided are determined by each State. In fiscal year 2010, \$1.7 billion was appropriated. These funds are allocated on the basis of population.

(4) Trade and tariff legislation—The Committee on Ways and Means has responsibility over legislation relating to tariffs, import trade, and trade negotiations. In the early days of the Republic, tariff and customs receipts were major sources of revenue for the Federal Government. As the Committee with jurisdiction over revenue-raising measures, the Committee on Ways and Means thus evolved as the primary Committee responsible for international trade policy.

The Constitution vests the power to levy tariffs and to regulate international commerce specifically in the Congress as one of its enumerated powers. Statutes including the Reciprocal Trade Agreements Acts beginning in 1934, Trade Expansion Act of 1962, Trade Act of 1974, Trade Agreements Act of 1979, Trade and Tariff Act of 1984, Omnibus Trade and Competitiveness Act of 1988, North American Free Trade Agreement (NAFTA) Implementation Act, Uruguay Round Agreements Act, Trade Act of 2002, and other legislation implementing U.S. obligations under trade agreements implementing bills provide the basis for U.S. bargaining with other countries and the means to achieve the mutual reduction of tariff and nontariff trade barriers under reciprocal trade agreements.

The Committee's jurisdiction includes the following authorities and programs:

(a) The tariff schedules and all tariff preference programs, such as the General System of Preferences, the Caribbean Basin Initiative, the Africa Growth and Opportunity Act, the Andean Trade Preferences Act, and the Haitian Hemispheric Opportunity through Growth Act;

(b) Laws dealing with unfair trade practices, including the antidumping law, countervailing duty law, section 301, and section 337

(c) Other laws dealing with import trade, including section 201 (escape clause), section 232 national security controls, section 22 agricultural restrictions, international commodity agreements, textile restrictions under section 204, and any other restrictions or sanctions affecting imports;

(d) General and specific trade negotiating authority, as well as implementing authority for trade agreements and the grant of normal-trade-relations (NTR) status;

(e) Trade Adjustment Assistance programs for workers, firms, farmers, and communities;

(f) Customs administration and enforcement, including rules of origin and country-of origin marking, customs classification, customs valuation, customs user fees, and U.S. participation in the World Customs Organization (WCO);

(g) Trade and customs revenue functions of the Department of Homeland Security and the Department of the Treasury.

(h) Authorization of the budget for the International Trade Commission (ITC), functions of the Department of Homeland Security under the Committee's jurisdiction (including the Bureau of Customs and Border Protection (CBP) and Immigration and Customs Enforcement (ICE), and the Office of the U.S. Trade Representative (USTR).

#### D. REVENUE ORIGINATING PREROGATIVE OF THE HOUSE OF REPRESENTATIVES

The Constitutional Convention debated adopting the British model in which the House of Lords could not amend revenue legislation sent to it from the House of Commons. Eventually, however, the Convention proposed and the States later ratified the Constitution providing that "All bills for raising revenue shall originate in the House of Representatives, but the Senate may propose or concur with amendments as on other bills." (Article 1, Section 7, clause 1.)

In order to pass constitutional scrutiny under this "origination clause," a tax bill must be passed first by the House of Representatives. After the House has completed action on a bill and approved it by a majority vote, the bill is transmitted to the Senate for formal action. The Senate may have already reviewed issues raised by the bill before its transmission. For example, the Senate Committee on Finance frequently holds hearings on tax legislative proposals before the legislation embodying those proposals is transmitted from the House of Representatives. On occasion, the Senate will consider a revenue bill in the form of a Senate or "S." bill, and then await passage of a revenue "H.R." bill from the House. The Senate then will add or substitute provisions of the "S." bill as an amendment to the "H.R." bill and send the "H.R." bill back to the House

of Representatives for its concurrence or for conference on the differing provisions.

E. THE HOUSE'S EXERCISE OF ITS CONSTITUTIONAL PREROGATIVE:  
"BLUE SLIPPING"

When a Senate bill or amendment to a House bill infringes on the constitutional prerogative of the House to originate revenue measures, that infringement may be raised in the House as a matter of privilege. That privilege has also been asserted on a Senate amendment to a House amendment to a Senate bill (see 96th Congress, 1st Session, November 8, 1979, Congressional Record p. H10425).

Note that the House in its sole discretion may determine that legislation passed by the Senate infringes on its prerogative to originate revenue legislation. In the absence of such determination by the House, the Federal courts are occasionally asked to rule a certain revenue measure to be unconstitutional as not having originated in the House (see *U.S. v. Munoz-Flores*, 495 U.S. 385 (1990)).

Senate bills or amendments to non-revenue bills infringe on the House's prerogative even if they do not raise or reduce revenue. Such infringements are referred to as "revenue affecting." Thus, any import ban which could result in lost customs tariffs must originate in the House (100th Congress, 1st Session, July 30, 1987 100th Congress, 2nd Session, June 16, 1988, Congressional Record p. H4356).

Offending bills and amendments are returned to the Senate through the passage in the House of a House Resolution which states that the Senate provision: "in the opinion of the House, contravenes the first clause of the seventh section of the first article of the Constitution of the United States and is an infringement of the privilege of the House and that such bill be respectfully returned to the Senate with a message communicating this resolution" (e.g., 100th Congress, 1st Session, July 30, 1987, Congressional Record p. H6808). This practice is referred to as "blue slipping" because the resolution returning the offending bill to the Senate is printed on blue paper.

In other cases, the Committee of the Whole House has passed a similar or identical House bill in lieu of a Senate bill or amendment (e.g., 91st Congress, 2nd Congress, May 11, 1970, Congressional Record pp. H14951-14960). The Committee on Ways and Means has also reported bills to the House which were approved and sent to the Senate in lieu of Senate bills (e.g., 93rd Congress, 1st Session, November 6, 1973, Congressional Record pp. 36006-36008). In other cases, the Senate has substituted a House bill or delayed action on its own legislation to await a proper revenue affecting bill or amendment from the House (see 95th Congress, 2nd Session, September 22, 1978, Congressional Record p. H30960; January 22, 1980, Congressional Record p. S107).

Any Member may offer a resolution seeking to invoke Article I, Section 7. However, the determination that a bill violates the Origination Clause has been traditionally made by Members of the Committee on Ways and Means, and the resolution has been offered by the Chairman or another Member of the Committee on Ways and Means. Because Article I, Section 7 involves the privileges of the House, a blue-slip resolution offered by the Chairman or other

Members of the Committee on Ways and Means has been typically adopted by voice vote on the House Floor. There have been instances where the House has agreed to not deal directly with the issue by tabling a resolution.<sup>1, 2</sup>

BLUE SLIP RESOLUTIONS—98TH CONGRESS THROUGH 112TH CONGRESS CHRONOLOGICAL LIST

[Resolutions passed by the House returning to the Senate bills passed in violation of the origination clause of the United States Constitution (Clause 1, Section 7 of Article 1)]

H. Res., sponsor, and date of House passage	Description of Senate action (and related House action, if any)
111th Congress:	
H. Res. 1653, Mr. Levin .....	On August 5, 2010, the Senate passed H.R. 5875, "Emergency Border Supplemental Appropriations Act, 2010" with an amendment. Contained in this legislation was a provision that requiring certain employers to pay a surcharge with respect to each application for a worker visa. The proposed surcharge constituted a revenue measure in the constitutional sense because it would have had a direct impact on Federal revenues.
September 23, 2010 .....	On March 26, 2010, the Senate passed S. 3162. Contained in this legislation was an amendment to the Internal Revenue Code of 1986, as amended, to clarify the health care provided by the Secretary of Veterans Affairs constitutes minimum essential coverage. The proposed amendment to the Internal Revenue Code constituted a revenue measure in the constitutional sense because it would have had a direct impact on Federal revenues.
	On March 25, 2010, the Senate passed S. 3187, "Federal Aviation Administration Extension Act of 2010." Contained in this legislation were extensions of fuel and ticket taxes that fund the Airport and Airway Trust Fund. These proposed extensions of taxes constituted revenue measures in the constitutional sense because they would have had a direct impact on Federal revenues.
	On January 28, 2010, the Senate passed S. 2799, "Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2009." Contained in this legislation was a provision banning the importation of imports from Iran. The proposed change in the import laws constituted a revenue measure in the constitutional sense because it would have had a direct impact on customs revenues.
	On August 9, 2009, the Senate passed S. 1023, "Travel Promotion Act of 2009." Contained in this legislation was a provision requiring users of the government's visa waiver program to pay a surcharge. The proposed surcharge constituted a revenue measure in the constitutional sense because it would have had a direct impact on Federal revenues.
	On July 20, 2009, the Senate passed S. 951, "New Frontier Congressional Gold Medal Act." Contained in this legislation was a provision allowing the Secretary of the Treasury to sell commemorative coins celebrating the 40th anniversary of the first landing on the moon. The proposed sale of these coins would have constituted a revenue measure in the constitutional sense because it would have had a direct impact on Federal revenues.

<sup>1</sup>In cases where the Chairman of the Committee on Ways and Means did not believe that the bill in question violated the Origination Clause or the objection had been dealt with in another manner, resolutions offered by other Members of the House have been tabled. [See adoption of motion by Representative Rostenkowski to table H. Res. 571, 97-2, p. 22127.]

<sup>2</sup>This was an instance where the Chairman of the Committee on Ways and Means raised a question of the privilege of the House pursuant to Article I, Section 7, of the U.S. Constitution on H.R. 4516, Legislative Branch Appropriations. The motion was laid on the table.

