

February 7, 2001

The Honorable Dan Burton
Chairman
Committee on Government Reform
2157 Rayburn HOB
Washington, D.C. 20515

The Honorable Robert W. Ney
Chairman
Committee on House Administration
1309 Longworth HOB
Washington, D.C. 20515

Dear Chairman Burton and Chairman Ney:

In accordance with the requirements of Clause 2 of Rule X of the rules of the House of Representatives, the following is a list of oversight hearings and other oversight-related activities which the Committee on Ways and Means and its Subcommittees plan to conduct during the 107th Congress.

Full Committee

1. Rules, Regulations, Statutes and Court Decisions. On an ongoing basis, the Committee and its Subcommittees will review specific problems within the Committee's jurisdiction with Federal rules, regulations, statutes and court decisions that are ambiguous, arbitrary, or nonsensical, or impose a severe financial burden on individuals.
2. President Bush's Proposed Tax Relief Measures. The full Committee will hold hearings to consider the proposals in President Bush's tax relief plan.
3. Tax Simplification. The full Committee will hold hearings to examine proposals to simplify existing tax laws.

Subcommittee on Oversight

1. Taxpayer Advocate Report. The Subcommittee will hold a hearing to examine the annual report of the Internal Revenue Service (IRS) Taxpayer Advocate to the tax-writing committees. In this report, which was mandated by the Taxpayer Bill of Rights 2 (TBOR2), the Taxpayer Advocate identifies initiatives undertaken to improve taxpayer services and IRS responsiveness and provides recommendations from the Problem Resolution Officers in IRS District Offices as to how to resolve problems which taxpayers experience in their dealings with the IRS.

2. Most Serious Management Problems. The Subcommittee will hold hearings to receive testimony from the U.S. General Accounting Office (GAO) and the Inspectors General regarding high-risk programs (i.e., programs vulnerable to waste, fraud, or abuse) within the Committee's jurisdiction. The information obtained at this hearing about high risk-programs will lay the groundwork for additional oversight activities in the 107th Congress.
3. IRS Budget, Filing Season. The Subcommittee will hold a hearing in March or April in both 2001 and 2002 to review the Administration's request for the IRS FY 2002 and FY 2003 budgets respectively and the current tax return filing season. Among other things, the Subcommittee will review how the IRS is improving customer service, how it is implementing recent changes in the tax law, and how it is progressing in its effort to modernize its computer system to handle the growing workload.
4. Tax Law Complexity and the Compliance Burden. In cooperation and coordination with the full Committee and Subcommittee on Select Revenue Measures, the Subcommittee will continue its efforts from the 105th and 106th Congresses to examine areas of complexity in Federal tax law. Section 4022(a) of the IRS Restructuring and Reform Act of 1998 (RRA) directed the Commissioner to conduct a yearly analysis of the sources of complexity in the administration of Federal tax laws. The Commissioner's report must include any recommendation for reducing complexity in the Federal tax laws and for repealing or modifying any provision which adds undue complexity. The same section requires the Joint Committee on Taxation to report at least once each Congress on the "overall state of the Federal tax system, together with recommendations with respect to possible simplification proposals and other matters relating to the administration of the Federal tax system."
5. Tax Laws and the New Economy. On September 26 and 28, 2000, the Subcommittee held hearings on whether Federal tax laws are keeping pace with the "new economy." A major focus was the comprehensive study of recovery periods and depreciation methods which the Tax and Trade Relief Extension Act of 1998 directed the Treasury Secretary to conduct. In cooperation and coordination with the full Committee and Subcommittee on Select Revenue Measures, the Subcommittee will follow up on its work in this area.
6. Stock Option Plans. In cooperation and coordination with the full Committee and Subcommittee on Select Revenue Measures, the Subcommittee will continue its efforts, begun in the 106th Congress, to determine whether current tax rules are limiting the ability of businesses to offer stock options to a broad base of employees.
7. Tax Scams. The IRS and news reports have described promoters who incorrectly are advising business owners that the 16th Amendment was fraudulently adopted or that no tax laws require them to withhold taxes from employee paychecks. The Subcommittee will investigate the efforts by the IRS to address this situation.

8. International Tax System. In cooperation and coordination with the full Committee and Subcommittee on Select Revenue Measures, the Subcommittee will continue its efforts from the 106th Congress to review impediments to the competitiveness of U.S. companies in the current international tax regime, including electronic commerce, in order to promote efficient growth for U.S. goods and services in the global economy.

