RSC Republican Study Committee

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Detailed Summary: H.R. 408—
The Spending Reduction Act of 2011

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Overview

- **FY 2011 CR Amendment:** Replace the non-defense, non-homeland security, non-veterans spending levels in the FY 2011 continuing resolution (CR) with FY 2008 spending levels. The legislation will further prohibit any FY 2011 funding from being used to carry out any provision of the Democrat government takeover of health care, or to defend the health care law against any lawsuit challenging any provision of the act. **$80 billion savings.**
- **Discretionary Spending Limit, FY 2012-2021:** Eliminate automatic increases for inflation from CBO baseline projections for future discretionary appropriations. Representative Louie Gohmert (R-TX) has previously authored legislation to this effect (H.R. 4408). Further, the Spending Reduction Act imposes discretionary spending limits through 2021 at 2006 levels on the non-defense portion of the discretionary budget. **$2.29 trillion savings over ten years.**
- **Federal Workforce Reforms:** Eliminate automatic pay increases for civilian federal workers for five years. Additionally, cut the civilian workforce by a total of 15 percent through attrition. Allow the hiring of only one new worker for every two workers who leave federal employment until the reduction target has been met. **(Savings included in above discretionary savings figure).**
- **"Stimulus" Repeal:** Eliminate all remaining "stimulus" funding. **$45 billion total savings.**
- Eliminate federal control of Fannie Mae and Freddie Mac. **$30 billion total savings.**
- Repeal the Medicaid FMAP increase in the "State Bailout" (Senate amendments to S. 1586). **$16.1 billion total savings.**
- More than 100 specific program eliminations and spending reductions listed below: **$330 billion savings over ten years (included in above discretionary savings figure).**

Additional Program Eliminations/Spending Reforms

- Eliminate Corporation for Public Broadcasting Subsidy.

  The Corporation for Public Broadcasting provides subsidies to public television and public radio. The Public Broadcasting Service (PBS), which broadcasts many popular television programs, already receives about 85% of its budget from non-federal sources of support: viewer donations, local governments, and universities. Given the popularity of much of its programming (such as Sesame Street), PBS does not need federal subsidies. National Public Radio (NPR) should also have to work from a business model that is not reliant on taxpayer dollars, particularly given that they censor non-liberal political viewpoints. Representative Doug Lamborn (R-CO) has authored legislation to eliminate this funding (H.R. 68).

Savings: $445 million annually.

- Eliminate Save America's Treasures Program.

The Save America's Treasures program was created by an Executive Order from President Clinton in 1998. The program was designed as a public-private effort to protect threatened cultural and historical treasures in America. In spite of its stated intent to protect only legitimate American historical treasures, the program now funds a wide array of pet projects with no broad historical significance. By 2006, Save America's Treasures was conducting 1,500 distinct projects. The projects ranged from remodeling local theaters, to renovating courthouses, to converting firehouses into art galleries. The program's loss of focus comes in part from Congress dedicating up to half of the program's total funding to politically directed earmarks instead of a merit-based selection process. The program is duplicative of numerous other federal, state, and non-profit efforts.

Savings: $25 million annually.

- Eliminate the International Fund for Ireland.

The International Fund for Ireland was established by the Irish and British governments in 1986 to promote peace in Northern Ireland. Although U.S. taxpayers have already contributed $280 million and sectarian violence in Northern Ireland has dramatically decreased, the federal government continues to contribute millions in taxpayer funds annually. The RSC Spending Reduction Act would prohibit U.S. contributions to the International Fund for Ireland and end this needless spending. Representative Jason Chaffetz (R-UT) has authored legislation to eliminate this funding (H.R. 2915 from the 111th Congress).

Savings: $17 Million annually.

- Eliminate the Legal Services Corporation.

The Legal Services Corporation was created by Congress to provide free, legal assistance to the poor in civil, non-criminal matters, and currently funds 137 legal services programs in 918 offices. The Corporation has not merely continued to offer services duplicative of those offered by states, localities, bar associations, and private organizations, but has engaged in lobbying, advocacy of political causes, and litigation against the federal government. According to a *Washington Times* article, it has spent taxpayer funds on "a decorative natural-stone wall, no-bid contracts for consultants, alcohol for a congressional party and more than 100 casino hotel rooms that were never occupied."

Savings: $420 Million annually.

- Eliminate subsidies of the National Endowment for the Arts.

