THE REPUBLICAN STUDY COMMITTEE
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Legislative Bulletin……..…December 19, 2011

Contents:

H.Res. 497— To provide for the placement of a statue or bust of Sir Winston Churchill in the United States Capitol (Boehner, R-OH)

Order of Business: The bill is scheduled to be considered on Monday, December 19, 2011, under a motion to suspend the rules requiring two-thirds majority vote for passage.

Summary: H.Res. 497 directs the Architect of the Capitol to place an appropriate statue, or bust, of Sir Winston Churchill in the United States Capitol. This will be placed in a location that the House Fine Arts Board chooses in consultation with the Speaker of the House.

The Resolution finds:

- "Sir Winston Churchill was Prime Minister of the United Kingdom (UK) from 1940 through 1945 and from 1951 through 1955;
- "The United States and the UK led the Allied Powers during World War Two;
- "President Franklin Delano Roosevelt and Sir Winston Churchill formed a bond that united freedom-loving people throughout the world to defeat tyranny in Europe and Asia;
- "Sir Winston Churchill addressed a Joint Session of Congress on December 26, 1941;
- "In this address, Sir Winston Churchill stated:

> "Sure I am that this day—now we are masters of our fate; that the task which has been set us is not above our strength; that it pangs and toils are not beyond our endurance. As long as we have faith in our cause and an

unconquerable will-power, salvation will not be denied us. In the words of the Psalmist, 'He shall not be afraid of evil tidings; his heart is fixed, trusting in the Lord.' Not all the tidings will be evil."

- "Congress deemed Sir Winston Churchill an Honorary Citizen of the United States in 1963;
- "Sir Winston Churchill was awarded the Congressional Gold Medal in 1969;
- "Sir Winston Churchill's persistence, determination and resolve remains an inspiration to freedom-fighters all over the world;
- "The UK remains and will forever be an important and irreplaceable ally to the United States; and
- "The United States Capitol does not currently appropriately recognize the contributions of Sir Winston Churchill or that of the UK.

Committee Action: Speaker John Boehner (R-OH) introduced H.Res. 497 on December 15, 2011. The bill was then referred to the House Committees on Administration where no further action has taken place.

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

Cost to Taxpayers: No Congressional Budget Office (CBO) cost estimate 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?: 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: House rules do not require House Resolutions to include a Constitutional Authority Statement.

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Senate Amendment to H.R. 2056 – To Study the Impact of Insured Depository Institutional Failures Act (Westmoreland, R-GA)

Order of Business: The bill is scheduled to be considered on Monday, December 12, 2011 under a motion to suspend the rules requiring two-thirds majority vote for passage.

Summary: H.R. 2056 requires the Inspector General of the Federal Deposit Insurance Corporation (FDIC) to conduct a comprehensive study on the impact of the failure of insured depository institutions. In conducting the study, the Inspector General is required to address the following:

- LOSS-SHARING AGREEMENTS
    - The legislation requires a study that includes the impact of loss-sharing agreements (LSAs) on the insured depository institutions that survive and the borrowers of insured depository institutions that fail, including:
        - The impact on the rate of loan modifications and adjustments;
        - Whether more types of loans (such as commercial, residential, or small business loans) could be modified with fewer LSAs, or if LSAs could be phased out altogether;
        - The impact on current borrowers seeking loan modification from an acquiring institution with an LSA;
        - The impact on the availability of credit; and
        - The impact on loans with participation agreements outstanding with other insured depository institutions
    - The legislation requires a study of the effect of FDIC policies and procedures regarding maturing LSAs, including:
        - Any impact LSAs may have on continuing weakness in the real estate market; and
        - The likelihood that banks will sell off assets to take advantage of LSAs before such agreements are no longer available
    - The legislation requires a study of the methods of ensuring the orderly end of expiring LSAs to prevent any adverse impact on borrowing, real estate industry and the Depositors Insurance Fund.
- PAPER LOSSES
    - The legislation requires the study of the significance of paper losses, including:
        - The number of insured depository institutions that have been placed into receivership or conservatorship due to significant losses arising from loans for which all payments of principal,

interest, and fees were current, according to the contractual terms of the loans;

- The impact of significant losses arising from loans for which all payments of principal, interest, and fees were current, according to the contractual terms of the loans, on the ability of insured depository institutions to raise additional capital;

- The effect of changes in the application of fair value accounting rules and other accounting standards, including the allowance for loan and lease loss methodology, on insured depository institutions, specifically the degree to which fair value accounting rules and other accounting standards have led to regulatory action against banks, including consent orders and closure of the institution; and

- Whether field examiners are using appropriate appraisal procedures with respect to losses arising from loans for which all payments of principal, interest, and fees were current, according to the contractual terms of the loans, and whether the application of appraisals leads to immediate write downs on the value of the underlying asset.