9. IRS Systems Modernization. The Subcommittee will continue its efforts to monitor the progress of the IRS in modernizing its computer systems. Protecting the security of taxpayer information will be a major focus of this ongoing review. Over the next decade the IRS will spend tens of billions of dollars to update its systems. Success of this effort is critical to the IRS' ability to provide efficient service to taxpayers.

10. Taxpayer Rights. The 105th Congress passed the landmark RRA, which contains numerous taxpayer safeguards, as part of its Taxpayer Bill of Rights 3 title. The RRA also includes significant IRS organizational changes. The Subcommittee will review the ongoing implementation of the new law regarding various aspects of improved service for law-abiding taxpayers as well as compliance issues related to tax law violators. For example, the Subcommittee could examine the IRS progress regarding the RRA provisions dealing with offers in compromise and innocent spouses.

11. Taxpayer Privacy. On April 11, 2000, the House passed H.R. 4163, the Taxpayer Bill of Rights 2000. The measure includes a number of provisions to strengthen taxpayer privacy. However, the Senate did not take up the measure. Pursuant to the RRA, the U.S. Department of the Treasury and the Joint Committee on Taxation have completed studies on the confidentiality of taxpayer information. The Subcommittee will continue to examine the need to strengthen taxpayer privacy protection.

12. Customs Oversight. In cooperation with the Trade Subcommittee, the Subcommittee will review the operations of the Customs Service, including efforts to upgrade computer systems, interdict illegal drugs at the border, and comply with the Customs Modernization Act. The Subcommittee also should review the ability of the Customs Service to detect outbound shipments of illegal drugs and cash in light of the refusal of the U.S. Postal Service to permit the Customs Service to examine outbound mail.

13. Administration of Medicare. The Subcommittee will work with the Health Subcommittee to coordinate oversight of the Health Care Financing Administration.

14. Social Security Administration. The Subcommittee will work with the Social Security Subcommittee to coordinate oversight of the Social Security Administration.

15. Field Investigations and Hearings. The Subcommittee will conduct such field investigations and hearings as Committee staffing and budget resources permit, and as are necessary for purposes of evaluating the effectiveness of and compliance with the programs and laws under the jurisdiction of the Committee on Ways and Means.

Subcommittee on Trade

1. Bush Administration Trade Policy. The Subcommittee will hold a hearing to give the new Administration an opportunity to describe its trade policy and respond to Member questions.
2. Andean Trade Preference Act. The Subcommittee will hold a hearing on the question of extending and expanding the Andean Trade Preference Act, which has proven a valuable weapon in the war against drugs by creating economic incentives to encourage Colombia, Bolivia, Ecuador, and Peru to move out of the production and shipment of illegal drugs and into legitimate products. Authorization for this program expires on December 4, 2001. The Committee will consider legislation to extend and expand trade benefits to additional product categories.
3. Extension of Fast Track Authority. The Subcommittee will hold hearings and work with the new Administration, the business community, and other interested groups to construct an effective procedure for implementing trade agreements into U.S. law with the goal of strengthening the hand of the United States at the negotiating table and maximizing Congressional oversight and input with respect to trade negotiations.
4. Free Trade Area of the Americas. In preparation for the Quebec Summit meeting scheduled for April 20, 2001, the Subcommittee will hold a hearing on the status of negotiations to establish a Free Trade Area of the Americas.
5. Jackson-Vanik Waiver and Extension of Normal Trade Relations to the Socialist Republic of Vietnam. The Subcommittee will hold a hearing in the spring on the U.S.-Vietnam Bilateral Trade Agreement, which was concluded on July 13, 2000, and consider approval of the agreement. Congressional approval would make Vietnam eligible for normal trade relations, subject to annual renewal under the Jackson-Vanik amendment. Approval procedures are covered by permanent fast track provisions in the Trade Act of 1974, which are triggered by the transmittal of the agreement to Congress by the President. The Subcommittee's annual review of Vietnam's Jackson-Vanik waiver will begin in June with a Presidential determination of what that country's status should be for the upcoming year. Until the U.S.-Vietnam Bilateral Trade Agreement is transmitted and approved by Congress, the effect of the waiver is to make U.S. exporters eligible for certain export credit guarantees in doing business with Vietnam. If a resolution of disapproval is introduced with respect to the President's Jackson-Vanik determination for Vietnam, the Subcommittee plans to hold a hearing and consider the issue.
6. Trade Agreement with Jordan. The Subcommittee will hold a hearing in the spring on the U.S.-Jordan Free Trade Agreement, which was concluded on October 24, 2000, and will consider legislation to implement it. The agreement is not covered by fast track authority or implementing procedures.

