Legislative Bulletin......June 18, 2013

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H.R. 475 – To amend the Internal Revenue Code of 1986 to include vaccines against seasonal influenza within the definition of taxable vaccines (Rep. Gerlach, R-PA)

<u>Order of Business</u>: The legislation is scheduled to be considered on June 18, 2013, under a motion to suspend the rules and pass the bill, which requires a two-thirds majority vote for passage.

<u>Summary</u>: The purpose of the bill is to include flu vaccines that are new for the 2013-2014 flu season in the National Vaccine Injury Compensation Program (VICP). The VICP provides limited, no-fault compensation to individuals who suffer injury or death from specified vaccines. Compensation is provided through a trust fund which holds revenue generated by a 75 cent pervaccine excise tax on covered vaccines. For more information on the VICP, please find a CRS report covering the program here.

Specifically, the bill amends <u>Title 26 U.S.C Section 4132(a)(1)</u>. Currently, flu vaccines are covered under part G which reads: "Any trivalent vaccine against influenza." The bill expands the definition of covered flu vaccines by including the clause "or any other vaccine against seasonal influenza." This will include in the VICP both a new quadrivalent vaccine for the 2013-2014 flu season as well as new flu vaccines for future seasons.

<u>Additional Background</u>: The Biotechnology Industry Association strongly supports passage of this bill as outlined here.

<u>Cost to Taxpayers</u>: The net effect of this bill on revenue is negligible, according to the Joint Committee on Taxation (read JCT's analysis of the bill here).

<u>Does the Bill Expand the Size and Scope of the Federal Government?</u> The legislation expands the list of taxable vaccines in section 4132 of the Internal Revenue Code to include not only trivalent flu vaccines but also "any other vaccine against seasonal influenza."

<u>Mandates?</u> No CBO score containing any potential mandates is available. JCT's analysis states, "Demand for vaccination against seasonal influenza is unlikely to be significantly altered by expanding the list of taxable vaccines to include other vaccines against seasonal influenza. Rather, other vaccines are likely to replace, on a one-to-one basis, the trivalent vaccine."

Does the Bill Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits? No.

What Is the Constitutional Authority for the Legislation?: Rep. Gerlach (R-PA) provides the following Constitutional Authority Statement: "Congress has the power to enact this legislation pursuant to the following: The Congress enacts this bill pursuant to Clause 1 of Section 8 of Article I of the United States Constitution.

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H.R. 1896 – International Child Support Recovery Improvement Act of 2013 (Rep. Reichert, R-WA)

<u>Order of Business:</u> H.R. 1896 is scheduled to be considered on Tuesday, June 18, 2013, under a motion to suspend the rules and pass the bill requiring a two-thirds majority vote for passage.

Summary: H.R. 1896 permits the Secretary of Health and Human Services (HHS) to "ensure the compliance of the United States with any multilateral child support convention to which the United States is a party." According to the House Committee on Ways and Means, the U.S. negotiated in 2007 and the Senate provided consent in 2010 to this multilateral treaty stemming from the Hague Convention of 23 November 2007 on the International Recovery of Child Support and Other Forms of Family Maintenance which "provid[es] for the recognition of orders from other participating countries, the ability to establish new orders, and the implementation of effective measures for the prompt enforcement of foreign child support decisions." The United States currently collects child support owed to individuals living abroad. The committee explains that states will have two years to enact changes prescribed by the 2008 Uniform Interstate Family Support Act (UIFSA) for consistency with the treaty (even though their actions already are) or risk losing Federal administrative funds.

Section 3 of the bill is intended to develop standardized data elements to improve the administration of child support benefits and services. The bill requires the Secretary, in consultation with an interagency work group and to the extent practicable, to establish nonproprietary and interoperable data exchange standards.

Section 4 of the bill permits non-governmental researchers access to federally-sponsored research data in the National Directory of New Hires.

A nearly identical bill (H.R. 4282) passed the House on a voice vote on June 5, 2012.

<u>Committee Action:</u> Representative Dave Reichert (R-WA) introduced H.R. 1896 on May 8, 2013. On that day, it was referred to the Committee on Ways and Means, and in addition, to the Committees on Budget and the Judiciary. No further committee action has occurred on the bill.

Administration Position: No Statement of Administration Policy has been released.

<u>Cost to Taxpayers:</u> According to the House Committee on Ways and Means, the preliminary Congressional Budget Office (CBO) analysis is that the bill would lead to a spending reduction of about \$500,000 over ten years.

<u>Does the Bill Expand the Size and Scope of the Federal Government?</u> The legislation implements the Hague Convention on the International Recovery of Child Support, which would have the federal government mandate changes to state laws.

<u>Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?</u> No CBO score containing any potential mandates is available.

Does the Bill Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits? No.

