

# House Policy Committee

*Christopher Cox, Chairman*



108<sup>TH</sup> CONGRESS REPORT

*Convened January 7, 2003*

## D E D I C A T I O N

During the 108th Congress, the Policy Committee lost two of its most distinguished chairmen, former Reps. John Rhodes and Barber Conable, Jr. We also lost a great friend and a brilliant scientist who served on the Committee's Congressional Policy Advisory Board, Dr. Edward Teller. And during the Second Session, America honored the passing of the greatest inspiration for our Republican policy agenda, President Ronald Reagan.

John Rhodes, the third Chairman of the Republican Policy Committee, died August 24, 2003. He was the longest serving chairman while the GOP was in the House Minority, serving from 1965 until 1973. Chairman Rhodes built a GOP policy foundation that eventually yielded the policy-based Contract with America and thereby empowered the GOP to overcome 40 years of one-party House control. Even today, the Policy Committee follows the model established by Chairman Rhodes, working with all House Republicans to achieve policy consensus and putting the best interests of the nation above the politics of the day. Policy Committee archives include Chairman Rhodes' position papers on topics ranging from appropriations to the Peace Corps, and are still consulted for their wisdom.

The fourth House Policy Chairman, Barber Conable, Jr., died November 30, 2003. Chairman Conable served from 1973 until 1977, and his influence continued to be felt during the 108th Congress. On June 24, 2004, the House considered legislation to reform the Budget Act of 1974, which Chairman Conable analyzed in a Policy Statement in 1975. "Major legislative efforts are needed to rein in 'uncontrollable' items," Chairman Conable wrote, "and to establish a new pattern of legislative authorizations and appropriations. The new budget procedure is no panacea." The Democrats' new budget process, Chairman Conable accurately predicted, would lock us "into a higher tier of uncontrollable spending for future years."

Dr. Edward Teller, one of the 20th century's most accomplished scientists, died September 9, 2003. Among his contributions was his service, together with several current Bush administration officials, on the Policy Committee Congressional Policy Advisory Board. Dr. Teller joined Policy Advisory Board Members Donald Rumsfeld (himself responsible for strengthening the Policy Committee during his House service), Paul Wolfowitz, Condoleezza Rice, Dick Cheney (a former Policy Committee Chairman), and Fred Iklé, in assisting House Republicans to establish national security policy for the 21st century.

On June 5, 2004, President Reagan passed away at age 93. Current Chairman Chris Cox served President Reagan as White House counsel, while the Policy Committee's work during the Reagan administration under Policy Chairman Dick Cheney proved critical to confronting the Soviet Empire, sustaining support for freedom in Central America, promoting missile defense, and establishing a policy of peace through strength. In the Committee's 56 years of work, it has always aspired to establish policy to make President Reagan's City on the Hill shine a little bit brighter.

As the GOP celebrates its 150th Anniversary this year, the intellect and patriotism of each of these Americans serve as an inspiration to the Policy Committee, setting a standard to which we will always aspire.

**CHRISTOPHER COX**  
CHAIRMAN  
48<sup>TH</sup> District, California



ROOM 2471  
RAYBURN HOUSE OFFICE  
BUILDING  
(202) 225-6168

**PAUL WILKINSON**

EXECUTIVE DIRECTOR

**WILLIAM SCHULZ**

CHIEF COUNSEL

**House Policy Committee**  
**Congress of the United States**  
Washington, DC 20515-6549

Dear Colleague,

The 108th Congress has been among the most important for Republican policy in the 150 years since the founding of our party.

This is no small assertion. The Republican Party has proven the most effective political organization in the history of the world. From President Lincoln's work with Republican majorities in Congress to save the Union, to the Reagan-Bush leadership that brought victory in the Cold War and the collapse of Communism, Republicans have freed millions of people from slavery at home and abroad.

During the past two years, Republican policy leadership has led directly to the liberation of Iraq and Afghanistan. The Iraq Liberation Act, which established the U.S. policy of regime change, was originally conceived and written in the Policy Committee. Today, the U.S. leadership that this inspired is bringing the hope of freedom to 53 million women and men. Americans are more secure because where terrorists once found safe harbor, today women are attending school and practicing their professions, children are being vaccinated, and democracy is taking hold. Over 25 million Iraqis are now free from the dictatorship of one of history's worst mass murderers—who killed over one million of his fellow citizens. Over 400,000 bodies of men, women, and children have been discovered in mass graves since liberation.

The Republican-led effort to defeat terrorism by spreading freedom and democracy abroad has been matched by historic victories for freedom at home. For a record tenth year in a row, House Republicans voted to cut tax rates. Thanks to our pro-growth policies, and despite the heavy costs of the war on terrorism, economic growth is stronger today, and unemployment is lower today, than it was during each of the last three decades.

In the 109th Congress, the Republican Policy Committee will continue to promote the policies of individual freedom, democracy and human rights, lower taxes, limited government, and a strong American that have made our nation great. I look forward to continuing our work together as your colleague and as your House Policy Committee Chairman.

Sincerely,

A handwritten signature in blue ink that reads "Chris".

Christopher Cox





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# The Republican Ideal

Today's Republicans are continuing a 150-year quest to expand the rights and opportunities for individuals to control their own lives. Through lower taxes; individual control over retirement savings and health care decisions; reform of monopolistic abuses of individual freedom by unions and trial lawyers; and genuine choice in education, Republican policies are advancing the cause of individual liberty.

During his service in the House, the man who would be the first Republican president gave voice to the fundamental Republican principle of individual freedom. On December 1, 1847, Abraham Lincoln of Illinois spoke to the House about the importance of low taxes: “to each laborer the whole product of his labor, or as nearly as possible, is a most worthy object of any good government.” The first Republican presidential candidate, John C. Fremont, stated the Republican ideal clearly: free minds, free markets, free expression, and unlimited opportunity. These are the classical “liberal” ideas that are also the foundation of the American system of government—freedom of the individual; government as servant and not master of the people. Republicans proudly call ourselves “conservatives” today not because we aspire to the status quo, but because we believe these timeless ideals are worth conserving, for our age and for our heirs.

Republicans understand that government cannot legislate prosperity, equality of wealth, or even happiness, but that our Declaration of Independence and our Constitution contemplate political systems and government institutions that free individuals to build prosperity, work for financial reward, and pursue happiness. This difference is crucial: the Founders recognized, as we must in our own time, that the objects of any political system will never be perfectly achieved. Inequality, poverty, the arrogance of elites, environmental degradation, unfair competition, inadequate health care, and oppressive taxation all represent a status quo that Republicans seek to overthrow. Political conservatism does not imply resistance to change, but rather preservation of the ideals and the republican form of government that will help us to change for the better.

In the 21st century, Republicans remain the champions of free minds, free markets, free expression, and unlimited opportunity. The leading organized opposition to these ideas, now as at our party's founding, comes from the Democratic Party in the form of “politically correct” speech, government ownership and regulation of enterprise, an insistence on equal outcomes instead of equal opportunity, and an unwillingness to see people as individuals, rather than members of groups. As the organization that led the fight to abolish slavery, enacted constitutional civil rights for *all* persons, and established women's voting rights—first here at home and then from Moscow to Kabul to Baghdad—the Republican Party stands now and has always stood for liberality in the classic sense: freedom of the individual.



In the 108th Congress, Republicans continued a Policy Committee initiative first launched in 1991, and enacted the most significant reforms in the history of Medicare—to increase the role of market forces on health care, to increase consumer choice, and to establish in law new options such as Health Savings Accounts.

Republicans enacted a long-time Policy Committee initiative (first proposed by House Policy Chairman Christopher Cox in a 1976 Harvard thesis, and introduced by him in legislation in 1992) by cutting the top marginal rate on dividends to 15%. Results so far include the unprecedented distribution of billions in profits to shareholders, billions in increased federal tax receipts, and the strongest economic growth since the Reagan tax relief of the 1980s.

In foreign policy, Republicans continued to implement the Iraq Liberation Act, developed by the Policy Committee in 1998. The Act was the cornerstone for the 2002 authorization of the use of force to accomplish regime change in Iraq and remains the basis for funding Iraq's transition from a socialist dictatorship to a market democracy. Republicans, led by former House Policy Chairman Henry Hyde, continue to work for Middle East democracy, and government of, by, and for people around the world.

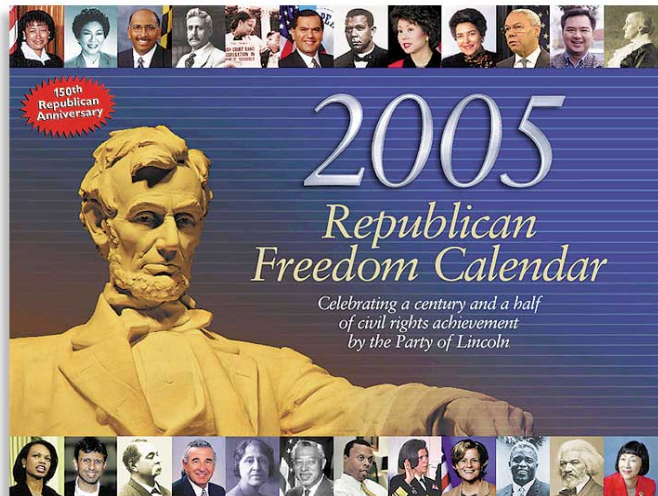
With President Bush's convincing victory in November 2004, the broad outlines of the Republican agenda for the 109th Congress have already emerged. Tax, retirement, health, and legal reform are critical to ensure that American workers remain competitive with the rest of the world. Support for freedom and democracy abroad are vital to protect liberty at home and to share our Republican vision with people around the world. Republicans today have landmark policy opportunities to expand the freedom of every American and to help the victims of authoritarianism, totalitarianism, and Communism abroad. Just as we have worked ceaselessly to achieve these goals since our founding, we will seize every opportunity to advance the cause of freedom.



# Freedom: The Fundamental Republican Principle for 150 Years

In 1854, anti-slavery activists organized themselves into the Republican Party, which would soon become the mightiest force for freedom and individual liberty in the history of the world. Within just a few years, Republicans would control both Houses of Congress, a majority of U.S. state governorships and legislatures, and the White House. Today, with millions of new immigrants and new minority voters deciding their party allegiance, it is more important than ever that Republican principles and achievements be clearly understood.

In the 108th Congress, the Policy Committee produced the Republican Freedom Calendar, to put some of the many important Republican achievements in advancing civil rights before today's students, families, and citizens from all walks of life who wish to be better informed about our national heritage. This extensive documentary history of the GOP as the party of inclusion, openness to individuals traditionally excluded from the political and policy making process, and ideas to help all people as individuals will prove invaluable in the coming years and decades as American society becomes increasingly diverse.



The Republican Party became the most effective political organization in the history of the world in advancing the cause of freedom by staying true to its founding principles. The mission that President Lincoln described for our party, “to lift the artificial weights from all shoulders and clear the paths of laudable pursuit for all,” remains our central focus today.

We started our party with the express intent of protecting the American people from the Democrats’ pro-slavery policies that expressly made people inferior to the state. Today, the animating spirit of the Republican Party is exactly the same as it was then: free people, free minds, free markets, free expression, and unlimited individual opportunity.



Leading the organized opposition to these ideas 150 years ago, just as today, was the Democratic Party. Then, just as now, its hallmark was politically correct speech; a preference for government control over individual initiative (and of course slavery was the most extreme form of government control over the individual); and an insistence on seeing people as members of groups rather than as individuals.

The Freedom Calendar project originated with a decision by the Policy Committee on June 19, 2003, marking the anniversary of Juneteenth. Participants included Deana Bass, the House Republican Conference Outreach Coordinator; Pamela Mantis, of the Republican National Committee; Phyllis Berry Myers, of the Centre for New Black Leadership; and Michael Zak, the author of *Back to Basics for the Republican Party*. Here are a few dates to celebrate Republican civil rights achievements in the 109th Congress:

### *5th Anniversary in 2005*

- **December 15, 2000** — President-elect George W. Bush nominates Colin Powell as first African-American Secretary of State
- **December 17, 2000** — Republican Alberto Gonzales named as first Hispanic to serve as White House Counsel by President-elect George W. Bush

### *15th Anniversary in 2005*

- **July 26, 1990** — President George H. W. Bush signs Americans with Disabilities Act, world's first comprehensive civil rights law for people with disabilities

### *50th Anniversary in 2005*

- **July 9, 1955** — Republican attorney E. Frederic Morrow becomes first African-American executive in White House; served as advisor to President Dwight Eisenhower

### *25th Anniversary in 2006*

- **July 7, 1981** — President Ronald Reagan nominates first woman to U.S. Supreme Court, former Arizona Supreme Court Justice Sandra Day O'Connor; as Republican legislator in Arizona, she was first woman to serve as Majority Leader in any state

### *50th Anniversary in 2006*

- **June 5, 1956** — Republican federal judge Frank Johnson rules in favor of Rosa Parks in decision striking down the “blacks in the back of the bus” law

### *150th Anniversary in 2006*

- **February 2, 1856** — Anti-slavery activist Nathaniel Banks (R-MA) becomes first Republican Speaker of the U.S. House of Representatives
- **February 22, 1856** — Republicans hold our first national meeting, in Pittsburgh; call for unity among all opponents of the Democrats' pro-slavery policies
- **June 17, 1856** — Republican National Convention makes John C. Fremont its first Republican presidential nominee, with slogan “Free soil, free labor, free speech, and Fremont”





# Freedom at Home

## Dividend Tax Relief

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If a fundamental GOP tenet is that each laborer should control the greatest share possible of the returns from his or her own labor, as Representative Lincoln held, and that we must establish an “ownership society,” as advocated by President Bush, then it follows that labor should be taxed no more than once, and not be subject to hidden taxes, such as those on after-tax savings and investment. Such taxes, while nominally imposed upon capital, are in fact borne by workers and consumers in the form of lower wages and higher prices. They are the most regressive, and inhibit economic growth so significantly that every time they have been eased, overall government receipts have increased. Republicans are working to repeal these taxes.

New Treasury Secretary John Snow met with the Policy Committee as the economic growth aspects of the most effective tax relief package of the past four years were being finalized in May 2003, and encouraged the House to continue its work on H.R. 50, to include the President’s proposal to completely eliminate the double tax on dividends, and to add capital gains relief. Secretary Snow also reiterated the administration’s long-term goal “to pass the 100 percent abolition of the double-tax on dividends.”

