

# Legislative Bulletin......May 30, 2012

#### **Contents:**

| H.R. 3541 – Susan B. Anthony and Frederick Douglass Prenatal Nondiscrimination Act of          |
|------------------------------------------------------------------------------------------------|
| Prenatal Nondiscrimination Act of 2011                                                         |
| H.R. 5512 – Divisional Realignment Act of 2012, as amended                                     |
| H.R. 5651 – Food and Drug Administration Reform Act of 2012, as amended                        |
| H.R. 3310 – Federal Communications Commission Consolidated Reporting Act of 2012,              |
| as amended                                                                                     |
| H.R. 4201 – The Servicemember Family Protection Act                                            |
| H.R. 1299 – The Secure Border Act of 2011                                                      |
| H.R. 3670 – To require the Transportation Security Administration to comply with the Uniformed |
| Services Employment and Reemployment Rights Act                                                |
| H.R. 2764 – The WMD Intelligence and Information Sharing Act of 2011                           |
| H.R. 915 – The Jaime Zapata Border Security Task Force Act                                     |
| H.R. 3140 – The Mass Transit Intelligence Prioritization Act                                   |
| Concur in the Senate Amendment to H.R. 5740 - Nat'l Flood Insurance Program Extension Act      |
| H.R. 4041 – Export Promotion Reform Act                                                        |
| -                                                                                              |

# H.R. 3541 – Susan B. Anthony and Frederick Douglass Prenatal Nondiscrimination Act of 2011 (Franks, R-AZ)

**Order of Business:** H.R. 3541 is scheduled to be considered on Wednesday, May 30, 2012, under a motion to suspend the rules and pass the bill.

**Summary:** H.R. 3541 imposes criminal penalties such as fines or a maximum 5-year sentence, or both, on individuals who perform an abortion based solely on the sex of the fetus. According to the bill text, the following persons are subject to criminal penalties, whoever:

- performs an abortion knowing that such abortion is sought based on the sex or gender of the child;
- uses force or the threat of force to intentionally injure or intimidate any person for the purpose of coercing a sex-selection;
- solicits or accepts funds for the performance of a sex-selection abortion; or
- transports a woman into the United States or across a State line for the purpose of obtaining a sex-selection abortion.

The legislation also requires medical professionals and related personnel to report suspected violations of the bill's restrictions, and if these entities fail to do so, the

individuals are subject to fines, a one-year jail sentence, or both. An entity found to be in violation of the restrictions imposed by the bill would also be deemed to be in violation of federal laws banning discrimination, and, as a result would become ineligible to receive any federal funding.

**Background:** According to the bill text Findings:

- "United States law prohibits the dissimilar treatment of males and females who are similarly situated and prohibits sex discrimination in various contexts, including the provision of employment, education, housing, health insurance coverage, and athletics.
- "Sex is an immutable characteristic ascertainable at the earliest stages of human development through existing medical technology and procedures commonly in use, including maternal-fetal bloodstream DNA sampling, amniocentesis, chorionic villus sampling or `CVS', and obstetric ultrasound. In addition to medically assisted sex-determination, a growing sex-determination niche industry has developed and is marketing low-cost commercial products, widely advertised and available, that aid in the sex determination of an unborn child without the aid of medical professionals. Experts have demonstrated that the sex-selection industry is on the rise and predict that it will continue to be a growing trend in the United States. Sex determination is always a necessary step to the procurement of a sex-selection abortion.
- "A 'sex-selection abortion' is an abortion undertaken for purposes of eliminating an unborn child of an undesired sex. Sex-selection abortion is barbaric, and described by scholars and civil rights advocates as an act of sex-based or genderbased violence, predicated on sex discrimination. Sex-selection abortions are typically late-term abortions performed in the 2nd or 3rd trimester of pregnancy, after the unborn child has developed sufficiently to feel pain. Substantial medical evidence proves that an unborn child can experience pain at 20 weeks after conception, and perhaps substantially earlier. By definition, sex-selection abortions do not implicate the health of the mother of the unborn, but instead are elective procedures motivated by sex or gender bias.
- "Sex-selection abortions are not expressly prohibited by United States law or the laws of 47 States. Sex-selection abortions are performed in the United States. In a March 2008 report published in the Proceedings of the National Academy of Sciences, Columbia University economists Douglas Almond and Lena Edlund examined the sex ratio of United States-born children and found `evidence of sex selection, most likely at the prenatal stage'. The data revealed obvious `son preference' in the form of unnatural sex-ratio imbalances within certain segments of the United States population, primarily those segments tracing their ethnic or cultural origins to countries where sex-selection abortion is prevalent. The

evidence strongly suggests that some Americans are exercising sex-selection abortion practices within the United States consistent with discriminatory practices common to their country of origin, or the country to which they trace their ancestry. While sex-selection abortions are more common outside the United States, the evidence reveals that female feticide is also occurring in the United States.

- "The American public supports a prohibition of sex-selection abortion. In a March 2006 Zogby International poll, 86 percent of Americans agreed that sex-selection abortion should be illegal, yet only 3 States proscribe sex-selection abortion.
- "Countries with longstanding experience with sex-selection abortion--such as the Republic of India, the United Kingdom, and the People's Republic of China--have enacted restrictions on sex-selection, and have steadily continued to strengthen prohibitions and penalties. The United States, by contrast, has no law in place to restrict sex-selection abortion, establishing the United States as affording less protection from sex-based feticide than the Republic of India or the People's Republic of China, whose recent practices of sex-selection abortion were vehemently and repeatedly condemned by United States congressional resolutions and by the United States Ambassador to the Commission on the Status of Women. Public statements from within the medical community reveal that citizens of other countries come to the United States for sex-selection procedures that would be criminal in their country of origin. Because the United States permits abortion on the basis of sex, the United States may effectively function as a `safe haven' for those who seek to have American physicians do what would otherwise be criminal in their home countries--a sex-selection abortion, most likely late-term.
- "Sex-selection abortion results in an unnatural sex-ratio imbalance. An unnatural sex-ratio imbalance is undesirable, due to the inability of the numerically predominant sex to find mates. Experts worldwide document that a significant sex-ratio imbalance in which males numerically predominate can be a cause of increased violence and militancy within a society. Likewise, an unnatural sex-ratio imbalance gives rise to the commoditization of humans in the form of human trafficking, and a consequent increase in kidnapping and other violent crime.
- "Sex-selection abortions have the effect of diminishing the representation of women in the American population, and therefore, the American electorate."

