



Legislative Bulletin.....March 5, 2003

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H.R. 743 — Social Security Protection Act of 2003 (Shaw)

Order of Business: The bill is scheduled to be considered on Wednesday, March 5th, under a motion to suspend the rules and pass the bill.

Summary: H.R. 743 makes a variety of changes to the Social Security Act intended to protect recipients and program integrity.

Social Security beneficiaries who are unable to manage their own financial affairs use representative payees to safeguard their benefits. Under H.R. 743, the Social Security Administration (SSA) is required to reissue benefits to beneficiaries whose funds were misused by a representative payee. The bill would require SSA to enhance its oversight of representative payees, using onsite review, and require representative payees to be both bonded and licensed (current law requires them to be either bonded or licensed). In addition, the bill would hold representative payees liable in instances where benefits are misused and require them to forfeit their fees.

Other changes to the Social Security program in H.R. 743 include the following:

- Clarifies that civil monetary penalties can be imposed if a beneficiary fails to notify SSA of changes in circumstance that affect eligibility or benefit amount;
- Fully denies benefits to fugitive felons and individuals fleeing prosecution;
- Requires those who offer Social Security services for a fee to include in solicitations a statement that such services are available from SSA free of charge;
- Imposes a fine of up to \$5000 and imprisonment of up to three years on any individual who “by force or threats of force (including any threatening letter or communication) attempts to intimidate or impede any officer, employee, or contractor of the Social Security Administration;”
- Caps the assessment imposed by SSA on attorney fees paid out of past-due benefits (rather than directly by the beneficiary) at \$100;

- Clarifies that demonstration projects under the Ticket to Work Incentives Improvement Act of 1999 may continue beyond December 17, 2004, if the project began on or before that date; and
- Reinstates reports sunset in the Federal Reports Elimination and Sunset Act of 1995.

Another clarification to current law in H.R. 743 is included in Section 418. This section acts on a GAO study published last year, which is highlighted in President Bush's FY04 budget. Section 418 closes the government pension offset (GPO) loophole (which has recently come to light in Texas, Georgia, and other states) by changing the requirement for exemption from the GPO from one day to five years of working in a position. Current law has allowed individuals to work only one day in a position that pays into Social Security (after primarily working in a job not covered by Social Security) in order to qualify for benefits. GAO estimated in their report that the loophole has allowed public educators, primarily in Texas, to claim \$96,000 in benefits after paying \$3 in Social Security taxes.

Additional Background: In the 107th Congress, legislation nearly identical to H.R. 743 (H.R. 4070) passed the House by a vote of 425-0 ([Roll Call #260](#)).

Committee Action: The bill was referred to the Committee on Ways and Means, but was not considered.

Cost to Taxpayers: An estimate of H.R. 4070 in the 107th Congress estimated the bill would result in overall savings of \$181 million over five years (\$541 million over ten years).

Does the Bill Create New Federal Programs or Rules?: The bill makes clarifying and technical changes to the Social Security Act.

Constitutional Authority: No committee report citing constitutional authority is available.

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H.R. 1047—Miscellaneous Trade and Technical Corrections Act (Crane)

Order of Business: The bill is scheduled to be considered on Wednesday, March 5th, under a motion to suspend the rules and pass the bill.

Summary: H.R. 1047 would temporarily suspend (through December 31, 2005) tariffs on hundreds of imported products. According to the Ways & Means Committee, these imported products, which are mostly (though not exclusively) complex chemicals used by a very niche market, have no domestic production. That is, the tariffs on these products are not designed to protect domestic industries from unfair competition; they are merely taxes on importers (that are usually passed on to American consumers). Other suspended duties include those on certain batteries, textile machinery, and artichokes.

Additional provisions:

