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HOUSE OF REPRESENTATIVES

{ REPORT  
104-872

REPORT ON THE ACTIVITIES  
OF THE  
COMMITTEE ON WAYS AND MEANS  
DURING THE  
104TH CONGRESS



DECEMBER 20, 1996.—Committed to the Committee of the Whole House  
on the State of the Union and ordered to be printed

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**LETTER OF TRANSMITTAL**

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HOUSE OF REPRESENTATIVES,  
COMMITTEE ON WAYS AND MEANS,  
*Washington, DC, December 20, 1996.*

Hon. ROBIN H. CARLE,  
*Clerk of the House of Representatives,  
The Capitol, Washington DC.*

DEAR MS. CARLE: I am herewith transmitting, pursuant to House Rule XI, clause 2(d), and House Resolution 546, the report of the Committee on Ways and Means on its legislative and oversight activities during the 104th Congress. With best personal regards,

Sincerely,

BILL ARCHER, *Chairman.*



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## FOREWORD

Clause 1(d) of Rule XI of the Rules of the House, regarding the rules of procedure for committees, contains a requirement that each committee prepare a report at the conclusion of each Congress summarizing its activities. The 104th Congress added subsections on legislative and oversight activities, including a summary comparison of oversight plans and eventual recommendations and actions. The full text of the Rule follows:

(d)(1) Each committee shall submit to the House not later than January 2 of each odd-numbered year, a report on the activities of that committee under this rule and rule X during the Congress ending on January 3 of such year.

(2) Such report shall include separate sections summarizing the legislative and oversight activities of the committee during that Congress.

(3) The oversight section of such report shall include a summary of the oversight plans submitted by the committee pursuant to clause 2(d) of rule X, a summary of the actions taken and recommendations made with the respect to each such plan, and, summary of any additional oversight activities undertaken by that committee, and any recommendations made or actions taken thereon.

The jurisdiction of the Committee on Ways and Means during the 104th Congress is provided in Rule X, clause 1(s), as follows:

(s) Committee on Ways and Means.

(1) Customs, collection districts, and ports of entry and delivery.

(2) Reciprocal trade agreements.

(3) Revenue measures generally.

(4) Revenue measures relating to the insular possessions.

(5) The bonded debt of the United States (subject to the last sentence of clause 4(g) of this rule).

(6) The deposit of public moneys.

(7) Transportation of dutiable goods.

(8) Tax exempt foundations and charitable trusts.

(9) National social security, except (A) health care and facilities programs that are supported from general revenues as opposed to payroll deductions and (B) work incentive programs.

The general oversight responsibilities of committees are set forth in clause 2 of Rule X. The 104th Congress also added the requirement in clause 2(d) of Rule X that each standing committee submit its oversight plans for each Congress. The text of the Rule, in pertinent part, follows:

## 2. (a) In order to assist the House in—

(1) its analysis, appraisal, and evaluation of (A) the application, administration, execution, and effectiveness of the laws enacted by the Congress, or (B) conditions and circumstances which may indicate the necessity or desirability of enacting new or additional legislation, and

(2) its formulation, consideration, and enactment of such modifications of or changes in those laws, and of such additional legislation, as may be necessary or appropriate, the various standing committees shall have oversight responsibilities as provided in paragraph (b).

(b)(1) Each standing committee (other than the Committee on Appropriations and the Committee on the Budget) shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that committee and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, each such committee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of that committee (whether or not any bill or resolution has been introduced with respect thereto) and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of that committee. Each such committee having more than twenty members shall establish an oversight subcommittee, or require its subcommittees, if any, to conduct oversight in the area of their respective jurisdiction, to assist in carrying out its responsibilities under this subparagraph. The establishment of oversight subcommittees shall in no way limit the responsibility of the subcommittees with legislative jurisdiction from carrying out their oversight responsibilities.

\* \* \* \* \*

(c) Each standing committee of the House shall have the function of reviewing and studying on a continuing basis the impact or probable impact of tax policies affecting subjects within its jurisdiction as described in clauses 1 and 3.

(d)(1) Not later than February 15 of the first session of a Congress, each standing committee of the House shall, in a meeting that is open to the public and with a quorum present, adopt its oversight plans for that Congress. Such plans shall be submitted simulta-

neously to the Committee on Government Reform and Oversight and to the Committee on House Oversight. In developing such plans each committee shall, to the maximum extent feasible—

(A) consult with other committees of the House that have jurisdiction over the same or related laws, programs, or agencies within its jurisdiction, with the objective of ensuring that such laws, programs, or agencies are reviewed in the same Congress and that there is a maximum of coordination between such committees in the conduct of such reviews; and such plans shall include an explanation of what steps have been and will be taken to ensure such coordination and cooperation;

(B) give priority consideration to including in its plans the review of those laws, programs or agencies operating under permanent budget authority or permanent statutory authority; and

(C) have a review toward ensuring that all significant laws, programs, or agencies within its jurisdictions are subject to review at least once every ten years.

During the 104th Congress, the Committee on Ways and Means had five standing Subcommittees, as follows:

Subcommittee on Trade;  
Subcommittee on Oversight;  
Subcommittee on Health;  
Subcommittee on Social Security; and  
Subcommittee on Human Resources.

The membership of the five Subcommittees of the Committee on Ways and Means in the 104th Congress is as follows:

#### SUBCOMMITTEE ON TRADE

PHILIP M. CRANE, Illinois, *Chairman*

BILL THOMAS, California	CHARLES B. RANGEL, New York
E. CLAY SHAW, JR., Florida	SAM M. GIBBONS, Florida
AMO HOUGHTON, New York	ROBERT T. MATSUI, California
MEL HANCOCK, Missouri	WILLIAM J. COYNE, Pennsylvania
DAVE CAMP, Michigan	L.F. PAYNE, Virginia
JIM RAMSTAD, Minnesota	RICHARD E. NEAL, Massachusetts
DICK ZIMMER, New Jersey	
JENNIFER DUNN, Washington	

#### SUBCOMMITTEE ON OVERSIGHT

NANCY L. JOHNSON, Connecticut, *Chairman*

WALLY HERGER, California	ROBERT T. MATSUI, California
MEL HANCOCK, Missouri	SANDER M. LEVIN, Michigan <sup>6</sup>
SAM JOHNSON, Texas <sup>2</sup>	GERALD D. KLECZKA, Wisconsin <sup>4</sup>
ROB PORTMAN, Ohio	BENJAMIN L. CARDIN, Maryland
JIM RAMSTAD, Minnesota	JIM McDERMOTT, Washington
DICK ZIMMER, New Jersey	MICHAEL R. McNULTY, New York <sup>5</sup>
GREG LAUGHLIN, Texas <sup>1</sup>	
JIMMMY HAYES, Louisiana <sup>3</sup>	

## SUBCOMMITTEE ON HEALTH

BILL THOMAS, California, *Chairman*

NANCY L. JOHNSON, Connecticut	FORTNEY PETE STARK, California
JIM McCRERY, Louisiana	BENJAMIN L. CARDIN, Maryland
JOHN ENSIGN, Nevada	JIM McDERMOTT, Washington
JON CHRISTENSEN, Nebraska	GERALD D. KLECZKA, Wisconsin
PHILIP M. CRANE, Illinois	JOHN LEWIS, Georgia
AMO HOUGHTON, New York	
SAM JOHNSON, Texas	

## SUBCOMMITTEE ON SOCIAL SECURITY

JIM BUNNING, Kentucky, *Chairman*

SAM JOHNSON, Texas	ANDY JACOBS, JR., Indiana
MAC COLLINS, Georgia	BARBARA B. KENNELLY, Connecticut
ROB PORTMAN, Ohio	L.F. PAYNE, Virginia
PHILIP S. ENGLISH, Pennsylvania	RICHARD E. NEAL, Massachusetts
JON CHRISTENSEN, Nebraska	
MEL HANCOCK, Missouri <sup>2</sup>	
GREG LAUGHLIN, Texas <sup>1</sup>	

## SUBCOMMITTEE ON HUMAN RESOURCES

E. CLAY SHAW, JR., Florida, *Chairman*

DAV CAMP, Michigan	HAROLD E. FORD, Tennessee
JIM McCRERY, Louisiana	BARBARA B. KENNELLY, Connecticut
MAC COLLINS, Georgia	SANDER M. LEVIN, Michigan
PHILIP S. ENGLISH, Pennsylvania	CHARLES B. RANGEL, New York
JIM NUSSLE, Iowa	FORTNEY PETE STARK, California
JENNIFER DUNN, Washington	
JOHN ENSIGN, Nevada	

<sup>1</sup> As of July 10, 1995.<sup>2</sup> January 1, 1995 to July 10, 1995.<sup>3</sup> As of February 28, 1996.<sup>4</sup> As of April 19, 1996.<sup>5</sup> As of March 20, 1996.<sup>6</sup> January 1, 1995 to April 19, 1996.

The Committee on Ways and Means submits its legislative and oversight activity review report for the 104th Congress pursuant to the above stated provisions of the Rules of the House. Section I of the report describes the Committees' legislative activities, divided into seven sections as follows: Legislative Review of Budget Reconciliation: Balanced Budget Act; Legislative Review of Tax, Trust Fund, and Pension Issues; Legislative Review of Trade Issues; Legislative Review of Health Issues; Legislative Review of Social Security Issues; Legislative Review of Human Resources Issues; and Legislative Review of Debt Issues.

Section II of the report describes the Committees' oversight activities. It includes a copy of the Committee's Oversight Agenda, adopted in open session on February 8, 1995, along with a description of actions taken and recommendations made with respect to the oversight plan. The report then discusses additional Committee oversight activities, and any recommendations or actions taken as a result. Finally, the report includes three appendices with Committee information which has historically been included in a separate committee publication (see WMCP: 103–29). Appendix I is an expanded discussion of the Jurisdiction of the Committee on Ways and Means; Appendix II is a brief Historical Note on the origins of the Committee; Appendix III is a Statistical Review of the Activi-

ties of the Committee on Ways and Means; and Appendix IV is a listing of the Chairmen and Membership of the Committee from the 1st–104th Congresses.

REPORT ON LEGISLATIVE AND OVERSIGHT ACTIVITY OF  
THE COMMITTEE ON WAYS AND MEANS DURING THE  
104TH CONGRESS

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DECEMBER 20, 1996.—Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed

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Mr. ARCHER, from the Committee on Ways and Means,  
submitted the following

REPORT

**I. Legislative Activity Review**

**A. LEGISLATIVE REVIEW OF BUDGET RECONCILIATION: THE  
BALANCED BUDGET ACT**

A major focus of the Committee's legislative activity in the 104th Congress was consideration of budget reconciliation legislation aimed at producing a balanced budget.

On February 7, 8, and 9, 1995, the full Committee held a hearing on the President's Fiscal Year 1996 budget.

On March 15, 1995, the Committee reported to the House, H.R. 1157, the "Welfare Transformation Act of 1995" (H. Rept. 104-81, Part I). On March 24, 1995, H.R. 4, the "Personal Responsibility Act," passed the House, with an amendment incorporating elements of H.R. 1157.

On May 18, 1995, the House approved H. Con. Res. 67, setting forth the Congressional budget for the United States Government for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, and the House agreed to the conference report on H. Con. Res. 67 on June 29, 1995.

On September 13, 1995, the Committee ordered reported to the Committee on the Budget—its Budget Reconciliation Recommendations—Trade Items, as amended. On September 19, 1995, the Committee ordered reported to the Committee on the Budget its Budget Reconciliation Recommendations, Revenue Items, as amended. On September 21, 1995, the Committee ordered reported to the Committee on the Budget its Budget Reconciliation Recommendations—Trade Adjustment Assistance, as amended.

On October 11, 1995, the Committee ordered reported to the House, H.R. 2425 the "Medicare Preservation Act," as amended.

On October 17, 1995, the Committee on the Budget reported to the House, H.R. 2491, the "Balanced Budget Act of 1995," which contained the recommendations of the Committee on Ways and Means, and the other House committees.

On October 26, 1995, H.R. 2491 passed the House, with an amendment in the nature of a substitute in the form of H.R. 2517, which incorporated by reference provisions of H.R. 4 and H.R. 2425, On November 17, 1995, the House agreed to the conference report on H.R. 2491. On November 20, 1995, the House agreed to a Senate amendment to H.R. 2491 (as a result of the application of the Byrd Rule in the Senate).

On December 6, 1995, the bill was vetoed by the President.

The major revenue provisions of H.R. 2491, the Balanced Budget Act of 1995, as approved by the Congress, were originally in H.R. 1215, the Contract With America Tax Relief Act of 1995: a \$500 per child tax credit for families with qualifying children under age 18; marriage penalty tax relief for two-earner couples; establishment of American Dream Individual Retirement Accounts (IRAs) permitting non-deductible contributions of \$2,000 per person per year to accounts from which qualifying distributions would be tax-free; an increase to \$2,000 in deductible IRA contributions for each spouse (including a homemaker not working outside the home) and other changes to the rules for deductible IRAs; tax incentives for private long-term care insurance; an exclusion from income of life insurance benefits received by terminally or chronically ill individuals; capital gains tax relief including a 50 percent capital gains deduction for individuals, indexation of the basis of capital assets for individuals, a 28 percent alternative tax rate for corporate capital gains, and a provision allowing homeowners selling at a loss a capital loss deduction; a deduction for the cost of leasehold improvements disposed of at the end of a lease term; reform of the corporate alternative minimum tax; an increase of the estate tax exemption to \$750,000 with future inflation indexing of that amount and several other estate tax thresholds; an increase to \$25,000 in the amount small businesses are eligible to expense (i.e., deduct in the year of purchase); clarification of the eligibility for a home office deduction; a \$5,000 adoption expense tax credit; and a \$1,000 deduction for home care of the elderly.

Other revenue provisions in the bill included a \$2,500 student loan interest deduction; extensions of expiring tax provisions (work opportunity tax credit, employer-provided education assistance, research and experimentation tax credit, orphan drug tax credit, deduction for contributions of appreciated stock to private foundations, commercial aviation fuel tax exemption, Airport and Airway Trust Fund excise taxes, Internal Revenue Service (IRS) user fees, Superfund and oil spill liability taxes, excise tax refund authority for alcohol fuels blenders, nonconventional fuels tax credit, Federal Unemployment Tax Act (FUTA) exemption for alien agricultural workers, and disclosure of return information to the Department of Veterans Affairs); sunset of the low income housing tax credit; an estate tax exemption for qualified family-owned business interests; an estate tax exclusion for property donated subject to a conserva-

tion easement; a change to the involuntary conversion rules for Presidentially-declared disaster areas; establishment of medical savings accounts; the Taxpayer Bill of Rights 2; intermediate sanctions for tax-exempt organizations; tax-exempt status for common investment funds; and tax simplification provisions relating to individuals, pensions, partnerships, international taxation, estate taxes, excise taxes, tax administration, and other matters.

The bill also contained several corporate income tax changes: reform of the tax treatment of certain corporate stock redemptions; a requirement of corporate tax shelter reporting; disallowance of the interest deduction with respect to corporate-owned life insurance policy loans; phase-out of preferential tax deferral for certain large farm corporations; phased-in repeal of the section 936 possessions tax credit; reform of the income forecast method of accounting; withdrawals of excess pension plan assets; modification of the exclusion for damages received on account of personal injuries; tax reporting for payments to attorneys; a provision to address tax-motivated expatriation; repeal of the business exclusion for energy subsidies provided by public utilities; modification to the basis adjustment and other rules under section 1033 (relating to involuntary conversions); disallowance of the rollover of gain on sale of a home to the extent of previous depreciation; limit tax-free rollovers to replacement homes within the United States; repeal of the exemption for gambling proceeds exceeding \$5,000 from bingo and keno; repeal of the tax credit for contributions to special Community Development Corporations; repeal of advance refunds of diesel fuel tax for diesel cars and light trucks; application of the failure to pay penalty to substitute returns; election to convert scholarship funding corporations into taxable corporations; a look-through rule for purposes of characterizing certain subpart F insurance income as unrelated business taxable income; repeal of the 50 percent interest exclusion for loans to Employee Stock Ownership Plans (ESOPs); modification of the ozone depleting chemicals tax; modification of the two-county tax-exempt bond rule; tax-exempt bonds for the Alaska Power Administration; modification of the treatment of foreign trusts; establishment of Financial Asset Securitization Investment Trusts (FASITs); tax-free treatment of contributions in aid of construction; 3-year amortization for intrastate operating rights of truckers; modification of the treatment of certain life insurance company income; clarification of the tax status of newspaper carriers and other worker classification issues; tax-free conversion of common trust funds into mutual funds; elimination of interest allocation exception for certain nonfinancial corporations; modification of the depreciation for small motor fuel/convenience store outlets; repeal of the special bad debt deduction rules that apply to thrift institutions; phase-out and extension of the luxury automobile excise tax; and several Earned Income Credit (EIC) reforms to improve compliance and target the credit to lower income working families and individuals.

The major Medicare provisions included in H.R. 2425, the "Medicare Preservation Act of 1995," were incorporated with modifications into title VIII of H.R. 2491.

A MedicarePlus program would be established to increase the availability of privately offered Medicare plan choices to bene-

ficiaries. Changes would be proposed in standards relating to premiums, payments, quality and other elements of contracting for private health plans participating as Medicare risk contractors. Organizational and financial requirements would be established for a new risk contracting entity known as provider-sponsored organizations.

Processes would be established for development of uniform data elements for MedicarePlus plans and the fee-for-service systems. Modifications would be made to rules concerning duplication and coordination of Medicare related plans, other than Medigap. Special rules would be established for Medicare Medical Savings Accounts. A new Medicare Payment Review Commission was established, consolidating and refocusing two existing commissions.

Provisions designed to combat health care fraud and abuse would be established including special funding for coordinated Federal, State and local programs; new criminal code requirements; increased civil monetary penalties, and a beneficiary incentive program for reporting fraudulent billings. Regulatory relief would be provided for certain compensation arrangements of providers, and for shared services. Modifications would be made to payments for graduate medical education under Medicare. Changes would be made to scheduled updates in payments to hospitals, disproportionate share payments, capital payments, bad debt payments, and certain exempt hospital payments. An interim and future system of paying for skilled nursing facility services based on episodes of care would be established. Future updates in hospice service payments would be set.

Physician payment rules would be changed to establish a single conversion factor and to replace the update default formula. The formula-driven overpayment for certain outpatient services would be eliminated. Changes would be made in payment updates for clinical laboratory services, durable medical equipment, ambulance services, and ambulatory surgery center services.

The Part B premium would be kept at 31.5 percent of program costs and an income-related reduction in Federal subsidies of the Part B premium would be established. A new payment method would be established for home-health services. A failsafe budget mechanism would be created to manage annual growth in Medicare expenditures.

A package of provisions relating to rural areas would establish a new, rural-limited service hospital program; special rules for access to emergency services; reinstatement of Medicare Dependent Hospitals; special rules on area wage adjustments and classification of rural referral centers; additional payments in provider shortage areas; expanded nurses aids training; and payments to physician assistants and nurse practitioners.

A new Title XXII would be added to the Social Security Act creating a trust fund to aid in financing graduate medical education. Lastly, clinical laboratories in a physician's office would be exempted from Clinical Laboratory Improvement Amendments (CLIA) requirements.

The major human resource provisions contained in title XII of H.R. 2491 incorporated most, but not all, of the provisions included in the conference report on H.R. 4 (see additional description under

“Legislative Review of Human Resources Issues” below). The welfare reform provisions of H.R. 2491 would provide for the creation of broad cash welfare, child care and child protection block grants, while providing special assistance to States with growing populations or experiencing high unemployment. More than 30 programs, including the Nation’s main cash welfare program, Aid to Families with Dependent Children, would be replaced with flexible block grants designed to protect children and provide temporary assistance permitting families to become free from long-term dependence on government benefits.

Under the legislation, welfare would be converted into a work program by: requiring participation in work activities (generally either through work, job training or vocational education) within 2 years for parents on welfare; placing a 5-year limit on receipt of Federal cash welfare benefits, with limited exceptions; and requiring States to move specific percentages (rising to 50 percent of all families on welfare in 2002) of welfare caseloads into work activities.

The legislation would promote State efforts designed to reduce illegitimacy. States would be given the option of limiting cash payments to minor unwed mothers, of preventing an increase in payments to families already on welfare that have additional babies, and of developing other methods of reducing out-of-wedlock births that, if successful, could result in States’ obtaining additional Federal incentive funds.

In addition, the legislation included changes to the program intended to improve compliance and target the EIC to lower-income working families and individuals.

The legislation would also: make changes in National and State child support enforcement systems; reform the children’s Supplemental Security Income program to limit abuse and focus benefits on severely disabled children; provide added child care funding to allow families to leave welfare for work; reform nutrition programs and allow 7 States to receive nutrition block grants; reserve benefits for citizens and noncitizens who had worked, were veterans of the U.S. armed forces, or were political refugees; reform the food stamp program, curb fraud and require work; and, finally, achieve an estimated \$58 billion in savings over 7 years. Nonetheless, the legislation anticipated increased Federal spending on affected programs, rising from about \$200 billion to about \$300 billion between 1996 and 2002.

The trade provisions of H.R. 2491 included reauthorization and extension of the Generalized System of Preferences program through December 31, 1997.

The debt limit provisions of the Balanced Budget Act contained an increase in the statutory debt limit from \$4.9 trillion to \$5.5 trillion.

## B. LEGISLATIVE REVIEW OF TAX, TRUST FUND, AND PENSION ISSUES

### 1. TAX PROVISIONS IN THE CONTRACT WITH AMERICA

On January 4, 1995, H.R. 6, the “American Dream Restoration Act,” was introduced by Reps. Crane, Nussle, and Salmon; H.R. 8, the “Senior Citizens’ Equity Act,” was introduced by Reps.

Bunning, Hastert, Kelly, and Thurman; H.R. 9, the “Job Creation and Wage Enhancement Act,” was introduced by Committee Chairman Archer and Reps. DeLay, Saxton, Smith, and Tauzin; and H.R. 11, the “Family Reinforcement Act”, was introduced by Reps. Vucanovich, Thomas, and Weller.

On January 5, 10, 11, 12, 17, 18, 19, 24, 25, 26, and 31, and February 1, 1995, the Full Committee held hearings on the tax provisions contained in H.R. 6, H.R. 8, H.R. 9, and H.R. 11. On January 20, 1995, the Subcommittee on Health held a hearing on tax incentives for long-term care insurance contained in H.R. 8.

On March 3, 1995, H.R. 1121, the “Tax Technical Corrections Act of 1995,” was introduced by Committee Chairman Archer and Rep. Gibbons.

On March 13, 1995, H.R. 1215, the “Contract with America Tax Relief Act of 1995,” was introduced by Committee Chairman Archer. The bill included provisions derived from the revenue provisions in H.R. 6, H.R. 8, H.R. 9, and H.R. 11, as well as H.R. 1121 and certain other revenue provisions.

On March 21, 1995, the Committee reported to the House H.R. 1215, without amendment (H. Rept. 104–84). Additional titles were added to the bill as part of the adoption of the rule, and H.R. 1215 passed the House on April 5, 1995. There was no Senate action on H.R. 1215. Many provisions in the “Contract with America Tax Relief Act” were included in the Balanced Budget Act of 1995 (H.R. 2491), the Health Insurance Portability and Accountability Act of 1996 (H.R. 3103), and the Small Business Job Protection Act of 1996 (H.R. 3448). For a discussion of the Balanced Budget Act of 1995, see section I.A., above. For a discussion of the Health Insurance Portability and Accountability Act of 1996, see part [I.D.2.], below. For a discussion of the Small Business Job Protection Act of 1996, see part [I.B.11.], below.

In summary, H.R. 1215, the “Contract With America Tax Relief Act of 1995,” as passed by the House, included the following revenue provisions: a \$500 per child tax credit for families with qualifying children under age 18; marriage penalty tax relief for two-earner couples; establishment of American Dream Savings Accounts permitting non-deductible contributions of \$2,000 per person per year to accounts from which qualifying distributions would be tax-free; an increase to \$2,000 in deductible IRA contributions for each spouse (including a homemaker not working outside the home); repeal of the 1993 income tax increase on Social Security benefits; tax incentives for private long-term care insurance; an exclusion from income of life insurance benefits received by terminally or chronically ill individuals; capital gains tax relief including a 50 percent capital gains deduction for individuals, indexation of the basis of capital assets for individuals, a 25 percent alternative tax for corporate capital gains, and a provision allowing homeowners selling at a loss a capital loss deduction; a neutral cost recovery system for depreciable assets; a deduction for the cost of leasehold improvements disposed of at the end of a lease term; repeal of the corporate alternative minimum tax; the potential for individual taxpayers to designate up to 10 percent of their tax liability to a Public Debt Reduction Trust Fund; an increase in the estate tax exemption to \$750,000 with future inflation indexing of that

amount and several other estate tax thresholds; an increase to \$35,000 in the amount small businesses are eligible to expense; clarification of the eligibility for a home office deduction; a \$5,000 adoption expense tax credit; a \$500 tax credit for home care of the elderly; and technical corrections to various prior tax acts. The bill also included an increase to \$30,000 in the Social Security earnings limit.

## 2. EXPATRIATION

On February 6, 1995, the President submitted his FY 1996 budget proposal. This proposal included a provision to amend the tax treatment of U.S. taxpayers that renounce their U.S. citizenship or residency.

On March 24, 1995, the Senate passed H.R. 831 (see below) which included an amendment by the Senate that modified the current tax code rules applicable to U.S. citizens that relinquish their U.S. citizenship. The provision was substantively the same as the expatriation provision contained in the President's FY 1996 budget. The conference report on H.R. 831 did not contain an expatriation provision. Instead, the conference report directed the staff of the Joint Committee on Taxation to study the issues presented by proposals to modify the taxation of expatriation and submit a report on this study to the Congressional tax-writing committees by June 1, 1995.

On March 27, 1995, the Subcommittee on Oversight held a public hearing on issues relating to taxation of U.S. citizens who relinquish their citizenship and long-term resident aliens who terminate their U.S. residency.

On June 1, 1995, the staff of the Joint Committee on Taxation submitted its expatriation report entitled "Issues Presented by Proposals to Modify the Tax Treatment of Expatriation." (JCS-17-95)

On June 9, 1995, Committee Chairman Archer and Oversight Subcommittee Chairman Johnson introduced H.R. 1812, the "Expatriation Tax Act of 1995." H.R. 1812 revised the income, estate, and gift tax rules applicable to individuals who renounce their U.S. citizenship and for other purposes. On June 16, 1995, the Committee reported to the House H.R. 1812, as amended (H. Rept. 104-145).

On September 19, 1995, the Committee ordered reported to the Committee on the Budget its Budget Reconciliation Recommendations-Revenue Items (see part I.A., above). Among the revenue items were the provisions in H.R. 1812. The Balanced Budget Act of 1995, H.R. 2491 (see part I.A., above), contained a provision that was very similar to the one contained in H.R. 1812.

On March 25, 1996, the Committee reported to the House H.R. 3101 as amended (H. Rept. 104-496, Part 1) (see Legislative Review of Health Issues, below), which included an expatriation provision, and the conference report on H.R. 3103 included a substantially similar expatriation provision (H. Rept. 104-736). In summary, the expatriation provision in H.R. 3103 strengthens and expands the current tax code rules applicable to expatriation, requires individuals who renounce their U.S. citizenship to file certain information with the IRS, and requires Treasury to submit within 90 days of enactment a report to the Committee on Ways

and Means and the Senate Committee on Finance about tax compliance by U.S. taxpayers living overseas.

### 3. EXTENSION OF HEALTH INSURANCE DEDUCTION FOR THE SELF-EMPLOYED AND REPEAL OF SECTION 1071 OF THE INTERNAL REVENUE CODE

On January 17, 1995, Committee Chairman Archer announced that the Committee would immediately review the operation of section 1071 of the Internal Revenue Code to explore possible legislative changes to section 1071, including the possibility of repeal. On January 27, 1995, the Subcommittee on Oversight held a hearing to examine the operation and administration of section 1071.

On February 6, 1995, H.R. 831, a bill to amend the Internal Revenue Code of 1986 to permanently extend the deduction for the health insurance costs of self-employed individuals, to repeal the provision permitting nonrecognition of gain on sales and exchanges effectuating policies of the Federal Communications Commission, and for other purposes, was introduced by Committee Chairman Archer, and Reps. Matsui, Thomas, and Nancy Johnson. On February 14, 1995, the Committee reported to the House H.R. 831, as amended (H. Rept. 104-32).

On February 21, 1995, the House passed H.R. 831. On March 24, 1995, the Senate then passed H.R. 831 as amended.

On March 30, 1995, the House approved the conference report on H.R. 831. On April 3, 1995, the Senate also approved the conference report on H.R. 831. On April 11, 1995, the President signed the bill into law (P.L. 104-7).

In summary, H.R. 831, as signed into law, increased and made permanent the health care deduction for the self-employed, repealed the provision allowing tax-free exchanges of certain broadcast properties certified by the Federal Communications Commission (FCC), denied the earned income credit to individuals having "disqualified income" (i.e., interest, dividends, net rent and royalty income) in excess of \$2,350, extended special rules for certain group health plans, and required a Joint Committee on Taxation study of certain expatriation proposals by June 1, 1995.

### 4. BUDGET RECONCILIATION IN 1995

For a discussion of the tax provisions included in the Balanced Budget Act of 1995 (H.R. 2491) see I.A., above.