<u>Committee Action</u>: H.R. 3541 was introduced on December 1, 2011, by Rep. Trent Franks and referred to the House Committee on Judiciary. On February 16, 2012 it was reported and amended by the Committee on Judiciary by a vote of 20 - 13 and placed on the House Calendar.

Administration Position: No Statement of Administration Policy is provided.

Cost to Taxpayers: No CBO report was available at press time.

**Does the Bill Expand the Size and Scope of the Federal Government?** The legislation creates new federal penalties for selective-sex abortions.

### **Does the Bill Contain Any New State-Government, Local-Government, or Private-**Sector Mandates? No.

**Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** The earmarks rule (House Rule XXI, Clause 9(a)) does not apply, by definition, to legislation considered under suspension of the rules.

<u>**Constitutional Authority:**</u> According to the bill text, the Constitutional Authority Statement reads: "Congress has the power to enact this legislation pursuant to the following:

- the Commerce Clause;
- section 2 of the 13th amendment;
- section 5 of the 14th amendment, including the power to enforce the prohibition on government action denying equal protection of the laws; and
- section 8 of article I to make all laws necessary and proper for the carrying into execution of powers vested by the Constitution in the Government of the United States."

RSC Staff Contact: Ja'Ron Smith, Ja'Ron.Smith@mail.house.gov (202-226-2076)

# H.R. 5512— Divisional Realignment Act of 2012, as amended (*Thompson, D-MS*)

<u>Order of Business</u>: The bill is scheduled to be considered on Wednesday, May 30, 2012, under a motion to suspend the rules requiring two-thirds majority vote for passage.

**Summary**: H.R. 5521 amends title 28 of the U.S. code to change the jurisdictional boundaries within the U.S. District Courts for the Eastern District of Missouri and the Northern District of Mississippi. It transfers Iron and St. Genevieve Counties, Missouri, from the eastern subdivision to the southeastern subdivision of the U.S. District Court for the Eastern District of Missouri. It also divides the U.S. District Court for the Northern District of Mississippi into three subdivisions: Aberdeen, Oxford, and Greenville divisions. According to reports, the intended purpose of these changes are to promote administrative efficiency as well as decrease commuting times for potential jurors and attorneys in these two districts. These changes will take effect 60 days after enactment of the bill.

<u>Committee Action</u>: Representative Bennie Thompson (D-MS) introduced H.R. 5512 on May 7, 2012. The bill was referred to the House Committee on Judiciary, which reported the bill favorably by voice vote on May 16, 2012.

<u>Administration Position</u>: As of press time, no Statement of Administration Policy (SAP) has been released.

<u>Cost to Taxpayers</u>: No Congressional Budget Office (CBO) report has been released.

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

**Does the Bill Contain Any New State-Government, Local-Government, or Private-**Sector Mandates?: No.

**Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?**: The legislation does not contain earmarks, limited tax benefits, or limited tariff benefits.

<u>Constitutional Authority</u>: The Constitutional Authority Statement published in the Congressional Record upon introduction of the bill states: "Congress has the power to enact this legislation pursuant to the following: clause 9 and clause 18 of section 8 of Article I of the Constitution; and section 1 of Article III of the Constitution."

RSC Staff Contact: Joe Murray, Joe.Murray@mail.house.gov, (202) 226-0678

# H.R. 5651—Food and Drug Administration Reform Act of 2012, as amended (Upton, R-MI)

<u>Order of Business</u>: The bill is scheduled to be considered on Wednesday, May 30, 2012, under a motion to suspend the rules requiring two-thirds majority vote for passage.

**Summary**: H.R. 5651 amends the Federal Food, Drug, and Cosmetic Act with significant reforms to the U.S. Food and Drug Administration (FDA) drug and medical device review and approval processes. Principally, the bill reauthorizes two existing user-fee drug and medical device review programs scheduled to expire on September 30, 2012, and creates two new user-fee drug review programs. Other reforms include the establishment of a new fee program related to rare pediatric diseases, the permanent reauthorization of FDA programs that evaluate the use of drugs by children, as well as other non-fee related activities to modify how the FDA regulates drugs and devices. H.R. 5651 also provides the FDA with additional regulatory authority to address the safety of the nation's drug supply chain as well as systems to prevent future drug shortages.

The U.S. Senate passed a similar bill (<u>S. 3187</u>) last week by a vote of <u>96-1</u>. On May 10, 2012, the House Energy and Commerce Committee reported H.R. 5651 favorably by a vote of <u>46-0</u>.

<u>Additional Information</u>: The two reauthorized user-fee programs through FY2017 are the FDA's branded prescription drug program (Prescription Drug User Fee Agreement,

aka PDUFA)<sup>1</sup> and the medical device fee program (Medical Device User Fee Agreement, aka MDUFA). The two newly-created user-fee programs include generic drugs (Generic Drug User Fee Act, aka GDUFA) and biosimilar biological products (Biosimilars User Fee Act, aka BSUFA)<sup>2</sup>. The Congressional Budget Office (CBO) estimates that the drug and device industry will provide approximately \$6.4 billion in total fees through the FY2013-FY2017 period. The industry agreed to provide these fees, which supplement (not replace) congressional appropriations to the FDA, in exchange for the FDA's commitment to render drug and medical device application decisions under specified time frames.

A summary of the bill's major provisions is below:

#### Title I: The Prescription Drug User Fee Act Reauthorization

- Congress created the Prescription Drug User Fee Act (PDUFA, P.L. 102-571) in 1992. Through this program, pharmaceutical manufacturers pay a user fee to the FDA to supplement congressional appropriations to the agency, and thereby, provide the FDA additional revenue to increase turn-around review times on new drug applications. The bill reauthorizes this program from FY2013-FY2017. CBO estimates the drug industry will pay over \$4 billion to the FDA throughout the five year reauthorization.
- Requires the FDA to contract with an independent, third-party firm to study the industry fee adjustments each fiscal year in order for the FDA to make changes based upon this study.
- Requires the FDA to report after each fiscal year on the number and progress of new drug applications (standard, priority, supplemental, fast-track, orphan drug) as well as the use of the collected fees.
- The FDA has committed to increase interaction with drug sponsors, improving patient engagement, and providing more review data to improve drug review transparency.

#### Title II: The Medical Device User Fee Act Reauthorization

- In 2002, Congress created a similar system to PDUFA for the review of medical devices through the Medical Device User Fee and Modernization Act (MDUFA, P.L. 107-250). Like PDUFA, medical device manufacturers pay user fees to the FDA to facilitate the timely review of medical device applications pending at the agency. The bill authorizes the FDA to collect up to \$595 million in the FY2013-FY2017 period.
- The bill includes requirements on the FDA to report its total review time on all device applications, to engage in greater interaction with device sponsors, to

<sup>&</sup>lt;sup>1</sup> The Congressional Research Service (CRS) <u>explains</u> on page 11 that PDUFA revenue accounts for 52% of the FDA Human Drugs Program Budget.