The principle behind abolishing the double tax was first introduced as legislation by Policy Chairman Cox in the 102nd Congress in 1992. It was the subject of a thesis he wrote at Harvard University in 1976. The May 2003 reduction of the personal rate on dividends to 15% effectively cut the combined individual and corporate tax rate from about 60% to about 45%. It has already resulted in increased economic growth, lower unemployment, and more investment in the American economy. In fact, as the dividend tax relief took effect and other tax relief was accelerated, CBO reported in December 2003 that higher tax receipts from economic growth had already offset the so-called “cost” of the lower rate to the government. Had the full repeal proposal been enacted, the Heritage Foundation’s Center for Data Analysis projected an increase in the size of the economy by an average of at least \$32 billion per year between 2003 and 2012, the creation of 325,000 additional jobs by 2012, and an increase in the capital stock of the U.S. economy by at least \$174 billion by 2012. In fact, CBO reported, federal tax receipts increased in 2004 after three consecutive years of decline, repeating a pattern seen in the early 80s, when complicated scoring rules forced the 1981 tax relief to be phased in, delaying its economic benefit until 1983.

Reduced dividend tax rates have the added benefit of protecting savings during stock market declines and reducing the across-the-board nature of such declines. Without a penalty tax on dividends, lower stock prices can be offset by dividend payments from healthy companies. The stock value of healthy companies will not decline as much as they would if the excess tax penalty on distributing profits to shareholders remained the law. The market stabilization effect of



lower dividend taxes and the income stream made possible by reduction of the double tax will also help assist in the creation of personal retirement accounts necessary to address long-term Social Security funding. It will also help those who are already retired: While seniors receive only 15 percent of all U.S. income, they receive roughly half of all dividend income. Finally, removing some of the disincentive for investors to receive dividends will increase market demand for dividends, improving corporate accountability by making opinions expressed in numbers less important than the difficult-to-fudge ability to routinely distribute cash.

## Policy Perspective: Regime Change in Scoring

Just as accounting conventions are an opinion and cash is a fact in business, so too does the lesson apply to government economic policy. Since 1995, the Policy Committee has endeavored to change the federal government system of “scoring” tax and spending legislation from one that is almost always wrong (and is biased in favor of higher taxes) to one that is accurate and useful to policy makers. Attendees at Policy Committee meetings on scoring included Joint Committee on Taxation chairs Rep. Bill Thomas and Sen. Charles Grassley; Budget (and CBO oversight) Chairman Jim Nussle; CBO Director Douglas Holtz-Eakin; and JCT Chief of Staff George Yin. In 2003, following sustained oversight from the Policy Committee, CBO issued an unprecedented analysis of the President’s fiscal plans taking into account the economic growth that would be created by lower taxes, and the economic contraction that would be caused by higher spending. This was the first official institutional scoring acknowledgment that fiscal policy affects the nation’s economic growth since the most left-wing Congress in history created today’s tax happy budget process in 1974. To mark this landmark occasion, the Committee published a Policy Perspective entitled “Regime Change in Scoring.”

THURSDAY, APRIL 3, 2003

Six years ago, the House Policy Committee published a Policy Perspective entitled “Why Congress Needs Accurate Scoring of Tax Rate Reductions.” Now, by considering the growth effects of tax rate reductions, the Congressional Budget Office has taken the most tangible step yet toward accurate estimating since the fall of the Democrat Congress in 1994. Accurate scoring is vital to the enactment of sound tax policy that will create jobs and grow the economy.

### A Failed Model

On June 9, 1997, the Policy Committee released a Policy Perspective documenting the long history of error in calculating the revenue effects of changes in tax rates. By ignoring the effect of tax rate changes on the economy as a whole, Congressional revenue estimates have been rendered notoriously inaccurate. For example, capital gains tax rate adjustments in 1978, 1981, and 1986 were scored by the Joint Committee on Taxation using economic growth forecasts that were identical with or without the proposed change in tax policy. In each case, JCT’s forecast was 180 degrees wrong. Where JCT predicted lower tax revenue, revenue rose; where JCT predicted higher tax revenue, revenue fell.



Finally, in 1997, revenue forecasters took exceptionally modest notice of the fact that reducing the capital gains tax could raise revenue—but badly underestimated just how much. A JCT prediction issued the same day as 1997's Policy Perspective forecast that capital gains tax revenue would rise in the first, second, and sixth years after the rate was reduced from 28% to 20%. In fact, capital gains revenue surged well beyond all expectations, growing more than 50% in the first three years after the rate was reduced, permanently elevating the economic baseline, and helping the federal government to pay down more than \$450 billion in public debt.

The huge federal budget surpluses that resulted in part from this surge in capital gains tax revenue had a negative effect as well: they initiated a spending spree that contributed to the loss of market confidence. Combined with the costs of the war against terrorism, this loss of confidence has slowed economic growth. Today, as Congress considers new legislation to reinvigorate economic growth and create new and better-paying jobs, it is vital that tax policy choices be informed by more accurate revenue forecasting.

## A First Step

For the first time, on March 25, 2003, empirical data derived from previous tax rate changes was used by CBO to estimate the effects of the President's budget proposal on the American economy. This much-anticipated "dynamic" analysis estimates that economic growth, after adjusting for inflation, would be 1.3% higher next year if the President's economic growth tax proposals are enacted. Moreover, unemployment would be reduced by a full point.

As a first attempt, CBO concedes that its analysis is far from perfect. Ironically, that concession goes far toward enhancing CBO's credibility. CBO's new presentation of how and why its numbers might vary makes it possible, for the first time, to appreciate the sensitivity of the forecast to various assumptions.

Budget Committee Chairman Jim Nussle, and Ways & Means Committee Chairman Bill Thomas, have already commended CBO's effort, while pointing out ways that the analysis could be made even more useful. One shortcoming both identified was the fact that the growth-enhancing measures were lumped together with the growth-retarding measures. Chairman Nussle noted that the CBO report:

... is an analysis of the President's entire budget, not just the President's growth package. CBO examined all of the President's policies—taxes and spending—to measure the effect all of those policies in sum would have on the economy. Although the economic growth package clearly generates positive economic outcomes, some of the policies in the President's budget do not (e.g., tax credit for the uninsured), and some policies have a slight negative effect on the economy (persistent budget deficits). ... The President's job creation package will help the economy and create jobs. CBO confirms what many private forecasters have said: that the President's proposals would boost economic growth (real GDP) and employment in the near term. Unemployed workers would have jobs sooner, and workers would have higher incomes than without a proposal such as the President's.

Meanwhile, Chairman Thomas notes:

What CBO found is that smart tax relief, notably the President's dividend proposal, has real



economic benefits. CBO also found that spending increases and inefficient tax cuts have economic costs. The net effect to the economy is only negative because tax cuts are eclipsed by spending increases.

## Conclusion

Republican economic policy is clear: to promote economic growth through lower taxes and fiscal responsibility. The empirical data derived from previous tax rate changes is finally being used to inform wise choices in tax policy that will help achieve economic growth. The CBO's report, delivered to the House Budget Committee on March 25, 2003, is a refreshing change and a new beginning.

Note: Revenue from the May 2003 tax rate relief, enacted the month after publication of this Policy Perspective, also exceeded forecasts. Federal revenues were up 5.5% from 2003 to 2004, dramatically higher than the 2% increase forecast as late as January 2004.

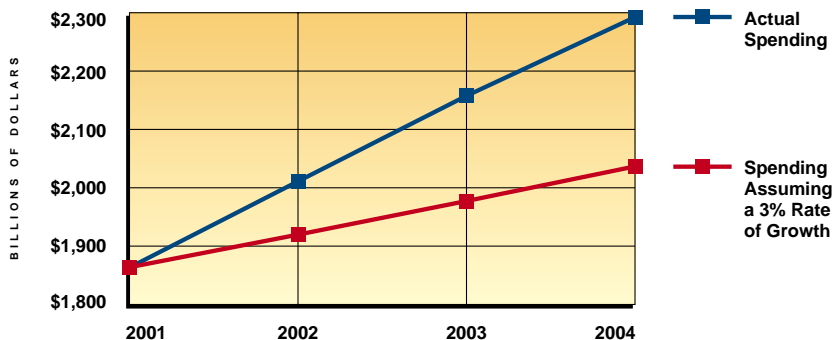
## Controlling Spending

Continuing its efforts from 2002 (when the Policy Committee led efforts to control supplemental spending by giving President Bush guaranteed veto protection against an over-budget supplemental bill), the Committee met and worked with both outgoing Office of Management and Budget Director Mitch Daniels and new OMB Director Josh Bolten to increase the pressure to cut out-of-control federal spending. Both officials assured the Policy Committee that the administration would increase its attention to controlling spending.

Only minimal progress has yet become apparent. According to the Congressional Budget

Office, "total federal outlays grew by about 6.4% in fiscal year 2004, a slower pace than the increases of 7.2% in 2003 and 7.9% in 2002, but still faster than the 3.5% average rate for the preceding 10 years." The 6.4% spending growth in 2004 included a 12.3% defense increase, an 8.4%

Spending Growth FY 2001-2004



Had spending been limited to a reasonable increase of 3% per year over the past three years, the government would have spent more than a quarter trillion less in 2004 than it actually spent.



Medicare increase, and a 9.7% Medicaid increase. Social Security benefits increased 4.5%.

These rates of growth in government spending far outstrip the growth of the economy upon which government depends for its support, the growth of the population, or inflation. CBO forecasts average economic growth of less than 3% during the next decade and inflation of about 2%. Meanwhile, population growth is about 1% annually. With that in mind, the Policy Committee has drafted a constitutional amendment to limit non-military federal spending increases to inflation plus population growth, which will help ensure the government can meet its Social Security obligations by placing a reasonable and enforceable limit on other spending. To the extent economic growth exceeds population growth, 100% of the extra revenue could be devoted to paying retirement benefits. That amendment will be finalized and formally introduced in the 109th Congress.

Even before the May 2003 tax relief, Policy Committee fiscal analysis showed that spending growth—far more than slowing economic growth—was the source of Washington’s first budget deficit in five years (see <http://policy.house.gov/annreport/>). Just six months after the tax relief, on December 5, 2003, CBO reported that the “income tax cuts enacted in May in the Jobs and Growth Tax Relief Reconciliation Act have reduced withheld receipts, but those effects have been roughly offset by the growing economy.” As economic growth created by tax relief continued, revenue continued to surge, increasing nearly \$100 billion from 2003 to 2004. However, spending increased even faster, by \$140 billion, resulting in a \$40 billion increase in the deficit. Further growth-enhancing legislation, in the form of spending restraint, lower tax rates, and other measures to help the economy such as legal and regulatory reform, must be enacted. That is why budget scoring that takes into account the economic growth effects of alternative fiscal policies is so important. (See “Regime Change in Scoring,” p. 8.)

## Policy Perspective: Resuscitating Health Care

The Committee has sought to protect Americans from excess costs imposed by onerous litigation in all aspects of life. For example, the Policy Committee led the way on protecting investors and workers through securities litigation reform, and championing legislation to reduce the costs of litigation associated with terrorism risk insurance. In 2003, the House acted to protect patients and doctors from sky-high medical liability costs. The Committee explained its work in a Policy Perspective entitled “Resuscitating Health Care.”

THURSDAY, MARCH 13, 2003

Every day, medical doctors give their patients the greatest gifts: hope and life. They mend our fractured bodies and our wounded spirits. They heal those who are suffering. Today, medical doctors are helping to heal another cause of suffering by leading the reform of our professional liability system.



Physicians, nurses, health care professionals, and their patients are leading this reform effort by telling politicians, the media, and the American people about the devastating impact of exploding liability costs on the quality, availability, and affordability of health care.

The medical liability system is a critically injured patient. But after being prepped for surgery in the House Energy and Commerce and Judiciary committees, on March 13, 2003, the House passed legislation, H.R. 5, to treat it. And with Dr. Bill Frist as Senate Majority Leader, the chances of the Senate agreeing to send this legislation to President Bush, who is anxious to sign it, are stronger than ever.

## The Disease

While medical doctors care for the sick and the injured with skill and dedication, the multi-million dollar lawsuit industry represents something altogether less creative, less valuable to society, and of absolutely no help in sustaining life or relieving patient suffering. The cost of lawsuits has triggered massive increases in the cost of professional liability insurance in many specialties. America faces a nationwide crisis that isn't just driving good doctors out of the profession, but also the best and brightest of our young people out of careers in medicine. It is devastating the quality and availability of care for millions of patients.

For doctors in all fields, professional liability insurance premiums are increasing at the highest rate in decades. The driving forces are enormous jury awards and outrageous settlement demands. According to a March 2002 study by Jury Verdict Research, the national median malpractice award is increasing 43% per year. This is unsustainable. The number of malpractice suits per doctor increased 25% in the 1990s. Today, the average physician faces a new lawsuit every single year.

A visitor from another country who learns of these data and knows nothing about the U.S. medical system might conclude that Americans must be very unhealthy. With so many lawsuits and a rising tide of damage awards there must be a terrible downward trend in the quality of care and patients must be suffering as never before. Certainly Americans must be dying at horrific rates as all of these incompetent doctors botch so many procedures.

The evidence shows just the opposite. Americans are healthier than ever before, enjoying the longest life expectancy in history. In the 20th century, life expectancy increased 30 years for the average American, and it continues to lengthen. The National Center for Health Statistics predicts that the average American born in 2010 will live to nearly 80—another all-time record high.

And let's be clear—this powerful trend of improvement in health and longevity is not just benefiting the elderly. In the past 50 years, according to a recent report from the Department of Health and Human Services, death rates among young people up to age 24 have fallen by half. Thanks in large part to American medicine, the rate of infant mortality, which has plunged more than 75 percent since 1950, continues its historic decline. Select almost any measure of health you wish—infant mortality rates, rates of mothers dying during childbirth, death rates from heart disease, stroke—and what you find is a powerful long-term trend of healthier Americans.

And yet this progress is now seriously threatened. Rising litigation costs, a growing incidence of lawsuits, greater damage awards, and more exorbitant settlement demands are placing an unsustainable legal tax on American healthcare.



For this reason, the House Energy and Commerce and Judiciary committees conducted hearings to explore the depths of this problem nationwide. The Congress has found a grave threat to patients' ability to get the care that they need:

- On June 30, 2002, Methodist Hospital in South Philadelphia, which had been delivering babies since 1892, closed its maternity ward and stopped delivering babies due to the rising costs of medical liability insurance.
- Last July in Nevada, physicians gave new meaning to the movie title “Leaving Las Vegas.” Liability costs forced southern Nevada’s only trauma center to close its doors, temporarily leaving Las Vegas as the only city of its size in the entire country without such a life-saving facility.
- More recently, surgeons in Wheeling, West Virginia walked off the job to protest the crushing burden of liability insurance. One of the surgeons, Dr. Gregory Saracco, told CNN that he had to borrow money twice last year to afford his insurance bills. His coverage will cost \$100,000 this year in West Virginia, where average physician wages are among the lowest in the nation.

## The Cure

Congress will act to an end this crisis so that patients are not denied the care they need. Doctors who want to serve their fellow citizens will no longer find it financially impossible to do so because of out-of-control liability insurance rates.