BLUE SLIP RESOLUTIONS—98TH CONGRESS THROUGH 112TH CONGRESS CHRONOLOGICAL LIST—  
Continued

[Resolutions passed by the House returning to the Senate bills passed in violation of the origination clause of the United States Constitution (Clause 1, Section 7 of Article 1)]

H. Res., sponsor, and date of House passage	Description of Senate action (and related House action, if any)
107th Congress:	
H. Res. 240, Mr. Thomas ..... September 20, 2001 .....	On September 13, 2001, the Senate passed H.R. 2500, "Making appropriations for the U.S. Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2002, and for other purposes" with an amendment. Contained in this legislation was a provision banning the importation of diamonds not certified as originating outside conflict zones. The proposed change in the import laws constituted a revenue measure in the constitutional sense, because it would have had a direct impact on customs revenues.
106th Congress:	
H. Res. 645, Mr. Crane ..... October 24, 2000 .....	On October 17, 2000, the Senate passed S. 1109, the Bear Protection Act of 1999. This legislation would have conserved global bear populations by prohibiting the importation, exportation, and interstate trade of bear viscera and items, products, or substances containing, or labeled or advertised as containing, bear viscera. The proposed change in the import laws constituted a revenue measure in the constitutional sense, because it would have had a direct impact on customs revenues.
H. Res. 394, Mr. Weller ..... November 18, 1999 .....	On November 3, 1999, the Senate passed S. 1232, Federal Erroneous Retirement Coverage Corrections Act. This legislation would have provided that no Federal retirement plan involved in the corrections under the bill would fail to be treated as a tax-qualified retirement plan by reason of the correction, and that any fund transfers or government contributions resulting from the corrections would have no impact on the tax liability of individuals. These changes constituted a revenue measure in the constitutional sense because they would have had a direct impact on Federal revenues.
H. Res. 393, Mr. Weller ..... November 18, 1999 .....	On February 24, 1999, the Senate passed S. 4, the Soldiers', Sailors', Airmen's, and Marines' Bill of Rights Act of 1999. The legislation would have allowed members of the Armed Forces to participate in the Federal Thrift Savings Program and to avoid the tax consequences that would otherwise have resulted from certain contributions in excess of the limitations imposed in the Internal Revenue Code. This proposed exemption therefore constituted a revenue measure in the constitutional sense because it would have had a direct impact on Federal revenues.
H. Res. 249, Mr. Portman ..... July 16, 1999 .....	On May 20, 1999, the Senate passed S. 254, the Violent and Repeat Juvenile Offender Accountability and Rehabilitation Act of 1999. The legislation would have had the effect of banning the import of large capacity ammunition feeding devices. The proposed change in the import laws constituted a revenue measure in the constitutional sense, because it would have had a direct impact on customs revenues.
105th Congress:	
H. Res. 601, Mr. Crane ..... October 15, 1998 .....	On October 8, 1998, the Senate passed S. 361, the Tiger and Rhinoceros Conservation Act of 1998. This legislation would have had the effect of creating a new basis and mechanism for applying import restrictions for products intended for human consumption or application containing (or labeled as containing) any substance derived from tigers or rhinoceroses. The proposed change in the import laws constituted a revenue measure in the constitutional sense, because it would have had a direct impact on customs revenues.

BLUE SLIP RESOLUTIONS—98TH CONGRESS THROUGH 112TH CONGRESS CHRONOLOGICAL LIST—  
Continued

[Resolutions passed by the House returning to the Senate bills passed in violation of the origination clause of the United States Constitution (Clause 1, Section 7 of Article 1)]

H. Res., sponsor, and date of House passage	Description of Senate action (and related House action, if any)
H. Res. 379, Mr. Ensign ..... March 5, 1998 .....	On April 15, 1997, the Senate passed S. 104, the Nuclear Waste Policy Act of 1997. This legislation would have repealed a revenue provision and replaced it with a user fee. The revenue provision in question was a fee of 1 mill per kilowatt hour of electricity generated by nuclear power imposed by the Nuclear Waste Policy Act of 1982. The proposed user fee in the legislation would have been limited to the amount appropriated for nuclear waste disposal. The original fee was uncapped, and, in fact, because the fees collected exceeded the associated costs, it was being used as revenue to finance the Federal Government generally. Its proposed repeal, therefore, constituted a revenue measure in the constitutional sense because it would have had a direct impact on Federal revenues.
104th Congress:	
H. Res. 554, Mr. Crane ..... September 28, 1996 .....	On June 30, 1996, the Senate passed H.R. 400, the Anaktuvuk Pass Land Exchange and Wilderness Redesignation Act of 1995, with an amendment. Section 204(a) of the Senate amendment would have overridden existing tax law by expanding the definition of actions not subject to Federal, State, or local taxation under the Alaska Native Claims Settlement Act. These changes constituted a revenue measure in the constitutional sense because they would have had a direct impact on Federal revenues.
H. Res. 545, Mr. Archer ..... September 27, 1996 .....	On September 25, 1996, the Senate passed S. 1311, the National Physical Fitness and Sports Foundation Establishment Act. Section 2 of the bill would have waived the application of certain rules governing recognition of tax-exempt status for the foundation established under this legislation. This exemption constituted a revenue measure in the constitutional sense because it would have had a direct impact on Federal revenues.
H. Res. 402, Mr. Shaw ..... April 16, 1996 .....	On January 26, 1996, the Senate passed S. 1463, to amend the Trade Act of 1974. The bill would have changed the authority and procedure for investigations by the ITC for certain domestic agricultural products. Such investigations are a predicate necessary for achieving access to desired trade remedies that the President may order, such as tariff adjustments, tariff-rate quotas, quantitative restrictions, or negotiation of trade agreements to limit imports. By creating a new basis and mechanism for import restrictions under authority granted to the President, the bill constituted a revenue measure in the constitutional sense because it would have had a direct impact on customs revenues.
H. Res. 387, Mr. Crane ..... March 21, 1996 .....	On February 1, 1996, the Senate passed S. 1518, repealing the Tea Importation Act of 1897. Under existing law in 1996, it was unlawful to import substandard tea, except as provided in the HTS. Changing import restrictions constituted a revenue measure in the constitutional sense because it would have had a direct impact on customs revenues.
103rd Congress:	
H. Res. 577, Mr. Gibbons ..... October 7, 1994 .....	On October 3, 1994, the Senate passed S. 1216, the Crow Boundary Settlement Act of 1994. The bill would have overridden existing tax law by exempting certain payments and benefits from taxation. These exemptions constituted a revenue measure in the constitutional sense because they would have had a direct impact on Federal revenues.

BLUE SLIP RESOLUTIONS—98TH CONGRESS THROUGH 112TH CONGRESS CHRONOLOGICAL LIST—  
Continued

[Resolutions passed by the House returning to the Senate bills passed in violation of the origination clause of the United States Constitution (Clause 1, Section 7 of Article 1)]

H. Res., sponsor, and date of House passage	Description of Senate action (and related House action, if any)
H. Res. 518, Mr. Gibbons ..... August 12, 1994 .....	On July 20, 1994, the Senate passed H.R. 4554, the Agriculture and Rural Development Appropriation for fiscal year 1995, with amendments. Senate amendment 83 would have provided authority for the Food and Drug Administration (FDA) to collect fees to cover the costs of regulation of products under their jurisdiction. However, these fees were not limited to covering the cost of specified regulatory activities, and would have been charged to a broad cross-section of the public (rather than been limited to those who would have benefited from the regulatory activities) to fund the cost of the FDA's activities generally. These fees constituted a revenue measure in the constitutional sense because they were not based on a direct relationship between their level and the cost of the particular government activity for which they would have been assessed, and would have had a direct impact on Federal revenues.
H. Res. 487, Mr. Gibbons ..... July 21, 1994 .....	On May 25, 1994, the Senate passed S. 1030, the Veterans Health Programs Improvement Act of 1994. A provision in the bill would have exempted from taxation certain payments made on behalf of participants in the Education Debt Reduction Program. This provision constituted a revenue measure in the constitutional sense because it would have had a direct impact on Federal revenues.
H. Res. 486, Mr. Gibbons ..... July 21, 1994 .....	On May 29, 1994, the Senate passed S. 729, to amend the Toxic Substances Control Act. Title I of the bill included several provisions to prohibit the importation of specific categories of products which contained more than specified quantities of lead. By establishing these import restrictions, the bill constituted a revenue measure in the constitutional sense because it would have had a direct impact on customs revenues.
H. Res. 479, Mr. Rangel ..... July 14, 1994 .....	On June 22, 1994, the Senate passed H.R. 4539, the Treasury, Postal Service, and General Government Appropriation for fiscal year 1995, with amendments. Senate amendment 104 would have prohibited the Treasury from using appropriations to enforce the Internal Revenue Code requirement for the use of undyed diesel fuel in recreational motorboats. This prohibition, therefore, constituted a revenue measure in the constitutional sense because it would have had a direct impact on Federal revenues.
102nd Congress: H. Res. 373, Mr. Rostenkowski ..... February 25, 1992 .....	On August 1, 1991, the Senate passed S. 884 amended, the Driftnet Moratorium Enforcement Act of 1991. This legislation would require the President to impose economic sanctions against countries that fail to eliminate large-scale driftnet fishing. Foremost among the sanction provisions are those which impose a ban on certain imports into the United States from countries which continue to engage in driftnet fishing on the high seas after a certain date. These changes in our tariff laws constitute a revenue measure in the constitutional sense, because they would have a direct effect on customs revenues.

BLUE SLIP RESOLUTIONS—98TH CONGRESS THROUGH 112TH CONGRESS CHRONOLOGICAL LIST—  
Continued

[Resolutions passed by the House returning to the Senate bills passed in violation of the origination clause of the United States Constitution (Clause 1, Section 7 of Article 1)]

H. Res., sponsor, and date of House passage	Description of Senate action (and related House action, if any)
H. Res. 267, Mr. Rostenkowski ..... October 31, 1991 .....	On February 20, 1991, the Senate passed S. 320, to reauthorize the Export Administration Act of 1979. This legislation contains several provisions which impose, or authorize the imposition of, a ban on imports into the United States. Among the provisions containing import sanctions are those relating to certain practices by Iraq, the proliferation and use of chemical and biological weapons, and the transfer of missile technology. These changes in our tariff laws constitute a revenue measure in the constitutional sense, because they would have a direct effect on customs revenues.
H. Res. 251, Mr. Russo ..... October 22, 1991 .....	On July 11, 1991, the Senate passed S. 1241, the Violent Crime Act of 1991. This legislation contains several amendments to the Internal Revenue Code. Section 812(f) provides that the police corps scholarships established under the bill would not be included in gross income for tax purposes. In addition, sections 1228, 1231, and 1232 each make amendments to the Tax Code with respect to violations of certain firearms provisions. Finally, Title VII amends section 922 of Title VIII of the U.S. Code, making it illegal to transfer, import or possess assault weapons. These changes in our tariff and tax laws constitute revenue measures in the constitutional sense, because they would have an immediate impact on revenues anticipated by U.S. Customs and the Internal Revenue Services.
101st Congress:	
H. Res. 287, Mr. Cardin ..... Nov. 9, 1989 .....	On August 4, 1989, the Senate passed S. 686, the Oil Pollution Liability and Compensation Act of 1989. This legislation contained a provision which would have allowed a credit against the oil spill liability tax for amounts transferred from the Trans-Alaska Pipeline Trust Fund to the Oil Spill Liability Trust Fund.
H. Res. 177, Mr. Rostenkowski ..... June 15, 1989 .....	On Apr. 19, 1989, the Senate passed S. 774, the Financial Institution Reform, Recovery and Enforcement Act of 1989. This legislation would create two corporations to administer the financial assistance under the bill: the Resolution Trust Corporation and the Resolution Financing Corporation. S. 774 would have conferred tax-exempt status to these two corporations. Without these two tax provisions, these two corporations would be taxable entities under the Federal income tax.
100th Congress:	
H. Res. 235, Mr. Rostenkowski ..... July 30, 1987 .....	On Mar. 30, 1987, the Senate passed S. 829, legislation which would authorize appropriations for the ITC, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1988, and for other purposes. In addition, the bill contained a provision relating to imports from the Soviet Union which amends provisions of the Tariff Act of 1930.
H. Res. 474, Mr. Rostenkowski ..... June 16, 1988 (see also H.R. 3391) .....	On Oct. 6, 1987, the Senate passed S. 1748, legislation which would prohibit the importation into the United States of all products from Iran. (The House passed H.R. 3391, which included similar provisions, on Oct. 6, 1987.)
H. Res. 479, Mr. Rostenkowski ..... June 21, 1988 (see also H.R. 2792 and H.R. 4333)	On May 13, 1987, the Senate passed S. 727, legislation which would clarify Indian treaties and Executive orders with respect to fishing rights. This legislation dealt with the tax treatment of income derived from the exercise of Indian treaty fishing rights. (The House passed H.R. 2792, which included similar provisions, on June 20, 1988, under suspension of the rules and was enacted into law as part of P.L. 100-647, H.R. 4333.)