### 5. THRIFT BAD DEBT RECAPTURE

On October 18, 1995, H.R. 2494, the "Thrift Charter Conversion Tax Act of 1995," was introduced by Committee Chairman Archer and Committee on Banking and Financial Services Chairman Leach. H.R. 2494 would repeal the special bad debt deduction rules that apply to thrift institutions but would have required only partial recapture of such deductions.

On October 26, 1995, the Committee held a hearing on H.R. 2494. On November 7, 1995, the Committee reported to the House H.R. 2494, as amended (H. Rept. 104-324).

The provisions of H.R. 2494 were incorporated into the conference report on H.R. 2491, the "Balanced Budget Act of 1995"

(see part I.A., above) and later into H.R. 3103, the “Health Insurance Portability and Accountability Act of 1996” (see part Legislative Review of Health Issues, below) as passed by the House, and ultimately into the conference report on H.R. 3448, the “Small Business Job Protection Act of 1996” (see below) (H. Rept. 104–737).

#### 6. TAX RELIEF FOR MEMBERS OF THE ARMED FORCES IN THE FORMER YUGOSLAVIA

On December 14, 1995, H.R. 2778, a bill to provide that members of the Armed Forces performing services for the peacekeeping effort in the Republic of Bosnia and Herzegovina shall be entitled to certain tax benefits in the same manner as if such services were performed in a combat zone, was introduced by Mr. Bunning.

On February 29, 1996, the Committee reported to the House H.R. 2778, as amended (H. Rept. 104–465). H.R. 2778 was passed by the House under suspension of the rules on March 5, 1996. On March 6, 1996, the Senate passed H.R. 2778, and on March 20, 1996, the President signed the bill into law (P.L. 104–117).

#### 7. ADOPTION CREDIT

On January 18, 1995, the Committee held a hearing on H.R. 11, the “Family Reinforcement Act,” which included a maximum \$5,000 refundable tax credit for adoption expenses and included a similar provision in H.R. 1215, the “Contract with America Tax Relief Act” (see above). A similar credit was included in H.R. 2491, the “Balanced Budget Act of 1995” (see part I.A., above).

On April 23, 1996, H.R. 3286, the “Adoption Promotion and Stability Act of 1996,” was introduced by Rep. Molinari. On May 3, 1996, the Committee reported to the House H.R. 3286, as amended (H. Rept. 104–542, Part II). On May 10, 1996, H.R. 3286, as amended, passed the House. On June 13, 1996, H.R. 3286 was reported by the Senate Finance Committee, as amended, and on June 24, 1996, the bill was reported by the Senate Committee on Indian Affairs. The Senate did not take any further action on H.R. 3286.

The conference report on H.R. 3448, the “Small Business Job Protection Act” (see below) included provisions of the Adoption Promotion and Stability Act. In summary, the conference report provides a nonrefundable tax credit of up to \$5,000 for qualified adoption expenses, effective January 1, 1997. A maximum credit of \$6,000 may be claimed by taxpayers adopting U.S. children with special needs. A \$5,000 income tax exclusion (\$6,000 in the case of special needs adoptions) is also provided for employees who receive employer-provided adoption assistance. The credit for nonspecial needs adoptions and the exclusion for employer-provided adoption assistance sunsets after December 31, 2001.

#### 8. TAX PROVISIONS IN THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT

See description of the tax provisions included in H.R. 3103 under Legislative Review of Health issues, below.

## 9. TAXPAYER BILL OF RIGHTS 2

On March 24, 1995, the Subcommittee on Oversight held a hearing to explore the development of a Taxpayer Bill of Rights 2 and consider additional taxpayer safeguards that may be appropriate to provide citizens with more evenhanded treatment in their dealings with the IRS. In addition, the Subcommittee staff reviewed numerous communications from taxpayers which described their experiences with the IRS and reinforced the position that a Taxpayer Bill of Rights 2 was needed.

On September 12, 1995, the Subcommittee on Oversight unanimously approved a report (WMCP: 104-8) transmitting its recommendations for legislative and administrative changes to achieve such taxpayer safeguards. This report formed the foundation for H.R. 2337, the Taxpayer Bill of Rights 2, which was introduced on September 14, 1995, by Subcommittee on Oversight Chairman Nancy Johnson and Ranking Democrat Member Robert Matsui.

On September 19, 1995, the Committee ordered reported to the Committee on the Budget its Budget Reconciliation Recommendations-Revenue Items (see part I.A., above). Among the revenue items were provisions in H.R. 2337, as amended. H.R. 2491, the "Balanced Budget Act of 1995," (see part I.A, above), contained a smaller package of provisions designed to conform with the "Byrd Rule."

On March 28, 1996, the Committee reported to the House H.R. 2337, as amended (H. Rept. 104-506).

On April 16, 1996, the bill passed the House under suspension of the rules. On July 11, 1996, H.R. 2337 was adopted by the Senate, and the President signed the bill into law on July 30, 1996 (P.L. 104-168).

In summary, H.R. 2337 included provisions related to the establishment of the position of Taxpayer Advocate within the IRS and expansion of the authority of the Taxpayer Advocate to intervene on behalf of taxpayers; modifications to installment agreement provisions; expansion of the IRS's authority to abate interest; judicial review of IRS failure to abate interest; extension of the interest-free period for payment of tax after notice and demand; studies of joint and several liability for married persons filing joint returns and other joint return-related issues; disclosure of collection activities with respect to joint returns; modifications to lien and levy provisions and offers-in-compromise; civil damages for fraudulent filing of information returns; requirement to conduct reasonable investigations of disputed information returns; awards of costs and attorney fees; modifications to recovery of civil damages for unauthorized collection actions; modification to penalty for failure to collect and pay over tax; modification of rules relating to summonses; safeguards relating to designated summonses; relief from retroactive application of Department of the Treasury regulations; and a number of miscellaneous provisions. Also, the bill provided for intermediate sanctions in cases of excess benefits to insiders of certain tax-exempt organizations.

## 10. REPEAL OF 1993 TAX ON TRANSPORTATION FUELS

On May 8, 1996, the Committee held a hearing on the effects of the 4.3 cents per gallon tax on transportation fuels imposed by the “Omnibus Budget Reconciliation Act of 1993” (OBRA 93), and dedicated to the General Fund of the Treasury. H.R. 3415, a bill to amend the Internal Revenue Code of 1986 to repeal through December 31, 1996, the 4.3 cents increase on transportation motor fuels, was introduced by Rep. Seastrand on May 8, 1996. On May 15, 1996, the Committee reported to the House H.R. 3415, without amendment, (H. Rept. 104–576, Part I). On May 21, 1996, H.R. 3415 passed the House, as amended. The Senate took no action, other than referring H.R. 3415 to the Committee on Finance.

## 11. SMALL BUSINESS JOB PROTECTION ACT

On May 14, 1996, H.R. 3448, the “Small Business Job Protection Act of 1996,” was introduced by Committee Chairman Archer. On May 20, 1996, the Committee reported to the House H.R. 3448 as amended (H. Rept. 104–586). On May 22, 1996, H.R. 3448 passed the House, as amended. Pursuant to the rule adopted on May 21, 1996, in the engrossment of H.R. 3448, the text of H.R. 1227 (which would increase the minimum wage and make other changes), as passed by the House on May 23, 1996, was appended to H.R. 3448.

On June 18, 1996, the Senate Committee on Finance reported H.R. 3448, as amended. On July 9, 1996, the bill, as amended, passed the Senate.

On August 1, 1996, the conference report on H.R. 3448 (H. Rept. 104–737) was filed. On August 2, 1996, both the House and Senate agreed to the conference report, and on August 20, 1996, the President signed the bill into law (P.L. 104–188).

Many of the revenue provisions in H.R. 3448 were included in H.R. 2491, the “Balanced Budget Act of 1995.” H.R. 3448 included the following significant revenue-losing provisions: increased expensing under section 179 of the Internal Revenue Code and other incentives for small businesses; a number of provisions that simplify and strengthen the retirement plan provisions in the Internal Revenue Code (such as establishing Savings Incentive Match Plans for employees of small businesses, allowing section 457 plans to establish trusts, allowing tax-exempt organizations to establish 401(k) plans, establishing safe harbor non-discrimination rules for section 401(k) plans, permitting tax-exempt entities and employee stock ownership plans (ESOPs) to be subchapter S shareholders, and permitting IRA contributions of up to \$2,000 to be made for each spouse—including a homemaker who does not work outside the home—if the combined compensation of both spouses is at least equal to the combined amount); Subchapter S simplification and reforms (such as increasing the number of shareholders an S corporation may have and allowing S corporations to hold S corporation and C corporation subsidiaries); extension of several previously expired tax provisions, including the work opportunity tax credit (replacing the expired targeted jobs tax credit), the exclusion for employer-provided educational assistance, the research and experimentation tax credit, the orphan drug tax credit, the deduction for

gifts of stock to private foundations, and the nonconventional fuels tax credit; and several miscellaneous proposals (such as repeal of section 956A of the Internal Revenue Code, modification of the ozone depleting chemicals tax, tax-exempt bonds for the Alaska Power Administration, clarification of the tax status of newspaper carriers, tax-free conversion of common trust funds into mutual funds, and modification of the depreciation for small motor fuel/convenience store outlets). It also included an adoption tax credit and related provisions from H.R. 3286, the "Adoption Promotion and Stability Act of 1996" (see above), and a renewal of the Generalized System Preferences, from H.R. 1654, the "GSP Renewal Act of 1995."

H.R. 3448 was approximately revenue neutral and contained several revenue-raising provisions: repeal (over a ten-year period) of the section 936 credit; extension of the airline ticket tax through 1996; repeal of the 50 percent interest income exclusion for financial institution loans to ESOPs; a look-through rule for purposes of characterizing certain subpart F insurance income as unrelated business income; repeal of advance refunds of diesel fuel tax for diesel cars and light trucks; reform of the income forecast method of accounting; modification of the exclusion for damages received on account of personal injuries; modification to the basis adjustment and other rules under section 1033 (relating to involuntary conversions); modification of the two-county tax-exempt bond rule; election to convert scholarship funding corporations into taxable corporations; establishment of FASITs; tax-free treatment of contributions in aid of construction; a requirement to apply math error rules for dependency exemptions and filing status when correct taxpayer identification numbers are not used; repeal of the business exclusion for energy subsidies provided by public utilities; repeal of the special bad debt deduction rules that apply to thrift institutions (see above); phase-out and repeal of the luxury automobile excise tax; and modification of the treatment of foreign trusts.

Legislation to extend the Generalized System of Preferences was included in the conference report on H.R. 3448, with provision to extend the program through May 31, 1997 (see Legislative Review of Trade Issues, below).

## 12. ADDITIONAL TAX PROVISIONS

### *a. EIC provisions in welfare reform*

H.R. 3734, the "Personal Responsibility and Work Opportunity Act of 1996," (P.L. 104-193) (see Legislative Review of Human Resource Issues, below) contained several changes to the EIC designed to improve compliance and to target the EIC to lower income families. In summary, the new law denies the EIC to persons who are unauthorized to work in the United States, make changes to the amount and expands the definition of disqualified income, revises the calculation of adjusted gross income for purposes of the EIC phaseout, and authorizes the IRS to use math error procedures when returns do not include correct taxpayer identification numbers or where self-employment taxes are not paid by EIC filers, generally effective for tax years after 1995.

*b. Miscellaneous tax reforms*

On July 11 and 12, 1995, the Committee held hearings on various miscellaneous tax reform and simplification proposals.

*c. Senior Citizens' Right to Work Act of 1995*

The Senior Citizens' Right to Work Act of 1995 would permit members of the clergy to revoke exemption from Social Security coverage (see Legislative Review of Social Security Issues, below).

*d. President's fiscal year 1997 budget*

On March 19, 1996, President Clinton submitted his fiscal year 1997 budget to the Congress. On April 15, 1996, the Committee requested written comments from the public on provisions in the President's budget that were not in the Balanced Budget Act of 1995.

*e. Miscellaneous tax provisions involving the jurisdiction of the committee*

During the 104th Congress, the Committee exercised jurisdiction over several transportation-related bills reported by the Committee on Transportation and Infrastructure.

On May 9, 1995, pursuant to an exchange of letters between Committee Chairman Archer and Committee on Transportation and Infrastructure Chairman Shuster, a technical amendment clarifying the uses of the Oil Spill Liability Trust Fund was offered during House consideration of H.R. 1361, the "Coast Guard Authorization Act for FY 1996." In addition, Chairman Archer requested the deletion, during conference consideration of S. 1004, the "Coast Guard Authorization Act of 1995," of a Senate amendment which would have expanded the uses of the Sport Fish Account within the Aquatic Resources Trust Fund. Subsequently, the Senate amendment was deleted from the conference report (H. Rept. 104-854), and on October 19, 1996, the President signed the bill into law (P.L. 104-324).

On July 17, 1996, the full Committee approved a conforming amendment to be included in H.R. 3592, the "Water Resources Development Act of 1996." The amendment updated the Harbor Maintenance Trust Fund expenditure purposes in the Internal Revenue Code to allow the expenditures contemplated by the underlying bill.

On July 26, 1996, in an exchange of letters between Committee Chairman Archer and Committee on Transportation and Infrastructure Chairman Shuster, it was agreed that an amendment would be included as part of H.R. 3539, the "Federal Aviation Authorization Act of 1996," which would strike the tax title previously included in the authorization bill and add language to extend the Airport and Airway Trust Fund expenditure purposes and authority contained in the Internal Revenue Code through October 1, 1999. In addition, it was agreed that language be included in H.R. 3539 regarding proposed overflight fees and commission appointments. On September 24, 1996, representatives from the Committee were named as conferees on H.R. 3539. In summary, the conference report (H. Rept. 104-848) included language similar to House provisions governing overflight fees and an extension of the aviation Trust Fund expenditure authority and purposes until Oc-

tober 1, 1998. On October 9, 1996, the President signed the bill into law (P.L. 104-264).

### C. LEGISLATIVE REVIEW OF TRADE ISSUES

#### 1. EXTENSION OF FAST TRACK NEGOTIATING AUTHORITY

“Fast track” implementing procedures, which were first enacted in 1974, have expired with respect to new trade agreements entered into after the Uruguay Round. These procedures permitted the President to enter into trade agreements and seek implementation for those agreements under a special approval process.

On September 22, 1995, chairman Archer, Subcommittee on Trade Chairman Crane, and Rep. Dreier, introduced H.R. 2371, the “Trade Agreements Authority Act of 1995.” The legislation would put in place special procedures for implementing trade agreements entered into between January 1, 1996, and December 31, 1999, with an extension available. The procedures would be similar to the expired provisions, with modifications to clarify and narrow their application so that they do not apply to provisions that are not directly related to the trade negotiating objectives and are extraneous to the concluded trade agreement.

The Subcommittee on Trade and the Subcommittee on Rules and Organization of the House Committee on Rules held joint hearings on fast track issues on May 11 and May 17, 1995.

On October 20, 1995, the Committee reported to the House H.R. 2371, as amended. The bill, as reported, included a provision to give the President proclamation authority to modify tariffs on products from the West Bank and Gaza Strip.

As reported by the Committee, H.R. 2371 would specify that bills implementing trade agreements may qualify for fast track procedures only if those bills consist solely of provisions directly related to principal trade negotiating objectives set forth in the bill, provisions necessary for the operation or implementation of trade agreements, and provisions approving the agreement and statement of administrative action. Under the bill, fast track would also apply to provisions that define and clarify operation and effect of U.S. law and provisions necessary to comply with budget offset requirements. H.R. 2371 would also provide authority to the President to negotiate certain tariff reductions without the need for implementation. The bill would establish a number of requirements that the President consult with Congress and require the President, at least 90 days before entering into an agreement, to notify Congress of his intent to enter into the agreement. The bill would add a new requirement that the President, within 60 days of signing an agreement, submit to Congress a preliminary list of existing laws that he considers would be required to bring the United States into compliance with agreement. Most of the remaining provisions were identical to the expired law. There was no further Congressional action.

#### 2. SHIPBUILDING TRADE AGREEMENT ACT

After five years of negotiation, key shipbuilding nations (the United States, the European Union, Japan, South Korea, Finland, Sweden, and Norway) completed negotiations and signed on De-

ember 21, 1994, the Agreement Respecting Normal Competitive-ness Conditions in the Commercial Shipbuilding and Repair Industry. The Agreement, negotiated under the auspices of the Organization for Economic Cooperation and Development, applies to the construction and repair of self-propelled seagoing vessels of 100 gross tons and above and covers approximately 80 percent of the ships engaged in global shipping. The Agreement was scheduled to enter into force on January 1, 1996. In the United States, legislation must be enacted by Congress to bring U.S. law into compliance with the Agreement.

On July 18, 1995, the Subcommittee on Trade held a hearing to discuss implementation of the Shipbuilding Agreement.

On December 11, 1995, Subcommittee Chairman Crane, and Reps. Gibbons and Dunn introduced H.R. 2754, the ‘Shipbuilding Trade Agreement Act.’ On December 13, 1995, the Subcommittee on Trade reported to the full Committee H.R. 2754.

On April 18, 1996, the Committee reported to the House H.R. 2754, as amended (H. Rept. 104-524, Part I).

As reported by the Committee, H.R. 2754 would implement the Agreement under U.S. law. Specifically, the bill would establish an injurious pricing mechanism analogous to Title VII of the Tariff Act of 1930, which implements the antidumping provisions of the Uruguay Round. In addition, the bill would eliminate the current 50 percent duty on repairs to U.S. flag vessels made in signatory countries. The bill would also amend the Merchant Marine Act of 1936 to assure U.S. compliance with the Agreement, including adjustment of the terms of the Title XI loan guarantee program. Finally, the bill would provide measures to offset the revenue that would be lost in eliminating the 50 percent repair duty.

On May 29, 1996, the Committee on National Security reported to the House H.R. 2754, as amended (H. Rept. 104-524, Part II). The most significant change from the bill as reported by the Committee on Ways and Means was a delay of the effective date of the amendment to the Title XI loan guarantee program.

On June 13, 1996, the House passed H.R. 2754, as amended. As amended, the bill would establish an injurious price mechanism and eliminate the 50 percent vessel repair duty. In addition, the bill would delay the effective date of the Title XI modifications for 30 months, prohibit any measures against Jones Act vessels, and carve out an exception for military reserve vessels. The bill was not considered by the full Senate.

### 3. BILATERAL TRADE RELATIONS

#### *a. Trade relations with the People’s Republic of China, including most-favored-nation status*

On June 2, 1995, the President announced his decision to waive, for another year with respect to China, the freedom-of-emigration requirements in Title IV of the Trade Act of 1974, thereby granting China most-favored-nation (MFN) status between July 1995 and July 1996.

On May 23, 1995, the Subcommittee on Trade held a hearing on the question of renewing China’s most-favored-nation trade status. At this hearing, Members of Congress, as well as representatives

of the Administration and the business community, expressed their views regarding U.S.-China trade relations. Earlier in the year, on March 9, 1995, the Subcommittee received testimony from the United States Trade Representative Ambassador Mickey Kantor on the intellectual property rights agreement signed with the People's Republic of China on February 6, 1995, and on prospects for China's accession to the World Trade Organization.

On June 16, 1995, H.J. Res. 96, a joint resolution disapproving the extension of nondiscriminatory (MFN) treatment to the products of the People's Republic of China, was introduced by Rep. Wolf. On July 17, 1995, the Committee reported adversely to the House H.J. Res. 96 without amendment (H. Rept. 104-188). On July 20, 1995, H.J. Res. 96, was tabled in the House, thereby continuing MFN treatment for one year.

On May 31, 1996, the President announced his decision to waive, for another year with respect to China, the freedom-of-emigration requirement of Title IV of the Trade Act of 1974, thereby granting China MFN status between July 1996 and July 1997.

On June 11, 1996, the Subcommittee on Trade held a hearing on the question of renewing China's most-favored-nation trade status. At this hearing, testimony was received from Members of Congress, Acting United States Trade Representative Ambassador Charlene Barshefsky, and representatives from business, human rights, and labor organizations on the subject of U.S.-China trade relations.

On June 13, 1996, H.J. Res. 182, a joint resolution disapproving the extension of nondiscriminatory (MFN) treatment to the products of the People's Republic of China, was introduced by Rep. Rohrabacher. On June 25, 1996, the Committee reported adversely to the House H.J. Res. 182, without amendment (H. Rept. 104-634), and on June 27, 1996, H.J. Res. 182 failed passage in the House, thereby continuing MFN treatment for one year.

Finally, on July 16, 1996, Chairman Crane requested public comment concerning a change in terminology "most-favored-nation" treatment.

*b. Trade relations with Cambodia, including most-favored-nation status*

On February 23, 1995, the Subcommittee on Trade issued a request for written public comment on the extension of MFN treatment to the products of Cambodia. In response, the Subcommittee received comments from the private sector in favor of the proposed extension and no comments in opposition to it.

On May 16, 1995, H.R. 1642 was introduced by Subcommittee on Trade Chairman Crane to provide for the extension of MFN treatment to the products of Cambodia by striking "Kampuchea" from General note 3(b) of the Harmonized Tariff Schedule upon the effective date of a Federal Register notice that a trade agreement obligating reciprocal MFN treatment between the United States and Cambodia has entered into force. The bill also would require the President to submit a report to Congress, no later than 18 months after the date of enactment, on trade relations between the United States and Cambodia pursuant to the bilateral trade agreement.

On June 7, 1995, the Subcommittee on Trade reported to the full Committee H.R. 1642, without amendment. On June 27, 1995, the

Committee reported to the House H.R. 1642, without amendment (H. Rept. 104–160). On July 11, 1995, the House passed H.R. 1642. On July 25, 1996, the Senate passed H.R. 1642 as amended, and on September 12, 1996 the House concurred in the Senate amendment. On September 25, 1996, the President signed the bill into law by (P.L. 104–203).

*c. Trade relations with Bulgaria, including most-favored nation status*

On April 19, 1995, the Subcommittee on Trade issued a request for written public comment on the extension of permanent and unconditional MFN treatment to the products of Bulgaria. In response, the Subcommittee received comments from the private sector in favor of the proposed extension and no comments in opposition to it.

On May 16, 1995, H.R. 1643 was introduced by Subcommittee on Trade Chairman Crane to provide the President with the authority to determine that Title IV of the Trade Act of 1974 should no longer apply with respect to Bulgaria and to proclaim the extension of permanent MFN treatment to the products of that country.

On June 7, 1995, the Subcommittee on Trade reported to the full Committee H.R. 1643, without amendment. On June 27, 1995, the Committee reported to the House H.R. 1643, without amendment (H. Rept. 104–162). On July 11, 1995, the House passed H.R. 1643, without amendment. However, the provisions on Bulgaria were later removed from the bill when it was used as a vehicle to proceed on unrelated matters.

On July 10, 1995, the Congress received a presidential message transmitting a report indicating Bulgaria's continued compliance with the freedom-of-emigration requirements in Title IV of the Trade Act of 1974.

On January 5, 1996, H.R. 2853, a bill identical to the House-passed version of H.R. 1643, was introduced by Subcommittee on Trade Chairman Crane and Rep. Rangel. On February 28, 1996, the Committee reported to the House H.R. 2853, without amendment (H. Rept. 104–466). On March 5, 1996, the House passed H.R. 2853.

On June 28, 1996, the Senate passed H.R. 2853 without amendment. On July 17, 1996, the Congress received another presidential message transmitting a report, which was referred to the Committee on Ways and Means, indicating Bulgaria's continued compliance with the freedom-of-emigration criteria in Title IV of the Trade Act of 1974. On July 18, 1996, the President signed into law H.R. 2853 (P.L. 104–162).

*d. Trade relations with Romania, including most-favored-nation status*

On May 19, 1995, the President sent a message transmitting a report to Congress, which found Romania to be in full compliance with the freedom-of-emigration requirements in Title IV of the Trade Act of 1974. This action removed the need for an annual Presidential waiver to provide for the continuation of Romania's MFN status.

On July 11, 1995, and on January 3, 1996, the Congress received presidential messages transmitting reports, indicating Romania's continued compliance with the freedom-of-emigration criteria in Title IV of the Trade Act of 1974.

On March 26, 1996, H.R. 3161 was introduced by Subcommittee on Trade Chairman Crane to provide the President with the authority to determine that Title IV of the Trade Act of 1974 should no longer apply with respect to Romania and to proclaim the extension of permanent MFN treatment to the products of that country.

On April 1, 1996, the Subcommittee on Trade issued a request for written public comment on the extension of permanent and unconditional MFN treatment to the products of Romania. The Subcommittee received a significant number of comments in favor of the proposed extension, primarily from business groups and individual firms, and a few comments in opposition to it, largely from groups concerned about minority rights in Romania.

On May 14, 1996, the Subcommittee on Trade reported to the full Committee H.R. 3161, without amendment. On June 18, 1996, the Committee reported to the House the bill, without amendment (H. Rept. 104-629). On July 17, 1996, H.R. 3161 passed the House, and on July 19, 1996, the bill passed the Senate without amendment. On August 3, 1996, the President signed the bill into law (P.L. 104-171).

*e. Trade relations with the West Bank and Gaza Strip, including extension of free trade benefits*

On April 25, 1985, the United States and Israel signed the U.S./Israel Free Trade Agreement. In an exchange of letters on October 17, 1995, among the United States, the Government of Israel, and the Palestinian Authority, the U.S. Trade Representative agreed to seek statutory authority to proclaim elimination of existing duties on articles of the West Bank and Gaza Strip. The Palestinian Authority agreed to accord U.S. products duty free access to the West Bank and Gaza Strip, to prevent illegal transshipment of goods not qualifying for duty free access, and to support all efforts to end the Arab economic boycott of Israel.

On September 21, 1995, the Committee on Ways and Means met to consider H.R. 2371, legislation that would extend "fast track" trade agreement implementing procedures. At that time, an amendment was offered and agreed to, which would give the President proclamation authority to modify tariffs on products from the West Bank and Gaza Strip. On October 20, 1995, the Committee reported to the House the bill, as amended (H. Rept. 104-285, Part I). However, the House took no further action on this bill.

H.R. 3074, legislation to extend free trade benefits to the West Bank and Gaza Strip, was introduced on March 13, 1996, by Subcommittee on Trade Chairman Crane, and Reps. Shaw and Rangel. Specifically, the legislation would provide the President proclamation authority to modify or eliminate tariffs on products from the West Bank and Gaza Strip and qualifying industrial zones.

On March 25, 1996, the Committee reported to the House the bill, without amendment (H. Rept. 104-495).

On April 16, 1996, the House passed H.R. 3074 under suspension of the rules. The Senate passed the bill on September 27, 1996, by

unanimous consent. On October 2, 1996, the President signed the bill into law (P.L. 104–234).

*f. Trade relations with Japan*

On March 28, 1996, the Subcommittee on Trade held a hearing on U.S. trade policy towards Japan. Government and private sector witnesses testified on the effectiveness of various sectoral agreements and the progress of the Framework Negotiations and sectoral initiatives, including: market deregulation, photographic film, semiconductors, insurance, medical technology and equipment, and civil aviation.

*g. Trade relations with Cuba, including the Cuban Liberty and Democratic Solidarity Act of 1995*

On February 14, 1995, H.R. 927, the Cuban Liberty and Democratic Solidarity Act of 1995 was introduced to seek international sanctions against Cuba and to plan for the support of a transition government leading to a democratically elected government in Cuba.

On June 30, 1995, the Subcommittee on Trade held a hearing to examine the economic relationship that is likely to develop between the United States and Cuba in the post-Castro era. Testimony was received from the Administration, Members of Congress, and private sector witnesses.

On August 3, 1995, Chairman Archer wrote to the Chairman of the International Relations Committee to request that a manager's amendment be offered during House consideration of H.R. 927 to eliminate from the bill all provisions relating to trade in sugar and to change the text of the remaining trade-related provisions to language prepared by Ways and Means Committee staff. Based on this understanding, Chairman Archer's letter stated that a markup of H.R. 927 by the Committee on Ways and Means would not be necessary. On August 4, 1995, the Chairman of the International Relations Committee sent a letter to Chairman Archer agreeing to his requests.

On September 21, 1995, H.R. 927, as amended, passed the House, and on October 19, 1995, the bill passed the Senate, with an amendment. On October 20, 1995, the text of H.R. 927, as passed by the House, was included as Subtitle C of Title VI of H.R. 2517, an amendment in the nature of a substitute adopted to H.R. 2491, the "Balanced Budget Act of 1995". H.R. 2491 passed the House on October 26, 1995. The Cuba legislation was not included in the Senate-passed version or the conference report on H.R. 2491.

The provisions were subsequently included in the conference report on H.R. 927 (H. Rept. 104–468). based on an exchange of letters, a provision was added in conference section 102 to codify existing Executive Orders and regulations on the Cuban embargo.

On March 5, 1996, the conference report on H.R. 927 passed the Senate and passed the House on March 6, 1996. On March 12, 1996, the President signed the bill into law (P.L. 104–114).

*h. Trade relations with sub-Saharan Africa*

On February 5, 1996, the President transmitted to Congress the first of five annual reports required under section 134 of the Uru-

guay Round Agreements Act (URAA) entitled the Comprehensive Trade and Development Policy for the Countries of Africa.

On August 1, 1996, the Subcommittee on Trade held a hearing to review the status of trade relations between the United States and the countries of sub-Saharan Africa, including the opportunities and obstacles that exist. In addition, the hearing explored possible ways for the United States to expand and facilitate trade relations, as well as develop new trade opportunities, with sub-Saharan Africa. Administration witnesses testified from the Office of the United States Trade Representative and the Department of State. In addition, testimony was received from Members of Congress and private sector witnesses.

