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October 22, 1990
(Senate)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 4939 - Additional Requirements Which China
Must Meet to Receive Most Favored Nation (MFN)
(Pease (D) Ohio and 19 others)

If H.R. 4939 were presented to the President, his senior advisers would recommend that he veto it. H.R. 4939, as passed by the House, significantly restricts the President's flexibility to recommend extension of MFN trade status to China in 1991. The bill requires that before the President can recommend extending MFN, he must certify that the Chinese government has:

- accounted for any detained or accused citizens and released those imprisoned because of their actions at Tiananmen Square;
- implemented and faithfully executed measures that terminate specified repressive practices; and
- adhered to the 1984 Joint Declaration on Hong Kong.

In May, the President determined that China met the requirements of the Jackson-Vanik amendment and that continuing MFN would serve broad U.S. economic and foreign policy interests. The Administration shares the sponsors' desire to promote human rights in China but believes this can be done best by keeping China's economy open to the outside world and maintaining the broadest possible range of people-to-people contacts. Trade and investment provide a vital link with those Chinese who want positive change.

Our continued economic involvement with China has encouraged important positive steps. The Chinese authorities have released almost 900 political prisoners this year and, following the President's decision to renew China's MFN status, have permitted Fang Lizhi and his family to depart the country. Beijing has supported all nine UN Security Council resolutions on the Persian Gulf crisis and acted decisively to enforce the UN-approved trade embargo. We continue to need China's support in the Persian Gulf Crisis. China's active intervention was crucial for achieving the latest breakthrough toward a peaceful settlement in Cambodia.

The United States cannot return to doing business as usual with China until a better human rights condition exists there. The Administration will continue to press for the release of the estimated 300-400 political detainees resulting from the brutal suppression of the prodemocracy movement of June 1989. But a

suppression of the prodemocracy movement of June 1989. But a sound working relationship with China is still necessary so that issues of vital concern to us can be addressed.

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(Not to be Distributed Outside Executive Office of the President)

This draft position was prepared by LRD (Rooney) in consultation with IAD (DuSault), State (Morris), USTR (Krawitz), Commerce (Dalmut), NSC (Lampley), OCA (Williamson), White House Counsel (Rademaker), and CEA (Baldwin).

Background

Section 402 of the Trade Act of 1974 (the so-called Jackson-Vanik amendment) sets forth three objectives relating to freedom of emigration which must be met before a nonmarket economy country may be granted most-favored-nation (MFN) trade status. (MFN grants a country low tariffs on exports to the United States.) Section 402 also authorizes the President to waive these freedom of emigration requirements annually, if he determines that so doing will substantially promote the objectives of freedom of emigration.

The People's Republic of China has received MFN status through the annual waiver process since 1980. On May 24, 1990, President Bush notified Congress of his intention to waive the Jackson-Vanik freedom of emigration requirements and extend MFN trade treatment to products from China for an additional year, beginning July 4, 1990.

Administration Position to Date

The Administration threatened veto of H.R. 4939, if it were amended to further restrict the President's flexibility. During House consideration several objectionable amendments were adopted that place significant restrictions on the President's authority to waive current law and grant MFN to China. As reported, H.R. 4939 required the President to determine that the waiver would promote "significant progress" toward achieving seven specified human rights objectives as well as freedom of emigration. As passed by the House, the President must certify in July 1991 that these human rights abuses have been terminated, as described below.

Provisions of H.R. 4939

H.R. 4939 passed the House on October 18, 1990, by 384 to 30. As passed, it would require that, before MFN status could be extended to China in July 1991, the President certify that China has:

(1) accounted for any detained or accused citizens and released those imprisoned because of their actions at Tiananmen Square;

(2) implemented and faithfully executed measures that terminate the following:

- practices of gross violations of internationally recognized human rights dating from June 3, 1989;
- martial law throughout China, including Tibet;
- restrictions on freedom of the press and on broadcasts by the Voice of America;
- acts of intimidation and harassment of Chinese citizens in the United States;
- obstacles to study and travel abroad for students and other citizens;
- other appropriate action to promote improvement in human rights and opportunities for freedom and democracy in China;
- religious persecution in China and Tibet, and releasing those detained for their religious beliefs; and

(3) adhered to the 1984 Joint Declaration on Hong Kong.

H.R. 4939 would also require the President in deciding whether to renew MFN status for China in 1991 to consider:

(1) the potential economic and political effects on Hong Kong; and (2) the extent to which the Chinese government has moderated its position on Taiwan's accession to the GATT.

A Miller amendment agreed to during House consideration would establish certain human rights principles for U.S. businesses operating in China. Further, U.S. businesses operating in China would be required to register with the State Department, indicate whether they agree to adhere to these principles, and provide a report on how they have implemented the principles. The State Department would be required to report to

Congress on the level to which U.S. companies have adhered to the principles.

LEGISLATIVE REFERENCE DIVISION DRAFT
October 22, 1990 12:20 PM



July 13, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 4952 - Consumer Product Safety Commission
Reauthorization Act of 1990
(Walgren (D) PA and 15 others)

The Administration will not object to House passage of H.R. 4952, although it prefers S. 605, the Senate-passed Consumer Product Safety Commission (CPSC) reauthorization bill.

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(Not to be Distributed Outside Executive Office of the President)

This draft position was developed by LRD (Pellicci) in consultation with HIMD (Kleinberg/Clendenin/Blickstein) and OIRA (Hill/Harker).

Administration Position to Date

The Administration has not previously commented on H.R. 4952. However, in a May 31, 1990, letter to the bill's sponsor, CPSC Chairwoman Jacqueline Jones-Smith supported H.R. 4952, but indicated concerns about the product-specific language in the bill (discussed below).

During the last Congress, the Reagan Administration threatened veto of both the House (H.R. 3343) and the Senate (S. 1882) CPSC reauthorization bills. The House bill would have removed the President's authority to appoint the Chairman of the CPSC and would have established a personnel floor for the agency. Neither H.R. 4952 nor S. 605 include these objectionable provisions.

Summary of H.R. 4952

H.R. 4952, as reported, represents a compromise between the majority and minority members of the House Energy and Commerce Committee. The major provisions of H.R. 4952 would:

- Authorize appropriations of \$42 million for FY 1991 and \$45 million for FY 1992. The President's FY 1991 Budget contains \$35.6 million for CPSC and projects \$35.7 for FY 1992.
- Reduce the number of Commissioners required for a quorum from three to two, if there are only three members serving on the Commission. This provision moves in the direction of

Administration policy, which favors a single administrator for the CPSC.

- Require CPSC to issue proposed consumer product safety regulations within 12 months of publishing the advance notice of proposed rulemaking. However, the Commission may extend the deadline for good cause.
- Increase the civil penalties for manufacturers violating the Consumer Product Safety Act and the Federal Hazardous Substances Act.
- Allow CPSC to disregard the benefits and costs of a voluntary remedial action against a consumer product.
- Require CPSC to study, or take action on, specific products, including cigarette lighters, sleepware for elderly people, all-terrain vehicles, and automatic garage door openers. This bill would extend Federal inspection to mobile and fixed amusement park rides, if the ride were involved in a serious injury.

