

104TH CONGRESS
2D SESSION

H. R. 3351

To establish a Corporate Independence Commission, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 30, 1996

Mr. FOGLIETTA (for himself, Mr. BONIOR, Mr. WAXMAN, Ms. MCKINNEY, Mr. RAHALL, Mr. KLECZKA, Mr. WATT of North Carolina, Mr. MINGE, Mr. MORAN, Mr. LANTOS, Mr. KENNEDY of Massachusetts, Mr. COLEMAN, Ms. NORTON, Mr. BARRETT of Wisconsin, Mr. EVANS, Ms. RIVERS, Mr. FILNER, Mr. DEUTSCH, Mr. SERRANO, Mr. LIPINSKI, and Mr. HINCHEY) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish a Corporate Independence Commission, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This title may be cited as the “Corporate Welfare Re-
5 form Act”.

1 **SEC. 2. CORPORATE INDEPENDENCE COMMISSION.**

2 (a) ESTABLISHMENT.—There is established an inde-
3 pendent commission to be known as the “Corporate Inde-
4 pendence Commission” to study reductions in corporate
5 subsidies to reduce the Federal budget deficit.

6 (b) DUTIES.—The Commission shall carry out the
7 duties specified for it in this Act.

8 (c) APPOINTMENT.—

9 (1) NUMBER OF MEMBERS.—The Commission
10 shall be composed of eight members appointed by
11 the President.

12 (2) TIME OF APPOINTMENTS.—The President
13 shall appoint the members of the Commission not
14 later than 6 months after the date of the enactment
15 of this Act.

16 (3) CONSULTATION.—In selecting individuals
17 for appointments to the Commission, the President
18 shall consult with—

19 (A) the Speaker of the House of Rep-
20 resentatives concerning the appointment of two
21 members;

22 (B) the majority leader of the Senate con-
23 cerning the appointment of two members;

24 (C) the minority leader of the House of
25 Representatives concerning the appointment of
26 one member; and

1 (D) the minority leader of the Senate con-
2 cerning the appointment of one member.

3 (4) CHAIRMAN.—At the time the President ap-
4 points members to the Commission, the President
5 shall designate one such individual who shall serve
6 as Chairman of the Commission.

7 (d) TERMS.—Each member of the Commission shall
8 be appointed to serve for the life of the Commission.

9 (e) MEETINGS.—Each meeting of the Commission,
10 other than meetings in which classified information is to
11 be discussed, shall be open to the public.

12 (f) VACANCIES.—A vacancy in the Commission shall
13 be filled in the same manner as the original appointment.

14 (g) PAY AND TRAVEL EXPENSES.—

15 (1) PAY.—

16 (A) IN GENERAL.—Each member of the
17 Commission, other than the Chairman, shall be
18 paid at a rate not to exceed the daily equivalent
19 of the minimum annual rate of basic pay pay-
20 able for level IV of the Executive Schedule
21 under section 5315 of title 5, United States
22 Code, for each day (including travel time) dur-
23 ing which the member is engaged in the actual
24 performance of duties vested in the Commis-
25 sion.

1 (B) CHAIRMAN.—The Chairman shall be
2 paid for each day referred to in subparagraph
3 (A) at a rate not to exceed the daily equivalent
4 of the minimum annual rate of basic pay pay-
5 able for level III of the Executive Schedule
6 under section 5314 of title 5, United States
7 Code.

8 (2) TRAVEL EXPENSES.—Members of the Com-
9 mission shall receive travel expenses, including per
10 diem in lieu of subsistence, in accordance with sec-
11 tions 5702 and 5703 of title 5, United States Code.

12 (3) PROHIBITION OF COMPENSATION OF FED-
13 ERAL EMPLOYEES.—Members of the Commission
14 who are full-time officers or employees of the United
15 States, or Members of Congress, may not receive ad-
16 ditional pay, allowances, or benefits by reason of
17 their service on the Commission.

18 (h) DIRECTOR OF STAFF.—

19 (1) IN GENERAL.—The Commission shall ap-
20 point a Director.

21 (2) PAY.—The Director shall be paid at a rate
22 not to exceed the rate of basic pay payable for level
23 IV of the Executive Schedule under section 5315 of
24 title 5, United States Code.

