THE REPUBLICAN STUDY COMMITTEE

Rep. Steve Scalise, Chairman

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Legislative Bulletin……………………………………….…….………May 7, 2014

Contents:

H.R. 863 - To establish the Commission to Study the Potential Creation of a National Women's History Museum Act of 2013, as amended (*Maloney, D-NY*)

Order of Business: The bill is scheduled to be considered on May 7, 2014, under a motion to suspend the rules and pass the bill, which requires a two-thirds majority for passage.

Summary: The bill would establish a bicameral Commission to study the possibility of constructing a National Women's History Museum. The Commission shall be composed of eight members: two members shall be appointed by the majority leader of the Senate; two members shall be appointed by the Speaker of the House; two members shall be appointed by the minority leader of the Senate; two members shall be appointed by the minority leader of the House of Representatives – no employee of the Federal Government may serve as a member of the Commission; furthermore, no employee of the Commission shall be considered an employee of the Federal Government.

The Commission shall report to the President and Congress its plan of action with regards to the establishment and maintenance of the National Women's History Museum in Washington, DC. The Commission will investigate the following matters: "(A) the availability and cost of collections to be acquired and housed in the Museum, (B) the impact of the Museum on regional women's history-related museums, (C) potential locations for the Museum in Washington, DC and its environs, (D) whether the Museum should be a part of the Smithsonian Institution, (E) the governance and organizational structure from which the Museum should operate, (F) best practices for engaging women in the development and design of the Museum, and (G) the cost of constructing, operating, and maintaining the Museum." This report shall be submitted 18 months after the date of the first meeting of the Commission. The Commission shall terminate 30 days after the date on which the final versions of the reports are submitted.

The Commission shall operate solely on public contributions; additionally, section 8(b) reads, "No Federal funds may be obligated to carry out this Act."

Additional Information:
Key voting against passage: Concerned Women for America, and Eagle Forum
Reserves the right to key vote against passage: Family Research Council

Committee Action: Rep. Maloney introduced H.R. 863 on February 27th, 2013. The bill was referred to the Committee on Natural Resources and the Committee on House Administration. On April 9th, 2014, the Committee on Natural Resources marked-up H.R. 863 and it was adopted and favorably reported to the House of Representatives, as amended, by unanimous consent. The Committee on House Administration ordered a report on the bill on April 2nd, 2014. On April 10th, 2014, the Committee reported H. Rept. 113-411, Part I. Please see the full report here.

Administration Position: No Statement of Administration Policy is available.

Cost to Taxpayers: CBO estimates that H.R. 863 would not affect the federal budget in a significant way; however, the bill would affect direct spending, as the commission has the authority to accept and spend monetary gifts, meaning pay-as-you-go procedures apply, according to CBO. Please see the full report here.

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 Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: No.

Constitutional Authority: According to the bill's sponsor, "Congress has the power to enact this legislation pursuant to the following: Article IV, Section 3, Clause 2. The Congress shall have Power to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States; and nothing in this Constitution shall be so construed as to Prejudice any Claims of the United States, or of any particular State." Please see Rep. Maloney's statement here.

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H.Con.Res. 83 - Authorizing the use of Emancipation Hall in the Capitol Visitor Center for an event to celebrate the birthday of King Kamehameha I (*Gabbard, D-HI*)

Order of Business: The resolution is scheduled to be considered on May 7, 2014, under a motion to suspend the rules and pass the bill, which requires a two-thirds majority vote for passage.

Summary: Authorizes the use of Emancipation Hall in the Capitol Visitor Center for an event on June 8, 2014, to celebrate the birthday of King Kamehameha I.

Additional Information: This legislation is routinely passed each year. Last year, this legislation passed the House by a vote of 411-0 (roll call vote 146). King Kamehameha, also known as Kamehameha the Great, was Hawaii's first monarch. King Kamehameha established the Kingdom of Hawaii in 1810 and died in 1819.

Committee Action: Rep. Gabbard introduced H.Con.Res. 83 on February 11th, 2014; it was then referred to the House Committee on House Administration.

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

Cost to Taxpayers: No Congressional Budget Office (CBO) cost estimate has been released for this resolution.

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 Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: No.

Constitutional Authority: House Concurrent Resolutions are not required to include a Constitutional Authority Statement.

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H. Res. 418 — Urging the Government of Burma to end the persecution of the Rohingya people and respect internationally recognized human rights for all ethnic and religious minority groups within Burma. (*McGovern, D-MA*)

Order of Business: H. Res. 418 is scheduled to be considered on May 7, 2014, under a motion to suspend the rules and pass the bill, which requires a two-thirds majority vote for passage.