  The NEA funds art programs through grants to various entities. The arts receive tens of billions of dollars each year—the NEA subsidy represents less than 1% of this money. Support for the arts can easily be supported by state and local governments and private donations.

  Savings: $167.5 Million annually.

- Eliminate subsidies of the National Endowment for the Humanities.

  The NEH funds humanities programs and initiatives through grants to various entities. The activities of the NEH could be funded by private donations and state and local efforts.

  Savings: $167.5 Million annually.

- Eliminate the Hope VI Program.

  The Hope VI Program provides grants to public housing agencies to demolish and rebuild public housing units. Over the past 15 years, it has demolished 96,200 housing units and produced 107,800 new or revitalized units. According to OMB, Hope VI "has completed its goal of contributing to the demolition of 100,000 severely distressed public housing units." OMB has also stated that "The program is more costly than other programs that serve the same population." Hope VI also has more than 5 years worth of accumulated appropriations in its account which it has not been able to spend down due to a planning and redevelopment process that OMB labeled "inherently long" and "drawn-out." Hope VI have been found to be "ineffective" by the OMB. The OMB's results can be found here.

  Savings: $250 Million annually.

- Eliminate Amtrak subsidies.

  Amtrak was created by Congress in 1970. Since then, it has received $37 billion in federal subsidies. Taxpayer subsidies enable Amtrak to avoid other necessary reforms that would enable the corporation to turn a profit. For example, in one year, Amtrak lost $600 million on long-distance trains (on these routes Amtrak cannot compete with other, more economical modes of transportation). Amtrak also has taken losses of between $75 and $158 million a year on its sleeper car service, as well as losses of $80 million (in one year) on food (an impressive feat considering it has a captive audience). The 1997 Amtrak authorization law required Amtrak to operate free of subsidies by 2002, yet Congress continued to provide subsidies thereafter anyway.

  Savings: $1.565 Billion annually.

- Eliminate duplicative education programs.

There are currently many education programs that are duplicative, ineffective, or have not been able to demonstrate results. One example, the "Comprehensive School Reform" program, was recommended for elimination by the Bush Admistration because it duplicates programs activities under the No Child Left Behind Act. Another example is the "Smaller Learning Communities" program which was found to have no demonstrable result by the OMB. Some of these programs have never been funded by Congress, others were pet projects created by Members of Congress or past Administrations, and all are highly restrictive, serving only a limited group of students, or are duplicative of larger federal education programs. The RSC Spending Reduction Act would eliminate 68 of these programs to reduce federal spending and begin exposing the complex network of federal education programs. This section of the bill is based on legislation authored by Representative Buck McKeon (R-CA), H.R. 2274 from the 111th Congress.

Savings: $1.3 Billion annually.

- Eliminate the U.S. Trade Development Agency.

The U.S. Trade and Development Agency has a dual mission of advancing internal economic development, as well as U.S. commercial interests in developing and middle-income countries. The Agency reports that of its 1,170 projects between 1997 and 2006, only 36.2% were actually successful in creating additional exports for American companies. The Agency's activities also overlap with numerous other government agencies and programs. It works with 16 fellow agencies on the Trade Promotion Coordinating Committee alone. The RSC Spending Reduction Act would eliminate this Agency. Representative Ed Royce (R-CA) introduced legislation to eliminate this program, H.R. 5547 from the 111th Congress.

Savings: $55 Million annually.

- Eliminate the subsidy to the Woodrow Wilson Center.

The Woodrow Wilson International Center for Scholars was established by Congress in 1968 and currently receives approximately one third of its funding from the federal government. The Center's mission is to commemorate the ideals and concerns of Woodrow Wilson through the study of national and world affairs. The Center does not merely spend taxpayer funds on projects duplicative of those found at countless institutes of higher education and policy research centers, but also recently honored the Foreign Minister of Turkey with their annual "Public Service" award shortly after Turkey supported an anti-Israel flotilla, voted against sanctions against Iran, and the Foreign Minister himself likened the deaths of 8 "peace activists" in the flotilla incident to the Sept. 11th attacks.

Savings: $20 Million annually.

- Cut in half spending on congressional printing and binding.

Each year, Congress spends $94 million on printing and binding documents, such as the Congressional Record. While it is essential that these documents be made available to

Congress and the wider public, the cheapest and most efficient way to access most of these documents is via the internet. Many copies of documents sent to congressional offices are promptly thrown away, since they can more easily be accessed on the internet as needed. The RSC Spending Reduction Act would cut in half spending for this purpose.