<sup>&</sup>lt;sup>2</sup> The Energy and Commerce Committee report explains that biological drugs are products derived from living organisms, and that "biosimilars" are products that meet certain statutory requirements determined by the FDA to be highly similar to drugs for which licensure approval were granted to the original innovator drug manufacturing company.

contract with an independent entity to assess the device approval and clearance process, and to implement a corrective action plan of any deficiencies the independent entity highlights.

## Title III: The Generic Drug User Fee Act Authorization

This title creates a *new* user fee program within the FDA authorizing the Generic Drug User Fee Amendments of 2012 (GDUFA). From FY2013 through FY2017, the FDA is authorized to collect from generic drug manufacturers approximately \$1.5 billion in exchange for faster and more predictable review of generic drug applications and increased inspections of drug facilities.

## Title IV: The Biosimilars User Fee Act Authorization

- This title creates a *new* user fee program within the FDA authorizing the Biosimilars User Fee Amendments of 2012. From FY2013 through FY2017, the FDA is authorized to collect four types of fees to help expedite the process for the review of biosimilar biological product applications (including post-market safety activities): application, product, establishment, and biosimilar product development fees. The first three of these fees are set equal to the PDUFA rate for each type of fee, while the last one is set at 10% of the PDUFA application fee. CBO estimates this new fee program will generate approximately \$128 million in fee revenue to the FDA.
- A provision in Obamacare mandated<sup>3</sup> that the FDA develop this biosimilar user fee program for FY2013-FY2017.

# *Title V: Best Pharmaceuticals for Children Act (BPCA) and Pediatric Research Equity Act (PREA)*

- This section permanently reauthorizes the BPCA and PREA. BPCA gives the FDA authority to extend market exclusivity by six additional months for a drug or biologic in exchange for an FDA-requested submission of pediatric studies. PREA requires a drug or biologic manufacturer whom submits a new application for FDA review to *also* submit a pediatric assessment for this product.
- According to the Committee report, these programs have been "very successful in spurring research in the pediatric population for rare conditions and encouraging companies to undertake research where there was no incentive to do so." It cites that almost 50 percent of all oncology products that have received pediatric exclusivity since BPCA's enactment in 1997 were for drugs for rare conditions.
- The bill reauthorizes \$25 million for FY2013-FY2017 for pediatric drug studies at the National Institutes of Health (NIH) and \$30 million over the same time period to extend the FDA's grant and contracts program for orphan products.

## Title VI: FDA Administrative Reforms

<sup>&</sup>lt;sup>3</sup> Section 7002 (f) of H.R. 3590 (P.L. 3590, 111<sup>th</sup> Congress).

- This section reforms the FDA's practices regarding the development of guidance documents, conflict of interest rules, and the format for industry submission of applications for review. Specifically, this section ensures more public participation in how the FDA finalizes draft guidance documents. It also addresses vacancy rates for FDA advisory committees. The Energy and Commerce Committee explains that the 2007 reauthorization's (P.L. 110-85) restrictions on eligible experts' service on FDA advisory committees has led to "...significant vacancy rates, especially for advisory committees of rare diseases."
- This section requires industry applications for drug, generic drug, biologic, and biosimilar applications to be submitted electronically after issuance of final guidance by the Secretary of the Health and Human Services Department (HHS).

#### Title VII: Medical Device Regulatory Reforms

- > This section makes the following FDA regulatory changes:
  - Returns the Investigational Device Exemption (IDE) approval process which ends double reviews of device applications. Some reports indicate that the FDA's proposed IDE guidance has turned the IDE approval process into another device approval process, and thereby increasing industry uncertainty and inefficient use of taxpayer resources at the FDA;
  - Withdraws the FDA's recent guidance documents on medical device 510 (k) modifications and requires it to submit a report to Congress on the topic. The Committee estimates that without such withdrawal, 510(k) submissions could increase by 300-500% with no commensurate safety and efficacy benefits to the public;
  - Requires FDA reviews to provide the scientific and regulatory rationale for major decisions as well as an expedited appellate process for medical device industry applicants to challenge any major decision;
  - Allows the FDA to enter into agreements with foreign countries on harmonizing inspections and common international labels of medical devices;
  - Extends the exemption on profit for pediatric devices that have been granted Humanitarian Device Exemptions to certain devices intended for adults. This exemption provides access to medical devices with conditions that impact 4,000 or fewer individuals;
  - Requires the FDA to promulgate a regulation within 120 days of enactment of the bill pertaining to unique medical device identifiers;
  - Reaffirms the "least burdensome" provisions to ensure that device approvals are not unnecessarily held up by bureaucratic information requests by the FDA;
  - Extends FDA's "Sentinel" post-market risk evaluation system to medical devices, and requires the FDA to communicate with industry stakeholders when developing this system to include medical devices; and
  - Reauthorizes at current year \$6 million funding levels demonstration grants for non-profit consortia for the promotion of pediatric devices.

#### Title VIII: Drug Regulatory Reforms

- The following provisions to "modernize FDA's drug authority to reflect the globalization of the pharmaceutical industry and to improve the drug review process"<sup>4</sup> are described below:
  - Prohibits imported drugs from entering into commerce if an establishment facility delayed, limited, or denied the FDA from inspecting the facility;
  - Permits the FDA to destroy counterfeit or adulterated imported drugs of minor monetary value or that have a reasonable probability of causing serious adverse health consequences or death;
  - Permits the FDA to detain drugs found during inspection, which upon a reasonable belief, are adulterated or misbranded;
  - Increases criminal penalties for up to 20 years imprisonment for any person who knowingly holds, sells, or dispenses a counterfeit drug, and up to life imprisonment if the use of the counterfeit drug is the proximate cause of the consumer's death;
  - Requires drug manufacturers to notify the FDA if it knows the use of a drug could lead to serious injury or death, if a drug is stolen, or if it is counterfeited;
  - Increases criminal penalties for up to 20 years imprisonment or \$1 million of fines to any person who knowingly or intentionally adulterates drugs that could reasonably cause "serious adverse health consequences or death;"
  - Provides a Sense of Congress that the accelerated approval and fast track provisions under current law should be enhanced, and the FDA should apply the provisions to help expedite the development and availability of treatments for serious or life-threatening diseases or conditions while maintaining existing safety and efficacy standards for such treatments. The Committee report indicates that this section is especially important to patients with rare diseases as rare diseases affect more than 25 million Americans. However, only 5% of these rare diseases have FDA-approved treatments;
  - Reauthorizes at the current year \$6 million funding level the Critical Path Public-Private Partnership program. The FDA <u>describes</u> this program as its "national strategy to drive innovation in the scientific processes through which medical products are developed, evaluated, and manufactured."
  - Requires FDA final action on citizen petitions that request an FDA stay of action related to FDA approval of a drug, generic, or biosimilar application within 150 days—current law requires a 180 day timetable;
  - Requires the FDA to respond to generic drug applicants within 270 days whether the drug that the generic application is referencing had been withdrawn for safety or effectiveness reasons;
  - Creates a *new* demonstration project to incentivize manufacturers through FDA priority review vouchers to develop drugs for pediatric rare diseases.
    CBO estimates this new demonstration project will collect \$23 million of