S. 605, the Senate companion bill, does not contain the product-specific requirements cited above. These mandates improperly impose specific tasks on CPSC without an assessment of the relative hazards being encountered and the opportunity to diminish them. As previously noted, CPSC Chairwoman Smith has expressed concerns about the product-specific language. For this reason, the proposed position is drafted to note the Administration's preference for the Senate-passed CPSC reauthorization bill.

LEGISLATIVE REFERENCE DIVISION DRAFT
7/12/90



September 14, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 4962 - 1992 Olympic Commemorative Coin Act
(Lehman (D) California and 246 others)

The Administration does not oppose enactment of H.R. 4962 if it is Congress' judgment that this is the appropriate event to commemorate, by the minting of a coin, in 1992.

The Administration would oppose enactment of more than one commemorative coin bill for 1992. More than one commemorative coin program during the same time period taxes the Mint's die making capacity and is detrimental to the success of each program. The Administration notes that Congress is also considering a coin bill (H.R. 2754) commemorating the 500th anniversary of the discovery of America in 1992.

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(Not to be Distributed Outside Executive Office of the President)

This draft Statement of Administration Policy was developed by the Legislative Reference Division (Fotias), in consultation with the Departments of the Treasury (Levy), Defense (Potuk), and the Commission of Fine Arts (Atherton), HTF (Dickey), and BR (Kaufman).

H.R. 4962 was marked up on September 12th by a House Banking subcommittee. Committee staff (Edwards) advises that the contents of the bill are as described below.

Description of H.R. 4962

-- Production of Coins

H.R. 4962 would require the Secretary of the Treasury to mint and issue three denominations of commemorative coins to support the training of American athletes participating in the 1992 Olympic Games, as follows:

- not more than 500,000 \$5 coins, containing 90 percent gold and 10 percent alloy;
- not more than 4,000,000 \$1 coins, containing 90 percent silver and 10 percent copper; and
- not more than 6,000,000 half-dollar coins.

The design of the coins would be selected by the Secretary of the Treasury in consultation with the United States Olympic Committee and the Commission of Fine Arts. The silver would be obtained from the strategic materials stockpile. Federal procurement laws would be waived for purposes of the bill. No coins could be minted after June 30, 1993.

-- Sale of Coins

H.R. 4962 would require that the coins be sold at a price equal to their face value plus the cost of design and issuance. A surcharge of \$35 per coin for the \$5 coins; \$7 per coin for the \$1 coins, and \$1 per coin for the half-dollar coins would be deposited in the coinage profit fund. All surcharges received from the sale of coins would be paid to the United States Olympic Committee. The Comptroller General would be authorized to audit the Committee's books.

The Secretary of the Treasury would be required to ensure that the minting and issuance of the coins would not result in any costs to the Federal Government.

Administration Position to Date

On August 1, 1990, the Director of the Mint testified before a House Banking subcommittee on H.R. 4962 and several other coin bills. She expressed concern about a potential proliferation of commemorative coins and about the prospects for sale of the Olympic coins. She concluded that Treasury "does not endorse" H.R. 4962.

Legislative Reference Division Draft
9/14/90 -- 4:30 p.m.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 5, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 4982 - Dwight D. Eisenhower Mathematics and
Science Education Amendments
(Sawyer (D) OH)

The Administration opposes H.R. 4982 for the following major reasons:

- The excessive authorizations for the Department of Education's Eisenhower elementary and secondary mathematics and science education program.
- The reduced discretion for local educational agencies, in using Federal program funds, to choose between training elementary and secondary school teachers, regardless of true local needs.
- The duplication of existing activities by the proposed regional consortia, which would disseminate math and science teaching materials, methods, and assessment tools.

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(Not to be Distributed Outside Executive Office of the President)

This draft of a position was developed by LRD (Suzanne Duval) in consultation with LVE (Bernie Martin/Barry White/Kathy Burchard). The Departments of Education (Paul Riddle) and Energy (Karen Hunsicker) and National Science Foundation (John Chester) agree with this position. The White House Office of Policy Development (Rae Nelson) and Office of Cabinet Affairs (Holly Williamson) also agree with this position.

H.R. 4982 was introduced on June 6, 1990, and reported on June 27, 1990. No administration position has been taken to date.

Description of H.R. 4982

Major provisions of H.R. 4982 would:

- Establish authorization levels for grants to States for math and science teaching in elementary and secondary schools at:
 - o \$300 million for FY 1991,

- o \$500 million for FY 1992, and
 - o \$700 million for FY 1993.
- Permit local educational agencies receiving less than \$6,000 of Federal aid to form consortia.
 - Require States to give priority funding to training math and science teachers at the elementary level over the secondary level.
 - Increase the amount of Federal aid that small States can use for technical assistance and administrative costs in elementary and secondary school programs by setting the limit at the greater of 5 percent or \$30,000.
 - Increase the amount of Federal aid that small States can use for assessment and administrative costs in higher education programs by setting the limit at the greater of 5 percent or \$20,000.
 - Require Education to prepare an annual report on all sources of Federal aid for math and science education and submit it to Congress by March 1 of each year.
 - Increase from 4 percent to 5 percent the amount set aside for Federally-directed math and science activities. The bill would add two new authorities to this activity:
 - o A new grant or contract to establish a National Clearinghouse for Science, Mathematics, and Technology Education Materials as a permanent repository of all pre-college instructional materials developed with Federal and non-Federal funds. The Clearinghouse would spend one-third of its funds on dissemination of materials to regional consortia.
 - o Grants to model programs for training in use of computers as part of curricula in elementary and secondary schools. Priority would be given to programs with potential for national application and for integrating higher order analytical and problem-solving skills into curricula.
 - Establish a program of grants to create and operate regional science, math, and technology consortia. The consortia would disseminate and implement exemplary instructional materials, teaching methods, and assessment tools for elementary and secondary schools. The bill would authorize \$15 million for FY 1991 and such sums as necessary for 1992 and 1993.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 30, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 4983 - Federal Employees Cost Savings Awards
(Kasich (R) OH and Sikorski (D) MN)

The Administration opposes H.R. 4983 because it is unnecessary in light of the current Federal employees incentive awards program, which is working very well. In particular, the special temporary program for awards by Inspectors Generals (IGs) should not be made permanent. This program has seldom been used, and IGs can recommend awards under the regular incentive awards program. Moreover, the proposed authority for IGs to grant awards to former employees and certain non-Federal employees is an undesirable departure from the current practice of giving these awards only to current Government employees.

Further, the bill would increase significantly the maximum amount for IG and incentive awards. For example, non-Presidential incentive awards, which are currently capped at \$25,000, would be increased to as much as double the GS-18 pay level, or more than \$156,000 at current pay levels. This increase is excessive, particularly given the lack of evidence that such an increase is needed.