7. Preparations for the 2001 World Trade Organization Ministerial. The Subcommittee will hold hearings on United States preparations for the 2001 WTO Ministerial in Qatar, progress in the ongoing WTO negotiations on services and agriculture, and progress on the launch of a new round of trade negotiations in the WTO.

8. Negotiation of Other Free Trade Agreements. The Subcommittee will hold a hearing on H.R. 1942, a bill introduced by Chairman Crane in the 106th Congress, to encourage the negotiation of free trade agreements between the United States and countries in the Pacific Rim region, such as New Zealand, Australia, Singapore and Chile. Testimony will also be taken on the status of negotiations to establish separate free trade agreements with Singapore and Chile that were initiated by the President in December of 2000. In addition, the Subcommittee will explore whether other countries may be appropriate candidates for free trade agreements.

9. Trade Relations with Europe. The Subcommittee will review the failure of Europe to implement WTO panel determinations that trade restrictions on bananas and beef hormones are inconsistent with Europe's trade obligations under the WTO by contrast with U.S. full implementation of the FSC decision.

10. Trade and Development Act of 2000. The Subcommittee will hold a hearing or request public comment on the Trade and Development Act of 2000 to ensure that the legislation (Africa/Caribbean Basin Initiative) is being implemented in a manner that works for the companies and the countries that are trying to participate.

11. U.S. Trade Remedy Laws. The Subcommittee will continue to review the application of U.S. antidumping and countervailing duty laws as well as the effect of antidumping orders on downstream users of products subject to these orders. The Subcommittee will continue to monitor the status of World Trade Organization consultations, panel proceedings, and decisions concerning U.S. trade remedy laws or their application, and will work with the Administration to determine if any changes in U.S. law or policy are appropriate.

12. Authorizations for U.S. Customs, the Office of the United States Trade Representative (USTR), and the International Trade Commission (ITC). The Subcommittee will hold hearings on authorizations for the trade agencies for FY 2002 and 2003 and work towards passage of authorization legislation. The Subcommittee will review funding for the Customs Automated Commercial Environment (ACE), the Customs Cyber-smuggling Center, drug enforcement efforts, and the International Trade Data System (ITDS). The Subcommittee will also examine the compensation package for Customs officers to determine whether it is adequate and appropriate and will consider measures to reform premium and overtime pay for Customs officers. The Subcommittee will continue to review Customs drug interdiction efforts to analyze their effectiveness as well as their impact on business facilitation. In addition, the Subcommittee will review annually the portions of the President's budget for other agencies that have functions within Ways and Means oversight jurisdiction, such as the Commerce Department, State Department (payments to international organizations), etc.

13. Trade Relations with China. The Subcommittee will continue to examine China's progress in acceding to the WTO and will monitor China's compliance with its WTO obligations.
14. Miscellaneous Reforms of U.S. Customs Laws and Practices. The Subcommittee will likely hold oversight hearings on Customs procedures to streamline the entry process and facilitate the movement of goods. The Subcommittee will follow up on the Customs study required by H.R. 4868 (106th Congress) concerning streamlining and expediting the entry process and will continue to work with Customs on the Entry Revision Project. In addition, in light of a GAO study requested by Chairman Crane which found that the Office of Regulations and Rulings at the Customs Service did not issue rulings timely, the Subcommittee will continue its oversight to ensure that Customs is making the changes needed to address this concern. Finally, the Subcommittee will review GAO's conclusions regarding Customs self-inspection program and take any needed action.
15. Sanctions Reform. In response to the dramatic growth in the imposition of unilateral economic sanctions and their impact on U.S. trade and competitiveness in international markets, the Subcommittee will continue its oversight on the use and effectiveness of U.S. unilateral trade sanctions. In addition, the Subcommittee will work for passage of the "Enhancement of Trade, Security, and Human Rights Through Sanctions Reform Act" to establish a procedural framework for the consideration of future U.S. unilateral sanctions. Among other things, this framework would require that Congress and the President consider a number of factors before imposing future unilateral trade sanctions, including the likelihood that a proposed sanction will achieve its intended objectives and whether the achievement of those objectives outweigh any likely costs to United States foreign policy, national security, economic, and humanitarian interests. In addition, the legislation would ensure that the public has an opportunity to comment on proposed unilateral trade sanctions before they are imposed.
16. U.S. Policy Toward Cuba. The Subcommittee will consider and review the findings of an International Trade Commission study requested by the Committee pursuant to section 332 of the Tariff Act of 1930 on the economic impact of U.S. sanctions with respect to Cuba. The ITC's report is due in February 2001 and will include an overview of U.S. sanctions with respect to Cuba, a description of the Cuban economy and trade regime, and an analysis of the historical impact of U.S. sanctions on both the U.S. and Cuban economies.
17. Trade Relations with Japan. The Subcommittee will continue its oversight of U.S.-Japan trade relations, focusing on the necessity for Japan to implement broad structural reforms, including deregulation of its economy, reform of its banking system, improved transparency, and the opening of its distribution system to eliminate exclusionary business practices.
18. Permanent Normal Trade Relations with Jackson-Vanik Countries that Join the WTO. At present, many countries whose trade status is subject to the Jackson-Vanik amendment to Title IV of the Trade Act of 1974 are in the process of joining the WTO. The Subcommittee will continue to monitor the progress of these countries in negotiating accession to the WTO and will consider country-specific legislation authorizing the President to determine that the Jackson-