➢ WORKOUTS

- The legislation requires the study of the success of FDIC field examiners in implementing FDIC guidelines regarding workouts of commercial real estate, including:

  - Whether field examiners are using the correct appraisals; and

  - Whether there is any difference in implementation between residential workouts and commercial workouts.

➢ ORDERS

- The legislation requires the study of the application and impact of consent orders and cease and desist orders, including:

  - Whether such orders have been applied uniformly and fairly across all insured depository institutions;
  - The reasons for failing to apply such orders uniformly and fairly when such failure occurs;

  - The impact of such orders on the ability of insured depository institutions to raise capital;

        - The impact of such orders on the ability of insured depository institutions to extend credit to existing and new borrowers;

        - Whether individual insured depository institutions have improved enough to have such orders removed; and

        - The reasons for failure where insured depository institutions have not so improved.

- FDIC POLICY

    - The legislation requires the study of the application and impact of FDIC policies, including:

        - The impact of FDIC policies on the private capitalization of insured depository institutions, especially in States where more than 10 such institutions have failed since 2008;

        - Whether the FDIC fairly and consistently applies capital standards when an insured depository institution is successful in raising private capital; and;

        - Whether the FDIC steers potential investors away from insured depository institutions that may be in danger of being placed in receivership or conservatorship.

- PRIVATE EQUITY COMPANIES

    - The legislation requires the study of the FDIC's handling of potential investment from private equity companies in insured depository institutions, including:

        - The number of insured depository institutions that have been approved to receive private equity investment by the FDIC;

        - The number of insured depository institutions that have been rejected from receiving private equity investment by the FDIC; and

        - The reasons for rejection of private equity investment when such rejection occurs.

- The legislation requires that not later than one year after the date of the enactment of this Act, the Inspector General is required to submit to Congress a report on the results of the study conducted and any recommendations based on the study.

- Lastly, the Inspector General of the Federal Deposit Insurance Corporation and the Comptroller General of the United States shall appear before the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives, not later than 150 days after the date of publication of the study required under this Act to discuss the outcomes and impact of Federal regulations on bank examinations and failures.

Background: In 2008, the economic crisis causes many large and small banks to fail, and as result of their failure there has been a shortage of credit. H.R. 2056 is a attempt by congress to ensure that the issues that hampered financial institutions and banks will not get in the way of future economic growth. The Senate amended the H.R. 2056 to require the FDIC to examine all losses, not just "paper" losses, in a study. The bill also requires the FDIC and the GAO to report in person to appropriate committees of the House and Senate within 150 days of the publication of the reports.

Committee Action: H.R. 2056 was introduced by Rep. Lynn Westmoreland (R-GA) on May 31, 2011 and the legislation was referred to the Committee on Financial Service. The legislation was amended on July 20, 2011 and reported to the House by voice vote by the Committee on Financial Services. On July 28, 2011, the House passed the legislation on motion to suspend the rules and pass the bill, as amended agreed to by voice vote.

On November 17, 2011 the Senate Committee on Banking, Housing, and Urban Affairs discharged by the bill by Senate Committee on Banking, Housing, and Urban Affairs discharged by unanimous consent, and the Senate passed the bill with amendments by Senate Committee on Banking, Housing, and Urban Affairs discharged by unanimous consent.

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

Cost to Taxpayers: Though an cost estimate had not been release by the Senate amended bill, according the House version of the bill's Congressional Budget Office report (CBO), "CBO estimates that any costs incurred by the Inspector General would be offset by premiums collected from insured depository institutions, resulting in no net effect on direct spending over the next five years. Enacting this legislation would not affect revenues. CBO estimates that any additional cost to GAO would also be insignificant."

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, according to CBO, the bill 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?: According to the committee report, H.R. 2056 does

not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.