Savings: $47 Million annually.

- Eliminate the John C. Stennis Center subsidy.

  The Stennis Center was created "as a living tribute to the public service career of John C. Stennis who served in the United States Senate over 41 years." Among other things, Senator John Stennis (D-MS) also has an aircraft carrier (one of two non-presidents to be so-honored) and a space center named after him. The Center's mandate is to "attract young people to career in public service," which is inappropriate at a time when reducing the size of government is a priority.

  Savings: $430,000 annually.

- Eliminate the Community Development Fund.

  In FY 2010, Congress spent nearly $4.5 billion on various "community development" programs in several Cabinet departments under the umbrella of the Community Development Fund. All of this spending falls under the category of state, local, or nongovernmental responsibilities. One example, the Sustainable Communities Initiative, is intended to have the federal government get involved in local land use planning decisions. Transportation Secretary LaHood has explained that the initiative is "a way to coerce people out of their cars," even though most Americans want transportation policies that focus on improving roads. This program and each of the others in the Community Development fund would be eliminated by the RSC Spending Reduction Act.

  Savings: $4.5 Billion annually.

- Eliminate Heritage Area Grants and Statutory Aid.

  National Heritage Area grants and the statutory aid program are two National Park Service (NPS) programs intended to provide seed money for non-federal sites (of historical, cultural, or recreational value, etc.) operated by state or local agencies. These congressional designations lead to restrictive federal zoning and land-use planning that can restrict how residential and commercial property owners utilize their private property without any notice or warning. Both the Bush and Obama Administrations have proposed to eliminate funding for the National Park Service statutory aid program and the National Park Service has stated that the programs are "secondary to the primary mission of the National Park Service." The RSC Spending Reduction Act would eliminate both programs and refocus the National Park Service on its original mission.

  Savings: $24 Million annually.

- Cut federal travel budget in half.

  The federal government's annual travel budget is $15 billion. As the Progressive Policy Institute notes, "one of the first things companies cut when faced with faced with budget problems is travel." The Spending Reduction Act would force the federal government to follow that example and cut the federal travel budget in half, reducing spending on unnecessary travel taken by federal bureaucrats.

  Savings: $7.5 Billion annually.

- Trim the federal vehicle budget by 20%.

  Also according to the Progressive Policy Institute, the federal government owns more than 500,000 vehicles which cost taxpayers more than $3 billion to operate. The RSC Spending Reduction Act would reduce the vehicle budget by 20%, promoting more frugal use of government vehicles and reducing waste.

  Savings: $600 Million annually.

- Eliminate the Essential Air Service Program.

  The Essential Air Service program provides subsidies to airlines that serve rural and smaller communities where demand for airline service is often weak. This program pays up to 93% of the cost of flights that are in many cases nearly empty. The RSC Spending Reduction Act would eliminate the Essential Air Service Program.

  Savings: $150 Million annually.

- Eliminate the Technology Innovation Program.

  The Technology Innovation Program is the successor of the Advanced Technology Program (ATP), and it provides subsidies to businesses with the intent of encouraging commercial technology development. It is an excellent example of corporate welfare in the federal budget as it provides money to private-sector businesses for activities that, if economically justifiable, would be funded on their own anyway. The RSC Spending Reduction Act would eliminate the Technology Innovation Program.

  Savings: $70 Million annually.

- Eliminate the Manufacturing Extension Partnership Program.

  The Manufacturing Extension Partnership Program provides subsidies to manufacturing companies in the form of technical and managerial advice on adopting production technologies. A robust commercial market already exists for this purpose, and the program has the federal government picking winners and losers in the marketplace instead of a system based on fair competition.

Savings: $125 Million annually.

- <u>Eliminate Department of Energy Grants to States for Weatherization.</u>

This program provides Department of Energy grants for state and local energy conservation and weatherization. This program is worthy of elimination for duplicating other programs such as Low Income Home Energy Assistance Program (LIHEAP) and for its substitution of federal money for the money state and local governments would otherwise be spending on these activities. The program has also not met its goals. The "stimulus" bill included $5 billion for weatherization grants, with a goal of making 593,000 homes more energy efficient by March 2012. But eleven months later, at the end of 2009, just 9,100 homes had actually been weatherized – 1.5% of its goal. The RSC Spending Reduction Act would end the grant program to prevent throwing good money after bad.