<sup>&</sup>lt;sup>4</sup> Title VIII to Energy and Commerce Committee Report #112-495.

industry fees and spend that same amount during the FY2013-FY2017 time period;

- Expedites the review of "breakthrough therapy" drugs. These drugs demonstrate preliminary clinical evidence of substantial improvement over existing therapies for drugs that intend to treat a serious or lifethreatening disease or condition; and
- Reauthorizes the FDA's orphan drug grant program at the current year \$30 million funding level for FY2013-FY2017.

### Title IX: Drug Shortages

- Requires drug manufacturers to notify the Secretary of HHS of a "discontinuance of the manufacture... or an interruption of the manufacture of the drug that is likely to lead to a meaningful disruption in the manufacturer's supply of the drug..." pertaining to drugs that are "life-supporting, life-sustaining, or intended for use in the prevention or treatment of a debilitating disease or condition;"
- Requires the FDA to maintain a drug shortage list and provide the public with such information to prevent, mitigate, and manage drug shortages;
- Requires the Drug Enforcement Administration (DEA) to approve or deny requests to increase quotas of any controlled substances within 30 days for any request which pertains to a drug verified to be in shortage;
- Requires the FDA to expedite review within 60 days any application for a manufacturing change which could help prevent or mitigate a drug shortage;
- Requires the FDA to issue an annual report on drug shortages;
- Requires the DEA to issue an annual report on shortages of controlled substances as well as a description of coordination between DEA and the FDA in mitigating such shortages; and
- Allows hospitals owned and operated by the same entity to repackage drugs into smaller units before the FDA issues final guidance.

**Potential Conservative Concern**: Despite the bill being unanimously voted out of Committee, some conservatives might prefer to consider a bill that authorizes two new federal user-fee programs for five-years (while authorizing the FDA to collect approximately a total of \$6.4 billion of industry fees) and enacts FDA agency reforms to the drug and medical device approval process under a rule instead of the Suspension calendar.

<u>Committee Action</u>: Energy and Commerce Committee Chairman Fred Upton (R-MI) introduced H.R. 5651 on May 9, 2012. On the previous day, the Subcommittee on Health reported out a similar Committee print by voice vote. On May 10, 2012, the full Committee reported out the amended bill by a unanimous 46-0 vote. Also, the Committee report cites many hearings pertaining to FDA reforms and user fee programs dating back to the beginning of the 112<sup>th</sup> Congress.

<u>Administration Position</u>: As of press time, no Statement of Administration Policy (SAP) has been released. However, the Administration did release a SAP on May 17, 2012 in "strong support" of the Senate's version of this legislation (S. 3187).

<u>Cost to Taxpayers</u>: The Congressional Budget Office (CBO) released a revised cost estimate on May 29, 2012 showing that the amended bill reduces direct spending by \$365 million and increases revenues by \$5 million resulting in deficit reduction of \$370 million over ten years. CBO also estimates that net discretionary spending subject to authorization of appropriations will rise by \$337 million over five years, but that the "majority of the gross increase in FDA spending would be offset by increased collections of fees that would be credited against discretionary spending."

**Does the Bill Expand the Size and Scope of the Federal Government?**: The bill creates two new user-fee programs and one priority review voucher demonstration project within the FDA. It also permanently reauthorizes two pediatric programs and increases the FDA's regulatory authority to address the safety of our nation's drug supply chain and prevent future drug shortages. Additionally, it increases criminal imprisonment terms and monetary fines for those who knowingly hold, sell, or dispense of counterfeit or adulterated drugs. However, it reduces direct spending by \$365 million over ten years.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?**: Yes. CBO explains that the bill contains several private sector mandates with the most costly requiring manufacturers of branded drugs, generic drugs, biosimilar products, and medical devices to pay fees to the FDA. Note—the respective manufacturing industries negotiated with the FDA the terms of these user fees and have agreed to pay these user-fees in exchange for the timely review by the FDA of drug and medical device applications. CBO also highlights other private sector mandates including preventing manufacturers of generic or biosimilar versions of branded drugs from entering the market during periods of branded drug exclusivity; expanded requirements relating to pediatric drug approval; expanded registration requirements on certain drug manufacturers; authorizing the HHS Secretary to destroy certain imported drugs; and notification requirements on manufacturers pertaining to drug supply interruptions or potential drug shortages.

**Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?**: The Committee <u>Report</u> states that H.R. 5651 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of Rule XXI.

<u>Constitutional Authority</u>: The Constitutional Authority Statement accompanying the bill on introduction states, "Congress has the power to enact this legislation pursuant to the following: Article I, Section 8, Clause 3 of the United States Constitution [the Commerce Clause]."

RSC Staff Contact: Joe Murray, Joe.Murray@mail.house.gov, (202) 226-0678

# H.R. 3310 – Federal Communications Commission Consolidated Reporting Act of 2012 (Scalise, R-LA)

**Order of Business:** The legislation is scheduled to be considered on May 30, 2012, under a motion to suspend the rules and pass the bill.

**Summary:** H.R. 3310 requires the Federal Communications Commission (FCC) to report to Congress on the state of the communications marketplace. This report is due during the last quarter of every even-numbered year, and it shall be available on the FCC's website.