Constitutional Authority: According the Congressman Westmoreland's constitutional authority statement, "Congress has the power to enact this legislation pursuant to the following: Article I, Section 8 of the United States Constitution."

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Senate Amendment to H.R. 1801 — Risk-Based Security Screening for Members of the Armed Forces Act (Cravaack, R-MN)

Order of Business: The bill is scheduled to be considered on Monday, December 19, 2011, under a motion to suspend the rules requiring two-thirds majority for passage.

Summary: The original House-passed bill directs the Assistant Secretary of Homeland Security (Transportation Security Administration, aka "TSA") to develop and implement a plan to allow members of the armed forces, and their families, expedited security screening at our nation's airports. These expedited screenings apply to uniformed armed forces members who present official documentation indicating official orders. The Assistant Secretary is required to submit a report to Congress on the plan's implementation, and the bill's effective date is 180 days after enactment.

The Senate amendment to H.R. 1801 makes two changes to the bill that the House passed on November 29, 2011 by a vote of 404-0. First, it requires the TSA to consult with the Department of Defense (DOD) in developing and implementing expedited security screenings services for members of the armed forces. Secondly, it only requires TSA/DOD to extend these same expedited protocols to the accompanying family members of armed forces members "to the extent possible."

The Legislative Bulletin for the House-passed H.R. 1801 can be found here.

Committee Action: Representative Chip Cravaack (R-MN) introduced H.R. 1801 on June 10, 2011. The bill was referred to the House Homeland Security Subcommittee on Transportation Security and Infrastructure Protection. The subcommittee met on May 12, 2011 and favorably reported the legislation by voice vote, without amendment. The full committee met on September 21, 2011 and favorably reported the legislation by voice vote, as amended. On December 12, 2011, the Senate Committee on Commerce, Science, and Transportation discharged the bill by unanimous consent, and the full Senate passed the amended bill the same day by voice vote.

Administration Position: No Statement of Administration Policy is available.

Cost to Taxpayers: The Congressional Budget Office (CBO) estimates that fully funding H.R. 1801 would cost less than $500,000 annually, assuming the availability of appropriated funds.

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?: House Committee Report #112-271 explains that the bill contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of rule XXI of the House Rules.

Constitutional Authority: The Constitutional Authority Statement accompanying the bill upon introduction states: "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."

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Senate Amendment to H.R. 1059 — To protect the safety of judges by extending the authority of the Judicial Conference to redact sensitive information contained in their financial disclosure reports, and for other purposes *(Conyers, D-MI)*

Order of Business: The bill is scheduled to be considered on Monday, December 19, 2011, under a motion to suspend the rules and pass the legislation.

Summary: The original House-passed bill permanently extended the temporary authority of the Judicial Conference of the United States to redact sensitive, personal information from required financial disclosure reports that judges and certain other judicial branch employees file annually. Since 1998, the statutory authority granted to the Judicial Conference to redact this information has been extended three times—it is scheduled to expire on December 31, 2011. It passed the House on September 12, 2011 by a vote of 384-0.

The Senate amended the bill to expand a current law reporting requirement that the Administrative Office of the U.S. Courts (AO) submit an annual report to the Senate Homeland Security and Government Affairs Committee and House Oversight and Government Reform Committee in additional to both the House and Senate Judiciary Committees. Also, it reauthorizes this redacting authority for six years as opposed to the House permanently authorizing this authority.

Committee Action: Ranking Member of the House Judiciary Committee John Conyers *(D-MI)* introduced H.R. 1059 on March 14, 2011. On July 28, 2011, the Committee reported the bill out of Committee by voice vote. The House passed the bill on November 15, 2011, and on November 15, 2011, the Senate Homeland Security and Government Affairs Committee reported the amended bill out of committee. On November 17, 2011, the Senate passed the amended bill by Unanimous Consent.

Administration Position: No Statement of Administration Policy is available.

Cost to Taxpayers: The Congressional Budget Office (CBO) released a cost estimate for H.R. 1059 on July 27, 2011, which stated that implementing the bill would have no significant impact on the federal budget.

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. The CBO reports states that "H.R. 1059 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?: Yes. According to House Report 112-189, H. R. 1059 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.