- Authorizes the Customs Service to participate in a reverse customs program with Canada, whereby Canadian customs officials may begin clearing goods and passengers on the American side of the border and U.S. Customs officials may similarly be stationed on the Canadian side.
- Orders the duty-free treatment for the import of two tramway cars for Portland, Oregon, and for the import of a Liberty Bell replica for Green Bay, Wisconsin.
- Reverses Customs regulations written in April 2001 and eliminates onerous record-keeping requirements for repairs made by regular crew on American ships while on the high seas.
- Extends key trade benefits for certain hand-made rugs from Pakistan, Turkey, Nepal, Egypt, and Morocco. (Pakistan would be the primary beneficiary.)
- Gives the President the authority to grant Normal Trade Relations (NTR) status to Yugoslavia (Serbia and Montenegro), notwithstanding the 1992 law (P.L. 102-420) revoking such status (as long as the President certifies that Yugoslavia is cooperating with the International War Crimes Tribunal and complying with the Dayton Peace Accords).
- Requires certification from wine importers that the wine meets U.S. wine-making standards. No certification is required if the wine comes from a country that grants recognition of U.S. wine-making standards for imports of U.S. wine into that country.
- Confers duty-free benefits on certain footwear from Caribbean countries.
- Renews the international status of San Antonio Airport for two years.

Lastly, H.R. 1047 would make a variety of technical corrections to existing trade laws, including a clarification that duty-free treatment should be granted to apparel formed in sub-Saharan African countries from U.S. and regional components.

Additional Background: A similar bill (H.R. 5385) passed the House by voice vote on October 7, 2002, but was never considered by the Senate.

According to the Ways & Means Committee, the changes from last year's bill are:

- Removal of the provision in last year's bill that would have expanded the existing Qualifying Industrial Zone (QIZ) program to allow Israel-Turkey QIZs. Products manufactured in a QIZ that meet the necessary criteria enjoy duty-free access to the United States.
- Addition of two new duty suspensions for dyes;
- Addition of a reliquidation of certain Customs Service property;
- Removal of the provision in last year's bill that would have given electronic manifesting authority to the Customs Department (since this was passed as part of the Homeland Security Act);
- Removal of the provision in last year's bill that would have suspended the duty on toy bags (apparently due to opposition); and
- A variety of technical corrections proposed by the International Trade Commission.

According to the Ways & Means Committee, a miscellaneous trade bill is usually done every Congress and is comprised primarily of provisions in Member-introduced legislation. For

inclusion in the bill, a provision must have no objection, have no more than a \$500,000 revenue effect per year, and be administrable.

Committee Action: Though the bill was written by the Trade Subcommittee, no official committee action was taken on it.

Administration Position: Though no Statement of Administration Policy (SAP) is available, sources tell the RSC that the Administration is supportive of this legislation.

Cost to Taxpayers: The revenue implications for this bill are currently unavailable.

Does the Bill Create New Federal Programs or Rules?: Yes, in certain cases, as described above.

Constitutional Authority: Although no committee report citing constitutional authority is available, Article I, Section 8, Clause 1 grants Congress the power to “lay and collect taxes, duties, imposts and excises....”

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H.J.Res. 27 —Recognizing and commending the continuing dedication, selfless service, and commitment of members of the Armed Forces and their families during the Global War on Terrorism and in defense of the United States (Hunter)

Order of Business: The resolution will be considered on Wednesday, March 05, 2003, under a unanimous consent request from the Rules Committee chairman and will be debatable for one hour with no amendments.

Summary: The resolution has 13 findings regarding the Armed Forces, including:

“Whereas the members of the Armed Forces of the United States, a total force comprised of active, National Guard, and Reserve personnel, have undertaken more than 17 months of courageous and successful operations against terrorism, not only in Afghanistan, but also worldwide; and

“Whereas more than 65 American servicemembers have died defending the Nation in the Global War on Terrorism and more than 210 have been wounded or injured;”

and states that it is resolved that the House of Representatives:

- (1) “commends, and expresses the gratitude of the Nation to, all members of the United States Armed Forces (whether on active duty, in the National Guard, or in the Reserves) who are fighting the Global War on Terrorism;

- (2) “commends, and expresses the gratitude of the Nation to, the employers who in the spirit of patriotism maintain the job security of their mobilized National Guard and Reserve employees;
- (3) “commends, and expresses the gratitude of the Nation to, the families of those servicemembers who have borne the burden of separation from their loved ones and who have staunchly supported them during the conduct of the Global War on Terrorism;
- (4) “expresses its condolences to the families of the brave American servicemembers who have lost their lives defending the Nation in the Global War on Terrorism; and
- (5) “reaffirms that it stands united with the President in the ongoing effort to defeat global terrorism.”

Committee Action: H.J.Res. 27 was referred to the House Armed Services Committee this week but was not considered by the Committee.

Cost to Taxpayers: The resolution has no cost.

Does the Bill Create New Federal Programs or Rules?: No.

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