In fact, the House legislation is based on the solution enacted in California by a Democratic legislature and a Democratic Governor, Jerry Brown: the Medical Injury Compensation Reform Act of 1975, or MICRA. This legislation was first introduced by Chairman Cox in the 103rd Congress in 1993, and has been passed three times by the House—only to be stalled by Democrats in the Senate. In the current Congress, it is sponsored by Rep. Jim Greenwood (R-PA), and is titled the Help Efficient, Accessible, Low Cost, Timely Health Care (HEALTH) Act. The HEALTH Act includes the most successful provisions of MICRA and additional remedial provisions based on the past quarter century of experience.

MICRA has successfully limited increases in physician liability costs. Measured in constant dollars, the average California liability insurance premiums actually fell by more than 40% from 1976 to 2001. Just like MICRA, the HEALTH Act:

- Allows unlimited recovery of economic losses; that is, any medical cost, rehabilitation expenses, future lost wages, or anything else that can be measured in dollars. And it allows up to an additional quarter million dollars in non-economic damages—for “pain and suffering” or “injured feelings.”
- Puts reasonable limits on the amount of dollars that lawyers can take out of an injured patient’s recovery.
- Permits payment of future damages based on actual harm, rather than requiring a lump sum payment relying on uncertain forecasts of future harm.



Congress has built upon its experience in the quarter century since passage of MICRA to include additional provisions in the HEALTH Act to rein in reckless punitive damages and improve the availability of high quality health care throughout the country:

- Sensible standards for punitive damages. California’s law contains a laundry list of vague and ill-defined offenses for which punitive damages can be awarded—and the standards for punitive damages are conflicting. There is even greater conflict among all 50 states. The HEALTH Act clarifies that the standard for punitive damages is either malicious intent or deliberate failure to avoid unnecessary injury. In other words, a doctor who makes a completely innocent mistake may be spared punitive damages in addition to all the other damages if a jury finds the mistake was unintentional.
- Punitive damages must bear some relationship to actual harm caused. Under the HEALTH Act, punitive damages can be up to two times the amount of economic damages, which are unlimited. The HEALTH Act doesn’t cap punitive damages; it does give them at least some mooring to earth.
- No punitive damages if there are no actual damages. Finally, the HEALTH Act stops the practice of lawyers using the court to “send a message” or to strike out against “the system” when there is no actual harm to any of the parties in the lawsuit. In those cases, no punitive damages can be awarded.

Rationalizing the use of punitive damages—which more than any other aspect of the civil justice system are responsible for our lawsuit lottery—brings us closer to a system where patient health is the number one concern.

## Delivering Treatment

The Association of Trial Lawyers of America and its 56,000 members stand athwart the cure for excessive litigation costs that would be delivered by the HEALTH Act. ATLA has convinced itself that the best place to make split-second medical judgments is in the courtroom—after months and years of depositions and interrogatories. They believe the phenomenon of billionaire lawyers is a reflection of social justice.

Notwithstanding ATLA rhetoric, America is poised to win the war against abusive lawsuits and skyrocketing medical costs that are a result of lawsuit abuse. In the ten years since the HEALTH Act was first introduced by Chairman Cox, its support has grown from a handful of cosponsors to the enthusiastic backing of the House and Senate Leadership and the White House. The efforts of its current lead sponsor, Rep. James Greenwood of the House Energy and Commerce Committee, and the Speaker of the House, Dennis Hastert, have earned the HEALTH Act designation as a “Speaker’s bill,” H.R. 5. The low bill number signals the importance that the House Leadership attaches to this critical reform.

The HEALTH Act is about ensuring that the U.S. health care system remains the best in the world. It is about controlling vexatious and wasteful lawsuits that have little to do with compensating victims, and everything to do with enriching an elite group of trial lawyers. It is high time for medical justice. Thankfully, that time has come.





## Policy Perspective: Celebrating Cooperative Conservation

House Republicans acted on powerful environmental legislation in the 108th Congress, and look forward to Senate approval of much of it in the 109th. Yet the effort will not stop there. Individual freedom carries with it the responsibility to avoid imposing environmental damage, and to safeguard our planet for future generations. The United States has successfully reduced pollution while growing our economy, while non-market economies continue to exacerbate the world's pollution problems. The Policy Committee published a Policy Perspective describing GOP environmental accomplishments and our agenda entitled, "Celebrating Cooperative Conservation."

THURSDAY, APRIL 22, 2004

Today, on the 34th anniversary of the first Earth Day, Republicans mark over three decades of environmental progress and continuous commitment to a better environment for our children and grandchildren.

President Nixon's creation of the Environmental Protection Agency in 1970, which coincided with the first Earth Day that same year, marked the beginning of the modern era of national commitment to the environment. When the President's proposal for a cabinet-level Department of Environment and Natural Resources was opposed in the Democrat-controlled Congress—a similar proposal had been opposed by Sen. Robert F. Kennedy (D-NY) three years earlier—the Republican President put an indelible stamp on future national priorities by creating EPA even without specific statutory basis as a new, powerful, and independent administrative agency.

Today, all Americans can take pride in our achievements: cleaner air and water, healthier forests, greater energy efficiency, strongly protected flora and fauna, and a level of investment in green technology that our parents and grandparents 30 years ago could not have imagined. Under the leadership of President Bush and current EPA Administrator Michael Leavitt, Republicans are continuing to build on this impressive legacy. Cooperative Conservation, first announced by President Bush in January 2002 and the heart of Republican environmentalism, recognizes that all Americans who seek cleaner air, cleaner water, and abundant wildlife should be involved in environmental protection. It seeks cooperative alliances instead of unfunded mandates. It grants a lead regulatory role to the states when possible, thus permitting greater innovation and protective measures more closely attuned to local conditions. It achieves environmental goals through incentive-based concepts such as conservation easements and land exchanges.

This approach is the antithesis of the failed environmental efforts of Communist and authoritarian governments—most notably the People's Republic of China and the former Soviet Union—which rely on command-and-control of government-controlled enterprises rather than market forces and arm's length regulation to combat pollution. America's free market economy has generated more in dollars for environmental protection than all the world's governments combined, while Communist and socialist governments have (despite their passionate "green" rhetoric) proven to be the environment's most dangerous enemies.



Republican environmentalism recognizes that sound science and analysis must undergird successful environmental programs. And in the end, Republicans require results, not process-oriented measures of environmental program performance. The true measures of improvement are better air and water quality, not more bureaucracy and more government. Results-oriented GOP environmental initiatives include:

**Healthy Forests** — Catastrophic forest fires in 2000, 2002 and 2003 highlighted the importance of forest health to all Americans. The costs of wildfire suppression by federal agencies—not to mention the loss of the forests themselves—exceeded \$1 billion in just three years. The forest fire disasters were a tragic demonstration of how well-intentioned government actions can have unintended consequences, decimating rather than protecting our forests.

In response, Congress, with strong bipartisan support in both chambers, enacted the Healthy Forests Restoration Act of 2003. The new law focuses on the vulnerability of natural resources to wildland fires due to the buildup of hazardous fuels, and cracks down on red tape and frivolous litigation. It authorizes funds to accelerate hazardous fuels reduction, fire suppression activities, and experiments to restore the health and productivity of forests and rangelands.

**Protecting the Environment from Farming** — Legislation signed by President Bush on May 13, 2002, is today addressing environmental problems resulting from agricultural activities, including soil erosion and sedimentation; the destruction of wildlife habitat and wetlands; declines in water supply; increases in phosphorus and nitrogen build-up from fertilizer and animal wastes in surface and ground water; and air pollution. The new law dramatically increases funding for conservation programs. It emphasizes farmer-friendly incentives for conservation and environmental safeguards instead of unfunded, coercive regulations. Under this historic initiative, farmers are offered tangible financial support for addressing concerns such as soil or water quality. Cost-share and incentive payments are offered for environmentally sound nutrient management and soil quality enhancement practices.

Republicans have doubled the funding for the Environmental Quality Incentives Program, the Wildlife Habitat Incentives Program, the Wetlands Reserve Program, the Grassland Reserve Program, the Farm and Ranch Lands Protection Program, the Conservation Reserve Program, and the Conservation Security Program. Over \$28 billion will be devoted within the next ten years for restoration of millions of acres of wetlands, protection of habitats, water conservation, and reclamation of streams and rivers near farms and ranches.

**Clear Skies** — The Republicans' Clear Skies initiative will result in improved air and water quality, prolonged and healthier lives, millions of prevented illnesses, and millions of dollars in savings in health care costs every year. The legislation would reduce emissions from power generation of the three most harmful pollutants—sulfur dioxide, nitrogen oxides, and mercury—in a way that is much faster and more efficient than under current law.

Clear Skies combines cleaner air with the environmentally important goal of energy independence. It promotes energy diversity, and the reduction of emissions through retro-



fitting controls on existing plants. The market-based system will accelerate the development of technology for emission control, as has already been successfully demonstrated in the Acid Rain Program.

**Renewable Energy** — The government-produced electricity crisis in California, which cut off millions of families without electrical power repeatedly over a period of many months, highlighted the need for new power generation and distribution facilities to meet growing demand. The new investment offers an opportunity to increase our use of alternative sources of energy, and to reduce United States dependence on foreign oil. Already well developed technologies for production of renewable energy—such as hydropower, biomass, waste combustion, wind turbines, and photovoltaic systems—are being promoted by legislation enacted under Republican leadership in the 108th Congress. Programs to speed up the development and marketing of renewable energy technologies, infrastructure, and products, are underway through tax credits, tangible incentives, and prioritization in the federal budget.

Americans are now rewarded with residential tax credits when they use renewable wind or solar energy to power their homes; when they purchase vehicles powered by a fuel cell, hybrid or other alternative fuel; and when they install energy-efficient appliances in their homes. When they use energy efficient technologies, or purchase fuel cell power plants, businesses are eligible for tax deductions and credits. Overall, \$4.1 billion in tax incentives for renewable energy and hybrid and fuel cell vehicles has been authorized by the Republican Congress. And the nation's largest consumer—the Federal government—is now mandated to improve energy efficiency and increase its use of renewable energy.

**Energy Star** — Energy Star, a voluntary, market-based pollution reduction program resulting from cooperation between the EPA and businesses, is an example of how Republicans are making sound environmental practices go hand in hand with economic incentives. The program offers businesses and consumers ways to save energy (and their money), while helping to protect the environment for future generations. Today, more than 8,000 organizations are Energy Star participants.

**Hydrogen Highways** — Hydrogen power has the promise to dramatically reduce smog in urban environments, improve human, animal, and plant health, lessen our dependence on foreign oil, and cut greenhouse gas emissions. Moreover, according to the Natural Resources Defense Council, one of the nation's most prominent environmental advocacy groups, "One of hydrogen's primary advantages is that it can be produced from a diverse number of entirely domestic and renewable sources."

But in February 2004, the National Academy of Sciences reported that "hydrogen as a fuel will not be widely used until a nationwide safe and efficient infrastructure is in place." Currently, there are only a handful of hydrogen filling stations in place around the U.S. To address this urgent need, President Bush and the Republican Congress have led the way for future success in hydrogen and fuel cell research and development. In 2003, fuel cells received \$185 million in dedicated research funding, and in 2004, this was increased to \$234.5 million.



In addition, the House Republican Energy bill—H.R. 6—includes significant new incentives for research and development of hydrogen and fuel cells:

- Tax deductions for investments in hydrogen fueling stations. This deduction, up to \$150,000 per filling station, will provide a powerful incentive for the creation of a network of hydrogen fueling stations that is essential for consumers to be able to use hydrogen-powered cars.
- Tax credits for the purchase of hydrogen fuel cell vehicles. An even more generous tax credit is available if a vehicle achieves a particularly high increase in fuel economy.
- Funding for President Bush's "Freedom Car" and hydrogen fueling initiatives. H.R. 6 would provide over \$2 billion for these initiatives, aimed at accelerating the launch of hydrogen fuel cell cars into the commercial marketplace within 15 years.

Because hydrogen holds so much promise as a viable, sustainable, non-polluting source of power—a hydrogen-powered fuel cell produces only heat and water, and no environmentally harmful byproducts—Republicans are also advancing bipartisan legislation to enact dramatic across-the-board tax incentives for investment in the hydrogen economy.

H.R. 1180, introduced by Policy Committee Chairman Christopher Cox, H.R. 1180, will speed to market the fueling stations and infrastructure necessary for hydrogen vehicles to "fill up" on the road. By providing significant tax incentives for investment in hydrogen production, distribution, and retail sales, it will provide concrete rewards for everyone who takes steps to build our nation's needed hydrogen production, distribution, and retail sales network. It will put hydrogen fuel cell cars on the road much faster, help reduce our dependence on foreign oil, and go far toward giving urban residents the clean air they deserve.

This effort at the national level is being complemented by Republican Governors and legislators across America. One of our nation's leading Republicans, California Gov. Arnold Schwarzenegger, recently announced his own "Hydrogen Highways" initiative which will provide similar incentives and funding for hydrogen infrastructure in America's most populous state.

**Clean Water** — Safe water for Americans is one of the most important health and environment issues being addressed by the 108th Congress. On Earth Day 2004, House Republicans are advancing legislation (H.R. 1560) to authorize \$20 billion over five years for Clean Water Act programs.

**The Green Chemistry Act of 2004** — To reduce the use of hazardous substances, reduce landfill use, and improve air and water quality, the House passed legislation to promote green chemistry and chemical engineering by an Earth Day eve 402-14 vote. The bill establishes a focused federal effort to coordinate research and development, education, and technology transfer activities in these areas. When enacted, the law will facilitate changes in chemical products design and processes to stop pollution before it happens. An exemplar of President Bush's Cooperative Conservation, it makes all Americans a part of the solution and benefits individuals, firms, workers, the economy, and, most importantly, the environment.



## A Bright Environmental Future

We have much to celebrate on Earth Day 2004. Our environment today is far better than it was ten and 20 years ago. The volume of toxic chemicals released has declined 48% since the 1970s. SO<sub>2</sub> emissions have declined more than 33% from 1983; NO<sub>x</sub> emissions are down 12% from 1990. In one recent year, 2002, NO<sub>x</sub> emissions from coal-fired utility sources decreased by some 3.5 million tons.

Since the mid-80s, even as Americans drive more miles, total NO<sub>x</sub> emissions from vehicles, and emissions of volatile organic compounds, are down 40%. Average vehicle emissions have been cut, as improved designs and technologies make for cleaner, more energy-efficient vehicles.

Today, 94% of Americans have access to water that meets all health-based standards—up from 79% a decade ago.

But of course there is much, much more to be done. Since Republican President Teddy Roosevelt's vast expansion of our protected wilderness in the early 20th century and President Nixon's establishment of the EPA and the first Earth Day 34 years ago, Republicans have always been at the forefront of environmental protection. Our nation's most basic environmental laws were enacted with Republican leadership. Through cooperative conservation, sound science, and a fundamental appreciation for the earth that God created, Republicans renew our dedication on Earth Day 2004 to continue to lead America and the world toward a healthier, cleaner, and safer planet.