25 (i) STAFF.—

1 (1) IN GENERAL.—Subject to paragraphs (2)
2 and (3), the Director, with the approval of the Com-
3 mission, may appoint and fix the pay of additional
4 personnel.

5 (2) APPOINTMENT AND PAY.—The Director
6 may make such appointments without regard to the
7 provisions of title 5, United States Code, governing
8 appointments in the competitive service, and any
9 personnel so appointed may be paid without regard
10 to the provisions of chapter 51 and subchapter III
11 of chapter 53 of that title (relating to classification
12 and General Schedule pay rates), except that an in-
13 dividual so appointed may not receive pay in excess
14 of the annual rate of basic pay payable for level IV
15 of the Executive Schedule under section 5315 of title
16 5, United States Code.

17 (3) DETAILING FROM FEDERAL DEPARTMENTS
18 AND AGENCIES.—Upon request of the Director, the
19 head of any Federal department or agency may de-
20 tail any of the personnel of that department or agen-
21 cy to the Commission to assist the Commission in
22 carrying out its duties under this Act.

23 (4) ASSISTANCE FROM COMPTROLLER GEN-
24 ERAL.—The Comptroller General of the United
25 States shall provide assistance, including the detail-

1 ing of employees, to the Commission in accordance
2 with an agreement entered into between the Comp-
3 troller General and the Commission.

4 (j) OTHER AUTHORITY.—

5 (1) EXPERTS AND CONSULTANTS.—The Com-
6 mission may procure by contract, to the extent funds
7 are available, the temporary or intermittent services
8 of experts or consultants pursuant to section 3109
9 of title 5, United States Code.

10 (2) LEASING AND PERSONAL PROPERTY.—The
11 Commission may lease space and acquire personal
12 property to the extent funds are available. To the
13 extent practicable, the Commission shall use suitable
14 real property available under the most recent inven-
15 tory of real property assets published by the Resolu-
16 tion Trust Corporation under section 21A(b)(11)(F)
17 of the Federal Home Loan Bank Act (12 U.S.C.
18 1441a(b)(11)(F)).

19 (k) FUNDING.—There are authorized to be appro-
20 priated to the Commission such funds as are necessary
21 to carry out its duties under this Act. Such funds shall
22 remain available until expended.

23 (l) TERMINATION.—The Commission shall terminate
24 not later than September 30, 2003.

1 **SEC. 3. PROCEDURE FOR MAKING RECOMMENDATIONS**
2 **FOR CORPORATE SUBSIDY REDUCTIONS.**

3 (a) **CRITERIA.**—

4 (1) **IN GENERAL.**—Not later than 8 months
5 after the date of the enactment of this Act, the
6 Chairman of the Commission shall publish in the
7 Federal Register and transmit to the Congress a
8 preliminary draft of the criteria which the Chairman
9 proposes should be used in making recommendations
10 for reductions in corporate subsidies under this Act.
11 Before the publication required by this paragraph,
12 the Chairman shall provide an opportunity for public
13 comment on the proposed criteria for a period of at
14 least 30 days and shall hold a public hearing on the
15 proposed criteria. The Chairman shall provide the
16 public with appropriate notice of such opportunity to
17 comment and of such hearing.

18 (2) **FACTORS CONSIDERED.**— In developing the
19 criteria, the Chairman shall consider—

20 (A) the income categories of individuals af-
21 fected by any reduction in corporate subsidies,

22 (B) the number of individuals affected by
23 any such reduction,

24 (C) the impact of any such reduction on
25 various geographic regions,

1 (D) the number, type, and size of busi-
2 nesses affected by any such reduction, and

3 (E) the impact of any such reduction on
4 job loss.

5 (3) PUBLICATION AND TRANSMISSION.—Not
6 later than 10 months after the date of the enact-
7 ment of this Act, the Chairman shall publish in the
8 Federal Register and transmit to the Congress the
9 final criteria to be used in making recommendations
10 for reductions in corporate subsidies under this Act.

11 (4) AVAILABILITY OF INFORMATION.—The
12 Chairman shall make available to the Commission
13 and to the Comptroller General of the United States
14 all information used by the Chairman in formulating
15 the criteria.