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(Not to be Distributed Outside Executive Office of the President)

This draft position was developed by LRD (Hilda Schreiber) in consultation with the Government Operations (GO) Division (Frank Seidl) and the Financial Management (FM) Division (Susan Gaffney). The GO Division concurs in the position. The FM Division believes that (1) H.R. 4983 is not objectionable enough to oppose and (2) awards to non-Federal employees would be useful. The Departments of Health and Human Services (Susan Burnett), the Interior (Don Harris), State (Will Davis), Treasury (Linda Kaufman), and Veterans Affairs (John Szabo), and the Office of Personnel Management (Jim Woodruff) concur in the position shown above the stars. The Department of Defense did not respond.

The IGs at State and VA, while not objecting to the overall position, disagree with the objection to making awards to non-Federal personnel.

The report on H.R. 4983 is not yet available. According to staff of the House Post Office and Civil Service Committee (Gerrie Green), the bill was ordered reported June 21st with one



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 13, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5002 - Veterans' Housing and Homeless
Amendments of 1990
(Staggers (D) WV and 5 others)

The Administration opposes H.R. 5002, because it contains the following seriously objectionable provisions:

- Authorization of a new program of direct loans of up to \$10,000 for certain veterans who are at least six months in default on their VA guaranteed home loans. A new Federal assistance program for chronically delinquent borrowers is not warranted and would drain resources from the home loan guaranty program. In addition, VA's current refunding program already provides relief to qualified veterans.
- Extension of home loan guaranty benefits to persons whose only service was in the Reserves, including the National Guard. This readjustment benefit should not be provided to persons already in civilian life whose military service did not limit their ability to finance the purchase of a home.
- Prohibition on the sale of certain vendee loans. (These are loans to finance the purchase of foreclosed properties from VA.) VA should have flexibility to administer its loan portfolio in the most cost-effective manner.
- Authorization of a VA demonstration program for adjustable rate mortgages (ARMs). Default rates for ARMs exceed the default rates for fixed interest rate loans. Introduction of ARMs, therefore, would increase Federal costs.
- Authorization of a new loan program for nonprofit organizations to lease group residences for veterans recovering from substance abuse. This authority is unnecessary because the Anti-Drug Abuse Act of 1988 contains authority for States to make such loans. These loans are also objectionable because they would be made from a Fund intended to be used for hospitalized veterans.

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(Not to be Distributed Outside Executive Office of the President)

This draft position was developed by LRD (Jeffrey Weinberg) in

consultation with LVE (Barry White, Susan Jacobs, and Jay Brown). VA (per Henry Cohn, General Counsel's Office) concurs.

The Committee Report on H.R. 5002 has not been filed yet. The description of the bill is based on information from VA staff.

Administration Position to Date

On June 27, 1990, the VA sent letters on H.R. 5002 and H.R. 5069 to the House Committee on Veterans' Affairs. The letters objected to the items listed in the position. At its June 27th markup, the Committee added the provisions of H.R. 5069 to H.R. 5002.

Major provisions of H.R. 5002 would:

- Authorize VA to make advances of up to \$10,000 to the holder of certain VA home loans. The veteran would have to be unemployed, or have suffered a substantial reduction in income, and be at least six months in default. The advance would be used to make the loan current.
- Extend VA home loan guaranty benefits to persons with at least six years of service in the Reserves. Reservists would pay a higher loan fee than veterans, and the Government would not make a contribution to the Guaranty and Indemnity Fund for such loans.
- Prohibit the sale of a vendee loan if the property securing the loan originally secured a VA guaranteed loan closed on or after January 1, 1990.
- Generally require a 5 percent downpayment on vendee loans, permit the loans to include amounts for property rehabilitation, and permit below market interest rates on the loans in certain markets.
- Authorize VA to conduct an adjustable rate mortgage demonstration program in at least 2 but not more than 10 VA regional offices during FYs 1991 and 1992.
- Make a series of minor amendments to the VA home loan guaranty program. (These are favored by the VA.)
- Broaden VA's authority to obtain therapeutic work arrangements for patients in Compensated Work Therapy programs. (VA supports this provision.)
- Extend from September 30, 1990, to September 30, 1993, VA's authority to sell acquired properties for use as shelter for homeless veterans.



July 20, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5040 - Reauthorization of the Tribally Controlled Community Assistance Act of 1978 and the Navajo Community College Act
(Williams (D) Montana)

The Administration supports enactment of H.R. 5040.

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(Not to be Distributed Outside Executive Office of the President)

This draft position was developed by LRD (Pellicci) in consultation with NR (Ron Cogswell). The Department of the Interior (per Pam Somers, Legislative Counsel) concurs in the proposed position.

The proposed position is consistent with the views expressed by Interior in testimony before the Senate Select Committee on Indian Affairs on April 9, 1990, on S. 2167, an identical Senate bill.

H.R. 5040 would extend, through FY 1992, the authorization for appropriations for grants to tribally controlled community colleges and for the endowment program for these colleges. Both activities are authorized by the Tribally Controlled Community Assistance Act of 1978. H.R. 5040 also reauthorizes appropriations for the Navajo Community College through FY 1992.

The Bureau of Indian Affairs provides grants under these two Acts to 22 tribally controlled colleges for academic and administrative purposes and for the operation and maintenance of the colleges. Each college is governed by a local board of regents, a majority of whom are Indian. Most of the colleges are on Indian reservations making them accessible to the Indian students.

LEGISLATIVE REFERENCE DIVISION DRAFT
7/20/90



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

September 7, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5070 - John F. Kennedy Center Act Amendments
(Bosco (D) California and 2 others)

The Administration supports the authorization of appropriations of \$30 million over fiscal years 1991 and 1992 for rehabilitation and deferred maintenance of the Kennedy Center. However, the Administration strongly opposes the provision of H.R. 5070 which requires that the Secretary of the Interior provide all services necessary for the operation of the building. Currently, the Secretary is responsible only for services necessary to the nonperforming arts functions of the Center.

Accordingly, the Administration has no objection to House passage of H.R. 5070, but will seek an amendment in the Senate to limit the services provided by the Secretary to those needed for nonperforming arts functions.

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(Not to be Distributed Outside Executive Office of the President)

This draft position was prepared by LRD (Coleman), in consultation with NRD (Cogswell and Gibbons) and Interior (Somers).

H.R. 5070 was ordered reported by the House Public Works Committee on June 28, 1990, without hearings. The Committee report is not available. We have been advised by Committee staff, however, that H.R. 5070 would:

- Require the Secretary of the Interior to provide the Center with all "services necessary for operating the building." Current law requires the Secretary to provide only those services "necessary to the nonperforming arts functions."

- Authorize appropriations totaling \$16.6 million over fiscal years 1991 and 1992 for operations and maintenance of the Center. The budget includes \$10.5 million for these purposes over the same period.
- Authorize appropriations totaling \$30,512,000 over fiscal years 1991 and 1992 for "deferred maintenance, repairs, and alterations."

Administration Commitment to Repair the Kennedy Center

After negotiations between Governor Sununu and Kennedy Center Board Chairman Wolfensohn, the Administration expressed its support for expenditures of \$30 million for rehabilitation of the Center. This support was expressed in consultations with the Kennedy Center Board. The Administration also advised the Board that there would be no objection to over-budget appropriations of \$15 million in fiscal year 1991 for reduction of the Center's operating deficit.