Savings: $56 Million annually.

- <u>Eliminate federal funding of Beach Replenishment Projects.</u>

Beach erosion is a natural process, and spending in this area may not be effective. In addition, this spending is more properly the responsibility of states, localities, and private landowners.

Savings: $95 Million annually.

- <u>Eliminate the New Starts Transit Program.</u>

The New Starts Transit program funds the expansion of rail or other fixed-guideway systems in specific localities. This is done in spite of a CBO report detailing the failure of new rail transit systems to be more efficient (in terms of riders served versus money spent) than bus services or other forms of transportation. The program encourages localities to invest in what is, in many cases, an inefficient form of transportation, and leaves them and the federal government to pick up greater maintenance costs in the future. Local communities can better decide how to direct tax money between competing modes of transportation than the federal government, and the RSC Spending Reduction Act would accordingly eliminate the New Starts Transit Program.

Savings: $2 Billion annually.

- <u>Eliminate Exchange Programs for Alaska Natives, Native Hawaiians, and their Historic Whaling and Trading Partners.</u>

According to the Department of Education: "The purpose of this program is to develop culturally based educational activities, internships, apprentice programs, and exchanges to assist Alaska Natives, native Hawaiians, and children and families living in Massachusetts linked by history and tradition to Alaska and Hawaii, and members of any federally recognized Indian tribe in Mississippi." The Obama Administration has proposed to eliminate funding for this entirely unnecessary and duplicative program—all funding is provided by congressionally-directed earmarks–and the RSC Spending Reduction Act would end the program permanently.

Savings: $9 Million annually.

- Eliminate Intercity and High Speed Rail Grants.

  Congress is "investing" tens of billions of dollars on high speed rail projects. Unfortunately, this spending has not been linked to a viable plan – assuming one is possible – for making rail competitive with travel by planes or cars on most routes. The nation's geography (population centers are further apart than in Europe) and political realities (congressional logrolling means that this spending will undoubtedly subsidize environmentally wasteful, near-empty trains on some routes) are barriers to the success of this program. But even without these intractable problems, the program would still face such barriers as the difficulty of obtaining new rail-right-of-ways, and the delay-inducing procedural hurdles that these projects face before construction can begin. The RSC Spending Reduction Act would end this multi-billion dollar experiment, forcing a second look at the issue before funding resumed.

  Savings: $2.5 Billion annually.

- Eliminate Title X Family Planning programs.

  The program benefits pro-abortion groups like Planned Parenthood, which receives a large amount of this funding.

  Savings: $318 Million annually.

- Eliminate the Appalachian Regional Commission.

  The Appalachian Regional Commission was created in 1965 and serves areas in 9 states with activities intended to promote local economic development. Dozens of other federal, state, and local programs exist to encourage economic development. It can also be argued that the whole concept of regional commissions is misguided since any resources flowing into these states must necessarily be taken from taxpayers in the rest of the country.

  Savings: $76 Million annually.

- Eliminate the Economic Development Administration.

  Duplicating the efforts of 86 other federal programs, the Economic Development Administration provides various grants, loans, and other subsidies for economic development to state and local governments. Approximately 10% of the program's funding goes to administrative expenses. There are many examples of questionable spending by the EDA. One notable example was a grant to Bedford, Indiana to build smaller-replicas of the Great Wall of China and the Pyramids which were never completed and are now known as the "Cursed Pyramid." Vindicating former Administration Director Orson Swindle's labeling of the program as "a congressional cookie jar," the Administration's website had a picture in 2008 of Senate Majority Leader Harry Reid (D-NV) giving a $2 million EDA check to the University of Nevada for the "Harry Reid Research and Technology Park." The RSC Spending Reduction Act would eliminate the Administration and remove an easily abused avenue to congressional pork.

Savings: $293 Million annually.

- <u>Eliminate Programs under the National and Community Services Act.</u>

The National and Community Service Act provides funding to several volunteering programs that provide an inefficient and expensive way of helping individuals pay for college. Individuals volunteer for various programs across the U.S. and receive a modest stipend and an "education award" that is usable for education costs at a qualified institution of higher education. Since individuals receive compensation for participating, the program greatly stretches the definition of "volunteer."

Savings: $1.15 Billion annually.