16 (b) REVIEW AND RECOMMENDATIONS BY THE COM-
17 MISSION.—

18 (1) IN GENERAL.—Once during the term of
19 every Congress, for the life of the Commission, the
20 Commission shall identify and review corporate sub-
21 sidies and shall publish in the Federal Register and
22 transmit to the President and the Congress a report
23 containing a list of corporate subsidy reductions that
24 the Commission recommends on the basis of—

1 (A) the final criteria referred to in sub-
 2 section (a), and

3 (B) a weighing of the cost of each subsidy
 4 recommended to be reduced or eliminated
 5 against the value of the subsidy in creating
 6 jobs.

7 (2) DATE OF SUBMISSION.—The Commission
 8 shall submit the first report required by paragraph
 9 (1) not later than 7 months after the date of the
 10 publication required by subsection (a)(3).

11 (3) RECOMMENDATIONS.—In each report re-
 12 quired by paragraph (1), the Commission shall rec-
 13 ommend corporate subsidy reductions sufficient to
 14 raise the appropriate amount of revenue in each of
 15 the first 2 fiscal years (or 1 fiscal year, in the case
 16 of the 4th such report) beginning in calendar years
 17 beginning after the date of the transmission of such
 18 report under paragraph (1), as determined under
 19 the following table:

If the calendar year is:	The appropriate amount is:
The 1st beginning after the 1st report	\$3,000,000,000
The 2d beginning after the 1st report	\$3,000,000,000
The 1st beginning after the 2d report	\$5,000,000,000
The 2d beginning after the 2d report	\$5,000,000,000
The 1st beginning after the 3d report	\$7,000,000,000
The 2d beginning after the 3d report	\$12,000,000,000
The 1st beginning after the 4th report	\$15,000,000,000.

20 (4) PUBLIC HEARINGS.—Before the trans-
 21 mission of any report under paragraph (1), the

1 Commission shall conduct public hearings on the
2 recommendations contained in such report.

3 (5) ADDITIONAL CONTENTS OF REPORT.—The
4 Commission shall include, with each list of rec-
5 ommendations published and transmitted under
6 paragraph (1)—

7 (A) a summary of the selection process
8 that resulted in the recommendations,

9 (B) with respect to each subsidy which the
10 Commission recommends to be reduced or
11 eliminated, an analysis of the costs (including
12 costs resulting from job loss) and savings that
13 would result from such elimination or reduction,
14 and

15 (C) legislative language which if enacted
16 would have the effect of carrying out all of the
17 corporate subsidy reductions which are rec-
18 ommended by the Commission on such list.

19 (6) RECOMMENDATIONS FOR ALTERNATIVE
20 METHODS OF FUNDING.—The Commission may in-
21 clude, with such list, recommendations for alter-
22 native methods for funding some or all of the cor-
23 porate subsidies contained on such list. The rec-
24 ommended alternative methods for funding may in-

1 clude, but need not be limited to, the imposition of
2 user fees.

3 (7) AVAILABILITY OF INFORMATION.—After
4 transmitting a report under paragraph (1), the Com-
5 mission shall make available to the Congress and the
6 Comptroller General of the United States all infor-
7 mation used by the Commission in making the rec-
8 ommendations contained in such report.

9 (c) ASSISTANCE FROM COMPTROLLER GENERAL.—
10 The Comptroller General of the United States shall—

11 (1) assist the Commission, to the extent re-
12 quested by the Commission, in the Commission’s re-
13 view and analysis of the criteria transmitted by the
14 Chairman under subsection (a); and

15 (2) not later than 45 days after each trans-
16 mission required by subsection (b)(1), transmit to
17 the Congress, to the President, and to the Commis-
18 sion a report containing a detailed analysis of the
19 Commission’s recommendations and selection proc-
20 ess.

21 (d) REVIEW BY THE PRESIDENT.—

22 (1) NOTICE OF APPROVAL, DISAPPROVAL, OR
23 PARTIAL APPROVAL.—Not later than 90 days after
24 each transmission under subsection (c)(2), the Presi-
25 dent shall transmit to the Commission and to the

1 Congress either a notice of the President's approval
2 of all of the recommendations contained in the Com-
3 mission's report or a notice of the President's dis-
4 approval or partial approval of such recommenda-
5 tions.

