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4 MARKUP OF H.R. 3086, THE PERMANENT INTERNET TAX FREEDOM ACT,
5 AND H.R. 4874, THE SEARCH FOR AND CUTTING REGULATIONS THAT
6 ARE UNNECESSARILY BURDENSOME ACT OF 2014
7 Wednesday, June 18, 2014
8 House of Representatives
9 Committee on the Judiciary
10 Washington, D.C.

11 The committee met, pursuant to call, at 10:15 a.m., in
12 Room 2141, Rayburn House Office Building, Hon. Bob Goodlatte
13 [chairman of the committee] presiding.

14 Present: Representatives Goodlatte, Sensenbrenner,
15 Coble, Smith of Texas, Chabot, Bachus, Issa, Forbes, King,
16 Franks, Gohmert, Jordan, Poe, Chaffetz, Marino, Gowdy,
17 Labrador, Farenthold, Holding, Collins, DeSantis, Smith of

18 Missouri, Conyers, Nadler, Scott, Lofgren, Jackson Lee,
19 Cohen, Johnson, Pierluisi, Chu, Richmond, DelBene, Garcia,
20 Jeffries, and Cicilline.

21 Staff Present: Shelley Husband, Majority Staff
22 Director; Branden Ritchie, Majority Deputy Staff
23 Director/Chief Counsel; Allison Halataei, Majority
24 Parliamentarian; Kelsey Deterding, Clerk; Daniel Huff,
25 Majority Counsel; Daniel Flores, Majority Counsel; Perry
26 Apfelbaum, Minority Staff Director; Danielle Brown, Minority
27 Parliamentarian; Norberto Salinas, Minority Counsel; and
28 Slade Bond, Minority Counsel.

29

30 Chairman Goodlatte. Good morning. The Judiciary
31 Committee will come to order.

32 And without objection, the chair is recognized to
33 declare a recess at any time.

34 Pursuant to notice, I now call up H.R. 3086 for purposes
35 of markup and move that the committee report the bill
36 favorably to the House. The clerk will report the bill.

37 Ms. Deterding. H.R. 3086, to permanently extend the --

38 Chairman Goodlatte. Without objection, the bill is
39 considered as read and open for amendment at any point.

40 [The information follows:]

41

42 Chairman Goodlatte. And I will begin by recognizing
43 myself for an opening statement.

44 The historian Paul Johnson called the 1862 Homestead Act
45 one of the most important laws in American history. Land was
46 the principal driver of wealth. By making it available
47 cheaply to anyone willing to work hard, the Government
48 created an unparalleled engine of upward mobility. This
49 bears on today's markup of H.R. 3086, the Permanent Internet
50 Tax Freedom Act, because the Internet is the new frontier and
51 medium of opportunity.

52 Everyone in Silicon Valley knows Max Levchin's story.
53 He came to America from the Soviet Union at age 16. His
54 family had \$300 in their pockets, and he learned English by
55 watching an old TV set he hauled out of a dumpster and
56 repaired. Ten years later, he sold PayPal for \$1.5 billion.

57 The Internet is a meritocracy. It does not care how you
58 look or where you come from. It offers opportunity to anyone
59 willing to invest time and effort. It is the greatest
60 gateway to knowledge and engine for self-improvement that has
61 ever existed. That is precisely why Congress has worked
62 assiduously to keep Internet access tax free.

63 In 1998, Congress temporarily banned State and local

64 governments from taxing Internet access or placing multiple
65 or discriminatory taxes on Internet commerce. With minor
66 modifications, this ban was extended three times with
67 enormous bipartisan support. In the entire history of these
68 extensions, only five "no" votes were ever cast in the House
69 and Senate.

70 The most recent extension passed in 2007, but it expires
71 on November 1 of this year. The Permanent Internet Tax
72 Freedom Act would extend this moratorium and make it
73 permanent by simply striking the 2014 end date.

74 If the moratorium is not renewed, the potential tax
75 burden on consumers will be substantial. The average tax
76 rates on communications services in 2007 was 13.5 percent,
77 more than twice the average rate on all other goods and
78 services. To make matters worse, low-income households pay
79 10 times as much in communications taxes as high-income
80 households as a share of income.

81 The original moratorium included a grandfather clause to
82 give States that were then taxing Internet access some time
83 to transition to other sources of revenue. Some have
84 discontinued taxing Internet access in support of a national
85 broadband policy. For those that still haven't, it has been

86 16 years, time enough to change their tax codes.

87 Thus, the Permanent Internet Tax Freedom Act eliminates
88 the grandfather clause in current law in order to make the
89 moratorium consistent nationwide. It is also important to
90 note that this legislation does not address the remote sales
91 tax issue. It merely prevents Internet access taxes and
92 unfair multiple or discriminatory taxes on e-commerce,
93 whether inside the taxing State or without.

94 This ban is consistent with the original intent of the
95 commerce clause, which the Supreme Court describes as a cure
96 for the ills of the Articles of Confederation under which
97 State taxes hindered and suppressed interstate commerce.

98 While there are a number of tax bills in Congress, the
99 House and Senate should pass a standalone Permanent Internet
100 Tax Freedom Act as soon as possible. In the past, the
101 moratorium has lapsed and been extended retroactively, but
102 this time around, the consequences of a lapse would be worse.

103 There are many more Internet users today, and the scope
104 of the moratorium has become broader as a result of some of
105 the more recent extensions. Any lapse would be felt more
106 widely and acutely, and refunds would be more difficult to
107 administer.

108 The Judiciary Committee is acting today to ensure that
109 Americans can access the scientific, educational, and
110 economic opportunities the Internet offers, tax free, in
111 order to better their lives, improve society, and grow the
112 economy. I encourage the members of this committee to
113 support this important bipartisan bill.

114 I would also like to specific thank Mr. Chabot and Ms.
115 Eshoo, Subcommittee Chairman Bachus, and Subcommittee Ranking
116 Member Cohen for their work on and support of this
117 legislation.

118 And it is now my pleasure to recognize the ranking
119 member, the gentleman from Michigan, Mr. Conyers, for his
120 opening statement.

121 Mr. Conyers. Thank you, Mr. Chairman and members of the
122 committee.

123 H.R. 3086, the Permanent Internet Tax Freedom Act,
124 addresses the impending expiration of the Internet Tax
125 Freedom Act. Enacted in 1998, it was intended to be a
126 temporary moratorium to nurture the Internet in its infancy.
127 It did so by prohibiting multiple and discriminatory taxation
128 of the Internet, as well as new taxes on Internet access.

129 Although Congress has extended this moratorium on three

130 prior occasions, it is now due to expire in November of this
131 year. As we consider this legislation, there are several
132 points that I hope we will all keep in mind.

133 To begin with, today's Internet is very different from
134 the Internet of 1998, and the reasons that initially
135 warranted a moratorium simply no longer apply. Today's
136 Internet has gone mainstream. It has provided a platform for
137 innovation, created entirely new industries, and improved
138 countless services.

139 It is no longer primarily accessed through a dial-up
140 service from a few providers. Instead, most Americans have
141 several options, from cable to DSL to fiber optics, from
142 satellite service to wireless services.

143 The Internet is no longer a nascent idea in need of a
144 Federal tax protection to grow. It is now a prosperous
145 sector of the global economy.

146 Yet in those States that were exempted under the ITFA's
147 grandfather clause and allowed to continue to tax Internet
148 access, studies show that there is no difference in the rates
149 of household Internet access between States that tax Internet
150 access and those States that do not tax Internet access. In
151 other words, there is no evidence that making ITFA permanent

152 will encourage people who do not currently subscribe to high-
153 speed Internet access services to begin doing so.

154 And in addition, legislation concerning State taxation
155 must take into consideration the needs of all affected
156 stakeholders. Specifically, Congress must be mindful of any
157 legislation that may adversely impact State revenues and
158 thereby impede the ability of those States to provide needed
159 services to their residents.

160 Unfortunately, H.R. 3086, if enacted as it is, will
161 result in some States losing millions of dollars in revenue.
162 For example, Texas and its localities could lose upwards of
163 \$350 million in revenue a year.

164 Fortunately, this legislation needs only two simple
165 revisions to eliminate these negative impacts, and I happen
166 to have those amendments. The first, the moratorium should
167 not be made permanent. And second, the grandfather
168 protections should be extended for the term of the
169 moratorium.

170 So that is why I intend to offer an amendment that will
171 make these two important changes to the bill. If these
172 changes are not made and Congress chooses instead to protect
173 an entire economic sector from taxation, the bill's adverse

174 impact on State revenues will likely shift the burden, the
175 tax burden to lower-income and rural consumers who continue
176 to rely on telephone services. Utility companies, retailers,
177 manufacturers, and other non-broadband related businesses may
178 also feel the brunt of the tax shift.

179 Finally, our committee should focus on meaningful ways
180 to help State and local governments, as well as local
181 businesses, such as the Marketplace Fairness Act, which the
182 Senate overwhelmingly passed more than 13 months ago. By
183 failing to address the issue of remote sales taxation, our
184 local retailers who have to collect sales taxes are
185 increasingly losing to out-of-State businesses that do not
186 collect these taxes.

187 Retail competitors should be able to compete on a level
188 playing field with their Internet counterparts, at least with
189 respect to sales tax policy. Not only do local retailers
190 suffer because of the disparate treatment of remote sales
191 taxes, but State and local governments suffer as a result of
192 reduced tax revenues.

193 Lost tax revenues mean that the State and local
194 governments will have fewer resources to provide their
195 residents essential services, like education and police and

196 fire protection. Accordingly, I urge the distinguished
197 chairman to schedule a markup before August work period of
198 the Marketplace Fairness Act or a similar effective measure.
199 We owe it to our local communities, our local retailers, and
200 State and local governments to act before the end of this
201 year.

202 I thank the chairman, and that concludes my remarks. I
203 yield back the balance of my time.

204 Chairman Goodlatte. The chair thanks the gentleman.

205 Are there any amendments to H.R. 3086?

206 Mr. Conyers. I have an amendment at the desk.

207 Chairman Goodlatte. For what purpose does the gentleman
208 from Michigan seek recognition?

209 Mr. Conyers. To offer an amendment.

210 Chairman Goodlatte. The clerk will report the
211 amendment.

212 Ms. Deterding. Amendment to H.R. 3086, offered by Mr.
213 Conyers of Michigan.

214 Chairman Goodlatte. Without objection, the amendment is
215 considered as read.

216 [The amendment of Mr. Conyers follows:]

217

218 Chairman Goodlatte. And the gentleman is recognized for
219 5 minutes to explain his amendment.

220 Mr. Conyers. Thank you, Mr. Chairman.

221 Members of the committee, my amendment corrects two
222 major shortcomings of H.R. 3086. The first one is that it
223 ensures that the Internet tax moratorium is extended on a
224 temporary, 4-year basis rather than made permanent, as the
225 bill proposes.

226 This change is necessary because it recognizes the
227 inherently ever-evolving nature of the Internet. For
228 example, when the Internet Tax Freedom Act was first enacted
229 in 1998, relatively few Americans had access to the Internet.
230 Just 10 years ago, most people could not access the Internet
231 from their mobile devices.

232 Today's Internet world is considerably different in
233 terms of both the extent of accessibility and the
234 accompanying technology. Thus, extending the moratorium on a
235 temporary basis enables Congress to monitor how these aspects
236 of the Internet evolve.

237 Indeed, the temporary nature of the Internet tax
238 moratorium permitted Congress in 2007 to update the law's
239 definition of Internet access, which had not changed much

240 since the act's enactment in 1998. A temporary moratorium
241 allows Congress to periodically review the conditions of the
242 moratorium, the effect of the moratorium on the States, and
243 any unintended consequences that may arise from a permanent
244 moratorium.

245 Second, my amendment restores the grandfather
246 protections that currently exist under the Internet Tax
247 Freedom Act. These protections apply only to those States
248 and localities that have previously imposed and collected
249 taxes on Internet access before the act's enactment in 1998.

250 Eliminating those protections will cause States and
251 local governments to lose hundreds of millions of dollars
252 through reduced tax revenue. For example, Texas estimates
253 that it could lose up to \$350 million a year, should it no
254 longer have the benefit of the act's grandfather protection.
255 My amendment would simply extend these protections for 4 more
256 years.

257 I would like to add that the gentlelady from Texas, Ms.
258 Jackson Lee, joins me on this amendment, and I ask unanimous
259 consent that her name be added to the amendment as a
260 cosponsor.

261 Mr. Chairman, I thank you and yield back the balance of

262 my time.

263 Chairman Goodlatte. The chair thanks the gentleman and
264 recognizes himself in opposition to the amendment.

265 I oppose this amendment because it would continue the
266 tax moratorium temporarily rather than permanently. It is
267 simply inefficient. The moratorium has been periodically
268 renewed by enormous bipartisan margins in both houses for 16
269 years.

270 No serious expectations are being upset by codifying
271 what everyone already knows is the case. The moratorium is
272 not going away. The grandfather clauses will be eliminated, but
273 that only affects seven States that have had more than enough
274 time to transition to other sources of revenue, which was the
275 original intent of the grandfather clauses.

276 Opponents of a permanent moratorium argue that
277 technology changes, so Congress should revisit the matter
278 periodically to update definitions and allow for periodic
279 reevaluation. However, the same can be said for all other
280 laws that deal with technology. Why should only this bill
281 have to be regularly renewed?