Summary: The resolution presents a number of findings and resolves that the House:

> "(1) calls on the Government of Burma to end all forms of persecution and discrimination of the Rohingya people and ensure respect for internationally recognized human rights for all ethnic and religious minority groups within Burma; and
>
> (2) calls on the United States Government and the international community to put consistent pressure on the Government of Burma to take all necessary measures to end the persecution and discrimination of the Rohingya population and to protect the fundamental rights of all ethnic and religious minority groups in Burma."

Additional Background: The Rohingya people are an ethnic minority group who practice Islam.

According to the findings contained in the resolution, approximately 800,000 Rohingya live in the Rakhine State of Burma. About 140,000 Rohingya are internally displaced within Burma and hundreds of thousands have been forced to flee the country.

The Rohingya have been denied citizenship in Burma since a law passed in 1982, must receive government permission to travel within Burma, must receive official permission to get married, are prohibited from having more than two children, and can be forced into government labor.

Beginning in 2012, violence in Rakhine has left hundreds dead, including 40 Rohingya that were allegedly killed by security forces in one village in January.
Earlier this year, the Burmese government banned the Doctors Without Borders organization from operating in the Rakhine State due to an alleged pro-Rohingya bias.

Committee Action: H. Res. 418 was introduced by Rep. McGovern on November 18, 2013, and referred to the House Foreign Affairs Committee. The Committee marked up and approved the resolution (as amended) by unanimous consent on March 25, 2014.

Cost to Taxpayers: A CBO report is not 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 Contain Any Federal Encroachment into State or Local Authority in Potential Violation of the 10th Amendment?: No.

Does the Bill Delegate Any Legislative Authority to the Executive Branch?: No.

Does the Bill Contain Any Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: No.

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H.R. 2548 — Electrify Africa Act of 2014 (Royce, *R-CA*)

Order of Business: H.R. 2548 is scheduled to be considered on May 7, 2014, under a motion to suspend the rules and pass the bill, which requires a two-thirds majority vote for passage.

Summary: H.R. 2548 declares that it is the policy of the United States to encourage the installation of an additional 20,000 megawatts of electrical power to sub-Saharan Africa by 2020. The bill would require the President to develop a comprehensive government strategy to promote access to electricity in sub-Saharan Africa. The bill would also reauthorize the Overseas Private Investment Corporation (OPIC) until 2017.

Additional Background: To meet the legislation's goal of encouraging electrical development in Africa, the President would be required to develop and report to Congress on a multiyear government strategy to help sub-Saharan Africa "develop an appropriate mix of power solutions, including renewable energy, to provide sufficient electricity access to people living in rural and urban areas in order to alleviate poverty and drive economic growth."

The USAID, OPIC, and the Trade and Development Agency would be encouraged to prioritize loan guarantees and grants to power projects in sub-Saharan Africa.

The OPIC is a government sponsored enterprise that subsidizes private companies who invest abroad that was established in 1971. The last stand-alone authorization of the OPIC was passed in 2003 and expired in 2007. Since that time, the OPIC has been funded by annual appropriations bills. According to the CRS, the OPIC is meant to be self-sustaining, and the Congress sets spending levels for administrative and program expenses in annual appropriations bills. A database of current OPIC projects can be found here.

Committee Action: H.R. 2548 was introduced by Rep. Ed Royce on June 27, 2013, and was referred to the Committees on Foreign Affairs and Financial Services. The Foreign Affairs Committee marked up H.R. 2548 on February 27, 2014, and reported the bill as amended by voice vote. The House Financial Services Committee discharged the bill on May 2, 2014.

Possible Conservative Concerns:
The Club for Growth opposes OPIC reauthorization and will likely key vote against H.R. 2548. In the past, Conservative Groups have opposed the Overseas Private Investment Corporation (OPIC):

- The Heritage Foundation recently identified the OPIC as a program that should be eliminated because, while its profits sustain OPIC, taxpayers are exposed to risk and the government provides operating subsidies.
- Citizens Against Government Waste identified the OPIC as a “Prime Cut.”
- The National Taxpayers Union identified the OPIC as a program to be eliminated in its Toward Common Ground report, stating “though well-intended, these programs often fund profitable companies or their trade associations.”
- The CATO Institute wrote that “the Congress should abolish this front of international corporate welfare."