BLUE SLIP RESOLUTIONS—98TH CONGRESS THROUGH 112TH CONGRESS CHRONOLOGICAL LIST—  
Continued

[Resolutions passed by the House returning to the Senate bills passed in violation of the origination clause of the United States Constitution (Clause 1, Section 7 of Article 1)]

H. Res., sponsor, and date of House passage	Description of Senate action (and related House action, if any)
H. Res. 544, Mr. Rostenkowski ..... Sept. 23, 1988 (see also H.R. 1154) .....	On Sept. 9, 1988, the Senate passed S. 2662, the Textile and Apparel Trade Act of 1988. This legislation would impose global import quotas on textiles and footwear products.
H. Res. 552, Mr. Rostenkowski ..... Sept. 28, 1988 .....	On Sept. 9, 1988, the Senate passed S. 2763, the Genocide Act of 1988. This legislation contained a ban on the importation of all oil and oil products from Iraq.
H. Res. 603, Mr. Rostenkowski ..... Oct. 21, 1988 .....	On Mar. 30, 1988, the Senate passed S. 2097, the Uranium Mill Tailings Remedial Action Amendments of 1987. This legislation would establish a Federal fund to assist in the financing of reclamation and other remedial action at currently active uranium and thorium processing sites and would increase the demand for domestic uranium. The fund would be financed in part by what are called "mandatory fees" which are equal to \$22 per kilogram for uranium contained in fuel assemblies initially loaded into civilian nuclear power reactors during calendar years 1989–1993. In addition, S. 2097 would impose charges on domestic utilities that use foreign-source uranium in new fuel assemblies loaded in their nuclear reactors.
H. Res. 604, Mr. Rostenkowski ..... Oct. 21, 1988 .....	On Aug. 8, 1988, the Senate passed H.R. 1315, legislation which would authorize appropriations for the Nuclear Regulatory Commission for fiscal years 1988 and 1989. Title IV of the legislation would, among other things, establish a Federal fund to assist in the financing of reclamation and other remedial action at currently active uranium and thorium processing sites and would assist the domestic uranium industry by increasing the demand for domestic uranium. The fund would be financed in part by what are called "mandatory fees" equal to \$72 per kilogram of uranium contained in fuel assemblies initially loaded into civilian nuclear power reactors on or after Jan. 1, 1988. These fees would be paid by licensees of civilian nuclear power reactors and would be in place until \$1 billion had been raised.
99th Congress: H. Res. 283, Mr. Rostenkowski ..... Oct. 1, 1985 .....	On Sept. 26, 1985, the Senate passed S. 1712, legislation which would extend the 16-cents-per-pack cigarette excise tax rate for 45 days, through Nov. 14, 1985. (The House passed H.R. 3452, which included a similar extension, on Sept. 30, 1985.)
H. Res. 562, Mr. Rostenkowski ..... Sept. 25, 1986 .....	The Senate passed S. 638, legislation to provide for the sale of Conrail to the Norfolk Southern Railroad. The legislation contained numerous provisions relating to the tax treatment of the sale of Conrail.
98th Congress: H. Res. 195, Mr. Rostenkowski ..... June 17, 1983 .....	On Apr. 21, 1983, the Senate passed S. 144, a bill to insure the continued expansion of international market opportunities in trade, trade in services and investment for the United States, and for other purposes.

F. PREROGATIVE UNDER THE RULES OF THE HOUSE OVER "REVENUE MEASURES GENERALLY"

In the House of Representatives, tax legislation is initiated by the Committee on Ways and Means. The Committee's exclusive prerogative to report "revenue measures generally" is provided by Rule X(1)(t) of the Rules of the House of Representatives. The jurisdiction of the Committee on Ways and Means under Rule X(1)(t) is protected through the exercise of Rule XXI(5)(a) which states:

A bill or joint resolution carrying a tax or tariff measure may not be reported by a committee not having jurisdiction to report tax or tariff measures, and an amendment in the House or proposed by the Senate carrying a tax or tariff measure shall not be in order during the consideration of a bill or joint resolution reported by a committee not having that jurisdiction. A point of order against a tax or tariff measure in such a bill, joint resolution, or amendment thereto may be raised at any time during pendency of that measure for amendment.

Based on the precedents of the House, especially those involving Rule XXI(5)(a), the following statements can be made concerning points of order made under the Rule.

1. *Timeliness.* The point of order can be raised at any point during consideration of the bill. However, that section of the bill in which the “tax or tariff provision lies must either have been previously read or currently open for amendment.” A point of order may not be raised after the Committee of the Whole has risen and reported the bill to the House. A point of order against an amendment must be made prior to its adoption.

2. *Effect.* If a point of order is sustained, the effect is that the provision in the bill or amendment is automatically deleted.

3. *Substance over form.* A provision need not involve an amendment to the Internal Revenue Code or the Harmonized Tariff Schedule in order to be determined to be a “tax or tariff” provision.

4. *Revenue decreases and increases.* A provision need not raise revenue in order to be found to be a “tax or tariff measure.” Provisions which would have the effect of decreasing revenues are also covered by the Rule. Similarly, provisions which could have a revenue effect have been determined to be covered by the Rule.

The following is a detailed listing of each of the occasions on which points of order have been sustained:

#### G. POINTS OF ORDER—HOUSE RULE XXI CHRONOLOGICAL LIST

*June 28, 2007*

##### *H.R. 2829, Financial Services and General Government Appropriations Act, 2008*

A point of order was raised against Section 106 of the bill, which would have limited funds to the IRS for the purpose of renewing, extending, administering, implementing or enforcing any qualified tax collection contract. Mr. Serrano conceded the point of order. The point of order was sustained, and the provision was stricken from the bill. [110–1, H7352]

*June 13, 2006*

##### *H.R. 5576, Transportation, Treasury, Housing and Urban Development, the Judiciary, and Related Agencies Appropriations Act, 2007*

A point of order was raised against Section 206 of the bill, which would have limited funds to the IRS and prohibit its ability to provide and tax preparation software or online tools.

The chair ruled that the provision was in violation of Rule XXI, clause 2. The point of order was sustained, and the provision was stricken from the bill. [109–2, H3849–3850]

*June 14, 2006*

*H.R. 5576, Transportation, Treasury, Housing and Urban Development, the Judiciary, and Related Agencies Appropriations Act, 2007*

A point of order was raised against an amendment offered by Representative Tiahrt, which would have limited funds to the IRS and prohibit its ability to provide and tax preparation software or online tools.

Representative Tiahrt withdrew his amendment. [109–2, H3930]

*May 23, 2006*

*H.R. 5384, Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2007*

A point of order was raised against an amendment offered by Representative DeLauro, which would have increased the bill's appropriation for waste and water grant programs by \$689 million and paid for this increase by reducing the size of the tax cut for those making over one million dollars.

The chair ruled that the provision proposes to change existing law and constitutes legislation on an appropriations bill and, therefore, violates clause 2 of Rule XXI. The point of order was sustained, and the amendment was not in order. [109–2, H3063]

*May 19, 2006*

*H.R. 5385, Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2007*

Points of order were raised against three amendments offered by Representatives Edwards, Farr, and Obey, which would have raised taxes to offset program funding increases.

The chair ruled that these provisions proposed to change existing law and constituted legislation on an appropriations bill and, therefore, violated clause 2 of Rule XXI. The points of order were sustained, and the amendments were not in order. [109–2, H2922–2931]

*June 30, 2005*

*H.R. 3058, Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006*

A point of order was raised against an amendment offered by Representative Simmons, which would have limited the use of funds to enter into, implement, or provide oversight of contracts between the Secretary of the Treasury, or his designee, and private collection agencies. Representative Simmons withdrew his amendment. [109–1, H3640]

June 29, 2005

*H.R. 3058, Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006*

A point of order was raised against section 218 of the bill, which would direct the Secretary of the Treasury to submit to the Committees on Appropriations a report defining currency manipulation and what actions would be construed as another nation manipulating its currency, and describing how statutory provisions addressing currency manipulation by America's trading partners contained in, and relating to, title 22 U.S.C. 5304, 5305, and 286y can be better clarified administratively to provide for improved and more predictable evaluation. The chair ruled that the provision was in violation of Rule XXI, clause 2. The point of order was sustained, and the provision was stricken from the bill. [109-1, H5422]

June 14, 2005

*H.R. 2862, Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006*

A point of order was raised against an amendment offered by Representative Obey, which would have increased funding for the EDA by \$53 million and paid for this increase by reducing the size of the tax cut for those making over one million dollars.

The chair ruled that the provision proposes to change existing law and constitutes legislation on an appropriations bill and, therefore, violates clause 2 of Rule XXI. The point of order was sustained, and the amendment was not in order. [109-1, H4437]

May 26, 2005

*H.R. 2528, Military Quality of Life and Veterans Affairs Appropriations Act, 2006*

A point of order was raised against an amendment offered by Representative Obey, which would have increased the bill's appropriation for veterans medical care by \$2.6 billion and paid for this increase by reducing the size of the tax cut for those making over one million dollars.

The chair ruled that the provision proposes to change existing law and constitutes legislation on an appropriations bill and, therefore, violates clause 2 of Rule XXI. The point of order was sustained, and the amendment was not in order. [109-1, H4106]

May 19, 2005

*H.R. 2361, Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006*

A point of order was raised against an amendment offered by Representative Obey, which would have increased the bill's appropriation for the Clean Water State Revolving Fund by \$500,000 and paid for this increase by reducing the size of the tax cut for those making over one million dollars.

The chair ruled that the provision proposes to change existing law and constitutes legislation on an appropriations bill and, there-

fore, violates clause 2 of Rule XXI. The point of order was sustained, and the amendment was not in order. [109–1, H3640]

*May 17, 2005*

*H.R. 2360, Department of Homeland Security Appropriations Act, 2006*

A point of order was raised against an amendment offered by Representative Obey, which would have increased the bill's appropriation for Customs and Border Protection and paid for this increase by reducing the size of the tax cut for those making over one million dollars.