<u>Constitutional Authority:</u> The Constitutional Authority Statement accompanying the bill upon introduction states, "Congress has the power to enact this legislation pursuant to the following: Article I, Section 8, Clause 1 (relating to the general welfare of the United States; and Article I, Section 10, Clause 3 (relating to the power to enter into foreign compacts on behalf of States)."

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H.R. 1151 - To direct the Secretary of State to develop a strategy to obtain observer status for Taiwan at the triennial International Civil Aviation Organization Assembly, and for other purposes (Royce, R-CA)

<u>Order of Business</u>: The legislation is scheduled to be considered on June 18, 2013, under a motion to suspend the rules and pass the bill, which requires a two-thirds majority vote for passage.

<u>Summary</u>: H.R. 1151 directs the Secretary of State to develop a strategy to obtain observer status for Taiwan at the triennial International Civil Aviation Organization (ICAO) Assembly—next held in September 2013 in Montreal, Canada—and other related meetings, activities, and mechanisms thereafter. The legislation also requires the Secretary to instruct the United States Mission to the ICAO to officially request observer status for Taiwan at the triennial ICAO Assembly and other related meetings, activities, and mechanisms thereafter and to actively urge ICAO member states to support such observer status and participation for Taiwan.

Within 30 days of enactment, the Secretary shall submit a report to Congress that describes the U.S. strategy to endorse and obtain observer status for Taiwan at the triennial ICAO Assembly and at subsequent ICAO Assemblies and at other related meetings, activities, and mechanisms thereafter.

The legislation includes a number of findings, including:

- ➤ "The Convention on International Civil Aviation, signed in Chicago, Illinois, on December 7, 1944, and entered into force April 4, 1947, established the International Civil Aviation Organization (ICAO), stating 'The aims and objectives of the Organization are to develop the principles and techniques of international air navigation and to foster the planning and development of international air transport so as to . . . meet the needs of the peoples of the world for safe, regular, efficient and economical air transport.';
- ➤ "Following the terrorist attacks of September 11, 2001, the ICAO convened a high-level Ministerial Conference on Aviation Security that endorsed a global strategy for strengthening aviation security worldwide and issued a public declaration that `a uniform approach in a global system is essential to ensure aviation security throughout the world and that deficiencies in any part of the system constitute a threat to the entire global system,' and that there should be a commitment to 'foster international cooperation in the field of aviation security and harmonize the implementation of security measures';
- ➤ "The Taipei Flight Information Region, under the jurisdiction of Taiwan, covers 180,000 square nautical miles of airspace and provides air traffic control services to over 1.2 million flights annually, with the Taiwan Taoyuan International Airport recognized as the 10th and 19th largest airport by international cargo volume and number of international passengers, respectively in 2011;
- Despite the established international consensus regarding a uniform approach to aviation security that fosters international cooperation, exclusion from the ICAO since 1971 has impeded the efforts of the Government of Taiwan to maintain civil aviation practices that comport with evolving international standards, due to its inability to contact the ICAO for up-to-date information on aviation standards and norms, secure amendments to the organization's regulations in a timely manner, obtain sufficient and timely information needed to prepare for the implementation of new systems and procedures set forth by the ICAO, receive technical assistance in implementing new regulations, and participate in technical and academic seminars hosted by the ICAO; and
- ➤ "The Government of Taiwan's exclusion from the ICAO constitutes a serious gap in global standards that should be addressed at the earliest opportunity in advance of the 38th ICAO Assembly in September 2013."

Additional Information: According to the Committee: "Last year, Congress granted visa waiver travel from Taiwan to the United States. This allows visitors from Taiwan to travel to the U.S. without delay. As a result, air traffic has increased. Specifically, the legislation directs the State Department to develop and execute a strategy to secure Taiwan's entry into ICAO's triennial Assembly, to be held this September in Montreal, Canada. It also requires the State Department to actively seek other ICAO member states' support for Taiwan's participation." More information from the House Foreign Affairs Committee can be found here.

Similar legislation (S.Con.Res. 17) passed the House on September 11, 2012, by voice vote. The RSC Legislative Bulletin for S.Con.Res. 17can be <u>found here</u>.

<u>Committee Action</u>: H.R. 1151 was introduced on March 14, 2013, and was referred to the House Foreign Affairs Committee, which took no action.

Administration Position: No Statement of Administration Policy is available.

Cost to Taxpayers: A CBO report is unavailable at press time.

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

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

<u>Does the Bill Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?</u>: The legislation does not contain earmarks, limited tax benefits or limited tariff benefits.

<u>Constitutional Authority</u>: Rep. Royce states Congress has the power to enact this legislation pursuant to the following: "Congress has the power to enact this legislation pursuant to the following: Article I, Section 8 of the Constitution of the United States." The statement can be viewed here.

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