- <u>Eliminate funding for Applied Research by the Department of Energy.</u>

An argument in favor of this spending reduction—aside from the resulting savings—is that while the federal government should support basic scientific research, applied research should be left to the private-sector since it can easily capture the benefits of this type of research by selling new products. The RSC Spending Reduction Act would eliminate spending on applied research, saving money and refocusing the Department of Energy on projects better suited to the federal government.

Savings: $1.27 Billion annually.

- <u>Eliminate funding for FreedomCAR and Fuel Partnership Program.</u>

The FreedomCAR and fuel partnership program provides funding for research on fuel cell technology. The main rationale for eliminating this program is that the private-sector is already conducting this research, and the market already provides incentives for companies to conduct the research.

Savings: $200 Million annually.

- <u>Eliminate the Energy Star Program.</u>

The Energy Star Program, a joint initiative of the Department of Energy (DOE) and the Environmental Protection Agency (EPA), is intended to provide consumers information about energy efficient products. The GAO found through covert testing that the program is "vulnerable to fraud and abuse," and was able to obtain Energy Star partnership status for several bogus companies and products. This information is also already available through non-governmental sources.

Savings: $52 Million annually.

- Eliminate economic assistance to Egypt.

  Since 1979, United States taxpayers have spent more than $50 billion on foreign aid to Egypt. Unfortunately, U.S. foreign aid dollars have not led to an improvement in Egypt's human rights record or to economic liberalization. The RSC Spending Reduction Act would end Economic Support Fund aid to Egypt and save millions for the taxpayers, but continue Foreign Military Financing Program assistance.

  Savings: $250 Million annually.

- Eliminate the U.S. Agency for International Development.

  The U.S. Agency for International Development (USAID) has provided billions in foreign aid to countries that are struggling to escape from poverty. Unfortunately, there is little evidence that this kind of traditional foreign aid actually works, while there is a wealth of evidence that the best path to prosperity is developing the kinds of institutions necessary for a free market economy. Foreign aid can prop up corrupt regimes, delaying those needed reforms, and is extremely susceptible to corruption.

  Savings: $1.39 Billion annually.

- Eliminate general assistance to the District of Columbia.

  This Spending Reduction Act would eliminate the general fiscal assistance that the District of Columbia receives from the federal government (a special payment unique to Washington). DC currently receives this payment even though the federal government already otherwise provides, just as it does for other states who do not receive this special payment, substantial payments in the form of Medicaid, education money, etc.

  Savings: $210 Million annually.

- Eliminate the subsidy to the Washington Metropolitan Area Transity Authority.

  In spite of the Washington Metro system qualifying for the general aid given all mass-transit systems, the Passenger Rail Investment and Improvement Act of 2008 authorized an additional $1.5 billion over ten years for Washington Metropolitan Area Transit Authority

(WMATA) for capital and preventative maintenance projects. This earmark rewards WMATA's poor performance while enabling the system to put off essential reforms. In addition, this program is a transfer of wealth from the rest of the country (median income $48,201) to the Washington, DC region (median-income $78,978). The Spending Reduction Act would eliminate this special subsidy and force WMATA to face its structural and performance issues.

Savings: $150 Million annually.

- Eliminate the Presidential Campaign Fund.

  The Presidential Campaign Fund provides matching funds to candidates during the presidential primaries, money for political conventions, and funding for qualifying third party candidates – in short, it provides taxpayer subsidies to political candidates. The program was created in the 1970s in an attempt to reduce the influence of money in campaigns, and to reduce the amount of time candidates need to spending on fundraising. By any analysis, it has failed to accomplish these objectives. The program is also objectionable since it imposes limits on political speech—which disadvantage candidates without name recognition or the ability to self-fund—since participation in the program places strict limits on spending by the participating candidate. Representative Tom Cole (R-OK) is the author of legislation, H.R. 359, to elimination this program.

  Savings: $617 Million Over 10 Years.

- Suspend acquisition of federal office space.

  Further expenses in this area will be unnecessary under this bill, since the federal workforce will shrink instead of expand. This provision is based on legislation authored by Representative Louie Gohmert (R-TX), H.R. 5906.

  Savings: $864 million annually.

- End prohibitions of competitive sourcing of government services.

