THE REPUBLICAN STUDY COMMITTEE
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Legislative Bulletin……………………………………September 7, 2011

Contents:

H.Con.Res. 67 — Use of Capitol Grounds for the Special Olympics Law Enforcement Torch Run *(Norton, D-DC)*

Order of Business: The bill is scheduled to be considered on Tuesday, September 7, 2011, under a motion to suspend the rules and pass the legislation.

Summary: H.Con.Res. 67 authorizes the use of the Capitol Grounds for the District of Columbia Special Olympics Law Enforcement Torch Run. The legislation proposes that the District of Columbia Special Olympics Law Enforcement Torch Run take place on September 30 or on any date designated by the Speaker of the House of Representatives and the Committee on Rules and Administration. The legislation requires the Capitol Police Board to take such actions as may be necessary to carry out the event. The bill also requires the Architect of the Capitol to prescribe conditions for physical preparations for the event. Lastly the legislation requires the Capitol Police Board to provide for enforcement of the restrictions contained in section 5104(c) of title 40, United States Code, concerning sales, advertisements, displays, and solicitations on the Capitol Grounds, as well as other restrictions applicable to the Capitol Grounds, in connection with the event.

Background: Each year fifty federal and local law enforcement agencies participate in the Special Olympics Law Enforcement Torch Run to show support for the D.C. Special Olympics.

Committee Action: H.Con.Res. 67 was introduced on July 28, 2011, and referred to the House the Committee on Transportation and Infrastructure.

Administration Position: No Statement of Administration Policy is provided.

Cost to Taxpayers: No CBO score is available.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: H.Con.Res. 67 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.

Constitutional Authority: A committee report citing constitutional authority was unavailable at press time.

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H.R. 2061 - Civilian Service Recognition Act of 2011 (Hanna, R-NY)

Order of Business: The bill is scheduled to be considered on Wednesday, September 7, 2011 under a motion to suspend the rules and pass the legislation.

Summary: H.R. 2061 would allow federal agencies to present a United States flag to the family of United States federal employees who have died because of injuries incurred in connection with their official duties, as employees of the federal government.

Families of the deceased employee may request a flag from the federal agency, or the agency may furnish a flag for the deceased employee to an individual other than the next of kin as determined by the Director of the Office of Personnel Management.

The head of an executive agency may disclose information necessary to show that a deceased individual was a U.S. federal employee to the extent that such information is not classified and to the extent that such disclosure does not endanger the national security of the United States.

H.R. 2061 requires federal agency heads to notify employees of this benefit, and this benefit is also extended to employees of the U.S. Postal Service.

H.R. 2061 does not authorize appropriations to carry out the expenses associated with this flag presentation.

Committee Action: H.R. 2061 was introduced on May 31, 2011, and was referred to the House Committee on Oversight and Government Reform. The full committee held a markup on June 22, 2011, and favorably reported the legislation by voice vote, as amended.

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

Cost to Taxpayers: CBO estimates that implementing H.R. 2061 would have no significant impact on the federal budget. The CBO estimate can be viewed here.

Does the Bill Expand the Size and Scope of the Federal Government?: Yes. This legislation would allow federal agency heads to present a U.S. flag to families of deceased federal employees.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: House Report 112-149 states, "H.R. 2061 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments."

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: House Report 112-149 states, "H.R. 2061 does not include any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of Rule XXI."

Constitutional Authority: The Constitutional Authority Statement accompanying the bill upon introduction states: "The Congress enacts this bill pursuant to Section 8 of Article I of the United States Constitution."

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H.R. 2832 - To extend the Generalized System of Preferences, and for other purposes (Camp, R-MI)

Order of Business: The bill is scheduled to be considered on Wednesday, September 7, 2011 under a motion to suspend the rules requiring two-thirds majority vote for passage.

Summary: H.R. 2832 retroactively reinstates the Generalized System of Preferences (which expired on December 30, 2010) through July 31, 2013. The GSP program allows for certain goods to be imported to the U.S. duty free. The GSP program will be reinstated 15 days after enactment.

Section 1, Paragraph 2 of H.R. 2832 allows U.S. companies to apply for refunds to receive payment for duties of covered products there were paid since the programs expiration on December 31, 2010.