Vanik amendment should no longer apply as a country becomes a WTO member. Currently, the Subcommittee is aware that Armenia and Moldova may join the WTO in the near future.

19. Trade Adjustment Assistance. The Subcommittee will continue its oversight and consider reauthorization of the general TAA programs for workers and firms, as well as the NAFTA-related TAA programs. All of the TAA programs will expire on September 30, 2001.

20. Generalized System of Preferences. The Subcommittee will continue its oversight of and consider the reauthorization of the Generalized System of Preferences which expires on September 30, 2001.

21. Asia Pacific Economic Cooperation Forum. The Subcommittee will continue to review the status of U.S. trade policy objectives in Asia, particularly in the Asia Pacific Economic Cooperation Forum negotiations.

22. User Fees. The Subcommittee will continue its oversight of Customs user fees, including the amount of the fees and their relationship to the actual cost for providing services. The Subcommittee will examine issues surrounding the Consolidated Omnibus Reconciliation Act of 1985 (COBRA) account, especially whether the account contains sufficient resources to fund inspectional services and whether revised fee collections are needed.

23. Rules of Origin and Country of Origin Marking. The Subcommittee will review and continue to consult with the Administration and the trade community on the status of the rules of origin negotiations underway in the World Customs Organization; update rules of origin and country of origin marking to implement those negotiations so they reflect current business production, sales, and distribution practices; review whether U.S. law and U.S. Customs enforcement efforts are effective in preventing unlawful transshipment; review labeling requirements of U.S. trading partners with respect to meat, fresh produce, forged hand tools, and genetically modified products.

24. Normal Trade Relations with the Lao People's Democratic Republic. In 1997, the United States and the Lao People's Democratic Republic concluded a bilateral commercial agreement which calls for a reciprocal extension of normal trade relations. In the 107th Congress, the Subcommittee will continue its oversight of bilateral relations between the United States and Laos.

25. Drug Interdiction. The Subcommittee will hold a hearing to review U.S. Customs Service activities (and other Federal efforts) to interdict illegal drugs.

Subcommittee on Health

1. Management of the Health Care Financing Administration. The Subcommittee will hold a hearing to evaluate the management of the Health Care Financing Administration (HCFA) and to explore changes that could be made to improve its organization and efficiency.

2. MedPAC Report and Recommendations. The Subcommittee will hold a hearing on the Medicare Payment Advisory Commission's (MedPAC) 2001 recommendations to Congress

regarding Medicare payment policies. Every year, MedPAC's panel of health care experts makes recommendations to Congress and its Committees with jurisdiction over the program.

3. Medicare+Choice Program. The Subcommittee will hold a hearing to examine the structure and operation of the Medicare+Choice program with particular focus on ways to stabilize and expand access to the program and to examine the efficiency of the funding structure of the program.
4. Progress in the Development of Prospective Payment Systems. The Subcommittee will hold a hearing to assess the progress and monitor the operation of the various prospective payment systems (PPS) in the Medicare program, including the payment systems for home health, hospital outpatient, hospital inpatient rehabilitation and other services furnished to Medicare beneficiaries.
5. Health Care Quality. The Subcommittee will hold a hearing to examine health care quality issues, including changes in the health care market place that affect consumers and small providers.
6. Administrative Simplification under the Health Insurance Portability and Accountability Act (HIPAA) of 1996. The Subcommittee will hold a hearing on the implementation of administrative simplification requirements of HIPAA and their potential effect on providers.
7. Medicare Waste, Fraud and Abuse. The Subcommittee will hold a hearing on the enforcement of laws to combat waste, fraud and abuse in the Medicare program and what steps might be taken to improve their application. In addition, the hearing will examine whether steps can be taken to improve the application of these laws so that providers, and small providers in particular, are not unnecessarily hampered.
8. Medically Uninsured. The Subcommittee will examine options to reduce the number of individuals and families without health insurance.
9. Benefits. The subcommittee will examine the adequacy of the current benefit package and review whether changes are needed in areas such as out-patient prescription drugs, mental health care, breast cancer, chronic care and the ESRD program.
10. Other Issues. Further hearings will be scheduled as time permits to examine certain additional aspects of Medicare program management.