Constitutional Authority: The Constitutional Authority Statement accompanying the bill upon introduction states, "Congress has the power to enact this legislation pursuant to the following: Article I, Section 8, Clause 9 and Clause 18; and Article III, Section I of the Constitution."

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Senate Amendments to H.R. 515 — Belarus Democracy Reauthorization Act of 2011, as amended (Smith, R-NJ)

Order of Business: The bill is scheduled to be considered on December 19, 2011, under a motion to suspend the rules and pass the bill.

Summary of Senate Amendments: The legislation contains several findings. Finding #20 of the House-passed version stated that the United States "imposed targeted travel and financial sanctions" after the 2010 presidential election. The Senate amended this finding to define explicitly what the U.S. did. The new finding states in entirety:

- "After the December 19, 2010, presidential election, the United States *expanded its visa ban list, imposed additional financial sanctions on certain state-owned*

enterprises, and initiated preparations to freeze the assets of several individuals in Belarus. The European Union imposed targeted travel and financial sanctions on an expanded list of officials of the Government of Belarus."
[Emphasis added on new text.]

Additionally, the Senate Amendment makes a technical change to the sense of Congress. The sense of Congress states:

- "Congress that the President should ~~continue to~~ support radio, television, and Internet broadcasting to the people of Belarus in languages spoken in Belarus, by Radio Free Europe/Radio Liberty, the Voice of America, European Radio for Belarus, and Belsat." **[Emphasis added on deleted text]**

Summary: H.R. 515 would amend the Belarus Democracy Act of 2004, which authorizes financial assistance to the people of Belarus to aid them in their pursuit of a free democracy with human rights.

The legislation states that it is the policy of the United States to:

- Condemn the conduct of the December 19, 2010, presidential election and crackdown on opposition candidates, political leaders, and activists, civil society representatives, and journalists;
- Continue to call for the immediate release without preconditions of all political prisoners in Belarus, including all those individuals detained in connection with the December 19, 2010, presidential election;
- Continue to support the aspirations of the people of Belarus for democracy, human rights, and the rule of law;
- Continue to support the aspirations of the people of Belarus to preserve the independence and sovereignty of their country;
- Continue to support the growth of democratic movements and institutions in Belarus, with the ultimate goal of ending tyranny in that country;
- Continue to refuse to accept the results of the fundamentally flawed December 19, 2010, presidential election held in Belarus, and to support calls for new presidential and parliamentary elections, conducted in a manner that is free and fair according to OSCE standards;
- Continue to call for the fulfillment by the Belarusian government of Belarus's freely undertaken obligations as an OSCE participating state;
- Continue to call for a full accounting of the disappearances of opposition leaders and journalists in Belarus, including Victor Gonchar, Anatoly Krasovsky, Yuri Zakharenka, and Dmitry Zavadsky, and the prosecution of those individuals who are in any way responsible for the disappearance of those opposition leaders and journalists;
- Continue to work closely with the European Union and other countries and international organizations, to promote the conditions necessary for the integration of Belarus into the European family of democracies; and

- Remain open to reevaluating United States policy toward Belarus as warranted by demonstrable progress made by the Government of Belarus consistent with the aims of this Act as stated in this section.

The legislation makes technical amendments to the Belarus Act of 2004 regarding terms of assistance, and it also states that it is the sense of Congress that the President should support radio, television, and Internet broadcasting to the people of Belarus in languages spoken in Belarus, by Radio Free Europe/Radio Liberty, the Voice of America, European Radio for Belarus, and Belsat.

This legislation amends current sanctions against the Government of Belarus to reflect individuals who were jailed based on their political beliefs in connection with the presidential election of December 19, 2010. Specifically, it would expand existing conditions by which current sanctions could be lifted, by requiring the release of those peaceful protestors who were jailed after based on their political beliefs in conjunction with the December 19, 2010 elections. It also expands denial of entry into the U.S. to members of the Belarus security or law enforcement services who have participated in the crackdown of peaceful protestors regarding the December 19, 2010 elections.

This legislation would also expand the current reporting requirement and would mandate that information regarding the sale or delivery of weapons or weapons-related technologies, or training be included. This report is required annually, and this legislation would require it to also be sent to the Commission on Security and Cooperation in Europe (an independent agency of the U.S. federal government). This legislation would also require that the report include information on the cooperation of the Government of Belarus with any foreign government relating to the censorship or surveillance of the internet.