The chair ruled that the provision proposes to change existing law and constitutes legislation on an appropriations bill and, therefore, violates clause 2 of Rule XXI. The point of order was sustained, and the amendment was not in order. [109–1, H3398]

*September 14, 2004*

*H.R. 5025, Transportation, Treasury, and Independent Agencies Appropriations Act, 2005*

A point of order was raised against section 644 of the bill, which would have amended section 6402 of the Internal Revenue Code of 1986 by adding a new subsection that allows for the offset of federal tax refunds to collect delinquent state unemployment compensation overpayments. The chair ruled that the provision was in violation of Rule XXI, clause 2. The point of order was sustained, and the provision was stricken from the bill. [108–2, H7176]

*September 14, 2004*

*H.R. 5025, Transportation, Treasury, and Independent Agencies Appropriations Act, 2005*

A point of order was raised against section 643 of the bill, which would have amended section 453(j) of the Social Security Act to allow access to data in the National Directory of New Hires for use in collecting delinquent non-tax federal debt. The chair ruled that the provision was in violation of Rule XXI, clause 2. The point of order was sustained, and the provision was stricken from the bill. [108–2, H7176]

*September 14, 2004*

*H.R. 5025, Transportation, Treasury, and Independent Agencies Appropriations Act, 2005*

A point of order was raised against section 642 of the bill, which would have amended Title 31 of the U.S. Code to allow the Federal Government to collect debts that are more than 10 years old by withholding federal tax refunds or garnishing Social Security benefits. The chair ruled that the provision was in violation of Rule XXI, clause 2. The point of order was sustained, and the provision was stricken from the bill. [108–2, H7176]

September 9, 2004

*H.R. 5006, Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2005*

A point of order was raised against an amendment offered by Representative Brown (OH), which would have stopped the increase of Part B Medicare premiums, effectively leaving them at their current dollar amount. The chair ruled that the provision would provide new budget authority in excess of the suballocation provided by the Appropriations Committee, and therefore violated section 302(f) of the Congressional Budget Act of 1974. The point of order was sustained, and the amendment was not in order. [108–2, H6945]

September 8, 2004

*H.R. 5006, Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2005*

A point of order was raised against section 219(b) of the bill, which created a Medicare claims processing fee for duplicative or incorrect claims for Medicare Part A or B services. The chair ruled that the provision was in violation of Rule XXI. The point of order was conceded, sustained, and the provision was stricken from the bill. [108–2, H6836]

June 18, 2004

*H.R. 4567, Department of Homeland Security Appropriations Act, 2005*

A point of order was raised against an amendment offered by Representative Sherman, which would have limited the funds made available in this Act for processing the importation of any article which is the product of Iran. The chair ruled that the provision was in violation of clause 5(a) of Rule XXI. The point of order was sustained, and the amendment was not in order. [108–2, p. H4551]

July 10, 2003

*H.R. 2660, Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2004*

A point of order was raised against section 217(B) of the bill, which created a Medicare Claims Processing fee. An October 1, 2003, requirement assured a policy for providers to submit all Medicare claims electronically. Since most electronic billing systems eliminate inaccurate and duplicate claims, and because current law provided the proper small business exemption, the user fee was unnecessary. The chair ruled that the provision was in violation of Rule XXI, clause 2(b). The point of order was conceded, sustained, and the provision was stricken from the bill. [108–1, p. H6560]

July 10, 2003

*H.R. 2660, Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2004*

A point of order was raised against an amendment offered by Representative Obey, which would have provided a 1-percentage add-on to the Federal assistance to every State for their Medicaid programs. This would have been paid for through a reduction in the size of the tax cut for persons who make more than \$1 million a year. The chair ruled that the amendment constituted legislation in violation of Rule XXI, clause 2(c), and in addition, constituted a tax measure in violation of Rule XXI, clause 5(a). The point of order was conceded and sustained. [108–1, p. H6547]

July 23, 2003

*H.R. 2799, Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act 2004*

A point of order was raised against an amendment offered by Representative Levin, which would forbid expenditure of funds that would be used to negotiate free trade agreements that did not contain certain listed provisions, which imposed new duties that were not required by law and made the appropriations contingent upon the performance of said duties and on successful trade negotiations with other countries. The chair ruled that the provision was in violation of Rule XXI, clause 2. The point of order was sustained. [108–1, p. H7337–7339]

September 4, 2003

*H.R. 2989, Transportation, Treasury, and Independent Agencies Appropriations Act, 2004*

A point of order was raised against portions of section 631 of the bill, which would have amended the Trade Agreements Act of 1979. The provision exempted limitations on procurement. The chair ruled that the provision was in violation of Rule XXI, clause 2(b). The point of order was conceded, sustained and the language was stricken from the bill. [108–1, p. H7913]

September 4, 2003

*H.R. 2989, Transportation, Treasury, and Independent Agencies Appropriations Act, 2004*

A point of order was raised against the contents of Section 164 of the bill, which amended the Buy America requirements for transit capital purchases of steel, iron, manufactured goods, and rolling stock. The chair ruled that these provisions were in violation of Rule XXI. The point of order was conceded, sustained, and the section was stricken from the bill. [108–1, p. H7912–7913]

*September 8, 1999*

*H.R. 2684, U.S. Departments of Veterans Affairs and Housing and Urban Development Appropriations for 2000*

A point of order was raised against an amendment offered by Representative Edwards, which would have offset an increase in funding for veterans' health care by postponing the implementation of a capital gains tax cut. The chair Ruled that the amendment constituted legislation in violation of Rule XXI, clause 2(c), and, in addition, constituted a tax measure in violation of Rule XXI, clause 5(a). The point of order was sustained, and the amendment ruled not in order. [106-1, p. H7923]

*September 3, 1997*

*H.R. 2159, Foreign Operations Appropriations for Fiscal Year 1998*

A point of order was raised against section 539 of the bill, which would have restricted the President's ability to issue an executive order lifting import sanctions against Yugoslavia (Serbia). The Chair ruled that since current law allowed the President to waive the application of certain sanctions, including import prohibitions which affect tariff collections, the provision in question was a tariff measure within the meaning of Rule XXI, clause 5(b). The point of order was sustained, and the provision stricken from the bill. [105-1, p. H 6731]

*July 17, 1996*

*H.R. 3756, Treasury, Postal Service, and General Government Appropriations Act of 1997*

A point of order was raised against an amendment which prohibited the use of funds by the United States Customs Service to take any action that allowed certain imports into the United States from the People's Republic of China. The point of order was sustained. [104-2, p. H7708]

*May 9, 1995*

*H.R. 1361, Coast Guard Authorization*

A point of order was raised against an amendment which increased certain fees for large foreign-flag cruise ships. The Chair ruled that by increasing the fees charged by the Coast Guard for inspecting large foreign-flag cruise ships by an unspecified amount in order to offset a decrease in fees for other vessels, the amendment attenuated the relationship between the amount of the fee and the cost of the particular government activity for which it was assessed. Therefore the increased fee qualified as a tax or tariff within the meaning of Rule XXI, clause 5(b). The point of order was sustained, and the amendment ruled out of order. [104-1, p. H4593]

*June 15, 1994*

*H.R. 4539, Treasury, Postal Service, and General Government Appropriation for Fiscal Year 1995*

A point of order was raised against section 527 of the bill, which would have amended the HTS to create a new tariff classification. The new classification would have changed the rate of duty on the import of certain fabrics intended for use in the manufacture of hot air balloons, thus having direct impact on customs revenues. The point of order was conceded and sustained, and the provision was stricken from the bill. [103-2, p. H4531]

*September 16, 1992*

*H.R. 5231, The National Competitiveness Act of 1992*

A point of order was raised against an amendment offered by Representative Walker. The bill was reported solely from the Committee on Science and Technology and amended the Internal Revenue Code to provide, inter alia, changes in the tax treatment of capital gains.

The Chair sustained the point of order without elaboration. [102-, p. H8621]

*October 23, 1990*

*H.R. 5021, Department of Commerce, Justice and State, the Judiciary and Related Agencies Appropriations Act, 1991*

A point of order was raised against amendment 139 which increased the rate of fees paid to the Securities and Exchange Commission at the time of filing a registration statement. The Chair ruled that since the amendment provided that the increased level of fees would be deposited in the Treasury, the fee involved was in reality a tax and the revenues were to be used to defray general governmental costs. The point of order was conceded and sustained. [101-2, p. H11412]

*July 13, 1990*

*H.R. 5241, Treasury, Postal Service and General Government Appropriations Act of 1991*

A point of order was raised against section 528 which prohibited that “no funds appropriated” would be used to impose or assess any tax under section 4181 of the Internal Revenue Code relating to the excise tax on the manufacture of firearms. The point of order was conceded and sustained. [101-2, p. H4692]

*July 13, 1990*

*H.R. 5241, Treasury, Postal Service and General Government Appropriations Act of 1991*

A point of order was raised against section 524 which prohibited the Internal Revenue Service from enforcing rules governing the antidiscrimination rules of the exclusion for employer provided health-care plans (section 89 of the Internal Revenue Code). The point of order was conceded and sustained. [101-2, p. H4692]

October 5, 1989

*H.R. 3299, Omnibus Budget Reconciliation Act of 1989*

A point of order was raised against section 3201 which imposed fees on the filing of certain forms required to be filed annually in connection with maintaining pension and benefit plans. The point of order was sustained with the Chair ruling that the revenue raised funded "general government activity." [101-1, p. H6662]

October 4, 1989

*H.R. 3299, Omnibus Budget Reconciliation Act of 1989*

A point of order was raised against section 3156 which imposed a "Termination Fee." Under the provision of the bill, an employer who terminated a pension plan in a standard termination was required to pay a \$200-per-participant fee to the Pension Benefit Guaranty Corporation (PBGC), the Federal insurance agency established to insure defined benefit pension plans against insolvency. The point of order was conceded and sustained. [101-1, p. H6621]

October 4, 1989

*H.R. 3299, Omnibus Budget Reconciliation Act of 1989*

A point of order was raised against section 3131(b) which exempted multi-employer pension plans from the full funding limits of the Internal Revenue Code, section 412(c)(7). This provision directly amended the Internal Revenue Code to allow the deductibility of contributions to a multi-employer pension plan in excess of the full funding limit. The point of order was conceded and sustained. [101-1, p. H6622]

October 4, 1989

*H.R. 3299, Omnibus Budget Reconciliation Act of 1989*

A point of order was raised against section 7002 which imposed an annual fee of \$1 per acre on the holder of Outer Continental Shelf leases. This fee has been designated to offset the costs of ocean related environmental research, assessment, and protection programs. The point of order was sustained with the Chair stating that a provision raising revenue to finance general government functions improperly characterized as a tax within the jurisdiction of Clause 5(b) of Rule XXI. [101-1, p. H6610]