On September 26, 1996, H.R. 4198 was introduced by Subcommittee on Trade Chairman Crane and Reps. Rangel, and McDermott to authorize a new trade and investment policy for sub-Saharan Africa.

*i. Iraq, Serbia, and Montenegro*

On May 29, 1996, the Committee on Appropriations reported to the House H.R. 3540, a bill making appropriations for foreign operations programs for fiscal year 1997 (H. Rept. 104-600). The bill included a provision granting authority to the President to impose import sanctions on products from countries which have not conformed to the United Nations sanctions with respect to Iraq, Serbia or Montenegro. The granting of authority to impose such sanctions falls within the jurisdiction of the Committee on Ways and Means. On May 30, 1996, Chairman Archer wrote to the Chairman of the Foreign Operations, Export Financing and Related Programs Subcommittee of the Committee on Appropriations and indicated he would not object to a waiver of House Rule XXI(5)(b) on this bill.

On June 11, 1996, H.R. 3540 passed the House. H.R. 3540 was later included as part of the conference report to H.R. 3610, Making Omnibus Consolidated Appropriations for Fiscal Year 1997 (H. Rept. 104-863), which passed the House on September 28, 1996, and passed the Senate on September 30, 1996. On September 30, 1996, the President signed the bill into law (P.L. 104-208).

*j. Iran and Libya Sanctions Act of 1996*

On April 17, 1996, H.R. 3107, the Iran Oil Sanctions Act of 1996, a bill to impose sanctions on persons exporting certain goods or technology to Iran that would enhance this country's ability to develop its petroleum resources, was reported to the House by the Committee on International Relations (H. Rept. 104-523, Part I). On May 22, 1996, the Subcommittee on Trade held a hearing on Iran and Libya sanctions. Testimony was received from USTR, the Department of State, and the Department of the Treasury concerning the Administration's goals with respect to ending support for terrorist activities by these countries and the potential effectiveness of the proposed legislation in deterring these activities.

On June 14, 1996, the Committee reported to the House H.R. 3107, as amended (H. Rept. 104-523, Part II). H.R. 3107 as amended would: establish certain sanctions to deter Iran and Libya from acquiring weapons of mass destruction; and urge the President to

pursue negotiations to establish a multilateral sanctions regime with respect to Iran.

On June 19, 1996, H.R. 3107 passed the House, as amended. On July 16, 1996, the Senate passed H.R. 3107 with an amendment to make sanctions against investments that contribute to the development of Libya's petroleum resources mandatory, rather than discretionary. On July 23, 1996, the House agreed to H.R. 3107, as amended by the Senate. On August 5, 1996, the President signed the bill into law (P.L. 104-172).

*k. Parity for Caribbean basin initiative countries*

On January 8, 1995, H.R. 553, the Caribbean Basin Trade Security Act, was introduced by Subcommittee on Trade Chairman Crane and Reps. Shaw, Gibbons, and Rangel. The bill would grant beneficiary countries under the Caribbean Basin Initiative (CBI) tariff and quota treatment equivalent to that under the North American Free Trade Agreement (NAFTA), for up to ten years on all products not already receiving duty-free treatment, in order to ensure that CBI countries would not be adversely affected by NAFTA.

On February 10, 1995, the Subcommittee on Trade held a hearing on H.R. 553. On April 24, 1995, the Subcommittee reported to the full Committee H.R. 553 with an amendment. The bill as reported contained the provisions of H.R. 553 as introduced, technical and conforming changes, and a provision regarding triennial reviews of benefits accorded under H.R. 553, based on eligibility criteria in current law, but providing additional guidance on how such criteria should be interpreted.

There was no further action by the Committee.

4. OPERATIONS OF U.S. CUSTOMS SERVICE, THE INTERNATIONAL TRADE COMMISSION, AND THE U.S. TRADE REPRESENTATIVE

On January 30, 1996, the Trade Subcommittee held a hearing on the reorganization plans of the Customs Service, including efforts to implement the Customs Modernization Act. Testimony was received from Customs, the U.S. General Accounting Office, the National Treasury Employees Union, and a panel of private-sector witnesses.

On February 27, 1995, the Trade Subcommittee held a hearing on authorizations of appropriations for Customs, the U.S. International Trade Commission (ITC), and the Office of the United States Trade Representative (USTR), and to review the Administration's fiscal year 1996 and 1997 budget proposals for these trade agencies. The hearing also addressed the effectiveness of the operation of these agencies. Testimony was received from representatives of these agencies as well as from trade organizations interested in import and export issues.

On March 29, 1995, the Trade Subcommittee considered a draft bill to authorize appropriations for fiscal years 1996 and 1997 for Customs, the ITC, and USTR. The draft bill as reported included a provision for an annual trade agreements reporting requirement. On June 19, 1995, Subcommittee on Trade Chairman Crane introduced H.R. 1887, a bill containing the provisions reported by the Subcommittee on Trade authorizing appropriations for Customs,

the ITC, and USTR; repealing the Caribbean Basin Economic Recovery Act Report; changing the publication of the Economic Impact of the Andean Trade Preference report from each calendar year to every two calendar years; repealing the East-West Trade Statistics Monitoring System; and requiring the President to submit additional information on trade agreements in the annual report to Congress.

H.R. 1887 authorized appropriations for the U.S. Customs Service not to exceed \$550,237,000 in each of fiscal years 1996 and 1997 for salaries and expenses incurred in noncommercial operations, and not less than \$839,593,000 in each of fiscal years 1996 and 1997 for salaries and expenses incurred in commercial operations. The bill further authorized \$60,993,000 in each of fiscal years 1996 and 1997 for operation and maintenance of Customs' Air and Marine Interdiction Program.

The bill also authorized appropriations for the ITC of \$44,500,000 in each of fiscal years 1996 and 1997. Of the amount authorized, not more than \$2,500 could be used for reception and entertainment expenses, subject to the approval of the Chairman of the Commission.

The bill authorized appropriations to USTR of \$20,949,000 for each of fiscal years 1996 and 1997. Of these amounts, not more than \$98,000 could be used for entertainment and representation, and not more than \$2,500,000 would remain available until expended.

On June 27, 1995, the Committee reported to the House H.R. 1887 as amended, with a provision to restore legislative authority for officials from the Customs' Air and Marine Interdiction Program to support other Federal, State, and local agencies in their law enforcement and emergency humanitarian efforts (H. Rept. 104-161). There was no further action taken in the House on H.R. 1887.

Finally, on January 31, 1996, the Subcommittee requested comments from the public concerning possible reforms to the International Trade Commission.

#### 5. GENERALIZED SYSTEM OF PREFERENCES

On February 27, 1995, the Subcommittee on Trade held a hearing on the extension of the Generalized System of Preferences (GSP). The Subcommittee received testimony in support of extending GSP from the Administration and from companies and associations representing exporters, importers, economic development groups, and consumer interests.

On May 17, 1995, H.R. 1654, the GSP Renewal Act of 1995, a bill to reauthorize the Generalized System of Preferences Program for a period of five years, was introduced by Subcommittee on Trade Chairman Crane and Rep. Rangel. The bill would make modest reforms and technical changes to Title V of the Trade Act of 1974 that are intended to simplify and improve the administration of the GSP program. On May 18, 1995, the Subcommittee on Trade reported the bill to the full Committee, without amendment.

On September 13, 1995, the Committee ordered reported to the Committee on the Budget Budget Reconciliation Recommendations-Trade Items, which were included in H.R. 2491, the "Balanced

Budget Act of 1995” (H. Rept. 104–280). The recommendations, as reported, reauthorized the program for 2.5 years through December 31, 1997, retroactive to the July 31, 1995 expiration date. The provisions were included in the conference report, but the bill was vetoed by the President on December 6, 1995.

On August 2, 1996, the House and Senate approved the conference agreement on H.R. 3448, the Small Business Jobs Protection Act of 1996, which included the GSP extension through May 31, 1997 (H. Rept. 104–737). On August 20, 1996, the President signed the bill into law (P.L. 104–188).

#### 6. MISCELLANEOUS TRADE ISSUES

##### *a. Legislation to make technical corrections and miscellaneous amendments to trade laws, including rules of origin*

On April 25, 1995, Trade Subcommittee Chairman Crane requested written comments from parties interested in technical corrections and other miscellaneous changes to U.S. trade laws. Among these provisions was a set of technical amendments approved by the Committee during the 103rd Congress for inclusion in the Uruguay Round Agreements Act (P.L. 103–465) but which were not included in the final version of the bill submitted to the President. In response to Chairman Crane’s request, the Committee received comments from the private sector and the Administration.

On July 11, 1995, the Trade Subcommittee held a hearing on rules of origin. The hearing reviewed the administration of U.S. laws for preferential and non-preferential rules of origin and country-of-origin marking requirements, and the prospects for the World Trade Organization (WTO) rules-of-origin working program referred to in section 132 of the URAA. Requests for exemptions from country-of-origin marking requirements for certain imports were included in the record of this hearing. Legislative proposals were subsequently introduced to provide these marking exemptions.

On June 14 and August 2, 1995, the Trade Subcommittee reported to the full Committee two draft bills to make technical corrections and other miscellaneous amendments to trade laws. On September 13, 1995, the Committee reported to the Committee on the Budget, Budget Reconciliation Recommendations-Trade Items, including the text of these two draft bills (H. Rept. 104–280). These provisions were included in H.R. 2491, the “Balanced Budget Act of 1995,” which passed the House on October 26, 1995 (H. Rept. 104–280). The provisions were subsequently removed from the bill prior to the House-Senate conference, due to the application in the Senate of the “Byrd Rule.”

On August 9, 1995, and January 31, 1996, Subcommittee on Trade Chairman Crane requested written comments from parties interested in additional technical corrections and miscellaneous amendments to trade laws. In response to these comments, the Trade Subcommittee prepared a draft bill. In addition, the Office of Law Revision Counsel identified the need for a number of technical and clerical changes to trade laws. These items were also included in the draft Subcommittee bill. On May 9, 1996, the Trade

Subcommittee reported to the full Committee, without amendment, a draft bill consisting of a package of technical corrections, duty suspensions and other miscellaneous changes to trade laws.

On July 16, 1996, Trade Subcommittee Chairman Crane introduced H.R. 3815, which combined the proposals passed by the House as part of H.R. 2491 and proposals reported by the Subcommittee on Trade on May 9, 1996. On July 29, 1996, the Committee reported to the House H.R. 3815, as amended. The bill as reported included a provision that would have placed a specific moratorium on changes in the country-of-origin marking requirements for metal forgings and hand tools, as well as general consultation and layover requirements for any changes in Administration policy with regard to rules of origin and country-of-origin marking requirements. On July 30, 1996, H.R. 3185 passed the House under suspension of the rules.

On September 25, 1996, the Senate Committee on Finance reported H.R. 3815, with amendments, which did not include the provision relating to the moratorium, consultation, and layover requirements for rules of origin and country-of-origin marking requirements.

On September 28, 1996, H.R. 3815, as amended, passed the Senate and the House by unanimous consent. The President signed the bill into law on October 11, 1996 (P.L. 104-295).

*b. Department of Commerce Dismantling Act*

On June 29, 1995, the House and Senate passed the conference report on H. Con. Res. 67, the "Concurrent Resolution on the Budget for Fiscal Years 1996, 1997, 1998, 1999, 2000, 2001 and 2002," which called for the elimination of the Department of Commerce.

On September 13, 1995, the Committee met to consider H.R. 1756, a bill to abolish the Department of Commerce. On September 21, 1995, the Committee reported to the House H.R. 1756, as amended (H. Rept. 104-260, Part I).

The bill, as reported, would dismantle the Commerce Department and reorganize certain of its trade functions into the United States Trade Administration. The Administrator would be appointed by the President with Senate advice and consent but would not have Cabinet rank. The United States Trade Representative (USTR) would remain a separate, Cabinet-level agency coordinating trade policy among departments and agencies, with continued direct access to the President.

In addition, the bill would permit U.S. participation in the United State section of the NAFTA Secretariat and the Border Environment Cooperation Commission to continue. However, funding must come out of authorizations for other trade functions, and no additional funds would be authorized to be appropriated for U.S. participation. H.R. 1756, as amended by the Committee, would abolish the Committee for the Implementation of Textile Agreements. Certain functions would be transferred to USTR, and functions relating to assessing the impact of textile imports on the domestic industry would be transferred to the U.S. International Trade Commission.

The bill would transfer the chairmanship of the Foreign Trade Zones (FTZs) Board to the new Administrator. The U.S. Customs

Service would continue to supervise and enforce the operation of FTZs. The bill would abolish as duplicative the Trade and Development Agency and would repeal the special treatment for watches in the Harmonized Tariff Schedule of the United States. Finally, the bill would cut the total budget for trade functions by 25 percent but would not require that the budget for each function be cut by that percentage. The President would be required to conduct a study on the consolidation of export promotion and export financing functions.

On October 26, 1995, the House passed H.R. 2491, the "Balanced Budget Act of 1995." Title XVII of that bill was entitled the Department of Commerce Dismantling Act. With respect to the provisions within the jurisdiction of the Committee on Ways and Means, the bill included language similar to H.R. 1756, as reported by the Committee, except that all of the trade functions previously performed by Commerce would be transferred to the United States Trade Representative.

On October 28, 1995, the Senate passed H.R. 2491, striking all after the enacting clause and inserting the text of S. 1357. The Senate version did not contain the Commerce reorganization provisions, and the provision were not included in the conference report that was passed by the Senate on November 17, 1995, and by the House on November 20, 1995, and vetoed by the President on December 6, 1995.

The language contained in Title XVII of the House-passed version of H.R. 2491 was then included in H.R. 2586, a bill to provide a temporary increase in the public debt limit, which was passed by the House on November 9, 1995. Also on November 9, the Senate passed H.R. 2586, but without the Commerce Department reorganization provisions.

There was no further Congressional action.

### *c. Atlantic Tunas Convention Act*

On May 1, 1995, H.R. 541, the "Atlantic Tunas Convention Act of 1995," as reported by the Committee on Resources, was sequentially referred to the Committee on Ways and Means for a period ending not later than June 30, 1995. H.R. 541, as reported by the Committee on Resources, would delete existing provisions permitting sanctions and instead provided for some mandatory sanctions against countries without measures comparable to those in the United States and would have required the President to undertake consultations with countries identified under the Act. In addition, the bill would require the Secretary of Commerce to certify to the President whether any countries have not established or are not likely to establish reporting, monitoring, and enforcement measures comparable to those in effect for the United States. Finally, the bill would require the President, within sixty days of such a certification, to limit the importation of fish to levels consistent with the quota levels established by the Commission. On June 16, 1995, the Subcommittee on Trade reported to the full Committee H.R. 541, as amended.

On June 27, 1995, the Committee reported to the House H.R. 541 without further amendment (H. Rept. 104-109, Part II). As reported by the Committee on Ways and Means, the bill would strike

the mandatory trade sanctions included in the version reported by the Committee on Resources and instead include as a condition for certification whether a signatory has measures that are adequate and effective to meet the obligations of the International Convention for the Conservation of Atlantic Tunas (ICCAT). In addition, the bill would add more streamlined provisions requiring Commerce to identify, notify, and publish a list of countries whose fishing vessels are fishing or have fished during the previous year in the convention area in a manner inconsistent with the objectives of an ICCAT recommendation. The President may then enter into consultations with identified nations.

The text of H.R. 541, as amended, was incorporated as an amendment to H.R. 716, which passed the House on April 3, 1995. The bill passed the Senate with an amendment on June 30, 1995. The House agreed to the Senate amendment on October 24, 1995, and the President signed the bill into law on November 3, 1995 (P.L. 104-43).

*d. International Dolphin Conservation Program Act*

On July 10, 1996, H.R. 2823, the "International Dolphin Conservation Program Act," as amended by the Committee on Resources, was sequentially referred to the Committee on Ways and Means, for a period ending not later than July 23, 1996.

On July 23, 1996, the Committee on Ways and Means reported to the House H.R. 2823, as amended by the Committee on Resources, with no further amendments (H. Rept. 104-665, Part II).

H.R. 2823, as amended, would implement into U.S. law the Declaration of Panama concerning tuna fishing in the Eastern Tropical Pacific (ETP). The bill would recognize that significant reduction in dolphin mortality has been achieved by nations fishing for tuna in the ETP. In addition, the bill would replace the current use of U.S. unilateral standards as a trigger for an import ban of tuna caught with purse seine nets with multilateral standards agreed to as part of the Panama Declaration. Finally, the bill would amend the definition of "dolphin safe" to include only tuna caught in sets in which no dolphins were killed.

The bill passed the House on July 31, 1996.

There was no further Congressional action.

*e. Federal Tea Tasters Repeal Act of 1996*

On February 28, 1996, the Committee reported H.R. 2969, the "Federal Tea Repeal Act of 1996," to the House, without amendment (H. Rept. 104-467, Part I).

H.R. 2969 repealed the Tea Importation Act of 1897. The bill eliminated the Board of Tea Experts and related programs which previously prohibited the importation of tea of inferior purity, quality, or fitness for consumption to standards set by the Secretary of Health and Human Services, as well as the inspection fee assessed on tea imports.

On March 21, 1996, H.R. 2969 passed the House without amendment, and passed the Senate on March 25, 1996, without amendment. On April 9, 1996, the President signed the bill into law (P.L. 104-128).

*f. Antidumping issues*

On December 21, 1995, Subcommittee on Trade Chairman Crane introduced H.R. 2822, the "Temporary Duty Suspension Act," which is legislation to provide the Department of Commerce the discretion to suspend antidumping duties temporarily if it determines that prevailing market conditions related to the availability of the product in the United States make imposition of the duty inappropriate.

On January 31, 1996, the Subcommittee on Trade requested written public comments on the legislation. On April 23, 1996, the Subcommittee held a hearing on the Commerce Department's proposed substantive antidumping regulations and other issues concerning the administration of the antidumping law, including H.R. 2822. Testimony from the Assistant Secretary of Commerce for Import Administration, Members of Congress, the Congressional Budget Office, the U.S. International Trade Commission, and private sector witnesses was received.

The Committee took no other formal action.

*g. Pre- and post-employment restrictions*

On July 25, 1995, the Senate passed S. 1060, the "Lobbying Disclosure Act of 1995," including a provision which would prohibit any person serving as the USTR or the Deputy USTR from representing or advising a foreign entity at any time after termination of that person's service and to disqualify such a person from serving as a USTR or Deputy USTR if he or she directly represented, aided, or advised a foreign entity in any trade negotiation or trade dispute with the United States at any time in the past.

On November 29, 1995, the House passed S. 1060 as passed by the Senate, rejecting all amendments offered in the House. The President signed the bill into law on December 19, 1995 (P.L. 104-65).

*h. Export Administration Act*

On June 5, 1996, H.R. 361, the "Omnibus Export Administration Act of 1996," a bill to reauthorize and reform the Export Administration Act of 1979 until June 30, 2001, was reported by the Committee on International Relations to the House (H. Rept. 104-605, Part I). On June 5, 1995, the bill was sequentially referred to the Committee on Ways and Means for consideration of provisions within its jurisdiction for a period ending not later than June 28, 1996.

On June 27, 1996, the Committee reported to the House H.R. 361, as amended by the Committee on International Relations (H. Rept. 104-605, Part II).

On July 16, 1996, H.R. 361 passed the House. There was no Senate action.

*i. Authorization of Appropriations for Fiscal Year 1997 for Military Activities of the Department of Defense*

On July 17, 1996, the Committee was named as additional conferees on the bill H.R. 3230, a bill to authorize appropriations for fiscal year 1997 for the military activities of the Department of Defense, which contained an amendment to the Foreign Trade Zones

Act (19 U.S.C. 81a) to remove the Secretary of the Army from membership on the Foreign Trade Zones Board (H. Rept. 104–724). The conference report was passed by the House on August 1, 1996, and by the Senate on September 10, 1996. The President signed the bill into law on September 23, 1996 (P.L. 104–201).

*j. The Comprehensive Antiterrorism Act of 1995*

A provision of the bill H.R. 2703, the “Comprehensive Antiterrorism Act of 1995,” would make it unlawful to import plastic explosives not containing detection devices. On March 14, the House passed S. 735, a bill to prevent and punish acts of terrorism, as amended with the text of H.R. 2703. At the request of Chairman Archer, the final conference report (H. Rept. 104–518) contained a technical conforming amendment to the Tariff Act of 1930 to facilitate Customs interdiction of plastic explosives under their seizure and forfeiture authority. On April 17, 1996, the Senate agreed to the conference report, and on April 18, 1996, the House agreed to the conference report. On April 24, 1996, the President signed the bill into law (P.L. 104–132).

*k. 1996 Farm Bill*

On February 9, 1996, the Committee on Agriculture reported H.R. 2854, the “Agricultural Market Transition Act,” as amended (H. Rept. 104–462, Part I) to the House. The bill contained a provision to establish quotas to increase imports of upland cotton above amounts allowed under the Uruguay Round tariff-rate quotas if domestic cotton prices exceed specified levels, and a requirement that importers of dairy products pay assessments to offset the cost of export and other sales and promotion programs. On February 9, 1996, the Committee on Ways and Means was discharged from further consideration. The House passed H.R. 2854 as amended on February 29, 1996. On March 12, 1996, the Senate passed H.R. 2854, as amended, in lieu of S. 1541. On February 23, 1996, and March 19, 1996, Chairman Archer wrote to the Chairman of the House Committee on Agriculture regarding several trade-related provisions of jurisdictional interest to the Committee on Ways and Means under consideration by the House-Senate Conference Committee on H.R. 2854. On March 28, 1996, the House and Senate approved the conference report (H. Rept. 104–494), which included the cotton provision but did not include the dairy assessments. The President signed the bill into law on April 4, 1996 (P.L. 104–127).

*l. Section 310 of the Trade Act of 1974*

On September 13, 1995, as part of recommendations to the Committee on the Budget for inclusion in H.R. 2491, the “Balanced Budget Act of 1995,” the Committee approved a recommendation to extend Section 310 of the Trade Act of 1974, the so-called “Super 301” trade investigation procedure, through the year 2000 (H. Rept. 104–289).

The provision was not included in the final conference report on H.R. 2491, and there was no further Congressional action.

*m. Trade Adjustment Assistance*

On May 16, 1995, the Subcommittee on Human Resources held a hearing on the consolidation of job training programs, including Trade Adjustment Assistance (TAA). On June 12, 1995, Subcommittee on Trade Chairman Crane requested written comments on all TAA programs. The comments received generally supported extending these programs.

On September 21, 1995, the Committee ordered favorably reported to the House Committee on the Budget three recommendations to modify TAA. The first recommendation concerning NAFTA-related TAA amended the authority of the Secretary of Labor to waive the requirements for requiring workers under general TAA to enter approved training programs in order to receive Trade Adjustment Allowance payments only if training is not available. The second recommendation terminated relocation allowances under both general TAA and NAFTA-related TAA. The third recommendation extended all TAA programs through fiscal year 2000 and terminated these programs after September 30, 2000, to coincide with the renewal period proposed for extension of fast-track negotiating authority.

These recommendations were included in H.R. 2491, the "Balanced Budget Act of 1995", which passed the House on October 26, 1995. The TAA provisions were subsequently removed prior to the House-Senate conference, due to the application in the Senate of the "Byrd Rule." There was no further Congressional action.

#### D. LEGISLATIVE REVIEW OF HEALTH ISSUES

##### 1. MEDICARE REFORM

A major focus of the Committee was H.R. 2425, the "Medicare Preservation Act of 1995," introduced by Chairman Archer on September 29, 1995.

Under the proposal, a MedicarePlus program would be established to increase the availability of privately offered Medicare plan choices to beneficiaries. Changes would be proposed in standards relating to premiums, payments, quality and other elements of contracting for private health plans participating as Medicare risk contractors. Organizational and financial requirements would be established for a new risk contracting entity known as provider-sponsored organizations.

Processes would be established for development of uniform data elements for MedicarePlus plans and the fee-for-service systems. Modifications would be made to rules concerning duplication and coordination of Medicare related plans, other than Medigap. Special rules would be established for Medicare Medical Savings Accounts. A new Medicare Payment Review Commission would be established, consolidating and refocusing two existing commissions.

Provisions designed to combat health care fraud and abuse would be established including special funding for coordinated Federal, State and local programs; new criminal code requirements; increased civil monetary penalties; and a beneficiary incentive program for reporting overbillings. Regulatory relief would be provided for certain compensation arrangements of providers, and for shared services. Modifications would be made to payments for graduate

medical education under Medicare. Changes would be made to scheduled updates in payments to hospitals, disproportionate share payments, capital payments, bad debt payments, and certain exempt hospital payments. An interim and future system of paying for skilled nursing facility services based on episodes of care would be established. Future updates in hospice service payments were set.

Physician payment rules would be changed to establish a single-conversion factor and to replace the update default formula. The formula-driven overpayment for certain outpatient services would be eliminated. Changes would be made in payment updates for clinical laboratory services, durable medical equipment, ambulance services, and ambulatory surgery center services.

The Part B premium would be kept at 31.5 percent of program costs and an income-related reduction in Federal subsidies of the Part B premium would be established. A new payment method would be established for home-health services. A fail-safe budget mechanism would be created to manage annual growth in Medicare expenditures.

A package of provisions relating to rural areas would establish a new, rural limited service hospital program; special rules for access to emergency services; reinstatement of Medicare Dependent Hospitals; special rules on area wage adjustments and classification of rural referral centers; additional payments in provider shortage areas; expanded nurses aide training and payments to physician assistants and nurse practitioners.

A new Title XXII was added to the Social Security Act creating a trust fund to aid in financing graduate medical education. Lastly, clinical laboratories in a physician's office were exempted from Clinical Laboratory Improvement Amendments (CLIA) requirements.

The Subcommittee of Health held hearings on February 6, 7, 10, 23, March 21, 23, 30, April 3, May 3, 16, 24, 25, July 19, 20, 25, and 27 on Medicare issues and the full Committee held a hearing on H.R. 2425 on September 22, 1995. On October 16, 1995, the Committee reported to the House H.R. 2425, as amended (H. Rept. 104-276, Part I). On October 19, 1995, H.R. 2425 passed the House.

For further action see H.R. 2491, the "Balanced Budget Act of 1995."

## 2. HEALTH INSURANCE REFORM

A major focus of the Committee's legislative activity in the 104th Congress was consideration of health insurance reform. H.R. 3103, the "Health Insurance Portability and Accountability Act of 1996" (originally called the "Health Coverage Availability and Affordability Act of 1996") was introduced by Chairman Archer on March 18, 1996.

The bill provided for changes in the health insurance market. It guarantees the availability and renewability of health insurance coverage for certain employees and individuals, and limits the use of preexisting condition restrictions. The Act created Federal standards for insurers, health maintenance organizations (HMOs), and employer plans, including those who self insure. It permitted, how-

ever, substantial State flexibility for compliance with the requirements on insurance. The Secretary of Health and Human Services and the Attorney General were required to jointly establish a national health care fraud and abuse control program to coordinate Federal, State and local law enforcement to combat fraud with respect to health plans. The bill also extended certain criminal penalties for fraud and abuse violations under the Medicare and Medicaid programs to similar violations in Federal health care programs except for the Federal Employees Health Benefits Program. H.R. 3103 also required that any standard or modification of a standard adopted applies to the following persons: a health plan; a clearinghouse; or a health care provider, but only to the extent that the provider was conducting transactions referred to in the bill.

*a. Tax provisions in H.R. 3103*

The bill's tax-related provisions included a provision allowing individuals who are employees covered under a small employer-sponsored high-deductible plan or self-employed and who meet certain other requirements would be able to make tax-deductible contributions to a Medical Savings Account (MSA) although during the four-year pilot period, 1997–2000, the number of taxpayers benefiting annually from an MSA contribution would be limited to a threshold level of generally 750,000 taxpayers. H.R. 3103 also provided an increase in the health insurance deduction for the self-employed to 80 percent by the year 2006; a medical expense deduction for payment of qualified long-term care insurance premiums and expenses; tax-free accelerated health benefits; tax-exempt status to certain State-established high risk insurance pools and to certain State-established organizations providing workers' compensation reinsurance; treatment of certain State-established organizations as Blue Cross/Blue Shield organizations; penalty-free IRA withdrawals for medical expenses that exceed 7.5 percent of the adjusted gross income and for health insurance premiums for unemployed individuals; and modifications to the group health plan requirements. To offset the revenue cost of these provisions, the bill established new rules for taxpayers who expatriate for tax purposes (see above); limited interest deductions with respect to certain corporate-owned life insurance; and repealed a special interest allocation rule enacted as part of the Tax Reform Act of 1986.

The Subcommittee on Health held three hearings on provisions in the bill, one on January 27, 1995, on health insurance tax deductions for the Self-employed, another on May 12, 1995, on health insurance portability, and, finally, one on June 27, 1995, on medical savings accounts.

On March 25, 1996 the Committee on Ways and Means reported to the House H.R. 3103, as amended (H. Rept. 104–496, Part I). On March 28, 1996, the bill, as amended, passed the House, and it passed the Senate, as amended, on April 23, 1996. On August 1, 1996, the conference report (H. Rept. 104–736) passed both the House and the Senate. The President signed the bill into law on August 21, 1996 (P.L. 104–191).

## 3. MEDICARE SELECT

On January 11, 1995, Rep. Nancy Johnson introduced H.R. 483, a bill to amend title XVIII of the Social Security Act to permit Medicare SELECT policies to be offered in all States, and for other purposes.