Subcommittee on Human Resources

1. Welfare Reform. The Subcommittee will conduct a series of hearings to prepare for reauthorization of the welfare reform law. Issues of particular interest to the Subcommittee are the impact of welfare reform on children and families, and the use of welfare funds to promote family formation including pro-marriage initiatives, abstinence education, and fatherhood. The

Subcommittee also will examine the use of sanctions, mandatory work programs, and time limits to achieve self-sufficiency.

2. Child Care. Under welfare reform total Federal funding to States for child care was increased by about \$4 billion over 6 years. The Subcommittee will examine whether States are experiencing problems with the availability, cost, or quality of child care, focusing especially on whether States are using all the Federal funds available to them for child care.
3. Child Support Enforcement. Given the dramatic decline in the welfare caseload, the financing and distribution of child support orders has become an important issue in the States. The Subcommittee will examine proposals to simplify and improve the collection and distribution of child support payments to families both on and off public assistance. In addition, the Subcommittee will hold hearings to examine how child support programs are financed, with special attention to the decline in the welfare caseload.
4. Supplemental Security Income (SSI). For the past several years the SSI program has been on the General Accounting Office list of programs at high risk of waste, fraud, and abuse. The Subcommittee will conduct a hearing on various proposals to reduce this risk.
5. Child Protection. The General Accounting Office has determined that there exists a lack of accountability in state use of foster care funds. The Subcommittee will hold hearings to examine accountability in the foster care system, focusing especially on outcomes of the newly established Federal review system and the implementation of the 1997 Adoption and Safe Families Act. In addition, the Subcommittee will examine various proposals to provide more flexibility in the financing of the child protection system. Finally, the Subcommittee will consider the reauthorization of the Safe and Stable Families program which provides grants to states for family preservation, community-based family support, time-limited family reunification, and adoption promotion and support services.
6. Unemployment Compensation. The Subcommittee will conduct hearings on the nation's unemployment compensation system. Several issues, including comprehensive reform proposals that would increase State flexibility in designing and administering the unemployment compensation program, will be examined in these hearings.

Subcommittee on Social Security

1. Social Security Trust Fund solvency issues. The Subcommittee will hold a series of hearings to examine various issues affecting the well-being of individual recipients and the long-term solvency of the Social Security Trust Funds. In addition the Subcommittee will examine work incentives to delay retirement, senior tax burdens, impacts of the global aging crisis, and Social Security coverage issues.
2. Use of the Social Security Number (SSN). The Subcommittee will continue their examination of the use of the Social Security number (SSN) as an identifier and the degree to which such use contributes to identity theft and Social Security program fraud. Legislative options to restrict the use of SSNs in both the public and private sectors will also be reviewed.
3. Disability program reform and oversight. The Subcommittee will hold a series of hearings on the Social Security Disability Insurance (DI) program, including: the Social Security

Administration's (SSA's) implementation of the *Ticket to Work and Work Incentives Improvement Act*; oversight of SSA's disability program management, including efforts to improve workload processing at both the initial application and appeals levels; and a comprehensive review of the challenges facing individuals with disabilities today and the degree to which Social Security disability programs address those challenges.

4. Stewardship of the Social Security programs. The Subcommittee will conduct oversight hearings to examine the management of the Social Security programs, to assess their potential vulnerability to fraud, and to explore legislative remedies, including provisions to protect beneficiaries whose benefits are managed by representative payees.

5. Service delivery. The Subcommittee will continue its ongoing oversight of SSA's service delivery as the agency prepares to address the service needs of aging baby boomers while facing the loss of one half of its workforce due to retirement. The Subcommittee will address the agency's management of information technology, efforts to modernize service delivery to meet the changing expectations of today's customers, plans to recruit and retain new workers, and initiatives to educate the public on Social Security programs and the challenges they face.

Subcommittee on Select Revenue Measures

As directed by the Chairman of the full Committee, the Subcommittee on Select Revenue Measures will conduct hearings and develop legislation on a variety of tax issues. In some cases, the Subcommittee's work will build upon the findings of the Oversight Subcommittee.

This list is not intended to be exclusive. The Committee anticipates that additional oversight activities will be scheduled as issues arise and/or as time permits.

Sincerely,

William M. Thomas
Chairman