282 As for updating definitions, those at the core of the
283 moratorium have not changed in 10 years, which suggests they

284 work well. If there ever is a need for updates, the law can
285 simply be amended. There is no need for an expiration date.

286 Opponents of permanence also argue that the Internet is
287 no longer a fledgling technology in need of protection.
288 True, but now it is precisely the ubiquity of the Internet
289 that counsels for a permanent extension.

290 As I noted in my opening statement, the Internet is the
291 great equalizer. It does not care how you look or where you
292 come from. It offers opportunity to anyone willing to invest
293 time and effort.

294 And it is the greatest gateway to knowledge and engine
295 for self-improvement that has ever existed. It is the
296 platform that turned Max Levchin from an impoverished
297 immigrant into a billionaire.

298 Accordingly, the case for permanent tax-free access to
299 this gateway technology is perhaps stronger today than it has
300 ever been, and I urge my colleagues to oppose the amendment.

301 For what purpose does the gentleman from New York seek
302 recognition?

303 Mr. Nadler. I rise to support the amendment.

304 Mr. Chairman, I confess I do not understand the point of
305 the bill, other than to say we do not trust State and local

306 governments to make their fundamental decisions, and the
307 overbearing power of the Federal Government is going to come
308 in to crush States' rights because we do not trust the States
309 to make the fundamental decisions on taxation. I did not
310 think that was the position that we want to hold.

311 Now I supported a temporary moratorium in the past. I
312 would even support a temporary extension now, based not on
313 the ubiquity of the Internet, but based on the fact that it
314 was a struggling nascent industry that we wanted not to
315 strangle in its cradle. That argument loses force,
316 obviously, with each passing day.

317 The chairman mentioned the Homestead Act, which is one
318 of the great -- the Morrill Act of 1862. One of the great
319 things of American history, which we gave away land. And we
320 have given away spectrum.

321 But nobody told the State and local governments they
322 couldn't levy property taxes on the land that was given away
323 and occupied by homesteaders and their descendants. And
324 States and local governments levy property taxes to this day.

325 Now it may be that levying a tax would have a
326 deleterious effect on some things, would decrease
327 opportunity, would whatever. But that is a decision for

328 States to make. Why should we from Washington come in and
329 tell them, "You cannot make that decision."

330 We have a ubiquitous telephone system. Do we tell
331 States they cannot, on a permanent basis, levy taxes on
332 telephones or other utilities? Do we tell taxes you cannot
333 levy -- do we tell taxes? Do we tell States you cannot levy
334 taxes on electricity generation or transmission? Those are
335 State decisions.

336 I thought Members of this body, especially those on the
337 other side of the aisle, supported States' rights. I think
338 that, you know, someone described -- I forget who it was --
339 the States as the laboratories of democracy. We should give
340 them the maximum possibility of deciding whether they want
341 heavy taxes or low taxes, a lot of services or low services.
342 Those are State decisions.

343 Now there are things that the Federal Government has to
344 decide because we have to have certain kinds of uniformity in
345 the interest of interstate commerce. Local taxes are not one
346 of them. We in general say that States can levy local taxes,
347 and they bear the consequences of bad decisions, and they
348 bear the rewards of good decisions.

349 And then you have Democratic and Republican Governors

350 campaigning for reelection say, see, I have got a good job
351 generation rate in my State because I raised taxes or lowered
352 taxes or whatever. That is local politics, and that is local
353 States' decisions, and that ought to be.

354 Now we talk about objecting to multiple and
355 discriminatory taxes. Well, yes, we do object to multiple
356 and discriminatory taxes. And if that were the problem, we
357 should prohibit that, and we should make sure that that
358 doesn't happen. But we are not talking about that. We are
359 talking about telling States you may never levy a tax.

360 Now the Internet is becoming as -- is ubiquitous, and
361 that means that very large fractions of all commerce is done
362 over the Internet. Why should we say to States you cannot
363 tax the access?

364 Now, again, as a temporary thing, okay. As a permanent
365 thing, where we are substituting our judgments for the
366 judgments of all the State and local governments, I don't
367 think that is right at all.

368 So I would support the amendment. We can extend this
369 for another 4 years. If and when we decide we ought to
370 consider -- well, we have decided that we ought to consider
371 it. But if we are really being serious about this, we have

372 got to have serious hearings on this. We have got to call in
373 State officials and say what are the consequences? What -- I
374 mean, do you intend to levy taxes? If yes, why? If not, why
375 not? What are the economic consequences, in your judgment?

376 And know what we are dealing with. Instead, we are just
377 saying, as if it were a casual decision, that we are going to
378 permanently take this out of the decision-making ability of
379 the States.

380 We all support the Internet. We all want freedom of the
381 Internet. We all want the maximum. We also want maximum
382 telephone access. We also want all kinds of things, and we
383 don't tell States you may not tax an entire area of commerce
384 forever.

385 It is just an invasion of States' rights. It is against
386 all the rhetoric we normally hear, especially from that side
387 of the aisle, but this side of the aisle, too. And again, I
388 support the gentleman's amendment --

389 Mr. Conyers. Would the gentleman yield?

390 Mr. Nadler. I will.

391 Mr. Conyers. I want to commend the gentleman because we
392 are supporting State rights, and we hope that everyone else
393 will as well. And his logic in opposing a permanent

394 moratorium, I think, is quite good.

395 Mr. Nadler. Thank you.

396 Chairman Goodlatte. The time of the gentleman has
397 expired.

398 Ms. Jackson Lee. Mr. Chairman?

399 Mr. Issa. Mr. Chairman?

400 Chairman Goodlatte. For what purpose does the gentleman
401 from California seek recognition?

402 Mr. Issa. Strike the last word.

403 Chairman Goodlatte. The gentleman is recognized for 5
404 minutes.

405 Mr. Issa. Mr. Chairman, I will be brief. I think the
406 gentleman from New York in principle, when he speaks of
407 States' rights, makes sense. But he uses the words that we
408 include here, which is permanent.

409 I have been here 14 years nearly, and my colleague and
410 friend from New York has been here slightly longer. We know
411 that there is no such thing as permanently not taxing
412 anything. That ultimately, at any time, Congress can choose
413 to allow the taxing.

414 We are changing the bias from having to renew something
415 that we have renewed for 16 years, that we know we are going

416 to renew for at least 4 years, even if the gentleman from
417 Michigan's amendment were to pass. We are simply saying is
418 there a reason not to dispense with this until or unless
419 there is a will to tax something?

420 And so, I would hope that when we use the word
421 "permanent" in this case, which we are, that we think of it
422 as changing the bias from having to come back here again and
423 again and again to saying when or if there is a will to tax,
424 we will do it. And I might tie this into the bill we are not
425 considering today.

426 The States, with just a couple exceptions, are begging
427 Congress to act to allow for the tangible products being sold
428 in their States that are coming from other States to be
429 appropriately taxed at their destination, and we have not yet
430 acted. The revenue that the States desire, the vast majority
431 of States desire, is so much greater than the likely revenue
432 that you would have by taxing, if you will, this form of
433 conveyance.

434 That I hope that as we make this bias to not being taxed
435 until or unless a bill is brought to allow taxation, that we
436 recognize that we then pivot, and the men and women on both
437 sides of the aisle that may be arguing against making this

438 permanent will realize that the other side of the coin is we
439 do need to empower the States to collect the taxes that they
440 lawfully would collect, except that they cannot see them.

441 Mr. Nadler. Would the gentleman yield?

442 Chairman Goodlatte. Would the gentleman yield?

443 Mr. Issa. I would yield to the chairman first.

444 Chairman Goodlatte. I thank the gentleman.

445 The gentleman makes a very good point, and I am not
446 familiar with any proposals with regard to the remote sales
447 tax issue that has an expiration date on how long the States
448 would be allowed to do that, if they were permitted to
449 proceed to do that.

450 Mr. Nadler. Would the gentleman yield?

451 Mr. Issa. I would yield to the gentleman from New York.

452 Mr. Nadler. Thank you.

453 I admit I would feel a little better about this if we
454 had a remote sales tax allowance in the same bill.

455 Mr. Issa. If we could only have that amendment.

456 Mr. Nadler. Yes, if we could only have that. But let
457 me say this. We are not pivoting in this bill to a -- as you
458 just stated, to a bias against taxes. We are pivoting to a
459 bias against letting the States decide the question. And

460 that is the key.

461 And I would simply say one other thing. We did this, I
462 was about to say once before. We may have done it many times
463 before. I don't know. But the Price-Anderson Act of 1947,
464 where we were going to protect the infant nuclear industry
465 that was going to make electric power too cheap to meter.
466 That was the thought at the time.

467 We were going to protect it by giving a Government
468 guarantee against -- insurance against liability and
469 catastrophe temporarily. It is now 60 years later. We are
470 still doing that. But --

471 Mr. Issa. Yes, reclaiming -- reclaiming my time. I
472 think the gentleman's points that there have been other
473 examples is good. What I do believe strongly is we have made
474 the decision multiple times over 16 years not to tax this
475 conveyance, and it has become obvious that we are not going
476 to tax it for the foreseeable future far beyond 4 years.

477 So I think the argument that we are preempting States,
478 we have been preempting States in good judgment for
479 development of a platform that is giving all the States
480 greater wealth and greater revenue through income tax and the
481 like as a result.

482 The States have been well rewarded for the success of
483 the Internet all along. And I think any State, with or
484 without intention to tax, would say their economy is so much
485 better off for the Internet, and had we not and if we do not
486 continue to promote the prospering of a free and fair
487 Internet, then we do so to the detriment of so many countless
488 dollars that States receive in sales tax, in income tax, and
489 in other revenue.

490 We are simply saying do not tax the goose that lays the
491 golden egg. And I thank the chairman and yield back.

492 Ms. Jackson Lee. Mr. Chairman?

493 Chairman Goodlatte. For what purpose does the
494 gentlewoman -- for what purpose does the gentlewoman from
495 Texas seek recognition?

496 Ms. Jackson Lee. Mr. Chairman, I rise to strike the
497 last word.

498 Chairman Goodlatte. The gentlewoman is recognized for 5
499 minutes.

500 Ms. Jackson Lee. I rise, Mr. Chairman, to support the
501 Conyers-Jackson Lee amendment, and I share with my colleagues
502 a statement from the National Association of Counties that
503 indicates that permanently extending the ITFA would distort

504 the Federal-State-local relationship, as it is a Federal
505 preemption of State and local taxing authority.

506 I join with the comments of a number of my colleagues
507 that have spoken already, but I also indicate or suggest that
508 the gentleman from California made a good point. But he
509 mentioned taxing. He didn't mention revenue.

510 This is a question of revenue and the authority of
511 States and local authorities to be able to assess their
512 revenue needs. It is also a question of fairness.

513 Let me say that I am enthusiastic about the new
514 technology and the raging commitment to the utilization of
515 the Internet and all of its subsections. We are excited
516 about it. It creates jobs.

517 But there is something called bricks and mortar. And
518 when I remember the debate in 1998, when there were, in fact,
519 hearings, and those hearings had county and Governor
520 representatives. And they argued that they had a
521 responsibility as a State to the bricks and mortar.

522 As far as I know, we can go to any State and we can go
523 to any major city, and I don't see a collapse of Macy's or
524 Walgreen's or JCPenney's or any other of the large entities
525 that have bricks and mortar. And therefore, there is a

526 balance between what they are able to secure and be taxed
527 because they are a place. They have buildings. They have
528 goods. As opposed to the Internet.

529 And so, I would make the argument that the 4-year
530 moratorium with the grandfather provision is fairness. To
531 the National Governors Association statement on the Internet
532 access tax, it says, "Federal prohibitions on State taxing
533 authority are contrary to federalism and the sovereign
534 authority of States to structure and manage their own fiscal
535 systems."

536 We are only asking our colleagues to simply provide a
537 moratorium of 4 years so that we can have this, if you will,
538 4-year periodical access and ability to assess what is going
539 on with respect to this particular provision. I think the
540 permanent authority that is given speaks to a complete
541 resistance to recognizing the legal and constitutional
542 structure between States and local authorities and the
543 Federal Government.

544 We are now telling them you no longer can provide for
545 your own revenue stream, and you can no longer provide a
546 balance between those who utilize the Internet for goods and
547 services, as opposed to the restaurants brick and mortar, the

548 retail brick and mortar, and other brick and mortar, which is
549 a major investment by those who do that.

550 And I would suggest, even though others have said we are
551 going to go to a place where people sit in their homes and do
552 all their shopping. But I suggest that those entities are
553 part of the social circle, if you will, of society. And you
554 would wonder whether or not you want to lose all those jobs
555 because now you are not protecting or creating a balance
556 between the investment in bricks and mortar and those who
557 want to utilize the Internet.

558 I am a chauvinist and an enthusiast on the issue of the
559 Internet utilization and how it has advanced. I congratulate
560 it. We do all that we can to make it a prosperous and
561 successful entity.

562 But I would make the argument that 4 years is not
563 irrational, and it gives us the moment to be able to
564 reassess.

565 Mr. Conyers. Would the gentlelady yield?

566 Ms. Jackson Lee. I would be happy to yield to the
567 gentleman.

568 Mr. Conyers. I just want to compliment you on our
569 amendment and add that our union, our collective bargaining

570 organizations, the labor unions oppose this ban, as well as
571 an assortment of other local government organizations as
572 well.