Cost to Taxpayers: According to the CBO, H.R. 2548 would reduce net outlays by $86 million, subject to appropriations, over the 2014 – 2019 window. The savings come from OPIC loan programs that have low default rates and high fees that result in a profit for the government. The CBO also assumes the OPIC would be appropriated $122 million in new administrative expenses (administrative expenses in FY14 amount to $63 million) and $52 million in new subsidies. The CBO projects that the President’s initiative to promote access to electricity in Africa would be appropriated a total of $1 million over the 2014 – 2019 window.

Does the Bill Expand the Size and Scope of the Federal Government?: Yes, the bill requires the development of a U.S. strategy regarding energy development in Africa.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: According to the CBO, the bill “contains no intergovernmental or private-sector mandates.”

Does the Bill Contain Any Federal Encroachment into State or Local Authority in Potential Violation of the 10th Amendment?: No.

Does the Bill Delegate Any Legislative Authority to the Executive Branch?: Yes, the bill requires the President to develop a strategy regarding U.S. policy towards African energy development, which the President will outline to the Congress.

Does the Bill Contain Any Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: According to the Committee Report, the bill “contains no congressional earmarks, limited tax benefits, or limited tariff benefits.”

Constitutional Authority: “Congress has the power to enact this legislation pursuant to the following: Article 1, Section 8 of the Constitution.”

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H.R. 4366 - Strengthening Education through Research Act — (Rokita, *R-IN*)

Order of Business: H.R. 4366 is scheduled to be considered on May 7, 2014, under a motion to suspend the rules and pass the bill, which requires a two-thirds majority vote for passage.

Summary: This bill is the first reauthorization of the Education Sciences Reform Act (ESRA) which aims to strengthen the Institute of Education Sciences (IES). According to the committee, the purpose of this bill is to: improve and streamline the federal education research system; increase relevance of education research while maintain rigor; promote accountability for federal education programs; maintain independence from politics and bias; protect student and individual privacy; continue National Assessment of Educational Progress (NAEP) to measure student achievement; and establish responsible authorization levels.

Title I reauthorizes funding for the Institute of Education Sciences within the Department of Education that conducts and oversees education research. This section clarifies the mission, functions and priorities of the IES and its four research centers.

Title II reauthorizes the Educational Technical Assistance Act (ETAA), which authorizes two grant programs at the Department of Education. The Comprehensive Centers (CCs) program is a technical assistance system designed to help states implement federal laws; reform low-performing schools; and produce research and products on specific areas of expertise. This section reduces the number of CCs from 22 to 17 to eliminate duplication.

Title III reauthorizes the National Assessment of Educational Progress (NAEP) Authorization Act. This act authorizes funding for overseeing and administering a series of assessments of student achievement in mathematics and reading. This bill clarifies the duties of the National Assessment Governing Board (NAGB) which include: oversees and sets policies for the National Assessment of Educational Progress in line with its duties; specify school leaders as members of the Assessment Board; clarify how vacancies on the Assessment Board are filled; and expand and clarify the duties of the Assessment Board.

Additional Background: The Education Sciences Reform Act was passed in 2002 to reform the federal government's main education research activities. The Institute of Educational Sciences (IES) - created under the Education Sciences Reform Act – is the semi-independent research arm of the Department of Education which intends to provide "national leadership in expanding fundamental knowledge and understanding of education from early childhood through postsecondary study" and apply stringent standards to education research. The IES consists of four research centers, the National Center for Education Research (NCER), the National Center for Education Statistics (NCES), the National Center for Education Evaluation and Regional Assistance (NCEE), and the National Center for Special Education Research (NCSER).

The National Assessment of Educational Progress (NAEP), otherwise known as the Nation's Report Card, informs the public about the academic achievement of elementary and secondary students in the United States.

Here is more information provided by the Education and Workforce Committee as well as a committee report.

Committee Action: This bill was introduced on April 2, 2014, by Representative Rokita and it was referred to House Committee on Education and Workforce. The Committee held a mark-up on April 8, 2014, and the bill was reported out (as amended) by voice vote.

Outside Groups:
American Association of School Administrators
Center for Education Research
Council of Chief State School Officers
Data Quality Campaign
Knowledge Alliance
Learning and Academic Research Network
National Assessment Governing Board
Workforce Data Quality Campaign

Administration Position: No statement of administration policy is available at this time.

Cost to Taxpayers: CBO estimates that implementing the bill would cost $2.0 billion over the 2015-2019 period, assuming the appropriation of the authorized amounts. According to the committee, the bill authorizes funding levels at $97 million below what is currently authorized for FY 2003-2008.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: H.R. 4366 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

Does the Bill Delegate Any Legislative Authority to the Executive Branch?: No.

Constitutional Authority: According to the sponsor, "Congress has the power to enact this legislation pursuant to the following: Article I, section 8 of the Constitution of the United States." Read the statement here.