October 4, 1989

*H.R. 3299, Omnibus Budget Reconciliation Act of 1989*

A point of order was raised against section 7002 which imposed a fee of \$20 per passenger on vessels engaged in U.S. cruise trade or which offer off-shore gambling. The proceeds of this fee were to be deposited in both the Harbor Maintenance Trust Fund and the Treasury's general fund. The point of order was conceded and sustained. [101-1, p. H6620]

September 30, 1988

*H.R. 4637, Conference Agreement to accompany the Foreign Operations, Export Financing and Related Programs Appropriations Act of 1989*

A point of order was raised against the motion to concur in the Senate amendment No. 176 which provided that S. 2848 (Sanctions Against Iraqi Chemical Weapons Use Act), be added to the bill. The point of order was conceded and sustained. [100-2, p. H9236]

June 25, 1987

*H.R. 3545, Budget Reconciliation Act of 1987*

A point of order was raised against the section of the bill providing that "all earnings and distributions" from the Enjebi Community Trust Fund, "shall not be subject to any form of Federal, State, or local taxation." The point of order was conceded and sustained. [100-1, p. H5539-40]

August 1, 1986

*H.R. 5294, Appropriations, Treasury, Postal Service and General Government Appropriations, 1987*

A point of order was raised against section 103 which denied funds to the Internal Revenue Service to impose vesting requirements for qualified pension funds more stringent than 4/40. As a result, legally collectible taxes on employer contributions to such plans would be indefinitely deferred. The point of order was conceded and sustained. [99-2, p. H5311]

August 1, 1986

*H.R. 5294, Appropriations, Treasury, Postal Service and General Government Appropriations, 1987*

A point of order was raised against section 3 which prohibited the use of funds to implement regulations issued by the Department of the Treasury to implement section 274(d) of the Internal Revenue Code relating to the duty imposed on taxpayers to substantiate deductibility of certain expenses relating to travel, gifts, and entertainment.

The Chair sustained the point of order stating that a limitation otherwise in order under Clause 2(c), of House Rule XXI which "effectively and inherently either preclude[s] the IRS from collecting revenues otherwise due to be [owed] under provision of the Internal Revenue Code or require[s] the collection of revenue not legally due and owing constitutes a tax provision within the meaning of Rule XXI, Clause 5(b)."

The Chair also noted that when the point of order was raised that under the Rule the point of order against the provision could be raised at any point during the consideration of the bill. [99-2, p. H5310]

October 24, 1986

*H.R. 3500, Budget Reconciliation Act of 1985*

A point of order was raised against section 3113. The provision in the reconciliation bill reported from the Budget Committee con-

tained a recommendation from the Committee on Education and Labor to exclude certain interest on obligations to Student Loan Marketing Association from Application of Internal Revenue Code (IRC), section 265 which denies a deduction for certain expenses and interest relating to the production of tax-exempt income. The point of order was sustained. [99-1, p. H5310]

*October 24, 1985*

*H.R. 3500, Budget Reconciliation Act of 1985*

A point of order was raised against section 6701 which had been reported from the Committee on the Budget containing a recommendation of the Committee on Merchant Marine and Fisheries. Section 6701 expanded tax benefits available to ship owners through the "capital construction fund" (section 7518 of the IRC), by permitting repatriation of foreign-source income to avoid U.S. taxes and expanding the definition of vessels eligible to establish such tax-exempt funds. [99-1, p. H9189]

*July 26, 1985*

*H.R. 3036, Appropriations, Treasury, Postal Service, and General Government Appropriation, 1986*

A point of order was raised against section 106 which prohibited the use of funds to implement or enforce regulations imposing or collecting a tax on the interest deferral from entrance or accommodation fees paid by elderly residents of continuing care facilities (section 7872 of the Internal Revenue Code). The Chair sustained the point of order against the provision as a tax provision within the meaning of House Rule XXI, Clause 5(b). [99-1, p. H6418]

*July 11, 1985*

*H.R. 1555, International Security and Development Act of 1985*

A point of order was raised against section 1208, which denied trade benefits to Afghanistan, provided for the denial of most favored nation status to Afghanistan and denied trade credits to Afghanistan. The point of order was conceded and sustained. [99-1, p. H5489]

*June 4, 1985*

*H.R. 1460, Anti-Apartheid Act of 1985*

A point of order was raised against an amendment to prohibit the entry of South African

Krugerrands or gold coins into the customs territory of the United States unless uniform 5 percent fee were paid. The point of order was sustained on the grounds that the fee was equivalent to a tariff uniform charge imposed at ports of entry with proceeds deposited in the Treasury. [99-1, p. H3762]

September 12, 1984

*H.R. 5798, conference report to accompany the Appropriations, Treasury, Postal Service, Executive Office of the President and certain independent agencies Appropriation, 1985*

A point of order was raised against a Senate amendment, No. 92 which amended the existing customs law under the Tariff Act of 1930 with respect to seizures and forfeitures of property by the Customs Service. The point of order was conceded and sustained. [98-2, p. H9407]

September 12, 1984

*H.R. 5798, conference report to accompany the Appropriations, Treasury, Postal Service, Executive Office of the President and certain independent agencies Appropriation, 1985*

A point of order was raised against a Senate amendment, No. 26 which amended the tariff schedule of the United States (TSUS) to provide duty-free importation of a telescope for the University of Arizona. The point of order was conceded and sustained. [98-2, p. H9396]

September 12, 1984

*H.R. 5798, conference report to accompany the, Treasury, Postal Service, Executive Office of the President and certain independent agencies, 1985*

A point of order was raised against a Senate amendment, No. 24 which provided that “none of the funds appropriated by this act or any other act” shall be used to impose or assess the manufacturer’s excise tax on sporting goods. The point of order specifically stated that the term “tax” and “tariff” under House Rule XXI, Clause 5(b), included provisions such as these contained in the amendment which would result less revenue spent than under the operation of existing law. The point of order was conceded and sustained. [98-2, p. H9395-9396]

October 27, 1983

*H.R. 4139, conference report to accompany the Treasury, Postal Service, Executive Office of the President and certain independent agencies, 1984*

The Chair sustained a point of order against section 511 which would have prohibited the Customs Service from enforcing a provision of law permitting agricultural products to enter the United States duty-free under the CBI. The Chair ruled that the effect of the provision was to cause duties on certain imports to be imposed where none is required and to require collections of revenue contrary to existing tariff laws and that, as a result, section 511 was a tariff provision rather than a limitation of appropriated funds. [98-1, p. H8717]

September 21, 1983

*H.R. 1036, Community Renewal Employment Act*

The Chair sustained a point of order against a motion to recommit a bill to a committee without jurisdiction over revenue measures (the Committee on Education and Labor), and to report the bill back to the House with tax provisions relating to "enterprise zones." The motion was ruled to violate House Rule XVI, Clause 7, and House Rule XXI Clause 5(b). [98-1, p. H7244]

H. RESTRICTIONS ON "FEDERAL INCOME TAX RATE INCREASES"

House Rule XXI, clause 5(b) requires a supermajority [3/5] vote for any bill containing a prospective Federal income tax rate increase and clause 5(c) prohibits retroactive Federal income tax rate increases.

The wording of the Rule and its legislative history make it clear that the Rule applies only to increases in specific statutory rates in the Internal Revenue Code and not to provisions merely because they raise revenue or otherwise modify the income tax base.

**Appendix II. Historical Note**<sup>1</sup>

The Committee on Ways and Means was first established as an ad hoc committee in the first session of the First Congress, on July 24, 1789. Representative Fitzsimons, from Pennsylvania, in commenting on the report of a select committee concerning appropriations and revenues, pointed out the desirability of having a committee to review the expenditure needs of the Government and the resources available, as follows:

The finances of America have frequently been mentioned in this House as being very inadequate to the demands. I have never been of a different opinion, and do believe that the funds of this country, if properly drawn into operation, will be equal to every claim. The estimate of supplies necessary for the current year appears very great from a report on your table, and which report has found its way into the public newspapers. I said, on a former occasion, and I repeat it now, notwithstanding what is set forth in the estimate, that a revenue of \$3 million in specie, will enable us to provide every supply necessary to support the Government, and pay the interest and installments on the foreign and domestic debt. If we wish to have more particular information on these points, we ought to appoint a Committee on Ways and Means, to whom, among other things, the estimate of supplies may be referred, and this ought to be done speedily, if we mean to do it this session.

After discussion, the motion was agreed to and a committee consisting of one Member from each State (North Carolina and Rhode Island had not yet ratified the Constitution) was appointed as follows: Messrs. Fitzsimons (Pennsylvania), Vining (Delaware), Livermore (New Hampshire), Cadwalader (New Jersey), Laurance (New York), Wadsworth (Connecticut), Jackson (Georgia), Gerry (Massachusetts), Smith (Maryland), Smith (South Carolina), and Madison (Virginia).

<sup>1</sup>Historical Notes appears in previous Reports on the Legislative and Oversight Activities of the Committee on Ways and Means, including most recently H. Rept. 111-708.

While there does not appear to be any direct relationship, it is interesting to note that the appointment of this ad hoc committee came within a few weeks after the House, in Committee of the Whole, had spent a good part of the months of April, May, and June in wrestling with the details involved in writing bills for laying a duty on goods, wares, and merchandises imported into the United States and for imposing duties on tonnage. Tariffs, of course, became a prime revenue source for the new government.

However, the results of this ad hoc committee are not clear. It existed for a period of only 8 weeks, being dissolved on September 17, 1789, with the following order:

That the Committee on Ways and Means be discharged from further proceeding on the business referred to them, and that it be referred to the Secretary of the Treasury to report thereon.

It has also been suggested by one student that the Committee was dissolved because Alexander Hamilton had become Secretary of the newly created U.S. Department of the Treasury, and thus it was presumed that the U.S. Department of the Treasury could provide the necessary machinery for developing information which would be needed. During the next 6 years there was no Committee on Ways and Means or any other standing committee for the examination of estimates. Rather, ad hoc committees were appointed to draw up particular pieces of legislation on the basis of decisions made in the Committee of the Whole House. On November 13, 1794, a Rule was adopted providing that:

All proceedings touching appropriations of money shall be first moved and discussed in a Committee on the Whole House.

Historians have suggested that, during the next Congress, the House was determined to curtail Secretary Hamilton's influence by first setting up a Committee on Ways and Means and requiring that Committee to submit a report on appropriations and revenue measures before consideration in the Committee of the Whole House. It was also said that this Committee on Ways and Means was put on a more or less standing basis since such a committee appeared at some point in every Congress until it was made a permanent committee.

In the first session of the 7th Congress, Tuesday, December 8, 1801, a resolution was adopted as follows:

*Resolved*, That a standing Committee on Ways and Means be appointed, whose duty it shall be to take into consideration all such reports of the Treasury Department, and all such propositions, relative to the revenue as may be referred to them by the House; to inquire into the state of the public debt, of the revenue, and of the expenditures; and to report, from time to time, their opinion thereon.