## Policy Statement: Economic and Homeland Security through Energy Independence

Nothing is more important to America's domestic security and economic future than energy independence. The House Republican energy agenda was set forth in the following Policy Statement:

WEDNESDAY, NOVEMBER 10, 2004

### The Challenge

Among the pre-eminent challenges of this American century is this: America must meet our energy challenge while growing American jobs with a spirit of entrepreneurship and enterprise akin to that which created the information technology revolution. The task is daunting, but the potential of American business and government to implement a national energy policy that increases U.S. productivity and energy capacity while using technology and efficiency to reduce pollution and demand for energy is clear and powerful.

Instability in the Middle East and the terrorist attack of 9/11 have led to heightened concern about ener-



gy security, the vulnerability of our energy infrastructure, and the critical need for alternative fuels. Today, key energy sources are in the hands of unstable nations, a serious threat to our national security and our way of life. Further, the 2001 electricity shortages in California brought a new emphasis to the role renewable energy should play in electricity supply and the delicate balance between energy supply and U.S. economic viability.

The goals of a dynamic technology-driven energy sector and improved environmental stewardship are complementary. Newer energy technologies are designed with environmental constraints in mind, and by increasing efficiency, imports and emissions are reduced. Any sound and comprehensive energy policy must both increase environmentally safe production and reduce consumption.

The United States must rapidly advance cleaner energy sources through new technologies, which can include energy efficiency and renewable energy technologies, clean coal breakthroughs that dramatically reduce CO<sub>2</sub> emissions, and the responsible development of safe, next-generation nuclear power capabilities, which do not produce greenhouse emissions.

During the past 26 years, no significant new oil refineries have been built in the United States, while demand for gasoline has risen 20% and demand for petroleum products 15%. Our nation's energy use is testing the capacity of existing delivery systems. Applying the universal law of supply and demand to these facts produced today's elevated gasoline and natural gas prices; and violations of those universal laws created energy shortages such as those in California and the Northeast.

The previous administration failed to develop a coherent energy policy. In contrast, the Bush Administration recognized the need for a comprehensive energy policy from its outset. Since September 11, 2001, terrorism around the world has left the United States in a still more precarious position requiring immediate and definitive energy solutions. A balanced approach, including investment in the research and technology necessary to develop energy solutions, will serve America and the world well. An energy revolution in the next few years could do for today's economy what the Internet revolution did for the economy in the late 1990s. A balanced energy policy recognizes potential gains from technology in both the production and use of energy, and also the need for increased domestic production and aggressive promotion of established and emerging renewable technologies, such as wind, solar, geothermal and hydropower.

## **The Solution**

House Republicans support a balanced energy policy for the 21st century. Specifically, Republicans support:

### **Renewable Energy and Energy Efficiency**

Energy efficiency must be the centerpiece of our national energy policy. This is accomplished by developing and deploying energy efficient technologies for buildings, homes, transportation, power systems, and industry. Republicans are working both to promote technological improvements and to reduce market barriers to their deployment.

Already well developed technologies for production of renewable energy—such as hydropower, biomass, waste combustion, wind turbines, and photovoltaic systems—are encouraged by legislation authored under Republican leadership in the 108th Congress. Programs to speed the development and



marketing of renewable and efficient energy technologies, infrastructure, and products, are also being boosted by tax credits, tangible incentives, and prioritization in the federal budget.

Overall, \$4.1 billion in tax incentives for renewable energy and for hybrid and fuel cell vehicles has been authorized by the Republican-controlled Congress. And the nation's largest consumer—the Federal government—is now mandated to improve energy efficiency and increase its use of renewable energy. Republicans support:

- New energy efficiency standards for goods using large amounts of energy
- Funding for research and development of competitive effective renewable technologies
- Tax policies that reduce the cost of designing and implementing renewable energy solutions
- Grid interconnection standards for renewable energy
- Increased federal government use of renewable energy
- Incentives for solar, biomass, and other renewable programs
- Increased hydropower production
- Reduced federal building energy use
- Expanding the Energy Star program
- Reauthorizing the Renewable Energy Production Incentive program

### **Building the Hydrogen Economy**

Hydrogen power, which can be produced with domestic, renewable resources, could dramatically reduce smog, cut greenhouse gas emissions, improve health, and reduce dependence on foreign oil. Hydrogen fuel could be used in fuel cells to generate electricity and heat in cogeneration plants. Fuel cells could replace petroleum-fueled internal combustion engines in transportation. However, before a hydrogen economy becomes a reality, with hydrogen being used for transportation, power, heating, and a range of applications, cost effective infrastructures to store and deliver hydrogen power to the vehicle, appliance, home, and business must be established.

No one can accurately predict the course of development of a hydrogen economy, just as no one accurately predicted the course of the Internet economy. Yet just as the federal government helped create the Internet with a defense program, then helped build it with the Internet Tax Freedom Act, it can similarly complement federal research and development on hydrogen by protecting the emerging technology from tax policy that would slow its development.

To move toward a hydrogen economy, House Republicans support:

- Promoting the development of hydrogen fueling infrastructure, currently in its infancy, with tax policy that considers the unique hurdles that taxes may place in the path of technological development
- Funding President Bush's "Freedom Car" program
- Funding research on the basic and applied challenges in deploying a nationwide hydrogen economy
- U.S. leadership in developing international partnerships to advance a worldwide hydrogen economy



### **Long-Term Research and Development to Increase Electric Reliability**

Any national energy policy should contain policy provisions to assure that Americans have a dependable, affordable, and environmentally responsible energy production and delivery system. Long-term energy research and development will ensure that our power grid reliability and energy production system are the most efficient in the world. House Republicans know the importance of increasing electricity reliability, and support:

- Investment in critical electric transmission capacity and efficiency
- Development of electronic systems to improve transparency of electricity markets
- Improved operation and reliability of electric transmission networks by providing for open access to transmission lines
- Increased investment in the electricity sector by repealing onerous Public Utility Holding Company Act (PUHCA) requirements

### **Expand the Role of Nuclear Power**

The use of nuclear power in the U.S. is vital to reduce energy costs and protect supplies. Nuclear power produces zero emissions and moves our country toward cleaner air goals while providing lower-cost power. House Republicans support:

- Fully funding safe storage and handling of nuclear waste and research on its treatment
- Research and development of improved nuclear power plants to advance safe, proliferation-resistant, next generation nuclear power capabilities
- Streamlined applications for the licensing of safe, environmentally responsible nuclear reactors
- Increased cooperation with allies on reactor technology to improve the global environment and to eliminate the dangers of nuclear material and technology for WMD proliferation

### **Clean Coal Technologies**

The Clean Coal Power Initiative is designed to demonstrate advanced coal-based power generation technologies. The goal is to accelerate commercial deployment of advanced technologies to ensure the U.S. has clean, reliable, and affordable electricity. CCPI's demonstrated technologies will reduce pollutants to a small fraction of the levels of older, conventional coal-burning plants and ensure that coal will continue to be a substantial part of the nation's energy mix. CCPI is an integral part of making continued coal use possible, because of its effectiveness in dramatically reducing the pollution traditionally associated with coal. House Republicans support:

- Funding for the Department of Energy's fossil program for existing and new coal-based research and development
- Funding for the Secretary of Energy to continue to carry out the Clean Coal Power Initiative
- Continued research and development of employable carbon sequestration





## Increased Natural Gas Supply

To meet fast-growing natural gas demands, the U.S. depends upon domestic production, imports of dry gas, and imports of liquefied natural gas. Domestic energy production cannot be discussed without focusing on the natural gas resources on Alaska's North Slope, a major undeveloped proven energy source. Technology is improving drilling and completion techniques, thus improving access to gas. The development of Alaskan natural gas reserves, using liquefied natural gas and a natural gas pipeline, represent conventional, commercially proven methods to enrich our energy portfolio and help mitigate high energy prices. At the same time, Republicans recognize that dependence on foreign oil and the time it will take to develop alternative energy sources require continued attention to maintaining environmentally sound domestic oil production capability.

House Republicans believe natural gas plays a vital role in supplying our energy needs and support:

- Allowing more natural gas exploration and development by providing royalty relief for deep and ultra-deep gas wells
- The construction of a natural gas pipeline from the Alaskan North Slope to the lower 48 states
- Streamlined natural gas permitting
- Expanding the capacity of existing gas receiving terminals

## Energy Security

Congress must provide the resources to protect our energy infrastructure. The diverse private ownership of the bulk of our energy infrastructure helps meet our nation's goals of prevention, preparedness, and response, by ensuring that infrastructure is widely dispersed, and a vigorous sector of the economy stands ready to meet emergency demands. Prudent security measures remain necessary. House Republicans support:

- Intergovernmental agency coordination by the Department of Homeland Security to protect and monitor energy infrastructure
- Minimum national standards for private utility infrastructure security
- Supplementing the labor-intensive monitoring of energy lines and plants with new technology
- Protecting information on utility design

## Conclusion

Republicans have a clear vision to ensure that U.S. energy policy continues to provide for a robust and growing economy for America and the world. From renewable energy to improved efficiency; from the development of a hydrogen economy to dramatic improvements in electric reliability; from nuclear power to clean coal to natural gas to energy security; Republicans stand for proven, market approaches to sustain U.S. international economic competitiveness and protect our environment. The 109th Congress promises our best opportunity yet to make this vision a reality.



# Freedom Abroad

## Iraq, Afghanistan, and the Near East

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Free and fair elections are scheduled in Iraq in January 2005. This astounding milestone in the democratization of the Middle East is the latest result of policies first laid out in 1996 by the House Policy Committee, which initiated a policy of regime change in Iraq with a formal Policy Statement. Implementing the Policy Statement, Ben Gilman (R-NY), then Chairman of the International Relations Committee, and the Policy Committee conceived and drafted legislation ultimately approved by Congress as the Iraq Liberation Act. President Clinton signed it in October 1998.

Throughout the 108th Congress, the Policy Committee emphasized the need for a stable, democratic government in Iraq and brought increased national and international attention to the human rights atrocities committed by Saddam Hussein. It worked with the House International Relations Committee to coordinate a hearing where victims of Saddam's cruelty testified. It worked with Senate Republican Conference Chairman Rick Santorum and others to hold a bicameral, bipartisan meeting and news conference with participants from the Iraq Memory Foundation and the Holocaust Museum. And it played host to a large delegation of women Iraqi political leaders and arranged for them to continue their education in democracy by working one-on-one with sitting Members of Congress.

Early in 2003, Members met to consider policy towards both Iran and Iraq. Upon the liberation of Iraq, Under Secretary of the Treasury for International Affairs John Taylor, USAID Administrator Andrew Natsios, and Defense Secretary Donald Rumsfeld worked with the Committee on Afghanistan and Iraq reconstruction.

Starting in 1998, the Policy Committee met extensively with Iraqis who went on to become members of the Iraqi Governing Council after the nation's liberation. Among the hundreds of thousands of Americans who volunteered to serve in Iraq, in military and civilian capacities, were many House Republican staff who were intimately familiar with the rationale articulated by the Policy Committee. Since the liberation of Iraq, the committee has consulted Iraqis about Iraq's new pro-growth flat tax of 15% on corporate and individual income, the progress of infrastructure reconstruction, the timetable for the adoption of a constitution and the administration of free elections, and the need to write off Saddam's debts to France, Russia, Germany, and other creditors. Success in these areas has contributed to the fact that according to an October 2004 poll of more than 2,000 Iraqis by the International Republican Institute, 60% of Iraqis believe their nation will be ready for national elections in January 2005 and 85% say they will vote, despite the activities of terrorists in Iraq since its liberation.



## East Asia

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Since the Policy Committee published “American Strategy and Strength”—a 1960 report by then-Rep. Gerald Ford, Policy Chairman John Byrnes, and the Policy Subcommittee on Special Projects—the Committee has taken a special interest among House Republicans in supporting freedom abroad. When Vice President Dick Cheney chaired the Policy Committee in the 1980s, he used it to build support for a policy toward Latin America that has since resulted in freedom across all of the Americas, save Cuba. While continuing to focus on the Americas under the leadership of Freedom, Civil Liberties, and Human Rights Subcommittee Chairman Lincoln Diaz-Balart, attention has also turned to Asia.

### *Hong Kong and China*

The Policy Committee continued its tradition of acting in behalf of freedom in the 108th Congress, first playing host to a Hong Kong publisher and later meeting with a delegation of Hong Kong legislators opposed to an anti-subversion law that the Peoples’ Republic of China was attempting to impose on Hong Kong. The latter meeting included among its participants Martin Lee, the former Leader of the Hong Kong Democratic Party. Mr. Lee discussed the possibility of passing a series of laws that would provide for a safe harbor in news reporting.

The Committee drafted, introduced, and worked with the House International Relations Committee to enact H. Res. 277, on June 26, 2003, by a vote of 426-1. The legislation condemned the PRC-backed effort in Hong Kong to impose severe restrictions on freedom of thought, expression, and association. Under “Article 23,” proposed as an amendment to Hong Kong’s “Basic Law,” individuals and groups displaying or distributing publications critical of the government, or that “intimidate” the People’s Republic of China government, would be subject to charges of “sedition,” “subversion,” and “treason,” and subject to imprisonment or police searches without warrants. Also penalized would be people or groups writing op-eds, organizing peaceful protests, or otherwise working for change in government policy.

The resolution condemned such restrictions on freedom in Hong Kong, urged the PRC to end its insistence on the proposed implementation of Article 23, and called on the PRC to leave any revisions of Hong Kong law to a democratically elected legislature.

On the House Floor on June 26, 2003, Freedom, Civil Liberties, and Human Rights Policy Subcommittee Chairman Lincoln Diaz-Balart, noted the urgency of Congressional action:

Timeliness is critical here. Time is of the essence because of what the Chinese Communist regime is seeking to do precisely in these weeks in Hong Kong. It seems as though, Mr. Speaker, tyranny knows only one *modus operandi*, to repress the people by any means necessary to prevent dissent. We have seen this all too clearly with



the dictator only 90 miles off our shores here, off the shores of the United States. And now a bastion of freedom in the face of one of the most tyrannical regimes in the world is facing a dire threat. Hong Kong may soon have its important freedoms destroyed by the so-called People's Republic of China, the PRC. In an act of complete cowardice and desperation, the PRC has prepared new legislation called Article 23 of the Basic Law, which seeks to severely restrict the freedoms of the people of Hong Kong. The communist government in Beijing is pressuring the local government in Hong Kong to pass this legislation before July 9. Freedom of the press and freedom of expression are in great jeopardy because of this legislation. The actions of the Chinese regime fly in the face of promise made by Beijing of 'one country, two systems,' a 50-year commitment that was made to the world to preserve Hong Kong's respect for human liberties. But a mere 6 years after the British handed Hong Kong to the Communist Chinese, we see that the totalitarianism has no patience. It cannot stand to see the failures of its regime in the very face of the shining example that Hong Kong has been of freedom and civil liberties.

