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Legislative Bulletin......June 27, 2005

Contents:

H.Res. 312 - Recognizing National Homeownership Month and the importance of homeownership in the United States.

H.R. 358 - To require the Secretary of the Treasury to mint coins in commemoration of the 50th anniversary of the desegregation of the Little Rock Central High School in Little Rock, Arkansas.

H.R. 458 — Military Personnel Financial Services Protection Act

H.Con.Res. 71 — Expressing the sense of Congress that there should be established a Caribbean-American Heritage Month

H.R. 2346—John J. Hainkel Post Office Building Designation Act

H.R. 2490—Mayor Joseph S. Daddona Memorial Post Office Designation Act

H.Con.Res. 152 — Commemorating Mystic Seaport: the Museum of America and the Sea in recognition of its 75th year

H.R. 1412 — Delaware River Protection Act of 2005

Summary of the Bills Under Consideration Today:

Total Number of New Government Programs: 0

Total Cost of Discretionary Authorizations: \$16 million over 5 years

Effect on Revenue: 0

Total Change in Mandatory Spending: \$16 million decrease over 5 years

Total New State & Local Government Mandates: 1

Total New Private Sector Mandates: 1

Number of *Bills* Without Committee Reports: 2

Number of Reported Bills that Don't Cite Specific Clauses of Constitutional

Authority: 0

H.Res. 312 — Recognizing National Homeownership Month and the importance of homeownership in the United States (G. Miller)

<u>Order of Business</u>: The resolution is scheduled to be considered on Monday, June 27th, under a motion to suspend the rules and pass the bill.

<u>Summary</u>: H.Res. 312 resolves that the House of Representatives, "fully supports the goals and ideals of National Homeownership Month and recognizes the importance of homeownership in building strong communities and families."

Additional Information: According to the resolution, "the President of the United States has issued a proclamation designating the month of June 2005 as National Homeownership Month, and the national homeownership rate in the United States has reached a record high of 69.1 percent." Additionally, the measure states "homeownership provides economic security for homeowners by aiding them in building wealth over time and strengthens communities through a greater stake among homeowners in local schools, civic organizations, and churches, and improving homeownership opportunities requires the commitment and cooperation of the private, public, and nonprofit sectors, including the Federal Government and State and local government." To read the President's May 25, 2005, statement on National Homeownership Month, please visit,

http://www.whitehouse.gov/news/releases/2005/05/20050525-14.html.

<u>Committee Action</u>: On June 9, 2005, the bill was introduced and referred to the House Committee on Financial Services, which took no official action.

Cost to Taxpayers: The resolution authorizes no expenditure.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

<u>Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?</u>: No.

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H.R. 358 — To require the Secretary of the Treasury to mint coins in commemoration of the 50th anniversary of the desegregation of the Little Rock Central High School in Little Rock, Arkansas (Snyder)

<u>Order of Business</u>: The bill is scheduled to be considered on Monday, June 27th, under a motion to suspend the rules and pass the bill.

<u>Summary</u>: H.R. 358 would direct "the Secretary of the Treasury to mint coins in commemoration of the 50th anniversary of the desegregation of the Little Rock Central High School in Little Rock, Arkansas." The \$1 coins are to be minted before December 31, 2007, and there are only to be 500,000 coins printed in total. Surcharges on the sale of the coins, which will be \$10, are to be paid to the Secretary of the Interior for use in efforts to "protect, preserve, and interpret resources and stories associated with Little Rock Central High School National Historic Site." Additionally, the funds are to

be used for the "development of interpretive and education programs and historic preservation projects, [and the] establishment of cooperative agreements to preserve or restore the historic character of the Park Street and Daisy L. Gatson Bates Drive corridors adjacent to the site."

Additional Information: According to the text, "September 2007, marks the 50th anniversary of the desegregation of Little Rock Central High School in Little Rock, Arkansas. In 1957, Little Rock Central High was the site of the first major national test for the implementation of the historic decision of the United States Supreme Court in *Brown*, et al. v. Board of Education of Topeka, et al., 347 U.S. 483 (1954)." The text also states, "The courage of the 'Little Rock Nine' (Ernest Green, Elizabeth Eckford, Melba Pattillo, Jefferson Thomas, Carlotta Walls, Terrence Roberts, Gloria Ray, Thelma Mothershed, and Minnijean Brown) who stood in the face of violence, was influential to the Civil Rights movement and changed American history by providing an example on which to build greater equality. The desegregation of Little Rock Central High by the 9 African American students was recognized by Dr. Martin Luther King, Jr. as such a significant event in the struggle for civil rights that in May 1958, he attended the graduation of the first African American from Little Rock Central High School. A commemorative coin will bring national and international attention to the lasting legacy of this important event."