The following Members were appointed: Messrs. Randolph (Virginia), Griswold (Connecticut), Smith (Vermont), Bayard (Delaware), Smilie (Pennsylvania), Read (Massachusetts), Nicholson (Maryland), Van Rensselaer (New York), Dickson (Tennessee).

On Thursday, January 7, 1802, the House agreed to standing Rules which, among other things, provided for standing commit-

tees, including the Committee on Ways and Means. The relevant part of the Rules in this respect read as follows:

A Committee on Ways and Means, to consist of seven Members;

\* \* \* \* \*

*It shall be the duty of the said Committee on Ways and Means to take into consideration all such reports of the U.S. Department of the Treasury, and all such propositions relative to the revenue, as may be referred to them by the House; to inquire into the state of the public debt, of the revenue, and of the expenditures, and to report, from time to time, their opinion thereon; to examine into the state of the several public departments, and particularly into the laws making appropriations of moneys, and to report whether the moneys have been disbursed conformably with such laws; and also to report, from time to time, such provisions and arrangements, as may be necessary to add to the economy of the departments, and the accountability of their officers.*

It has been said that the jurisdiction of the Committee was so broad in the early 19th century that one historian described it as follows:

It seemed like an Atlas bearing upon its shoulders all the business of the House.

The jurisdiction of the Committee remained essentially the same until 1865 when the control over appropriations was transferred to a newly created Committee on Appropriations and another part of its jurisdiction was given to a newly created Committee on Banking and Currency. This action followed rather extended discussion in the House, too lengthy to review here.

During the course of that discussion, however, the following observations are of some historical interest. Representative Cox, who was handling the motion to divide the Committee, presented a detailed description of the varied and heavy duties which had fallen on the Committee over the years. He observed:

And yet, sir, powerful as the Committee is constituted, even their powers of endurance, physical and mental, are not adequate to the great duty which has been imposed by the emergencies of this historic time. It is an old adage, that whoso wanteth rest will also want of might; and even an Olympian would faint and flag if the burden of Atlas is not relieved by the broad shoulders of Hercules.

He continued:

I might give here a detailed statement of the amount of business thrown upon that Committee since the commencement of the war. But I prefer to append it to my remarks. Whereas before the war we scarcely expended more than \$70 million a year, now, during the five sessions of the last two Congresses, there has been an average appropriation of at least \$800 million per session. The statement which I hold in my hand shows that during the first and extra session of the 37th Congress there came appropriation bills from the Committee on Ways and Means amounting to \$226,691,457.99. I say nothing now of the loan and other fiscal bills emanating from that Committee

\* \* \* During the present session I suppose it would be a fair estimate to take the appropriations of the last session of the 37th Congress, say \$900 million.

These are appropriation bills alone. They are stupendous, and but poorly symbolize the immense labors which the internal revenue, tariff, and loan bills imposed on the Committee \* \* \* And this business of appropriations is perhaps not one-half of the labor of the Committee. There are various and important matters upon which they act, but upon which they never report. Their duties comprehend all the varied interests of the United States; every element and branch of industry, and every dollar or dime of value. They are connected with taxation, tariffs, banking, loan bills, and ramify to every fiber of the body-politic. All the springs of wealth and labor are more or less influenced by the action of this Committee. Their responsibility is immense, and their control almost imperial over the necessities, comforts, homes, hopes, and destinies of the people. All the values of the United States, which in the census of 1860 (page 194) amount to nearly \$17 billion, or, to be exact, \$16,159,616,068, are affected by the action of that Committee, even before their action is approved by the House. Those values fluctuate whenever the head of the Committee on Ways and Means rises in his place and proposes a measure. The price of every article we use trembles when he proposes a gold bill or a loan bill, or any bill to tax directly or indirectly \* \* \* the interests connected with these economical questions are of all questions those most momentous for the future. Parties, statesmanship, union, stability, all depend upon the manner in which these questions are dealt with.

Representative Morrill (who was subsequently appointed chairman of the Committee on Ways and Means in the succeeding Congress, and who still later became chairman of the Senate Committee on Finance after he became a Senator) observed as follows:

I am entirely indifferent as to the disposition which shall be made of this subject by the House. So far as I am myself concerned, I have never sought any position upon any committee from the present or any other Speaker of the House, and probably never shall. I have no disposition to press myself hereafter for any position. In relation to the proposed division of the Committee on Ways and Means, the only doubt that I have is the one expressed by my colleague on that Committee, Representative Stevens, in regard to the separation of the questions of revenue from those relating to appropriations. In ordinary times of peace I should deem it almost indispensable and entirely within their power that this Committee should have the control of both subjects, in order that they might make both ends meet, that is, to provide a sufficient revenue for the expenditures. That reason applies now with greater force; but it may be that the Committee is overworked. It is true that for the last 3 or 4 years the labors of the Committee on Ways and Means have been incessant, they have la-

bored not only days but nights; not only weekends but Sundays. If gentlemen suppose that the Committee have permitted some appropriations to be reported which should not have been permitted they little understand how much has been resisted.

The influence the Committee came not only from the nature of its jurisdiction but also because for many years the chairman of the Committee was also ad hoc majority Floor leader of the House.

When the revolt against Speaker Cannon occurred in 1910, and the Speaker's powers to appoint the Members of committees were curtailed, the Majority Members on the Committee on Ways and Means became the Committee on Committees. Subsequently, this power was disbursed to the respective party caucuses, beginning in the 94th Congress.

Throughout its history, many famous Americans have served on the Committee on Ways and Means. The long and distinguished list includes 8 Presidents of the United States, 8 Vice Presidents, four Justices of the Supreme Court, 34 Cabinet members, and quite interestingly, 21 Speakers of the House of Representatives. This latter figure represents nearly one-half of the 51 Speakers who have served since 1789 through the end of the 110th Congress. See the alphabetical list which follows for names.

*Major positions held by former members of the Committee on Ways and Means*

President of the United States:

George H. W. Bush, Texas  
 Millard Fillmore, New York  
 James A. Garfield, Ohio  
 Andrew Jackson, Tennessee  
 James Madison, Virginia  
 William McKinley, Jr., Ohio  
 James K. Polk, Tennessee  
 John Tyler, Virginia

Vice President of the United States:

John C. Breckinridge, Kentucky  
 George H. W. Bush, Texas  
 Charles Curtis, Kansas  
 Millard Fillmore, New York  
 John N. Garner, Texas  
 Elbridge Gerry, Massachusetts  
 Richard M. Johnson, Kentucky  
 John Tyler, Virginia

Justice of the Supreme Court:

Philip P. Barbour, Virginia  
 Joseph McKenna, California  
 John McKinley, Alabama  
 Fred M. Vinson, Kentucky (Chief Justice)

Speaker of the House of Representatives:

Nathaniel P. Banks, Massachusetts  
 Philip P. Barbour, Virginia  
 James G. Blaine, Maine  
 John G. Carlisle, Kentucky  
 Langdon Cheves, South Carolina  
 James B. (Champ) Clark, Missouri

Howell Cobb, Georgia  
 Charles F. Crisp, Georgia  
 John N. Garner, Texas  
 John W. Jones, Virginia  
 Michael C. Kerr, Indiana  
 Nicholas Longworth, Ohio  
 John W. McCormack, Massachusetts  
 James K. Polk, Tennessee  
 Henry T. Rainey, Illinois  
 Samuel J. Randall, Pennsylvania  
 Thomas B. Reed, Maine  
 Theodore Sedgwick, Massachusetts  
 Andrew Stevenson, Virginia  
 John W. Taylor, New York  
 Robert C. Winthrop, Massachusetts

## Cabinet Member:

## Secretary of State:

James G. Blaine, Maine  
 William J. Bryan, Nebraska  
 Cordell Hull, Tennessee<sup>2</sup>  
 Louis McLean, Delaware  
 John Sherman, Ohio

## Secretary of the Treasury:

George W. Campbell, Tennessee  
 John G. Carlisle, Kentucky  
 Howell Cobb, Georgia  
 Thomas Corwin, Ohio  
 Charles Foster, Ohio  
 Albert Gallatin, Pennsylvania  
 Samuel D. Ingham, Pennsylvania  
 Louis McLean, Delaware  
 Ogden L. Mills, New York  
 John Sherman, Ohio  
 Philip F. Thomas, Maryland  
 Fred M. Vinson, Kentucky

## Attorney General:

James P. McGranery, Pennsylvania  
 Joseph McKenna, California  
 A. Mitchell Palmer, Pennsylvania  
 Caesar A. Rodney, Delaware

## Postmaster General:

Samuel D. Hubbard, Connecticut  
 Cave Johnson, Tennessee  
 Horace Maynard, Tennessee  
 William L. Wilson, West Virginia

## Secretary of the Navy:

Thomas W. Gilder, Virginia  
 Hilary A. Herbert, Alabama  
 Victor H. Metcalf, California  
 Claude A. Swanson, Virginia

## Secretary of the Interior:

Rogers C. B. Morton, Maryland  
 Jacob Thompson, Mississippi

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<sup>2</sup> Recipient of Nobel Peace Prize in 1945.

Secretary of Commerce and Labor:  
Victor H. Metcalf, California  
Secretary of Commerce:  
Rogers C. B. Morton, Maryland  
Secretary of Agriculture:  
Clinton P. Anderson, New Mexico

### **Appendix III. Statistical Review of the Activities of the Committee on Ways and Means**

**(January 1, 2011–May 31, 2011)**

#### **A. NUMBER OF BILLS AND RESOLUTIONS REFERRED TO THE COMMITTEE**

As of May 31, 2011, there have been a total of 476 bills referred to the Committee, representing 23.1 percent of all the public bills introduced in the House of Representatives.

The following table gives a more complete statistical review since 1967.

TABLE 1. NUMBER OF BILLS AND RESOLUTIONS REFERRED TO THE COMMITTEE, 90TH THROUGH 112TH CONGRESSES

	Introduced in House	Referred to Committee on Ways and Means	Percentage
90th Congress .....	24,227	3,806	15.7
91st Congress .....	23,575	3,442	14.6
92nd Congress .....	20,458	3,157	15.4
93rd Congress .....	21,096	3,370	16
94th Congress .....	19,371	3,747	19.3
95th Congress .....	17,800	3,922	22
96th Congress .....	10,196	2,337	22.9
97th Congress .....	9,909	2,377	26.4
98th Congress .....	8,104	1,904	23.5
99th Congress .....	7,522	1,568	20.8
100th Congress .....	7,043	1,419	22.1
101st Congress .....	7,640	1,737	22.7
102nd Congress .....	7,771	1,972	25.4
103rd Congress .....	6,645	1,496	22.5
104th Congress .....	5,329	1,071	20.1
105th Congress .....	5,976	1,509	25.2
106th Congress .....	6,942	1,762	25.3
107th Congress .....	7,029	1,941	27.6
108th Congress .....	6,953	1,541	22.2
109th Congress .....	8,152	2,152	26.4
110th Congress .....	9,319	2,386	25.6
111th Congress .....	8,780	1,764	20.1
112th Congress .....	2,064	476	23.1

#### **B. PUBLIC HEARINGS**

During the first five months of the First Session of the 112th Congress, the Committee on Ways and Means along with its six subcommittees held numerous public hearings. Many of these hearings dealt with broad subject matter including the President's fiscal year 2012 budget proposals, health and Social Security issues, and Free Trade Agreements with Colombia, Panama and South Korea.