573 Our proposition is a people's way to democratize and
574 make this fair. And so, we don't want to make it permanent.

575 And I thank the gentlelady.

576 Ms. Jackson Lee. I thank the gentleman.

577 And I think the gentleman's point is very, very clear
578 and astute. We want to have the chance to intervene in 4
579 years and to assess the marketplace and also to be able to
580 look collectively at how this is working. A permanent
581 damages or helps certain groups forever and never gives
582 another opportunity for debate.

583 I would ask unanimous consent for the National Governors
584 Association statement to be submitted into the record. And I
585 ask for the National Association of Counties unanimous
586 consent.

587 As I close, let me simply say --

588 Chairman Goodlatte. Without objection, the
589 gentlewoman's unanimous consent. The statements will be made
590 part of the record.

591 [The information follows:]

592

593 Ms. Jackson Lee. Thank you.

594 This is a people's amendment. The Conyers-Jackson Lee
595 amendment is a people's amendment. We address the question
596 of balancing between people the issue of the Internet
597 utilization and the retail utilization, and we also give
598 States and local entities the authority to be over their own
599 revenue stream.

600 I would ask my colleagues to consider the amendment. I
601 yield back.

602 Chairman Goodlatte. The time of the gentlewoman has
603 expired.

604 The gentleman from Utah, for what purpose do you seek
605 recognition?

606 Mr. Chaffetz. Mr. Chairman, I move to strike the last
607 word.

608 Chairman Goodlatte. The gentleman is recognized for 5
609 minutes.

610 Mr. Chaffetz. I thank the chairman.

611 I rise in support of the bill, but in opposition to the
612 amendment.

613 To understand the Internet is to understand that
614 interstate commerce is affected by this like no other thing.

615 Most people don't know this, but every Tweet in the world
616 that is sent out goes through Utah on its way to -- you can
617 be sitting side by side. You send a Tweet. It is going to
618 Utah, and then it is coming back to your smartphone or
619 whatever it might be.

620 To understand the way it works is to then understand --
621 I am as a big a champion as there can possibly be on States'
622 rights, but this demands a Federal -- to understand and make
623 sure that we use the interstate commerce clause,
624 overwhelmingly this body, time and time and time again, has
625 said we are not going to tax those entities.

626 I worry about the disproportionate effect that it would
627 have on the poor. Their access to basic communications via
628 the Internet I think is an imperative that we should all be
629 worried about.

630 But again, I just -- I truly do believe that this has
631 been addressed multiple times. And even though it is called
632 the Permanent Internet Tax Freedom Act, the Congress is free
633 at any time, if they want, to try to introduce a bill and add
634 a tax. But I think what we are saying right now is clearly
635 at this day and age and what we are trying to do in terms of
636 making sure that this is pervasive, particularly in the poor

637 neighborhoods of this country, it is not the way to do it.

638 I also do wish, Mr. Chairman, that as has been said here
639 by several of my other colleagues, that we would address the
640 issue sooner rather than later about what the Senate did on
641 the Marketplace Fairness Act. Now I would not, could not
642 support the bill as it was passed out of the Senate, but it
643 is high time that we address that and debate that in this
644 body.

645 I would ask unanimous consent to introduce four letters
646 to the record. The first is a June 18th statement from the
647 National Conference of State Legislators -- Legislatures, I
648 should say. The next one is the Marketplace Fairness
649 Coalition. This is representative of 3 million businesses
650 and civic organizations, a letter dated June 18th.

651 I also have a June 18th letter. This is from the
652 International Council of Shopping Centers, on behalf of
653 60,000 members, urging us to address this issue. Also the
654 National Retail Federation, which is the world's largest
655 retail trade association, in a letter dated June 18th.

656 I ask unanimous consent that all four of those letters
657 be placed into the record.

658 Chairman Goodlatte. Without objection, they will be

659 made a part of the record.

660 [The information follows:]

661

662 Mr. Chaffetz. And I would just encourage us to deal
663 with this sooner rather than later. I think there is the
664 issue of parity. I think there is an issue of fairness, and
665 it is something that this body should address sooner rather
666 than later. And I would encourage the chairman and this body
667 to do so.

668 Again, I stand in opposition to this amendment, but in
669 support of the overall bill. And I yield back.

670 Chairman Goodlatte. The chair thanks the gentleman.

671 For what purpose does the gentleman from Virginia seek
672 recognition?

673 Mr. Scott. Move to strike the last word.

674 Chairman Goodlatte. The gentleman is recognized for 5
675 minutes.

676 Mr. Scott. Mr. Chairman, several of my colleagues and I
677 would continue to point out there are several other important
678 tax-related bills that deserve a markup, too, including the
679 Marketplace Fairness Act. However, I would like to briefly
680 mention H.R. 2992, the Business Activity Tax Simplification
681 Act, or BATSA, which I have cosponsored with the gentleman
682 from Wisconsin, Mr. Sensenbrenner.

683 The Regulatory Reform, Commercial and Antitrust Law

684 Subcommittee held a hearing on our bill in February. As the
685 chairman knows, BATSA has been marked up and reported out of
686 this committee several times in past Congresses. This has
687 always been supported in a strong bipartisan way.

688 BATSA seeks to update a 50-year-old Federal statute that
689 determines when States can impose State income taxes on the
690 sale of tangible goods in a taxing State. Over the years,
691 States have adopted a series of business activity taxes that
692 are proxies for State income tax, including gross receipts
693 taxes, licensing agreements, and other charges that
694 frequently seek to impose -- they frequently seek to impose
695 on out-of-State companies.

696 Several States have already enacted overly aggressive
697 and often unfair business activity taxes, which has
698 interfered with interstate commerce. Businesses in my State
699 have been acutely affected by these aggressive business
700 activity taxes. Smithfield Foods, located in the district
701 represented by my Virginia colleague Mr. Forbes, has had its
702 trucks threatened with confiscation by New Jersey tax revenue
703 agents.

704 Virginia-based Capital One has joined other financial
705 institutions in becoming easy prey for other States and

706 localities seeking to increase their tax revenues by
707 targeting out-of-State businesses. Other sectors of the
708 Virginia economy, such as manufacturing, information,
709 technology, franchising, and media industries, have all been
710 targeted with aggressive business activity taxes by other
711 States.

712 There is an urgent need to modernize this decades-old
713 law. BATSA would clarify the standard governing State
714 assessments of corporate income taxes and comparable business
715 taxes. Specifically, the bill would articulate a bright
716 line, physical presence nexus standard that includes either
717 owning or leasing any real estate or tangible property in the
718 State or assigning one or more employees to perform certain
719 activities in the State for more than 15 days in a taxable
720 year.

721 Mr. Chairman, I understand that the bill we are
722 discussing today is the Permanent Internet Tax Freedom Act,
723 not BATSA. But given your strong support for BATSA over the
724 years, I hope that you will soon schedule a markup so that we
725 can move forward on updating and modernizing the decades-old
726 law to give businesses across the country much-needed
727 certainty when conducting business across State lines.

728 Thank you, Mr. Chairman, and I yield back.

729 Chairman Goodlatte. The chair thanks the gentleman.

730 Who seeks recognition? For what purpose does the
731 gentleman from Georgia seek recognition?

732 Mr. Johnson. Move to strike the last word.

733 Chairman Goodlatte. The gentleman is recognized for 5
734 minutes.

735 Mr. Johnson. Thank you, Mr. Chairman, for holding this
736 markup today on H.R. 3086, the Permanent Tax Freedom Act.

737 I rise in favor of the amendment. Addressing the
738 expiring Internet Tax Freedom Act by extending the moratorium
739 will promote and -- will promote innovation and economic
740 growth by ensuring that there will be no new taxes on
741 Internet access. Importantly, this bill will also protect
742 consumers by prohibiting discriminatory or multiple taxation
743 on electronic commerce.

744 However, the case has not been made in support of the
745 efficacy or the utility of a permanent exemption of the
746 Internet access industry from taxation. Nor has the case
747 been made for the trampling of the rights of States that have
748 long exercised the 10th Amendment right to tax Internet
749 access, the Internet access industry.

750 Therefore, I support the concept of the 4-year
751 moratorium, which preserves the grandfather clause, which
752 respects States' rights.

753 H.R. 3086 is also a tool to encourage the widespread
754 development and adoption of the Internet by keeping the
755 overall cost of Internet accessing -- overall cost of
756 accessing the Internet low. Universal broadband adoption is
757 a critical national imperative.

758 Due to cost and availability, too few Americans have at-
759 home Internet access. This problem is particularly
760 pronounced in minority communities where African-American and
761 Hispanic families lag far behind in broadband adoption.

762 We can do better, and we must do better. That is why I
763 encourage this committee, and I am encouraged by this
764 committee, which is marking up this important legislation, as
765 Congress needs to address this issue before the current
766 moratorium expires later this year.

767 Moreover, I urge the chairman to hold a markup of H.R.
768 1129, the Mobile Workforce State Income Tax Simplification
769 Act of 2013. The committee held a hearing on that important
770 legislation earlier this year, and I will note that an
771 identical bill passed the House last Congress by a voice

772 vote. We should not further delay this committee's
773 consideration of that bipartisan legislation.

774 I also look forward to this committee soon addressing
775 the remote sales tax issue. I have long supported leveling
776 the playing field for our retailers, brick and mortar, when
777 it comes to sales tax collection. That is why I support H.R.
778 684, the Marketplace Fairness Act.

779 We must do more to protect every business in the
780 marketplace. This committee held a hearing 3 months ago on
781 alternatives to the Marketplace Fairness Act. That hearing
782 roundly confirmed the best approach to addressing remote
783 sales tax concerns is starting with the Marketplace Fairness
784 Act.

785 Although I would prefer a markup of that bill, I would
786 welcome a markup of any legislation addressing remote sales
787 taxes, and I stand ready to work with the chair on a
788 bipartisan basis to get it done.

789 Again, I thank the chairman for holding today's markup,
790 and I yield back.

791 Chairman Goodlatte. The chair thanks the gentleman.

792 Who seeks recognition? For what purpose does the
793 gentlewoman from California seek recognition?

794 Ms. Chu. I move to strike the last word.

795 Chairman Goodlatte. The gentlewoman is recognized for 5
796 minutes.

797 Ms. Chu. Mr. Chair, I speak in support of this
798 amendment.

799 Prior to coming here, I was elected to the California
800 Board of Equalization, California's elected statewide tax
801 board, and I am very aware of the fiscal challenges facing
802 State and local governments. And this is why I support a
803 temporary extension of the current moratorium.

804 You know, when the Internet was in its infancy, Congress
805 rightfully put the moratorium in place to outlaw any
806 burdensome tax regulations on Internet access. But the
807 Internet has grown tremendously since then. And as it
808 evolves, Congress should be called upon to revisit these
809 issues.

810 I believe that a permanent moratorium would make
811 reexamination of technology and market realities very
812 difficult in the future. In addition, a permanent moratorium
813 would impede on a State or local government's ability to make
814 taxing decisions that are right for them. That is the
815 message I have heard from States, counties, and cities.

816 Just yesterday, the biggest city in my district, the
817 City of Pasadena, contacted me about their opposition to this
818 bill as it stands. It has concerns with a permanent
819 extension that could shut the door years down along the line.

820 Even though they don't have any plans to impose such a
821 tax on Internet access right now, they want to reserve that
822 ability in the future. This is why a short-term moratorium
823 is the right balance between respecting the rights of local
824 taxing authority and the ability for the Internet to grow.

825 Now if we can mark up this bill, why can't we balance it
826 with another bill that is ripe for consideration, the
827 Marketplace Fairness Act? California once had a dramatic
828 decline of sales tax revenue as a proportion of the State
829 budget revenue to the increase in sales online.

830 Then it enacted its remote sellers sales tax law, and
831 California was able to bring in \$260 million in its first
832 year of collection. This is an improvement, but it is
833 estimated that a little over \$1 billion of use tax remains
834 uncollected from remote sales still.

835 In addition, we are continuing to businesses close their
836 doors on Main Street because they can't compete. These are
837 jobs that are lost because they play on an uneven playing

838 field. It is clear that we can't wait to pass legislation
839 like the Marketplace Fairness Act.

840 But in the meanwhile, Congress must reserve some
841 flexibility to examine the Internet Tax Freedom Act from time
842 to time, and that is why I support the Conyers amendment.

843 I yield back my time.

844 Chairman Goodlatte. The chair thanks the gentlewoman.

845 For what purpose does the gentlewoman from Washington
846 State seek recognition?

847 Ms. DelBene. I move to strike the last word.

848 Chairman Goodlatte. The gentlewoman is recognized for 5
849 minutes.

850 Ms. DelBene. Thank you, Mr. Chair.

851 It is clear that there is broad bipartisan agreement
852 that we should not allow the current moratorium on Internet
853 access taxes to expire, and I join my colleagues in
854 supporting clarity and certainty in this area. But there
855 remain other issues related to State taxation and the
856 Internet that this committee cannot afford to leave
857 unaddressed.

858 In 1998, the Senate Commerce Committee report on the
859 Internet Tax Freedom Act discussed the goal of this temporary

860 legislation by stating that, "Most State and local commercial
861 tax codes were enacted prior to the development of the
862 Internet and electronic commerce. Efforts to impose these
863 codes without any adjustment to Internet communications,
864 transactions, or services will lead to State and local taxes
865 that are imposed in unpredictable and overly burdensome ways.
866 A temporary moratorium on Internet-specific taxes is
867 necessary to facilitate the development of a fair and uniform
868 taxing scheme."