Medicare SELECT is a demonstration which was limited to 15 States and was set to expire on June 30, 1995. Under Medicare SELECT, insurers can offer benefits through designated health professionals and facilities known as preferred providers. Individuals enrolled in Medicare SELECT receive premium savings over traditional fee-for-service Medigap policies that range from 10 to 37 percent.

The Subcommittee on Health held a hearing which discussed the Medicare SELECT on February 10, 1995. On March 2nd, 1995, the Subcommittee on Health reported to the full Committee H.R. 483, as amended. The bill as reported extended the program to all fifty states and made the program permanent. On March 15, 1995, the full Committee reported to the House H.R. 483, as amended (H. Rept. 104-79, Part I).

On April 6, 1995, the bill passed the House, and on May 17, 1995, passed the Senate as amended. The conference report (H. Rept. 104-157) passed the Senate on June 26, 1995, and the House on June 30, 1995. The President signed the bill into law on July 7, 1995 (P.L. 104-18).

## 4. 25 PERCENT HEALTH INSURANCE DEDUCTION FOR SELF-EMPLOYED

On February 6, 1995, Chairman Archer introduced H.R. 831, a bill to amend the Internal Revenue Code of 1986 to permanently extend the deduction for the health insurance costs of self-employed individuals, to repeal the provision permitting nonrecognition of gain on sales and exchanges effectuating policies of the Federal Communications Commission, and for other purposes.

An employer's contribution to a plan providing health coverage for the employee and the employee's spouse and dependents is excludable from the employee's income. No equivalent exclusion applied in the case of self-employed. However, prior law section 162(l) provided a deduction for 25 percent of the amount paid for health insurance of a self-employed individual and the individual's spouse and dependents. The 25-percent deduction was also available to more than 2 percent shareholders of S corporations. This deduction expired at the end of 1993.

H.R. 831 reinstated the 25-percent health insurance deduction for self-employed individuals from its expiration on December 31, 1993, and extended the deduction permanently.

The Subcommittee on Health held a hearing on this issue on January 27, 1995. On February 14, 1995, the Committee reported H.R. 831 to the House, as amended (H. Rept. 104-32).

The bill passed the House on February 21, 1995, and the Senate on March 24, 1995. On March 30, 1995, the House passed the conference report (H. Rept. 104-92) and the Senate passed the conference report on April 3, 1995. The President signed the bill into law on April 11, 1995 (P.L. 104-7).

## 5. MEDICARE PRESIDENTIAL BUDGET SAVINGS EXTENSION

H.R. 1134, the "Medicare Presidential Budget Savings Extension Act," was introduced March 6, 1995, by Subcommittee on Health Chairman Thomas.

The bill would maintain savings resulting from temporary freezes on payment increases for skilled nursing facilities, permanently sets the Part B Medicare premium at 25 percent of program expenditure, and extend certain secondary-payer provisions, and maintain savings resulting from temporary freezes on payment increases for Home Health Services.

On March 15, 1995, the Committee reported to the House H.R. 1134 without amendment. H.R. 1134 was then embodied in H.R. 1215 which was passed by the House on April 5, 1995. There was no Senate action on H.R. 1215.

## 6. MEDICARE TRUSTEES RECOMMENDATIONS ON RESOLVING PROJECTED FINANCIAL IMBALANCE IN MEDICARE TRUST FUNDS

H.R. 1590, a bill to require the Trustees of the Medicare Trust Funds to report recommendations on resolving projected financial imbalance in Medicare Trust Funds, was introduced on May 9, 1995, by Chairman Archer and Subcommittee on Health Chairman Thomas.

The bill would require the Trustees of the Medicare Trust Funds to report recommendations on resolving projected financial imbalance in Medicare trust funds.

On May 15, 1995, the Committee reported to the House H.R. 1590, without amendment. On March 16, 1995, the bill failed to receive the necessary two-thirds vote required to suspend the rules and pass the bill. There was no further action on the legislation.

## 7. UNNECESSARY MEDICAL DEVICE REPORTING REQUIREMENT

H.R. 2366, a bill to repeal an unnecessary medical device reporting requirement, repealed section 1862(h) of the Social Security Act (42 U.S.C. 1395 y). This provision required doctors and hospitals receiving Medicare payments to provide information to the Medicare cardiac registry whenever pacemakers are used. The Medicare pacemaker registry requirements became redundant in 1990, when Congress set up a more comprehensive system for reporting on medical devices in the Food and Drug laws.

On November 1, 1995, the Committee reported to the House H.R. 2366, without amendment (H. Rept. 104-323, Part II). On November 14, 1996, the House passed the bill, and the Senate passed the bill on September 25, 1996. The President signed the bill into law on October 2, 1996 (P.L. 104-224).

## 8. MEDICARE AND MEDICAID COVERAGE DATA BANK

H.R. 2685, a bill to repeal the Medicare and Medicaid Coverage Data Bank, was introduced on November 29, 1995, by Subcommittee on Health Chairman Thomas.

The Medicare and Medicaid Data Bank requires employers having or contributing to a group health insurance plan to submit employee health insurance information to the Secretary of Health and Human Services, on an annual basis, for calendar years 1994-

1997. H.R. 2685 repeals section 1144 of the Social Security Act, which repeals the Data Bank requirement.

On December 11, 1995, the Committee reported to the House H.R. 2685, without amendment (H. Rept 104-394, Part I). On March 12, 1996, the House passed the bill, and the Senate passed the bill on September 25, 1996. The President signed the bill into law on October 2, 1996 (P.L. 104-226).

## E. LEGISLATIVE REVIEW OF SOCIAL SECURITY ISSUES

### 1. THE "SENIOR CITIZENS' RIGHT TO WORK ACT"

On January 4, 1995, Subcommittee on Social Security Chairman Bunning introduced H.R. 8, the "Senior Citizens' Equity Act." On January 9, 1995, the Subcommittee on Social Security held a public hearing on the provision of H.R. 8 to raise the Social Security earnings limit to \$30,000.

The earnings limit provision of H.R. 8 was subsequently incorporated into H.R. 1215, the "Contract with America Tax Relief Act," which the Committee reported to the House on March 21, 1995 (H. Rept. 104-84), and later passed the House on April 5, 1995. (See the Legislative Review of Tax Issues for a discussion of the provision to repeal the 85-percent tax on Social Security benefits that was enacted as part of OBRA 93.) However, H.R. 1215, as passed by the House, did not include the earnings limit provision due to Sec. 310(g) of the Budget Impoundment and Control Act of 1974, which permits a point of order to be raised against a budget reconciliation bill that included a Social Security provision.

On October 25, 1995, Rep. Hastert, Chairman Archer, and Social Security Subcommittee Chairman Bunning, and others introduced H. Con. Res. 109, expressing sense of the Congress commitment to pass earnings limit legislation in 1995 outside of budget reconciliation, and send it to the President. On October 26, 1995, the House passed H. Con. Res. 109.

On November 28, 1995, the Subcommittee on Social Security reported to the full Committee, as amended, draft legislation entitled the "Senior Citizens' Right to Work Act of 1995." On November 29, 1995, Subcommittee on Social Security Chairman Bunning introduced H.R. 2684, the "Senior Citizens' Right to Work Act of 1995," containing the provisions reported by the Subcommittee. A provision denying Supplemental Security Income (SSI) disability benefits based on addiction to drugs or alcohol that was contained in all previous House and Senate-passed welfare reform bills, including those vetoed by the President on December 6, 1995, and January 9, 1996, was joined with an identical provision denying Social Security disability benefits based on addiction to drugs or alcohol, and included in H.R. 2684.

On December 4, 1995, the Committee reported to the House H.R. 2684, as amended (H. Rept. 104-379). The legislation included a provision to increase the earnings limit to \$30,000, which was offset by provisions to eliminate disability benefits based on alcoholism or addiction; base entitlement to stepchild's benefits upon actual dependency on the stepparent's support; delay post-retirement benefit recomputations; create a continuing disability revolving fund; eliminate Social Security Administration (SSA) involvement

in payment of fees to attorneys; and create an enrollment period to allow members of the clergy to elect Social Security coverage. On December 5, 1995, the House passed H.R. 2648.

On March 21, 1996, Chairman Archer introduced H.R. 3136, the "Contract with America Advancement Act" (see section on the debt limit for additional description). Incorporated into H.R. 3136, as Title I, were the provisions of the "Senior Citizens' Right to Work Act of 1996," which raised the earnings limit to \$30,000 by 2002. The cost was offset by provisions eliminating entitlement to disability benefits based on alcoholism or addiction and basing entitlement to stepchild's benefits on actual dependency on the stepparent's support. It also included a provision to provide additional administrative funding of \$2.67 billion from 1996–2002 to enable SSA to address the backlog of continuing disability reviews. On March 28, 1996, the House passed H.R. 3136, the "Contract with America Advancement Act." The President signed the bill into law on March 29, 1996 (P.L. 104–121).

Title I of P.L. 104–121 contains the following Social Security provisions:

*Increase in the Social Security Earnings Limit:* The legislation gradually raises the earnings limit for those of full retirement age (currently 65) to age 70 to \$30,000 by the year 2002. The cost of this provision (\$5.65 billion over 7 years) is fully offset by savings within the Social Security system as described below. The increase is phased in from \$12,500 in 1996 to \$30,000 in 2002. Senior citizens of full retirement age (currently age 65) to age 70 who earn over the given earnings limit will continue to lose \$1 in benefits for every \$3 earned over the limit. After 2002, the annual exempt amounts will be indexed to growth in average wages. The substantial gainful activity (SGA) amount applicable to individuals under 65 who are eligible for disability benefits on the basis of blindness will no longer be linked to the earnings limit amount for those now age 65 to 70, but, as under prior law, continues to be wage-indexed in the future, and is projected to rise to \$14,400 by 2002.

*Denial of Disability Benefits Based on Drug Addiction or Alcoholism:* An individual will not be considered disabled for purposes of entitlement to cash Social Security and SSI disability benefits if drug addiction or alcoholism is the contributing factor material to his or her disability. Individuals with drug addiction or alcoholism who have another severe disabling condition (such as AIDS, cancer, cirrhosis) can qualify for benefits based on that disabling condition.

If a person qualifying for benefits based on another disability is also determined to be an alcoholic or drug addict incapable of managing his or her benefits, a representative payee will be appointed to receive and manage the individual's checks. Recipients who are unable to manage their own benefits as a result of alcoholism or drug addiction will be referred to the appropriate State agency for substance abuse treatment services. For each of two years beginning with fiscal year 1997, \$50 million is authorized to fund additional drug and alcohol treatment programs and services. Generally, changes apply to benefits for months beginning on or after the date of enactment. However, an individual entitled to benefits before the month of enactment continues to be eligible for benefits until January 1, 1997.

*Entitlement of Stepchildren to Child's Benefits Based on Actual Dependency on Stepparent Support:* The legislation requires that in all cases benefits would be payable to a stepchild only if it is established that the stepchild is dependent upon the stepparent for at least one-half of his or her financial support. In addition, benefits to the stepchild will be terminated if the stepchild's natural parent and stepparent are divorced. The dependency requirement is effective for stepchildren who become entitled or re-entitled to benefits three months after the month of enactment. In cases of a subsequent divorce occurring three months after enactment, benefits to stepchildren terminate one month after the divorce becomes final. Stepparents are required to notify SSA of the divorce. In addition, SSA is required to notify annually those potentially affected by this provision.

*Establishment of a Continuing Disability Review (CDRs) Authorization:* An authorization to provide \$2.67 billion in additional administrative funding to enable the SSA to increase CDRs is created. This provision exempts amounts spent for CDRs above the already assumed base funding levels from being subject to the discretionary spending caps through fiscal year 2002. SSA will report annually on CDR expenditures and savings to the Social Security, SSI, Medicaid and Medicare programs.

*Other provisions:* The new law also contains provisions providing for a Benefit and Contribution Statement pilot; additional staff for the Social Security Advisory Board, and codification of protections of Social Security and Medicare Trust Funds.

## 2. DISABILITY LEGISLATION

As a result of the disability oversight hearings held in 1995, particularly the August 3, 1995, hearing, Subcommittee on Social Security Chairman Bunning introduced H.R. 4230, the "Rehabilitation and Return to Work Opportunity Act of 1996," on September 27, 1996, to help Social Security and SSI disability recipients who want to return to a life of financial independence and self sufficiency.

Provisions would include permitting Social Security disability insurance (SSDI) and SSI recipients to choose whether to receive rehabilitation services from private, non-profit or State rehabilitation providers, rather than restricting them to using only State vocational rehabilitation agencies for services. In addition, Medicare coverage would be continued for five years, and employers who hire SSDI or SSI disability recipients would be eligible for a one-year tax credit for the employer share of FICA taxes. No further action was taken on this legislation.

## 3. OTHER LEGISLATIVE ACTION OF NOTE

### *a. Social Security miscellaneous amendments*

On July 25, 1996, the Subcommittee on Social Security reported to the full Committee draft legislation, the "Social Security Miscellaneous Amendments Act of 1996," which included technical, clarifying or perfecting amendments relating to drug addicts and alcoholics, review of determinations by State Disability Determination Services, withholding from Social Security benefits; and exten-

sion of SSA disability insurance program demonstration project authority.

On September 10, 1996, Subcommittee on Social Security Chairman Bunning introduced H.R. 4039, the “Social Security Miscellaneous Amendments of 1996,” which included provisions similar to those reported by the Subcommittee on Social Security on July 25. Also included were provisions that would further bar payment of Social Security retirement, survivors, and disability insurance benefits to prisoners that were similar to those affecting payment of SSI benefits that were included in the House-passed version of H.R. 3734, the “Personal Responsibility and Work Opportunity Reconciliation Act of 1996,” which became law on August 22, 1996 (P.L. 104–193). The provisions barring payment of Social Security benefits to prisoners were not included in the conference report on H.R. 3734 because of the Senate’s concern over procedural rules against including Social Security provisions in a reconciliation bill (Sec. 310 g) of the Budget Impoundment and Control Act of 1974).

On September 16, 1996, the Committee reported to the House H.R. 4039, without amendment (H. Rept. 104–786). On September 17, 1996, the House passed the bill, as amended. No action was taken by the Senate.

*b. Miscellaneous Social Security provisions in other legislation*

*i. Small Business Job Protection Act*

H.R. 3448, the “Small Business Job Protection Act of 1996,” included provisions that would treat crew members of fishing boats and persons engaged in the business of distributing newspapers or shopping news as self-employed for Social Security purposes effective January 1, 1994, and January 1, 1996, respectively.

In addition, H.R. 3448 reinstated a provision which expired January 1, 1995, allowing employer-provided educational assistance to be excluded for Social Security and income tax purposes for courses which began before January 1, 1997. The rental value of a parsonage and benefits from a church plan received by a retired member of the clergy would also be excluded from Social Security tax. The President signed H.R. 3448 into law August 20, 1996 (P.L. 104–188). (See the section on tax issues for a description of other provisions of this legislation.)

*ii. Welfare reform*

H.R. 3734, the “Personal Responsibility and Work Opportunity Reconciliation Act of 1996” included a requirement that the Commissioner of Social Security develop a prototype of a counterfeit-resistant Social Security card made of durable, tamper-resistant material, providing security features, and providing individuals with reliable proof of citizenship or legal-resident alien status. In addition, H.R. 3734 requires the Commissioner to study and report on different methods of improving the Social Security card application process. The President signed H.R. 3734 into law on August 22, 1996 (P.L. 104–193). (See Legislative Review of Human Resources Issues for a complete description of provisions in H.R. 3734 under the jurisdiction of the Social Security Subcommittee.)

*iii. Omnibus appropriations*

H.R. 3019, the "Omnibus Consolidated Rescissions and Appropriations Act of 1996," contained two Social Security provisions. The first provides SSA and other Federal agencies with permanent debt collection authority. Individuals who are delinquent in repaying a government debt may have the debt administratively offset through any Federal benefit payments they currently receive. In addition to administratively offsetting the debt, SSA and other Federal agencies may report the delinquent debt to credit bureaus, use private collection agencies and assess late fees. The first \$9,000 of an individual's annual Federal benefit payments are exempt from administrative offset in order to avoid unreasonable hardship in light of the dependence of those receiving Federal benefits.

H.R. 3019 also requires that all recurring Federal payments, such as Social Security, be paid by electronic funds transfer (EFT) for all recipients newly entitled after August 1, 1996. The head of each agency may waive the requirement for individuals who do not have a bank or payment agent. After January 1, 1999, all current and newly entitled Federal benefit recipients must be paid by EFT. The Secretary of the Treasury may waive the requirement in certain circumstances. The President signed H.R. 3019 into law on April 26, 1996 (P.L. 104-134).

*iv. Immigration reform*

(See Legislative Review of Human Resources Issues for a description of the provisions under the jurisdiction of the Subcommittee on Social Security that were contained in the "Illegal Immigration Reform and Immigrant Responsibility Act," Division C of H.R. 3610 (P.L. 104-208)).

## F. LEGISLATIVE REVIEW OF HUMAN RESOURCES ISSUES

### 1. WELFARE REFORM

A major focus of the Committee's legislative activity in the 104th Congress was consideration of welfare reform. A comprehensive welfare reform proposal, based on the Contract with America welfare reform plan, titled "The Personal Responsibility Act of 1995" was introduced by Subcommittee on Human Resources Chairman Shaw and Reps. Talent, and LaTourette on January 4, 1995. With the exception of provisions affecting food stamps and commodity distribution, all titles of this legislation were referred to the Committee.

The full Committee held hearings on January 5, 10, 11, and 12, 1995, on provisions of the Contract with America, including the Personal Responsibility Act. The Subcommittee on Human Resources followed with eight hearings on January 13, 20, 23, 27, 30 and February 2, 3, and 6, 1995, on specific welfare reform proposals included in H.R. 4. On January 13, the Subcommittee received testimony from Governors John Engler of Michigan and Thomas Carper of Delaware, along with officials representing the U.S. Department of Health and Human Services and other experts. Witnesses described welfare spending, entitlement and State flexibility issues. On January 20, the Subcommittee heard from a variety of witnesses, including former recipients of Aid to Families with De-

pendent Children (AFDC), on the topic of illegitimacy. On January 23, the Subcommittee examined welfare-to-work programs. On January 27, the Subcommittee heard testimony about the SSI program, with a focus on benefits received by children, noncitizens, and drug addicts and alcoholics. On January 30, the Subcommittee heard testimony on a variety of welfare reform issues from more than 40 public officials, including Governor Lawton Chiles of Florida, and from several representatives of faith-based groups. The Subcommittee continued to receive testimony from public officials and other interested parties on February 2, taking testimony from public officials and representatives of interested groups. On February 3, the Subcommittee held a joint hearing with the Subcommittee on Early Childhood, Youth, and Families of the Committee on Economic and Educational Opportunities, focusing on child care and child welfare issues. Witnesses, including Dr. Mary Jo Bane, Assistant Secretary for Children and Families of the U.S. Department of Health and Human Services, focused on the connection between adequate funding for child care and successful work programs. Finally, on February 6, the Subcommittee received testimony on the impact of child support enforcement provisions in the Personal Responsibility Act.

On February 13, 14, and 15, 1995, the Subcommittee on Human Resources considered draft comprehensive welfare reform legislation based on the Personal Responsibility Act. On February 15, 1995, the Subcommittee reported to the full Committee the welfare reform measure.

On March 15, 1995, the Committee reported to the House H.R. 1157, the "Welfare Transformation Act of 1995" (H. Rept. 104-81, Part I).

Chairman Archer, along with Chairman Goodling of the Committee on Economic and Educational Opportunities, and Chairman Roberts of the Committee on Agriculture, subsequently introduced H.R. 1214 on March 13, 1995, representing the combined welfare reform provisions approved by each of the three committees. The text of H.R. 1214 was then incorporated into H.R. 4 and approved by the House on March 24, 1995.

On September 19, 1995, the Senate passed H.R. 4 as amended and the conference began on H.R. 4. Also, on October 26, 1995, the House passed H.R. 2491, the "Balanced Budget Act of 1995," and the Senate passed it on October 28, 1995, both of which included comprehensive welfare reform proposals. The conference report on H.R. 2491 (H. Rept. 104-347) was passed by the Senate on November 17, 1995, and was passed by the House on November 20, 1995. The President vetoed the bill on September 6, 1995.

On December 21, 1995, the House passed the conference report on H.R. 4 (H. Rept. 104-430), and the Senate passed the conference report on December 22, 1995. The President vetoed H.R. 4 on January 9, 1996.

These two welfare reform conference reports shared many common features: (1) a broad cash welfare block grant of \$16.3 billion per year for 5 years, with individual States receiving the higher of 1995, 1994, or the average of 1992-1994 AFDC funding; (2) a requirement that families on welfare work and that States meet performance-based work targets or lose Federal funds; (3) a limit on

lifetime receipt of Federal cash welfare block grant benefits (5 years or less at State option); (4) help for States with growing populations and States experiencing recessions through the creation of a special population growth fund and contingency grant and loans funds; (5) flexibility for States to take steps to address out-of-wedlock births, and rewards for States that promote family and marriage; (6) sweeping reforms of child support and paternity to increase collections from absent parents; (7) added funds and flexibility for child care to permit parents to leave welfare for work; (8) child nutrition program reforms and greater State flexibility in their operation; (9) reservation of most welfare benefits for citizens and noncitizens who had worked, served in the military, or recently entered the U.S. as political refugees; (10) reforms of the food stamp program requiring work for benefits and curbing illegal trafficking; (11) reforms of the SSI children's disability program to prevent abuse and focus benefits on the most severely disabled children; and (12) a new child protection block grant allowing States to intervene before children were abused. In all, the provisions would save an estimated \$58 billion over 7 years, FY 1996–2002 (the savings reflected the difference in expected Federal spending resulting from slowing spending growth on affected programs from 7 percent to 4 percent per year).

The most significant differences between the welfare reform provisions in the two bills resulted from the restrictions imposed by the “Byrd Rule” in the Senate on reconciliation bills such as H.R. 2491. Thus, several major provisions included in the conference report on H.R. 4 were excluded from the Balanced Budget Act because of the “Byrd Rule”: the family cap policy; new rules allowing charitable and religious providers to play an expanded role in welfare programs; new rules requiring organizations to disclose receipt of Federal funds under certain circumstances; the repeal of maintenance of effort requirements for State supplements to SSI; certain child support provisions; provisions authorizing States to limit State and local welfare benefits for noncitizens; and provisions authorizing certain discretionary child protection funds. H.R. 4 also did not include changes in the EIC that would have resulted from the Balanced Budget Act.

On May 10, 1995, the Subcommittee on Human Resources held a hearing on Federal adoption policy. The Subcommittee received additional testimony on the Federal Child Support Enforcement and SSI programs on June 13, 1995. Finally, on December 6, 1995, the Subcommittee held a hearing on welfare reform success stories, focusing on welfare reform programs nationwide that achieved success in reducing dependence, promoting work, and collecting child support for needy children.

On February 20, 1996, the Subcommittee on Human Resources renewed action on welfare reform by holding a hearing on a welfare reform proposal developed by the Nation's governors. Testimony was heard from Governors Thompson of Wisconsin and Carper of Delaware. On March 12, 1996, the Subcommittee held a hearing examining the causes of poverty, with a focus on out-of-wedlock births, featuring the views of several Members of Congress, policy experts, and representatives of faith-based organizations.

In March 1996, the President presented to Congress his budget proposal for fiscal year 1997, which included a new welfare reform proposal. This proposal was the subject of a Subcommittee on Human Resources hearing on May 22, 1996. The same day, Chairman Archer introduced a new comprehensive welfare reform proposal, H.R. 3507, the "Personal Responsibility and Work Opportunity Act of 1996." This legislation followed the legislative recommendations of the Nation's governors, proposing comprehensive reforms of the Medicaid program as well as the welfare-related programs included in earlier bills. On May 23, 1996 the Subcommittee held a hearing on H.R. 3507, including its provisions on moving families into work, SSI, child support, and benefits for noncitizens.

Relative to the vetoed H.R. 4, there were a number of changes in H.R. 3507: States had greater flexibility in choosing whether to adopt a family cap policy; funding was provided for performance bonuses for State success in achieving program goals; an additional \$1 billion was added to the previous \$1 billion contingency grant fund for coping with economic downturns; more job search was allowed and the required hours of work per week were reduced from 35 to 25; additional exemptions from the 5-year time limit on benefits were allowed; the effective date and onset of penalties was delayed until July 1, 1997; equal SSI benefits were provided to all eligible children, removing the former two-tiered benefits structure; added funding for child support data systems was included; the open-ended entitlements for administration and training for both foster care and adoption assistance were retained, and the Independent Living Program was restored as a separate entitlement; and \$4 billion in entitlement funding to States for child care was added, with additional funds matched by States at their Medicaid matching rate.

The Subcommittee on Human Resources considered budget reconciliation welfare recommendations (based on H.R. 3507), and on June 10, 1996, reported them to the full Committee. On June 12, 1996, the Committee ordered reported to the Committee on the Budget its budget reconciliation welfare recommendations.

On June 27, 1996, the Committee on the Budget reported an original measure to the House, H.R. 3734, the "Personal Responsibility, Work Opportunity, and Medicaid Restructuring Act of 1996," (H. Rept. 104-651) which combined the budget reconciliation welfare reform provision reported by the various committees.

H.R. 3829, the "Welfare Reform Reconciliation Act of 1996," represented the provisions of H.R. 3734 without the comprehensive Medicaid reform provisions. On July 18, 1996, the House passed H.R. 3734, as amended with an amendment in the nature of a substitute consisting of the text of H.R. 3829. On July 23, 1996, the Senate passed H.R. 3734, as amended. On July 31, 1996, the House passed the conference report on H.R. 3734 (H. Rept. 104-725), and the Senate passed it on August 1, 1996. The President signed the bill into law on August 22, 1996 (P.L. 104-193).

*a. Implementation of welfare reform and other issues*

Prior to final passage of the new welfare reform law, on July 30, 1996, the Subcommittee on Human Resources held a joint hearing with the Subcommittee on Early Childhood, Youth and Families of

the Committee on Economic and Educational Opportunities to examine H.R. 3467, the “American Community Renewal Act of 1996.” The Subcommittee considered proposals that would complement welfare reform by spurring charitable giving, community involvement, and economic development in impoverished areas, which several Members described as areas of further investigation for the Subcommittee during the 105th Congress. No action was taken on these proposals.

The Subcommittee on Human Resources held hearings on September 17 and 19, 1996 on implementation of the new welfare reform law. Invited witnesses discussed the activities undertaken by the U.S. Department of Health and Human Services, the Nation’s governors, State legislators, and state welfare program directors to implement the new block grant program; witnesses also discussed state efforts to make the new child support program operational, and its potential impact on children and families.

Before the close of the 104th Congress, several technical and other modifications were made to the welfare reform law through provisions included in the conference report accompanying H.R. 3610, “Making Omnibus Consolidated Appropriations for Fiscal Year 1997” (H. Rept. 104–863). This legislation: provided funding for child support technical assistance; specified the research funds available to the Secretary of Health and Human Services on welfare issues; preserved electronic benefit transfer pilot programs already under way in certain States; and allowed all States, regardless of when they opt into the new welfare block grant program, access to contingency funds designed to assist States with growing welfare needs. The President signed the bill into law on September 30, 1996 (P.L. 104–208).

*b. Technical corrections to the personal responsibility and work opportunity S. 2183*

Near the end of the 104th Congress, the House approved S. 2183, a bill making technical corrections to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. S. 2183 allows all States, regardless of when they opt into the new welfare block grant program, access to contingency funds designed to assist States with growing welfare needs. The new welfare law restricts federal payments to States in fiscal year 1997 to their block grant amount, even though States may begin operating their block grant program as late as July 1, 1997 (continuing the AFDC program until then). States that have experienced caseload increases since the setting of the block grant amount could experience a funding shortfall during the transition to the new program, a situation not foreseen in the original welfare reform law. According to the Congressional Budget Office, the bill has no cost. In addition, the bill does not change the way States qualify for contingency funds—any State that qualifies can access a share of the fund.

S. 2183 was passed by the Senate, amended, on October 1, 1996, and passed the House on October 4, 1996. The President signed the bill into law on October 19, 1996 (P.L. 104–327).

## 2. SUPPLEMENTAL SECURITY INCOME

In addition to the actions associated with welfare reform described above, the Committee approved legislation that restricted SSI benefits for drug addicts and alcoholics as part of H.R. 3136, the "Contract with American Advancement Act" (see Social Security Section, above).

## 3. CHILD PROTECTION

The Committee considered legislation removing barriers to interracial adoption (H.R. 3286, the "Adoption Promotion and Stability Act of 1996"). This legislation amended the Social Security Act to prohibit a State or other entity that receives Federal assistance from denying to any person the opportunity to become an adoptive or a foster parent on the basis of the race, color, or national origin of the person or of the child involved. Similarly, no State or other entity received Federal funds can delay or deny the placement of a child for adoption or foster care on the basis of the race, color, or national origin of the adoptive or foster parent or of the child involved.

On May 3, 1996, the Committee reported to the House H.R. 3286, as amended (H. Rept. 104-542, Part II). On May 10, the House passed the bill. The interethnic adoption provision of H.R. 3286 also passed the House as part of welfare reform in H.R. 4, H.R. 2491, and H.R. 3734. The provision was deleted from the final conference report accompanying H.R. 3734, due to the "Byrd Rule." However, the provision was added to H.R. 3448, the "Small Business Job Protection Act of 1996," which the President signed into law on August 20, 1996 (Public Law 104-188).