  Under current policies, the federal government pays more than needed for many services. Approximately half of all federal workers provide services that are nongovernmental in nature, and are in fact also provided in the marketplace. Congress currently prohibits these services from being contracted out to the lowest bid in the marketplace, even though, in many cases, significant savings would result.   Consequently, Congress is purposely forcing the federal government to overpay for many services without any benefit in return. The FY 2003 Federal Budget estimated savings of 20%, on average, from allowing "competitive sourcing" of these services. The RSC Spending Reduction Act would end these prohibitions and allow the federal government to pay the true market price for the services it requires.

- Repeal the Davis-Bacon Act.

The Davis-Bacon Act of 1931 requires the federal government to pay above market rates on federally funded or federally assisted construction jobs. In other words, the Davis-Bacon Act requires taxpayers to pay *more* for a project than it would cost absent the law. Further, the law destroys jobs by increasing the cost of employing workers, and also destroys opportunities for minorities, small firms, and less-skilled workers.

Savings: At least $1 billion annually.

- Require the IRS to directly deposit fees received in the U.S. Treasury.

Under current law, the IRS may increase fees for some services it offers (such as processing payment plans for taxpayers) and use the resulting money on other activities without receiving this authority through the appropriations process. This limits congressional control over the IRS budget. This proposal would require the IRS to deposit any such fees into the Treasury.

Savings: $1.8 Billion Over 10 Years.

- Require collection of unpaid taxes by federal employees.

Under current law, only employees of the IRS are eligible to be fired for failure to pay taxes, not the employees of any other federal agency. Currently, around 100,000 federal employees owe the U.S. approximately $1 billion in back taxes. The RSC Spending Reduction Act would begin to address this issue by allowing federal workers to be terminated for unpaid taxes. This provision is modeled on legislation authored by Representative Jason Chaffetz, H.R. 4735 from the 111th Congress.

Savings: $1 Billion Total.

- Prohibit taxpayer funded union activities by federal employees.

Federal law currently allows federal employees to use official time for union activities, including collective bargaining and arbitration of grievances. Recent increases in these union activities has led to a less efficient federal workforce. The Office of Personnel Management (OPM) conducted an extensive survey of 61 executive agencies and departments for FY 2008 and reported that nearly 3 million official time hours were used for union activities in FY 2008. The RSC Spending Reduction Act would prohibit federal employees from engaging in union activities on official time. This provision is modeled on legislation authored by Representative Phil Gingrey, H.R. 3251 from the 111th Congress.

Savings: $1.2 Billion Over 10 Years.

- Sell excess federal properties the government does not use.

The federal government currently owns or leases over 8,600 properties with over 354 million square feet of space available. The RSC Spending Reduction Act would require the Office of Management and Budget to create a program for the expedited disposal of property which must generate a total at least $19 billion in proceeds through the sale of unneeded properties over the period of FY 2011 – FY 2019. This provision is modeled on legislation authored by Representative Jason Chaffetz, H.R. 5339 from the 111th Congress.

Savings: $15 Billion Over 10 Years.

- <u>Eliminate the death gratuity for Members of Congress.</u>

  Congress currently awards a death gratuity to the survivors of any Member of Congress who dies while in office. Although this was originally intended to serve as a form of life insurance for Members who had untimely deaths, its continuation in modern times – in spite of Member's inclusion in Federal Employees' Group Life Insurance Program – is unnecessary. This provision is modeled on legislation authored by Representative Bill Posey (R-FL), H.R. 6526 from the 111th Congress.

- <u>Eliminate mohair subsidies.</u>

  The federal government first enacted price support for mohair in 1947, and the National Wool Act in 1954 established direct payments for wool and mohair producers for the purpose of encouraging wool production as an essential and strategic commodity. This support was last re-authorized in 2008 in spite of a complete lack of a compelling need for government support of mohair. The RSC Spending Reduction Act would return control over supply, demand, and price of mohair to the free market. This provision is modeled on legislation authored by Representative Jason Chaffetz (R-UT), H.R. 2914 from the 111th Congress.

  Savings: $1 Million annually.

- <u>Eliminate taxpayer subsidies to the United Nations Intergovernmental Panel on Climate Change.</u>

  The United Nation's Intergovernmental Panel on Climate Change (IPCC) advises governments around the world on climate change and recently came under fire when evidence came to light that leading global scientists intentionally manipulated climate data and suppressed legitimate arguments in peer-reviewed journals. In spite of these reports, supporters of cap-and-tax legislation used questionable findings by the IPCC to support their onerous legislation. The RSC Spending Reduction Act would end taxpayer support of the UN's IPCC. This provision is modeled on legislation authored by Representative Blaine Luetkemeyer (R-MO), H.R. 3129 from the 111th Congress.