In response to unprecedented Hong Kong street demonstrations, which were encouraged by U.S. support, authorities in Hong Kong and Beijing indefinitely postponed a vote on implementing Article 23. Policy Chairman Cox praised the action, but said, "Delaying this vote is only the first step. The Hong Kong Government must ensure that the freedoms enjoyed by its people are protected permanently."

Early in 2004, the PRC intervened in Hong Kong again, ordering a delay in reforms to move toward universal suffrage in the region. Hong Kong democrats returned to the Policy Committee and again sought support. Chairman Cox introduced H. Res. 667 on June 9, 2004, declaring that the people of Hong Kong should be free to determine the pace and scope of constitutional developments in Hong Kong. The Chairman of the Foreign Affairs Committee of the National People's Congress objected to this legislation in a meeting in Beijing with U.S. Congressional staff, including Policy Committee staff, in July, calling it "inaccurate." Staff noted that the legislation, which merely reported the NPC's public action and stated U.S. policy, was in fact accurate. The House approved it 345-0, 1 present, September 13, 2004.

In his role as Policy Chairman, Rep. Cox has promoted freedom in East Asia through his continued service on the Board of Directors for the National Endowment for Democracy; enactment of a resolution condemning the unlawful detainment of Tiananmen Square massacre witness and U.S. resident Yang Jianli; enactment of a resolution noting the 15th anniversary of the massacre; and meeting with and publicly announcing support for exiled Chinese writer and democrat Xu Wenli. Xu was exiled from the PRC after being imprisoned for 16 of the previous 21 years. He and Chairman Cox discussed the fate of the hundreds of political prisoners still being held by the PRC at that time, including Wang Youcai, who was exiled on March 4, 2004, and Qin Yongmin, who remains in custody.



## North Korea

The United States Congress has sought to hear from Hwang Jong-Yop, the highest-ranking defector ever to escape North Korea, since shortly after his arrival in South Korea in early 1997, to gain insight into the world's most isolated regime. After repeated attempts to facilitate his travel to the United States, the Policy Committee succeeded in arranging for Dr. Hwang to travel to the United States and meet privately with Members in the Speaker's Dining Room in the Capitol on October 30, 2003—31 years after Dr. Hwang began 11 years of service as the Speaker of the North Korean Supreme People's Assembly. Dr. Hwang also met with the International Relations Committee, visited the House Floor with Chairman Cox, and met with Chairman Cox and Speaker Hastert.

Members learned about Dr. Hwang's transformation from a loyal servant of the North Korean regime to one of the strongest advocates for democracy on the Korean peninsula. Dr. Hwang explained how Kim Jong il ruthlessly obtained total control over the North Korean system, provided insight into the inner circle that supports Kim Jong il, explained how Kim Jong il uses the security services and military for internal control and overseas manipulation, and detailed the regime's exploitation of humanitarian aid from the outside world. He concluded that the task is not to meet Kim Jong il's demands, or alleviate the troubles caused by his failing policies, but to bring about the end of his cruel regime.

Dr. Hwang's visit helped focus attention on North Korea so that on October 4, 2004, the House gave its final approval to the North Korea Human Rights Act, which supports international efforts to provide asylum to victims of Kim Jong-il's regime. President Bush signed it into law October 18, 2004, prompting North Korea's state-run news agency to prove Dr. Hwang's points about Kim by threatening that it "is the immutable pluck and temperament of our army and people to answer the sword of the enemy with a rifle and the enemy's rifle with a gun. It is like the midsummer dream of a dog for the U.S. to seek to pull down and destroy the socialist system of the DPRK by brandishing such human rights stick as the 'North Korean Human Rights Act.'"

In fact, it is conceivably within the power of the People's Republic of China to bring down the Kim Jong il regime by simply opening its border and allowing its victims to flee, as happened when West Germany welcomed East Germans. The Policy Committee will continue to monitor the delicate conditions in North Korea in the 109th Congress.

## Russia

Since the Policy Committee published its landmark report of the Speaker's Advisory Group on Russia in 2000, "Russia's Road to Corruption: How the Clinton Administration Exported Government Instead of Free Enterprise and Failed the Russian People," freedom in Russia has



continued to suffer ill effects from U.S. policy in the 90s. President Vladimir Putin has responded to corruption and economic failure by consolidating power and shrinking voter influence on Russia's government.

Most recently, President Putin proposed to replace elected regional governors with appointed officials and to require proportional party elections for Duma seats. In the 2000 presidential debates, President Bush criticized Vice President Al Gore's failure to speak clearly to Russian Prime Minister Viktor Chernomyrdin, his counterpart on the Gore-Chernomyrdin Commission responsible for much of the failure in the 90s. Since then, President Bush has made clear U.S. support for democracy in Russia; President Bush raised the subject of Putin's conduct in the 2004 U.S. presidential debates, noting that he told Putin personally that Russia's centralization would compromise the system of checks and balances necessary for democracy to operate.

The President's comments were consistent with advice the Policy Committee heard from world chess champion, foreign policy strategist, and Free Choice 2008 founder Garry Kasparov. He briefed the Policy Committee, including the elected GOP House Leadership, on threats to freedom in Russia on June 24, 2003, and again on May 20, 2004. Kasparov emphasized that the Kremlin continues to respect official U.S. opinion, and that public statements supporting democracy in Russia are constructive.

Because political and economic freedoms in Russia continue to be compromised by government attempts to control independent media organizations and a lack of clear rules governing commercial activity, the Committee also met on U.S.-Russia policy with representatives of the National Endowment for Democracy and Radio Free Europe. Policy Chairman Cox led a bicameral, bipartisan protest of Russian government behavior, joining House International Relations Committee Ranking Democrat Tom Lantos and Senators John McCain and Joe Lieberman in introducing legislation conditioning U.S. support for Russia's participation in the Group of Seven nations on improved rights in Russia. The legislation was approved unanimously by the House International Relations Committee on April 1, 2004. Chairman Cox also formed a group of House Members with the specific mission of working in the U.S. to deter further encroachments on liberty in Russia and encourage further reforms, and co-chaired a meeting with Dr. Irina Khakamada, the leader of Russia's Union of Right Forces Party, and President Putin's leading opponent in the March 2004 presidential elections.

## The Internet

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The Policy Committee in 2003 conceptualized and drafted the Global Internet Freedom Act, which would establish an agency of the U.S. government to defeat Internet jamming around the world for purposes of promoting free speech, freedom of the press, freedom of religion, and human rights. It was included as part of the State Department Authorization Bill passed by the House, but stalled in the Senate. It will be reintroduced in the 109th Congress.



# The Republican Agenda

In the 108th Congress, the House Majority enjoyed a strong Republican president, but a nearly evenly divided Senate hamstrung by minority Democrats who caused the death of over 80 Republican bills that had passed the House. The House Policy Committee's mission to enact Republican ideas into law will depend upon more successful cooperation between both houses of Congress and the Executive in the 109th Congress.

To meet these challenges, House Policy Chairman Cox, Senate Policy Chairman Jon Kyl, and their policy committee staffs are working together to advance GOP efforts. The 108th Congress saw the institution of regular meetings between the chairmen and staff of the two policy committees and a series of Bicameral Leadership Policy Dinners. Particular areas of House-Senate policy coordination included joint events on tax and spending policy, joint work on developing global non-proliferation policy, an event to bring attention to atrocities committed in Iraq under Saddam Hussein, and cooperation on judicial issues. Notably, when Senate Judiciary Chairman Orrin Hatch met with the House Policy Committee on judicial nominations, the two chambers reaffirmed their mutual interest in promoting a federal judiciary that respects legislative intent. Senate Foreign Relations Chairman Richard Lugar urged the Committee to support continued efforts to work with Russia to reduce the threat from Soviet-era nuclear weapons and materials. The committee staffs are also working closely together to ensure that GOP staff have access to the nation's top policy thinkers and experts.

In addition to building relations between the House and the Senate and the House and the executive branch, the full House Policy Committee remains focused on initiatives including:

- Restoring and enhancing U.S. competitiveness through tax, retirement, health, and legal reform
- Fundamental tax simplification, including overhauling or replacing the tax code and making tax relief permanent
- Working with the President, the Office of Management and Budget, the Senate, and the House to control federal spending so that Social Security obligations can be met, workers can afford to save more for retirement, and all Americans can enjoy retirement security
- Restoring the doctor-patient relationship and market controls on health care prices by giving tax equity to individuals who wish to purchase personal health insurance
- Reducing exorbitant legal and regulatory costs to reduce the cost of health care, improve the availability of drugs and vaccines, and reduce the hidden costs of creating jobs



- Promoting freedom, human rights, and individual liberty globally
- Permanently banning the transfer of nuclear technology to terrorist states and pursuing aggressive global counter-proliferation measures
- Enhancing the acclimatization of new immigrants to the United States through voluntary language and culture instruction
- Finding and supporting the enactment of good legislation through the House Priority System

## House Policy Subcommittees

Policy Chairman Cox, in consultation with House Majority Leader Tom DeLay, reformed the Policy Committee's seven subcommittees at the outset of the 108th Congress. The House Leadership designed these subcommittees to build Conference-wide support for Republican policy initiatives and to empower their chairmen and Members to speak authoritatively on matters within their jurisdiction. Each subcommittee is contributing to the policy arsenal responsible for making the Republican Party in the United States the most successful political organization in history.



### Biotechnology, Telecommunications, and Information Technology

**CHAIRMAN JERRY WELLER, VICE CHAIRMAN DARRELL ISSA**

Technology is at the heart of the most important national issues, driving the economy, protecting national security, improving education, growing the economy to reduce unfunded Social Security liabilities, helping to protect the environment, and holding the potential to revolutionize health care. The Biotechnology, Telecommunications, and Information Technology Subcommittee is developing technology legislation to create an environment with maximum choices for American consumers, expanded markets for U.S. technology at home and abroad, more efficient government, and additional jobs.

From broadband to the home to fighting international protectionism against technology-enhanced U.S. food products to promoting new drugs to fight disease in Africa, the Subcommittee is working with established and emerging industry leaders to ensure they are free to help others improve their lives with technology. In 2004, the Subcommittee published a Policy Statement setting forth the official technology agenda of the Conference that Republicans will pursue aggressively in the 109th Congress, entitled, "A Technology Agenda for Freedom, Economic Growth, Competitiveness, and Jobs."





# Policy Statement: A Technology Agenda for Freedom, Economic Growth, Competitiveness, and Jobs

WEDNESDAY, JULY 7, 2004

Since its inception in March 2001, the House Policy Subcommittee on Biotechnology, Telecommunications, and Information Technology has advanced legislation to enhance American technological innovation and create new jobs. GOP-led efforts to establish Internet tax freedom, limit the regulation of new technologies, and reduce the cost of investment by reducing the penalty tax on capital gains in 1997 and the double tax on dividends in 2003 helped protect and create millions of American jobs.

Meanwhile, other nations have observed our policy initiatives and are continuing their own efforts to compete. As Ireland slashes its corporate tax rate to 12.5% and Germany finally attempts to rein in bloated social spending, the EU tops 450 million consumers with its recent expansion and achieves GDP greater than that of the United States. America's long-term economic health, therefore, depends more than ever on sustaining our competitive edge in high level technological innovation. The House Majority will meet these competitive challenges.

Few bright lines remain between the "old" manufacturing sector, the "new" tech sector, and the permanent service sector. Yet the greatest opportunities for growth—and for the environmental improvements that technological progress makes possible—remain in technology. In a series of meetings organized by Policy Subcommittee Chairman Jerry Weller, in which the entire House Republican Conference participated, the Policy Committee developed our 2004-05 technology agenda—which has been circulated to the entire Majority membership for review. Today, after full consultation with and support from the House Majority, the House GOP is advancing the following technology agenda:

## **Enhance Technological Competitiveness, Expand Trade, and Build Markets**

- Make the Internet tax moratorium permanent
- Make the research and development tax credit permanent
- Support full disclosure of stock options on the balance sheet, not income statement
- Eliminate tax bias against stock compensation by reducing or deferring taxation
- Exempt qualified stock plans (Employee Stock Purchase Plans and Incentive Stock Options) from payroll tax withholding
- Replace technology depreciation with expensing for IT products and broadband deployment
- Nanotechnology tax moratorium to offset benefits of reduced externality costs
- Repeal the Gore Tax on telecommunications
- Repeal the Spanish-American War Tax on phone bills
- Investment incentives (including improved tax treatment of savings and investment in hydrogen-related energy technology, both advocated by President Bush)
- One-year tax exemption for dividends from foreign subsidiaries to repatriate foreign profits



- Accelerate legislative support for free trade agreements, including the Free Trade Area of the Americas (FTAA), and multilateral trade negotiations
- Accelerate adoption of a multilateral non-proliferation system to expedite trade in technology
- Establish a broadband consumer tax incentive

#### **Protect Intellectual Property**

- Enhance sanctions for both foreign and domestic patent and copyright infringement or misappropriation
- Provide broader confidentiality for proprietary research that must currently be disclosed by law
- Facilitate market-based, technology-based copyright solutions that do not stifle creativity and technological advancement
- Tax free database security
- Support broad and balanced public education about copyright and patent policy and law

#### **Accelerate Broadband Deployment**

- Remove regulatory burdens on competitive broadband deployment
- Establish spectrum rights protection equivalent to real property rights protection
- Reject “forced access”
- Create opportunity for private issuance of tax-free broadband bonds

#### **Reduce e-Commerce Barriers**

- Review state laws and regulations affecting e-commerce under Interstate Commerce clause with aim to eliminate e-commerce barriers
- Accelerate international negotiations to codify current moratorium on multiple and discriminatory Internet taxes
- Support implementation of recent spam legislation
- Apply common law of trespass to cyberspace, to fight spammers and hackers

#### **Enhance Competition**

- Review century-old antitrust doctrines and laws in light of global e-commerce, network effects, and fluid market boundaries
- Promote the application of government and academic funded research through commercial exploration in the private sector
- Restrict plaintiff “forum shopping” and end sky-high liability awards
- Reform government procurement policies to encourage competition from high-tech companies
- Reform business method patent issuances
- Assist the Patent Trademark Office in streamlining its operations by dedicating fees to the application process and authorizing refunds of excess fees to applicants
- Support efficiency and productivity through e-government
- Restrict government spending to compete against private sector solutions
- Deregulate the telecom technology sector to permit direct nationwide competition among telecommunications providers



### Enhance Homeland Security

- Invest in technology to facilitate seamless information sharing among the departments of Homeland Security, Defense, Justice, Health and Human Services; the intelligence community; and state and local law enforcement and first responders
- Establish secure information networks and enterprise architecture that will enable DHS to better coordinate federal-state-private sector communications and response to security threats
- Require that Homeland Security technology investments provide both security improvements and efficiency gains in the economy
- Align U.S. regulations with commercial best practices to reduce administrative burdens of selling cutting-edge technologies to the Federal government
- Provide incentives to encourage private sector investment in infrastructure protection
- Increase penalties for virus creation and dissemination

### Build a Skilled Tech Workforce

- Support the use of technology in:
  - Curriculum
  - Disadvantaged communities
  - Teacher training
- Support math, science, and technology programs
  - Increase number of teachers
  - Improve teaching techniques
  - Target disadvantaged students



## Civil Justice

### CHAIRMAN MIKE PENCE

Our civil justice system is badly broken. In 2002, the tort system alone cost \$233 billion, or over \$800 per man, woman and child in the United States. This drain of resources from productive pursuits benefits a small caste of trial lawyers at the expense of everyone else. It stifles job creation and technological and medical innovation, and drives up consumer costs, particularly health care costs, which, in large part due to malicious litigation, are increasing at five times the rate of inflation. Worse, the system fails the truly aggrieved: only 22% of tort costs actually go to pay for economic loss.