On June 27, 1996, the Human Resources Subcommittee held a hearing on issues related to removing barriers to adoption, especially the requirement that "reasonable efforts" be made to keep children with their parents prior to the placement of a child in foster care. Several witnesses testified that the way the current law "reasonable efforts" provision is being interpreted and implemented by many States is itself a barrier to adoption.

## 4. BENEFITS FOR NONCITIZENS

In addition to the changes made by the welfare reform law that affect benefits for noncitizens, several changes were made in the conference report to H.R. 3610, "Making Omnibus Consolidated Appropriations for Fiscal Year 1997," (H. Rept. 104-863) which the President signed into law on September 30, 1996 (P.L. 104-208).

*Exception to ineligibility for public benefits for certain battered aliens.* Certain "battered aliens" who, under provisions of the new welfare reform law were treated as illegal aliens and therefore ineligible from almost all Federal and State public benefits, would instead be treated as "qualified aliens" and therefore subjected to lesser welfare benefits denials/restrictions only.

*Ineligibility of aliens not lawfully present for Social Security benefits.* Instead of denying Social Security applications filed after August 1996 by aliens illegally present in the U.S. (as provided in the new welfare reform law), the ineligibility of illegal aliens for Social

Security benefits will start with applications filed in December 1996 or later.

*Verification of immigration status for purposes of Social Security and higher educational assistance.* This provision requires States to transmit copies of certain documents specified by the Immigration and Naturalization Service for verification under the Income and Eligibility Verification System (IEVS).

*No verification requirement for nonprofit charitable institutions.* This provision exempts nonprofit charitable organizations that provide Federal, State or local public benefits from having to determine the (in) eligibility of recipients based on alienage.

*GAO study on provision of means-tested public benefits to aliens who are not qualified aliens on behalf of eligible individuals.* GAO must report within 180 days on the extent to which means-tested public benefits are being paid to "non-qualified" (illegal) aliens on behalf of legal aliens or citizens. This provision applies primarily to illegal alien parents receiving welfare benefits of a child born in the United States who is therefore a citizen.

*Transition for aliens currently receiving benefits under the Food Stamp program.* This provision creates a longer transition for non-citizens who would lose eligibility (some beginning immediately) for food stamps as a result of the welfare reform law, thereby guaranteeing noncitizens continued benefits until at least April 1, 1997. All affected noncitizens will still lose eligibility for welfare benefits by no later than August 22, 1997, as provided under the welfare reform law.

*Social Security-related changes.* P.L. 104-208 set new requirements for the issuance and use of driver's licenses. Federal agencies will no longer accept as identification any driver's license unless the State has issued the license in accordance with regulations set forth by the Secretary of Transportation. Also, the license must incorporate security features designed to limit counterfeiting and display the Social Security number unless the State requires that the Social Security number be submitted as part of the application process. Also, the legislation requires the Commissioner of Social Security to develop a prototype of a counterfeit-resistant Social Security card that is durable, employs security features, and provides individuals with reliable proof of citizenship or legal resident alien status. The Commissioner and the Comptroller General each are to study and report to Congress on methods to improve the Social Security card application process. The studies are to evaluate cost and workload implications of issuing counterfeit-resistant cards for all individuals over a 3-, 5-, and 10-year period. The studies must also evaluate the feasibility and cost implications of imposing a user fee for replacement cards.

##### 5. EARNED INCOME CREDIT

The Committee considered changes to the EIC program. See the discussion above under Legislative Review of Budget Reconciliation: Balanced Budget Act, as well as the description of H.R. 3734, (P.L. 104-193). In summary, the new welfare reform law denied the EIC to persons who are unauthorized to work in the United States, changed the amount and definition of disqualified income, revised the calculation of adjusted gross income for purposes of the

EIC phaseout, and authorized the IRS to use math error procedures when returns do not include correct taxpayer identification numbers and in cases in which self-employment taxes are not paid by EIC filers, generally effective for tax years after 1995.

#### G. LEGISLATIVE REVIEW OF DEBT ISSUES

In addition to the long-term increase in the public debt limit contained in H.R. 2491 (see Legislative Review of Budget Reconciliation: Balanced Budget Act, above) and H.R. 3136, the “Contract with America Advancement Act,” the Committee considered several other measures related to the public debt. Two temporary changes in borrowing authority were signed into law prior to the permanent extension contained in H.R. 3136, which was enacted in March 1996.

On November 7, 1995, the Committee reported to the House H.R. 2586 (H. Rept. 104–325) to provide a temporary increase in the public debt limit from \$4.9 trillion to \$4.967 trillion for the period through December 2, 1995. The debt limit would revert back to the level of \$4.8 trillion after that date. H.R. 2586, as amended, passed the House and Senate on November 9, 1995. The House agreed to the Senate amendment on November 10, 1995. The President vetoed the bill on November 13, 1995.

On November 14, 1995, the House failed to pass on the suspension calendar H.R. 2621, a bill to enforce the public debt limit and other purposes. The same measure, with an amendment, was considered by the House and passed on December 14, 1995. No further action occurred on this legislation.

On February 1, 1996, the House passed H.R. 2924, a bill to provide for sufficient borrowing authority to ensure the payment of Social Security benefits during March 1996. The bill passed the Senate the same day and the President signed the bill into law on February 8, 1996 (P.L. 104–103).

On March 7, 1996, the House passed H.R. 3021, as amended, to guarantee the continued full investment of Social Security and other Federal funds in obligations of the United States. The Senate passed the bill the same day, and the President signed the bill into law on March 12, 1996 (P.L. 104–115).

On March 28, 1996, the House passed H.R. 3136, the “Contract With America Advancement Act,” which contained a permanent increase in the statutory debt limit to \$5.5 trillion. The Senate passed the bill the same day and the President signed the bill into law on March 29, 1996 (P.L. 104–121).

## II. Oversight Review

### A. OVERSIGHT AGENDA

COMMITTEE ON WAYS AND MEANS,  
U.S. HOUSE OF REPRESENTATIVES,  
*Washington, DC, February 8, 1995.*

Hon. WILLIAM F. CLINGER, Jr.,  
*Chairman, Committee on Government Reform and Oversight, Rayburn House Office Building, Washington, DC.*

Hon. WILLIAM M. THOMAS,  
*Chairman, Committee on House Oversight, Longworth House Office Building, Washington, DC.*

DEAR CHAIRMAN CLINGER AND CHAIRMAN THOMAS: In accordance with the requirements of Clause 2 of Rule X of the Rules of the House, the following is a list of programs within the jurisdiction of the Committee on Ways and Means for which the Committee anticipates it will conduct oversight activities during the 104th Congress, as the Committee's schedule permits. The list has been broken down by Subcommittee and prioritized to reflect the likely order in which these activities are expected to occur.

#### SUBCOMMITTEE ON TRADE

1. Hearing to examine the U.S. Customs Service reorganization plan (held on January 30, 1995).
2. Hearing to examine issues relating to NAFTA parity for Caribbean Basin Initiative countries (to be held on February 10, 1995).
3. Hearing to review the status of negotiations relating to China's accession to the World Trade Organization (WTO). Spring, 1995.
4. Hearing to examine current law requirements governing most-favored nation status for non-market economies and possible alternatives for updating the application of the law with respect to China. Spring, 1995.
5. Hearing to examine the effectiveness of the Trade Adjustment Assistance (TAA) program and the effects of international trade on employment and job creation. Spring, 1995.
6. Hearing to examine the status of NAFTA implementation; emerging problems with Mexico. Spring, 1995.
7. Hearing to examine U.S.-Japan bilateral relations. Summer, 1995.
8. Hearing to follow up on the Summit for America and the Asia-Pacific Economic Cooperation (APEC) summit. Spring/Summer, 1995.
9. Hearing to examine benefits/problems associated with free trade areas (FTAs). Summer, 1995.
10. Hearing on trade and competition policy, and trade and investment. Summer, 1995.
11. Hearing to examine the economic relationship between the U.S. and Cuba. Late 1995 or early 1996.
12. Hearing to examine linkages between trade laws and the environment and international labor standards. Early 1996.

## SUBCOMMITTEE ON OVERSIGHT

1. Hearing to examine the effectiveness of current federal child welfare and foster care programs (held on January 23, 1995).

2. Hearing to examine the Federal Communications Commission's administration of Internal Revenue Code section 1071 (held on January 27, 1995).

3. Hearing to review the Administration's FY 1996 budget request for the Internal Revenue Service (IRS), the U.S. Tax Court and the Bureau of Alcohol, Tobacco, and Firearms. The hearing will focus on evaluation of the progress of and future funding requirements for the IRS's Tax Systems Modernization (TSM) program. Tentatively scheduled for late February, 1995.

4. Hearing on the 1995 tax return filing season, to examine the accuracy and availability of IRS's taxpayer telephone assistance, IRS's efforts to identify and reduce tax return preparation fraud and processing errors, and specific focus on electronic filing fraud. Tentatively scheduled for late February, 1995.

5. Hearing to examine the IRS's planned Tax Compliance Measurement Program (TCMP) audits. Spring, 1995.

6. Hearing to receive testimony from the General Accounting Office and Inspectors General from the Departments of Treasury, Labor and Health and Human Services to receive updates on their analyses of the Fraud and abuse "high risk" areas in programs under the Committee's jurisdiction. Spring, 1995.

7. Hearing to review IRS enforcement of federal tax laws relating to employment taxes and independent contractors. Spring, 1995.

8. Hearing (possibly to be held jointly with the Subcommittee on Trade) to review implementation of the NAFTA and WTO; international dispute resolution mechanisms; and compliance with existing bilateral tax and trade agreements. Spring, 1995.

9. Hearing to monitor the operation of the Social Security Administration, including issues relating to caseload management and adequacy of beneficiary services. Summer 1995.

10. Oversight Project. Comprehensive review of the compliance burden imposed by the federal tax laws for purposes of developing tax simplification legislation. Summer, 1995.

11. Hearing to examine expiring tax provisions including, among others, the research and development tax credit, the targeted jobs tax credit, and the exclusion for employer-provided educational expenses (expired). Summer, 1995.

12. Hearing to review the operation and administration of the Hazardous Substance Superfund. Summer, 1995.

13. Hearing to examine suggestions from the public and practitioners for provisions to include in a Taxpayer Bill of Rights II, to be followed by development of legislation. Summer, 1995.

14. Hearing to examine current laws regarding liability for and the IRS's enforcement and collection of federal excise taxes on diesel fuel. Summer, 1995.

15. Hearing to examine Subchapter S issues and proposals for reform. Summer, 1995.

16. Hearing to examine miscellaneous bills and proposals for technical and conforming changes to the tax code. Fall, 1995.

17. Hearing to review provisions in the tax laws relating to tax-exempt municipal financing, including review of the restrictions imposed in the Tax Reform Act of 1986 and subsequent amendments, and potential problems associated with privatizing public facilities financed with municipal bonds. Fall, 1995.

18. Hearing to examine noncompliance with the tax laws applicable to public charities and other tax-exempt organizations (TEOs), and the IRS's enforcement of those laws. Late 1995.

19. Hearing (possibly to be held jointly with the Subcommittee on Health) to examine Medicare waste, fraud and abuse issues. Late 1995/Early 1996.

20. Hearing (possibly to be held jointly with the Subcommittee on Health) to examine implementation and enforcement of Physician Self-Referral anti-fraud and abuse measures, and issues relating to activities of physician-owned facilities and managed care companies. Late 1995/Early 1996.

21. Hearing to review miscellaneous pension issues, including the financial condition of federal, state and local government pension systems and the complexity of existing statutory and regulatory requirements on qualified public and private plans and their effect on private savings. Late 1995/Early 1996.

22. Hearing (possibly to be held jointly with the Subcommittee on Trade) to monitor operations of the U.S. Customs Service, including matters involving commercial operations and enforcement. Early 1996.

23. Field investigations generally, and as necessary under the Subcommittee on Oversight's authority under section 6103 of the Internal Revenue Code to review confidential tax return information for purposes of evaluating compliance with the tax laws and investigating allegations of tax evasion and schemes to defraud the nation's taxpayers.

24. Field hearings on issues to be determined, for the purpose of providing members of the public with input into the Congressional oversight process.

#### SUBCOMMITTEE ON HUMAN RESOURCES

1. Hearing to examine the growth of spending on means-tested programs and the role of entitlements in this growth (held on January 23, 1995).

2. Hearing to examine historical changes in the rates of illegitimacy and the role illegitimacy has played in the growth of the welfare rolls (held on January 20, 1995).

3. Hearing to examine evidence regarding the length of stays on welfare and the effectiveness of programs that provide education, training, job search and work experience in helping families leave welfare (held on January 23, 1995).

4. Hearing to examine fraud and abuse in the Supplemental Security Income (SSI) program and proposals for reforming benefits (held on January 27, 1995).

5. Hearing (held jointly with Subcommittee on Each Childhood, Youth and Families of the Committee on Economic and Educational Opportunities) to examine child care and child welfare issues (held on February 3, 1995).

6. Hearing to examine possible reforms to the federal child Support Enforcement program (held on February 6, 1995).

7. Hearing (to be held jointly with the Subcommittee on Oversight) to examine welfare waste, fraud and abuse issues and possible measures to address fraud and abuse. Summer, 1995.

8. Hearing (to be held jointly with the Subcommittee on Oversight) to examine Supplemental Security Income (SSI) waste, fraud and abuse issues and possible measures to address fraud and abuse. Summer, 1995.

9. Hearing (possibly to be held jointly with the Subcommittee on Oversight) to examine program trends under the federal Child Support Enforcement (CSE) program. Fall, 1995.

10. Hearing to examine current laws relating to unemployment compensation and possible reforms. Fall, 1995.

#### SUBCOMMITTEE ON HEALTH

1. Hearing to examine areas of extraordinary growth in Medicare and the potential causes for such growth (held February 6, 1995).

2. Hearing to examine innovations in Medicare, including oversight of Medicare risk contract HMOs and Medicare Select (to be held on February 10, 1995).

3. Hearing to examine the administration of Medicare policies by the Health Care Financing Administration (HCFA). Spring, 1995.

4. Hearing to examine current law hospital and physician payment policies under Medicare Parts A and B. Spring, 1995.

5. Hearing to examine current law policies relating to payment for graduate medical education under Medicare Part A. Spring/Summer, 1995.

6. Hearing to examine issues relating to Medicare intermediaries and carriers, including implementation of the Medicare transaction systems and funding for payment safeguards. Spring/Summer, 1995.

7. Hearing on Medicare Peer Review organizations. Spring/Summer, 1995.

#### SUBCOMMITTEE ON SOCIAL SECURITY

1. Hearing to examine implementation of the Social Security Independence and Program Improvement Act, including an examination of the advisory and oversight role of the Social Security Advisory Board. Spring, 1995.

2. Hearing to examine the Social Security Administration's proposals for reengineering the Social Security Disability Insurance (SSDI) program. Summer, 1995.

3. Hearing to examine SSDI Continuing Disability Review issues. Summer, 1995.

4. Hearing to examine SSDI service delivery issues. Summer, 1995.

5. Hearing to examine SSDI caseload backlogs. Summer, 1995.

6. Hearing to examine continuing problems with deceptive mailings to senior citizens. Fall, 1995.

## FULL COMMITTEE

In late 1995 or early 1996, the Committee anticipates that it will begin a series of hearings for the purpose of conducting a comprehensive examination of the current federal income tax code and proposals for fundamental tax reform.

## ADDITIONAL AND ONGOING MONITORING ACTIVITIES

The Committee on Ways and Means anticipates that additional oversight activities will be scheduled in 1995 and 1996. This list is not intended to be exclusive; accordingly, the Committee will conduct hearings and site inspections on issues as they arise. In addition, several of the Committee's Subcommittees conduct ongoing monitoring of programs and agencies within the Committee's jurisdiction. For example, the Subcommittee on Oversight conducts ongoing monitoring activities to examine laws, programs and agencies under the Committee's jurisdiction, such as the Internal Revenue Service, U.S. Customs, the Bureau of Alcohol, Tobacco and Firearms, the Department of Health and Human Services (including the Health Care Financing Administration), the Social Security Administration, and the Department of Labor, including the Pension benefit Guaranty Corporation.

In preparing this report, the staff of the Committee on Ways and Means has consulted with staff from the Committee on Commerce and the Committee on Economic and Educational Opportunities about the possibility of holding joint hearings where appropriate on programs over which the Committees share jurisdiction.

Sincerely,

BILL ARCHER,  
*Chairman.*

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COMMITTEE ON WAYS AND MEANS,  
HOUSE OF REPRESENTATIVES,  
*Washington, DC, February 10, 1995.*

Hon. WILLIAM F. CLINGER, Jr.,  
*Chairman, Committee on Government Reform and Oversight, House of Representatives, Rayburn House Office Building, Washington, DC.*

Hon. WILLIAM M. THOMAS,  
*Chairman, Committee on House Oversight, House of Representatives, Longworth House Office Building, Washington, DC.*

DEAR CHAIRMAN CLINGER AND CHAIRMAN THOMAS: We are writing with regard to approval by the Committee on Ways and Means, on February 8, 1995, of the Committee's oversight agenda for the 104th Congress pursuant to House Rule X.

As the Committee agreed, we are providing you with our companion views in connection with the Committee's planned agenda. We ask that the attached statement be included accordingly.

Sincerely yours,

ROBERT T. MATSUI,  
*Ranking Democrat, Sub-*  
*committee on Oversight.*  
SAM M. GIBBONS,  
*Ranking Democrat.*

Attachment.

**Views of the Honorable Sam M. Gibbons and the Honorable Robert T. Matsui on the Committee on Ways and Means Oversight Agenda for the 104th Congress**

As the Committee on Ways and Means moves forward during the 104th Congress, we believe it is important that the oversight activities of the Committee be thoroughly and aggressively undertaken. It is important that all major areas of the Committee's jurisdiction be subject to oversight review by the Committee over the next two years. This is necessary to insure that the broad range of laws this Committee has developed are being properly administered by our Federal agencies, and that the underlying goals and purposes are being met. It is critical that, as the Committee's legislative priorities proceed, the importance of oversight is not lost.

In conducting oversight of issues involving the tax, trade, health, social security, human resource and other laws under the Committee's jurisdiction, we must make sure that the Committee's oversight efforts go beyond merely soliciting hearing testimony and accepting it "on its face" as complete and conclusive. Meaningful oversight requires very time-consuming and extensive research, field investigations, and documentation requests and analyses. Also, the Committee's oversight efforts must include matters which cut-across various aspects of the Committee's jurisdiction and involve overlapping Federal agency programs. We urge the Committee leadership to adopt such a comprehensive approach.

During the 103rd Congress, for example, the Subcommittee on Oversight investigated issues relating to abuse by tax-exempt organizations, tax refund fraud, abusive insurance sales practices involving the earned income tax credit, administration of the Superfund, underfunding of pension plans insured by the Federal Government, lack of coordination between IRS and Customs in valuing imports, and welfare fraud. Each of these oversight efforts required months of research and staff field investigative work, as well as extensive demands for documents. These oversight activities served as the basis for the Subcommittee hearings and "good government" reforms which followed. Importantly, this effort provided the public, Committee, and Congress with fundamental information and analyses which otherwise did not exist. Following its investigations and hearings, the Subcommittee routinely and on a bipartisan basis approved reports to the full Committee which contained recommendations for legislative and administrative reform. This process proved to be very effective and should be continued.

We urge that the Committee leadership develop a specific plan for the 104th Congress to implement true oversight of the pro-

grams under the Committee's jurisdiction. This should include an analysis of the amount and type of staff resources needed to accomplish such a goal, and an end-of-the-year report to the Committee Members describing the tangible results of the Committee's oversight activities.

B. ACTIONS TAKEN AND RECOMMENDATIONS MADE WITH RESPECT TO OVERSIGHT PLAN

*Subcommittee on Trade*—Comparison of oversight plan developed in January 1995 to actual activities of the Subcommittee during the 104th Congress:

1. Hearing to examine the U.S. Customs Service reorganization plan.

*Action taken:* The Subcommittee hearing was held on January 30, 1995. Testimony taken helped form the basis of legislation considered by the Committee to authorize operations for the Customs Service and for action related to general oversight of the Customs Service.

2. Hearing to examine issues relating to NAFTA parity for Caribbean Basin Initiative countries.

*Action taken:* The Subcommittee hearing was held on February 10, 1995. Testimony taken helped form the basis for consideration of H.R. 553, the "Caribbean Trade Security Act."

3. Hearing to review the status of negotiations relating to China's accession to the WTO.

*Action taken:* Subcommittee hearings were held on March 9, 1995, and June 11, 1996. Testimony taken at the hearing helped form the basis for consideration of whether legislative efforts with respect to China would be appropriate, including extension of most-favored-nation treatment. The June 11 hearing also addressed the issue to Taiwan's accession to the WTO.

4. Hearing to examine current law requirements governing most-favored-nation status for non-market economies and possible alternatives for updating the application of the law with respect to China.

*Action taken:* Subcommittee hearings were held on May 23, 1995, and June 11, 1996. In addition, the Subcommittee requested public comment on July 16, 1996, concerning changes in the terminology "most-favored-nation" treatment. Testimony at the hearings and public comment helped form the basis of action by the Committee to report out adversely in 1995 and 1996 legislation that would disapprove the extension of most-favored-nation treatment to China.

5. Hearing to examine the effectiveness of the Trade Adjustment Assistance (TAA) program and the effects of international trade on employment and job creation.

*Action taken:* The Subcommittee hearing on workforce education and training was held on July 25, 1996. In addition, the Human Resources Subcommittee held a hearing on the consolidation of job training programs held on May 16, 1995. Testimony at the hearings formed the basis of Committee recommendations to the Committee on the Budget concerning modifications to the TAA program, which were included in the House-passed version of H.R. 2491, the "Balanced Budget Act of 1995."

6. Hearing to examine the status of NAFTA implementation; emerging problems with Mexico.

*Action taken:* The Subcommittee hearing concerning the accession of Chile to the NAFTA was held on June 21, 1995. The Subcommittee hearing on H.R. 2822, concerning safeguard treatment of perishable agricultural products, including tomatoes from Mexico, was held on April 25, 1996. Testimony at the hearings assisted the Committee in its consideration of the extension of fast track trade agreement authority (H.R. 2371), Chile's accession to the NAFTA, and H.R. 2822.

7. Hearing to examine United States-Japan bilateral relations.

*Action taken:* The Subcommittee hearing was held on March 28, 1996. Testimony at the hearing assisted the Subcommittee in its oversight responsibilities concerning bilateral relations with Japan.

8. Hearing to follow up on the Summit of the Americas and the Asia-Pacific Economic Cooperation (APEC) summit.

*Action taken:* The Subcommittee hearing concerning the accession of Chile to the NAFTA was held on June 21, 1995. A Subcommittee field hearing on U.S. trade policy was held on May 20, 1996, in Schaumburg, Illinois. Testimony received at the hearings assisted the Committee in its consideration of legislation to extend fast track trade agreement authority (H.R. 2371) and in its responsibilities concerning trade policy. In addition, the Subcommittee undertook a trade mission to Costa Rica, Chile, and Argentina in order to gather information relevant to the Committee's consideration of issues relating to the extension of fast track, Chilean accession to the NAFTA, and the Summit of the Americas.

9. Hearing to examine benefits/problems associated with free trade areas (FTAs).

*Action taken:* The Subcommittee hearing concerning the accession of Chile to the NAFTA was held on June 21, 1995. Testimony received at the hearing assisted the Committee in its consideration of legislation to extend fast track trade agreement authority (H.R. 2371) and in its responsibilities concerning trade policy. In addition, the Subcommittee undertook a trade mission to Costa Rica, Chile, and Argentina in order to gather information relevant to the Committee's consideration of issues relating to the extension of fast track, Chilean accession to the NAFTA, and the Summit of the Americas.

10. Hearing on trade and competition policy, and trade and investment.

*Action taken:* The Subcommittee hearing on the WTO was held on March 13, 1996. Testimony taken at the hearing assisted the Committee in its responsibilities concerning a number of Congressional initiatives on WTO policy and oversight of Administration activity concerning the WTO.

11. Hearing to examine the economic relationship between the United States and Cuba.

*Action taken:* The Subcommittee hearing was held on June 30, 1995. Testimony taken at the hearing helped to form the basis for Committee action concerning H.R. 927, the "Cuban Liberty and Democratic Solidarity Act of 1995."

12. Hearing to examine linkages between trade laws and the environment and international labor standards.

*Action taken:* The Subcommittee hearings on fast track authority were held on May 11 and 17, 1995. Subcommittee hearing on the WTO was held on March 13, 1996. Testimony taken at the fast track hearings helped form the basis of Committee action with respect to the extension of fast track agreement authority (H.R. 2371). Testimony taken at the WTO hearing assisted the Committee in its responsibilities concerning a number of Congressional initiatives on WTO policy and oversight of Administration activity concerning the WTO.

*Subcommittee on Oversight*—Comparison of oversight plan developed in January 1995 to actual activities of the Subcommittee during the 104th Congress.

1. Hearing to examine the effectiveness of current Federal child welfare and foster care programs.

*Action taken:* The Subcommittee hearing was held on January 23, 1995. Testimony taken at the hearing helped form the basis for reforms to Federal child welfare programs enacted in H.R. 3734, the “Personal Responsibility and Work Opportunity Reconciliation Act of 1996” (P.L. 104–193).

2. Hearing to examine the Federal Communications Commission’s (FCC) administration of Internal Revenue Code section 1071.

*Action taken:* The Subcommittee hearing was held on January 27, 1995. Testimony taken at the hearing established the foundation for repeal of Internal Revenue Code section 1071, relating to special rules for the treatment of gain on the sale or exchange of FCC-certified broadcast property (the so-called “FCC Minority Tax Certificate Program”).

3. Hearing to review the Administration’s FY 1996 budget request for the IRS, the U.S. Tax Court and the Bureau of Alcohol, Tobacco, and Firearms. The hearing will evaluate the progress of and future funding requirements for the IRS’s Tax Systems Modernization program.

*Action taken:* The Subcommittee hearing was held on February 27, 1995, to examine both the Administration’s fiscal year 1996 budget request for the IRS, and the status of the 1995 tax return filing season. Testimony taken at the hearing helped to form the basis for recommendations transmitted by the Committee on Ways and Means to the Committee on Appropriations relating to budgetary resources for the IRS for FY 1996.

The Subcommittee also held a hearing on March 28, 1996, to examine the Administration’s proposed IRS budget for fiscal year 1997 and the status of the 1996 tax return filing season. Testimony taken at the hearing helped to form the basis for recommendations transmitted by the Committee on Ways and Means to the Committee on Appropriations relating to budgetary resources for the IRS for FY 1997.

4. Hearing on the 1995 tax return filing season, to examine the accuracy and availability of IRS’s taxpayer telephone assistance, IRS’s efforts to identify and reduce tax return preparation fraud and processing errors, and specific focus on electronic filing fraud.

*Action taken:* See #3 above.

5. Hearing to examine the IRS’s planned Tax Compliance Measurement Program (TCMP) audits.

*Action taken:* The Subcommittee hearing was held to examine the IRS's plan to conduct a TCMP on July 18, 1995. TCMP surveys are conducted periodically by the IRS to gather data for compliance research purposes. Under TCMP, a stratified random sample of income tax returns are selected for examination. The data collected from these surveys are used to: (1) measure compliance levels; (2) estimate the tax gap (i.e., the difference between the amount of taxes legally owed and the amount voluntarily paid); (3) identify compliance issues and develop computer formulas used for objectively selecting returns for audit; (4) develop data used for revenue estimating purposes; and (5) develop data used to more efficiently allocate the IRS's audit resources. The last TCMP survey was conducted in 1988.

Testimony presented at the hearing indicated that while the data gathered through TCMP surveys is useful for tax administration purposes, the process is burdensome for the taxpayers whose tax returns are selected for TCMP audits. Information gathered at the hearing served the basis for a provision which was included in the Committee on Ways and Means title of H.R. 2491, the Balanced Budget Act of 1995," to provide a tax credit to individuals (not including estates, trusts, partnerships or S corporations) for up to \$3,000 of expenses incurred in connection with a TCMP audit of the taxpayer. Subsequent to House passage of this measure, the IRS announced that it was canceling the planned TCMP, and the provision was dropped from the final conference agreement on H.R. 2491.

6. Hearing to receive testimony from the U.S. General Accounting Office (GAO) and Inspectors General from the Departments of Treasury, Labor and Health and Human Services to receive updates on their analyses of the fraud and abuse "high risk" areas in programs under the Committee's jurisdiction.

*Action taken:* In lieu of hearing, the Subcommittee staff met with officials from the GAO and the Inspectors General from the Departments of Treasury and Health and Human Services to receive a briefing on their analysis of fraud and abuse "high risk" areas in programs under the Committee's jurisdiction. Information gathered at this briefing helped to form the basis for requests for several GAO studies currently in process, and for the Subcommittee's in-depth examination of the IRS Accounts Receivables Dollar Inventory, which GAO has rated as a "high risk" area (see "Other Oversight Activities" below).

7. Hearing to review IRS enforcement of Federal tax laws relating to employment taxes and independent contractors.

*Action taken:* The Subcommittee held two hearings, on June 4 and 20, 1996, to examine various issues relating to the classification of workers for Federal tax purposes, including IRS enforcement activities, revisions to its manual for training revenue agents to conduct worker classification examinations, and its worker classification settlement guidelines. Testimony taken at the hearing helped to form the basis for several provisions included in H.R. 3448, the "Small Business Job Protection Act of 1996" (P.L. 104-188). Among other things, these included several modifications to section 530 of the Revenue Act of 1978 (the so-called "section 530 safe harbor").