The report shall:

- "Assess the state of competition in the communications marketplace, including competition to deliver voice, video, and data services among providers of telecommunications, providers of commercial mobile service (as defined in section 332), multichannel video programming distributors (as defined in section 602), broadcast stations, providers of satellite communications, Internet service providers, and other providers of communications services;
- 2. "Assess the state of deployment of communications capabilities, including advanced telecommunications capability (as defined in section 706 of the Telecommunications Act of 1996 (47 U.S.C. 1302)), regardless of the technology used for such deployment, including whether advanced telecommunications capability is being deployed to all Americans in a reasonable and timely fashion;
- 3. "Assess whether laws, regulations, or regulatory practices (whether those of the Federal Government, States, political subdivisions of States, Indian tribes or tribal organizations (as such terms are defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), or foreign governments) pose a barrier to competitive entry into the communications marketplace or to the competitive expansion of existing providers of communications services;
- 4. "Describe the agenda of the Commission for the next 2-year period for addressing the challenges and opportunities in the communications marketplace that were identified through the assessments under paragraphs (1) through (3); and
- 5. "Describe the actions that the Commission has taken in pursuit of the agenda described pursuant to paragraph (4) in the previous report submitted under this section."

The Commission is directed to consider all forms of competition. This includes the effects of intermodal competition, facilities-based completion, and competition from new and emergent communication services, including the Internet.

The Commission shall compile a list of geographical areas that are not served by any provider of advanced telecommunications capability. The Commission may use readily available data to draw appropriate comparisons between the United States

communications marketplace and the international communications marketplace and to correlate its assessments with demographic information.

The legislation makes a number of conforming amendments, and consolidates multiple redundant reports.

<u>Additional Information According to House Report 112-443</u>: To reduce the reporting burdens on the Commission, H.R. 3310 consolidates eight separate reports of the FCC into a single biennial report timed to the Congressional calendar. To reflect the convergence of the communications marketplace, the new report requires the FCC to conduct a holistic review of the communications marketplace. And to streamline the operations of the FCC, the bill eliminates twelve outdated reports from the Communications Act, including reports repealed more than a decade ago and a report on competition between telegraph companies and telephone companies.

**<u>Committee Action</u>:** H.R. 3310 was introduced on November 2, 2011, and was referred to the House Energy and Commerce Subcommittee on Communications and Technology. The subcommittee held a markup on November 16, 2011, and favorably reported the legislation, as amended. The full committee met on March 5, 2012, and favorably reported the legislation, by voice vote.

Administration Position: No Statement of Administration Policy is available.

**<u>Cost to Taxpayers</u>:** CBO estimates that implementing the provisions of H.R. 3310 would not have a significant net effect on the agency's discretionary costs.

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

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** H.R. 3310 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

**Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?:** The legislation does not contain earmarks, limited tax benefits or limited tariff benefits.

<u>Constitutional Authority</u>: Rep. Scalise states: "Congress has the power to enact this legislation pursuant to the following: This bill is enacted pursuant to Article I, Section 8, Clause 3 of the United States Constitution, which empowers Congress to regulate Commerce among the several States." The statement can be <u>found here</u>.

RSC Staff Contact: Curtis Rhyne, Curtis.Rhyne@mail.house.gov, (202) 226-8576.

# H.R. 4201 – The Servicemember Family Protection Act (Turner, R-OH)

**Order of Business:** The bill is scheduled to be considered on May 30, 2012, under a motion to suspend the rules and pass the bill.

**Summary:** This <u>legislation</u> amend the Servicemembers Civil Relief Act to improve the protections offered to deploying servicemembers in matters related to court-ordered arrangements for child custody. The bill:

- Prevents courts from considering the absences of servicemembers who are deployed for 60 days to 18 months when determining permanent child-custody arrangements.
- Requires the reinstatement of custody orders that were in effect before any deployment of the servicemember.
- Provides servicemembers with either the protections under this bill or applicable state law, whichever is most favorable.

**Background:** In previous Congresses, the Committee received anecdotal evidence of servicemembers making the difficult decision of choosing between their military career and the legal custody of their children because courts took their military service into account when assigning custody of the child. This amendment ensures that parental rights of servicemembers are protected, a concern echoed by then-Secretary of Defense Robert Gates when he <u>called</u> for a "federal uniform standard of protection in cases where it is established that military service is the sole factor involved in a child custody decision involving a Service member" on February 15, 2011.

**<u>Committee Action</u>**: The legislation was introduced on March 16, 2012, and it was referred to the Committee on Veterans' Affairs. The committee held consideration and a mark-up session on April 27, 2012, and the current legislation was reported to the House on May 18, 2012.

Administration Position: No Statement of Administration Policy is available.

**<u>Cost to Taxpayers</u>:** <u>CBO</u> concludes that enacting H.R. 4201 would not affect spending or revenues.

**Does the Bill Expand the Size and Scope of the Federal Government?:** No. The legislation modifies and expands the parental rights of servicemembers but does not create any new governmental bodies or increase the size of an existing governmental institution.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** No. <u>CBO</u> states: "H.R. 4201 contains no private-sector mandates as defined in UMRA [Unfunded Mandates Reform Act]."

## Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax

**Benefits/Limited Tariff Benefits?:** Yes. <u>House Report 112-488</u> states: "H.R. 4201 does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives."

<u>**Constitutional Authority</u>:** Rep. Turner <u>states</u>: "Congress has the power to enact this legislation pursuant to the following: Military Regulation: Article I, Section 8, Clause 14, 'To make Rules for the Government and Regulation of the land and naval Forces.' Necessary and Proper Regulations to Effectuate Powers: Article I, Section 8, Clause 18, 'The Congress shall have Power To make all laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by the Constitution in the Government of the United States, or in any Department or Officer thereof.'"</u>

RSC Staff Contact: Derek S. Khanna, Derek.Khanna@mail.house.gov, (202) 226-0718

# H.R. 1299 – The Secure Border Act of 2011 (Miller, R- MI)

**Order of Business:** The bill is scheduled to be considered on May 30, 2012, under a motion to suspend the rules and pass the bill.

**Summary**: This <u>legislation</u> directs the Secretary of Homeland Security (DHS) to submit to the appropriate congressional committees a comprehensive strategy for gaining, within five years, operational control of the international borders between U.S. ports of entry. This strategy must include:

- Staffing requirements
- Infrastructure needs
- The use of unmanned aerial vehicles, camera technology, sensors
- Cooperative agreements with international, state, local, tribal, and other federal law enforcement agencies
- Other means designed to respond to unlawful cross-border activity and to reduce the level of violence
- A schedule for implementing security measures
- A plan for major surveillance and detection technology programs
- The recommendations made in the Government Accountability Office (GAO) report "Enhanced DHS Oversight and Assessment of Interagency coordination is needed for the Northern Border."