As the statistics below indicate, during the first five months of 112th Congress the full Committee and its six Subcommittees held

public hearings aggregating a total of 31 days, during which time 112 witnesses testified. There were no field hearings.

The following table specifies the statistical data on the number of days and witnesses on each of the subjects covered by public hearings in the full Committee during the 112th Congress—as of May 31, 2011.

TABLE 2. PUBLIC HEARINGS CONDUCTED BY THE FULL COMMITTEE ON WAYS AND MEANS  
(January 1–May 31, 2011)

Subject and Date	Number of	
	Days	Witnesses
2011:		
First in a Series of Hearings on Tax Reform, January 20 .....	1	5
Hearing on the Pending Trade Agreements with Colombia, Panama, and South Korea and the Creation of U.S. Jobs, January 25 .....	1	5
Hearing on the Health Care Law's Impact on Jobs, Employers, and the Economy, January 26 .....	1	4
Hearing on President Obama's Trade Policy Agenda, February 9 .....	1	1
Hearing on the Health Care Law's Impact on the Medicare Program and its Beneficiaries, February 10 .....	1	2
Hearing on Managing Costs and Mitigating Delays in the Building of Social Security's New National Computer Center, February 11 .....	1	3
Hearing on the President's Fiscal Year 2012 Budget Proposal with Treasury Secretary Geithner, February 15 .....	1	1
Hearing on the President's Fiscal Year 2012 Budget Proposal with U.S. Department of Health and Human Services Secretary Kathleen Sebelius, February 16 .....	1	1
Hearing on the President's Fiscal Year 2012 Budget Proposal with Office of Management and Budget Director Lew, February 16 .....	1	1
Hearing on Impediments to Job Creation, March 30 .....	1	4
Hearing on How the Tax Code's Burdens on Individuals and Families Demonstrate the Need for Comprehensive Tax Reform, April 13 .....	1	4
Hearing on the Need for Comprehensive Tax Reform to Help American Companies Compete in the Global Market and Create Jobs for American Workers, May 12 .....	1	17
Hearing on How Other Countries Have Used Tax Reform to Help Their Companies Compete in the Global Market and Create Jobs, May 24 .....	1	5
Total for 2011 .....	13	43

The six Subcommittees of the Committee on Ways and Means were also very active in conducting public hearings during the first five months of the 112th Congress. The following table specifies in detail the number of days and witnesses for each of the Subcommittees.

TABLE 3. PUBLIC HEARINGS CONDUCTED BY THE SUBCOMMITTEES OF THE COMMITTEE ON WAYS AND MEANS  
(January 1, 2011–May 31, 2011)

Subject and date	Number of	
	Days	Witnesses
SUBCOMMITTEE ON SOCIAL SECURITY		
2011:		
Hearing on Managing Costs and Mitigating Delays in the Building of Social Security's New National Computer Center, February 11 .....	1	3
Hearing on Role of Social Security Numbers in Identity Theft and Options to Guard Their Privacy, April 13 MEDPACs Annual March Report to Congress, April 13 .....	1	3
Hearing on the Social Security Administration's Role in verifying Employment Eligibility, April 14 .....	1	5
Total .....	3	11

TABLE 3. PUBLIC HEARINGS CONDUCTED BY THE SUBCOMMITTEES OF THE COMMITTEE ON WAYS AND MEANS—Continued  
(January 1, 2011–May 31, 2011)

Subject and date	Number of	
	Days	Witnesses
<b>SUBCOMMITTEE ON TRADE</b>		
2011:		
First in a Series of Three Trade Subcommittee Hearings on Pending, Job-Creating Trade Agreements: Columbia Trade Agreement March 17 .....	1	7
Second in a Series of Three Hearings on the Pending, Job-Creating Trade Agreements: Panama Trade Agreement, March 30 .....	1	6
Third in a Series of Three Hearings on the Pending, Job-Creating trade Agreements: South Korea Trade Agreement, April 7 .....	1	5
Total .....	3	18
<b>SUBCOMMITTEE ON HEALTH</b>		
2011:		
Hearing on MEDPACs Annual March Report to Congress, March 15 .....	1	1
Joint Health and Oversight Subcommittee Hearing on AARP's Organizational Structure and Finances, April .....	1	3
Hearing on Reforming Medicare Physician Payments, May 12 .....	1	4
Total .....	3	8
<b>SUBCOMMITTEE ON OVERSIGHT</b>		
2011:		
Hearing on Improving Efforts to Combat Health Care Fraud, March 2 .....	1	5
Hearing on Internal Revenue Service Operations and the 2011 Tax Return Filing Season, March 31 .....	1	1
Joint Health and Oversight Subcommittee Hearing on AARP's Organizational Structure and Finances, April 1 .....	1	3
Hearing on the Transparency and Funding of State and Local Pensions, May 5 .....	1	5
Hearing on Improper Payments in the Administration of Refundable Tax Credits, May 25 .....	1	4
Total .....	5	18
<b>SUBCOMMITTEE ON HUMAN RESOURCES</b>		
2011:		
Hearing on Improving Efforts to Help Unemployed Americans Find Jobs, February 10 .....	1	4
Hearing on the Use of Data Matching to Improve Customer Service, Program Integrity, and Taxpayer Savings, March 11 .....	1	5
Hearing on GAO Report on Duplication of Government Programs; Focus on Welfare and Related Programs, April 5 .....	1	3
Total .....	3	12
<b>SUBCOMMITTEE ON SELECT REVENUE MEASURES</b>		
2011:		
Select Revenue Measures Subcommittee Hearing on Small Businesses and Tax Reform, March 3 .....	1	4
Select Revenue Measures Subcommittee Hearing on the Tax-Related Provisions of H.R. 3, March 16 .....	1	1
Total .....	2	5

### C. MARKUP SESSIONS

With respect to markup or business sessions during the first five months of the 112th Congress, the full Committee and its six Sub-

committees were also very actively engaged. The full Committee held such sessions on 5 working days.

**D. NUMBER AND FINAL STATUS OF BILLS REPORTED FROM THE  
COMMITTEE ON WAYS AND MEANS IN THE 112TH CONGRESS**

(JANUARY 1, 2011–MAY 31, 2011)

During the first five months of the 112th Congress, the Committee reported to the House a total of 5 bills favorably. There were 10 bills containing provisions within the purview of the Committee that were passed by the House; 5 were enacted into law. This is not indicative of the total number of bills considered by the Committee.

**Appendix IV. Chairmen of the Committee on Ways and  
Means and Membership of the Committee from the 1st  
through the 112th Congresses**

**A. CHAIRMEN OF THE COMMITTEE ON WAYS AND MEANS,  
1789 TO PRESENT**

Name	State	Party	Term of service
Thomas Fitzsimons	Pennsylvania	Federalist	1789.
William L. Smith	South Carolina	Federalist	1794 to 1797.
Robert G. Harper	South Carolina	Federalist	1797 to 1800.
Roger Griswold	Connecticut	Federalist	1800 to 1801.
John Randolph	Virginia	Jeffersonian Republican	1801 to 1805, 1827.
Joseph Clay	Pennsylvania	Jeffersonian Republican	1805 to 1807.
George W. Campbell	Tennessee	Jeffersonian Republican	1807 to 1809.
John W. Eppes	Virginia	Jeffersonian Republican	1809 to 1811.
Ezekiel Bacon	Massachusetts	Jeffersonian Republican	1811 to 1812.
Langdon Cheves	South Carolina	Jeffersonian Republican	1812 to 1813.
John W. Eppes	Virginia	Jeffersonian Republican	1813 to 1815.
William Lowndes	South Carolina	Jeffersonian Republican	1815 to 1818.
Samuel Smith	Maryland	Jeffersonian Republican	1818 to 1822.
Louis McLane	Delaware	Jeffersonian Republican	1822 to 1827.
George McDuffie	South Carolina	Democrat	1827 to 1832.
Gulian C. Verplanck	New York	Democrat	1832 to 1833.
James K. Polk	Tennessee	Democrat	1833 to 1835.
C. C. Cambreleng	New York	Democrat	1835 to 1839.
John W. Jones	Virginia	Democrat	1839 to 1841.
Millard Fillmore	New York	Whig	1841 to 1843.
James Iver McKay	North Carolina	Democrat	1843 to 1847.
Samuel F. Vinton	Ohio	Whig	1847 to 1849.
Thomas H. Bayly	Virginia	Democrat	1849 to 1851.
George S. Houston	Alabama	Democrat	1851 to 1855.
Lewis D. Campbell	Ohio	Republican	1855 to 1857.
J. Glancy Jones	Pennsylvania	Democrat	1857 to 1858.
John S. Phelps	Missouri	Democrat	1858 to 1859.
John Sherman	Ohio	Republican	1859 to 1861.
Thaddeus Stevens	Pennsylvania	Republican	1861 to 1865.
Justin S. Morrill	Vermont	Republican	1865 to 1867.
Robert C. Schneck	Ohio	Republican	1867 to 1871.
Samuel D. Hooper	Massachusetts	Republican	1871.
Henry L. Dawes	Massachusetts	Republican	1871 to 1875.
William R. Morrison	Illinois	Democrat	1875 to 1877.
Fernando Wood	New York	Democrat	1877 to 1881.
John R. Tucker	Virginia	Democrat	1881.
William D. Kelley	Pennsylvania	Republican	1881 to 1883.
William R. Morrison	Illinois	Democrat	1883 to 1887.
Roger Q. Mills	Texas	Democrat	1887 to 1889.
William McKinley, Jr.	Ohio	Republican	1889 to 1891.
William M. Springer	Illinois	Democrat	1891 to 1893.
William L. Wilson	West Virginia	Democrat	1893 to 1895.