8. Hearing (possibly to be held jointly with the Subcommittee on Trade) to review implementation of the NAFTA and WTO; international dispute resolution mechanisms; and compliance with existing bilateral tax and trade agreements.

*Action taken:* See Subcommittee on Trade section above for information on oversight activities conducted with regard to these matters.

9. Hearing to monitor the operation of the Social Security Administration, including issues relating to caseload management and adequacy of beneficiary services.

*Action taken:* See Subcommittee on Social Security section below for information on oversight activities conducted with regard to these matters.

10. Oversight Project. Comprehensive review of the compliance burden imposed by the Federal tax laws for purposes of developing tax simplification legislation.

*Action taken:* This is an ongoing project. Subcommittee staff has held meetings with, and additional meetings are planned, with small business advocacy groups, the American Institute of Certified Public Accountants, the National Association of Enrolled Agents, the Section of Taxation of the American Bar Association, and others, to identify provisions in the tax code which present the most significant areas of complexity and compliance burden for small business. Information gathered through these meetings may be used to develop future Subcommittee activities.

11. Hearing to examine expiring tax provisions including, among others, the research and development tax credit, the targeted jobs tax credit, and the exclusion for employer-provided educational expenses (expired).

*Action taken:* The Subcommittee hearing was held to examine various expiring or expired tax provisions, including the targeted jobs tax credit and the exclusion for employer-provided educational expenses on May 9, 1995. The Subcommittee hearing was held to examine the research and experimentation tax credit and the allocation of research expenses under Internal Revenue Code section 861 on May 10, 1995.

12. Hearing to review the operation and administration of the Hazardous Substance Superfund.

*Action taken:* Although no hearing was held, the full Committee staff participated in numerous meetings with staff from authorizing committees with jurisdiction over the programmatic functions of the Superfund law to monitor the progress of legislation to reauthorize the program.

13. Hearing to examine suggestions from the public and practitioners for provisions to include in a Taxpayer Bill of Rights 2, to be followed by development of legislation.

*Action taken:* The Subcommittee hearing was held on March 24, 1995, to explore the development of a Taxpayer Bill of Rights 2. In follow up to the Subcommittee's hearing, the Subcommittee issued a report to the full Committee transmitting the Subcommittee's findings and recommendations for legislative changes (WMCP: 104-8). This report formed the foundation for H.R. 2337, the "Taxpayer Bill of Rights 2," which the Committee reported to the House, as amended, on March 28, 1996 (H. Rept. 104-506), passed

the House on April 16, 1996, and the President signed into law on July 30, 1996 (P.L. 104–168).

14. Hearing to examine current laws regarding liability for and the IRS's enforcement and collection of Federal excise taxes on diesel fuel.

*Action taken:* Subcommittee staff met with official from the IRS National Office to receive a briefing on the IRS's diesel fuel excise tax enforcement activities.

15. Hearing to examine Subchapter S issues and proposals for reform.

*Action taken:* The full Committee approved significant reforms to provisions of the Internal Revenue Code relating to Subchapter S corporations which were enacted in H.R. 3448, the "Small Business Job Protection Act of 1996" (P.L. 104–188).

16. Hearing to examine miscellaneous bills and proposals for technical and conforming changes to the tax code.

*Action taken:* The full Committee held two days of hearings on July 11 and 12, 1995, to examine miscellaneous bills and proposals for reforming the Internal Revenue Code.

17. Hearing to review provisions in the tax laws relating to tax-exempt municipal financing, including review of the restrictions imposed in the Tax Reform Act of 1986 and subsequent amendments, and potential problems associated with privatizing public facilities financed with municipal bonds.

*Action taken:* In lieu of the planned hearing, the Subcommittee held a hearing on July 16, 1996, to conduct a more general examination of the impact of provisions of the Internal Revenue Code on both urban and rural land use issues. Testimony was received on the tax credit for rehabilitation expenditures; incentives for locating businesses in empowerment zones; and employment and training credit; section 179 expensing; a new category of tax-exempt private activity bonds; the tax treatment of environmental remediation costs; preservation easements to minimize Federal estate taxes; an income tax deduction for donating an easement to a qualified organization for conservation purposes; and an estate tax preference for farms and small businesses.

18. Hearing to examine noncompliance with the tax laws applicable to public charities and other tax-exempt organizations, and the IRS's enforcement of those laws.

*Action taken:* The full Committee approved provisions relating to intermediate sanctions in cases where tax-exempt organizations violate prohibitions on private inurement, which were enacted in H.R. 2337, the "Taxpayer Bill of Rights 2" (P.L. 104–168). The Subcommittee staff received numerous briefings from IRS on tax-exempt organization issues and is in the process of developing an action plan for oversight hearings on tax-exempt organization issues in the 105th Congress.

19. Hearing (possibly to be held jointly with the Subcommittee on Health) to examine Medicare waste, fraud and abuse issues.

*Action taken:* The Subcommittee on Health held three days of Medicare hearings on February 6, 7, and 10, 1995, on controlling costs and improving care. On February 6, the Subcommittee examined Medicare waste, fraud and abuse issues.

20. Hearing (possibly to be held jointly with the Subcommittee on Health) to examine implementation and enforcement of Physician Self-Referral anti-fraud and abuse measures, and issues relating to activities of physician-owned facilities and managed care companies.

*Action taken:* The Subcommittee on Health examined physician self-referral issues at a hearing held on May 3, 1995.

21. Hearing to review miscellaneous pension issues, including the financial condition of Federal, State and local government pension systems and the complexity of existing statutory and regulatory requirements on qualified public and private plans and their effect on private savings.

*Action taken:* The full Committee approved significant reforms to simplify provisions of the Internal Revenue Code relating to qualified public and private pension plans which were enacted in H.R. 3448, the "Small Business Job Protection Act of 1996" (P.L. 104-188).

22. Hearing (possibly to be held jointly with the Subcommittee on Trade) to monitor operations of the U.S. Customs Service, including matters involving commercial operations and enforcement.

*Action taken:* See Subcommittee on Trade section above for information on oversight activities conducted with regard to these matters.

23. Investigations as necessary under the Subcommittee on Oversight's authority under section 6103 of the Internal Revenue Code to: review confidential tax return information, evaluate compliance with the tax laws; and examine allegations of tax evasion and schemes to defraud the nation's taxpayers.

*Action taken:* See "Other Oversight Activities" below.

24. Field hearings on issues to be determined, for the purpose of providing members of the public with input into the Congressional oversight process.

*Action taken:* No field hearings were held by the Subcommittee.

*Subcommittee on Human Resources*—Comparison of oversight plan developed in January 1995 to actual activities of the Subcommittee during the 104th Congress:

1. Hearing to examine the growth of spending on means-tested programs and the role of entitlements in this growth.

*Action taken:* The Subcommittee hearing was held on January 23, 1995. Testimony taken at the hearing helped to form the basis for provisions included in the Personal Responsibility Act, the Contract with America welfare reform bill (H.R. 4), which was approved by the House on March 24, 1995. H.R. 4 formed the basis for H.R. 3734, the "Personal Responsibility and Work Opportunity Reconciliation Act of 1996" (P.L. 104-193).

2. Hearing to examine historical changes in the rates of illegitimacy and the role illegitimacy has played in the growth of the welfare rolls.

*Action taken:* The Subcommittee hearing was held on January 20, 1995. Testimony taken at the hearing helped to form the basis for provisions included in the Personal Responsibility Act, the Contract with America welfare reform bill (H.R. 4), which was approved by the House on March 24, 1995. H.R. 4 formed the basis

for H.R. 3734, the “Personal Responsibility and Work Opportunity Reconciliation Act of 1996” (P.L. 104–193).

3. Hearing to examine evidence regarding the length of stays on welfare and the effectiveness of programs that provide education, training, job search and work experience in helping families leave welfare.

*Action taken:* The Subcommittee hearing was held on January 23, 1995. Testimony taken at the hearing helped to form the basis for provisions included in the Personal Responsibility Act, the Contract with America welfare reform bill (H.R. 4), which was approved by the House on March 24, 1995. H.R. 4 formed the basis for H.R. 3734, the “Personal Responsibility and Work Opportunity Reconciliation Act of 1996” (P.L. 104–193).

4. Hearing to examine fraud and abuse in the SSI program and proposals for reforming benefits.

*Action taken:* The Subcommittee hearing was held on January 27, 1995. Testimony taken at the hearing helped to form the basis for provisions included in the Personal Responsibility Act, the Contract with America welfare reform bill (H.R. 4), which was approved by the House on March 24, 1995. H.R. 4 formed the basis for H.R. 3734, the “Personal Responsibility and Work Opportunity Reconciliation Act of 1996” (P.L. 104–193).

5. Hearing (held jointly with Subcommittee on Early Childhood, Youth and Families of the Committee on Economic and Educational Opportunities) to examine child care and child welfare issues.

*Action taken:* The joint Subcommittee hearing was held on February 3, 1995. Testimony taken at the hearing helped to form the basis for provisions included in the Personal Responsibility Act, the Contract with America welfare reform bill (H.R. 4), which was approved by the House on March 24, 1995. H.R. 4 formed the basis for H.R. 3734, the “Personal Responsibility and Work Opportunity Reconciliation Act of 1996” (P.L. 104–193).

6. Hearing to examine possible reforms to the Federal Child Support Enforcement program.

*Action taken:* The Subcommittee hearing was held on February 6, 1995. Testimony taken at the hearing helped to form the basis for provisions included in the Personal Responsibility Act, the Contract with America welfare reform bill (H.R. 4), which was approved by the House on March 24, 1995. H.R. 4 formed the basis for H.R. 3734, the “Personal Responsibility and Work Opportunity Reconciliation Act of 1996” (P.L. 104–193).

7. Hearing (to be held jointly with the Subcommittee on Oversight) to examine welfare waste, fraud and abuse issues and possible measures to address fraud and abuse.

*Action taken:* Because the Subcommittee held many hearings on all aspects of Federal and State welfare programs, many issues relating to fraud and abuse were addressed in the course of earlier oversight/investigative hearings (see above).

8. Hearing (to be held jointly with the Subcommittee on Oversight) to examine SSI waste, fraud and abuse issues and possible measures to address fraud and abuse.

*Action taken:* The Subcommittee hearing was held on January 27, 1995, on fraud and abuse of the SSI program. Subsequently,

the Subcommittee and the full Committee marked up numerous provisions that were included in the Personal Responsibility Act, which was approved by the House on March 24, 1995. Included were provisions ending SSI payments to individuals whose sole disabling condition is drug addiction or alcoholism (later included in H.R. 3136, the "Contract with America Advancement Act" (P.L. 104-121)) and to noncitizens of the United States and children with questionable claims to disability benefits (included in, H.R. 3734, the "Personal Responsibility and Work Opportunity Reconciliation Act of 1996" (P.L. 104-193)).

9. Hearing (possibly to be held jointly with the Subcommittee on Oversight) to examine program trends under the Federal Child Support Enforcement program.

*Action taken:* Child support enforcement hearings were held by the Subcommittee on Human Resources on February 6, 1995 (see above) and June 13, 1995. Other Subcommittee hearings were held on February 20, and May 22 and 23, 1996, examined comprehensive welfare reform proposals—including major child support reforms—submitted by the Nation's Governors, the Clinton Administration, and the Congress, respectively. The Subcommittee also marked up several comprehensive welfare reform proposals that included sweeping child support reforms, leading to the passage of H.R. 3734, the "Personal Responsibility and Work Opportunity Reconciliation Act of 1996" (P.L. 104-193). Finally, on September 19, 1996, the Subcommittee held a hearing on the implementation of child support enforcement changes required under the new welfare reform law.

10. Hearing to examine current laws relating to unemployment compensation and possible reforms.

*Action taken:* The Subcommittee hearing was held on several pending unemployment insurance issues on July 11, 1996, which focused on issues of interest to States, employers, and employees. Witnesses representing the U.S. Department of Labor, the State of Illinois, State employment security agencies, and employers presented testimony on the "Pennington case." At issue was a Federal court decision (*Pennington v. Doherty*) that called into question for the first time whether States had the authority to select their own base period to determine individual eligibility for unemployment compensation benefits. Also considered was testimony from proponents of unemployment "devolution" proposals, which call for increased State authority in the setting and collecting of the Federal share of Federal Unemployment Tax Act (FUTA) taxes. Other unemployment insurance issues of interest to actors and poll workers were addressed, along with a comprehensive reform proposal offered by Rep. English, a member of the Subcommittee. No further action was taken on any of these proposals prior to the conclusion of the 104th Congress.

*Subcommittee on Health*—Comparison of oversight plan developed in January 1995 to actual activities of the Subcommittee during the 104th Congress:

1. Hearing to examine areas of extraordinary growth in Medicare and the potential causes for such growth.

*Action taken:* The Subcommittee hearing was held on February 6, 1995. Testimony taken at the hearing helped form the basis of

legislation for the consideration by the Committee which was included in H.R. 2425, the “Medicare Preservation Act of 1995.”

2. Hearing to examine innovations in Medicare, including oversight of Medicare risk contract Health Maintenance Organizations (HMOs) and Medicare SELECT.

*Action taken:* The Subcommittee hearing was held February 10, 1995. Testimony taken from the hearings helped form the basis of legislation for consideration by the Committee to expand and extend the Medicare SELECT demonstration (H.R. 483), and additional legislation to expand managed care under Medicare which was included in H.R. 2425, the “Medicare Preservation Act of 1995.”

3. Hearing to examine the administration of Medicare policies by the Health Care Financing Administration.

*Action taken:* The Subcommittee hearings were held April 3, 1995, and July 27, 1995. Testimony taken from the hearings helped form the basis of legislation considered by the Committee which was included in H.R. 2425, the “Medicare Preservation Act of 1995.”

4. Hearing to examine current law of hospital and physician payment policies under Medicare Parts A and B.

*Action taken:* The Subcommittee hearing was held March 30, 1995. Testimony taken from the hearing helped form the basis of legislation for consideration by the Committee which was included in H.R. 2425, the “Medicare Preservation Act of 1995.”

5. Hearing to examine current law policies relating to payment for graduate medical education (GME) under Medicare Part A.

*Action taken:* The Subcommittee hearings were held March 23, 1995, April 16 and June 11, 1996. Testimony taken from the March 23 hearing helped form the basis of legislation for consideration by the Committee which was included in H.R. 2425, the “Medicare Preservation Act of 1995.” The subsequent hearings examined recommendations for payment policy and Medicare’s ability to finance GME.

6. Hearing to examine issues relating to Medicare intermediaries and carriers, including implementation of the Medicare transaction systems and funding for payment safeguards.

*Action taken:* The Subcommittee hearing was held on July 23, 1996. Testimony taken from the hearing helped form the basis of legislation considered by the Committee which was included in the H.R. 3103, the “Health Insurance Portability and Accountability Act of 1996” (P.L. 104–191).

7. Hearing on Medicare Peer Review Organizations.

*Action taken:* The Subcommittee hearings were held on March 21 and May 16, 1995. Testimony at each of the hearings assisted the Committee in its consideration of improvements of the Medicare program which were included in H.R. 2425, the “Medicare Preservation Act of 1995.”

*Subcommittee on Social Security*—Comparison of oversight plan developed in January 1995 to actual activities of the Subcommittee during the 104th Congress:

1. Hearing to examine implementation of the “Social Security Independence and Program Improvement Act,” including an exam-

ination of the advisory and oversight role of the Social Security Advisory Board.

*Action taken:* The Subcommittee hearing was held to review the performance of SSA in its first year as an independent agency on July 25, 1996. Testimony received from the Comptroller General raised Subcommittee concerns about whether SSA has begun the necessary steps to provide data and policy analysis to Congress and the American public on various issues facing Social Security, particularly long-term solvency of the program.

Following up on recommendations made by the Comptroller General, the Subcommittee held a second hearing on September 12, 1996, to receive the preliminary GAO findings on SSA plans to implement its mandate to send a Personal Earnings and Benefit Estimate Statement to virtually all workers by the year 2000; to hear additional GAO findings on SSA progress in redesigning its disability process; and to examine whether the new SSA Office of the Inspector General had the resources to adequately combat Social Security fraud.

The SSA Inspector General testified that his office was seriously understaffed, particularly with respect to the number of agents needed to combat growing Social Security fraud and criminal activity. As a result, H.R. 3610, which provided fiscal year 1997 appropriations for SSA operations, included a \$10 million increase in funding for the SSA Office of the Inspector General for an increase in manpower to improve efforts to combat Social Security fraud and criminal activity (P.L. 104-208).

2. Hearing to examine the Social Security Administration's proposals for reengineering the SSDI program.

*Action taken:* The Subcommittee hearings were held on May 23 and 24, 1995, to examine how effectively the disability insurance program was being administered by SSA. Testimony at the hearing focused on the causes and extent of the disability claims backlogs, what short- and long-term initiatives have been developed to address these backlogs and to conduct disability reviews, and various concerns surrounding the agency's implementation of these initiatives. A third hearing was conducted on August 3, 1995. During the hearing, the Subcommittee focused on management of the program (including SSDI reengineering), vocational rehabilitation, and the appeals process.

In addition, as described earlier, the two independent agency hearings also focused on disability reengineering. All of these oversight hearings also looked at causes of the tremendous growth in the disability programs in the last decade, and ways this growth can be addressed before the program becomes insolvent in 2012. Testimony recommending changes in program management and administration by SSA, as well as suggesting fundamental reforms to the program, was received.

3. Hearing to examine SSDI Continuing Disability Review (CDR) issues.

*Action taken:* The Subcommittee included examination of SSA's administration of CDRs in the hearings conducted on May 23-24 and August 3, 1995. Based on GAO findings, the Subcommittee determined that significant savings could result if SSA addressed the CDR backlog of over 3 million cases. As a result, a provision au-

thorizing substantial additional administrative funding to conduct CDRs was included in H.R. 3136, the "Contract With America Advancement Act," (P.L. 104-121).

4. Hearing to examine SSDI service delivery issues.

*Action taken:* The Subcommittee included examination of SSA's SSDI service delivery in the hearings conducted on May 23-24 and August 3, 1995; and July 25 and September 12, 1996. The testimony received helped form the basis for H.R. 4230, the "Rehabilitation and Return to Work Opportunity Act of 1996," introduced by Subcommittee on Social Security Chairman Bunning on September 27, 1996, to overhaul the vocational rehabilitation process.

5. Hearing to examine SSDI caseload backlogs.

*Action taken:* The Subcommittee included examination of SSA's SSDI caseload backlogs in the hearings conducted on May 23-24 and August 3, 1995; and July 25 and September 12, 1996.

6. Hearing to examine continuing problems with deceptive mailings to senior citizens.

*Action taken:* In lieu of a hearing, Subcommittee on Social Security Chairman Bunning asked the GAO to conduct an audit of non-profit organizations which utilize Social Security issues in fund-raising appeals. The GAO report is expected to be completed on March 28, 1997.

*Full Committee.*

In late 1995 or early 1996, the Committee anticipates that it will begin a series of hearings for the purpose of conducting a comprehensive examination of the current Federal income tax code and proposals for fundamental tax reform.

*Action taken:* As part of its oversight responsibilities, the Committee began a series of hearings for the purpose of conducting a comprehensive examination of the current Federal income tax and proposals for fundamental reform. On June 6, 7, and 8, 1995 and March 20 and 27, 1996, the Committee held hearings on the problems caused by the current Federal income tax system, proposals to replace the Federal income tax, and the issues related to such a replacement. On April 24, 1996, the Committee held a hearing on the impact of various alternative tax systems on small businesses. On May 1, 1996, the Committee held a hearing on the impact of various alternative tax systems on State and local governments and tax-exempt entities. On July 18, 1996, the Committee held a hearing on the impact of various alternative tax systems on international competitiveness. Finally, on July 31, 1996, the Committee held a hearing on the impact of various alternative tax systems on manufacturing and energy and natural resources.

### C. ADDITIONAL OVERSIGHT ACTIVITIES AND ANY RECOMMENDATIONS OR ACTIONS TAKEN

#### 1. ADDITIONAL OVERSIGHT ACTIVITIES OF THE TRADE SUBCOMMITTEE

In addition to the activities detailed above with respect to the Subcommittee's oversight plan, the Subcommittee held a number of hearings to address various topics concerning trade policy: implementation of the Organization of Economic Cooperation and Development Agreement on Shipbuilding; rules of origin; proposed substantive antidumping regulations by the Department of Commerce

and the Temporary Duty Suspension Act (H.R. 2822), which would provide the Department of Commerce the discretion to suspend antidumping duties temporarily if it determines that prevailing market conditions related to the availability of the product in the United States make imposition of the duty inappropriate; the H.R. 3107, "Iran and Libya Sanctions Act of 1996;" and trade with sub-Saharan Africa.

The Subcommittee also requested public comment concerning a number of trade issues, including: trade relations with Cambodia, including most-favored-nation (MFN) status; trade relations with Bulgaria, including MFN status; trade relations with Romania, including MFN status; technical corrections and miscellaneous trade proposals; and reforms to the U.S. International Trade Commission.

In addition to holding a number of hearings and providing opportunity for public comment, the Subcommittee requested a number of reports. On October 2, 1996, Chairman Archer, Subcommittee on Trade Chairman Crane and Senator Grassley released a report they requested of the GAO on the operations of the Committee for the Implementation of Textile Agreements (CITA), an office in the Department of Commerce which administers the U.S. textile and apparel import program. The report found that CITA often imposed quotas when there was little or no data to support a decision that imports were causing damage to the domestic industry producing a similar product.

The Subcommittee also requested and received a number of reports concerning Customs operations, including staffing, the status of reorganization and modernization efforts, automation, the status of the implementation of blue ribbon panel recommendations, drug interdiction efforts, and country-of-origin marking.

Finally, the Committee published its 1995 edition of the Overview and Compilation of U.S. Trade Status (WMCP: 104-6).

## 2. ADDITIONAL OVERSIGHT ACTIVITIES OF THE OVERSIGHT SUBCOMMITTEE

In addition to the oversight activities listed above, the Subcommittee held a hearing on April 25, 1996, to examine a number of Federal tax debt collection issues, including: (1) the status of the IRS accounts receivable dollar inventory; (2) issues relating to the use of private collection agencies to collect delinquent Federal tax debts; (3) provisions in H.R. 2234, the "Debt Collection Improvement Act of 1995," relating to IRS levy authority; and (4) H.R. 757, relating to Federal tax refund offset authority for purposes of collecting delinquent State tax debts. Testimony taken at this hearing formed the basis for a request by the Subcommittee on Oversight Chairman Johnson for a GAO study of several Federal tax debt collection issues, including further examination of the IRS accounts receivable dollar inventory and an examination of best practices in the debt collection industry. The Subcommittee staff is developing an action plan for additional oversight activities with respect to Federal tax debt collection issues in the 105th Congress.

The Subcommittee also held a hearing on June 22, 1995, to examine implementation of the Coal Industry Retiree Health Benefit Act of 1992 (the "Coal Act"). Testimony taken at the hearing

formed the basis for a provision included in the Committee on Ways and Means title of H.R. 2491, the “Balanced Budget Act of 1995,” which, among other things, would have revised the Coal Act to exempt from its provisions companies that did not sign the 1988 National Bituminous Coal Wage Agreement (NBCWA) and companies who made withdrawal liability payment under the terms of the 1988 NBCWA. This provision was not included in the conference agreement on H.R. 2491.

The Subcommittee staff participated in several meetings with representatives from small business advocacy groups regarding their concerns about legislation enacted in 1993 requiring the IRS to implement a nationwide system for receiving Federal depository taxes electronically, known as the “Electronic Federal Tax Payment System (EFTPS). In follow up to those meetings, Subcommittee staff met with senior IRS officials regarding the status of implementation of the third phase of EFTPS, in which approximately 1.2 million small to medium-sized businesses will be required to enroll in EFTPS and begin paying their Federal depository taxes next year.

While IRS indicated that the EFTPS system would be fully operational on January 1, 1997, there remained a concern that there was insufficient time remaining for the IRS to fully inform the affected business about how the program is intended to operate and to achieve enrollment of mandated taxpayers on a timely basis. Information gathered at these meetings formed the basis for the decision to include a provision in H.R. 3448, the “Small Business Jobs Protection Act of 1996” (P.L. 104-188) to delay the deadline for enrollment in EFTPS until July 1, 1997. In addition, the IRS announced that it would not impose any penalties on the new depositors for failure to begin making deposits electronically through EFTPS until after July 1, 1997.

### 3. ADDITIONAL OVERSIGHT ACTIVITIES OF THE HUMAN RESOURCES SUBCOMMITTEE

In addition to the Subcommittee’s oversight activities relating to welfare discussed above, the full Committee held hearings on January 5, 10, 11, and 12, 1995, on provisions of the Contract with America, including the Personal Responsibility Act. The Subcommittee also held several additional hearings relating to various welfare issues. On May 10, 1995, the Subcommittee held a hearing on Federal adoption policy. The Subcommittee received additional testimony on the Federal Child Support Enforcement and SSI programs on June 13, 1995. Finally, on December 6, 1995, the Subcommittee held a hearing on welfare reform success stories, focusing on welfare reform programs nationwide that achieved success in reducing dependence, promoting work, and collecting child support for needy children.

On February 20, 1996, the Subcommittee held a hearing on the welfare reform proposal developed by the Nation’s governors. Testimony was heard from Governors Thompson of Wisconsin and Carper of Delaware. On March 12, 1996, the Subcommittee held a hearing examining the causes of poverty, with a focus on out-of-wedlock births, featuring the views of several Members of Con-

gress, policy experts, and representatives of faith-based organizations.

On June 27, 1996, the Subcommittee held a hearing on issues related to removing barriers to adoption, especially the requirement that “reasonable efforts” be made to keep children with their parents prior to the placement of a child in foster care. Several witnesses testified that the way the current law “reasonable efforts” provision is being interpreted and implemented by many States is itself a barrier to adoption.

In addition to the July 11, 1996 hearing on unemployment issues noted above, the Subcommittee held a hearing on May 16, 1995, at which it received testimony on legislation proposing the consolidation of more than 100 Federal job training programs into a handful of block grants, designed to increase State flexibility in providing services needed to return unemployed workers to the workplace. This legislation, drafted primarily by the Committee on Economic and Educational Opportunities, was ultimately approved by the House, but a conference report was not filed. The Subcommittee also received testimony on the operation of several employment and training programs under the jurisdiction of the Committee on Ways and Means, including the TAA program and the NAFTA TAA program. Representatives of employers also presented testimony in favor of repealing the 0.2 percent FUTA surcharge.

#### 4. ADDITIONAL OVERSIGHT ACTIVITIES OF THE HEALTH SUBCOMMITTEE

In addition to the activities detailed above with respect to the Subcommittee’s oversight plan, the Subcommittee held a number of hearings to address various topics concerning health policy: tax-favored treatment for long-term care insurance; tax treatment of health insurance costs for self-employed individuals; income-relating to the Part B premium under Medicare; review of Medicare proposals included in the President’s fiscal year 1996 budget and the current status of the Medicare Hospital Insurance Trust Fund; examination of problems with compliance with the self-referral provisions in the Social Security Act, the obstacles the law in its current form may present to physicians, hospitals and health plans which are forming legitimate managed care arrangements; review of the impact of the use of preexisting condition exclusions on job mobility and how a targeted approach might be designed; review of the reasons for increasing beneficiary enrollment in Medicare risk contracting HMOs, and current alternative HMO payment methods; exploration of the potential role for employers, associations and medical savings account in Medicare; examination of integrated acute and long-term care models and how these models could be expanded to increase choices for Medicare beneficiaries; examination of recommendations regarding future directions of the Medicare program; review of the Administration’s Medicare Choices and Competitive Pricing Demonstration Projects; review of Medicare’s payment policies for home health agency and skilled nursing facility services; overview of rural health care programs that currently exist; and, examination of the issues surrounding the establishment of a Medicare demonstration program on subvention, and the implications of such a demonstration.

The Subcommittee also requested information related to questions arising from the hearings. On February 6, 1996, Chairman Archer and Subcommittee on Health Chairman Thomas requested that the GAO respond to questions related to the solvency of the Medicare Hospital Insurance Trust Fund. On April 17, 1995, Subcommittee Chairman Thomas requested that the GAO respond to questions related to the quality of health care in Medicare. On June 9, 1995, Subcommittee Chairman Thomas requested that the GAO respond to questions about the use of clinical practice guidelines by the Federal Employees Health Benefit Program. On June 21, 1995, Subcommittee Chairman Thomas requested that the GAO examine the levels of medical testing by patients with End Stage Renal Disease. On April 17, 1996, Chairman Archer requested the Congressional Budget Office address issues related to the rate of growth of health expenditures in the private sector. On July 15, 1996, Chairman Archer, Subcommittee Chairman Thomas and Rep. Nancy Johnson requested that the Institute of Medicine examine allocation of graduate medical education payments to teaching hospitals. On October 8, 1996, Chairman Archer and Subcommittee Chairman Thomas requested that the GAO conduct a study regarding payment for the transportation of EKG equipment by all medical billers.