Additionally, the Secretary of Homeland Security must develop metrics to measure security effectiveness at ports of entry that will consider:

- The number of infractions by major violators
- The required number of U.S. Customs and Border Protection Officers necessary to achieve operational control

- Infrastructure improvements
- Resource deployment
- The recommendations made in such GAO report

**Background:** The 2004 National Border Patrol Strategy produced by U.S. Border Patrol was predicated on the concept of gaining and maintaining operational control of the borders. However, a 2011 GAO <u>report</u>, indicated that only 44% of the southwest border were under operational control, and a 2010 <u>report</u>, found that just 32% of the northern border miles were at an acceptable level of security.

Therefore, this bill seeks to provide a larger strategic plan to address border security concerns to ensure that improvements are not made ad hoc.

<u>Committee Action</u>: The legislation was introduced on March 31, 2011, and it was referred to the Committee on Homeland Security. Committee consideration and the markup session were held on September 21, 2011. It was reported to the House as amended on November 10, 2011 and placed on the Union Calendar.

Administration Position: No Statement of Administration Policy is available.

<u>Cost to Taxpayers</u>: The <u>CBO</u> estimates that this legislation costs less than \$500,000 annually from appropriated funds as much of the reporting requirements could be met with departmental activities that are already underway.

**Does the Bill Expand the Size and Scope of the Federal Government?:** No. The bill does not grant the Federal Government any more authority, instead it calls for the DHS to submit a strategy for improving efficiency at ports of entry. The results of the strategy review themselves may call for additional governmental resources or an expansion of authority to meet security needs, but this bill only mandates that the review take place.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** No, the CBO finds that the legislation contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

**Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?:** House Report <u>112-274</u> states: "In compliance with rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of the rule XXI."

**<u>Constitutional Authority</u>:** Rep. Miller's statement can be found <u>here</u>: "Congress has the power to enact this legislation pursuant to the following: Preamable: Provide for the common defense."

RSC Staff Contact: Derek S. Khanna, Derek.Khanna@mail.house.gov, (202) 226-0718

# H.R. 3670 – To require the Transportation Security Administration to comply with the Uniformed Services Employment and Reemployment Rights Act (*Waltz, D-MN*)

**Order of Business:** The bill is scheduled to be considered on May 30, 2012, under a motion to suspend the rules and pass the bill.

**Summary:** This <u>legislation</u> would require the Transportation Security Administration to comply with the Uniformed Services Employment and Reemployment Rights Act.

**Background:** Under current law, the Transportation Security Administration (TSA) is not required to comply with certain provisions of federal labor laws, including the Uniformed Services Employment and Reemployment Rights Act (USERRA). That law specifies certain rights for individuals who serve in the uniformed services, including those in the reserves or the National Guard who are called to active duty. In particular, USERRA prohibits employers from discriminating on the basis of military service or obligation and protects covered individuals' rights to be reemployed upon returning from duty.

**<u>Committee Action</u>**: This legislation was introduced on December 14, 2011, and reported favorably by the Committee on Veterans' Affairs on May 18, 2012.

Administration Position: No statement of Administration Policy is available.

**Cost to Taxpayers:** According to TSA, the agency's existing policies regarding individuals who leave TSA to undertake uniformed service are already consistent with USERRA. As a result, CBO estimates that H.R. 3670 would not significantly affect the agency's costs.

**Does the Bill Expand the Size and Scope of the Federal Government?:** The bill expands the scope of the federal government by having the TSA abide by new federal regulations.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** No. The Committee <u>report</u> includes a statement from CBO: "H.R. 3670 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments."

**Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?:** Yes. The Committee <u>report</u> attests that "H.R. 3670 does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives." <u>**Constitutional Authority:**</u> Sponsor Rep. Waltz <u>states</u>: "Congress has the power to enact this legislation pursuant to the following: This bill is enacted pursuant to the power granted to Congress under Article I, Section 8 of the United States Constitution."

RSC Staff Contact: Derek S. Khanna, Derek.Khanna@mail.house.gov, (202) 226-0718

# H.R. 2764 - WMD Intelligence and Information Sharing Act 2012 (Meehan, R-PA)

**Order of Business:** The bill is scheduled to be considered on May 30, 2012, under a motion to suspend the rules and pass the bill.

**Summary:** This <u>legislation</u> amends the Homeland Security Act of 2002 to direct the Office of Intelligence and Analysis of the Department of Homeland Security (DHS) to establish weapons of mass destruction intelligence and information sharing functions of the Office of Intelligence and Analysis (OIA) of the Department of Homeland Security and to require dissemination of information analyzed by the Department to entities with responsibilities relating to homeland security.

The bill calls for the Office of Intelligence and Analysis to support homeland securityfocused intelligence analysis of terrorist actors, their claims, risk assessments of those security hazards, and to share that information and analytical support to relevant state, local, and tribal authorities.

**Background:** The Congressionally-mandated Commission on the Prevention of WMD Proliferation and Terrorism found insufficiencies in the Intelligence Community's ability to meet the needs of a highly technical nature of WMD analysis (read <u>here</u>). The threat of bioweapons in particular must remain among the highest national intelligence priorities, the Commissioners argued.

H.R. 2764 provides Congressional direction toward WMD intelligence within the DHS to ensure that the analysis is shared with appropriate stakeholders and coordinated with other agencies, thus improving those insufficiencies cited by the Commission.

**<u>Committee Action</u>**: The legislation was introduced on August 1, 2011 and referred to the Committee on Homeland Security. The committee held consideration and a mark-up session on March 28, 2012, and the current legislation was reported, as amended, on May 8, 2012.

Administration Position: No Statement of Administration Policy is available.

<u>Cost to Taxpayers</u>: Because the requirements of this bill are similar to the ongoing activities of OIA, <u>CBO</u> estimates that "implementing the bill would not significantly affect spending by DHS." However, it should be noted that the CBO's analysis applies

only to unclassified activities, and it is possible there could be costs to classified programs.

**Does the Bill Expand the Size and Scope of the Federal Government?:** No, the bill requires that relevant security-focused agencies and actors *share* national security analysis with each other, reducing needless overlap and promoting efficiency.

### Does the Bill Contain Any New State-Government, Local-Government, or Private-

<u>Sector Mandates?</u>: No, the CBO <u>finds</u> that the legislation contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

### Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax

**Benefits/Limited Tariff Benefits?:** House Report <u>112-466</u> states: "In compliance with rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of the rule XXI."

<u>Constitutional Authority</u>: Rep. Meehan's statement can be found <u>here</u>. "Congress has the power to enact this legislation pursuant to the following: This bill is enacted pursuant to Article I, Section 8, Clause 1 of the Constitution of the United States, and Article I, Section 8, Clause 18 of the Constitution of the United States."