Given the need for reform, the Policy Committee established the Civil Justice Subcommittee at the beginning of the 108th Congress. The subcommittee has worked with the committees of jurisdiction to advance, and ultimately pass in the House, significant reforms to return the “justice” back to our civil justice system. Among major reforms, the House passed H.R. 5, the HEALTH Act, which would, among other things, limit out-of-control awards in medical malpractice cases for non-economic damages; H.R. 1115, the Class Action Fairness Act, which would reduce some of the more egregious class action abuses; and H.R. 4571, the Lawsuit Abuse Reduction Act, which will mandate sanctions for lawyers who file frivolous claims and motions in federal courts.



## Freedom, Civil Liberties, and Human Rights

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### CHAIRMAN LINCOLN DIAZ-BALART

Freedom House reports that 44% of the world's population, or 2.8 billion people, live in 88 "free" countries, with basic political rights and civil liberties; 21%, or 1.3 billion, live in 55 "partly free" countries; and 35%, or 2.2 billion, live in 49 "not free" countries, lacking basic liberty.

More than half the world lives under governments that fail to respect freedom. The Policy Subcommittee on Freedom, Civil Liberties, and Human Rights is working to advance freedom for all of these people, while protecting civil liberties and ensuring homeland security.

The Subcommittee continues the work of the 107th Congress Americas Subcommittee to combat dictatorship and support free trade among free peoples. It is working with Republican Representatives to ensure GOP legislation advances its mission, consistent with fundamental Republican principles; to develop new legislation; and to recommend appropriate oversight.

Among the matters to advance freedom considered by the committee in the 108th Congress were USAID policy; democratization in Iraq; North Korea policy (informed by an explanation of Kim Jong-Il's dictatorship from that nation's highest-ranking defector, Hwang Jong-Yop); Cuba policy (and protecting democracies under assault by Castro); the proper degree of U.S. intervention to promote democracy abroad; Haiti policy; emerging totalitarianism in Venezuela under Chavez; and U.S. strategy to improve the UN Commission on Human Rights.



## Redesigning Government

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### CHAIRMAN DAVID VITTER

In 1995, when Republicans gained control of the House after 40 years of Democrat rule, they faced not only a House institutionally structured to advance Democrat values and priorities, but a federal government more than three times larger than when a Republican last wielded the Speaker's gavel.

The Redesigning Government Subcommittee therefore has a two-fold mission: first, to work with the Republican Leadership and Conference to examine the committee structure and consider changes that advance the Republican priorities of lower taxes, less regulation, economic growth, and increased individual responsibility; and second, to review and identify ways to make the vast New Deal regulatory state both smaller in size and more responsive to the needs of its customers, the taxpayers.

The most damaging legacy inherited from the Democrats is the institutional bias towards increased spending. The Subcommittee has worked on significant potential changes, including budget process reform and a constitutional limitation on spending, that could end this bias. In addition, the Subcommittee and full Committee have continued to support the efforts of the Republican Leadership to ensure the continued functioning of the Congress in the event of a catastrophic attack. On April 22, 2004, Chairman Cox published a Policy Perspective in support of H.R. 2844, the Continuity in Representation Act, which will ensure prompt elections in the event of a disaster.



## National Security and Foreign Affairs

**CHAIRMAN HEATHER WILSON, VICE CHAIRMAN RON LEWIS**

The Subcommittee on National Security and Foreign Affairs has focused its 108th Congress work on combating the proliferation of nuclear weapons and materials to non-weapons states and non-state actors such as terrorists—among the most serious threats to homeland and international security. Existing international cooperative mechanisms have restrained nuclear weapons development by some countries, but have been most effective where least necessary. The spread of nuclear weapons to nations like Iran and North Korea threatens regional and global stability. Terrorist access to nuclear capabilities is a profound challenge to free societies.

Bush Administration successes, including the turn-about of Libya and exposure of the A.Q. Khan network, are notable, but starting points. An early 2005 Subcommittee report will help the 109th Congress develop legislation to continue such successes. The report will complement the Subcommittee's First Session report, "Differentiation and Defense: An Agenda for the Nuclear Weapons Program," which reviewed nuclear weapons policy and made recommendations to Congress for improving national security in light of diverse threats. Important elements were included in the 2004 Defense Authorization Act and are now law.

While the United States wages the war on terror, transforms its military, helps democratic governments in Afghanistan and Iraq, and combats global proliferation, U.S. defense and foreign policy is more important to the welfare of the American people than ever before. The Subcommittee will devote its 109th Congress work to assisting the House in achieving these objectives.



## Health

**CHAIRMAN MICHAEL BURGESS**

Chairman Burgess focused on an aggressive agenda to highlight principled solutions to the problems that face the U.S. health care system. Giving families the ability to meet their health needs with coverage options that meet 21st century realities through Health Savings Accounts, Association Health Plans, and consumer based safety net programs remain high priorities for the Health Subcommittee. Creating a framework that supports flexible and affordable health insurance free of stringent government restrictions will improve the quality of life for the uninsured and millions of other Americans.

Another priority is reforming our medical liability system. The cost of medical lawsuits has taken a serious toll on medical care, resulting in higher costs and reduced access to care. And there are excellent state reforms to emulate. For over 25 years, California has held down medical liability premiums and maintained access through caps on non-economic damages. More recently, Texas passed similar legislation that has already reduced medical liability premiums, brought insurers back to the state, and ensured access for millions. The Health Subcommittee will continue the push to finally enact medical liability reform into law in the 109th Congress.



## Tax Reform

### CHAIRMAN KENNY HULSHOF

Each year, taxpayers spend \$200 billion and six billion hours to comply with the Federal income tax system, according to the Tax Foundation. Compliance costs are regressive, with taxpayers with adjusted gross incomes below \$20,000 spending more than 4.5% of income on compliance.

Today, taxes are more complex than ever because of complex definitions of income, deductions, and credits; “phase-ins;” “phase-outs;” and an array of staggered, delayed, temporary, and expiring provisions. These complex provisions have not been designed to make the system fair or efficient, or to limit constraints on economic growth, but to contort generally improved GOP tax policy ideas into a complex framework of Democrat-established procedural legislative rules relying on notoriously inaccurate efforts to predict the revenue effects of tax law changes. Long before winning the majority a decade ago, House Republicans sought to reform and simplify both the federal tax system and the revenue estimating process that makes it so complex, but faced obstacles in the Senate—obstacles that are more surmountable today than ever before.

At the outset of the 108th Congress, the Policy Committee’s Subcommittee on Retirement Security, Capital Markets, and Tax Policy had fully and carefully considered strengthening retirement security in the 107th Congress. The administration had published its options to establish personal retirement accounts. And House GOP consensus on the need to improve capital markets by cutting double taxes on savings and investment was on its way to becoming law and would be enacted in May 2003.

Therefore, to focus the mission of the Subcommittee on its primary remaining mission, tax policy, the full Committee worked with Majority Leader Tom DeLay to replace the 107th Congress subcommittee with the new Subcommittee on Tax Reform. By the end of the First Session, on December 8, 2003, Speaker Dennis Hastert formally called upon Congress to restart a national debate on tax reform. Nine months later, at the Republican National Convention in New York City, President Bush agreed, calling for a major bipartisan tax reform effort in the 109th Congress.

The House undertook several tax reforms in the 108th Congress. In addition to cutting the double tax rate on dividends (page 7) and voting to end the Death Tax planning nightmare created by the resurrection of the Death Tax in 2011 after its repeal in 2010, the House considered other simplification initiatives developed under Policy Committee auspices. On June 2, 2004, the House voted 418-0 to permit millions of seniors to use a new one-page 1040SR tax form, similar to the 1040EZ. (Today, the IRS bans seniors from using the 1040EZ simply because it omits a line for retirement income.) And on July 21, 2004, the House voted unanimously to increase the income cap on the 1040EZ for the first time since 1982, from \$50,000 to \$100,000, giving 40 million additional taxpayers the option to use the 1040EZ and saving the federal government millions because shorter forms are less expensive to process.

Tax reform and tax simplification for economic growth are top 109th Congress priorities. After significant rate relief took effect with the signing of the May 2003 tax legislation, federal revenue is up for the first time since 2000. The time for new tax reform and simplification—and the additional economic growth and revenue it could create—is now. Today, with the leadership of President Bush, and with public frustration with the procedural hurdles clearer than ever, the opportunity to improve tax policy and tax law is better than ever.



# Selected Meetings and Events During the 108th Congress

|                          |  |
|--------------------------|--|
| <b>January 21, 2003</b>  | Briefing, Department of Defense FY04 priorities  |
| <b>January 28, 2003</b>  | Freedom and democracy in Hong Kong with journalist Kin-Ming Liu  |
| <b>February 4, 2003</b>  | Briefing, Pentagon transformation  |
| <b>February 13, 2003</b> | Bicameral Executive Session, U.S. policy toward Iran   |
| <b>February 27, 2003</b> | Executive Session with incoming CBO Director Douglas Holtz-Eakin   |
| <b>March 6, 2003</b>     | Executive Session with Budget Committee Chairman Jim Nussle (FY04 Budget); Sallai Meridor, Chairman, Jewish Agency for Israel (U.S. immigration policy initiatives)  |
| <b>March 20, 2003</b>    | Organization of the Committee in the 108th Congress; House Priority System; Indian gaming; Houses of Worship Free Speech Restoration Act   |
| <b>March 27, 2003</b>    | Executive Session with Ways & Means Chairman Bill Thomas, GOP tax policy; President's economic growth plan   |
| <b>April 3, 2003</b>     | Executive Session with Majority Leader Tom DeLay and Secretary of Energy Spencer Abraham on House energy bill; impact of the war on energy; President's hydrogen initiative; Policy Committee 108th Congress priorities  |
| <b>April 10, 2003</b>    | Subcommittee planning and goals  |
| <b>May 1, 2003</b>       | Secretary of the Treasury John Snow on tax relief for economic growth; eliminate the double tax on dividends; acceleration of personal tax rate relief   |
| <b>May 6, 2003</b>       | Dr. C. Paul Robinson, President and Director of Sandia National Laboratories (proliferation; lab security; weapons policy)   |
| <b>May 8, 2003</b>       | Office of Management and Budget Director Mitch Daniels on controlling spending   |
| <b>May 15, 2003</b>      | Under Secretary of the Treasury for International Affairs John Taylor and USAID Administrator Andrew Natsios (Iraq finances and reconstruction)  |
| <b>May 21, 2003</b>      | Secretary of Defense Donald Rumsfeld (defense priorities, including Iraq and Afghanistan)  |
| <b>June 5, 2003</b>      | Martin Lee of the Hong Kong Democratic Party and a delegation of democracy leaders from Hong Kong (Peoples' Republic of China media control in Hong Kong)  |
| <b>June 12, 2003</b>     | Iraqi National Congress leader Ahmed Chalabi (regime change in Iraq)   |
| <b>June 19, 2003</b>     | Juneteenth anniversary session on GOP Civil Rights Agenda with Pamela Mantis, Republican National Committee; Phyllis Berry Myers, Centre for New Black Leadership; Michael Zak, author of <i>Back to Basics for the Republican Party</i> ; and Deana Bass, House Republican Conference |
| <b>June 24, 2003</b>     | Garry Kasparov, world chess champion and U.S.-Russia policy strategist; representatives of the National Endowment for Democracy and Radio Free Europe (Russia policy)  |
| <b>July 10, 2003</b>     | Republican National Committee Chairman-elect Ed Gillespie  |
| <b>July 17, 2003</b>     | International tax policy with Ways & Means Chairman Bill Thomas  |



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|---------------------------|--|
| <b>July 24, 2003</b>      | U.S.-Iran policy with top GOP House Members and Iranian exiles   |
| <b>September 8, 2003</b>  | Joint briefing with Senate GOP Policy Committee on Tax Policy for the 21st Century   |
| <b>September 9, 2003</b>  | Biotechnology, Telecommunications, and Information Technology Subcommittee on the technology agenda  |
| <b>September 11, 2003</b> | Minimum Uniform Standards for U.S. driver's licenses   |
| <b>September 24, 2003</b> | Vice President Dick Cheney   |
| <b>September 25, 2003</b> | George Yin, Chief of Staff for the Joint Committee on Taxation, on budget scoring and tax reform   |
| <b>October 1, 2003</b>    | Iraqi Governing Council member Ahmed Chalabi on efforts to establish a Constitution  |
| <b>October 8, 2003</b>    | Health Policy Subcommittee meeting on policy for affordable health care  |
| <b>October 15, 2003</b>   | Health Policy Subcommittee meeting on long-term care with former Speaker Newt Gingrich and Rep. Nancy Johnson  |
| <b>October 21, 2003</b>   | Biotechnology, Telecommunications, and Information Technology Subcommittee on the technology agenda  |
| <b>October 30, 2003</b>   | Hwang Jong-Yop, North Korea's highest-ranking defector, on North Korea policy and nuclear proliferation  |
| <b>November 6, 2003</b>   | Senate Judiciary Chairman Orrin Hatch on pending judicial nominations, continuity of Congress, and legal reform  |
| <b>November 21, 2003</b>  | Office of Management and Budget Director Josh Bolten on tax relief, the economy, and Medicare  |
| <b>January 27, 2004</b>   | Future of democracy in Russia with Irina Khakamada, Russian presidential candidate   |
| <b>February 25, 2004</b>  | Freedom, Civil Liberties, and Human Rights Subcommittee meeting on Haiti policy with Assistant Secretary of State for Western Hemisphere Roger Noriega   |
| <b>February 26, 2004</b>  | Joint Policy Committee/Theme Team Meeting with Michael Reagan on communicating the Republican policy agenda  |
| <b>March 3, 2004</b>      | Policy Subcommittee on Freedom, Civil Liberties, and Human Rights meeting on U.S. Strategy at the UN Human Rights Commission, with Ambassador Jeane Kirkpatrick, Assistant Secretary of State for Human Rights Lorne Craner; and Freedom House Executive Director Jennifer Windsor   |
| <b>March 4, 2004</b>      | Martin Lee of the Hong Kong Democratic Party; Lee Cheuk Yan, member of the Hong Kong legislature and leader of the Hong Kong Confederation of Trade Unions; James To, solicitor and legislator; Law Yuk-kai, Executive Director of the Hong Kong Human Rights Monitor; and Minky Worden, Human Rights Watch (democracy in Hong Kong) |
| <b>March 9, 2004</b>      | Malaysian journalist and human rights activist Premesh Chandran (human rights in Southeast Asia, upcoming elections in Malaysia, and the role of the Internet in the democratization process)  |
| <b>March 11, 2004</b>     | Ambassador Paul Bremer, Coalition Provisional Authority (Iraq policy)  |
| <b>March 18, 2004</b>     | Executive Session with Michael Leavitt, Environmental Protection Agency Administrator (Republican environmental policy)  |
| <b>March 25, 2004</b>     | Executive Session with Majority Leader Tom DeLay (GOP legislative agenda)  |