869 But unfortunately, since the Internet Tax Freedom Act
870 first passed, Congress has made little progress in developing
871 a coherent policy that addresses the intersection of State
872 taxation and the Internet.

873 Aside from extending this tax moratorium three times
874 since it first passed, Congress has yet to pass legislation
875 like the Marketplace Fairness Act or similar legislation that
876 would allow States to treat e-commerce sales similarly to
877 sales from brick-and-mortar stores. Instead, we have seen
878 States attempting to set a patchwork of policies that simply
879 doesn't work. A Federal solution is needed from Congress.

880 In the meantime, adoption of the Internet has exploded
881 since the Internet Tax Freedom Act first passed in 1998, and

882 today, 75 percent of American households subscribe to
883 Internet access services, and hundreds of billions of dollars
884 of commerce is done over the Internet annually.

885 Given the importance of the Internet to consumers and to
886 economic growth, it is Congress' and this committee's
887 responsibility to determine a Federal approach to e-fairness.
888 And I am disappointed that we are simply looking at this bill
889 in isolation without regard to the other issues related to
890 the Internet and to taxation. I agree with the supporters of
891 this legislation who are concerned about taxing Internet
892 access, but also we should not be allowing the Internet to
893 serve as a sales tax loophole.

894 The issue of e-fairness is a related issue that this
895 committee must commit to tackling, and while I support
896 extending the current tax moratorium that is set to expire
897 later this year, I don't think we should permanently extend
898 this policy without also providing a Federal solution on the
899 online sales tax issue.

900 This is a critical jobs issue that I continue to hear
901 about from small businesses throughout my district. It is
902 the role of Congress to ensure that our Nation's tax policies
903 and regulation don't unfairly burden one business model over

904 the other. Yet brick-and-mortar businesses can't fairly
905 complete right now because States do not have the ability to
906 effectively and efficiently collect the taxes owed from
907 online purchases.

908 Only Congress can fix this, and I believe we must
909 continue to move forward on legislation like the Marketplace
910 Fairness Act. I appreciate Representative Chaffetz's work to
911 assist small businesses with this important issue, and I hope
912 that the leadership and my fellow members of this committee
913 do not consider our work on Internet tax policy complete
914 after today's markup.

915 And I look forward to continuing to work with Members on
916 both sides of the aisle to work to find a solution to move
917 forward on both the Internet Tax Freedom Act and online sales
918 tax legislation before the end of this year.

919 And I yield back the rest of my time.

920 Chairman Goodlatte. The question occurs on the
921 amendment offered by the gentleman from Michigan.

922 All those in favor, respond by saying aye.

923 Those opposed, no.

924 In the opinion of the chair, the noes have it. The
925 amendment is not agreed to.

926 Mr. Conyers. A record vote is required.

927 Chairman Goodlatte. A recorded vote is requested, and

928 the clerk will call the roll.

929 Ms. Deterding. Mr. Goodlatte?

930 Chairman Goodlatte. No.

931 Ms. Deterding. Mr. Goodlatte votes no.

932 Mr. Sensenbrenner?

933 Mr. Sensenbrenner. No.

934 Ms. Deterding. Mr. Sensenbrenner votes no.

935 Mr. Coble?

936 [No response.]

937 Ms. Deterding. Mr. Smith of Texas?

938 Mr. Smith of Texas. No.

939 Ms. Deterding. Mr. Smith of Texas votes no.

940 Mr. Chabot?

941 Mr. Chabot. No.

942 Ms. Deterding. Mr. Chabot votes no.

943 Mr. Bachus?

944 [No response.]

945 Ms. Deterding. Mr. Issa?

946 Mr. Issa. No.

947 Ms. Deterding. Mr. Issa votes no.

948 Mr. Forbes?
949 Mr. Forbes. No.
950 Ms. Deterding. Mr. Forbes votes no.
951 Mr. King?
952 Mr. King. No.
953 Ms. Deterding. Mr. King votes no.
954 Mr. Franks?
955 [No response.]
956 Ms. Deterding. Mr. Gohmert?
957 [No response.]
958 Ms. Deterding. Mr. Jordan?
959 [No response.]
960 Ms. Deterding. Mr. Poe?
961 [No response.]
962 Ms. Deterding. Mr. Chaffetz?
963 Mr. Chaffetz. No.
964 Ms. Deterding. Mr. Chaffetz votes no.
965 Mr. Marino?
966 Mr. Marino. No.
967 Ms. Deterding. Mr. Marino votes no.
968 Mr. Gowdy?
969 Mr. Gowdy. No.

970 Ms. Deterding. Mr. Gowdy votes no.
971 Mr. Labrador?
972 Mr. Labrador. No.
973 Ms. Deterding. Mr. Labrador votes no.
974 Mr. Farenthold?
975 [No response.]
976 Ms. Deterding. Mr. Holding?
977 Mr. Holding. No.
978 Ms. Deterding. Mr. Holding votes no.
979 Mr. Collins?
980 Mr. Collins. No.
981 Ms. Deterding. Mr. Collins votes no.
982 Mr. DeSantis?
983 [No response.]
984 Ms. Deterding. Mr. Smith of Missouri?
985 Mr. Smith of Missouri. No.
986 Ms. Deterding. Mr. Smith of Missouri votes no.
987 Mr. Conyers?
988 Mr. Conyers. Aye.
989 Ms. Deterding. Mr. Conyers votes aye.
990 Mr. Nadler?
991 Mr. Nadler. Aye.

992 Ms. Deterding. Mr. Nadler votes aye.
993 Mr. Scott?
994 Mr. Scott. Aye.
995 Ms. Deterding. Mr. Scott votes aye.
996 Ms. Lofgren?
997 Ms. Lofgren. No.
998 Ms. Deterding. Ms. Lofgren votes no.
999 Ms. Jackson Lee?
1000 Ms. Jackson Lee. Aye.
1001 Ms. Deterding. Ms. Jackson Lee votes aye.
1002 Mr. Cohen?
1003 Mr. Cohen. No.
1004 Ms. Deterding. Mr. Cohen votes no.
1005 Mr. Johnson?
1006 Mr. Johnson. Aye.
1007 Ms. Deterding. Mr. Johnson votes aye.
1008 Mr. Pierluisi?
1009 Mr. Pierluisi. Aye.
1010 Ms. Deterding. Mr. Pierluisi votes aye.
1011 Ms. Chu?
1012 Ms. Chu. Aye.
1013 Ms. Deterding. Ms. Chu votes aye.

1014 Mr. Deutch?

1015 [No response.]

1016 Ms. Deterding. Mr. Gutierrez?

1017 [No response.]

1018 Ms. Deterding. Ms. Bass?

1019 [No response.]

1020 Ms. Deterding. Mr. Richmond?

1021 Mr. Richmond. Aye.

1022 Ms. Deterding. Mr. Richmond votes aye.

1023 Ms. DelBene?

1024 Ms. DelBene. Aye.

1025 Ms. Deterding. Ms. DelBene votes aye.

1026 Mr. Garcia?

1027 Mr. Garcia. Aye.

1028 Ms. Deterding. Mr. Garcia votes aye.

1029 Mr. Jeffries?

1030 Mr. Jeffries. Aye.

1031 Ms. Deterding. Mr. Jeffries votes aye.

1032 Mr. Cicilline?

1033 Mr. Cicilline. Aye.

1034 Ms. Deterding. Mr. Cicilline votes aye.

1035 Chairman Goodlatte. The gentleman from Arizona?

1036 Mr. Franks. No.

1037 Ms. Deterding. Mr. Franks votes no.

1038 Chairman Goodlatte. The gentleman from Alabama?

1039 Mr. Bachus. No.

1040 Ms. Deterding. Mr. Bachus votes no.

1041 Chairman Goodlatte. The gentleman from North Carolina?

1042 Mr. Coble. No.

1043 Ms. Deterding. Mr. Coble votes no.

1044 Chairman Goodlatte. The gentleman from Ohio?

1045 Mr. Jordan. No.

1046 Ms. Deterding. Mr. Jordan votes no.

1047 Chairman Goodlatte. Has every Member voted who wishes

1048 to vote?

1049 [No response.]

1050 Chairman Goodlatte. The clerk will report. Oh, the

1051 gentleman from Texas?

1052 Mr. Gohmert. No.

1053 Ms. Deterding. Mr. Gohmert votes no.

1054 Chairman Goodlatte. The clerk will report.

1055 Ms. Deterding. Mr. Chairman, 12 Members voted aye; 21

1056 Members voted no.

1057 Chairman Goodlatte. And the amendment is not agreed to.

1058 Are there further amendments to H.R. 3086?

1059 For what purpose does the gentlewoman from California
1060 seek recognition?

1061 Ms. Lofgren. I have an amendment at the desk.

1062 Chairman Goodlatte. For what purpose does the gentleman
1063 from North Carolina seek recognition?

1064 Mr. Holding. I want to reserve a point of order.

1065 Chairman Goodlatte. Point of order is reserved, and the
1066 clerk will report the amendment.

1067 Ms. Deterding. Amendment to H.R. 3086, offered by Ms.
1068 Lofgren of California. At the end of the bill, add the
1069 following: Section 3, Moratorium --

1070 Chairman Goodlatte. Without objection, the amendment is
1071 considered as read.

1072 [The amendment of Ms. Lofgren follows:]

1073

1074 Chairman Goodlatte. And the gentlewoman is recognized
1075 to explain her amendment.

1076 Ms. Lofgren. Thank you, Mr. Chairman.

1077 I am aware that the scope of this amendment, which is
1078 exactly the same as the Wireless Tax Fairness Act, may exceed
1079 the scope of the bill before us and may -- I will await
1080 eagerly the germaneness ruling.

1081 But I do want to offer the amendment because this is a
1082 bill that has been cosponsored by 220 Members of the House of
1083 Representatives. It would seem to me that with a majority of
1084 the House as cosponsors of the bill, it is a matter that we
1085 should be able to move forward.

1086 I would note also that 22 members of this committee, a
1087 majority of the House Judiciary Committee, has cosponsored
1088 this bill. This is bill that I think is enormously important
1089 for a variety of communities, but especially people who
1090 access the Internet through their wireless instruments such
1091 as cell phones.

1092 We know that people who access the Internet through
1093 their cell phones are disproportionately low income. They
1094 are disproportionately Latino and African American. They are
1095 disproportionately young. They are, as a group, the people

1096 least able to be picked on for disproportionate taxes.

1097 What this bill would do is not to prohibit taxation of
1098 wireless cell phone access, but to prohibit discriminatory
1099 taxation of wireless cell phone access. Why is this
1100 necessary? I think there is a national interest in providing
1101 access to the Internet.

1102 As the chairman himself has mentioned, the Internet is
1103 the most profound technology that allows for innovation,
1104 access to information. It empowers people who have access to
1105 the Internet. It is in the national interest to promote
1106 access to the Internet.

1107 It is worth noting that because in some cases the
1108 individuals or the groups of people who are most adversely
1109 impacted by taxation of cell phone access to the Internet are
1110 people who may not have the most political power, that
1111 disproportionate taxes have been imposed on these
1112 individuals.

1113 In some cases, the taxation of access to the Internet
1114 through cell phones equals sin taxes. I mean, you have got
1115 taxation levels of 25, 30 percent in some localities for
1116 access to the Internet using cell phones. I think that is
1117 why a majority of the House and a majority of the committee

1118 have cosponsored this bill to prohibit discriminatory taxes
1119 on access to the Internet with cell phones.

1120 A point about how this would work. If you are a
1121 locality and you want -- and you need revenue, and you want
1122 to pass a 10 percent sales tax, that sales tax can apply to
1123 wireless access, to TVs, to everything. But you can't say we
1124 are going to pick on people who want to access the Internet
1125 through their cell phones, and we are going to have a 5
1126 percent tax to buy a TV or a computer, but we are going to
1127 have a 35 percent tax on the cell phone for that young person
1128 or that low-income person whose only access to the Internet
1129 is through their cell phone.

1130 I hope that offering this bill as an amendment to the
1131 underlying bill will be germane. If so, I would hope that
1132 the cosponsors of the bill would vote for the bill and that
1133 it would become part of this effort.

1134 If the amendment is not germane, I would ask the
1135 chairman to consider moving this bill since a majority of the
1136 House has already expressed their willingness to support it,
1137 and assuming that cosponsors would actually vote for the bill
1138 that they have cosponsored, a majority of the House wishes to
1139 proceed.

1140 And with that, Mr. Chairman, I would --
1141 Chairman Goodlatte. Would the gentlewoman yield?
1142 Ms. Lofgren. I would be happy to yield.
1143 Chairman Goodlatte. I thank the gentlewoman for
1144 yielding. And before I speak to the gentleman from North
1145 Carolina on his reservation of point of order and rule on the
1146 point of order, I just want to, first of all, commend the
1147 gentlewoman for her desire to address this issue.
1148 There are a number of issues that have been mentioned
1149 already in the debate here today with regard to remote sales
1150 taxes, with regard to business activity taxes, with regard to
1151 other issues. There is at least a half a dozen of them that
1152 are pending in the House and in this committee.
1153 And unlike the other committee that has jurisdiction
1154 over tax issues, we do like to move tax bills. And we are
1155 doing one of those today, and we are, however, going to have
1156 to do these in a measured way because, otherwise, we will
1157 trigger requests for a whole host of these that will bog down
1158 this process on this issue which, as you know, has an
1159 expiration date, and we would risk the moratorium expiring.
1160 So, with that, I thank the gentlewoman for her efforts,
1161 and if she would like to say more, I would be happy, without

1162 objection, to yield her an additional minute.