Name	State	Party	Term of service
Nelson Dingley, Jr.	Maine	Republican	1895 to 1899.
Sereno E. Payne	New York	Republican	1899 to 1911.
Oscar W. Underwood	Alabama	Democrat	1911 to 1915.
Claude Kitchin	North Carolina	Democrat	1915 to 1919.
Joseph W. Fordney	Michigan	Republican	1919 to 1923.
William R. Green	Iowa	Republican	1923 to 1928.
Willis C. Hawley	Oregon	Republican	1929 to 1931.
James W. Collier	Mississippi	Democrat	1931 to 1933.
Robert L. Doughton	North Carolina	Democrat	1933 to 1947, 1949 to 1953.
Harold Knutson	Minnesota	Republican	1947 to 1949.
Daniel A. Reed	New York	Republican	1953 to 1955.
Jere Cooper	Tennessee	Democrat	1955 to 1957.
Wilbur D. Mills	Arkansas	Democrat	1957 to 1975.
Al Ullman	Oregon	Democrat	1975 to 1981.
Dan Rostenkowski	Illinois	Democrat	1981 to 1994.
Sam Gibbons, Acting Chairman	Florida	Democrat	1994 to 1995
Bill Archer	Texas	Republican	1995 to 2001.
William W. Thomas	California	Republican	2001 to 2007.
Charles B. Rangel	New York	Democrat	2007 to 2010.
Sander M. Levin, Acting Chair- man.	Michigan	Democrat	2010 to 2011.
Dave Camp	Michigan	Republican	2011–

## B. TABLES SHOWING PAST MEMBERSHIP OF THE COMMITTEE

### 1. MEMBERS OF THE COMMITTEE ON WAYS AND MEANS FROM THE 1ST THROUGH THE 112TH CONGRESS, BY STATE

[Beginning with the 104th Congress, Intra-Congress Committee Membership changes are footnoted]

Member	Congress(es)
Alabama:	
John McKinley	23
David Hubbard	26
Dixon H. Lewis	27–28
George S. Houston	29–30, 32–33
James F. Dowdell	35
Hilary A. Herbert	48
Joseph Wheeler	53–55
Oscar W. Underwood	56, 59–63
Ronnie G. Flippo	98–101
Artur Davis	110–111
Arizona:	
J.D. Hayworth	105–109
Arkansas:	
James K. Jones	48
Clifton R. Breckinridge	49–51, 53
William A. Oldfield	64–70
Heartsill Ragon	70–73
William J. Driver	72
Claude A. Fuller	73–75
Wilbur D. Mills	77–94
Jim Guy Tucker, Jr	94
Beryl Anthony Jr	95
California:	
Joseph McKinna	95
Victor H. Metcalf	57–58
James C. Needham	58–62
William H. Evans	73
Frank H. Buck	74–77
Bertrand W. Gearhart	76–80
Cecil R. King	78–79, 81–90
James B. Utt	83, 86–91

Member	Congress(es)
James C. Corman .....	90–96
Jerry L. Pettis .....	91–94
William M. Ketchum .....	94–95
Fortney Pete Stark .....	94–
John H. Rousselot .....	95–97
Robert T. Matsui .....	<sup>4</sup> 97–104
William M. Thomas .....	98–109
Wally Herger .....	103–
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<sup>1</sup> Appointed January 25, 1996.

<sup>2</sup> Appointed January 25, 1996.

<sup>3</sup> Appointed July 10, 1995.

<sup>4</sup> Reelected to the 109th Congress; died January 1, 2005.

<sup>5</sup> Resigned April 29, 2005.

<sup>6</sup> Appointed May 5, 2005.

<sup>7</sup> Pursuant to H. Res. 872, removed June 16, 2006.

<sup>8</sup> Resigned September 29, 2006.

<sup>9</sup> Died, August 20, 2008.

<sup>10</sup> Appointed to Senate April 27, 2011.

<sup>11</sup> Resigned February, 9 2011

<sup>12</sup> Appointed June 13, 2011.

<sup>13</sup> Appointed March 15, 2011.

## 2. COMMITTEE MEMBERSHIP, 112TH CONGRESS

(JANUARY 1, 2011–JUNE 24, 2011)

## COMMITTEE ON WAYS AND MEANS

ONE HUNDRED TWELFTH CONGRESS

DAVE CAMP, Michigan, *Chairman*

WALLY HERGER, California	SANDER M. LEVIN, Michigan
SAM JOHNSON, Texas	CHARLES B. RANGEL, New York
KEVIN BRADY, Texas	FORTNEY PETE STARK, California
PAUL RYAN, Wisconsin	JIM McDERMOTT, Washington
DEVIN NUNES, California	JOHN LEWIS, Georgia
PAT TIBERI, Ohio	RICHARD NEAL, Massachusetts
GEOFF DAVIS, Kentucky	XAVIER BECERRA, California
DAVE REICHERT, Washington	LLOYD DOGGETT, Texas
CHARLES BOUSTANY, Louisiana	MIKE THOMPSON, California
DEAN HELLER, Nevada <sup>1</sup>	EARL BLUMENAUER, Oregon
JOHN B. LARSON, Connecticut	RON KIND, Wisconsin
PETER ROSKAM, Illinois	BILL PASCRELL, New Jersey
JIM GERLACH, Pennsylvania	SHELLEY BERKLEY, Nevada
TOM PRICE, Georgia	JOSEPH CROWLEY, New York
VERN BUCHANAN, Florida	
ADRIAN SMITH, Nebraska	
AARON SCHOCK, Illinois	
CHRISTOPHER LEE, New York <sup>2</sup>	
LYNN JENKINS, Kansas	
ERIK PAULSEN, Minnesota	
KENNY MARCHANT, Texas <sup>3</sup>	
RICK BERG, North Dakota	
DIANE BLACK, Tennessee	
TOM REED, New York <sup>4</sup>	

<sup>1</sup> Resigned May 9, 2011.<sup>2</sup> Resigned February 9, 2011.<sup>3</sup> Appointed March 15, 2011, and seniority pursuant to H. Res. 168.<sup>4</sup> Appointed June 13, 2011.

## MINORITY VIEWS

The Legislative Activity Report (LAR) submitted by the majority is more notable for what is missing. Six months into the Republican majority this much is clear: Republicans have failed to produce a single jobs-producing bill even as nearly 14 million Americans continue to look for work.

In fact, H.R. 1745, the one measure Republicans passed out of committee that they claimed would spur economic growth—which they hailed as “the Jobs Act”—would have quite the opposite effect, ending the guarantee of federal unemployment insurance and leaving millions of Americans with yet more uncertainty about their futures. This legislation, opposed unanimously by Democrats on the Committee, was so blatantly mislabeled a jobs bill by Republicans that even Members of their own caucus have questioned whether the measure should be brought to the House floor for a vote.

Ending the unemployment insurance for millions of job seekers is just the start. Republicans have put forward measures to end Medicare and double seniors’ health care costs by 2022. They have spent an inordinate amount of time focused on repealing health care reform, a move that would end vital benefits already in place, including the provision to close the so-called prescription drug donut hole and the measure that enables parents to keep their adult children on their health insurance plans until they turn 26.

On tax reform, Republicans have proposed reducing the top individual and corporate rates to 25 percent and, in the process, failed to identify how they would make up the \$2.9 trillion in lost revenue over 10 years. But it is clear that doing so would result in a tax hike for millions of American families through the elimination of deductions and credits that broadly benefit middle class Americans.

Americans in survey after survey tell pollsters that jobs should be the top priority for Congress, yet Republicans turn a blind eye to obvious opportunities.

China, for instance, continues to manipulate its currency to the detriment of American workers. A measure nearly identical to the one passed by the House last fall with broad bipartisan support that would crack down on that manipulation and boost the American economy has sat idle, with the majority saying it shouldn’t be a focus of the committee.

China's currency manipulation makes its exports to the United States cheaper and makes U.S. exports to China more expensive—contributing significantly to our unprecedented trade imbalances with China. H.R. 639, the Currency Reform for Fair Trade Act, will help American businesses compete on a more level playing field, by allowing for the imposition of “countervailing” import duties to offset the undervalued currency where imports have caused “material injury” to a U.S. industry.

Two leading economists, Paul Krugman and Fred Bergsten, have estimated that China's undervalued currency costs the U.S. between 500,000 and 1.5 million jobs. Without spending a dime, we could immediately and in a bipartisan fashion pave the way for new manufacturing jobs with above average wages. House Republicans have expressed no interest in moving this legislation.

Republicans in February let expire the expanded Trade Adjustment Assistance program, which supports American workers who have lost their jobs because of globalization. For decades this retraining program has been supported on both sides of the aisle, so much so that the 2009 expansion of the program to include service workers and make other important improvements was hailed by Republicans as example of bipartisan achievement. Instead of seeing the program for what it is—a jobs-producer for so many Americans in need of retraining—Republicans have claimed it picks winners and losers. If that argument won out, Congress would never do anything to help equip American workers for the 21st century.

As a result of the Majority's failure to extend the expanded TAA program, tens of thousands of fewer workers are eligible for the TAA for Workers program. Moreover, current and future program participants have more limited training opportunities because of the dramatic cuts in training funding—from \$575 million a year to \$220 million a year—and because of less flexible training options. This inevitably inhibits the ability of unemployed workers to obtain the skills they need to secure new, good paying jobs. Additionally, current and future individuals who take advantage of the Health Coverage Tax Credit face higher health care costs and, as a result, many will be forced to go without health insurance coverage altogether.

Meanwhile, despite the urging of Democrats, Republicans have failed to move legislation to end unjustified tax breaks for the Big Five oil producers, which reported more than \$32 billion in first quarter profits. As Committee Democrats wrote to Chairman Camp in May, repealing the three largest tax breaks for the Big Five oil companies would raise billions of dollars a year. More than a billion dollars a year of that comes from one tax break enacted under the last Republican Majority. This tax break, the Sec. 199 domestic manufacturing deduction, should never have benefited the Big Five in the first place. At a time when our constituents are feeling the pain of rising gas prices, it is unjustifiable that our tax code subsidizes Big Oil to the tune of billions of dollars a year.

In March, Democrats on the Ways and Means Committee introduced HR 992, the Building American Jobs Act of 2011, which extends eight bond, tax credit, and loan guarantee programs for states and municipalities, anchored by the wildly successful Build America Bonds program, which helped finance \$181 billion in infrastructure projects in the last two years. Yet Republicans have opted to ignore this important measure.

This measure is part of a Make It in America agenda unveiled by Democrats that is focused on creating jobs while responsibly reducing the deficit, strengthening the middle class, and growing the economy. We should focus on protecting—not destroying—the health, unemployment and retirement benefits that are the underpinning of stability for middle class families.

CHARLES B. RANGEL.  
JOHN LEWIS.  
RICHARD E. NEAL.  
JOHN B. LARSON.  
JOSEPH CROWLEY.  
SANDER LEVIN.  
EARL BLUMENAUER.  
MIKE THOMPSON.  
PETE STARK.  
BILL PASCRELL, Jr.  
SHELLEY BERKLEY.  
RON KIND.  
LLOYD DOGGETT.  
XAVIER BECERRA.  
JIM McDERMOTT.