6 (2) TRANSMISSION IF APPROVAL.—If the Presi-
7 dent approves all of the recommendations of the
8 Commission, the President shall transmit to the
9 Congress a copy of such recommendations, a certifi-
10 cation of such approval, and a copy of the legislative
11 language submitted by the Commission under sub-
12 section (b)(5).

13 (3) TRANSMISSION AND REVISED LIST IF DIS-
14 APPROVAL.—If the President disapproves the rec-
15 ommendations of the Commission, in whole or in
16 part, the President shall transmit to the Commission
17 and the Congress the reasons for such disapproval.
18 The Commission shall then transmit to the Presi-
19 dent, not later than 30 days after the transmission
20 of such reasons, a revised list of recommendations
21 for corporate subsidy reductions and revised legisla-
22 tive language which if enacted would have the effect
23 of carrying out all corporate subsidy reductions
24 which are recommended by the Commission on such
25 revised list.

1 (4) TRANSMISSION AFTER REVISED REC-
2 COMMENDATIONS.—Not later than 30 days after the
3 Commission transmits a revised list of recommenda-
4 tions and revised language under paragraph (3), the
5 President shall transmit to the Congress—

6 (A) a copy of such revised list of rec-
7 ommendations and such revised language,

8 (B) a report containing the President’s ap-
9 proval, partial approval, or disapproval of the
10 recommendations on the revised list, and

11 (C) if the President approves all of the rec-
12 ommendations on the revised list, a certification
13 of such approval.

14 **SEC. 4. INTRODUCTION OF DRAFT LEGISLATION FOR COR-**
15 **PORATE SUBSIDY REDUCTION.**

16 The legislative language transmitted to the Congress
17 under section 3(d) shall be introduced as a bill by the ma-
18 jority leader of the House of Representatives and the ma-
19 jority leader of the Senate.

20 **SEC. 5. JOINT COMMITTEE ON CORPORATE SUBSIDY RE-**
21 **DUCTION.**

22 (a) ESTABLISHMENT.—There is established a Joint
23 Committee on Corporate Subsidy Reduction.

24 (b) MEMBERSHIP.—

1 (1) IN GENERAL.—The Joint Committee shall
2 consist of 22 members as follows:

3 (A) 11 members of the House of Rep-
4 resentatives, to be appointed by the majority
5 leader of the House of Representatives, 6 from
6 the majority and 5 from the minority party.

7 (B) 11 members of the Senate, to be ap-
8 pointed by the majority leader of the Senate, 6
9 from the majority and 5 from the minority
10 party.

11 (2) MANNER OF APPOINTMENTS.—In making
12 appointments under paragraph (1), the majority
13 leader of the House of Representatives and the ma-
14 jority leader of the Senate shall give due consider-
15 ation to providing appropriate representation on the
16 Joint Committee to committees of the House and
17 Senate, respectively, which have jurisdiction over
18 matters relating to corporate subsidies.

19 (3) TIME OF APPOINTMENTS.—The appoint-
20 ments referred to in paragraph (1) shall be made
21 not later than 30 days after the first transmission
22 of recommendations under section 3(b)(1).

23 (b) VACANCIES.—Vacancies in the membership of the
24 Joint Committee shall not affect the power of the remain-
25 ing members to execute the functions of the Joint Com-

1 mittee and shall be filled in the same manner as in the
2 case of the original appointment.

3 (c) CHAIRMAN AND VICE CHAIRMAN.—The Joint
4 Committee shall elect a chairman and vice chairman from
5 among its members at the beginning of each Congress in
6 which the Joint Committee exists. The vice chairman shall
7 be chosen from among the members of that House of Con-
8 gress other than the House of Congress of which the chair-
9 man is a member. The vice chairman shall act in the place
10 and stead of the chairman in the absence of the chairman.

11 (d) STAFF.—The Joint Committee is authorized to
12 appoint and fix the compensation of such professional and
13 clerical staff and such experts as it deems appropriate.