1163 Ms. Lofgren. Thank you, Mr. Chairman.

1164 I appreciate, before your ruling on the germaneness,
1165 that you need to move this bill, and I do support the
1166 underlying bill. But I would hope that when a majority of
1167 the House of Representatives, 220 Members, have endorsed a
1168 bill, that that would put that bill a little farther up on
1169 the priority for action. Clearly, this is a measure that a
1170 majority of this committee and a majority of the House wants
1171 to approve.

1172 And with that, I would urge the chairman to accelerate
1173 consideration of this matter and yield back.

1174 Chairman Goodlatte. Well, if the gentlewoman would
1175 yield further, I would just --

1176 Ms. Lofgren. I would so.

1177 Chairman Goodlatte. -- suggest to the gentlewoman that
1178 if she wants to withdraw the amendment, we would be happy to
1179 continue to work with her.

1180 Ms. Lofgren. I assume that means that the ruling would
1181 be that it is not germane.

1182 [Laughter.]

1183 Chairman Goodlatte. The chair will rule when it is

1184 appropriate to rule.

1185 Ms. Lofgren. I would be -- ask unanimous consent to
1186 withdraw the amendment, looking forward to working with the
1187 chairman to move this bill that a majority of the House
1188 wishes to adopt.

1189 Chairman Goodlatte. Well, and the gentlewoman is -- the
1190 chair appreciates the gentlewoman's effort, and the chair
1191 would say that there are a number of pieces of legislation
1192 that address concern about making sure that taxes are fair
1193 and not applied in an unfair manner with regard to interstate
1194 commerce, and her legislation is one of those that is
1195 deserving of a careful review by this committee at the
1196 appropriate time.

1197 And without objection, the amendment is withdrawn.

1198 For what purpose does the gentleman from Tennessee seek
1199 recognition?

1200 Mr. Cohen. I have an amendment, sir.

1201 Mr. Holding. Mr. Chairman?

1202 Chairman Goodlatte. For what purpose does the gentleman
1203 from North Carolina seek recognition?

1204 Mr. Holding. I reserve a point of order.

1205 Chairman Goodlatte. A point of order is reserved, and

1206 the clerk will report the amendment.

1207 Ms. Deterding. Amendment to H.R. 3086, offered by Mr.

1208 Cohen of Tennessee. Page 1, strike --

1209 Chairman Goodlatte. Without objection, the amendment

1210 will be considered as read.

1211 [The amendment of Mr. Cohen follows:]

1212

1213 Chairman Goodlatte. And the gentleman is recognized for
1214 5 minutes to explain his amendment.

1215 Mr. Cohen. Thank you, Mr. Chairman.

1216 I would like to thank Ms. Lofgren for her excellent
1217 argument, and taking from her argument all of the logic of it
1218 and it is exactly parallel to this particular proposal of
1219 discriminatory taxes that inhibit interstate commerce.

1220 This is an amendment that would stop there being
1221 discriminatory taxes on rental cars at airports and wherever
1222 else. I am proud to be an original cosponsor of this bill,
1223 the Permanent Internet Tax Freedom Act, and I have been on
1224 this bill since I came to Congress in 2007, and I am happy to
1225 see its progress.

1226 But this other bill -- amendment, which I am offering,
1227 would prevent discriminatory and regressive taxes which are
1228 applied to rental car transactions as well. And I would
1229 submit that we should fix these problems simultaneously or,
1230 as the precedent has been set, to get to them at an
1231 accelerated warp speed.

1232 This amendment would impose a permanent moratorium on
1233 discriminatory excise taxes on car rental customers by
1234 declaring those taxes an undue burden on interstate commerce,

1235 which they are. I would suspect every member of this
1236 committee and every person in this audience and listening has
1237 had these taxes applied to them. And they are taxes that
1238 local governments and State governments put on folks that are
1239 visitors because it is real easy to tax people who can't vote
1240 for you, and you are not accountable to.

1241 Don't tax thee. Don't tax me. Tax that fellow behind
1242 that tree.

1243 And what this would do is say for the future, there
1244 would be no more of these taxes. Everybody who has got a tax
1245 to fund some stadium or arena or whatever, convention center
1246 or whatever, those tax flows would continue to be legal and
1247 help fund those particular improvements to the communities.
1248 But in the future, there would be no new ones.

1249 So some people think, oh, well, I need these in my
1250 State. But then you get clipped when you go to the next
1251 State. There would finally be an end to this, and nobody
1252 could be doing it in the future.

1253 Poor people pay an inordinate percentage of these taxes
1254 in cities because they rent cars more frequently and need
1255 them. And folks that come in from out of town, it is just
1256 wrong that they have to pay for all the stadiums.

1257 If you represent a rural district, you are paying a
1258 whole lot and never getting a benefit because the rural areas
1259 aren't building multi-billion dollar stadiums and convention
1260 centers. But you are paying for them whenever you go and you
1261 rent a car.

1262 I am concerned, as many of us are, and Mr. Conyers and
1263 Mr. Nadler made good points about State and local
1264 governments, but they shouldn't be able to put off making
1265 difficult decisions on taxes at home by putting them on
1266 people that come to visit and poor people that rent cars.

1267 Since 1990, there have been more than 117 discriminatory
1268 rental car excise taxes in the 43 States and the District.
1269 They will all be grandfathered in, but no new ones.

1270 Before I follow the lead of my learned and more
1271 experienced colleague Ms. Lofgren and withdraw this amendment
1272 or offer to withdraw it, I would hope that at some time we
1273 could bring this up as a separate bill and have it voted on.
1274 It has the support of consumer groups like the National
1275 Consumers League to business groups like the National Urban
1276 League, the Hispanic Chamber of Commerce, the Global Business
1277 Travel Association, and any tax organizations, such as my
1278 friend Grover Norquist's Americans for Tax Reform and labor

1279 unions like the UAW.

1280 So it really crosses the political spectrum, and they
1281 have recognized the negative effects that these taxes have on
1282 consumers. So before I do the appropriate, politically wise
1283 and appropriate thing to do, asking to withdraw, I would like
1284 to yield to Mr. Smith of Missouri, who has cosponsored this
1285 amendment and yield to him as much time as he may need.

1286 Mr. Smith of Missouri. I thank the gentleman for
1287 yielding.

1288 Mr. Chairman, I am happy to introduce the amendment with
1289 my colleague from Tennessee, Mr. Cohen. I am a cosponsor to
1290 the underlying bill that we would like to highlight the issue
1291 of discriminatory taxes.

1292 It does not just target Internet service providers.
1293 Many State and local governments target rental car consumers
1294 to help to fund their pet projects. For example, in my home
1295 State of Missouri in Kansas City, rental car consumers are
1296 forced to pay \$4 a day for the downtown arena fee, a tax that
1297 is not imposed on any other industry in that jurisdiction.

1298 This simple amendment would prohibit any new
1299 discriminating taxes from being imposed on rental car
1300 consumers. Congress has acted in the past to protect

1301 interstate commerce industries from these types of taxes.

1302 Although I realize that this amendment will probably not
1303 be germane or withdrawn to the underlying legislation, I
1304 would urge the chairman and my colleagues on the committee to
1305 work with Mr. Cohen and myself to help us on the problem of
1306 discriminating taxes by supporting H.R. 2543, a bill
1307 supported by such groups as the Americans for Tax Reform and
1308 the National Consumers League, two groups you don't see too
1309 often working together.

1310 I yield back.

1311 Mr. Cohen. Thank you, Mr. Smith.

1312 I want to thank you and the chairman for the time. This
1313 is a great bill, a great concept. Grover Norquist and the
1314 UAW together, this is wonderful.

1315 And with that, I thank you for the opportunity, and I
1316 withdraw the amendment. And I yield back the balance of my
1317 time.

1318 Chairman Goodlatte. The chair thanks the gentleman,
1319 thanks the gentleman for his wide-ranging choice of friends.

1320 [Laughter.]

1321 Chairman Goodlatte. And without objection, the
1322 amendment is withdrawn.

1323 Are there further amendments to H.R. 3086?

1324 [No response.]

1325 Chairman Goodlatte. A reporting quorum being present,
1326 the question is on the motion to report the bill, H.R. 3086,
1327 favorably to the House.

1328 Those in favor will say aye.

1329 Those opposed, no.

1330 The ayes have it, and the bill is ordered reported
1331 favorably.

1332 Mr. Conyers. Recorded vote.

1333 Chairman Goodlatte. A recorded vote has been requested,
1334 and the clerk will call the roll.

1335 Ms. Deterding. Mr. Goodlatte?

1336 Chairman Goodlatte. Aye.

1337 Ms. Deterding. Mr. Goodlatte votes aye.

1338 Mr. Sensenbrenner?

1339 Mr. Sensenbrenner. Aye.

1340 Ms. Deterding. Mr. Sensenbrenner votes aye.

1341 Mr. Coble?

1342 Mr. Coble. Aye.

1343 Ms. Deterding. Mr. Coble votes aye.

1344 Mr. Smith of Texas?

1345 Mr. Smith of Texas. Aye.

1346 Ms. Deterding. Mr. Smith of Texas votes aye.

1347 Mr. Chabot?

1348 [No response.]

1349 Ms. Deterding. Mr. Bachus?

1350 Mr. Bachus. Aye.

1351 Ms. Deterding. Mr. Bachus votes aye.

1352 Mr. Issa?

1353 [No response.]

1354 Ms. Deterding. Mr. Forbes?

1355 Mr. Forbes. Aye.

1356 Ms. Deterding. Mr. Forbes votes aye.

1357 Mr. King?

1358 Mr. King. Aye.

1359 Ms. Deterding. Mr. King votes aye.

1360 Mr. Franks?

1361 Mr. Franks. Aye.

1362 Ms. Deterding. Mr. Franks votes aye.

1363 Mr. Gohmert?

1364 [No response.]

1365 Ms. Deterding. Mr. Jordan?

1366 [No response.]

1367 Ms. Deterding. Mr. Poe?
1368 [No response.]
1369 Ms. Deterding. Mr. Chaffetz?
1370 Mr. Chaffetz. Aye.
1371 Ms. Deterding. Mr. Chaffetz votes aye.
1372 Mr. Marino?
1373 Mr. Marino. Aye.
1374 Ms. Deterding. Mr. Marino votes aye.
1375 Mr. Gowdy?
1376 Mr. Gowdy. Aye.
1377 Ms. Deterding. Mr. Gowdy votes aye.
1378 Mr. Labrador?
1379 Mr. Labrador. Aye.
1380 Ms. Deterding. Mr. Labrador votes aye.
1381 Mr. Farenthold?
1382 Mr. Farenthold. Aye.
1383 Ms. Deterding. Mr. Farenthold votes aye.
1384 Mr. Holding?
1385 Mr. Holding. Aye.
1386 Ms. Deterding. Mr. Holding votes aye.
1387 Mr. Collins?
1388 Mr. Collins. Aye.

1389 Ms. Deterding. Mr. Collins votes aye.
1390 Mr. DeSantis?
1391 Mr. DeSantis. Aye.
1392 Ms. Deterding. Mr. DeSantis votes aye.
1393 Mr. Smith of Missouri?
1394 Mr. Smith of Missouri. Aye.
1395 Ms. Deterding. Mr. Smith of Missouri votes aye.
1396 Mr. Conyers?
1397 [No response.]
1398 Ms. Deterding. Mr. Nadler?
1399 Mr. Nadler. No.
1400 Ms. Deterding. Mr. Nadler votes no.
1401 Mr. Scott?
1402 Mr. Scott. No.
1403 Ms. Deterding. Mr. Scott votes no.
1404 Ms. Lofgren?
1405 Ms. Lofgren. Aye.
1406 Ms. Deterding. Ms. Lofgren votes aye.
1407 Ms. Jackson Lee?
1408 [No response.]
1409 Ms. Deterding. Mr. Cohen?
1410 Mr. Cohen. Aye.

1411 Ms. Deterding. Mr. Cohen votes aye.
1412 Mr. Johnson?
1413 Mr. Johnson. Aye.
1414 Ms. Deterding. Mr. Johnson votes aye.
1415 Mr. Pierluisi?
1416 Mr. Pierluisi. Aye.
1417 Ms. Deterding. Mr. Pierluisi votes aye.
1418 Ms. Chu?
1419 Ms. Chu. No.
1420 Ms. Deterding. Ms. Chu votes no.
1421 Mr. Deutch?
1422 [No response.]
1423 Ms. Deterding. Mr. Gutierrez?
1424 [No response.]
1425 Ms. Deterding. Ms. Bass?
1426 [No response.]
1427 Ms. Deterding. Mr. Richmond?
1428 Mr. Richmond. Aye.
1429 Ms. Deterding. Mr. Richmond votes aye.
1430 Ms. DelBene?
1431 Ms. DelBene. Aye.
1432 Ms. Deterding. Ms. DelBene votes aye.