RSC Staff Contact: Derek S. Khanna, Derek.Khanna@mail.house.gov, (202) 226-0718

# H.R. 915 - Jaime Zapata Border Enforcement Security Task Force Act (Cuellar, D-TX)

**Order of Business:** The bill is scheduled to be considered on May 30, 2012, under a motion to suspend the rules and pass the bill.

**Summary:** This <u>legislation</u> establishes a Border Enforcement Security Task Force (BEST) program. Its purpose is to enhance border security by fostering coordinated efforts among Federal, State, and local border and law enforcement officials to protect United States border cities and communities from trans-national crime, including violence associated with drug trafficking, arms smuggling, illegal alien trafficking and smuggling, violence, and kidnapping along and across the international borders of the United States.

**Background:** This legislation is named in honor of Immigration and Customs Enforcement (ICE) agent Jaime Zapata, who was killed in the line of duty while serving on a BEST team in Mexico.

What is BEST?

ICE has partnered with Federal, State, local, and foreign law enforcement entities to create the BEST initiative, a series of multi-agency teams developed to identify and dismantle criminal organizations posing threats to border security. The teams are designed to increase information sharing and collaboration and bring all of the stakeholders together to facilitate planning. BEST teams incorporate personnel from:

- ICE
- Customs and Border Protections
- Drug Enforcement Administration
- Bureau of Alcohol, Tobacco, Firearms and Explosives
- FBI
- U.S. Coast Guard
- U.S. Attorney's Office
- Other State/local/foreign law enforcement agencies

This bill includes an authorization level of \$10 million to increase the development of BEST programs, the amount consistent with appropriated funding for BEST in FY2011.

**<u>Committee Action</u>**: The legislation was introduced on March 10, 2011, and referred to the House Committee on Homeland Security. Committee consideration and a mark-up session took place on September 21, 2011, and an amended version of the legislation was reported to the house on November 4, 2011.

Administration Position: No Statement of Administration Policy is available.

<u>**Cost to Taxpayers:**</u> The <u>CBO</u> estimates that this legislation will cost \$48 million over five years (2012-2016), or approximately \$10 million/year.

**Does the Bill Expand the Size and Scope of the Federal Government?:** No. Because 31 BEST teams have been authorized in years past, this bill does not expand the scope of the federal government, though it does authorize the creation of additional BEST teams in strategic locations. This bill simply authorizes the FY2011 BEST funding level for the next five years, allowing new BEST units to be established in areas of vulnerability.

#### Does the Bill Contain Any New State-Government, Local-Government, or Private-

<u>Sector Mandates</u>?: No, the CBO <u>finds</u> that the legislation contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

#### Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax

**Benefits/Limited Tariff Benefits?:** House Report <u>112-268</u> states: "In compliance with rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of the rule XXI."

**<u>Constitutional Authority</u>:** Rep. Cuellar's statement can be found <u>here</u>: "Congress has the power to enact this legislation pursuant to the following: the Constitution, included Article I, Section 8."

RSC Staff Contact: Derek S. Khanna, Derek.Khanna@mail.house.gov, (202) 226-0718

# H.R. 3140- the Mass Transit intelligence Prioritization Act (Speier, D-CA)

**Order of Business:** The bill is scheduled to be considered on May 30, 2012, under a motion to suspend the rules and pass the bill.

**Summary:** This <u>legislation</u> amends the Homeland Security Act of 2002 to direct the Secretary of Homeland Security (DHS) to make it a priority to assign DHS officers and intelligence analysts, such as TSA officers, to state and urban area fusion centers located in high-risk jurisdictions with mass transit systems to enhance security of such systems. These officers will assist law enforcement authorities in identifying, investigating, and otherwise interdicting persons, weapons, and contraband that pose a threat to homeland security.

Once assigned, the officers/analysts have a responsibility to:

- Create mass transit intelligence products that assist law enforcement agencies improve efficiency at detecting and interdicting terrorists, WMDs, and contraband;
- Promote more consistent and timely dissemination of security-relevant information among jurisdictions; and
- Enhance DHS's situational awareness with respect to terrorist acts at a U.S. mass transit system.

**Background:** Mass transit systems have consistently been targets for terrorists: in 2004, al Qaeda detonated explosives on commuter trains of Madrid, Spain killing 191. In July, 2005, a group linked to al Qaeda carried out suicide bombings on the London Underground and a city bus, killing 50. Furthermore, intelligence gathered from Osama bin Laden's compound showed al Qaeda's continued desire to attack mass transit in the U.S.

In order to combat the continued mass transit threats, this bill requires that the DHS prioritize the assignment of officers/analysts to high-population mass transit "fusion centers" where members of various agencies coordinate their security efforts to improve security.

**Potential Conservative Concern:** This legislation would help enable greater involvement by the TSA in other forms of transportation. Some conservatives believe

that we should not further expand the TSA's authority to land transportation which is beyond their primary purpose of airline security.

<u>Committee Action</u>: This legislation was introduced on October 6, 2011, and it was referred to the Committee on Homeland Security. After the Committee held a markup session on March 28, 2012, the legislation was favorably reported on May 8, 2012.

Administration Position: No Statement of Administration Policy is available.

<u>Cost to Taxpayers</u>: The CBO <u>estimates</u> that implementation of this legislation would not have a significant impact on the federal budget. The CBO found that the bill would not "significantly affect the number of staff assigned to fusion centers or the federal spending for related activities."

**Does the Bill Expand the Size and Scope of the Federal Government?:** No. According to the <u>DHS</u>, it will not dramatically alter the number of staff assigned to a fusion center, and does not grant those officers or analysts any additional authority.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** No, the CBO <u>finds</u> that the legislation contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

<u>Constitutional Authority</u>: Rep. Speier's statement can be found <u>here</u>: "Congress has the power to enact this legislation pursuant to the following: The constitution including Article I, Section 8."

RSC Staff Contact: Derek S. Khanna, Derek.Khanna@mail.house.gov, (202) 226-0718

# H.R.5740 — Concur in the Senate Amendment To Extend the National Flood Insurance Program (Biggert, R-IL)

**Order of Business:** The legislation is scheduled to be considered on Wednesday, May 30, 2012, under a motion to suspend the rules and pass the bill.

**Summary:** The legislation provides for a two month extension of the National Flood Insurance Program. Specifically, H.R.5740 extends the National Flood Insurance Program until July 31, 2012. The legislation also modifies the program to phase out subsidized flood insurance premium rates for second homes and vacation homes. Under the bill, residential properties that are not the primary residence of an individual would see their flood insurance premium increase by 25% each year until their average risk premium rate is the actuarial rate. The first rate increase would take effect on July 1, 2012. **Background**: The Senate recently took up the House 30 day extension bill which was recently passed on May 17, 2012. The House version of the extension included limited reforms which were taken from H.R. 1309. The Senate version stripped the reform language and added a new reform to the bill as it pertains to second homes and vacation homes. The Senate bill also increases the extension to 60 days instead of 30 days.