The GSP will result in a loss in tariff revenue. To offset this revenue loss, Section 2 of H.R. 2832 increases merchandise processing fees by amending section 13031(a)(9) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (U.S.C. 58c(a)(9). Beginning on October 1, 2011, H.R. 2832 would increase the fees to 0.3464% (current level of 0.21%) of the import value of the product. This increase would last until June 30, 2014.

Additional Background: The Generalized System of Preferences (GSP) program provides for non-reciprocal, duty-free access of certain products entering the U.S. market. The GSP expired on December 31, 2010, and has not yet been renewed.

The rationale of GSP is to provide this duty-free access to developing counties in order to help spur their economic development. This program was first authorized by the Trade Act of 1974.

The President is authorized to designate beneficiary developing countries (BDCs) and least-developed beneficiary developing countries (LDBDCs). According to CRS, when designating BDCs and LDBDCs, the President is required by law to take into account certain criteria (i.e. industrialized countries and most communist countries are prohibited from receiving GSP treatment). The President is also authorized to designate certain imports as eligible for treatment under the GSP, after being advised by the U.S. International Trade Commission.

The leading 15 leading beneficiary countries in 2010 were:

1. Thailand
2. Angola
3. India
4. Brazil
5. Indonesia
6. Equatorial Guinea
7. South Africa
8. Philippines
9. Turkey
10. Russia
11. Argentina
12. Chad
13. Congo (DROC)
14. Pakistan
15. Colombia

According to CRS, more than 3,400 products are currently eligible for GSP treatment. In 2009, leading imports under the GSP program included petroleum products, especially crude oil, silver and gold necklaces, radial tires, and aluminum alloy plates, sheet, and strip.

On December 15, 2010, the House passed H.R. 6517, the Omnibus Trade Act of 2010, by voice vote. This legislation would have (among other things) extended the GSP program through June 30, 2012. However, H.R. 6517 was amended in the Senate and the final version (now P.L. 111-334) which also passed the House by voice vote, did not contain the language extending GSP.

For more information on GSP, see this CRS report.

The Merchandise Processing Fee is a fee paid by importers who import products from countries with whom the United States does not have a trade agreement. This fee is collected by U.S. Customs and Border Patrol. According to Ways and Means staff, the purpose of this fee is to offset the costs incurred by Customs and Border Protection (CBP) for the inspection and processing of these imports. The last increase in this fee came in 1994.

Potential Conservative Concerns: Some conservatives may believe that certain countries currently listed as BDCs, such as Brazil and Argentina, should not be classified as "developing countries" and therefore not receive GSP treatment.

<u>Committee Action</u>: H.R. 2832 was introduced on September 2, 2011, and has yet to be referred to a House Committee.

<u>Administration Position</u>: As of press time, no Statement of Administration Policy (SAP) has been provided.

<u>Cost to Taxpayers</u>: CBO estimates that this legislation will decrease revenues by $1.482 billion over the 2011-2021 period. CBO also estimates the legislation will decrease spending (by way of offsetting receipts) by $1.483 billion over the 2011-2021 period. CBO also estimates this legislation will reduce the federal deficit by approximately $1 million over the 2011-2021 period.

<u>Does the Bill Expand the Size and Scope of the Federal Government?</u>: The legislation reinstates the GSP program that eliminates tariffs on certain products (which is arguably a reduction in the size of the federal government). The legislation also increases the Merchandise Processing Fee from 0.21% to 0.3464% of the value of certain imports (which is arguably an increase in the size of the federal government, although CBO scores this as a reduction in spending).

<u>Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?</u>: No.

<u>Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?</u>: Though the bill contains no earmarks, and there's no accompanying committee report, the earmarks rule (House Rule XXI, Clause 9(a)) does not apply, by definition, to legislation considered under suspension of the rules

<u>Constitutional Authority</u>: The Constitutional Authority Statement accompanying the bill upon introduction states: "Article I, Section 8, Clause 1--The Congress shall have Power to lay and collect Taxes, Duties, Imposts and Excises, to pay the debts and provide for the common Defence and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States."

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