Additional Information: According to the findings of this legislation:
"The Government of Belarus has engaged in a pattern of clear and uncorrected violations of human rights and fundamental freedoms. The Government of Belarus has engaged in a pattern of clear and uncorrected violations of basic principles of democratic governance, including through a series of fundamentally flawed presidential and parliamentary elections undermining the legitimacy of executive and legislative authority in that country. The Government of Belarus has subjected thousands of pro-democratic political activists to harassment, beatings, and jailings, particularly as a result of their attempts to peacefully exercise their right to freedom of assembly and association. The Government of Belarus has attempted to maintain a monopoly over the country's information space, targeting independent media, including independent journalists, for systematic reprisals and elimination, while suppressing the right to freedom of speech and expression of those dissenting from the dictatorship of Aleksandr Lukashenka, and adopted laws restricting the media, including the Internet, in a manner inconsistent with international human rights agreements. The Government of Belarus continues a systematic campaign of harassment, repression, and closure of nongovernmental organizations, including independent trade unions and entrepreneurs, and this crackdown has created a climate of fear that inhibits the development of civil society and social solidarity. The Government

of Belarus has subjected leaders and members of select ethnic and religious minorities to harassment, including the imposition of heavy fines and denying permission to meet for religious services. The Government of Belarus has attempted to silence dissent by persecuting human rights and pro-democracy activists with threats, firings, expulsions, beatings and other forms of intimidation, and restrictions on freedom of movement and prohibition of international travel. The dictator of Belarus, Aleksandr Lukashenka, established himself in power by orchestrating an illegal and unconstitutional referendum that enabled him to impose a new constitution, abolishing the duly elected parliament, the 13th Supreme Soviet, installing a largely powerless National Assembly, extending his term in office, and removing applicable term limits. The Government of Belarus has failed to make a convincing effort to solve the cases of disappeared opposition figures Yuri Zakharenka, Viktor Gonchar, and Anatoly Krasovsky and journalist Dmitry Zavadsky, even though credible allegations and evidence links top officials of the Government to these disappearance. The Government of Belarus has restricted freedom of expression on the Internet by requiring Internet Service Providers to maintain data on Internet users and the sites they view and to provide such data to officials upon request, and by creating a government body with the authority to require Internet Service Providers to block Web sites. On December 19, 2010, the Government of Belarus conducted a presidential election that failed to meet the standards of the Organization for Security and Cooperation in Europe (OSCE) for democratic elections. After the December 19, 2010, presidential election the Government of Belarus responded to opposition protests by beating an unknown number of protestors and detaining more than 600 peaceful protestors. After the December 19, 2010, presidential election the Government of Belarus jailed seven of the nine opposition presidential candidates and abused the process of criminal prosecution to persecute them. After the December 19, 2010, presidential election, the Government of Belarus disrupted independent broadcast and Internet media, and engaged in repressive actions against independent journalists. After the December 19, 2010, presidential election, Belarusian security services and police conducted raids targeting civil society groups, individual pro-democracy activists, and independent media. After the December 19, 2010, presidential election, Belarusian officials refused to extend the mandate of the OSCE Office in Minsk."

Committee Action: H.R. 515 was introduced on January 26, 2011, and referred to the House Foreign Affairs Subcommittee on Europe and Eurasia and the Subcommittee on Africa, Global Health and Human Rights. The legislation was approved as amended after Subcommittee and full committee markups. The legislation was also referred to the House Judiciary Subcommittee on Immigration Policy and Enforcement and the House Financial Services Subcommittee on International Monetary Policy and Trade, which took no public action.

H.R. 515 passed the House on July 6, 2011, by voice vote. The legislation then passed the Senate on December 14, 2011, by voice vote, as amended.

The RSC Legislative Bulletin for the House-passed text can be viewed here.

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

Cost to Taxpayers: CBO estimates that implementing this legislation would cost less than $500,000 over the 2012 – 2016 period.

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: Rep. Smith's constitutional authority statement states that Congress has the power to enact this legislation pursuant to the following: The constitutional authorities on which this bill rests are those given in Article I, Section 5, Clause 2; Article I, Section 8, Clause 1; Article I, Section 8, Clause 4; Article I, Section 8, Clause 18.

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