1433 Mr. Garcia?

1434 Mr. Garcia. Aye.

1435 Ms. Deterding. Mr. Garcia votes aye.

1436 Mr. Jeffries?

1437 Mr. Jeffries. Aye.

1438 Ms. Deterding. Mr. Jeffries votes aye.

1439 Mr. Cicilline?

1440 Mr. Cicilline. Aye.

1441 Ms. Deterding. Mr. Cicilline votes aye.

1442 Chairman Goodlatte. The gentleman from Ohio?

1443 Mr. Jordan. Aye.

1444 Ms. Deterding. Mr. Jordan votes aye.

1445 Chairman Goodlatte. The gentleman from Texas?

1446 Mr. Gohmert. Aye.

1447 Ms. Deterding. Mr. Gohmert votes aye.

1448 Chairman Goodlatte. The gentleman from Texas?

1449 Mr. Poe. Aye.

1450 Ms. Deterding. Mr. Poe votes aye.

1451 Chairman Goodlatte. The gentleman from Ohio?

1452 Mr. Chabot. Aye.

1453 Ms. Deterding. Mr. Chabot votes aye.

1454 Chairman Goodlatte. The gentleman from California?

1455 Mr. Issa. Aye.

1456 Ms. Deterding. Mr. Issa votes aye.

1457 Chairman Goodlatte. Has every Member voted who wishes
1458 to vote?

1459 The gentleman from Rhode Island?

1460 Mr. Cicilline. May I be recorded as a no vote?

1461 Ms. Deterding. Mr. Cicilline votes no.

1462 Chairman Goodlatte. The clerk will report.

1463 [Pause.]

1464 Ms. Deterding. Mr. Chairman, 30 Members voted aye; 4
1465 Members voted no.

1466 Chairman Goodlatte. The ayes have it, and the bill is
1467 ordered reported favorably to the House. Members will have 2
1468 days to submit views.

1469 Pursuant to notice, I now call up H.R. 4874 for purposes
1470 of markup and move that the committee report the bill
1471 favorably to the House.

1472 The clerk will report the bill.

1473 Ms. Deterding. H.R. 4874, to provide for the
1474 establishment of a process for the review --

1475 Chairman Goodlatte. Without objection, the bill is
1476 considered as read and open for amendment at any point.

1477 [The information follows:]

1478

1479 Chairman Goodlatte. And I will begin by recognizing
1480 myself for an opening statement.

1481 Five years ago, officials declared that the "great
1482 recession" had ended, and recovery had begun. Workers, small
1483 business owners, and Main Street families across our Nation
1484 know the truth. America remains mired in a jobs recession.

1485 Job creation and economic growth continue to fall short
1486 of what is needed to produce a real, durable, and full
1487 recovery in this country. The official nominal unemployment
1488 rate is down, but that is not because enough workers have
1489 found jobs. It is because so many unemployed workers have
1490 despaired of ever finding new full-time work that they have
1491 left the workforce or settled for part-time jobs.

1492 Major contributors to this problem are the estimated
1493 \$1.86 trillion in annual costs that Federal regulation
1494 imposes on our economy and the continued flood of new costly
1495 regulations emerging from Washington. How can America's job
1496 creators create enough new jobs while Washington regulations
1497 divert so many of their resources in other directions?

1498 To reverse this situation, Congress must stay focused on
1499 enacting reforms that will stop the losses, return America to
1500 prosperity, and return discouraged workers to the dignity of

1501 a good, full-time job.

1502 Throughout this term of Congress, the Judiciary
1503 Committee and the Subcommittee on Regulatory Reform,
1504 Commercial and Antitrust Law have worked hard to produce the
1505 regulatory reforms that will help to produce these results.
1506 Today, the committee turns to one of the biggest remaining
1507 pieces of the puzzle -- how to clear the clutter of existing
1508 outdated and unnecessarily burdensome regulations that too
1509 often keep growth and job creation down.

1510 For years, there has been a bipartisan consensus that
1511 this is an important task that must be performed. But as
1512 with so many things, the hard part has always been the
1513 details.

1514 Different approaches have been tried by different
1515 presidential administrations, and some solutions have been
1516 offered by Congress. But to date, no sufficiently meaningful
1517 results have been produced.

1518 In many ways, this must be because past approaches have
1519 never fully aligned the incentives and tools of all the
1520 relevant actors -- regulatory agencies, regulated entities,
1521 the President, the Congress, and others -- to identify and
1522 cut the regulations that can and should be cut. On their

1523 own, regulators have little incentive to shine a spotlight on
1524 their errors or on regulations that are no longer needed.

1525 Regulated entities, meanwhile, may fear retaliation by
1526 regulators if they suggest ways to trim the regulators'
1527 authorities. And the sheer volume of the Code of Federal
1528 Regulations, which now contains roughly 175,000 pages of
1529 regulations, presents a daunting task for any Congress or
1530 President to address.

1531 The SCRUB Act represents a real step forward in our
1532 attempts to eliminate obsolete and unnecessarily burdensome
1533 Federal regulations without compromising needed regulatory
1534 objectives. By establishing an expert commission with the
1535 resources and authority to assess independently where and how
1536 regulations are outdated and unnecessarily burdensome, it
1537 overcomes the disincentives for agencies and even regulated
1538 entities to identify problem regulations.

1539 In addition, by providing a legislative method to
1540 immediately repeal the most problematic regulations, the
1541 SCRUB Act assures that we will take care of the biggest
1542 problems quickly. Further, by instituting regulatory cut-go
1543 measures for the remaining regulations the commission
1544 identifies for repeal, when Congress approves the repeal, the

1545 bill assures that the rest of the work of cutting regulations
1546 will finally happen.

1547 I commend Representative Jason Smith for his hard work
1548 on this important bill, and I urge my colleagues to support
1549 the SCRUB Act and help cut down the time it takes America's
1550 workers finally to see a real jobs recovery.

1551 And I now recognize our -- I now recognize the ranking
1552 member of the subcommittee, the gentleman from Georgia, Mr.
1553 Johnson, for his opening statement.

1554 Mr. Johnson. Thank you, Mr. Chairman.

1555 Like Ranking Member Conyers, I am deeply disappointed
1556 with the process and substance of this flawed legislation.

1557 Prior to the hearing on this discussion draft in the
1558 Regulatory Reform Subcommittee, which was my first as ranking
1559 member of that committee, neither I nor my staff received a
1560 copy of the draft legislation until Friday afternoon for a
1561 Monday hearing. And we did not receive a final version of
1562 the bill until shortly before the hearing.

1563 This process was obviously problematic. It not only
1564 affected our ability to adequately prepare for the hearing
1565 and the ability of our witnesses to carefully analyze the
1566 legislation and draft their testimony due to the severe time

1567 constraints. It was also a grave disservice to the public's
1568 understanding of issues affecting them.

1569 That is why I was greatly pleased by Subcommittee
1570 Chairman Bachus' efforts and his offers to correct this abuse
1571 of process. During the hearing, Chairman Bachus observed,
1572 and I quote, that there was "obviously limited time" to
1573 review the bill and that in the future -- and that in the
1574 future, "We will work together to see that this is not the
1575 norm, but that it is the exception."

1576 Chairman Bachus also committed to working with Professor
1577 Ron Levin, the minority witness, to explore whether there was
1578 some bipartisan way to look at these regulations. However,
1579 Professor Levin's attempts to work with the majority on
1580 bipartisan legislation to address the retrospective review
1581 were rebuffed.

1582 To my great dismay, we find ourselves again receiving
1583 new language with substantial changes in little time to
1584 consider the merits or shortcomings of the legislation. What
1585 is more, our staff learned only late afternoon that the major
1586 portions of this bill are not even within our committee's
1587 jurisdiction.

1588 For instance, we are unable to consider the infinite

1589 wisdom of Subsection (k) of Title I, which would provide the
1590 commissioners with a budget in the billions of dollars. This
1591 budget would be appropriated from 1 percent of the
1592 unobligated funds of every Cabinet-level agency, many of
1593 which are already struggling to adequately perform their
1594 missions while funded at post sequestration levels.

1595 This section alone, which would act as its own
1596 sequestration, demonstrates the incomprehensible nature of
1597 this legislation. Rather than work on important legislation
1598 like the Marketplace Fairness Act, we are fast-tracking
1599 legislation that is rushed, poorly drafted, and unbalanced.
1600 The public deserves better.

1601 Along with many of my other Democratic colleagues, I
1602 share deep admiration for Chairman Goodlatte. But I would
1603 remind my colleagues of the commitment to make an abusive
1604 process the exception and not the norm.

1605 We also invite the majority to rethink its "win at all
1606 costs, hide the ball" mindset. We have committed in the past
1607 to working together with the majority to create jobs and grow
1608 the economy through even-handed bipartisan legislation. But
1609 the process we have seen throughout the consideration of the
1610 SCRUB Act leaves scant room for bipartisanship or

1611 cooperation.

1612 As to the substance of the bill, it had also been my
1613 hope that the subject matter of this legislation would have
1614 been -- would have better lent itself to a more collaborative
1615 effort. Unfortunately, the so-called SCRUB Act appears to be
1616 a one-way ratchet with the sole aim of prioritizing cost over
1617 benefits.

1618 As a result of these and other serious flaws, it is
1619 clear that the SCRUB Act is yet another short-sighted, anti-
1620 regulatory measure that has no hope of becoming law.

1621 With that, I will yield back.

1622 Chairman Goodlatte. Are there any amendments to H.R.
1623 4874?

1624 Mr. Nadler. I have an amendment at the desk.

1625 Chairman Goodlatte. The clerk will report the amendment
1626 offered by the gentleman from New York.

1627 Ms. Deterding. Amendment --

1628 Chairman Goodlatte. For what purpose does the gentleman
1629 from Missouri seek recognition?

1630 Mr. Smith of Missouri. Mr. Chairman, I reserve a point
1631 of order.

1632 Chairman Goodlatte. A point of order reserved. The

1633 clerk will report the amendment.

1634 Ms. Deterding. Amendment to H.R. 4874, offered by Mr.

1635 Nadler of New York.

1636 Chairman Goodlatte. Without objection, the amendment

1637 will be considered as read.

1638 [The amendment of Mr. Nadler follows:]

1639

1640 Mr. Nadler. Thank you, Mr. Chairman.

1641 Chairman Goodlatte. The gentleman is recognized for 5
1642 minutes on his amendment.

1643 Mr. Nadler. Thank you, Mr. Chairman.

1644 This amendment sets up a huge new bureaucracy to do
1645 something that the Office of -- that OIRA, and I forget what
1646 OIRA stands for, the Office of Information and Regulatory
1647 Affairs, already does, as well as other bodies, which is to
1648 afford retrospective review of regulations.

1649 It relies on the absolutely unproven assertion for which
1650 there is no evidence that regulations are what is holding
1651 back the economy. That is a separate discussion, but I would
1652 simply say Republicans repeat this ad infinitum, but they
1653 offer no evidence whatsoever for this assertion.

1654 And I would submit there are other reasons, mainly the
1655 huge austerity of the sequester, that are holding back the
1656 economy.

1657 But forgetting that, let us assume that the Republicans
1658 were right, that it is the overregulation. We have cost-
1659 benefit analysis written into the law. We have retrospective
1660 analysis written into the law. What this bill does is to set
1661 up a new bureaucracy, a huge new bureaucracy to do the same

1662 thing that existing agencies are doing.

1663 And then it says that it should be funded by the greater
1664 of \$25 million or 1 percent of the administrative budget of
1665 the unobligated funds of every agency. One percent of the
1666 unobligated -- whichever is greater. One percent of the
1667 unobligated funds of every agency, and never mind the fact
1668 that the administrative funds of many of these agencies,
1669 especially given the sequester, are too low to enable them to
1670 do the job that they are charged by Congress with doing
1671 adequately.

1672 But 1 percent taken off the top is \$4.3 billion. This
1673 bill, the way it is set up now, by mandating the use, the
1674 setting aside for this new bureaucracy of the greater of \$25
1675 million or 1 percent of the unobligated funds, would set up a
1676 \$4.3 billion, depending, by the way, how you define which
1677 agencies are covered, minimum of \$4.3 billion, maximum of
1678 \$5.3 billion, new bureaucracy.

1679 So my amendment would say, all right, you want to do
1680 this silly thing, set up this new bureaucracy. Waste the
1681 taxpayers' money in doing it. Okay. I am going to vote
1682 against the bill, but the bill does that. But let us limit
1683 it to the \$25 million.

1684 So my amendment, instead of saying that the bill is
1685 funded by the greater of \$25 million or 1 percent of the
1686 unobligated funds. And by the way, there is a very good
1687 question of what unobligated funds are and at what point
1688 during the year do you define that? It is unclear whether
1689 you could even figure out how to implement this bill.

1690 But it says -- my amendment would say the lesser of \$25
1691 million or 1 percent of the unobligated funds. In other
1692 words, it would set it up at \$25 million, not \$4.5 billion to
1693 \$5.5 billion.

1694 So if you are opposed to the waste of \$4.5 billion to
1695 \$5.5 billion, you support this amendment.

1696 I yield back.

1697 Chairman Goodlatte. Does the gentleman from Missouri
1698 insist on his point of order?

1699 Mr. Smith of Missouri. Yes, Mr. Chairman. I insist on
1700 my point of order.

1701 Mr. Johnson. Mr. Chairman?

1702 Chairman Goodlatte. For what purpose does the --

1703 Mr. Nadler. Did he state the point of order? He hasn't
1704 said what the point of order is.

1705 Chairman Goodlatte. Well, he is going to be recognized

1706 right now to do that. The gentleman is recognized.