The National Flood Insurance Program (NFIP) was created by Congress in 1968 to provide insurance as an alternative to direct federal disaster assistance for individuals living in flood-prone areas. The program is administered by FEMA. The NFIP provides financial protection by offering flood insurance to homeowners, renters and businesses if their community participates in the NFIP. Flood insurance is mandatory for properties financed by a federally regulated lending institution, a government sponsored enterprise (GSE) for housing, or a federal lender. Additionally, flood insurance is mandatory for properties located within an area designated as having at least a one percent chance of being flooded in any year, and these areas are known as Special Flood Hazard Area (SFHA).

Congress last passed a long-term NFIP reauthorization and reform bill in 2004 (P.L. 108-264). Since September 2008, the NFIP has been extended seventeen times; Congress extended the current program through May 31, 2012. These short-term extensions and lapses in the program have created needless uncertainty in the residential and commercial real estate sectors in communities across the country.

<u>Conservative Concern</u>: Some conservatives may be concerned that the National Flood Insurance Program (NFIP) dampens the financial and common-sense disincentives to build homes in flood-prone areas by making flood insurance artificially more available than it otherwise would be. Other conservatives have expressed concern over the NFIP's ever growing debt. Some conservatives may be concerned that the program currently owes the Treasury more than \$17.8 billion. Though the extension takes steps in the right direction by providing studies to privatize the program, some conservatives may be concerned that the legislation does not protect the taxpayer from another NFIP bailout in the event of catastrophic loss.

**Committee Action:** H.R. 5740 was introduced by Rep. Judy Biggert on May 15, 2012. The legislation passed the House on a motion to suspend the rules and pass the bill by a vote of 402 - 18 (Roll no. 262) on May 17, 2012. On May 24, 2012, the Senate passed the bill with an amendment by unanimous consent,

Administration Position: No Statement of Administration Policy (SAP) is available.

Cost to Taxpayers: No CBO score citing a cost to taxpayers is available.

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

**Does the Bill Contain Any New State-Government, Local-Government, or Private-**Sector Mandates?: No. Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax

**Benefits/Limited Tariff Benefits?:** Though the bill contains no earmarks, and there's no accompanying committee report, the earmarks rule (House Rule XXI, Clause 9(a)) does not apply, by definition, to legislation considered under suspension of the rules.

**Constitutional Authority**: The According to the statement on Constitutional Authority, "Congress has the power to enact this legislation pursuant to the following: Article I, section 8, clause 1 (relating to the general welfare of the United States); and Article I, section 8, clause 3 (relating to the power to regulate interstate commerce).

RSC Staff Contact: Ja'Ron Smith, Ja'ron.Smith@mail.house.gov, 202-226-9717

# H.R. 4041 - Export Promotion Reform Act (Berman, D-CA)

<u>Order of Business</u>: The legislation is scheduled to be considered on May 30, 2012, under a motion to suspend the rules and pass the bill.

**Summary:** H.R. 4041 increases the duties of the Trade Promotion Coordinating Committee (TPCC) so that they include reviewing the proposed budgets of export promotion agencies, prior to the agency submitting their budget to Congress.

Under current law, the TPCC develops a government wide strategic plan for federal trade promotion efforts. The legislation requires the TPCC, when developing this plan, to take into account recommendations from a "representative number" of U.S. exporters, in particular small and medium-sized businesses as well as representatives of U.S. workers.

The legislation directs the Secretary of Commerce to conduct a global assessment of overseas markets to determine markets with the greatest potential for increasing U.S. exports. When making this assessment, the TPCC shall take into account recommendations from a "representative number" of U.S. exporters, in particular small and medium-sized businesses as well as representatives of U.S. workers. The legislation also requires the Secretary to assess the redeployment of Commercial Service personnel. Within 6 month after enactment, and every 5 years thereafter, the Secretary shall submit this assessment to Congress.

Current law requires the Chief of Mission to each foreign country to promote U.S. exports as their principal duty. This legislation would clarify that the Chief of Mission would carry out this duty through a plan developed in consultation with the ambassador to such country, the Director General of the United States and Foreign Commercial Service, and the heads of other federal departments and agencies with export promotion programs acting through the TPCC.

Additional Information: The Trade Promotion Coordinating Committee (TPCC) was established in by the Export Enhancement Act of 1992 (P.L. 102-429). The purpose of

the TPCC is to provide a framework to coordinate the export promotion and export financing activities of the United States and to develop a government wide strategic plan for carrying out such programs. The TPCC is chaired by the Secretary of Commerce, and their membership represents 20 agencies, including the Export-Import Bank, the Environmental Protection Agency (EPA) and the U.S. Agency for International Development (USAID). More information about the TPCC can be <u>found here</u>.

According to the Department of Commerce's International Trade Administration, the United States & Foreign Commercial Service is responsible for commercial affairs abroad. Foreign Service Officers in the Commercial Service are typically assigned to foreign posts (U.S. embassies and consulates) to promote the export of U.S. goods and services, attract foreign investment into the United States and defend U.S. commercial interests abroad.

**Outside Groups:** The following groups have written in support of H.R. 4041:

- Business Roundtable
- > Coalition of Employment Through Exports, Inc.
- ▶ U.S. Chamber of Commerce
- National Association of Manufacturers
- ➢ National Foreign Trade Council, Inc.

These support letters are available upon request.

**<u>Committee Action</u>**: H.R. 4041 was introduced on February 15, 2012, and referred to the House Committee on Foreign Affairs. The committee held a markup on March 7, 2012, and agreed to the legislation by unanimous consent, without amendment.

Administration Position: No Statement of Administration Policy is available.

<u>Cost to Taxpayers</u>: CBO estimates that implementing H.R. 4041 would have discretionary costs of less than \$500,000 a year, totaling about \$1 million over the 2012-2017 period. CBO's analysis can be <u>viewed here</u>.

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

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** According to CBO, H.R. 4041 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

**Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?:** The legislation does not contain earmarks, limited tax benefits or limited tariff benefits. **Constitutional Authority:** Rep. Berman states: "Congress has the power to enact this legislation pursuant to the following: Article I, Section 8, Clause 3." The statement can be <u>viewed here</u>.

RSC Staff Contact: Curtis Rhyne, Curtis.Rhyne@mail.house.gov, (202) 226-8576.

###