

February 27, 2018

The Honorable Steve Womack
Chairman
Committee on the Budget
B234 Longworth House Office Building
Washington, DC 20515

Dear Chairman Womack,

As required by Section 301(d) of the Congressional Budget Act of 1974 (P.L. 93-344) and in response to your letter of January 18, 2018, this letter transmits the Views and Estimates of the Committee on Ways and Means on those aspects of the Federal budget for Fiscal Year 2019 that fall within the Committee's jurisdiction.

With the enactment of the *Tax Cuts and Jobs Act (Public Law 115-97)*, economic growth projections for our nation already have been revised upward, with the new fairer, simpler tax code expected to drive significant increases in jobs, wages, and investment in the coming months and years. Building on the successful delivery of pro-growth tax reform, the Committee will continue to focus on promoting policies that spur private sector job creation and economic growth. As laid out below, these policies include promoting job readiness and reforming welfare programs to help more families escape poverty and achieve upward mobility through work; bending the cost curve in health care; ensuring entitlement programs, including Medicare and Social Security, remain solvent for future generations; continuing to improve and simplify the tax system to enhance economic growth; advancing legislation to reform the Internal Revenue Service; expanding trade especially through providing new opportunities to grow exports of American-made goods and services; and reducing the national debt.

I. Legislative Issues with Budgetary Impact

- A. Human Resources – The Committee will work to reform welfare programs under the Committee's jurisdiction to better assist low-income families in increasing their work and earnings so they can escape poverty. It will review the operation of current unemployment benefits and programs, and review, as needed, improvements to accelerate returns to work, prevent inappropriate benefit payments, and improve overpayment recovery. The Committee will continue its work to reauthorize the Temporary Assistance for Needy Families program and review the effectiveness of the Child Support Enforcement program. The Committee also will review the child care entitlement to states to ensure it targets those most in need and promotes economic mobility through employment, as well as consider policies to improve the child welfare system. The Committee also will continue its general oversight over the Human Resources programs under its jurisdiction, with a special focus on opportunities to prevent duplication,

overlap, and fragmentation, in order to improve the overall effectiveness of federal efforts to serve low-income individuals.

- B. Affordable Care Act, Medicare, and Other Health Care Issues – The Committee will review options for repealing and replacing the Affordable Care Act, with a goal of improving the quality, affordability, and sustainability of health care received by, and insurance coverage available to, all Americans. In addition, the Committee will look for ways to reform the Medicare program to ensure its sustainability for current and future beneficiaries. The Committee also will examine policies that reduce the cost of health insurance, increase health care quality and improve outcomes, protect access to care, encourage transparency, and eliminate waste, fraud, and abuse.
- C. Social Security – The Committee will work to strengthen Social Security programs by examining the financing challenges facing Social Security’s retirement, survivors, and disability programs, with particular focus on the role of Social Security benefits for today’s and future beneficiaries, the cost to taxpayers and beneficiaries of delays in addressing those challenges, and proposed solutions. The Committee will continue to pursue options to better protect Americans from identity theft related to the proliferation of use and misuse of Social Security numbers. In addition, the Committee will examine the agency’s deployment of tight resources to serve the public and taxpayers and provide oversight of the management, performance, program stewardship, and long-range strategic planning related to Social Security programs.
- D. Tax – The Committee will continue its focus on taking bold action to ensure that the United States has a world-class tax system that is built for growth and that works for individuals, families, and businesses of all sizes. The Committee will advance the legislation it has been developing to reform the administration of the tax laws by the Internal Revenue Service, so that America will have a fairer, simpler tax administrator that is aligned with the fairer, simpler tax code. The Committee also will monitor implementation of the *Tax Cuts and Jobs Act* and consider additional reforms that would further improve the tax code consistent with the pro-growth objectives of the Act. In addition, the Committee will continue to review other tax matters, including the tax aspects of other legislation being considered in the House.
- E. Trade – The Committee seeks to increase economic opportunities for American workers, farmers, and businesses by opening new markets to U.S. goods and services, eliminating foreign trade barriers to our goods and services, and enforcing U.S. rights under our trade agreements. With respect to trade negotiations, the Committee intends to continue to work closely with the Administration to modernize and upgrade the North American Free Trade Agreement (NAFTA) with ambitious and enforceable obligations in a manner that provides the certainty needed for U.S. job creation. The Committee will also consult extensively with the Administration concerning negotiations surrounding the Korea-U.S. Free Trade Agreement (KORUS). The Committee will work with the Administration to determine appropriate partners for additional trade negotiations as well as negotiating priorities. The Committee expects to conduct frequent and thorough consultations with the Administration consistent with the requirements of the *Bipartisan Congressional Trade Priorities and Accountability Act of 2015*. The Committee intends to scrutinize whether all of the enforcement tools in the *Trade Facilitation and Trade Enforcement Act of 2015* are being fully implemented. The Committee will continue its oversight over issues and opportunities in trade with emerging economies, including China and India,

and the Administration's enforcement of trade agreement rules and U.S. trade remedy laws. In addition, the Committee will continue its oversight over ongoing trade negotiations under the auspices of the World Trade Organization (WTO), other plurilateral efforts, and bilateral investment treaties, as well as the U.S. role in the WTO, including U.S. goals, negotiations, dispute settlement, and accessions. The Committee intends to finish work to enact the Miscellaneous Tariff Bill, a package of noncontroversial bills to eliminate or reduce duties on products not made in the United States, which passed the House by a vote of 402-0. This legislation is consistent with the process established by the *American Manufacturing Competitiveness Act of 2016*. The Committee will continue its oversight and action regarding the operation of U.S. preference programs for developing countries and intends to finish work to enact an extension of the Generalized System of Preferences, which expired on December 31, 2017. The House passed a retroactive extension of this legislation by a vote of 400-2. The Committee intends to consider the *Synthetics Trafficking & Overdose Prevention (STOP) Act*, legislation to help stop dangerous synthetic opioid drugs like fentanyl and carfentanil from being shipped into the United States through international mail. Finally, the Committee will continue its oversight over the budgets and activities of agencies within its jurisdiction, including the Office of the U.S. Trade Representative, U.S. Customs and Border Protection, and the U.S. International Trade Commission.

II. The Fiscal Year 2019 Budget

The Committee will review the President's Fiscal Year 2019 Budget. This review will provide the Committee the opportunity to assess the effectiveness of the President's budget in promoting job creation and economic growth, reducing budget deficits and debt, and ensuring the long-term sustainability of programs within the Committee's jurisdiction.

III. Public Debt Limit

The current statutory public debt limit already is greater than the gross domestic product of the United States. While the Committee recognizes its responsibility to ensure that the United States meets all its obligations, the current growth of the national debt is not sustainable. Current debt levels are already a threat to economic growth and, unless action is taken, the projected increase in the national debt will threaten the economic foundation of the country. Thus the Committee intends to pursue policies to slow and ultimately reverse the growth in the national debt and prevent the need for future increases in the statutory debt limit.

The Committee on Ways and Means looks forward to working with the Committee on the Budget as we promote prosperity, opportunity, security, and fiscal prudence.

Sincerely,

Kevin Brady
Chairman