1707 Mr. Smith of Missouri. Thank you, Mr. Chairman.

1708 Mr. Chairman, this amendment is outside the committee's

1709 Rule 10 jurisdiction. It amends portions of the bill that

1710 fall under the Appropriations Committee jurisdiction.

1711 Therefore, I must insist on my point of order.

1712 Chairman Goodlatte. Does the gentleman from New York

1713 wish to be heard on the point of order?

1714 Mr. Nadler. I do.

1715 Chairman Goodlatte. The gentleman is recognized.

1716 Mr. Nadler. I am aware that this committee does not

1717 have jurisdiction over this section of the bill.

1718 Nonetheless, we are being asked to report the bill to the

1719 floor, and where we see a glaring error that would allow a

1720 sum of \$5 billion of the taxpayers' money to be wasted, I

1721 submit it is our duty to correct this mistake and allow our

1722 committee to work in a bipartisan manner to save \$5 billion

1723 of the American taxpayers' money.

1724 So I ask that you rule against the point of order and

1725 allow a vote to correct such an obvious flaw in the bill.

1726 I yield back. I am sorry. I yield to who? I yield to

1727 the gentleman from Georgia.

1728 Mr. Johnson. Thank you, Mr. Chairman.

1729 Mr. Chairman, I support this amendment, which clearly
1730 illustrates the SCRUB Act's vagueness and poor drafting.
1731 Section (k) of Title I would provide the commissioners with
1732 an astronomical budget at the cost of every Cabinet-level
1733 agency, many of which are already reeling from the mindless
1734 austerity of funding at sequestration levels.

1735 This amendment would create an upward limit of \$25
1736 million for the commission's budget. If H.R. 4874 were in
1737 effect today, the nonpartisan Congressional Research Service
1738 confirms that the commission would draw an operating budget
1739 likely in the billions, as high as \$4.3 billion.

1740 This bill does not specify what it means by each agency.
1741 So if it includes all of the executive agencies that have the
1742 authority to make rules to fulfill their statutory
1743 obligations, then the review commission would have a budget
1744 upwards of \$5.3 billion.

1745 The effects of the bill would be a new sequester on
1746 regulatory agencies. The Department of Veterans Affairs, for
1747 example, could lose \$54 million from its budget at a time
1748 when it clearly needs robust funding.

1749 According to CRS, unobligated funds change on a yearly

1750 basis, fluctuate dramatically throughout the fiscal year, and
1751 could be different figures, depending on the month or even
1752 day of the year. This moving budgetary target created by the
1753 SCRUB Act illustrates the vague and, frankly, laughable
1754 nature of this legislation.

1755 With that, I yield back.

1756 Mr. Nadler. Reclaiming the balance of the time, I just
1757 wanted to make one comparison. The Bankruptcy Commission,
1758 which functioned, as members of the committee will recall,
1759 for a number of years and which resulted in the discussion
1760 that resulted in the Bankruptcy Reform Act of 2005, they
1761 didn't recommend that. But they started the discussion.

1762 The Bankruptcy Commission was allocated \$3 million for
1763 its work. My amendment suggests \$25 million here, not \$4.5
1764 billion, which is absurd.

1765 I yield back.

1766 Chairman Goodlatte. The chair is prepared to rule on
1767 the gentleman's point of order. The amendment in question
1768 amends a portion of the bill that is not in the Judiciary
1769 Committee's jurisdiction, and the point of order is
1770 sustained.

1771 Are there further amendments to H.R. 4874?

1772 Mr. Johnson. Mr. Chairman, I have an amendment at the
1773 desk.

1774 Chairman Goodlatte. The clerk will report the amendment
1775 offered by the gentleman from Georgia.

1776 For what purpose does the gentleman from Missouri seek
1777 recognition?

1778 Mr. Smith of Missouri. I move to strike the last --
1779 point of order of the amendment, I mean.

1780 Chairman Goodlatte. The gentleman reserves a point of
1781 order. The clerk will report the amendment.

1782 Ms. Deterding. Amendment to H.R. 4874, offered by Mr.
1783 Johnson of Georgia. Beginning on page --

1784 Chairman Goodlatte. Without objection, the amendment is
1785 considered read.

1786 [The amendment of Mr. Johnson follows:]

1787

1788 Chairman Goodlatte. And the gentleman from Georgia is
1789 recognized for his amendment.

1790 Mr. Johnson. Thank you, Mr. Chairman.

1791 This amendment strikes Title II of the bill, thereby
1792 eliminating the bill's requirement that agencies must repeal
1793 existing rules to offset the cost of any new rules.

1794 I offer this amendment because it addresses the serious
1795 concerns that Title II presents. These regulatory cut-go
1796 provisions would prohibit any regulatory agency from issuing
1797 any new rule until the agency first offsets the cost of that
1798 new rule by repealing an existing rule specified by the
1799 commission.

1800 This provision would apply to every new agency rule, no
1801 matter how small, important, or pressing for every regulatory
1802 agency. Title II would even apply to new agency rules that
1803 are clearly needed to protect the public safety.

1804 For instance, it would apply to a new rule to prevent
1805 the further loss of life as a result of ignition switch
1806 failures in cars we drive. It would prevent an agency from
1807 issuing an emergency regulation to prevent chemical
1808 contamination of the water we drink.

1809 These agencies would first have to eliminate an existing

1810 rule and begin a rulemaking process for the new rule, which
1811 could result in the years of delays, or it could result in
1812 years of delays before the new rule could become effective.

1813 By striking Title II, this amendment removes an
1814 inherently dangerous provision from what is still a seriously
1815 flawed bill.

1816 And with that, I yield back.

1817 Chairman Goodlatte. Does the gentleman from Missouri
1818 insist upon his point of order?

1819 Mr. Smith of Missouri. No. I withdraw my point of
1820 order, Mr. Chairman.

1821 Chairman Goodlatte. Does the gentleman seek
1822 recognition?

1823 Mr. Smith of Missouri. I do, Mr. Chairman.

1824 Chairman Goodlatte. The gentleman is recognized for 5
1825 minutes.

1826 Mr. Smith of Missouri. Mr. Chairman, I oppose this
1827 amendment. Title II of the bill contains one of the bill's
1828 most important innovations, the cut and go process for the
1829 repeal of regulations. Congress approves for repeal -- this
1830 process is modeled on the cut-go process pioneered in
1831 Congress itself to control Federal spending.

1832 By allowing regulatory repeals to occur on a cut-go
1833 basis, the bill both stabilizes total Federal regulatory cost
1834 and avoids forcing all repeals to occur immediately. This
1835 creates the opportunity for regulatory agencies applying
1836 expertise and working with the entities that they regulate to
1837 administer a smoother process of regulatory repeal with ample
1838 opportunities to prioritize the order of repeals and
1839 cooperatively consider any needed replacement regulations.

1840 The cut-go process also avoids one of the major flaws of
1841 the regulatory look-back process currently applied under
1842 executive order by the Obama administration. Although that
1843 process has resulted in some cost reductions under individual
1844 regulations, the net result of the process has been an
1845 alarming increase in total cost imposed by all Federal
1846 regulations.

1847 That is a giant step backwards, and it is a result the
1848 SCRUB Act's cut-go provision will emphatically prevent.

1849 I yield back.

1850 Chairman Goodlatte. The question occurs on the
1851 amendment offered by the gentleman from Georgia.

1852 Mr. Conyers. Mr. Chairman?

1853 Chairman Goodlatte. For what purpose does the gentleman

1854 from Michigan seek recognition?

1855 Mr. Conyers. Mr. Chairman, I rise in opposition to the
1856 bill.

1857 Chairman Goodlatte. The gentleman is recognized for 5
1858 minutes.

1859 Mr. Conyers. And I support the gentleman's amendment.

1860 Proponents of the SCRUB Act contend that it is intended
1861 to promote retrospective review of existing regulations,
1862 which sounds reasonable. But in truth, it is much more
1863 problematic than its clever title suggests.

1864 To begin with, the legislative process associated with
1865 this bill has been seriously flawed. It was introduced in
1866 the House yesterday, Tuesday, at 2:35 p.m., and we only
1867 learned what titles are even within the jurisdiction of this
1868 committee late, even later yesterday afternoon.

1869 More than 4 months ago, the Regulatory Reform
1870 Subcommittee held a hearing on a draft version of this
1871 legislation, and I asked the distinguished Member Mr. Smith,
1872 the author of the draft legislation, when the actual bill
1873 would be introduced, and he said as soon as possible. The
1874 subcommittee chair, Mr. Bachus, clarified that it would be 10
1875 or 12 days.

1876 Well, 4 months later, here we are again confronted with
1877 only a discussion draft of the legislation on the day the
1878 markup was announced, without any advance notice. And it is
1879 my understanding that the majority failed to consult with the
1880 minority, nor followed up with Chairman Bachus' excellent
1881 suggestion that we reach out to Professor Ron Levin, who
1882 raised substantial concerns in his testimony before the
1883 committee.

1884 I concede that the majority has technically complied
1885 with the rules of the House of this committee, but it has not
1886 acted in the spirit of comity and transparency. It is a
1887 disservice to all of our Members and undermines the
1888 committee's response to a deliberative process when we are
1889 called upon to consider and debate legislation without the
1890 opportunity for meaningful review.

1891 Now turning to the substance of the bill, the
1892 legislation has numerous flaws, the most important of which
1893 is that it largely ignores the benefits of regulations. By
1894 myopically focusing on only the cost of regulations, the bill
1895 undermines the crucial public and safety regulatory
1896 protections.

1897 That is why I -- why Mr. Johnson offered an amendment.

1898 That is why our colleague from Georgia, Mr. Johnson, has
1899 offered an amendment that attempts to correct this major
1900 shortcoming of the bill. And I thank him for that.

1901 Unfortunately, that there are many other shortcomings as
1902 well, and we have a litany of undefined terms, excessive
1903 compliance costs, excessively burdensome, and that even the
1904 majority's witness acknowledged in response to our post
1905 hearing questions were unclear.

1906 So rather than targeting major rules that pose the
1907 greatest cost, the bill requires review of all current rules,
1908 regardless of whether they impose little or no cost. And
1909 rather than creating greater certainty for the business
1910 community and the public generally, the bill will generate
1911 massive uncertainty.

1912 And in closing, I must note that the real focus of the
1913 so-called SCRUB Act is yet another installment in the
1914 majority's anti-regulatory agenda and one of a long series of
1915 legislative measures proposed by the majority that prioritize
1916 corporate profits over health and safety.

1917 Mr. Chairman, I yield back the balance of my time.

1918 Chairman Goodlatte. The chair thanks the gentleman.

1919 For what purpose does the gentleman from New York seek

1920 recognition?

1921 Mr. Nadler. To strike the last word on the amendment.

1922 Chairman Goodlatte. The gentleman is recognized for 5
1923 minutes.

1924 Mr. Nadler. Thank you, Mr. Chairman.

1925 I rise in support of the amendment. The bill obviously
1926 would empower this new review commission to recommend that a
1927 rule be added to a list of rules that are subject to a unique
1928 cut-go process. This process would prohibit an agency from
1929 issuing any new rule, no matter how small or urgent, until
1930 the costs of the rule are offset by repealing or weakening an
1931 existing rule.

1932 The amendment would ensure that the commission could not
1933 delay the promulgation of rules by requiring the repeal or
1934 weakening of existing rules. The regulatory cut-go
1935 procedures of the bill would require agencies to select rules
1936 for appeal from only those identified by the commission, A,
1937 with little consideration of the rule's benefits because the
1938 commission is only charged with looking at the cost, not
1939 benefits; and B, even if the agency can identify a rule which
1940 would save the same amount of money but would be less harmful
1941 to repeal, they cannot do so unless the commission

1942 recommended it.

1943 The agency, which has the expertise, is denied the
1944 ability. There is no rational reason, even if you accept
1945 cut-go, which I do not. But there is certainly no rational
1946 reason to say that only the commission can determine what may
1947 be cut, as opposed to the agency.

1948 You might want to say it has got to be a same amount of
1949 money. Okay. Not okay, but I understand under the logic of
1950 the bill. But why say only the commission can do it?

1951 The bill lacks any mechanism for consideration of public
1952 health and safety, which would leave no option for agencies
1953 to issue emergency rules to protect the public and
1954 environment from imminent harm, even in the face of such
1955 recent disasters, for example, as the chemical spill in West
1956 Virginia, which demonstrated the human and economic impact of
1957 allowing businesses to engage in excessively risky activities
1958 with little regulation and Government oversight.

1959 You could not say, hey, wait a minute, this new
1960 catastrophe vividly shows that we have to fix a hole in our
1961 regulations and say you can't do this or you must do this
1962 only with certain protections to prevent the next chemical
1963 spill unless you find a regulation that the commission has

1964 identified of equal -- that will cut the cost.

1965 The fundamental flaw in the bill, aside from the fact
1966 that it assumes that regulations are the fundamental cause of
1967 economic slowness, which is simply not true and there is no
1968 evidence for that. But beyond that, it considers and it
1969 mandates the commission to consider only the cost, not the
1970 benefit.

1971 So even if there was a regulation that saves huge
1972 amounts of money but costs \$20 million to implement, but
1973 saves \$1 billion, you cannot consider that cost saving
1974 because that is a benefit. It is not a cost. That is
1975 absurd.