None of these discussions included Federal funding for any operating services beyond those necessary for the nonperforming arts activities of the Center, however. These activities include those related to the Center's role as a memorial to President Kennedy.



October 19, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5071 - Federal Triangle Development Act Amendments of 1990
(Bosco (D) California)

The Administration has no objection to House passage of H.R. 5071.

However, the Administration will seek at a minimum the following Senate amendments to:

- o Modify proposed new section 5(h)(3) of the Federal Triangle Development Act, which would authorize the Pennsylvania Avenue Development Corporation (PADC) to enter into agreements for the issuance of securities backed by the General Services Administration (GSA). Any amendment to the law should authorize and direct PADC to secure financing directly from the Federal Financing Bank, not from private sources.
- o Delete section 10(c), which would authorize appropriations to GSA to cover any shortfalls in lease payments by the International Cultural and Trade Center Commission (ICTCC). This provision authorizes unlimited appropriations to underwrite the ICTCC. The original intent of the Act was for the ICTCC to be self-sufficient.

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(Not to be Distributed Outside Executive Office of the President)

This draft Statement of Administration Policy was developed by the Legislative Reference Division (Fotias), in consultation with the Departments of the Treasury (Dorsey), Justice (Atcherson), Labor (Cooper), State (Rappaport), General Services Administration (MacKiclan), United States Information Agency (Nash), National Capital Planning Commission (Dodd-Major), Pennsylvania Avenue Development Corporation (Brodie), U.S. International Cultural and Trade Center Commission (Newell), White House Counsel (Paoletta), GC (Damus/Rettman), GM (Lieberman/Haun), BR (Rea/Kaufman), NR (Long), and HTF (Hannon/Hoffman).

The ICTCC (Newell) and PADC (Brodie/Schaller) recommended that the SAP state the Administration supports House passage of H.R. 5071, indicating more of an endorsement, rather than "has no objection to House passage" as above. PADC also objected to the two proposed amendments.

GSA Administrator Austin called Steve Lieberman (AD/GM) to object to the second proposed amendment. He was advised that the SAP would not be changed.

White House Legislative Affairs (Portman) asked about the contents of this SAP and was briefed on it.

No response to our request for views was received from the District of Columbia. According to press reports, the D.C. Government opposes the State and local tax exemptions contained in the bill.

Description of H.R. 5071

The Federal Triangle Development Act of 1987 authorized the construction of a Federal building complex in the District of Columbia and the establishment of an International Cultural and Trade Center on this property. The Act also created the ICTCC to oversee the establishment, operation, and management of the Center. H.R. 5071 would amend the 1987 Act.

-- Provisions Similar to Administration Proposal

The ICTCC submitted an OMB-cleared draft bill to Congress on September 26, 1989, that contains several provisions similar to those in H.R. 5071. These provisions would:

- Exempt the ICTCC from Federal laws related to acquisition, disposal, or use of property.
- Increase the current statutory limitation on the size of the ICTCC staff from 15 to 17. This limitation would be reduced to 10 once the Center is occupied.
- Add the Secretaries of the Treasury and Labor or their delegates as ex officio members of the Commission.
- Authorize Federal agencies for which the Commission performs specified services to reimburse the Commission for such services.
- Authorize appropriations for the ICTCC of \$4 million in FY 1991, to remain available until expended. (The FY 1990 Budget requested \$3.5 million for the ICTCC.)

-- Principal Differences from Administration Proposal

H.R. 5071 would also:

- Allow the PADC, in consultation with GSA, to obtain financing for the development of the Federal Triangle

property from private sources, including through the sale of securities backed by GSA.

- Authorize appropriations to GSA to cover any shortfalls in lease payments by the ICTCC. Appropriated funds would be deposited in GSA's Federal Buildings Fund.
- Exempt the PADC, and the developer and manager of the ICTCC, from State and local taxation.
- Allow the Center to be larger than previously authorized.
- Permit the PADC's Board of Directors to hire not more than three employees to engage in development of the property at rates of pay equivalent to those of the Senior Executive Service.
- Set the terms of office of the private sector members of the ICTCC at six years.
- Cap at \$1 million the aggregate amount of expenses which the Commission may incur for its overhead costs in any fiscal year after occupancy of the Center.
- Allow the ICTCC to request transfers of funds, not to exceed \$1 million in any fiscal year, from the Departments of the Treasury, Labor, and Agriculture to meet Commission expenses not reimbursable from other agencies. Requests for fund transfers are not to be made after occupancy of the Center.
- Designate the Center as the "Daniel Patrick Moynihan International Cultural and Trade Center."

Administration Position To Date

The Administration has not previously taken a position on H.R. 5071.

Legislative Reference Division Draft
10/19/90 -- 3:30 p.m.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 30, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5084 - Mary McLeod Bethune Council House
National Historic Site
(Lewis (D) GA and 26 others)

The Administration opposes enactment of H.R. 5084 which would authorize the Secretary of the Interior to acquire and manage the Mary McLeod Bethune Council House National Historic Site. The National Park Service is currently studying the National Historic Site to determine the suitability and feasibility of adding it to the National Park System. Until this study is completed and reviewed, it would be premature to enact H.R. 5084. Moreover, the National Council of Negro Women, which currently owns and operates the site, already receives technical and monetary assistance from the National Park Service.

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(Not to be Distributed Outside Executive Office of the President)

This draft position was prepared by LRD (Peterson) in consultation with NRD (Reisner and Cogswell) and Interior (Harris). Justice is reviewing H.R. 5084, but did not respond within the stipulated comment period.

Administration Position to Date

The Administration has taken no position on H.R. 5084 to date. The bill was introduced on June 19, 1990. The House Interior Committee held no hearings on H.R. 5084 before ordering it reported on July 25, 1990.

Background

P.L. 97-329 designated the Mary McLeod Bethune Council House in Washington, D.C., as a National Historic Site. Mary McLeod Bethune was a renowned educator, national political leader, and founder of the National Council of Negro Women. The Bethune Council House was significant as a center for the development of strategies and programs that advanced the interests of black women and the black community.

As required by P.L. 97-329, the Secretary of the Interior has entered into a cooperative agreement with the National Council of

Negro Women (NCNW). Under the agreement, Interior provides technical assistance for restoring, interpreting, operating, and maintaining the historic site. The NCNW, however, owns and retains overall responsibility for operating the Bethune Council House.

Provisions of H.R. 5084

The committee report is not available. Interior Department staff (Harris) advises, however, that H.R. 5084 would authorize the Secretary to acquire and manage the Mary McLeod Bethune Council House National Historic Site.

In addition, the bill would:

- direct the Secretary to enter into a cooperative agreement with nonprofit organizations dedicated to preserving and interpreting the life and work of Mary McLeod Bethune;
- require that the historic site be managed in accordance with a General Management Plan (GMP) developed by the Secretary. An Advisory Council would be established to assist the Secretary in developing the GMP.

