

The REBUILD Act of 2013 – Section by Section Summary – Rep. Brett Guthrie (KY-02)
Reducing Employer Burdens, Unleashing Innovation, and Labor Development Act

Title I – Investing in America’s Workforce

Background

- A skilled workforce is critical to maintain a strong manufacturing sector. Title 1 strengthens federal training programs to ensure workers are being trained in high-demand skills to increase employment opportunities.
- Recent data show that US manufacturing companies cannot fill as many as 600,000 skilled positions, even during this time of high unemployment.
- Through nationally portable and industry recognized credentials, workers will have greater confidence in their ability to find employment, and employers will have greater confidence that the job seekers are properly trained and prepared.
- Further, postsecondary success and workforce readiness can be achieved through attainment of a recognized postsecondary credential.

Text

- Title I requires state and local workforce investment systems to use youth activities funds for training programs.
- Priority consideration is given to training programs that lead to recognized postsecondary credentials that are aligned with in-demand occupations or industries in the local area.
- This section also requires training service programs and youth activities programs that lead to a recognized postsecondary credential to meet quality criteria established by the state governor.
- Title I requires the same priority consideration in the state and local plans for career and technical education programs, as well as in tech prep and trade adjustment assistance (TAA) programs.

Title II – R&D Tax Credits

Background

- Job creators in all industries agree that the Research and Development Tax Credit is among the most valuable to preserve long-term global competitiveness.
- The REBUILD Act encourages companies to invest in the future here at home by making the R&D credit permanent, injecting certainty into the future.
- Republicans and Democrats have extended the R&D credit fifteen times since its inception in 1981.

Text

- Title II extends the tax credit for increasing research activities.
- This title also increases the rate of the alternative simplified tax credit to 20% and makes it permanent.

Title III – Comprehensive Tax Reform

Background

- Despite some reforms made in early 2013, our tax code remains broken, overly-complex, unfair, and uncompetitive for U.S. businesses.
- The Committee on Ways and Means has conducted extensive research on how best to move forward with an overhaul to the Internal Revenue Code.

Text

- The REBUILD Act provides for expedited passage of any tax reform bill that is certified by the chair of the Joint Committee on Taxation as containing at least the following three proposals:
 - Transition to a more globally competitive corporate tax code;
 - Reduction in complexity of the tax code; and
 - Elimination of special interest loopholes.
- This title contains provisions that are nearly identical to Section 3 of the Pathway to Job Creation Through a Simpler, Fairer Tax Code Act, which the House passed in August 2012.

Title IV – Federal Oil and Gas Resources

Background

- In the last four years, gas prices have fluctuated from historic highs consumer experienced in 2008 to historic lows in 2009, to nearly \$4 a gallon today.
- High gas prices increase the cost of transporting goods, which, in turn, increases consumer costs and reduces manufacturer competitiveness.
- Greater domestic energy independence resulting from expanded resource development would drive down energy costs across the board, helping domestic manufacturers to compete with their global competitors.

Text

- Subtitle A directs the Secretary of the Interior to make available for leasing and to conduct lease sales of at least 50% of available unleased acreage within each outer Continental Shelf (OCS) planning area.
- The Secretary is directed to prioritize areas containing the greatest known oil and natural gas reserves, or any state subdivision of an OCS planning area that the state's Governor requests be made available.
- Subtitle B directs the Secretary of the Interior to open portions of the Alaska National Wildlife Reserve (ANWR) to environmentally responsible oil and gas production and directs half of the bonus, rental, and royalty revenues from Federal oil and gas leasing to an ANWR Alternative Energy Trust Fund.

Title V – Energy Consumers Relief

Background

- The Obama Administration has proposed or finalized thousands of pages of costly regulations since 2009, including many that directly or indirectly affect manufacturers through their burdensome impact on energy costs and energy reliability.
- A study supported by the National Association of Manufacturers found that the annual costs of complying with six key final or pending regulations—Utility MACT, CSAPR, Boiler MACT, Coal Combustion Residuals, Cooling Water Intake Structures, and Ozone NAAQS—is estimated to reach as much as \$111 billion per year, not counting upfront costs of roughly \$500 million.ⁱ
- These regulations could cut annual US output by as much as \$630 billion, or 4.2% of GDP, meaning a net loss of 9 million jobs.ⁱⁱ
- Along with higher costs, manufacturers are harmed by threats to energy reliability every time the Administration finalizes overly burdensome rules that make it more difficult to generate electricity.
- Since nearly half the costs of new federal regulations over the past decade have come from EPA rules, the REBUILD Act restricts the EPA's ability to finalize new rules that adversely affect manufacturer's access to reliable energy.