14 (e) LEGISLATIVE JURISDICTION AND POWERS.—

15 (1) LEGISLATIVE JURISDICTION.—Bills intro-
16 duced under section 4 and other bills and resolutions
17 which if enacted would accomplish the government-
18 wide reduction or elimination of corporate subsidies
19 shall be referred to the Joint Committee. The mem-
20 bers of the Joint Committee who are Members of the
21 Senate shall from time to time report to the Senate,
22 and the members of the Joint Committee who are
23 Members of the House of Representatives shall from
24 time to time report to the House of Representatives,
25 by bill or otherwise, their recommendations with re-

1 spect to matters within the jurisdiction of their re-
2 spective Houses which are referred to the Joint
3 Committee.

4 (2) POWERS.—The Joint Committee, or any
5 duly authorized subcommittee thereof, is authorized
6 to sit and act at such places and times and to hold
7 such hearings as it deems appropriate. The Joint
8 Committee, or any duly authorized subcommittee
9 thereof, is authorized to require by subpoena (to be
10 issued under the signature of the chairman or vice
11 chairman) or otherwise the attendance of such wit-
12 nesses and the production of such books, papers,
13 and documents, to administer such oaths and affir-
14 mations, to take such testimony, to procure such
15 printing and binding, and to make such expenditures
16 as it deems advisable.

17 (f) HOUSE OF REPRESENTATIVES EXPENSES.—Not-
18 withstanding any law, rule, or other authority, there shall
19 be paid out of the applicable accounts of the House of
20 Representatives such sums as may be necessary for one-
21 half of the expenses of the Joint Committee. Such pay-
22 ments shall be made on vouchers signed by the House of
23 Representatives chairman or vice chairman of the Joint
24 Committee and approved in the manner directed by the
25 Committee on House Oversight of the House of Rep-

1 representatives. Amounts made available under this para-
2 graph shall be expended in accordance with regulations
3 prescribed by the Committee on House Oversight of the
4 House of Representatives.

5 **SEC. 6. CONGRESSIONAL CONSIDERATION OF COMMISSION**
6 **REPORT.**

7 (a) DISCHARGE OF CORPORATE SUBSIDY REDUC-
8 TION LEGISLATION.—If the Joint Committee has not re-
9 ported a bill introduced under section 4 by the end of the
10 20-day period beginning on the date of such introduction,
11 the Joint Committee shall be, at the end of such period,
12 discharged from further consideration of such bill, and
13 such bill shall be placed on the appropriate calendar of
14 the House involved.

15 (b) CONSIDERATION.—

16 (1) IN GENERAL.—On or after the third day
17 after the date on which the Joint Committee has re-
18 ported, or has been discharged (under subsection
19 (a)) from further consideration of, a bill introduced
20 under section 4, it is in order (even though a pre-
21 vious motion to the same effect has been disagreed
22 to) for any Member of the respective House to move
23 to proceed to the consideration of such bill (but only
24 on the day after the calendar day on which such
25 Member announces to the House concerned the

1 Member's intention to do so). All points of order
2 against the bill (and against consideration of the
3 bill) are waived. The motion is highly privileged in
4 the House of Representatives and is privileged in the
5 Senate and is not debatable. The motion is not sub-
6 ject to amendment, or to a motion to postpone, or
7 to a motion to proceed to the consideration of other
8 business. A motion to reconsider the vote by which
9 the motion is agreed to or disagreed to shall not be
10 in order. If a motion to proceed to the consideration
11 of the bill is agreed to, the respective House shall
12 immediately proceed to consideration of the bill with-
13 out intervening motion, order, or other business, and
14 the bill shall remain the unfinished business of the
15 respective House until disposed of.

16 (2) DEBATE, ETC.—Debate on the subsidy re-
17 duction bill, and on all debatable motions and ap-
18 peals in connection therewith, shall be limited to not
19 more than 2 hours, which shall be divided equally
20 between those favoring and those opposing the bill.
21 An amendment to the bill is not in order. A motion
22 further to limit debate is in order and not debatable.
23 A motion to postpone, or a motion to proceed to the
24 consideration of other business, or a motion to re-
25 commit the bill is not in order. A motion to recon-

1 sider the vote by which the bill is agreed to or dis-
2 agreed to is not in order.