LEGISLATIVE REFERENCE DIVISION DRAFT
July 27, 1990 - 1:40 PM



October 12, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5093 - Department of Veterans Affairs Codification Act (Montgomery (D) MS)

The Administration has no objection to House passage of H.R. 5093, but will work with the Senate to make certain minor technical changes to the bill.

* * * * *

(Not to be Distributed Outside Executive Office of the President)

This draft position was developed by LRD (Pellicci) in consultation with LVED (Jacobs). The Department of Veterans Affairs (VA) (per Jack Thompson) agrees with the proposed position.

There is no House Veterans' Affairs Committee report on H.R. 5093. The draft position is based on information provided by VA staff.

H.R. 5093 is designed to codify and reorganize the provisions of law relating to the new Department of Veterans Affairs.

Summary of Major Provisions of H.R. 5093

- Strikes out the terms "administrator," "administered by the Veterans Affairs," and "Veterans Administration." Inserts the appropriate terminology to reflect the status of VA as an Executive department headed by a "Secretary."
- Provides the framework for the reorganization of the Department. Establishes the positions of Under Secretary for Health Affairs and Under Secretary for Benefits Administration. Specifies the composition of other offices and agencies within VA.
- Enacts a new chapter 74 entitled "Veterans Health Administration -- Personnel" which addresses personnel administration, special pay for physicians, dentists, and other health care providers. The new chapter also includes disciplinary boards and Regional Medical Education Centers.

According to VA, the legislation is a necessary step in completing the transition to an Executive department, and complies with a congressional directive requiring these

conforming amendments. In addition, VA notes that the legislation also provides the statutory authority for reorganizations within VA to ensure that resources and personnel are effectively utilized.

LEGISLATIVE REFERENCE DIVISION DRAFT
10/11/90



July 20, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5112 - Home Health Care Demonstration Projects
Extension Act of 1990
(Bruce (D) IL and four others)

The Administration has no objection to enactment of H.R. 5112.

* * * * *

(Not to be Distributed Outside Executive Office of the President)

This draft position was developed by LRD (Pellicci) in consultation with HIMD (Kleinberg/Clendenin/Nakahata). HHS (per Paul Spiegel, Office of the General Counsel) concurs in the proposed position.

The Administration has not previously commented on H.R. 5112.

H.R. 5112 would reauthorize through FY 1993 the home health care and Alzheimer's demonstration programs, which were first authorized in 1987 as part of the Older Americans Act.

Home health care grants are made to States to provide skilled medical services to low-income individuals who are uninsured, and do not qualify for Medicaid or Medicare. H.R. 5112 would (1) expand the services available to include home health aides or personal care services, (2) expand the number of grants available from five to ten, and (3) increase the authorization level from \$5 million for FY 1990 to \$7.5 million for FY 1991. The bill authorizes "such sums as may be necessary" for FYs 1992-93. (The President's FY 1991 Budget contains no funding for this activity.)

H.R. 5112 reauthorizes Alzheimer's care and treatment grants to States to coordinate the development and operation of various programs for individuals with Alzheimer's disease -- or related disorders -- and to the families and care providers of these families. H.R. 5112 would also reauthorize basic care to Alzheimer's patients in health facilities and establish an informational network on available services and the legal rights of Alzheimer's patients. H.R. 5112 would increase the number of available grants from five to ten and authorize appropriations of \$7.5 million for FY 1991 and "such sums as may be necessary" for FYs 1992-93. (This authorization has not been funded by Congress nor has funding been requested by the President.)



July 20, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5113 - Injury Prevention and Control Amendments of 1990
(Bruce (D) IL and two others)

The Administration has no objection to enactment of H.R. 5113.

* * * * *

(Not to be Distributed Outside Executive Office of the President)

This draft position was developed by LRD (Pellicci) in consultation with HIMD (Kleinberg/Clendenin/Nakahata). HHS (per Paul Spiegel, Office of the General Counsel) concurs in the proposed position.

Administration Position to Date

The proposed position is consistent with the views expressed by HHS in a letter to the House Energy and Commerce Committee on June 27, 1990, on H.R. 5073 (the Subcommittee bill). The HHS letter cited the Administration's concern over the authorization level in H.R. 5073, which was higher than proposed in the President's FY 1991 Budget. The authorization level in H.R. 5113 (the Committee bill) remains higher than the President's request.

H.R. 5113, as reported, would reauthorize the Centers for Disease Control's injury control program. This program provides money for research into preventing and treating injuries. The bill would authorize appropriations of \$30 million for FY 1991 and "such sums as may be necessary" for FYs 1992 and 1993. (The President's FY 1991 Budget contains \$23 million for FY 1991 for this activity.)

LEGISLATIVE REFERENCE DIVISION DRAFT
7/19/90



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 16, 1990
(House Floor)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5115 - Equity and Excellence in Education Act
(Hawkins (D) CA and 23 others)

The Administration strongly opposes the enactment of H.R. 5115. The bill is a complex and costly amalgam of new program authorities and duplicative and burdensome amendments to existing programs. Its authorizations and student aid increases for FY 1991 alone are nearly \$900 million above the President's Budget for comparable activities. H.R. 5115 makes undesirable changes to important provisions of the President's proposed Educational Excellence Act. The bill also would establish Federal funding goals for existing programs that call for increases of tens of billions of dollars, which is totally unrealistic in the current fiscal environment. If H.R. 5115 were presented to the President in its current form, his senior advisers would recommend that it be vetoed.

In addition, the Administration has the following specific concerns about H.R. 5115 in its current form. The bill would:

- Fail to authorize the President's Magnet Schools of Excellence proposal. Magnet Schools are an effective way to improve the quality of education and increase parental choice.
- Authorize a Presidential Schools of Distinction program (in place of the Administration's Merit Schools) that restricts participation to schools participating in Chapter 1 programs. This would exclude thousands of schools that could benefit from these initiatives.
- Establish a number of new, cumbersome and unjustified requirements for adult literacy programs. Some of these new requirements -- establishment of an Interagency Task Force on Adult Literacy and a National Institute for Literacy -- raise constitutional concerns. They also duplicate existing activities or authorized programs. For example, the requirements for "Gateway Grants" and State advisory boards on literacy are totally unnecessary for the improvement of literacy. The creation of a new grant program solely for commercial driver adult education is also unnecessary.
- Authorize a number of poorly designed mechanisms to recruit and retain teachers. The proposal to provide a separate Perkins loan cancellation program for students who plan to

teach is objectionable. Evidence from similar programs indicates that loan cancellation programs do not have a significant impact on students' career decisions.

- Make major changes to the Higher Education Act. Consideration of these changes should await the upcoming reauthorization of the Act. The bill would restrict the Secretary's authority to address Pell grant funding shortfalls. It also would change the calculation of financial need for most student assistance programs to increase the cost of the Pell grant program alone by at least \$166 million in the first year.