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|---------------------------|---|
| <b>April 21, 2004</b>     | Freedom, Civil Liberties, and Human Rights Subcommittee briefing on Venezuela with Dr. Constantine Menges, senior fellow at Hudson Institute; Duke Banks, Director of Coordinadora Internacional  |
| <b>April 22, 2004</b>     | National Security and Foreign Affairs Subcommittee on U.S. nuclear nonproliferation policy with Ambassador John S. Wolfe, Assistant Secretary of State for Nonproliferation   |
| <b>May 20, 2004</b>       | Garry Kasparov, world chess champion, U.S.-Russia policy strategist, on the state of democracy in Russia  |
| <b>May 20, 2004</b>       | Executive Session on Budget Process Reform  |
| <b>June 3, 2004</b>       | National Security and Foreign Affairs Subcommittee on U.S. nuclear nonproliferation policy with former Undersecretary of State for Political Affairs Arnold Kanter  |
| <b>June 15, 2004</b>      | Meeting on Iraq, the Arab-Israeli peace process, the G-8 summit, and the reform process in the Middle East, with King Abdullah II of Jordan   |
| <b>June 17, 2004</b>      | National Security and Foreign Affairs Subcommittee on U.S. nuclear nonproliferation policy with Ambassador John S. Wolfe, Assistant Secretary of State for Nonproliferation   |
| <b>June 17, 2004</b>      | Executive Session with Ambassador to Iraq John D. Negroponte  |
| <b>June 22, 2004</b>      | Health Policy Subcommittee meeting with experts on insurance, employee benefits, and health care law (market incentives to control costs and increase quality and availability)   |
| <b>July 7, 2004</b>       | Executive Session to approve Policy Statement, "Technology Agenda for Freedom, Economic Growth, Competitiveness, and Jobs"  |
| <b>July 13, 2004</b>      | Health Policy Subcommittee with state, medical, and hospital officials on the state-level success of medical justice legislation and the need for federal legislation   |
| <b>July 15, 2004</b>      | Executive Session with Iraqi women elected officials, ministers, social leaders, and journalists  |
| <b>July 16, 2004</b>      | Bicameral briefing with Commissioners Michael K. Young and Nina Shea on the Annual Report of the U.S. Commission on International Religious Freedom   |
| <b>July 20, 2004</b>      | Executive Session on U.S.-Japan relations and cooperation in the war on terror with Diet Affairs Committee Chairman Hidenao Nakagawa; Budget Committee Director Kobayashi Yutaka; Public Campaign Committee Democratic Party Chairman Tarutoko Shinji; and Policy Research Committee Vice-Chair Matsui Koji |
| <b>September 23, 2004</b> | National Security and Foreign Affairs subcommittee meeting with Senator Richard Lugar on U.S. nuclear nonproliferation policy   |
| <b>September 29, 2004</b> | Health Subcommittee meeting on health care reform with representatives from the Council For Affordable Health Insurance   |
| <b>October 5, 2004</b>    | Health Subcommittee meeting on health care reform with Joseph Antos, American Enterprise Institute; Nina Owcharenko, the Heritage Foundation  |
| <b>November 16, 2004</b>  | Biennial Breakfast for New Republican Members   |



# Committee Membership

A larger GOP Conference and the success of the Policy subcommittees established in the 107th Congress prompted a record level of interest in Policy Committee service in the 108th Congress. The GOP Conference unanimously agreed to expand the committee to a record 49 Members:

## Elected Leadership (8)

J. Dennis Hastert, IL  
Tom DeLay, TX  
Roy Blunt, MO  
Deborah Pryce, OH  
Christopher Cox, CA  
Jack Kingston, GA  
John T. Doolittle, CA  
Thomas M. Reynolds, NY

## Designated Leadership (8)

Eric Cantor, VA  
John Abney Culberson, TX  
John R. Carter, TX  
David Dreier, CA  
William M. Thomas, CA  
C.W. Bill Young, FL  
Jim Nussle, IA  
Joe Barton, TX

## Elected by Steering Region (13)

Kevin Brady, TX  
Jim DeMint, SC\*  
Lincoln Diaz-Balart, FL  
Wayne T. Gilchrest, MD  
Bob Goodlatte, VA  
Darrell E. Issa, CA  
Tom Latham, IA  
Mike Pence, IN  
Jon C. Porter, NV  
Patrick J. Toomey, PA  
David Vitter, LA

Zach Wamp, TN\*\*  
Roger F. Wicker, MS  
Heather Wilson, NM

## Appointed by Speaker (17)

John Boozman, AR\*\*\*  
Michael C. Burgess, TX  
Shelley Moore Capito, WV  
Ander Crenshaw, FL  
Ernie Fletcher, KY†  
Phil Gingrey, GA  
Katherine Harris, FL  
Melissa A. Hart, PA  
Kenny C. Hulshof, MO  
Joe Knollenberg, MI  
Ron Lewis, KY  
Robert W. Ney, OH  
Rob Portman, OH  
John B. Shadegg, AZ  
Nick Smith, MI  
Jerry Weller, IL  
Joe Wilson, SC

## Elected by Class (3)

Bob Beauprez, CO  
Todd Russell Platts, PA  
Adam H. Putnam, FL

\* Resigned March 25, 2004

\*\* Succeeded Rep. DeMint, April 8, 2004

\*\*\* Appointed April 8, 2004

† Elected Governor of Kentucky;  
resigned from the House December 9, 2003



House Policy Committee Members gather on the steps of the Capitol—First row left to right: John Abney Culberson, TX; Robert W. Ney, OH; Jerry Weller, IL; Katherine Harris, FL; Roger F. Wicker, MS; Deborah Pryce, OH; Christopher Cox, CA. Second row left to right: John R. Carter, TX; Joe Wilson, SC; Adam H. Putnam, FL; Lincoln Diaz-Balart, FL; Phil Gingrey, GA; John B. Shadegg, AZ; Kenny C. Hulshof, MO; Zach Wamp, TN. Third row left to right: Jon Porter, NV; John Boozman, AR; Joe Knollenberg, MI; Mike Pence, IN; Nick Smith, MI; Michael C. Burgess, TX; Todd Russell Platts, PA.



# Subcommittee Membership

In the 108th Congress, the Policy Committee continued to advance the vision of the House Majority. The seven subcommittees worked to build on the Policy Committee's record of forward-looking achievement, which has run the gamut from tax scoring reform, the establishment of North Korea and Russia policy, and spending control, to making education, tax relief, national security, and retirement security national GOP priorities. The Policy subcommittee structure is designed to address the priorities for our nation's future and to reflect the vision of the House Majority for the current and future Congresses.

## **Biotechnology, Telecommunications & Information Technology**

*Chairman Jerry Weller*

*Vice Chairman Darrell E. Issa*

1. Joe Barton
2. Roy Blunt
3. Michael C. Burgess
4. Eric Cantor
5. John R. Carter
6. John T. Doolittle
7. Wayne T. Gilchrest
8. Bob Goodlatte
9. Kenny C. Hulshof
10. Tom Latham
11. Robert W. Ney
12. Mike Pence
13. Jon C. Porter
14. Rob Portman
15. Deborah Pryce
16. Adam H. Putnam
17. Thomas M. Reynolds
18. Nick Smith

## **Civil Justice**

*Chairman Mike Pence*

1. Joe Barton
2. Roy Blunt
3. Eric Cantor
4. Shelley Moore Capito
5. John R. Carter
6. John Abney Culberson
7. Jim DeMint

8. Lincoln Diaz-Balart
9. Phil Gingrey
10. Melissa A. Hart
11. Robert W. Ney
12. Jon C. Porter
13. Deborah Pryce
14. Thomas M. Reynolds
15. David Vitter
16. Roger F. Wicker

## **Freedom, Civil Liberties, & Human Rights**

*Chairman Lincoln Diaz-Balart*

1. Roy Blunt
2. John Boozman
3. Tom DeLay
4. David Dreier
5. Shelley Moore Capito
6. Eric Cantor
7. Ander Crenshaw
8. John T. Doolittle
9. Melissa A. Hart
10. J. Dennis Hastert
11. Darrell E. Issa
12. Jack Kingston
13. Tom Latham
14. Jon C. Porter
15. Thomas M. Reynolds
16. Patrick J. Toomey
17. David Vitter
18. Jerry Weller
19. Roger F. Wicker
20. Heather Wilson
21. C.W. Bill Young



## Health

*Chairman Michael C. Burgess\**

1. Joe Barton
2. Bob Beauprez
3. John Boozman
4. Shelley Moore Capito
5. David Dreier
6. Wayne T. Gilchrest
7. Phil Gingrey
8. Bob Goodlatte
9. Melissa A. Hart
10. J. Dennis Hastert
11. Kenny C. Hulshof
12. Jack Kingston
13. Jim Nussle
14. John B. Shadegg
15. Nick Smith
16. William M. Thomas
17. Patrick J. Toomey
18. Heather Wilson

## National Security & Foreign Affairs

*Chairman Heather Wilson*

*Vice Chairman Ron Lewis*

1. Bob Beauprez
2. John Boozman
3. Kevin Brady
4. John R. Carter
5. Ander Crenshaw
6. Lincoln Diaz-Balart
7. Phil Gingrey
8. Bob Goodlatte
9. Jack Kingston
10. Adam H. Putnam
11. Katherine Harris
12. Darrell E. Issa
13. Joe Knollenberg
14. Todd Russell Platts
15. Mike Pence
16. John B. Shadegg
17. Roger F. Wicker
18. Joe Wilson
19. C.W. Bill Young

\* Rep. Burgess was appointed chairman April 8, 2004, replacing Rep. Ernie Fletcher, who resigned to become governor of Kentucky

## Redesigning Government

*Chairman David Vitter*

1. Kevin Brady
2. John Abney Culberson
3. Tom DeLay
4. Jim DeMint
5. John T. Doolittle
6. Katherine Harris
7. J. Dennis Hastert
8. Joe Knollenberg
9. Tom Latham
10. Ron Lewis
11. Robert W. Ney
12. Jim Nussle
13. Todd Russell Platts
14. Rob Portman
15. Deborah Pryce
16. Adam H. Putnam
17. William M. Thomas
18. Joe Wilson
19. C.W. Bill Young

## Tax Reform

*Chairman Kenny C. Hulshof*

1. Bob Beauprez
2. Kevin Brady
3. Michael C. Burgess
4. Ander Crenshaw
5. John Abney Culberson
6. Tom DeLay
7. Jim DeMint
8. David Dreier
9. Katherine Harris
10. Joe Knollenberg
11. Ron Lewis
12. Jim Nussle
13. Todd Russell Platts
14. Rob Portman
15. John B. Shadegg
16. Nick Smith
17. William M. Thomas
18. Patrick J. Toomey
19. Zach Wamp
20. Jerry Weller
21. Joe Wilson



## House Policy Committee Chairmen — 1949-Present



### **Joseph William Martin, Jr. (1884-1968)**

Joseph William Martin, Jr., a Representative from Massachusetts, was born in Bristol County, Massachusetts on November 3, 1884. He was a reporter for the *Providence Journal* and publisher of the *Franklin Sentinel*. He was elected to the Massachusetts House of Representatives in 1912 and to the Massachusetts Senate in 1914 and was selected as Executive Secretary of the Massachusetts Republican Committee in 1922. Chairman Martin was elected to the 69th Congress and 20 succeeding Congresses (1925-1967). In Congress, he served as Policy Committee Chairman from 1949 to 1959. In addition to his service as Policy Chairman, Chairman Martin was elected Minority Leader throughout the 76th to 85th Congresses, except when he served as Speaker when Republicans controlled the House in the 80th and 83rd Congresses.



### **John Williams Byrnes (1913-1985)**

John Williams Byrnes, a Representative from Wisconsin, was born in Green Bay, Wisconsin on June 12, 1913. He graduated from the University of Wisconsin at Madison in 1936 and earned his law degree there in 1938. He practiced law until his election to the Wisconsin Senate in 1940. Chairman Byrnes served four years in the state senate, including one year as Majority Leader in 1943. Chairman Byrnes was elected to the 79th Congress and 13 succeeding Congresses (1945-1973). He served as Policy Committee Chairman from 1959 to 1965. Following his retirement from the House in 1973, he returned to the practice of law in Washington, D.C.



### **John Jacob Rhodes (1916-2003)**

John Jacob Rhodes, a Representative from Arizona, was born in Morris County, Kansas on September 18, 1916. Chairman Rhodes graduated from Kansas State University in 1938, and earned a law degree from Harvard Law School in 1941. After graduating from law school, he served in the United States Army Air Corps from 1941 to 1946 and as a staff advocate judge in the Arizona National Guard until he was elected to the 83rd Congress and 14 succeeding Congresses (1953-1983). Chairman Rhodes served as the Chairman of the Policy Committee from 1965 to 1973 and as the House Minority Leader in the 93rd to 96th Congresses (1973-1980). After his retirement in 1983, he returned to Mesa, Arizona where he resided until his death in 2003.



### **Barber Benjamin Conable, Jr. (1922-2003)**

Barber Benjamin Conable, Jr., a Representative from New York, was born in Wyoming County, New York on November 2, 1922. He graduated from Cornell University in 1942, and earned a law degree from Cornell Law School in 1948. Chairman Conable served in the United States Marine Corps during World War II and the Korean War. Following his discharge, he entered into private legal practice. In 1963, Chairman Conable was elected to the New York State Senate, where he served for two years until he was elected to the 89th Congress and nine succeeding Congresses (1965-1985). In Congress, he served as Chairman of the Policy Committee for four years, from 1973 to 1977. Following his retirement, Chairman Conable served six years as an Executive member and President of the World Bank.