1976 So this amendment that would strike the cut-go provision
1977 and give -- and at least give the commission some flexibility
1978 to mandate the repeal of a regulation, which, in their
1979 judgment, cost too much. I won't say which, in their
1980 judgment, is not justified because they cannot look at the
1981 justification. They cannot do a cost-benefit analysis. They
1982 cannot say the benefits outweigh the costs or vice versa.
1983 They can only look at the costs, which is another problem
1984 with the legislation.

1985 But if they should identify a regulation, they should be

1986 able to say don't implement it without having to say find --
1987 they should not mandate that some other regulation, which may
1988 be very necessary, be eliminated at the same time.

1989 So I support the amendment. I yield back.

1990 Chairman Goodlatte. The question occurs on the
1991 amendment offered by the gentleman from Georgia.

1992 All those in favor, respond by saying aye.

1993 Those opposed, no.

1994 In the opinion of the chair, the noes have it, and the
1995 amendment is not agreed to.

1996 Mr. Conyers. Recorded vote.

1997 Chairman Goodlatte. A recorded vote is requested, and
1998 the clerk will call the roll.

1999 Ms. Deterding. Mr. Goodlatte?

2000 Chairman Goodlatte. No.

2001 Ms. Deterding. Mr. Goodlatte votes no.

2002 Mr. Sensenbrenner?

2003 [No response.]

2004 Ms. Deterding. Mr. Coble?

2005 [No response.]

2006 Ms. Deterding. Mr. Smith of Texas?

2007 [No response.]

2008 Ms. Deterding. Mr. Chabot?

2009 Mr. Chabot. No.

2010 Ms. Deterding. Mr. Chabot votes no.

2011 Mr. Bachus?

2012 Mr. Bachus. No.

2013 Ms. Deterding. Mr. Bachus votes no.

2014 Mr. Issa?

2015 [No response.]

2016 Ms. Deterding. Mr. Forbes?

2017 [No response.]

2018 Ms. Deterding. Mr. King?

2019 Mr. King. No.

2020 Ms. Deterding. Mr. King votes no.

2021 Mr. Franks?

2022 Mr. Franks. No.

2023 Ms. Deterding. Mr. Franks votes no.

2024 Mr. Gohmert?

2025 Mr. Gohmert. No.

2026 Ms. Deterding. Mr. Gohmert votes no.

2027 Mr. Jordan?

2028 [No response.]

2029 Ms. Deterding. Mr. Poe?

2030 [No response.]

2031 Ms. Deterding. Mr. Chaffetz?

2032 Mr. Chaffetz. No

2033 Ms. Deterding. Mr. Chaffetz votes no.

2034 Mr. Marino?

2035 Mr. Marino. No.

2036 Ms. Deterding. Mr. Marino votes no.

2037 Mr. Gowdy?

2038 Mr. Gowdy. No.

2039 Ms. Deterding. Mr. Gowdy votes no.

2040 Mr. Labrador?

2041 [No response.]

2042 Ms. Deterding. Mr. Farenthold?

2043 Mr. Farenthold. No.

2044 Ms. Deterding. Mr. Farenthold votes no.

2045 Mr. Holding?

2046 Mr. Holding. No.

2047 Ms. Deterding. Mr. Holding votes no.

2048 Mr. Collins?

2049 Mr. Collins. No.

2050 Ms. Deterding. Mr. Collins votes no.

2051 Mr. DeSantis?

2052 Mr. DeSantis. No.

2053 Ms. Deterding. Mr. DeSantis votes no.

2054 Mr. Smith of Missouri?

2055 Mr. Smith of Missouri. No..

2056 Ms. Deterding. Mr. Smith of Missouri votes no.

2057 Mr. Conyers?

2058 Mr. Conyers. Aye.

2059 Ms. Deterding. Mr. Conyers votes aye.

2060 Mr. Nadler?

2061 Mr. Nadler. Aye.

2062 Ms. Deterding. Mr. Nadler votes aye.

2063 Mr. Scott?

2064 Mr. Scott. Aye.

2065 Ms. Deterding. Mr. Scott votes aye.

2066 Ms. Lofgren?

2067 [No response.]

2068 Ms. Deterding. Ms. Jackson Lee?

2069 [No response.]

2070 Ms. Deterding. Mr. Cohen?

2071 [No response.]

2072 Ms. Deterding. Mr. Johnson?

2073 Mr. Johnson. Aye.

2074 Ms. Deterding. Mr. Johnson votes aye.
2075 Mr. Pierluisi?
2076 Mr. Pierluisi. Aye.
2077 Ms. Deterding. Mr. Pierluisi votes aye.
2078 Ms. Chu?
2079 Ms. Chu. Aye.
2080 Ms. Deterding. Ms. Chu votes aye.
2081 Mr. Deutch?
2082 [No response.]
2083 Ms. Deterding. Mr. Gutierrez?
2084 [No response.]
2085 Ms. Deterding. Ms. Bass?
2086 [No response.]
2087 Ms. Deterding. Mr. Richmond?
2088 [No response.]
2089 Ms. Deterding. Ms. DelBene?
2090 Ms. DelBene. Aye.
2091 Ms. Deterding. Ms. DelBene votes aye.
2092 Mr. Garcia?
2093 Mr. Garcia. Aye.
2094 Ms. Deterding. Mr. Garcia votes aye.
2095 Mr. Jeffries?

2096 [No response.]

2097 Ms. Deterding. Mr. Cicilline?

2098 Mr. Cicilline. Aye.

2099 Ms. Deterding. Mr. Cicilline votes aye.

2100 Chairman Goodlatte. For what purpose does the gentleman

2101 from North Carolina seek recognition?

2102 Mr. Coble. No.

2103 Ms. Deterding. Mr. Coble votes no.

2104 Chairman Goodlatte. For what purpose does the gentleman

2105 from California seek recognition?

2106 Mr. Issa. No.

2107 Ms. Deterding. Mr. Issa votes no.

2108 Mr. Johnson. Mr. Chairman?

2109 Chairman Goodlatte. For what purpose does the gentleman

2110 from Georgia seek recognition?

2111 Mr. Johnson. With unanimous consent, I would ask that a

2112 letter from the Coalition for Sensible Safeguards and --

2113 Chairman Goodlatte. The gentleman's unanimous consent

2114 request is not in order in the middle of a vote. The

2115 gentleman --

2116 Mr. Johnson. This is to include this in the record, Mr.

2117 Chairman.

2118 Chairman Goodlatte. I understand, but we are in the
2119 middle of a vote on an amendment. So we will entertain your
2120 motion momentarily.

2121 Mr. Johnson. Thank you.

2122 Chairman Goodlatte. The clerk will report the vote.

2123 Ms. Deterding. Mr. Chairman, 9 Members voted aye, 16
2124 Members voted no.

2125 Chairman Goodlatte. And the amendment is not agreed to.
2126 For what purpose does the gentleman from Georgia seek
2127 recognition?

2128 Mr. Johnson. I would seek unanimous consent to include
2129 in the record a letter from the Coalition for Sensible
2130 Safeguards in support of the amendment that was just passed.

2131 Chairman Goodlatte. Just defeated.

2132 Mr. Johnson. Defeated. I am sorry.

2133 Chairman Goodlatte. Without objection, the letter will
2134 be included in the record.

2135 [The information follows:]

2136

2137 Chairman Goodlatte. Are there further amendments to
2138 H.R. 4874?
2139 [No response.]
2140 Chairman Goodlatte. A reporting quorum being present,
2141 the question is on the motion to report the bill, H.R. 4874,
2142 favorably to the House.
2143 Those in favor will say aye.
2144 Those opposed, no.
2145 In the opinion of the chair, the ayes have it, and the
2146 bill is ordered reported favorably.
2147 Mr. Conyers. Chairman, I ask for a record vote.
2148 Chairman Goodlatte. A recorded vote is requested, and
2149 the clerk will call the roll.
2150 Ms. Deterding. Mr. Goodlatte?
2151 Chairman Goodlatte. Aye.
2152 Ms. Deterding. Mr. Goodlatte votes aye.
2153 Mr. Sensenbrenner?
2154 [No response.]
2155 Ms. Deterding. Mr. Coble?
2156 Mr. Coble. Aye.
2157 Ms. Deterding. Mr. Coble votes aye.
2158 Mr. Smith of Texas?

2159 [No response.]

2160 Ms. Deterding. Mr. Chabot?

2161 Mr. Chabot. Aye.

2162 Ms. Deterding. Mr. Chabot votes aye.

2163 Mr. Bachus?

2164 Mr. Bachus. Aye.

2165 Ms. Deterding. Mr. Bachus votes aye.

2166 Mr. Issa?

2167 Mr. Issa. Aye.

2168 Ms. Deterding. Mr. Issa votes aye.

2169 Mr. Forbes?

2170 [No response.]

2171 Ms. Deterding. Mr. King?

2172 Mr. King. Aye.

2173 Mr. Deterding. Mr. King votes aye.

2174 Mr. Franks?

2175 Mr. Franks. Aye.

2176 Ms. Deterding. Mr. Franks votes aye.

2177 Mr. Gohmert?

2178 Mr. Gohmert. Aye.

2179 Ms. Deterding. Mr. Gohmert votes aye.

2180 Mr. Jordan?

2181 Mr. Jordan. Aye.

2182 Ms. Deterding. Mr. Jordan votes aye.

2183 Mr. Poe?

2184 [No response.]

2185 Ms. Deterding. Mr. Chaffetz?

2186 [No response.]

2187 Ms. Deterding. Mr. Marino?

2188 Mr. Marino. Aye.

2189 Ms. Deterding. Mr. Marino votes aye.

2190 Mr. Gowdy?

2191 [No response.]

2192 Ms. Deterding. Mr. Labrador?

2193 [No response.]

2194 Ms. Deterding. Mr. Farenthold?

2195 Mr. Farenthold. Aye.

2196 Ms. Deterding. Mr. Farenthold votes aye.

2197 Mr. Holding?

2198 Mr. Holding. Aye.

2199 Ms. Deterding. Mr. Holding votes aye.

2200 Mr. Collins?

2201 Mr. Collins. Aye.

2202 Ms. Deterding. Mr. Collins votes aye.

2203 Mr. DeSantis?

2204 Mr. DeSantis. Aye.

2205 Ms. Deterding. Mr. DeSantis votes aye.

2206 Mr. Smith of Missouri?

2207 Mr. Smith of Missouri. Aye.

2208 Ms. Deterding. Mr. Smith of Missouri votes aye.

2209 Mr. Conyers?

2210 Mr. Conyers. No.

2211 Ms. Deterding. Mr. Conyers votes no.

2212 Mr. Nadler?

2213 Mr. Nadler. No.

2214 Ms. Deterding. Mr. Nadler votes no.

2215 Mr. Scott?

2216 Mr. Scott. No.

2217 Ms. Deterding. Mr. Scott votes no.

2218 Ms. Lofgren?

2219 [No response.]

2220 Ms. Deterding. Ms. Jackson Lee?

2221 [No response.]

2222 Ms. Deterding. Mr. Cohen?

2223 Mr. Cohen. No.

2224 Ms. Deterding. Mr. Cohen votes no.

2225 Mr. Johnson?

2226 Mr. Johnson. No.

2227 Ms. Deterding. Mr. Johnson votes no.

2228 Mr. Pierluisi?

2229 Mr. Pierluisi. No.

2230 Ms. Deterding. Mr. Pierluisi votes no.

2231 Ms. Chu?

2232 Ms. Chu. No.

2233 Ms. Deterding. Ms. Chu votes no.

2234 Mr. Deutch?

2235 [No response.]

2236 Ms. Deterding. Mr. Gutierrez?

2237 [No response.]

2238 Ms. Deterding. Ms. Bass?

2239 [No response.]

2240 Ms. Deterding. Mr. Richmond?

2241 [No response.]

2242 Ms. Deterding. Ms. DelBene?

2243 Ms. DelBene. No.

2244 Ms. Deterding. Ms. DelBene votes no.

2245 Mr. Garcia?

2246 Mr. Garcia. No.

2247 Ms. Deterding. Mr. Garcia votes no.

2248 Mr. Jeffries?

2249 [No response.]

2250 Ms. Deterding. Mr. Cicilline?

2251 Mr. Cicilline. No.

2252 Ms. Deterding. Mr. Cicilline votes no.

2253 Chairman Goodlatte. The gentleman from Utah?

2254 Mr. Chaffetz. Aye.

2255 Ms. Deterding. Mr. Chaffetz votes aye.

2256 Chairman Goodlatte. The gentleman from South Carolina?

2257 Mr. Gowdy. Yes.

2258 Ms. Deterding. Mr. Gowdy votes aye.

2259 Chairman Goodlatte. Has the gentleman from Texas voted?

2260 Has every Member voted who wishes to vote?

2261 [No response.]

2262 Chairman Goodlatte. The clerk will report.

2263 [Pause.]

2264 Ms. Deterding. Mr. Chairman, 17 Members voted aye, 10

2265 Members voted no.

2266 Chairman Goodlatte. The ayes have it, and the bill is

2267 ordered reported favorably to the House. Members will have 2

2268 days to submit views.

2269 That concludes the business of the day. Congratulations
2270 to the gentleman from Missouri on getting his bill passed,
2271 and thank all the Members for attending and their
2272 participation.

2273 And the meeting is adjourned.

2274 [Whereupon, at 12:05 p.m., the committee was adjourned.]