The Administration understands that a number of amendments to H.R. 5115 may be offered on the House floor. The Administration supports the goals of the Smith (VT) amendment (except for section 1007) which, on a demonstration basis, would allow local education agencies to combine specified programs' funds in exchange for enhanced achievement for students. The Administration also supports the goals of the Bartlett amendment which would promote educational choice.

The Administration strongly opposes two other amendments to be offered by Congressman Hawkins. The first amendment would bar the Office of Management and Budget (OMB) from reviewing or approving any statutorily-required reports, research or evaluation plans, methodology, surveys, and findings. It also requires that OMB's final determinations regarding Education regulations be made in writing and included in the public rulemaking record. These are intrusions into the functions and prerogatives of the Executive Office of the President that limit the President's ability to oversee the functions of Executive branch agencies and jeopardize prudent administration of Federal education programs. Even if all other objections were remedied, if H.R. 5115 were presented to the President with this language, his senior advisers would recommend veto.

The second amendment would require the Department of Education to use negotiated rulemaking for all regulations. Education has used negotiated rulemaking in Chapter 1 programs. An independent study found that negotiated rulemaking is not an effective strategy in large Federal education grant programs. Negotiated rulemaking is expensive and time-consuming. This amendment would cripple the Department's ability to issue needed regulations in a timely basis.

The Administration reserves comment on the other proposed amendments.

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(Not to be Distributed Outside Executive Office of the President)

This draft position was developed by LRD (Duval) in consultation with LVE (Barry White/Bayla White), and ES (Norine Noonan).

The Departments of Education (Jack Kristy), Justice (Mark Pestal), and Labor (Mark Morin), the National Science Foundation (John Chester), and the Office of Science and Technology Policy (Kathy Yuracko) concur with the SAP as currently drafted. The White House Office of Policy Development (Rae Nelson) and Office of White House Counsel (Jay Bybee), and Office of Cabinet Affairs (Holly Williamson) also agree with this position.

H.R. 5115 was introduced on June 21, 1990, and reported by the House Committee on Education and Labor on June 27, 1990. The bill is expected to be taken up by the House on July 16, 1990. No report is available on H.R. 5115. This draft position is based on information provided by the Department of Education (Jack Kristy). The draft position is consistent with a letter sent by the Department of Education on July 2, 1990, to the House Committee on Education and Labor. The position is also consistent with testimony by the Secretary of Education on April 3, 1990, on a similar predecessor bill, H.R. 4379.

Major Provisions of H.R. 5115

H.R. 5115 would:

- Establish a program of Presidential Schools of Distinction to reward public and private elementary and secondary schools that have made progress in: (1) improving student achievement; (2) creating a safe and drug-free school environment; and (3) reducing the dropout rate. The Presidential Schools of Distinction program would be funded at \$280 million in FY 1991 increasing to \$450 million in FY 1993. This authority is conditional on the appropriation of at least \$5.6 billion for Chapter 1 elementary and secondary school programs. The appropriations would be allocated among the States using the formula for basic grants.
- Establish a new program for instruction on the history and principles of democracy in the United States. The Secretary of Education would be authorized to enter into a contract with the Center for Civic Education to implement the program. Authority is given to appropriate \$5 million for FY 1991 and sums as necessary for FYs 1992 and 1993.
- Establish a National Science Scholars program to recognize student excellence in physical, life, and computer sciences, mathematics, and engineering. A \$5 million authorization is provided for FY 1991. Scholarships would be awarded by the President. States would nominate from 4 to 10 students from each congressional district and the President would select at least 570 scholars.
- Set literacy goals for the year 2000 and establish a number of mechanisms intended to meet the goals. H.R. 5115 includes authority to appropriate \$15 million in each of

FY 1991 through 1995 to fund these programs. An Interagency Task Force on Literacy would be created to coordinate literacy functions government-wide and measure progress toward meeting literacy goals. The bill would establish the National Institute for Literacy to conduct basic and applied research and demonstrations on literacy. The Institute would develop, implement, and evaluate policy on adult literacy. The Governing Board of the Institute would include the Secretaries of Education, Labor, and Health and Human Services and eight others to be nominated by the President and confirmed by the Senate. The President would be required to select the eight members from literacy organizations, businesses with interest in literacy, and labor. The Institute would be required to submit an annual report to the President and Congress. (Justice advises that some of these requirements could infringe on the President's prerogatives.)

- Authorize the Department of Education to make formula grants to States to establish a network of State or regional adult literacy resource centers. H.R. 5115 would authorize annual appropriations of \$25 million from FYs 1991-1993. The network would link the National Institute for Literacy and literacy service providers.
- Authorize appropriations for formula grants to States for adult literacy programs at \$280 million for FY 1991 and such sums as necessary for FYs 1992-1995.
- Authorize appropriations for challenge grants to States for training and technology development to improve adult literacy at \$40 million for FY 1991 and amounts necessary for FYs 1992-1995.
- Establish a Literacy Leader Training Fund to make grants to professional individuals pursuing careers in adult education. Appropriations would be authorized for \$10 million in FY 1991 and for amounts necessary for FYs 1992-1995.
- Authorize the Secretary of Labor to make grants to business and labor for model strategies for improving the basic skills of workers. The bill would authorize an appropriation of \$40 million for FY 1991 and amounts necessary for FYs 1992-1995.
- Authorize the Department of Education to make grants for increasing the skills of commercial drivers to businesses, labor, colleges, and apprentice training programs. The bill would authorize annual appropriations of \$2.5 million for this program in FYs 1991 and 1992.
- Establish a number of new programs intended to recruit and retain qualified teachers including:

- o Creation of a separate Perkins Loan program for students who plan to teach. These students would have the option to cancel one-third of the loan for each year of service as a full-time teacher. Funds would be allocated among institutions on the basis of the number of students who receive Pell Grants. The bill would authorize annual appropriations of \$90 million for FYs 1991-1995.
 - o Authority for formula grants to States for institutions of higher education developing innovative programs to recruit and retain students preparing to become teachers. The bill would authorize appropriations of \$90 million for FY 1991 and sums necessary for FYs 1992-1995.
 - o Authority for grants to States for professional development academies that give in-service training for teachers and administrators. The bill would authorize an appropriation of \$270 million for FY 1991 and amounts necessary for FYs 1992-1995.
 - o Authority for awards of \$5,000 to excellent elementary and secondary school teachers. The bill would authorize annual appropriations of \$5 million for FYs 1991-1993.
 - o Authority for the Department of Education to allot to States funds for developing and implementing programs to provide nontraditional routes for fulfilling teacher licensure requirements. The bill would authorize an appropriation of \$15 million for FY 1991.
- Amend the Pell Grant program in the following ways:
- o Require the Secretary to expend funds from the following year's appropriation when funds in one year are insufficient to satisfy all entitlements.
 - o Exclude from the calculation of "assets" a family's principal residence or family farm for FY 1992-1993.
- Amend the requirements for the National Summit Conference on Education to increase the representation of members of the Senate and House of Representatives.
- Authorize grants to State or local educational agencies, colleges, or consortia to demonstrate exemplary diagnostic assessment systems. The bill would authorize an appropriation of \$20 million for FY 1991 and amounts necessary for FYs 1992-1995.