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H.R. 4438 – American Research and Competiveness Act of 2014 (Brady, *R-TX*)

Order of Business: The bill is scheduled to be considered on May 7, 2014, subject to a rule.

Summary: H.R. 4438 makes the alternative simplified research credit permanent and increases the rate from 14 percent to 20 percent. A taxpayer is allowed to receive a 20 percent credit for qualified research expenses that exceed 50 percent of the average qualified research expenses from the three previous years. In addition, the taxpayer is allowed to receive a credit of 20 percent of the basic research payments for the tax year that exceeds 50 of the average basic research expenses for the previous three years. The taxpayer is also able to receive a credit of 20 percent of all expenses (regardless of the base amount) that was paid to an energy research consortium to conduct energy research on behalf of the taxpayer. The bill increases the amount that taxpayers who incurred no qualified research expenses in any of the three years can claim from 6 percent to 10 percent. The traditional 20 percent research credit calculation is repealed.

The repeal of the traditional 20 percent research credit would be effective for tax years beginning after 2013. The alternative simplified research credit would generally be effective for costs paid and incurred after December 31, 2013.

Additional Information: "Tax extenders" include more than 50 separate tax provisions, many of which have been extended multiple times. The Committee on Ways and Means has passed six bills out of committee to make certain extenders a permanent part of the U.S. tax code. Alternatively, the Senate is considering a tax extenders package that would provide a two-year extension for a majority of the individual provisions that expired at the end of 2013. These extenders were most recently enacted as part of the "fiscal cliff" deal at the beginning of 2013. For a detailed discussion on tax extenders see the Issue Brief by the Curtis Dubay with the Heritage Foundation available here. In addition, Americans for Tax Reform also published a discussion on tax extenders on their website available here. According to the Committee on Ways and Means, "Qualified research expenses eligible for the research tax credit consist of: (1) in-house expenses of the taxpayer for wages and supplies attributable to qualified research; (2) certain time-sharing costs for computer use in qualified research; and (3) 65 percent of amounts paid or incurred by the taxpayer to certain other persons for qualified research conducted on the taxpayer's behalf (so-called contract research expenses)."

Additional statistics:

- According to a report by Battelle, "China's China's R&D spending could surpass U.S. by early 2020's."
- According to the Committee Report (Section D, page 11), "JCT staff estimates this bill could increase research expenditures by up to 10 percent."

Committee Action: H.R. 4438 was introduce on April 9, 2014, and referred to the House Committee on Ways and Means. On April 29, 2014, the Committee favorable approved the bill by a vote of 22 – 12.

Conservative Concerns: Some conservatives have expressed concern that the reduction in revenue (the cost) is not offset. However, the R & D credit been a part of the tax code (as approved on a temporary basis) since the 1981 Reagan tax cut and is not a new tax cut. In addition, when calculating the baseline the Congressional Budget Office (CBO) assumes that Congress will allow tax-expiring provisions to remain permanently expired. Alternatively, CBO assumes that Congress will permanently continue expiring spending programs such as highway spending, annual appropriations, and the farm bill when calculating the discretionary baseline. Since CBO assumes that the expiration of the tax extenders will remain permanent it raises CBO's revenue baseline. Therefore, according to this model, any permanent extension of the tax-reducing policy results in reduction in revenue (a cost). A more detailed explanation is available here.

Outside Groups in Support:

- **U.S. Chamber of Commerce:** "The Chamber strongly urges you to support H.R. 4438 and may consider votes on, or in relation to, this bill in our annual *How They Voted* scorecard."
- **National Association of Manufacturers:** "The NAM's Key Vote Advisory Committee has indicated that votes on H.R. 4438 may be considered for designation as Key Manufacturing Votes in the 113th Congress."
- **Americans for Tax Reform**
- **R & D Credit Coalition.** A list of member companies can be viewed here.
- **Biotechnology Industry Association**

Administration Position: The Executive Office of the President issued a Statement of Administration Policy that stated, "If the President were presented with H.R. 4438, his senior advisors would recommend that he veto the bill."

Cost to Taxpayers: According to the Congressional Budget Office cost estimate "enacting H.R. 4438 would reduce revenues, thus increasing federal deficits, by about $156 billion over the 2014-2024 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.

Constitutional Authority: According to the sponsor, Congress has the power to enact this legislation pursuant to the following: Article I, Section 8 of the United States Constitution: ``The Congress shall have power to lay and collect taxes, duties, imposts, and excises. . ." Congressman Brady's statement in the Congressional Record can be viewed here.

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