3 (3) VOTE.—Immediately following the conclu-
4 sion of the debate on the subsidy reduction bill and
5 a single quorum call at the conclusion of the debate
6 (if requested in accordance with the rules of the ap-
7 propriate House), the vote on final passage of the
8 bill shall occur.

9 (4) APPEALS.—Appeals from the decisions of
10 the Chair relating to the application of the rules of
11 the Senate or the House of Representatives, as the
12 case may be, to the procedure relating to the subsidy
13 reduction bill shall be decided without debate.

14 **SEC. 7. AUTHORITY OF COMMISSION TO IMPLEMENT REC-**
15 **COMMENDATIONS UNLESS CONGRESS ACTS.**

16 Notwithstanding any other provision of law, upon the
17 expiration of the 45-day period beginning on the later of
18 the date of the introduction of a bill under section 4 in
19 the House and the date of such introduction in the Senate,
20 the Commission shall have the authority to reduce or
21 eliminate any corporate subsidy identified under section
22 3(b) to the extent specified in the recommendations trans-
23 mitted under section 3(d), unless—

1 (1) a Joint Resolution disapproving of all of
2 such recommendations becomes law before the expi-
3 ration of such period, or

4 (2) a bill introduced under section 4, a bill
5 which the Joint Committee reports under section
6 6(a), or a bill with respect to which the Joint Com-
7 mittee has been discharged under such section from
8 further consideration, becomes law before the expira-
9 tion of such period.

10 **SEC. 8. RULES OF THE SENATE AND HOUSE.**

11 Sections 5 and 6 are enacted by the Congress—

12 (1) as an exercise of the rulemaking power of
13 the Senate and House of Representatives, respec-
14 tively, and as such sections 5 and 6 are deemed a
15 part of the rules of each House, respectively, but ap-
16 plicable only with respect to the procedure to be fol-
17 lowed in that House in the case of the subsidy re-
18 duction bill, and such sections supersede other rules
19 only to the extent that such sections are inconsistent
20 with such rules; and

21 (2) with full recognition of the constitutional
22 right of either House to change the rules (so far as
23 relating to the procedure of that House) at any time,
24 in the same manner, and to the same extent as in
25 the case of any other rule of that House.

1 **SEC. 9. DEFINITIONS.**

2 For purposes of this Act:

3 (1) CHAIRMAN.—The term “Chairman” means
4 the Chairman of the Corporate Independence Com-
5 mission.

6 (2) COMMISSION.—The term “Commission”
7 means the Corporate Independence Commission.

8 (3) CORPORATE SUBSIDY.—The term “cor-
9 porate subsidy”—

10 (A) includes spending subsidies (including
11 those for inland waterway operators), tax sub-
12 sidies, free or below-market-rate services, and
13 trade protections, which are provided by the
14 Federal government to or with respect to any
15 corporation, and

16 (B) does not include any subsidy, service,
17 or protection provided directly or indirectly by
18 the Federal government to any Federal entity,
19 Federal agency, government-sponsored enter-
20 prise, or Government corporation (as defined in
21 section 9101 of title 31, United States Code).

22 (4) GOVERNMENT-SPONSORED ENTERPRISE.—
23 The term “government-sponsored enterprise” means
24 the Federal National Mortgage Association, the Fed-
25 eral Home Loan Mortgage Corporation, the Federal
26 Home Loan Bank System, the Farm Credit Banks,

1 the Banks for Cooperatives, the Federal Agricultural
2 Mortgage Corporation, the Student Loan Marketing
3 Association, the College Construction Loan Insur-
4 ance Association, and any of their affiliated or mem-
5 ber institutions.

6 (5) JOINT COMMITTEE.—The term “Joint Com-
7 mittee” means the Joint Committee on Corporate
8 Subsidy Reduction.

9 (6) SUBSIDY REDUCTION BILL.—The term
10 “subsidy reduction bill” means a bill introduced
11 under section 4 which the Joint Committee has re-
12 ported or with respect to which the Joint Committee
13 has been discharged under section 6(a) from further
14 consideration.

○