### **Delwin Morgan Clawson (1914-1992)**

Delwin Morgan Clawson, a Representative from California, was born in Graham County, Arizona on January 11, 1914. He attended Gila College before moving to California to work for the Federal Public Housing Authority. He served as Manager of the Mutual Housing Association of Compton, California and was later elected to the Compton City Council. Chairman Clawson served four years on the Compton City Council and another six years as Mayor of Compton. He resigned after his victory in a special election to the 88th Congress, and he served in seven succeeding Congresses (1963-1978). In Congress, Chairman Clawson served as the Chairman of the Policy Committee for two years until his retirement in 1979. Following his retirement, he returned to Downey, California, where he resided until his death.

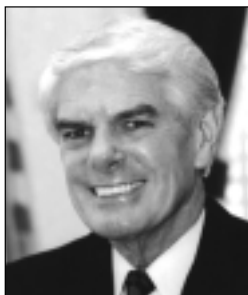


### **E.G. (Bud) Shuster (1932- )**

E.G. (Bud) Shuster, a Representative from Pennsylvania, was born in Allegheny County, Pennsylvania on January 23, 1932. He earned a bachelor's degree from the University of Pittsburgh, a master's from Duquesne University, and his doctorate from American University. Chairman Shuster served in the United States Army from 1954 to 1956. After his service in the army, Chairmen Shuster worked for RCA before starting a successful computer business. Chairman Shuster was elected to the 93rd Congress and 14 succeeding Congresses (1973-2001). In addition to serving as the Chairman of the Policy Committee for two years, Chairman Shuster also served as the Chairman of the Transportation and Infrastructure Committee.

**Richard Bruce Cheney (1941- )**

Richard Bruce Cheney, a Representative from Wyoming and a Vice President of the United States, was born in Lincoln, Nebraska on January 30, 1941. He attended Yale University, Casper College, and the University of Wyoming, where he earned both a bachelor's and master's degree. In 1969, Chairman Cheney joined the Nixon Administration, serving in a number of positions at the Cost of Living Council, the Office of Economic Opportunity, and within the White House. After his work with the Nixon Administration and a year in private business, he returned to the White House as Deputy Assistant to President Ford (1974-1975) and then as White House Chief of Staff (1975-1977). Chairman Cheney was elected to the 96th Congress and five succeeding Congresses (1979-1989). After serving as the Chairman of the Policy Committee from 1981 to 1987, Chairman Cheney was elected Minority Whip for the 101st Congress. In 1989, President George H.W. Bush appointed Chairman Cheney as the 17th Secretary of Defense. Following his tenure as Secretary of Defense (1989-1993), Chairman Cheney served as the Chairman and Chief Executive Officer of Halliburton Company until his election in 2000 as the Vice President of the United States.

**Jerry Lewis (1934- )**

Jerry Lewis, a Representative from California, was born in King County, Washington on October 21, 1934. He graduated from the University of California, Los Angeles in 1956. After working as a businessman and a member of the San Bernardino School Board, Chairman Lewis was elected to the California State Assembly in 1969. While serving in the state assembly, Chairman Lewis was elected to the 96th and 13 succeeding Congresses (1979-present). Chairman Lewis served as the Chairman of the House Policy Committee from 1987 to 1989. Chairman Lewis was also the Chairman of the California House GOP Delegation and Co-Chair of the entire state delegation. Chairman Lewis currently is the Chairman of the Appropriations Subcommittee on Defense and is the immediate past chairman of the VA-HUD and Independent Agencies Subcommittee.

**Marvin Henry (Mickey) Edwards (1937- )**

Marvin Henry (Mickey) Edwards, a Representative from Oklahoma, was born in Cleveland, Ohio, on July 12, 1937. He graduated from the University of Oklahoma with a degree in journalism and earned a law degree from Oklahoma City University Law School. Prior to being elected to Congress, he was a journalist. Chairman Edwards was elected to the 95th Congress and seven succeeding Congresses (1977-1993). Chairman Edwards served as the Chairman of the House Policy Committee from





1989 to 1993. After leaving the Congress, he joined the faculty of Harvard's Kennedy School of Government, where he taught for 11 years before joining the faculty of Princeton's Woodrow Wilson School of Public and International Affairs in January 2004.



### **Henry Hyde (1924- )**

Henry Hyde, a Representative from Illinois, was born in Chicago, Illinois on April 18, 1924. He graduated from Georgetown University with a bachelor's degree in History in 1947. He earned his law degree from Loyola University School of Law in Chicago in 1949. Chairman Hyde served in the United States Navy from 1942 to 1946 and in the Naval Reserve from 1946 to 1968. Chairman Hyde was elected to the Illinois House of Representatives in 1967, and served as Majority Leader.

Chairman Hyde was elected to the 94th and 15 succeeding Congresses (1975-present). Chairman Hyde served as one of the House managers for the impeachment proceedings of Judge Harry E. Clairborne and President William J. Clinton. In addition to serving as Chair of the House Policy Committee from 1993 to 1995, Chairman Hyde served as the Chairman of the Judiciary Committee and is currently Chairman of the International Relations Committee.



### **Christopher Cox (1952- )**

Christopher Cox, a Representative from California, was born in St. Paul, Minnesota on October 16, 1952. Chairman Cox graduated from the University of Southern California in 1973 and went on to graduate simultaneously from Harvard Business School and Harvard Law School in 1977. After law school, he served as a law clerk to Judge Herbert Choy of the Ninth Circuit Court of Appeals before joining the firm of Latham & Watkins in 1978, where he became a partner in 1984. In 1982, Chairman

Cox took a leave of absence to teach federal income tax at Harvard Business School. Two years later, Chairman Cox and his father founded a company that provided a complete English translation of the Soviet Union's leading daily paper, *Pravda*, which was used by government, academics, and Soviet analysts in 26 countries. From 1986 to 1988, Chairman Cox served President Reagan in the White House as legal counsel. He was elected to the 101st and eight succeeding Congresses (1989-present). Chairman Cox was elected to chair the Policy Committee starting in 1995. He has also chaired the Select Committee on U.S. National Security and Military/Commercial Concerns with the People's Republic of China (105th and 106th Congresses) and the Select Committee on Homeland Security (108th Congress).



# 108th Congress Rules

## CONFERENCE RULE 22

### **Committee on Policy**

The Committee on Policy shall be an advisory Committee to the Membership of the House Republican Conference. The Committee on Policy shall meet at the call of the Chair of the Committee on Policy or the Speaker, and shall discuss legislative proposals with Republican Members of the appropriate standing and special committees and with such other Republican Members as the Chair may invite to meetings.

The Committee on Policy shall report its suggestions for Republican action and policy to the Republican Members of the House. The Chair of the Committee on Policy may appoint, in consultation with the Speaker, such subcommittees from the Republican Members of the House for such purposes as may be deemed appropriate.

### **Composition**

The Committee on Policy shall be composed of:

- One Member elected from each region, state, or group of states under the Steering Committee structure.
- Two Members elected by the Sophomore class and one Member elected by the Freshman class.
- The Republican Leadership, as designated by Rule 2.
- A maximum of 15 members-at-large appointed by the Speaker.\*

### **Seniority**

The traditions and privileges of seniority shall not apply to membership of the Committee on Policy and the Committee may, at its direction, make such rules as are necessary for conduct of its business.

\* By unanimous consent, the Conference expanded the number of Speaker's appointees to 17 for the 108th Congress.

## POLICY COMMITTEE RULES

### **Rule I: General Overview**

Except as specified herein, the Rules of the Conference are to the extent applicable the rules of the Committee on Policy (the Committee).

### **Rule II: Chairman and Membership**

The Committee is composed of a Chairman, elected pursuant to Rule 3 of the Conference, and Members, designated pursuant to Rule 22 of the Conference.

### **Rule III: Meetings**

The Committee shall meet in Executive Session at 9 a.m. each Thursday when the House is in Session and at the call of the Speaker or Chairman. An Executive Session may be dispensed with if the Speaker or Chairman determines it is not necessary.

The Chairman of the Committee may designate a Member of the Committee as the Vice Chairman of the Committee. The Vice Chairman of the Committee may preside at any meeting or hearing at the request of the Chairman. If the Chairman and Vice Chairman are not present at any meeting or hearing, only a member designated by the Chairman shall preside.

### **Rule IV: Jurisdiction**

The Committee is the Majority's principal forum for the consideration of legislative initiatives, the enunciation of official Republican policies, and the resolution of inter-jurisdictional policy disputes in the Conference.

### **Rule V: Notice**

The Chairman, through the Clerk of the Committee, shall notify Members of the Committee of the subject matter of the proposed Committee action and the

time, date, and place of the meeting where such action is contemplated at the earliest possible time. If the meeting is at a time not established by Rule III, notice shall be given at least one legislative day prior to the action.

The Committee shall not act on business relating to a matter under the jurisdiction of a legislative House Committee less than one legislative day after the Chairman of the respective legislative Committee was notified of the pending action without the consent of the Chairman of the legislative Committee. The Chairman of the Policy Committee may consult the Parliamentarian of the House to determine legislative Committee jurisdiction over pending action.

When the House is not in Session, when the schedule of the House does not require the presence of a quorum in the House, or when a matter has been considered at a previous meeting of the Committee, the Committee may act upon the written or electronic notice and consent of a Majority of the Committee and, if applicable, the Chairmen of the legislative Committee or Committees with jurisdiction over the matter.

### **Rule VI: Subcommittees**

**General Provisions** — Except as specified herein, the Rules of the Committee are the rules of the subcommittees.

**Chairmen and Membership** — The Chairman may appoint, in consultation with the Speaker, Chairmen and Members of subcommittees. Members of the Committee may sit on no more than three subcommittees of the Committee, except for the Chairman of the Committee, who shall be an *ex officio* member of each subcommittee.

**Meetings** — Subcommittees shall meet only with the consent of the Chairman of the Committee.

**Jurisdictions** — The Committee shall have no more than seven subcommittees, with such jurisdiction as the Chairman shall determine.

# About the Committee

The first of eight major recommendations of the 1946 Joint Committee on the Organization of Congress was the consolidation of 81 legislative committees into 34. The second major recommendation was the creation of the Policy Committee.

The Joint Committee, which included among its 12 Members Sen. Robert La Follette, Sen. Claude Pepper, Sen. Richard Russell, and Rep. Everett Dirksen, envisioned the Policy Committee as the principal forum within each party for the consideration of forward-looking legislative initiatives, the enunciation of official policy positions, and the resolution of inter-jurisdictional policy among legislative committees. The Joint Committee also recommended that the Policy Committee “serve as a formal council to meet regularly with the Executive, to facilitate the formulation and carrying out of national policy, and to improve relationships between the executive and legislative branches of the Government.” The Policy Committee today serves each of these missions, as described in detail at <http://policy.house.gov>.

The Policy Committee was established by Conference Resolution on January 26, 1949. For its first ten years, Republican Leader Joe Martin (MA) served as chairman. In 1959, the Conference unanimously elected Rep. John Byrnes (WI), the ranking Republican on the Ways & Means Committee, as chairman after junior Members sought to strengthen the Committee to modernize GOP policy. In 1963, under Conference Chairman Gerald Ford, the Conference amended its rules to increase the number of newer Members on the Committee so that it more broadly represented “forward-looking Republican thinking.” With the support of Rep. Donald Rumsfeld (IL), future House Republican Leader Rep. John Rhodes (AZ) succeeded Rep. Byrnes in 1965, and served until 1973. Subsequent chairmen were future World Bank President Barber Conable (NY, 1973-77); Rep. Del Clawson (CA, 1977-79); Rep. Bud Shuster (PA, 1979-81); the current Vice President, Dick Cheney (WY, 1981-87); future Conference Chairman Jerry Lewis (CA, 1987-89); Rep. Mickey Edwards (OK, 1989-93); and current International Relations Chairman Henry Hyde (IL, 1993-95). Rep. Christopher Cox (CA) was elected Policy Chairman when Republicans won the House Majority in 1994.

The Policy Committee is comprised of the elected and appointed Republican Leadership; the chairmen of five key committees (Appropriations, Budget, Commerce, Rules, and Ways and Means); one Representative elected from each of the Nation’s regions; three Representatives elected by the two newest classes of Members; and 15 at-large members appointed by the Speaker.

R E P O R T  
OF THE  
JOINT COMMITTEE ON THE ORGANIZATION  
OF CONGRESS

PURSUANT TO  
H. Con. Res. 18



MARCH 4, 1946

**MAJORITY AND MINORITY POLICY COMMITTEES**

Strong recommendations were made to your committee concerning the need for the formal expression within the Congress of the main policies of the majority and minority parties. These representations called for some mechanism which could bring about more party **accountability for policies and pledges announced and made in the national platforms of the major political parties.**

\* \* \*

Your committee recognizes the need for freedom of action on the part of the individual Member of Congress and his right to vote at any time against the announced policy of his party. But we feel that **if party accountability for policies and pledges is to be achieved, stronger and more formal mechanisms are necessary.** The present steering committees, an informal and little-used device, seldom meet and never steer.

**We recommend** that these be replaced with the **formal establishment in the House and the Senate of majority and minority policy committees.** The majority policy committees of the two Houses would meet jointly at frequent intervals, as would those of the minority, **to formulate the over-all legislative policy** of the two parties. The majority policy committee of each House would also hold frequent meetings to consider its role in expediting consideration and passage of matters pledged to the people by their party.

On issues where party policy is involved the decisions of these policy committees would be formally announced in the proceedings of Congress and formal records would be kept of such decisions. No member of either party would be required to follow such announced party policy except as he chose to do so. Each member would be free to vote as he saw fit, but the record of his action would be available to the public as a means of holding both the party and the individual accountable.

\* \* \*

In order to narrow the widening gap between the executive and the legislative branches, we recommend that the Senate and House majority policy committees serve also on a formal council to **meet at regular intervals with the Executive and with such members of his Cabinet as may be desirable, to consult and collaborate in the formulation and carrying out of national policy and to improve relationships between the two branches of government.**

Improved understanding of each other's problems will be promoted by consultation before legislation is introduced to carry out pledged party promises and on matters of high administration policy. By giving congressional leaders a part in the formulation of policy, instead of calling upon them to enact programs prepared without their participation, better cooperation can be obtained.

\* \* \*

With the formal recognition of the policy committees and of their part in formulating majority and minority policy, adequate staffs should be provided by the Congress for their use. Careful study and research will be needed in order to arrive at sound decisions. To strengthen party machinery without giving it the tools to aid in policy making would be an idle gesture. The better equipped each party is adequately to survey the issues before making its decisions, the better these decisions will be.

House Policy Committee

108<sup>TH</sup> CONGRESS REPORT