In addition, the bill is replete with statements that begin, "It is the policy of the United States that...." These provide rhetorical points that are used repeatedly to chastise the Administration for insufficient funding. Examples of the bill's policy statements are:

- Enrollment of every eligible woman, infant and child in WIC;
- Service for every student eligible for Chapter 1 (i.e., doubling the \$5 billion program);
- A Federal training grant for every elementary and secondary math or science teacher;
- An increase in the Pell maximum award by \$1,400 (every \$100 costs \$250 million) by 1995, and 10 percent per year thereafter; and
- An expansion of student aid for middle income students.

LEGISLATIVE REFERENCE DIVISION DRAFT
7/13/90



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 13, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5131, Extension of Civil Penalty Assessment Program
(Oberstar (D) Minnesota and Clinger (R) Pennsylvania)

The Administration supports enactment of H.R. 5131.

* * * * *

(Not to be Distributed Outside Executive Office of the President)

This draft Statement of Administration Policy was developed by the Legislative Reference Division (Brown), in consultation with the Departments of Transportation (Herlihy) and Justice (Dulmage), OIRA (Clarke), and TCJ (Adkins, Pheto, and McClean).

Background

In 1987, on a demonstration project basis, Congress authorized the Federal Aviation Administration (FAA) to assess civil penalties up to a maximum of \$50,000 for violations of its safety regulations. Under this project, penalties are assessed and enforced administratively rather than through the courts. This program is currently scheduled to expire on July 30, 1990.

Provisions of H.R. 5131

A copy of H.R. 5131, as ordered reported by the House Public Works and Transportation Committee, is not available. According to Department of Transportation (DOT) staff (Herlihy), the bill would:

- Extend the civil penalty assessment program until August 1, 1992.
- Relieve (in limited, specified circumstances) an airport operator of responsibility for violation of an FAA-approved airport security program if the violation is committed by an airport tenant.
- Require the Administrative Conference of the United States to study whether DOT's authority to adjudicate administrative complaints under the Federal Aviation Act of 1958 should be transferred to another agency such as the National Transportation Safety Board. A report would be due within 18 months of enactment. Appropriations of \$50,000 would be authorized for this study.

Administration Position To Date

The Administration has not previously taken a position on H.R. 5131. However, a legislative proposal submitted to the Congress by the Department of Transportation proposed to extend this program until December 30, 1991.

Legislative Reference Division Draft
7/12/90 - 3:30 P.M.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 20, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5146 - National Organ Transplant Program
Extension Act of 1990
(Waxman (D) CA and seven others)

The Administration has no objection to enactment of H.R. 5146.

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(Not to be Distributed Outside Executive Office of the President)

This draft position was developed by LRD (Pellicci) in consultation with HIMD (Kleinberg/Clendenin/Nakahata). HHS (per Paul Spiegel, Office of General Counsel) concurs in the proposed position.

Administration Position to Date

The proposed position is consistent with the views expressed by HHS in a letter to the House Energy and Commerce Committee on June 27, 1990, on H.R. 5146. The draft position also is consistent with testimony given by the Health Resources and Services Administration before the House Energy and Commerce Subcommittee on Health and the Environment on April 20, 1990.

Summary of H.R. 5146

- Authorizes appropriations of \$5 million annually for FYs 1991-93 for HHS' National Organ Transplant Program, which helps procure and match human organs and tissues used in transplants. (The President's FY 1991 Budget includes \$3.3 million for this activity.)
- Authorizes appropriations of \$15 million for FY 1991 and "such sums as may be necessary" for FYs 1992-93 for the Bone Marrow Registry. (The Bone Marrow Registry is presently maintained by the National Marrow Donor Program within the National Heart, Lung, and Blood Institute.) The President's FY 1991 Budget includes \$3.7 million for the Bone Marrow Registry.
- Reauthorizes HHS' Scientific Registry of Transplant Recipients -- a national database that tracks transplant recipients until donor organ rejection or death.

- Repeals a requirement that organ procurement organizations be expected to obtain organs from at least 50 donors a year in order to receive Federal assistance. (Agencies in smaller and less populated areas have complained that the requirement unfairly limited their ability to participate in the Federal program.)
- Reauthorizes the office within the Public Health Service responsible for administering HHS' organ procurement and transplantation activities.

LEGISLATIVE REFERENCE DIVISION DRAFT
7/19/90



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 10, 1990
(House Rules)



STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5170 - Aviation Safety and Capacity Expansion Act
(Oberstar (D) MN and 3 others)

The Administration supports House passage of H.R. 5170.

* * * * *

(Not to be Distributed Outside Executive Office of the President)

This draft Statement of Administration Policy was developed by the Legislative Reference Division (Jukes and Brown), in consultation with the Departments of Transportation (Herlihy), Defense (Potok), the Treasury (Kaufman), Commerce (Brown), and the Interior (Poling), GSA (Brady), TCJ (Schwartz, Pheto, and McLean), NS (Murdoch), OFPP (Coleman), GC (Rettman), and BRD (Zimmerman).

A copy of H.R. 5170 as ordered reported by the House Public Works and Transportation Committee is not available for review. The following description is based on a draft provided by the Department of Transportation (DOT) (Herlihy).

Background

The authorizations for the major programs of the Federal Aviation Administration (FAA) expire on September 30, 1990. The passenger, cargo, and fuel taxes that support these programs expire on December 31, 1990. In March, DOT proposed legislation to reauthorize FAA for five years and to extend and increase the taxes. (H.R. 5170 does not contain tax provisions, as they are not under the jurisdiction of the Public Works and Transportation Committee.)

H.R. 5170

H.R. 5170 contains two titles. Title I authorizes FY 1991 and 1992 appropriations for programs of the FAA and the Commerce Department's Weather Service. It also revises the Essential Air Program; authorizes airports to impose passenger facility charges; and provides for grants to develop former and joint use military airports for civilian purposes.

Title II establishes procurement authorities and rules for the FAA. Other than the multi-year contracts termination provision, these provisions are generally comparable to proposals in the Administration's bill.

The principal provisions of H.R. 5170 are described in more detail below.

-- Appropriations Authorizations.

H.R. 5170 would reauthorize FAA programs as shown in the table below.

(fiscal years; BA in \$ millions)

	Enacted 1990	1991		1992	
		Pres.	HR 5170	Pres.	HR 5170
Airport grants	1,651	1,800	1,800	1,800	1,900
Facilities and equipment ...	1,721	2,500	2,500	3,000	3,000
Research	170	190	255*	195	268*
Operations	3,824	**	4,088	**	4,413
Total, FAA	7,366	8,578	8,643	9,441	9,581
NOAA Weather Service	30	30	34.5	30	35.4

* These amounts, reported by the House Science, Space, and Technology Committee, are not currently in the bill but are expected to be added to it.

** The Administration did not request an authorization for FAA operations because it believes that this account is already covered by a standing "such sums" authorization. The authorization levels for this purpose in H.R. 5170, however, are consistent with appropriations requested in the President's FY 1991 budget.

