



July 19, 2021

To: Members of the House Committee on Oversight and Reform

From: Thomas Aiello, Director of Federal Affairs, National Taxpayers Union
Andrew Lautz, Director of Federal Policy, National Taxpayers Union

Re: NTU's Views on July 20, 2021 Committee Markup

On behalf of the National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, we write to express our views on several measures slated for consideration before the House Committee on Oversight and Reform on July 20, 2021. NTU applauds the Committee for your continued efforts to advance legislation that improves government efficiency, enhances transparency, and protects taxpayers from wasteful spending. As such, **NTU strongly urges Committee members to support H.R. 1508, H.R. 2994, and H.R. 4125.** However, there are also proposals under consideration that would restrict free trade or increase federal spending. For these reasons, as well as reasons described below, **NTU urges Committee members to reject H.R. 564 and the Made in America Pandemic Preparedness Act.**

H.R. 1508, the Guidance Clarity Act. This bipartisan legislation introduced by Reps. Blaine Luetkemeyer (R-MO) and Jared Golden (D-ME) would require all federal agencies to include a guidance clarity statement that states the guidance is not issued in accordance with the rule-making process and therefore is not legally binding. While guidance documents are solely intended to clarify an agency's policy or interpretation of a regulation, agencies have recently used guidance to issue new policy as if it were a binding regulation. Since guidance is not subject to the same public process as formal rules, which are required to be shared with the public for comments and input prior to finalization, regulatory guidance documents can be used to circumvent public input. *NTU supports H.R. 1508.*

H.R. 2994, the Accountability for Acting Officials Act. This legislation, introduced by Rep. Katie Porter (D-CA) and cosponsored by eight other Members, would place prudent guardrails around presidents' use of acting officials. The Accountability for Acting Officials Act would ensure that neither President Biden nor any future president could attempt an ongoing end run around the Senate's constitutional role to advise and consent on executive branch appointments. The legislation places limits on the amount of time an official can serve in an acting capacity, especially those at the head of a federal agency or in a Cabinet position, and ensures that those serving in a temporary acting position in the federal government have the qualifications required by law or regulation for the position. While NTU appreciates the need for presidents to have flexibility in who they hire and fire, we believe the Accountability for Acting Officials Act strikes the proper balance between achieving this flexibility and ensuring Congress can continue to advise and content on important executive branch positions. *NTU supports H.R. 2994.*

H.R. 4125, the Keep The Watchdogs Running Act. This bipartisan legislation, introduced by Reps. Gerry Connolly (D-VA) and Jody Hice (R-GA) would give Offices of Inspectors General (OIG) authority to continue oversight of agency operations during lapses in appropriations. OIGs play an integral part in ensuring the departments and agencies within the federal bureaucracy are held accountable and taxpayer dollars are spent in a way that minimizes waste, fraud, and abuse. Unfortunately, when lawmakers allow government funding to lapse, OIGs and other government employees are generally required to shut down until an appropriations bill is signed into law. As a result, critical oversight of the government can come to a screeching halt or delay important investigations and reports. Thankfully, this legislation would keep OIG offices open and funded in the event of a government shutdown - a solution that allows taxpayers to know that their government is being held accountable even when it is closed. *NTU supports H.R. 4125.*

The Made in America Pandemic Preparedness Act. This legislation, introduced by Committee Chairwoman Carolyn Maloney (D-NY), would exacerbate future shortages by placing flawed protectionist policies on the production of Personal Protective Equipment (PPE). Specifically, this legislation requires certain federal departments to purchase certain PPE and other medical supplies domestically. This bill would waste taxpayer dollars and put more strain on global trade, likely leading to higher costs for taxpayers. Although the costs of such protectionist measures are often difficult to calculate, it can be said with certainty that requiring the government to purchase domestic PPE would increase costs at the taxpayer's expense. It is estimated that U.S. import taxes now cost the average American household \$555 per year.

In fact, NTU led a coalition letter of more than 250 professional economists against "Buy America" requirements on medical supplies. According to the economists, a "Buy America directive can also hamstring the ability of U.S. pharmaceutical and medical equipment manufacturers to meet our future needs if firms are denied access to essential foreign supplies."

In addition to the costs and economic policy concerns, what makes this policy so misguided is the fact that there is little evidence to support the claim that the United States is dependent on foreign suppliers. According to NTU's research arm, National Taxpayers Union Foundation, "more than 60 percent of medical supplies are made in the United States. China accounts for only 2.1 percent, leaving non-China imports at 37 percent." While there are legitimate concerns with the Strategic National Stockpile of PPE and other medical supplies, it makes little sense during a pandemic to require that these items solely be purchased domestically. *NTU opposes The Made in America Pandemic Preparedness Act.*

H.R. 564, Comprehensive Paid Leave for Federal Employees Act. This legislation, introduced by Committee Chairwoman Carolyn Maloney (D-NY) would create new time off benefits for workers employed within the federal bureaucracy. Specifically, H.R. 564 would provide federal employees up to twelve weeks of paid leave per calendar year for family and medical care. While NTU certainly recognizes the potential benefits of expanded family care, lawmakers must be cautious regarding the potential costs of such a program. At this time, the Congressional Budget Office has not had an opportunity to score H.R. 564, and at the June 24th hearing for this legislation, one witness stated "we do not have anything that remotely resembles a cost estimate." No doubt, an expansion of paid leave could make federal agencies more inefficient and less productive - all the while leading to even more costs for the American taxpayer. Before the Committee or the Congress passes a sweeping new expensive program, it should first wait for a CBO score and find offsets elsewhere in the budget. *NTU opposes H.R. 564.*

NTU appreciates the Committee's consideration of our views on these important issues and we stand ready to work with you on ways to protect taxpayers and American job creators.

122 C Street NW, Suite 650 * Washington, DC 20001 * Phone: (703) 683-5700 * Fax: (703) 683-5722 * ntu.org