#### 5. ADDITIONAL OVERSIGHT ACTIVITIES OF THE SOCIAL SECURITY SUBCOMMITTEE

In addition to the activities detailed above with respect to the Subcommittee's oversight plan, the Subcommittee held oversight hearings on June 4 and 27, 1996, to examine the use of Social Security Trust Funds to finance union activity at SSA. The Subcommittee received testimony on preliminary GAO findings that taxpayer-financed union activity at SSA was under reported, and had actually increased to at least \$12.6 million in 1995 (an increase of 110 percent since 1993), two-thirds of which was financed from the Social Security and Medicare Trust Funds. As a result of this hearing, on July 11, 1996, Subcommittee on Social Security Chairman Bunning offered an amendment to H.R. 3755, the "Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Bill for Fiscal Year 1997," to prohibit use of the Social Security and Medicare Trust Funds to finance union activity at SSA. The House passed the measure, but it was later dropped in conference.

#### 6. ADDITIONAL OVERSIGHT ACTIVITIES CONCERNING THE DEBT LIMIT

During the debt limit suspension period, the Chairmen of the Ways and Means Committee and the Senate Finance Committee requested auditors from the GAO to audit, track and report to the two committees of jurisdiction on the procedures and actions taken by the U.S. Department of the Treasury regarding debt management. The audit and reporting was done on a continuous, sometimes daily, basis enabling the Committee to ascertain the legal and financial ramifications of the Secretary's action.

After passage of a permanent statutory debt limit and the end of the debt suspension period, the Chairman asked GAO for an official report reviewing the 1995-96 debt limit actions taken by the

U.S. Department of the Treasury (Report No. GAO/AIMD-96-130; August 1996). GAO concluded that during the suspension period, Treasury, in preventing a debt limit breach, acted within its legal limitations and subsequently restored lost interest to all trust funds and accounts affected, with the exception of \$1.2 million of lost interest to the Exchange Stabilization Fund. Treasury was unable to restore the money without specific legislation. In addition, the Government incurred \$140 billion in additional debt that normally would have been considered subject to the debt limit.

### **Appendix I. Jurisdiction of the Committee on Ways and Means**

#### U.S. CONSTITUTION

Article I, section 7, of the Constitution of the United States provides as follows:

All Bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or concur with Amendments as on other Bills.

In addition, Article I, Section 8, Constitution of the United States provides the following:

The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and . . . To borrow Money on the credit of the United States.

#### RULE X, CLAUSE 1, RULES OF THE HOUSE OF REPRESENTATIVES

Rule X, clause 1(s), of the Rules of the House of Representatives, in effect during the 104th Congress, provides for the jurisdiction of the Committee on Ways and Means, as follows:

(s) Committee on Ways and Means.

(1) Customs, collection districts, and ports of entry and delivery.

(2) Reciprocal trade agreements.

(3) Revenue measures generally.

(4) Revenue measures relating to the insular possessions.

(5) The bonded debt of the United States (subject to the last sentence of clause 4(g) of this rule). [The last sentence of clause 4(g) requires the Committee on Ways and Means to include in its annual February 25 report to the Budget Committee a specific recommendation as to the appropriate level of the public debt which would then be set forth in the concurrent resolution on the budget and serve as the basis for an increase or decrease in the statutory limit on the debt.]

(6) The deposit of public moneys.

(7) Transportation of dutiable goods.

(8) Tax-exempt foundations and charitable trusts.

(9) National Social Security, except (A) health care and facilities programs that are supported from general revenues as opposed to payroll deductions and (B) work incentive programs.

## BRIEF DESCRIPTION OF COMMITTEE'S JURISDICTION

The foregoing recitation of the provisions of House Rule X, clause 1, paragraph (v), does not convey the comprehensive nature of the jurisdiction of the Committee on Ways and Means. The following summary provides a more complete description:

(1) *Federal revenue measures generally.*—The Committee on Ways and Means has the responsibility for raising the revenue required to finance the Federal Government. This includes individual and corporate income taxes, excise taxes, estate taxes, gift taxes, and other miscellaneous taxes.

(2) *The bonded debt of the United States.*—The Committee on Ways and Means has jurisdiction over the authority of the Federal Government to borrow money. Title 31 of Chapter 31 of the U.S. Code authorizes the Secretary of the Treasury to conduct any necessary public borrowing subject to a maximum limit on the amount of borrowing outstanding at any one time. This statutory limit on the amount of public debt (“the debt ceiling”) currently is \$5.5 trillion. The committee’s jurisdiction also includes conditions under which the Department of the Treasury manages the Federal debt, such as restrictions on the conditions under which certain debt instruments are sold.

(3) *National Social Security programs.*—The Committee on Ways and Means has jurisdiction over most of the programs authorized by the Social Security Act, which includes not only those programs that are normally referred to colloquially as “Social Security” but also social insurance programs and a whole series of grant-in-aid programs to State governments for a variety of purposes. The Social Security Act, as amended, contains 20 titles (a few of which have either expired or have been repealed). The principal programs established by the Social Security Act and under the jurisdiction of the Committee on Ways and Means in the 104th Congress can be outlined as follows:

(a) Old-age, survivors, and disability insurance (title II)—At present, there are approximately 142 million workers in employment covered by the program, and as of December 1995, \$336 billion in benefits were being paid annually to 43.4 million individuals.

(b) Medicare (title XVIII)—Provides hospital insurance benefits to 32.5 million persons over the age of 65 and to 4.5 million disabled persons. Voluntary supplementary medical insurance is provided to 31.6 million aged persons and 3.9 million disabled persons. Expenditures under these programs were \$180.1 billion in fiscal year 1995 and are estimated to be \$199 billion in fiscal year 1996.

(c) Supplemental security income (title XVI)—The SSI program was inaugurated in January 1974 under the provisions of Public Law 92–603, as amended. It replaced the former Federal-State programs for the needy aged, blind, and disabled. In fiscal year 1995, 6.5 million persons received federally administered benefits under the SSI program. Of these 6.5 million persons, approximately 1.4 million received benefits on the basis of age, 84,911 on the

basis of blindness, and 4.7 million on the basis of disability. Total federally administered payments during fiscal year 1995 amounted to approximately \$27 billion, of which \$23.9 billion were basic Federal benefits and \$3.1 billion were federally administered State supplements to the payments.

(d) Aid to families with dependent children (title IV)—This program provides grant-in-aid to States for aid to families with dependent children and child support enforcement. About 13.6 million persons in 4.9 million families received AFDC benefits during fiscal year 1995. Total AFDC payments in fiscal year 1995 were approximately \$22.0 billion. In fiscal year 1995, Federal administrative expenditures totaled \$2.1 billion for the child support enforcement program. Child support collections for that year totaled \$10.8 billion.

(e) Social services (title XX)—Title XX authorizes the Federal Government to reimburse the States for money spent to provide persons with various services. Generally, the specific services provided are determined by each State. The statutory ceiling on Federal matching funds available for fiscal year 1995 was \$2.8 billion. These funds are allocated on the basis of population.

(f) Unemployment compensation programs (titles II, IX, etc.)—These titles include the State unemployment compensation programs and the permanent extended benefits program. In fiscal year 1996, an estimated \$24.1 billion was paid in unemployment compensation benefits, with approximately 8.7 million workers receiving unemployment benefits.

(g) Child welfare, foster care and adoption assistance (parts B and E of title IV)—Provides funds to States for child welfare services, for abused and neglected children; foster care for AFDC children and adoption assistance for children with special needs. In fiscal year 1995, Federal expenditures for child welfare services totaled \$292 million. Federal expenditures for foster care equaled \$3.1 billion.

(4) *Trade and tariff legislation.*—The Committee on Ways and Means has responsibility over legislation relating to tariffs, import trade, and trade negotiations. In the early days of the Republic, tariff and customs receipts were major sources of revenue for the Federal Government. As the committee with jurisdiction over revenue-raising measures, the Committee on Ways and Means thus evolved as the primary committee responsible for international trade policy.

The Constitution vests the power to levy tariffs and to regulate international commerce specifically in the Congress as one of its enumerated powers. Any authority to regulate imports or to negotiate trade agreements must therefore be delegated to the executive branch through legislative action. Statutes including the Reciprocal Trade Agreements Act beginning in 1934, the Trade Expansion Act of 1962, the Trade Act of 1974, the Trade Agreements Act of 1979, the Trade and Tariff Act of 1984, the Omnibus Trade and Competi-

tiveness Act of 1988, the North American Free Trade Agreement Implementation Act, and the Uruguay Round Agreements Act provide the basis for U.S. bargaining with other countries to achieve the mutual reduction of tariff and nontariff trade barriers under reciprocal trade agreements.

The Committee's jurisdiction includes the following authorities and programs:

(a) The tariff schedules and all tariff preference programs, such as the Generalized System of Preferences and the Caribbean Basin Initiative;

(b) Laws dealing with unfair trade practices, including the antidumping law, countervailing duty law, section 301, and section 337;

(c) Other laws dealing with import trade, including section 201 (escape clause), section 232 national security controls, section 22 agricultural restrictions, international commodity agreements, textile restrictions under section 204, and any other restrictions or sanctions affecting imports;

(d) General and specific trade negotiating authority, as well as implementing authority for trade agreements and the grant of most-favored-nation status;

(e) General and NAFTA-related trade adjustment assistance programs for workers, and trade adjustment assistance for firms;

(f) Customs administration and enforcement, including rules of origin and country-of origin marking, customs classification, customs valuation, customs user fees, and U.S. participation in the World Customs Organization (WCO);

(g) Authorization of the budget for the U.S. International Trade Commission (ITC), the U.S. Customs Service, and the Office of the U.S. Trade Representative.

## **Appendix II. Historical Note**

The Committee on Ways and Means was first established as an ad hoc committee in the first session of the First Congress, on July 24, 1789. Mr. Fitzsimons, from Pennsylvania, in commenting on the report of a select committee concerning appropriations and revenues, pointed out the desirability of having a committee to review the expenditure needs of the Government and the resources available, as follows:

The finances of America have frequently been mentioned in this House as being very inadequate to the demands. I have never been of a different opinion, and do believe that the funds of this country, if properly drawn into operation, will be equal to every claim. The estimate of supplies necessary for the current year appears very great from a report on your table, and which report has found its way into the public newspapers. I said, on a former occasion, and I repeat it now, notwithstanding what is set forth in the estimate, that a revenue of \$3 million in specie, will enable us to provide every supply necessary to support the Government, and pay the interest and installments on the foreign and domestic debt. If we wish to have more particular

information on these points, we ought to appoint a Committee of Ways and Means, to whom, among other things, the estimate of supplies may be referred, and this ought to be done speedily, if we mean to do it this session.

After discussion, the motion was agreed to and a committee consisting of one member from each State (North Carolina and Rhode Island had not yet ratified the Constitution) was appointed as follows: Messrs. Fitzsimons (Pennsylvania), Vining (Delaware), Livermore (New Hampshire), Cadwalader (New Jersey), Laurance (New York), Wadsworth (Connecticut), Jackson (Georgia), Gerry (Massachusetts), Smith (Maryland), Smith (South Carolina), and Madison (Virginia).

While there does not appear to be any direct relationship, it is interesting to note that the appointment of this ad hoc committee came within a few weeks after the House, in Committee of the Whole, had spent a good part of the months of April, May, and June in wrestling with the details involved in writing bills "for laying a duty on goods, wares, and merchandises imported into the United States" and for imposing duties on tonnage. Tariffs, of course, became a prime revenue source for the new government.

However, the results of this ad hoc committee are not clear. It existed for a period of only 8 weeks, being dissolved on September 17, 1789, with the following order:

That the Committee on Ways and Means be discharged from further proceeding on the business referred to them, and that it be referred to the Secretary of the Treasury to report thereon.

It has also been suggested by one student that the committee was dissolved because Alexander Hamilton had become Secretary of the newly created Department of the Treasury, and thus it was presumed that the Treasury Department could provide the necessary machinery for developing information which would be needed. During the next 6 years there was no Ways and Means Committee or any other standing committee for the examination of estimates. Rather, ad hoc committees were appointed to draw up particular pieces of legislation on the basis of decisions made in the Committee of the Whole House. On November 13, 1794, a rule was adopted providing that:

All proceedings touching appropriations of money shall be first moved and discussed in a Committee of the Whole House.

In the next Congress historians have suggested that the House was determined to curtail Secretary Hamilton's influence by first setting up a Committee on Ways and Means and requiring that committee to submit a report on appropriations and revenue measures before consideration in the Committee of the Whole House. It was also said that this Ways and Means Committee was put on a more or less standing basis since such a committee appeared at some point in every Congress until it was made a permanent committee.

In the first session of the 7th Congress, Tuesday, December 8, 1801, a resolution was adopted as follows:

*Resolved*, That a standing Committee of Ways and Means be appointed, whose duty it shall be to take into consideration all such reports of the Treasury Department, and all such propositions, relative to the revenue as may be referred to them by the House; to inquire into the state of the public debt, of the revenue, and of the expenditures; and to report, from time to time, their opinion thereon.

The following Members were appointed: Messrs. Randolph (Virginia), Griswold (Connecticut), Smith (Vermont), Bayard (Delaware), Smilie (Pennsylvania), Read (Massachusetts), Nicholson (Maryland), Van Rensselaer (New York), Dickson (Tennessee).

On Thursday, January 7, 1802, the House agreed to standing rules which, among other things, provided for standing committees, including the Committee on Ways and Means. The relevant part of the rules in this respect read as follows:

A Committee of Ways and Means, to consist of seven members;

\* \* \* \* \*

It shall be the duty of the said Committee of Ways and Means to take into consideration all such reports of the Treasury Department, and all such propositions relative to the revenue, as may be referred to them by the House; to inquire into the state of the public debt, of the revenue, and of the expenditures, and to report, from time to time, their opinion thereon; to examine into the state of the several public departments, and particularly into the laws making appropriations of moneys, and to report whether the moneys have been disbursed conformably with such laws; and also to report, from time to time, such provisions and arrangements, as may be necessary to add to the economy of the departments, and the accountability of their officers.

It has been said that the jurisdiction of the committee was so broad in the early 19th century that one historian described it as follows:

It seemed like an Atlas bearing upon its shoulders all the business of the House.

The jurisdiction of the committee remained essentially the same until 1865 when the control over appropriations was transferred to a newly created Committee on Appropriations and another part of its jurisdiction was given to a newly created Committee on Banking and Currency. This action followed rather extended discussion in the House, too lengthy to review here.

During the course of that discussion, however, the following observations are of some historical interest. Mr. Cox, who was handling the motion to divide the committee, gave a very picturesque discussion of the many varied and heavy duties which had fallen on the committee over the years. He observed:

And yet, sir, powerful as the committee is constituted, even their powers of endurance, physical and mental, are not adequate to the great duty which has been imposed by

the emergencies of this historic time. It is an old adage, that "whoso wanteth rest will also want of might"; and even an Olympian would faint and flag if the burden of Atlas is not relieved by the broad shoulders of Hercules.

He continued:

I might give here a detailed statement of the amount of business thrown upon the committee since the commencement of the war. But I prefer to append it to my remarks. Whereas before the war we scarcely expended more than \$70 million a year, now, during the five sessions of the last two Congresses, there has been an average appropriation of at least \$800 million per session. The statement which I hold in my hand shows that during the first and extra session of the 37th Congress there came appropriation bills from the Committee on Ways and Means amounting to \$226,691,457.99. I say nothing now of the loan and other fiscal bills emanating from that committee. \* \* \* During the present session I suppose it would be a fair estimate to take the appropriations of the last session of the 37th Congress, say \$900 million.

These are appropriation bills alone. They are stupendous, and but poorly symbolize the immense labors which the internal revenue, tariff, and loan bills imposed on the committee. \* \* \* And this business of appropriations is perhaps not one-half of the labor of the committee. There are various and important matters upon which they act, but upon which they never report. Their duties comprehend all the varied interests of the United States; every element and branch of industry, and every dollar or dime of value. They are connected with taxation, tariffs, banking, loan bills, and ramify to every fiber of the body-politic. All the springs of wealth and labor are more or less influenced by the action of this committee. Their responsibility is immense, and their control almost imperial over the necessities, comforts, homes, hopes, and destinies of the people. All the values of the United States, which in the census of 1860 (page 194) amount to nearly \$17 billion, or, to be exact, \$16,159,616,068, are affected by the action of that committee, even before their action is approved by the House. Those values fluctuate whenever the head of the Ways and Means rises in his place and proposes a measure. The price of every article we use trembles when he proposes a gold bill or a loan bill, or any bill to tax directly or indirectly. \* \* \* the interests connected with these economical questions are of all questions those most momentous for the future. Parties, statesmanship, union, stability all depend upon the manner in which these questions are dealt with.

Congressman Morrill (who was subsequently appointed chairman of the Ways and Means Committee in the succeeding Congress, and who still later became chairman of the Senate Finance Committee after he became a Senator) observed as follows:

I am entirely indifferent as to the disposition which shall be made of this subject by the House. So far as I am myself concerned, I have never sought any position upon any committee from the present or any other Speaker of the House, and probably never shall. I have no disposition to press myself hereafter for any position. In relation to the proposed division of the Committee on Ways and Means, the only doubt that I have is the one expressed by my colleague on that committee, Mr. Stevens, in regard to the separation of the questions of revenue from those relating to appropriations. In ordinary times of peace I should deem it almost indispensable and entirely within their power that this committee should have the control of both subjects, in order that they might make both ends meet, that is, to provide a sufficient revenue for the expenditures. That reason applies now with greater force; but it may be that the committee is overworked. It is true that for the last 3 or 4 years the labors of the Committee on Ways and Means have been incessant, they have labored not only days but nights; not only weekends but Sundays. If gentlemen suppose that the committee have permitted some appropriations to be reported which should not have been permitted they little understand how much has been resisted.

The influence the committee emanated came not only from the nature of its jurisdiction but also because for many years the chairman of the committee was also ad hoc majority floor leader of the House.

When the revolt against Speaker Cannon took place, and the Speaker's powers to appoint the members of committees were curtailed, the Majority Members on the Committee on Ways and Means became the Committee on Committees. Subsequently, this power was disbursed to the respective party caucuses, beginning in the 94th Congress.

Throughout its history, many famous Americans have served on the Committee on Ways and Means. The long and distinguished list includes 8 Presidents of the United States, 8 Vice Presidents, 4 Justices of the Supreme Court, 34 Cabinet members, and quite interestingly, 21 Speakers of the House of Representatives. This latter figure represents nearly one-half of the 47 Speakers who have served since 1789 through the end of the 104th Congress. See the alphabetical list which follows for names.

*Major positions held by former members of the Committee on Ways and Means*

President of the United States:  
 George H.W. Bush, Texas  
 Millard Fillmore, New York  
 James A. Garfield, Ohio  
 Andrew Jackson, Tennessee  
 James Madison, Virginia  
 William McKinley, Jr., Ohio  
 James K. Polk, Tennessee

John Tyler, Virginia  
 Vice President of the United States:  
 John C. Breckinridge, Kentucky  
 George H.W. Bush, Texas  
 Charles Curtis, Kansas  
 Millard Fillmore, New York  
 John N. Garner, Texas  
 Eldridge Gerry, Massachusetts  
 Richard M. Johnson, Kentucky  
 John Tyler, Virginia  
 Justice of the Supreme Court:  
 Philip P. Barbour, Virginia  
 Joseph McKenna, California  
 John McKinley, Alabama  
 Fred M. Vinson, Kentucky (Chief Justice)  
 Speaker of the House of Representatives:  
 Nathaniel P. Banks, Massachusetts  
 Philip P. Barbour, Virginia  
 James G. Blaine, Maine  
 John G. Carlisle, Kentucky  
 Langdon Cheves, South Carolina  
 James B. (Champ) Clark, Missouri  
 Howell Cobb, Georgia  
 Charles F. Crisp, Georgia  
 John N. Garner, Texas  
 John W. Jones, Virginia  
 Michael C. Kerr, Indiana  
 Nicholas Longworth, Ohio  
 John W. McCormack, Massachusetts  
 James K. Polk, Tennessee  
 Henry T. Rainey, Illinois  
 Samuel J. Randall, Pennsylvania  
 Thomas B. Reed, Maine  
 Theodore Sedgwick, Massachusetts  
 Andrew Stevenson, Virginia  
 John W. Taylor, New York  
 Robert C. Winthrop, Massachusetts  
 Cabinet Member:  
 Secretary of State:  
 James G. Blaine, Maine  
 William J. Bryan, Nebraska  
 Cordell Hull, Tennessee <sup>1</sup>  
 Louis McLean, Delaware  
 John Sherman, Ohio  
 Secretary of the Treasury:  
 George W. Campbell, Tennessee  
 John G. Carlisle, Kentucky  
 Howell Cobb, Georgia  
 Thomas Corwin, Ohio  
 Charles Foster, Ohio  
 Albert Gallatin, Pennsylvania  
 Samuel D. Ingham, Pennsylvania

<sup>1</sup> Recipient of Nobel Peace Prize in 1945.

Louis McLean, Delaware  
 Ogden L. Mills, New York  
 John Sherman, Ohio  
 Philip F. Thomas, Maryland  
 Fred M. Vinson, Kentucky  
 Attorney General:  
 James P. McGranery, Pennsylvania  
 Joseph McKenna, California  
 A. Mitchell Palmer, Pennsylvania  
 Caesar A. Rodney, Delaware  
 Postmaster General:  
 Samuel D. Hubbard, Connecticut  
 Cave Johnson, Tennessee  
 Horace Maynard, Tennessee  
 William L. Wilson, West Virginia  
 Secretary of the Navy:  
 Thomas W. Gilder, Virginia  
 Hilary A. Herbert, Alabama  
 Victor H. Metcalf, California  
 Claude A. Swanson, Virginia  
 Secretary of the Interior:  
 Rogers C.B. Morton, Maryland  
 Jacob Thompson, Mississippi  
 Secretary of Commerce and Labor:  
 Victor H. Metcalf, California  
 Secretary of Commerce:  
 Rogers C.B. Morton, Maryland  
 Secretary of Agriculture:  
 Clinton P. Anderson, New Mexico

### Appendix III. Statistical Review of the Activities of the Committee on Ways and Means

#### A. NUMBER OF BILLS AND RESOLUTIONS REFERRED TO THE COMMITTEE

As of the close of the 104th Congress on October 4, 1996, there had been referred to the committee a total of 1,071 bills, representing 20.1 percent of all the public bills introduced in the House of Representatives.

The following table gives a more complete statistical review since 1967.

TABLE 1.—NUMBER OF BILLS AND RESOLUTIONS REFERRED TO  
 THE COMMITTEE, 90TH THROUGH 104TH CONGRESSES

	Introduced in House	Referred to Committee on Ways and Means	Percentage
90th Congress .....	24,227	3,806	15.7
91st Congress .....	23,575	3,442	14.6
92d Congress .....	20,458	3,157	15.4
93d Congress .....	21,096	3,370	16.0
94th Congress .....	19,371	3,747	19.3
95th Congress .....	17,800	3,922	22.0
96th Congress .....	10,196	2,337	22.9
97th Congress .....	9,909	2,377	26.4

TABLE 1.—NUMBER OF BILLS AND RESOLUTIONS REFERRED TO THE COMMITTEE, 90TH THROUGH 104TH CONGRESSES—Continued

	Introduced in House	Referred to Committee on Ways and Means	Percentage
98th Congress .....	8,104	1,904	23.5
99th Congress .....	7,522	1,568	20.8
100th Congress .....	7,043	1,419	22.1
101st Congress .....	7,640	1,737	22.7
102d Congress .....	7,771	1,972	25.4
103d Congress .....	6,645	1,496	22.5
104th Congress .....	5,329	1,071	20.1

## B. PUBLIC HEARINGS

In the course of the 104th Congress, the full committee on Ways and Means held public hearings on a total of 32 days, including 23 days in the first session and 9 days in the second session. Many of these hearings dealt with major subjects including the Contract With America proposals, the President's fiscal year 1996 budget, miscellaneous tax reforms, and replacing the Federal income tax. The full committee also focused on such issues as the Federal Hospital Insurance Trust Fund, medicare issues, thrift bad debt recapture, and tax increase on transportation fuels.

The following table specifies the statistical data on the number of days, witnesses, and volumes published on each of the subjects covered by public hearings in the full committee during the 104th Congress.

TABLE 2.—PUBLIC HEARINGS CONDUCTED BY THE FULL COMMITTEE ON WAYS AND MEANS

Subject and date	Number of		
	Days	Witnesses	Volumes
1995:			
Contract With America—Overview, Jan. 5, 10, 11, 12 .....	4	51	1
Tax Provisions in the Contract With America Designed to Strengthen the American Family, Jan. 17, 18, 19 .....	3	58	1
Contract With America—Savings and Investment, Jan. 24, 25, 26, 31, Feb. 1 .....	5	99	1
President's Fiscal Year 1996 Budget, Feb. 7, 8, 9 .....	3	4	1
Report of the Trustees of the Federal Hospital Insurance Trust Fund, May 2 .....	1	5	1
Replacing the Federal Income Tax, June 6, 7, 8 .....	3	43	1
Miscellaneous Tax Reforms, July 11, 12 .....	2	32	1
Saving Medicare, Sept. 22 .....	1	18	1
Thrift Bad Debt Recapture, Oct. 26 .....	1	4	1
Total for 1995 .....	23	314	9
1996:			
Financial Condition of the Federal Hospital Insurance Trust Fund, Feb. 29 .....	1	3	1
Replacing the Federal Income Tax, Volume 2, Mar. 20, 27 .....	2	16	1
Replacing the Federal Income Tax, Volume 3:			
Impact on Small Business, Apr. 24 .....	1	15	1
Impact on State and Local Governments and Tax-Exempt Entities, May 1 .....	1	19	1

TABLE 2.—PUBLIC HEARINGS CONDUCTED BY THE FULL  
COMMITTEE ON WAYS AND MEANS—Continued

Subject and date	Number of		
	Days	Wit- nesses	Vol- umes
Examining the Impact of the 1993 Tax Increase on Transpor- tation Fuels, May 8 .....	1	11	1
Financial Condition of the Medicare Program, June 6 .....	1	2	1
Replacing the Federal Income Tax, Volume 4: Impact on International Competitiveness, July 18 .....	1	11	1
Impact on Manufacturing and Energy and Natural Re- sources, July 31 .....	1	10	1
Total for 1996 .....	9	87	6
Total for both sessions .....	32	401	15

The five subcommittees of the Committee on Ways and Means were also very active in conducting public hearings during the 104th Congress. The following table specifies in detail the number of days, witnesses, and volumes published by each of the subcommittees.