  Savings: $12.5 Million annually.

- <u>Eliminate the Market Access Program.</u>

  The Market Access Program (MAP) is intended to promote the overseas marketing of U.S.

agricultural products. MAP funds consumer promotions, market research, trade shows, advertising campaigns, and other programs designed to subsidize the sale of high-value products in foreign markets by private cooperatives, trade associations, and businesses. Taxpayers should not be forced to pick up the check for this kind of corporate welfare. The RSC Spending Reduction Act would eliminate the Market Access Program.

Savings: $200 Million annually.

- Eliminate the Department of Agriculture Sugar Program.

The Department of Agriculture (USDA) operates a complex sugar program that maintains price controls by loaning money to sugar producers and, if necessary, directly purchasing sugar during periods of low prices to raise the price to preset levels. The program has direct administration costs to the taxpayer of $14 million annually and can cost hundreds of millions more when certain market conditions are met, including in the year 2000 when the USDA was forced to purchase $500 million of sugar. The program costs consumers $1.9 billion annually in increased prices and the Department of Commerce estimates that the sugar program has cost Americans 90,000 jobs over the past decade. The RSC Spending Reduction Act would end this market-distorting subsidy and allow the sugar price to fluctuate freely. This provision is based on legislation by Representative Joe Pitts (R-PA), H.R. 6375 from the 111th Congress.

Savings: $14 Million annually.

- Eliminate the National Organic Certification Cost-Share Program.

According to a report issued by the USDA in March 2009, the average individual payment was $389.89. One would be hard pressed to believe that even if it were appropriate for the federal government to incentivize "organic" production, a $389 one-time payment would hardly be the reason a farmer opted for the production method. Further, it has been widely discussed that certification costs have risen and are expected to continue to rise due to an increased interest in marketing organic products resulting in a higher demand to become certified (certifying bodies are having to undergo various reorganization efforts to meet the large increases in demand for certification services). This development highlights that the market forces surrounding organic production are working regardless of the cost-share program further showcasing that the program is unnecessary. It should be noted that the elimination of this program would not affect small-scale producers, as those who market less than $5,000 of organic products annually are not required to become certified, though they have the option of doing so. This provision is modeled on legislation authored by Representative Mike Conaway (R-TX), H.R. 5326 from the 111th Congress.

Savings: $22 Million over five years.

- Eliminate the Obamacare Implementation Fund.

The Health Insurance Reform Implementation Fund is a $1 billion fund intended to pay for administrative expenses to carry out the Patient Protection and Affordable Care Act. Repeal of this mistaken law would remove the need for this spending. Representative John Fleming (R-LA) has introduced legislation to eliminate this program (H.R. 38).

Savings: $900 million.

- Eliminate the Ready-to-Learn TV Program.

  This program supports the development of educational programming. The program received $27.3 million in 2010—half of which went to the Corporation for Public Broadcasting.

  Savings: $27.3 million annually.

- Eliminate the HUD Doctoral Dissertation Program.

  The RSC Spending Reduction Act eliminates the Department of Housing and Urban Development's doctoral dissertation research grants program. This is a program within the Office of Policy Development that provides funding for Ph.D.'s for urban planners.

- Deficit Reduction Check Off Act.

  The Deficit Reduction Check-Off Act would add a new "Deficit Reduction Check-Off" line to IRS tax forms. Individuals would be given the opportunity to direct up to $10 of their tax rebate for deficit reduction ($20 for joint filers). Significantly, however, the Office of Management and Budget (OMB) would be required to reduce federal spending by an amount equal to 10-times the cumulative amount of the check-off totals. OMB would be directed to apply the reductions across the board, exempting Social Security, Medicare, and veterans' pensions. This is one more mechanism by which the American people can have a direct impact on cutting our deficit. Representative Bill Posey (R-FL) has sponsored legislation to this effect (H.R. 4308 from the 111th Congress).

- Eliminate Subsidy to Organization for Economic Co-operation and Development (OECD).

  The United States accounts for nearly one-quarter of the OECD budget. The OECD is mostly controlled by European welfare states, and uses American tax dollars to fight for liberal policies such as cap-and-trade legislation, higher taxes, new welfare spending, and a government takeover of health care.

  Savings: $93 million annually.

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