<u>Committee Action</u>: On June 9, 2005, the bill was introduced and referred to House Committee on Financial Services, which considered and amended the bill, and reported to the House, as amended, by a voice vote on April 27, 2005.

<u>Cost to Taxpayers</u>: CBO "estimates that enacting H.R. 358 would have no significant net impact on the budget over the 2006-2010 period." Additionally, CBO estimates that, "sales proceeds from the coins that would be authorized by H.R. 358 could raise as much as \$5 million in surcharges if the Mint sells the maximum number of authorized coins. The experience of recent commemorative coin sales by the Mint, however, suggests that receipts would be about \$1.5 million."

Does the Bill Expand the Size and Scope of the Federal Government?: No.

<u>Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?</u>: No.

<u>Constitutional Authority</u>: The Committee finds authority under, Article 1, Section 8, Clause 1 (relating to the general welfare of the United States) and clause 3 (relating to the power to regulate interstate commerce).

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H.R. 458 — Military Personnel Financial Services Protection Act (Davis of Kentucky)

<u>Order of Business</u>: The bill is scheduled for consideration on Monday, June 27, 2005, under a motion to suspend the rules and pass the bill.

<u>Note:</u> The bill is identical to H.R. 5011, which passed the House on October 5, 2004, http://clerk.house.gov/evs/2004/roll496.xml

<u>Summary</u>: H.R. 458 makes it illegal to sell mutual funds though contractual plans. The bill requires insurance companies to provide certain notices about insurance policies offered by the U.S. government when selling an insurance policy to servicemen or while marketing on military installations. Under the provisions of H.R. 458, the Department of Defense is required to maintain a list of agents and advisors barred from doing business on military installations. The bill amends securities law to require registered securities associations to establish a system for collecting and retaining registration information, and a 1-800 telephone number to receive and promptly respond to certain inquiries. The bill specifies that laws, regulations, or orders of a state regulating insurance activities apply to insurance activities on federal land or facilities, in most circumstances. The bill requires the Securities and Exchange Commission to file a report to Congress six months after enactment.

Additional Information: The House Financial Services Committee recently held a hearing to consider the merits of contractual mutual funds. These plans have a high first-year sales commission (50%) with such fees gradually diminishing over the term of the contract (versus the average less-than-6-percent commission on other securities products such as mutual funds). The committee reports that the contractual plan has largely disappeared from the civilian market since the 1980s due to its excessive sales charges and the emergence of low-cost products. The Committee states that the excessive sales charge of the contractual plan "makes it susceptible to abusive and misleading sales practices." In addition, it was reported that certain life insurance products being offered to servicemen "are being improperly marketed as investment products. These products provide very low death benefits for very high premiums that are front-loaded in the first few years, making them completely inappropriate for most military personnel."

<u>Committee Action:</u> H.R. 458 was introduced on February 1, 2005, and referred to the Committee on Financial Services. The committee considered the bill and ordered it reported to the full house on March 16 by voice vote.

<u>Cost to Taxpayers:</u> CBO estimates that implementing H.R. 458 would result in no significant cost to the federal government.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

<u>Mandates?</u>: The bill does not include intergovernmental mandates and, according to CBO, any costs to state, local, or tribal governments would be voluntary. The bill would encourage state insurance regulators to coordinate with the Department of Defense to protect military personnel from predatory life insurance schemes. Based on information from state insurance commissioners, CBO estimates that the costs of such cooperation would not be significant.

<u>Constitutional Authority</u>: The Armed Services Committee, in Report No. 109-040, finds authority under Article 1, Section 8, Clause 1 (relating to the general welfare of the United States) and Clause 3 (relating to the power to regulate interstate commerce).

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H.Con.Res. 71 — Expressing the sense of Congress that there should be established a Caribbean-American Heritage Month (*Lee*) — as introduced

<u>Order of Business</u>: The resolution is scheduled for consideration on Monday, June 27, 2005, under a motion to suspend the rules and pass the bill.