Text

- Title V requires the EPA, prior to finalizing an energy-related rule estimated to cost more than \$1 billion, to report to Congress the rule, its estimated costs and benefits, an estimate of when the benefits will be realized, and a description of the methodology used to develop the estimates.
- The EPA must estimate whether the rule would increase energy prices and describe how it would impact jobs.
- This title also requires the Secretary of Energy to prepare an independent analysis of the rule to determine whether it would increase energy prices, impact fuel diversity, or adversely affect energy supply, distribution, or use.
- This title prohibits the EPA from finalizing an energy-related rule estimated to cost more than \$1 billion if the Secretary of Energy determines that the rule will cause adverse effects to the economy.

Title VI - Repeal of the Health Care Law

Background

- The Affordable Care Act has already led to skyrocketing insurance premiums and uncertainty for employers who are struggling to understand how the law will affect them and their employees.
- Repealing the law and its mandates on employers, providers, and insurers will allow employees to continue to receive the health insurance they currently have, prevent premiums from further increasing, and stop massive tax increases from being levied on employers.

Text

- Title VI repeals the Affordable Care Act in its entirety.

Title VII – Portability of Individual Health Insurance Coverage

Background

- Insurance mandates drive up the cost of care. There are more than 2,000 mandates that increase the cost of insurance by up to 50%.
- Facilitating the purchase of health insurance across state lines would empower consumers and employers alike, lowering costs through competition and allowing purchasers to avoid costly state mandates.

Text

- Title VII of the REBUILD Act amends the Public Health Service Act to add a section establishing the Cooperative Governing of Individual Health Insurance Coverage.
- This title provides a legal framework to allow consumers to purchase affordable health insurance across state lines, subject to minimum standards.

Title VIII – Renewal of Trade Promotion Authority

Background

- Trade Promotion Authority (TPA) gives the president the authority to negotiate trade agreements and then bring the agreements back to Congress for ratification by way of an up-or-down vote by both chambers.
- TPA is necessary to set out the negotiating objectives that Congress sees as vital at the outset of negotiations, to define the terms for Congressional consultations during the negotiations, and to establish the rules for consideration of implementing bills after the negotiations.
- Trade Promotion Authority (TPA) had been approved for every president since 1974, but has not been renewed for the current administration since it expired in 2007.

Text

- The REBUILD Act authorizes TPA for five years.

Title IX – Reform of Export Control Policy

Background

- Manufacturers need an updated approach to export controls, specifically tailored for today's threats, rather than the outdated and ineffective export control system that is remaining from the Cold War era.
- Our nation of builders will benefit from predictable, efficient, and transparent export control policies that focus on mutually-reinforcing goals—national security, increased global competitiveness, and job growth.
- Studies by the National Association of Manufacturers indicate that a thorough modernization of the system would strengthen domestic manufacturers and improve their global competitiveness.ⁱⁱⁱ

Text

- Title IX expresses the sense of Congress that current law governing export controls has become obsolete and should be reformed.

Title X – Efficient Use of Government Spectrum

Background

- The FCC projects that by 2014, mobile data traffic will be 35 times 2009 levels, resulting in demand for 1,097 MHz of wireless broadband spectrum.
- The FCC estimates that the deficit in wireless broadband spectrum is expected to be 275 MHz by 2014 and the National Broadband Plan found that 500 MHz of new commercial spectrum allocations are needed in the next 10 years.
- Manufacturers of all sizes rely on the latest mobile broadband technology to increase efficiency and innovation in order to maintain competitiveness in a global market.
- Manufacturers need a smart and sound spectrum policy to meet their future demands, and the REBUILD Act would quickly bring valuable spectrum to the market and help alleviate today's spectrum crunch.

Text

- Title X provides federal agencies located in the 1755-1780 MHz band adequate time to relocate and sets forth a commercial auction between this band and the 2155-2180 MHz band, scheduled for February 2015.
- In geographic areas where the President determines clearing of the lower federal spectrum band would threaten essential military capability, spectrum sharing is permitted.

ⁱ Nam D. Pham & Daniel J. Ikenson, A Critical Review of the Benefits and Costs of EPA Regulations on the U.S. Economy (Nov. 2012, ndp consulting) at 12.

ⁱⁱ Id. at 3.

ⁱⁱⁱ See statement by National Association of Manufacturers regarding exports: <http://www.nam.org/Issues/Trade-Regulation/Export-Controls.aspx>