TABLE 3.—PUBLIC HEARINGS CONDUCTED BY THE  
SUBCOMMITTEES OF THE COMMITTEE ON WAYS AND MEANS

Subject and date	Number of		
	Days	Wit- nesses	Vol- umes
SUBCOMMITTEE ON TRADE			
1995:			
U.S. Customs Service Reorganization and Modernization Ef- forts, Jan. 30 .....	1	7	1
H.R. 553, the Caribbean Basin Trade Security Act, Feb. 10 .....	1	22	1
Select Fiscal Year 1996 Budget Proposals and Possible GSP Ex- tension, Feb. 27 .....	1	8	1
U.S./China Intellectual Property Agreement and Accession to the World Trade Organization, Mar. 9 .....	1	1	1
Fast Track Issues (held jointly with Subcommittee on Rules and Organization of the House of the Committee on Rules), May 11, 17 .....	2	25	1
U.S.-China Trade Relations and Renewal of China's Most-Fa- vored-Nation Status, May 23 .....	1	20	1
Accession of Chile to the North American Free Trade Agree- ment, June 21 .....	1	14	1
The Economic Relationship Between the United States and Cuba After Castro, June 30 .....	1	19	1
Rules of Origin, July 11 .....	1	16	1
Organization for Economic Cooperation and Development (OECD) Agreement on Shipbuilding, July 18 .....	1	14	1
1996:			
Implementation of Uruguay Round Agreements and World Trade Organization, Mar. 13 .....	1	18	1
United States-Japan Trade Relations, Mar. 28 .....	1	13	1
The Proposed Commerce Antidumping Regulations and Other Antidumping Issues, Apr. 23 .....	1	18	1
H.R. 2795, Safeguard Investigations of Perishable Agricultural Products, Apr. 25 .....	1	18	1
U.S. Trade Policy, May 20 .....	1	12	1
Iran and Libya Sanctions, May 22 .....	1	3	1
United States-China Trade Relations and Renewal of China's Most-Favored-Nation Status, June 11 .....	1	22	1

TABLE 3.—PUBLIC HEARINGS CONDUCTED BY THE SUBCOMMITTEES OF THE COMMITTEE ON WAYS AND MEANS—Continued

Subject and date	Number of		
	Days	Witnesses	Volumes
U.S. Trade Competitiveness and Work Force Education and Training, July 25 .....	1	9	1
U.S. Trade with Sub-Saharan Africa, Aug. 1 .....	1	13	1
World Trade Organization Singapore Ministerial Meeting, Sept. 11 .....	1	16	1
Accession of China and Taiwan to the World Trade Organization, Sept. 19 .....	1	13	1
<b>Total</b> .....	<b>22</b>	<b>301</b>	<b>21</b>
<b>SUBCOMMITTEE ON OVERSIGHT</b>			
1995:			
Child Welfare Programs, Jan. 23 .....	1	11	1
FCC Minority Tax Certificates, Jan. 27 .....	1	17	1
IRS Budget Proposal for Fiscal Year 1996 and 1995 Tax Return Filing Season, Feb. 27 .....	1	4	1
Exploring the Development of Taxpayer Bill of Rights II Legislation, Mar. 24 .....	1	18	1
Administration's Proposal Relating to the Tax Treatment of Americans Who Renounce Citizenship, Mar. 27 .....	1	8	1
Expiring Tax Provisions, May 9 .....	1	36	1
The Research and Experimentation Tax Credit and the Allocation of Research Expenses Under Internal Revenue Code Section 861, May 10 .....	1	25	1
Earned Income Tax Credit (held jointly with Subcommittee on Human Resources), June 15 .....	1	12	1
Coal Industry Retiree Health Benefit Act of 1992, June 22 .....	1	18	1
Taxpayer Compliance Measurement Program, July 18 .....	1	12	1
1996:			
IRS Budget for Fiscal Year 1997 and the 1996 Tax Return Filing Season, Mar. 28 .....	1	4	1
Tax Debt Collection Issues, Apr. 25 .....	1	14	1
Employment Classification Issues, June 4, 20 .....	2	13	1
Impact of Tax Law on Land Use, July 16 .....	1	11	1
<b>Total</b> .....	<b>15</b>	<b>203</b>	<b>14</b>
<b>SUBCOMMITTEE ON HEALTH</b>			
1995:			
Long-Term Care Tax Provisions in the Contract With America, Jan. 20 .....	1	14	1
Health Insurance Premium Tax Deductions for the Self-Employed, Jan. 27 .....	1	13	1
Medicare Hearings on Controlling Costs and Improving Care: ... Issues Regarding Extraordinary Growth in Certain Medicare Costs, Feb. 6	3	34	1
Income Relating the Part B Premium of Medicare, Feb. 7			
Medicare Reform and Innovation, Feb. 10			
Medicare Provisions in the President's Budget, Feb. 23 .....	1	8	1
Medicare and Private Sector Health Care Quality Measurement, Assurance, and Improvement, Mar. 21 .....	1	12	1
Issues Regarding Graduate Medical Education, Mar. 23 .....	1	13	1
Physician Payment Review Commission Recommendations on Physician Payments, Mar. 30 .....	1	5	1
Medicare End-Stage Renal Disease (Kidney Failure) Program, Apr. 3 .....	1	11	1
Physician Self-Referral, May 3 .....	1	15	1
Health Insurance Portability, May 12 .....	1	7	1
Experience in Controlling Costs and Improving Quality in Employer-Based Plans, May 16 .....	1	8	1

TABLE 3.—PUBLIC HEARINGS CONDUCTED BY THE SUBCOMMITTEES OF THE COMMITTEE ON WAYS AND MEANS—Continued

Subject and date	Number of		
	Days	Witnesses	Volumes
Medicare HMO Enrollment Growth and Payment Policies, May 24 .....	1	8	1
The Potential Role for Employers, Associations, and Medical Savings Accounts in the Medicare Program, May 25 .....	1	8	1
H.R. 1818, the Family Medical Savings and Investment Act, June 27 .....	1	11	1
Saving Medicare and Budget Reconciliation Issues, July 19, 20, 25 .....	3	51	1
Standards for Health Plans Providing Coverage in the Medicare Program (held jointly with Subcommittee on Health and Environment of the Committee on Commerce), July 27 .....	1	9	1
1996:			
New Health Professions and Graduate Medical Education Recommendations, Apr. 16 .....	1	2	1
Long-Term Care Options, Apr. 18 .....	1	8	1
Recommendations Regarding Future Directions in the Medicare Program, Apr. 30 .....	1	5	1
Teaching Hospitals and Other Issues Related to Graduate Medical Education, June 11 .....	1	10	1
Administration's Medicare Choices and Competitive Pricing Demonstration Projects, July 12 .....	1	5	1
Issues Related to Medicare Payment Policies for Home Health Agency and Skilled Nursing Facility Services, July 23 .....	1	8	1
H.R. 2976, the "Patient Right to Know Act of 1996," July 30 .....	1	10	1
Rural Health Care Issues, Sept. 12 .....	1	10	1
Medicare Subvention, Sept. 17 .....	1	4	1
Total .....	29	289	25
SUBCOMMITTEE ON SOCIAL SECURITY			
1995:			
Social Security Earnings Limit Provision of the Contract With America, Jan. 9 .....	1	19	1
Managing the Social Security Disability Insurance Program, May 23, 24, Aug. 3 .....	3	29	1
1996:			
Use of Social Security Trust Fund Money to Finance Union Activities at the Social Security Administration, June 4, 27 .....	2	4	1
Reviewing the Performance of the Social Security Administration as an Independent Agency, July 25 .....	1	3	1
Recommendations to Improve the Performance of the Social Security Administration as an Independent Agency, Sept. 12 .....	1	5	1
Total .....	8	60	5
SUBCOMMITTEE ON HUMAN RESOURCES			
1995:			
Contract With America—Welfare Reform, Jan. 13, 20, 23, 27, 30, Feb. 2 .....	6	153	2
Child Care and Child Welfare (held jointly with Subcommittee on Early Childhood, Youth, and Families of the Committee on Economic and Educational Opportunities), Feb. 3 .....	1	9	1
Child Support Enforcement Provisions Included in Personal Responsibility Act as Part of the Contract With America, Feb. 6 .....	1	20	1
Federal Adoption Policy, May 10 .....	1	10	1
Federal Unemployment Compensation System and Consolidation of Job Training Programs, May 16 .....	1	9	1
Child Support Enforcement and Supplemental Security Income, June 13 .....	1	11	1

TABLE 3.—PUBLIC HEARINGS CONDUCTED BY THE SUBCOMMITTEES OF THE COMMITTEE ON WAYS AND MEANS—Continued

Subject and date	Number of		
	Days	Witnesses	Volumes
Earned Income Tax Credit (held jointly with Subcommittee on Oversight), June 15 .....	1	12	1
Welfare Reform Success Stories, Dec. 6 .....	1	10	1
1996:			
The National Governors' Association Welfare Reform Proposal, Feb. 20 .....	1	10	1
Causes of Poverty, with a Focus on Out-of-Wedlock Births, Mar. 12 .....	1	15	1
Welfare Reform, May 22, 23 .....	2	16	1
Barriers to Adoption, June 27 .....	1	13	1
Unemployment Insurance Issues, July 11 .....	1	11	1
H.R. 3467, "Saving Our Children: The American Community Renewal Act of 1996" (held jointly with Subcommittee on Early Childhood, Youth and Families of the Committee on Economic and Educational Opportunities), July 30 .....	1	17	1
Implementation of Welfare Reform and Child Support Enforcement, Sept. 17, 19 .....	2	13	1
Total .....	22	329	16

As the foregoing statistics indicate, during the 104th Congress the full committee and its 5 subcommittees held public hearings aggregating a grand total of 128 days, during which time 1,583 witnesses were heard resulting in the publication of 96 printed volumes of testimony. A field hearing was held by the Trade Subcommittee in Chicago, Illinois.

In addition, written comments were printed after having been requested and received by the full committee on new revenue provisions in the President's fiscal year 1997 budget and by the Subcommittee on Trade on extension of unconditional most-favored-nation treatment to Cambodia, Bulgaria, and Romania; technical corrections to recent trade legislation; proposals to terminate trade adjustment assistance programs for workers and firms; miscellaneous trade proposals; international trade commission reform; and change in "most-favored-nation" terminology.

### C. MARKUP SESSIONS

With respect to markup or business sessions during the 104th Congress, the full committee and its five subcommittees were also very actively engaged. The full committee held such sessions on 37 working days, usually both morning and afternoon sessions, and the subcommittees an aggregate of 14 working days, making a grand total of 51 working days of markup or business sessions for the committee and its subcommittees during the 104th Congress.

### D. NUMBER AND FINAL STATUS OF BILLS REPORTED FROM THE COMMITTEE ON WAYS AND MEANS IN THE 104TH CONGRESS

During the 104th Congress, the committee reported to the House a total of 39 bills, 37 favorably and 2 adversely. Forty-five bills containing provisions within the purview of the committee were passed by the House and 26 were enacted into law. It should be noted that

this total is not at all indicative of the total number of bills considered by the committee, because when the committee goes into session on major tax, tariff, Social Security, health, unemployment compensation, or human resources matters, it very often considers the broad subject rather than certain specific bills, and in the course of consideration of the subject makes every attempt to review all of the pertinent bills pending before the committee which are encompassed within that subject. Further, it is the practice of the committee normally to report bills on a major subject which may involve many sections containing subjects included in perhaps as many as several hundred bills pending before the committee.

#### Appendix IV. Chairmen of the Committee on Ways and Means and Membership of the Committee From the 1st Through the 104th Congresses

##### A. CHAIRMEN OF THE COMMITTEE ON WAYS AND MEANS, 1789 TO PRESENT

Name	State	Party	Term of service
Thomas Fitzsimons .....	Pennsylvania .....	Federalist .....	1789.
William L. Smith .....	South Carolina .....	.....do .....	1794 to 1797.
Robert G. Harper .....	.....do .....	.....do .....	1797 to 1800.
Roger Griswold .....	Connecticut .....	.....do .....	1800 to 1801.
John Randolph .....	Virginia .....	Jeffersonian Republican .....	1801 to 1805, 1827.
Joseph Clay .....	Pennsylvania .....	.....do .....	1805 to 1807.
George W. Campbell .....	Tennessee .....	.....do .....	1807 to 1809.
John W. Eppes .....	Virginia .....	.....do .....	1809 to 1811.
Ezekiel Bacon .....	Massachusetts .....	.....do .....	1811 to 1812.
Langdon Cheves .....	South Carolina .....	.....do .....	1812 to 1813.
John W. Eppes .....	Virginia .....	.....do .....	1813 to 1815.
William Lowndes .....	South Carolina .....	.....do .....	1815 to 1818.
Samuel Smith .....	Maryland .....	.....do .....	1818 to 1822.
Louis McLane .....	Delaware .....	.....do .....	1822 to 1827.
George McDuffie .....	South Carolina .....	Democrat .....	1827 to 1832.
Gulian C. Verplanck .....	New York .....	.....do .....	1832 to 1833.
James K. Polk .....	Tennessee .....	.....do .....	1833 to 1835.
C. C. Cambreleng .....	New York .....	.....do .....	1835 to 1839.
John W. Jones .....	Virginia .....	.....do .....	1839 to 1841.
Millard Fillmore .....	New York .....	Whig .....	1841 to 1843.
James Iver McKay .....	North Carolina .....	Democrat .....	1843 to 1847.
Samuel F. Vinton .....	Ohio .....	Whig .....	1847 to 1849.
Thomas H. Bayly .....	Virginia .....	Democrat .....	1849 to 1851.
George S. Houston .....	Alabama .....	.....do .....	1851 to 1855.
Lewis D. Campbell .....	Ohio .....	Republican .....	1855 to 1857.
J. Glancy Jones .....	Pennsylvania .....	Democrat .....	1857 to 1858.
John S. Phelps .....	Missouri .....	.....do .....	1858 to 1859.
John Sherman .....	Ohio .....	Republican .....	1859 to 1861.
Thaddeus Stevens .....	Pennsylvania .....	.....do .....	1861 to 1865.
Justin S. Morrill .....	Vermont .....	Republican .....	1865 to 1867.
Robert C. Schenck .....	Ohio .....	.....do .....	1867 to 1871.
Samuel D. Hooper .....	Massachusetts .....	.....do .....	1871.
Henry L. Dawes .....	Massachusetts .....	.....do .....	1871 to 1875.
William R. Morrison .....	Illinois .....	Democrat .....	1875 to 1877.
Fernando Wood .....	New York .....	.....do .....	1877 to 1881.
John R. Tucker .....	Virginia .....	.....do .....	1871.
William D. Kelley .....	Pennsylvania .....	Republican .....	1881 to 1883.
William R. Morrison .....	Illinois .....	Democrat .....	1883 to 1887.
Roger Q. Mills .....	Texas .....	.....do .....	1887 to 1889.
William McKinley, Jr .....	Ohio .....	Republican .....	1889 to 1891.
William M. Springer .....	Illinois .....	Democrat .....	1891 to 1893.
William L. Wilson .....	West Virginia .....	.....do .....	1893 to 1895.
Nelson Dingley, Jr .....	Maine .....	Republican .....	1895 to 1899.

Name	State	Party	Term of service
Sereno E. Payne .....	New York .....	.....do .....	1899 to 1911.
Oscar W. Underwood .....	Alabama .....	Democrat .....	1911 to 1915.
Claude Kitchin .....	North Carolina .....	.....do .....	1915 to 1919.
Joseph W. Fordney .....	Michigan .....	Republican .....	1919 to 1923.
William R. Green .....	Iowa .....	.....do .....	1923 to 1928.
Willis C. Hawley .....	Oregon .....	.....do .....	1929 to 1931.
James W. Collier .....	Mississippi .....	Democrat .....	1931 to 1933.
Robert L. Doughton .....	North Carolina .....	.....do .....	1933 to 1947, 1949 to 1953.
Harold Knutson .....	Minnesota .....	Republican .....	1947 to 1949.
Daniel A. Reed .....	New York .....	Republican .....	1953 to 1955.
Jere Cooper .....	Tennessee .....	Democrat .....	1955 to 1957.
Wilbur D. Mills .....	Arkansas .....	.....do .....	1957 to 1975.
Al Ullman .....	Oregon .....	.....do .....	1975 to 1981.
Dan Rostenkowski .....	Illinois .....	.....do .....	1981 to 1994.
Bill Archer .....	Texas .....	Republican .....	1995.

## B. TABLES SHOWING PAST MEMBERSHIP OF THE COMMITTEE

### 1. MEMBERS OF THE COMMITTEE ON WAYS AND MEANS FROM THE 1ST THROUGH THE 104TH CONGRESS, BY STATE

	<i>Congress(es)</i>
<b>Alabama:</b>	
John McKinley .....	23
David Hubbard .....	26
Dixon H. Lewis .....	27-28
George S. Houston .....	29-30, 32-33
James F. Dowdell .....	35
Hilary A. Herbert .....	48
Joseph Wheeler .....	53-55
Oscar W. Underwood .....	56, 59-63
Ronnie G. Flippo .....	98-101
<b>Arkansas:</b>	
James K. Jones .....	48
Clifton R. Breckinridge .....	49-51, 53
William A. Oldfield .....	64-70
Heartsill Ragon .....	70-73
William J. Driver .....	72
Claude A. Fuller .....	73-75
Wilbur D. Mills .....	77-94
Jim Guy Tucker, Jr .....	95
Beryl Anthony, Jr .....	97-102
<b>California:</b>	
Joseph McKenna .....	51-52
Victor H. Metcalf .....	57-58
James C. Needham .....	58-62
William E. Evans .....	73
Frank H. Buck .....	74-77
Bertrand W. Gearhart .....	76-80
Cecil R. King .....	78-79, 81-90
James B. Utt .....	83, 86-91
James C. Corman .....	90-96
Jerry L. Pettis .....	91-94
William M. Ketchum .....	94-95
Fortney Pete Stark .....	94-

	<i>Congress(es)</i>
John H. Rousselot .....	95–97
Robert T. Matsui .....	97–
William M. Thomas .....	98–
Wally Herger .....	103–
Colorado:	
Robert W. Bonyngue .....	60
Charles B. Timberlake .....	66–72
John A. Carroll .....	81
Donald G. Brotzman .....	92–93
George H. “Hank” Brown .....	100–101
Connecticut:	
Jeremiah Wadsworth .....	1
Uriah Tracy .....	3
James Hillhouse .....	4
Nathaniel Smith .....	4–5
Joshua Coit .....	5
Roger Griswold .....	5–8
John Davenport .....	8
Jonathan O. Moseley .....	9, 14, 16
Benjamin Tallmadge .....	10–11
Timothy Pitkin .....	12–13, 15
Ralph I. Ingersoll .....	21–22
Samuel D. Hubbard .....	30
James Phelps .....	45–46
Charles A. Russell .....	54–57
Ebenezer J. Hill .....	58–62, 64–65
John Q. Tilson .....	66–68
Antoni N. Sadlak .....	83–85
William R. Cotter .....	94–97
Barbara B. Kennelly .....	98–
Nancy L. Johnson .....	101–
Delaware:	
John Vining .....	1
Henry Latimer .....	3
John Patten .....	4
James A. Bayard, Sr .....	5, 7
Caesar A. Rodney .....	8
Louis McLane .....	16–19
Florida:	
A. S. Herlong, Jr .....	84–90
Sam M. Gibbons .....	91–104
L. A. (Skip) Bafalis .....	94–97
E. Clay Shaw, Jr .....	100–
Georgia:	
James Jackson .....	1
Abraham Baldwin .....	3–5
Benjamin Taliaferro .....	6
John Milledge .....	7
David Meriwether .....	8–9
William W. Bibb .....	12–13
Joel Abbott .....	15
Joel Crawford .....	15–16
Wiley Thompson .....	17–18

	<i>Congress(es)</i>
George R. Gilmer .....	20
Richard H. Wilde .....	22–23
George W. Owens .....	24–25
Charles E. Haynes .....	25
Mark A. Cooper .....	26
Absalom H. Chappell .....	28
Seaborn Jones .....	29
Robert Toombs .....	30–31
Alexander H. Stephens .....	30–31, 33
Marshall J. Wellborn .....	31
Howell Cobb .....	34
Martin J. Crawford .....	35–36
Benjamin H. Hill .....	44
Henry R. Harris .....	45, 49
William H. Felton .....	46
Emory Speer .....	47
James H. Blount .....	48
Henry G. Turner .....	50–54
Charles F. Crisp .....	54
James M. Griggs .....	60–61
William G. Brantley .....	61–62
Charles R. Crisp .....	64–72
Albert S. Camp .....	78–83
Phillip M. Landrum .....	89–94
Ed Jenkins .....	95–102
Wyche Fowler, Jr .....	96–99
John Lewis .....	103–
Mac Collins .....	104–
Hawaii:	
Cecil (Cec) Heftel .....	96–99
Illinois:	
Daniel P. Cook .....	19
John A. McClernand .....	37
John Wentworth .....	39
John A. Logan .....	40
Samuel S. Marshall .....	41
Horatio C. Burchard .....	42–45
William R. Morrison .....	44, 46–49
William M. Springer .....	52
Albert J. Hopkins .....	52–57
Henry S. Boutell .....	58–61
Henry T. Rainey .....	62–66, 68–72
John A. Sterling .....	65
Ira C. Copley .....	66–67
Carl R. Chindblom .....	68–72
Chester C. Thompson .....	74–75
Raymond S. McKeough .....	76–77
Charles S. Dewey .....	78
Thomas J. O'Brien .....	79, 81–88
Noah M. Mason .....	80–87
Harold R. Collier .....	88–93
Dan Rostenkowski .....	88–103
Abner J. Mikva .....	94–96

	<i>Congress(es)</i>
Philip M. Crane .....	94–
Marty Russo .....	96–102
Mel Reynolds .....	103
<b>Indiana:</b>	
David Wallace .....	27
Cyrus L. Dunham .....	32
William E. Niblack .....	40, 43
Godlove S. Orth .....	41
Michael C. Kerr .....	42
Thomas M. Browne .....	48–50
William D. Bynum .....	50, 53
Benjamin F. Shively .....	52
George W. Steele .....	54–57
James E. Watson .....	58–60
Edgar D. Crumpacker .....	60–61
Lincoln Dixon .....	62–65
Harry C. Canfield .....	71–72
John W. Boehne, Jr .....	73–77
Robert A. Grant .....	80
Andy Jacobs, Jr .....	94–104
<b>Iowa:</b>	
John A. Kasson .....	38, 43, 47–48
William B. Allison .....	39–41
John H. Gear .....	51, 53
Jonathan P. Dolliver .....	54–56
William R. Green .....	63–70
C. William Ramseyer .....	70–71
Otha D. Wearin .....	75
Lloyd Thurston .....	75
Thomas E. Martin .....	80–83
Fred Grandy .....	102–103
Jim Nussle .....	104–
<b>Kansas:</b>	
Dudley C. Haskell .....	47
Chester I. Long .....	56–57
Charles Curtis .....	58–59
William A. Calderhead .....	60–61
Victor Murdock .....	63
Guy T. Helvering .....	64–65
Frank Carlson .....	76–79
Martha E. Keys .....	94–95
<b>Kentucky:</b>	
Alexander D. Orr .....	3
Christopher Greenup .....	4
Thomas T. Davis .....	5
John Boyle .....	8
Richard M. Johnson .....	11–12
Thomas Montgomery .....	13
David Trimble .....	15–16
Nathan Gaither .....	22
John Pope .....	25
Thomas F. Marshall .....	27
Garrett Davis .....	28

	<i>Congress(es)</i>
Charles S. Morehead .....	30-31
John C. Breckinridge .....	33
Robert Mallory .....	38
James B. Beck .....	42-43
Henry Watterson .....	44
John G. Carlisle .....	46-47, 51
Joseph C.S. Blackburn .....	48
William C.P. Breckinridge .....	49-50
Alexander B. Montgomery .....	52-53
Walter Evans .....	54-55
Ollie M. James .....	62
Augustus O. Stanley .....	63
Frederick M. Vinson .....	72-75
Noble J. Gregory .....	78-85
John C. Watts .....	86-92
Jim Bunning .....	102-
Louisiana:	
Thomas B. Robertson .....	14
William L. Brent .....	19-20
Walter H. Overton .....	21
Lionel A. Sheldon .....	43
Randall L. Gibson .....	45-46
Charles J. Boatner .....	54
Samuel M. Robertson .....	55-59
Robert F. Broussard .....	61
Whitmell P. Martin .....	65-70
Paul H. Maloney .....	76, 78-79
Thomas Hale Boggs, Sr .....	81-91
Joe D. Waggoner, Jr .....	92-95
W. Henson Moore III .....	96-99
William J. Jefferson .....	103
Jim McCrery .....	103-
Jimmy Hayes .....	104
Maine:	
Peleg Sprague .....	19-20
Francis O.J. Smith .....	24
George Evans .....	26
Israel Washburn, Jr .....	36
James G. Blaine .....	44
William P. Frye .....	46
Thomas B. Reed .....	48-50, 52-53
Nelson Dingley, Jr .....	51, 54-55
Daniel J. McGillicuddy .....	64
Maryland:	
William Smith .....	1
Gabriel Christie .....	3
William Vans Murray .....	4
William Hindman .....	4-5
William Craik .....	5
Joseph H. Nicholson .....	6-9
Nicholas R. Moore .....	8
Roger Nelson .....	9
John Montgomery .....	10-11

	<i>Congress(es)</i>
Alexander McKim .....	13
Stevenson Archer .....	13
Samuel Smith .....	14–17
Isaac McKim .....	18, 23–25
Henry W. Davis .....	34–36
Phillip F. Thomas .....	44
David J. Lewis .....	72–75
Rogers C.B. Morton .....	91–92
Benjamin L. Cardin .....	101–
Massachusetts:	
Elbridge Gerry .....	1
Fisher Ames .....	3
Theodore Sedgwick .....	4
Theophilus Bradbury .....	4
Harrison Gray Otis .....	5–6
Samuel Sewall .....	5
Isaac Parker .....	5
Bailey Bartlett .....	6
Nathan Read .....	7
Seth Hastings .....	8
Josiah Quincy .....	9
Ezekiel Bacon .....	11–12
Ebenezer Seaver .....	11
Henry Shaw .....	16
Henry W. Dwight .....	19–21
Benjamin Gorham .....	23
Abbott Lawrence .....	24, 26
Richard Fletcher .....	25
George N. Briggs .....	25
Leverett Saltonstall .....	26
Robert C. Winthrop .....	29
Charles Hudson .....	30
George Ashmun .....	31
William Appleton .....	32–33, 37
Alexander De Witt .....	34
Nathaniel P. Banks .....	35, 45
Samuel Hooper .....	37–41
Henry L. Dawes .....	42–43
Chester W. Chapin .....	44
William A. Russell .....	47–48
Moses T. Stevens .....	52–53
Samuel W. McCall .....	56–62
Andrew J. Peters .....	62–63
Augustus P. Gardner .....	63–65
John J. Mitchell .....	63
Allen T. Treadway .....	65–78
Peter F. Tague .....	67–68
John W. McCormack .....	72–76
Arthur D. Healey .....	77
Charles L. Gifford .....	79–80
Angier L. Goodwin .....	80, 82–83
James A. Burke .....	87–95
James M. Shannon .....	96–98

	<i>Congress(es)</i>
Brian J. Donnelly .....	99–102
Richard E. Neal .....	103–
Michigan:	
William A. Howard .....	34–36
Austin Blair .....	41
Henry Waldron .....	43
Omar D. Conger .....	46
Jay A. Hubbell .....	47
William C. Maybury .....	49
Julius C. Burrows .....	50–53
Justin R. Whiting .....	52–53
William A. Smith .....	59
Joseph W. Fordney .....	60–67
James C. McLaughlin .....	68–72
Roy O. Woodruff .....	73–82
John D. Dingell .....	74–84
Victor A. Knox .....	83, 86–88
Thaddeus M. Machrowicz .....	84–87
Martha W. Griffiths .....	87–93
Charles E. Chamberlain .....	91–93
Richard F. Vander Veen .....	93–94
Guy Vander Jagt .....	94–102
William M. Brodhead .....	95–97
Sander M. Levin .....	100–
Dave Camp .....	103–
Minnesota:	
Mark H. Dunnell .....	46–47
James A. Tawney .....	54–58
James T. McCleary .....	59
Winfield S. Hammond .....	62–63
Sydney Anderson .....	63
Harold Knutson .....	73–80
Eugene J. McCarthy .....	84–85
Joseph E. Karth .....	92–94
Bill Frenzel .....	94–101
Jim Ramstad .....	104–
Mississippi:	
Jacob Thompson .....	31
John Sharp Williams .....	58–59
James W. Collier .....	63–72
Aaron Lane Ford .....	77
Missouri:	
James S. Green .....	31
John S. Phelps .....	32–37
Henry T. Blow .....	38
John Hogan .....	39
Gustavus A. Finkelburg .....	42
John C. Tarsney .....	53–54
Seth W. Cobb .....	54
Champ Clark .....	58–61
Dorsey W. Shackelford .....	62–63
Clement C. Dickinson.....	63–66, 68–70, 72–73
Charles L. Faust .....	69–70

Richard M. Duncan .....	74-77
Thomas B. Curtis .....	83-90
Frank M. Karsten .....	84-90
Richard A. Gephardt .....	95-101
Mel Hancock .....	103-104
Montana:	
Lee W. Metcalf .....	86
James F. Battin .....	89-91
Nebraska:	
William J. Bryan .....	52-53
Charles H. Sloan .....	63-65
Ashton C. Shallenberger .....	73
Carl T. Curtis .....	79-83
Hal Daub .....	99-100
Peter Hoagland .....	103
Jon Christensen .....	104-
Nevada:	
Francis G. Newlands .....	56-57
John Ensign .....	104-
New Hampshire:	
Samuel Livermore .....	1
Nicholas Gilman .....	3-4
Abiel Foster .....	5
Nathaniel A. Haven .....	11
Henry Hubbard .....	23
Charles G. Atherton .....	25-27
Moses Norris, Jr .....	28-29
Harry Hibbard .....	31-33
Judd A. Gregg .....	99-100
New Jersey:	
Lambert Cadwalader .....	1
Elias Boudinot .....	3
Isaac Smith .....	4
Thomas Sinnickson .....	5
James H. Imlay .....	6
William Coxe, Jr .....	13
John L. N. Stratton .....	37
William Hughes .....	62
Isaac Bacharach .....	66-74
Donald H. McLean .....	76-78
Robert W. Kean .....	78-85
Henry Helstoski .....	94
Frank J. Guarini .....	96-102
Dick Zimmer .....	104
New Mexico:	
Clinton P. Anderson .....	79
New York:	
John Laurance .....	1
John Watts .....	3
Ezekiel Gilbert .....	4
James Cochran .....	5
Hezekiah L. Hosmer .....	5
Jonas Platt .....	6
Killian K. Van Rensselaer .....	7

Joshua Sands .....	8
Erastus Root .....	11
John W. Taylor .....	13
Jonathan Fisk .....	13
Thomas J. Oakley .....	13
James W. Wilkin .....	14
James Tallmadge, Jr .....	15
Albert H. Tracy .....	16
Nathaniel Pitcher .....	17
Churchill C. Cambreleng .....	17-18, 23-25
Dudley Marvin .....	19
Gulian C. Verplanck .....	20-22
Aaron Vanderpoel .....	26
Millard Filmore .....	27
Daniel D. Barnard .....	28
David L. Seymour .....	28
George O. Rathbun .....	28
Orville Hungerford .....	29
Henry Nicoll .....	30
James Brooks .....	31-32, 39-40, 42
William Duer .....	31
Solomon G. Haven .....	33
Russell Sage .....	34
John Kelly .....	35
William B. MacLay .....	35
Elbridge G. Spaulding .....	36-37
Erastus Corning .....	37
Reuben E. Fenton .....	38
De Witt C. Littlejohn .....	38
Henry G. Stebbins .....	38
John V. L. Pruyn .....	38
Roscoe Conkling .....	39
Charles H. Winfield .....	39
John A. Griswold .....	40
Dennis McCarthy .....	41
Ellis H. Roberts .....	42-43
Fernando Wood .....	43-46
Abram S. Hewitt .....	48-49
Frank Hiscock .....	48-49
Sereno E. Payne .....	51-63
Roswell P. Flower .....	51
William B. Cochran .....	52-53, 58-60
George B. McClellan .....	55-58
John W. Dwight .....	61
Francis B. Harrison .....	61-63
Michael F. Conry .....	64
George W. Fairchild .....	64-65
John F. Carew .....	65-71
Luther W. Mott .....	66-67
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<sup>1</sup> Appointed July 10, 1995.<sup>2</sup> Appointed January 25, 1996.