Summary: The resolution has 17 findings and states, "That it is the sense of Congress that:

- "(1) a Caribbean-American Heritage Month should be established; and
- "(2) the people of the United States should observe the month with appropriate ceremonies, celebrations, and activities."

Additional Information: Millions of people have emigrated from the Caribbean region to the U.S., beginning as early as 1619 with the arrival of indentured workers in Jamestown, Virginia. According to the resolution, during the 17th, 18th, and 19th centuries, a significant number of slaves from the Caribbean region were brought to the United States and numerous national figures including Alexander Hamilton, a founding father of the United States and the first Secretary of the Treasury, claim Caribbean roots. The resolution recommends June as an appropriate month for the Caribbean-American Heritage Month.

<u>Committee Action:</u> H.Con.Res. 71 was introduced on February 17, 2005, and referred to the House Committee on Government Reform. The committee considered the resolution and reported it to the full House by unanimous consent.

Cost to Taxpayers: None.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

<u>Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?</u>: No.

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H.R. 2346—John J. Hainkel Post Office Building Designation Act (Jindal)

<u>Order of Business</u>: The bill is scheduled to be considered on Monday, June 27th, under a motion to suspend the rules and pass the bill.

Summary: H.R. 2346 would designate the U.S. postal facility at 105 NW Railroad Avenue in Hammond, Louisiana, as the "John J. Hainkel Post Office Building."

<u>Additional Background</u>: John J. Hainkel was a Republican state senator from Louisiana who died this past spring. On January 10, 2000, with Hainkel's election as President of the Louisiana State Senate, he became the first person to serve as both a state Speaker of the House of Representatives and

a state Senate President in the history of the United States, according to the National Council of State Legislatures.

<u>Committee Action</u>: On June 16, 2005, the Government Reform Committee marked up and favorably reported the bill to the full House by unanimous consent.

<u>Cost to Taxpayers</u>: The only costs associated with a postal facility renaming are those for sign and map changes, none of which significantly affect the federal budget.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

<u>Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?</u>: No.

<u>Constitutional Authority</u>: Although no committee report citing constitutional authority is available, Article I, Section 8, Clause 7 of the Constitution grants Congress the authority to "establish Post Offices and post Roads."

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H.R. 2490—Mayor Joseph S. Daddona Memorial Post Office Designation Act (Dent)

<u>Order of Business</u>: The bill is scheduled to be considered on Monday, June 27th, under a motion to suspend the rules and pass the bill.

Summary: H.R. 2490 would designate the U.S. postal facility at 442 West Hamilton Street, Allentown, Pennsylvania, as the "Mayor Joseph S. Daddona Memorial Post Office."

<u>Additional Background</u>: Mayor Joseph S. Daddona, because of his years at Allentown, Pennsylvania's City Hall from 1966 to 1994, is the longest serving mayor in Allentown's 240-year history and is one of only two mayors who served four terms.

<u>Committee Action</u>: On June 16, 2005, the Government Reform Committee marked up and favorably reported the bill to the full House by unanimous consent.

<u>Cost to Taxpayers</u>: The only costs associated with a postal facility renaming are those for sign and map changes, none of which significantly affect the federal budget.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

<u>Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?</u>: No.

<u>Constitutional Authority</u>: Although no committee report citing constitutional authority is available, Article I, Section 8, Clause 7 of the Constitution grants Congress the authority to "establish Post Offices and post Roads."

H. Con. Res. 152 — Commemorating Mystic Seaport: the Museum of America and the Sea in recognition of its 75th year (Simmons)

<u>Order of Business</u>: The resolution is scheduled for consideration on Monday, June 27, under a motion to suspend the rules and pass the bill.

Summary: H. Con. Res. 152 would commemorate "the 75th anniversary of Mystic Seaport: The Museum of America and the Sea, and commends the staff, volunteers, and trustees of the Museum."

Additional Information: Mystic Seaport: the Museum of America and the Sea was founded as a Marine Historical Association on December 29, 1929, to preserve, protect and honor the legacy of America's great maritime tradition and culture. Mystic Seaport is the Nation's largest maritime museum and fourth largest history museum. The mission of the museum is to inspire a deeper appreciation of America's relationship to the sea and to increase awareness of the impact that relationship has had on our Nation's history. Mystic Seaport provides educational and outreach programs for a wide variety of education and interest levels, and attracts more than 300,000 visitors every year.

<u>Committee Action:</u> H. Con. Res. 152 was introduced on May 16, 2005, and referred to the Committee on Transportation and Infrastructure's Subcommittee on Coast Guard and Maritime Transportation. The resolution was considered and a mark-up session held on May 18, and it was reported to the House by voice vote on June 13, 2005 (H. Rept. <u>109-121</u>).

<u>Cost to Taxpayers:</u> The resolution authorizes no expenditure.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

<u>Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?</u>: No.

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H.R. 1412 — Delaware River Protection Act of 2005 (LoBiondo)

<u>Order of Business</u>: The bill is scheduled for consideration on Monday, June 27, under a motion to suspend the rules and pass the bill.

<u>Summary</u>: H.R. 1412 would make several amendments to current law to address the Federal government's ability to prevent and respond to future oil spills in the Delaware River and other waters of the United States including the territorial sea. The bill would amend the Oil Pollution Act of 1990 (OPA) to raise the statutory limits on liability that owners or operators of tank vessels face when a spill occurs. The bill would authorize the appropriation of \$16 million to the U.S. Coast Guard and the

National Oceanic and Atmospheric Administration (NOAA) over the next five years, primarily for activities to detect and remove submerged oil in navigable waters. The bill would also address a recent oil spill into the Delaware River by requiring new oil spill contingency plans for the Philadelphia area and by establishing an advisory committee to recommend improvements in oil spill response and prevention in the Delaware River and Bay.

Additional Background: According to the Committee Report, "on November 26, 2004, the T/V ATHOS I, a 750-foot, single-hull tank vessel, struck a submerged object while being maneuvered to a berth on the Delaware River near Paulsboro, New Jersey. The grounding caused the vessel to lose power and resulted in a release of heavy crude oil from the vessel's oil storage tanks. An investigation of the river bottom found a large section of iron pump housing and several other objects that were partially submerged in river sediments in the area of the vessel's grounding. The existence of the bottom debris was unknown to the maritime community and was not included on any navigational chart or in any notice to mariners.

"The Coast Guard has estimated that total cleanup costs and natural resources damages resulting from the grounding of the ATHOS I could cost more than \$200 million. Under current liability limits, the owners of the vessel are potentially responsible for costs of up to approximately \$45 million. Despite requirements in current law, oil spill liability limits have not been adjusted to reflect inflation since the passage of the Oil Pollution Act of 1990.

"The Coast Guard, in conjunction with Federal, State, local and private sector partners, followed the OPA requirements and the local implementation plan in responding to the ATHOS I spill. However, the response efforts highlighted some shortfalls in the law and in Federal regulations regarding the declaration of a release of an object that may create an obstruction to navigation in U.S. waterways, the content of information included in Area Contingency Plans, and the focus of the Federal oil spill research program established under the Oil Pollution Act of 1990. H.R. 1412 includes provisions that address these shortfalls."

<u>Committee Action:</u> H.R 1412 was introduced on March 17, 2005, and referred to the Committee on Transportation and Infrastructure's Subcommittee on Coast Guard and Maritime Transportation and the Subcommittee on Water Resources and Environment. The bill was considered and a mark-up session held on April 27, and it was reported by voice vote to the House on June 16, 2005 (H. Rept. 109-137).

Cost to Taxpayers: CBO estimates that "the higher liability limits that would be mandated by H.R. 1412 would reduce direct spending from the Oil Spill Liability Trust Fund (OSLTF) by \$1 million in fiscal year 2006, by \$3 million in 2007, and by \$4 million annually thereafter." In addition, CBO estimates that carrying out the submerged oil program and other activities required by the bill would increase discretionary spending by \$2 million in 2006 and by \$16 million over the 2006-2010 period, subject to appropriation.

<u>Does the Bill Expand the Size and Scope of the Federal Government?</u>: Yes, the bill establishes the Delaware River and Bay Oil Spill Advisory Committee, although CBO estimates this would have no significant effect on the federal budget.

<u>Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?</u>: Yes. According to CBO, H.R. 1412 contains both intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the cost

of complying with the mandates would be minimal and would not exceed the thresholds established in UMRA. Those thresholds are \$62 million in 2005 for intergovernmental mandates and \$123 million in 2005 for private-sector mandates, both adjusted annually for inflation.

<u>Constitutional Authority</u>: The Committee Report cited authority for this legislation under Article I, Section 8 (the powers of Congress) of the Constitution. No specific clause was cited.

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