-- "Penalty Provision."

Under current law, 72 percent of FAA's budget is to be derived from the Airport and Airways Trust Fund. However, a "penalty provision" is triggered if actual appropriations for airport grants, facilities and equipment, and research are lower than the amounts authorized. The "penalty provision" reduces the funding for FAA operations which may be derived from the Trust Fund by \$2.50 for each \$1.00 of the shortfall. As a result of this "penalty provision", only 58 percent of the FAA's FY 1990 budget will actually be derived from the Trust Fund. The remainder will come from General Fund appropriations.

H.R. 5170 would eliminate this "penalty provision," and provide for 75 percent of the FAA's budget to be derived from the Trust Fund. (By comparison, the Administration had proposed to eliminate the "penalty provision" and recover 85 percent of the FAA's total budget from the Trust Fund.)

-- Essential Air Service (EAS).

The EAS program subsidizes air service to small communities for which such service would not otherwise be economically feasible. H.R. 5170 would make several changes in this program, including: (1) freezing eligibility of communities receiving EAS subsidies after January 1, 1990, and which have not already been declared ineligible by DOT; (2) prohibiting DOT from declaring communities ineligible on the basis of excessive per-passenger costs or any other basis not specified by statute; (3) funding the EAS program from the Airport and Airways Trust Fund rather than the General Fund and through contract authority rather than appropriations authority; and (4) authorizing the obligation of \$38.6 million for each of FYs 1992-1998. This represents a \$12 million increase over FY 1991 levels. According to DOT, the bill's authors intend that the additional funding be used to improve facilities and equipment involved in the EAS program rather than to increase levels of service.

-- Passenger Facility Charges (PFCs).

H.R. 5170 would authorize the Secretary of Transportation to permit commercial airport authorities to impose PFCs. PFCs, at the discretion of the Secretary, could be set at \$1.00, \$2.00, or \$3.00 per paying passenger. Proceeds from PFCs could be used only to finance airport-related projects specifically approved by the Secretary.

Where PFCs are approved for certain large and medium hub airports, Airport Improvement Program apportionments would be reduced in accordance with a formula set forth in the bill. (These funds would be reapportioned, with 25 percent devoted to an existing discretionary fund and 75 percent to a new fund to assist small and non-hub airports.)

Airports would be prohibited from imposing PFCs on passengers enplaning on EAS-subsidized flights. Moreover, airports would be prohibited from imposing such charges for any project not approved by the Secretary before September 30, 1992, if: (1) aggregate amounts available for obligation for airport and airways purposes during FYs 1991 and 1992 are below \$3.7 billion; or (2) amounts available for obligation for the EAS program are lower than \$26,600,000 in FY 1991 or \$38,600,000 in FY 1992.

-- Former Military Airports.

H.R. 5170 would require the Secretary of Transportation to conduct a survey and designate up to eight current or former military airports for development "to improve the capacity of the air transportation system." The bill would also require that at least 1.5 percent of Airport Improvement Grant funds for FYs 1991 and 1992 be set aside for grants to the developers of these airports. Should applications for such grants be insufficient to support this level of funding, however, Transportation could reallocate these funds to other airport improvement purposes.

-- Procurement.

H.R. 5170 would, consistent with the Administration's draft FAA reauthorization bill, (1) authorize the FAA to enter into leases of up to 20 years without GSA supervision (instead of only for one year with GSA approval, as is currently the case); and (2) transfer certain authorities relating to procurements of property and services, limitation of competition for procurements, and sole source procurements from the Secretary of Transportation to the FAA Administrator.

In addition, H.R. 5170 would authorize the FAA to enter into multi-year contracts for the acquisition of property or services for periods of up to 5 years. Where such contracts are terminated, the FAA (like the Department of Defense) would be permitted to fund the costs of termination from appropriations (1) for the performance of the contract concerned; (2) for the performance of similar contracts; or (3) specifically enacted to fund the termination of the contract. By contrast, the Administration would have required the FAA to obligate amounts equal to anticipated termination costs during the first year of such contracts.

-- Miscellaneous.

In addition to the above provisions, H.R. 5170 would: (1) extend, by one year, a pilot program of block grants for States for airport purposes which is currently scheduled to expire on September 30, 1991; (2) require the FAA to report to Congress on methods of improving air safety in the Caribbean and Miami air traffic control regions (the FAA would be prohibited from contracting for the private operation of two specified airport

control towers in the Virgin Islands until 30 days after the report has been submitted to Congress); (3) require the FAA to rebuild, within 120 days of enactment, a radar facility in the Virgin Islands destroyed by Hurricane Hugo; and (4) require the Secretary of Transportation to provide Congress, within 180 days of enactment, a plan for developing and implementing a system of manned auxiliary flight service stations.

Administration Position to Date

The Administration has not previously taken a position on H.R. 5170. However, DOT and OMB officials have indicated informally to Chairman Oberstar that H.R. 5170 would be acceptable to the Administration.

Legislative Reference Division Draft
7/6/90 -- 6:30 p.m.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

September 24, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5204 - Tribal Herd Cattle Project
(Johnson (D) South Dakota)

The Administration strongly opposes enactment of H.R. 5204. If H.R. 5204 is presented to the President in its current form, the Secretary of the Interior will recommend that he veto the bill.

H.R. 5204 duplicates existing program authorities, is inconsistent with Federal credit policies involving direct and guaranteed loan subsidies, and would require the Department of the Interior to assume additional costs related to technical assistance grants that should be borne by the project participants.

* * * * *

(Not to be Distributed Outside Executive Office of the President)

This position was developed by LRD (Goad) in consultation with NRD (Gibbons, Cogswell and Tuccillo), Interior (Mills), Agriculture (McAndrew), Justice (DeSanctis) and Treasury (Kaufman).

Administration Position to Date

The Department of the Interior, in testimony before the House Committee on Interior and Insular Affairs on July 24, 1990, opposed H.R. 5204. At that same hearing, Agriculture deferred to Interior on the need for such a program. Interior policy officials now advise that a single agency veto threat will likely kill the bill in the House, which is their reason for switching to that position. A companion bill (S. 3083) has been introduced in the Senate.

Provisions of H.R. 5204

The major provisions of H.R. 5204 are:

- to create tribal cattle herd programs using Department of the Interior low-interest loans or loan guarantees to assist in the establishment or expansion of Indian-owned cattle operations;
- to provide for additional loan commitments or direct loans with interest rates set at 5 percent regardless of market conditions; and
- to require the Department of the Interior to assume the costs related the technical assistance grants.

Administration Objections to H.R. 5204

The Administration opposes H.R. 5204 for the following reasons:

- Authority already exists to establish a tribal cattle herd project using Federal loan guarantees. During the past two years, the Bureau of Indian Affairs has earmarked \$5 million in direct loan commitments at Treasury interest rates to support Indian agricultural enterprises. Demand for such credit has been less than expected, leaving part of the \$5 million in loan commitments available for other purposes.
- Fixed 5 percent interest rates on direct and guaranteed loans is inconsistent with Federal credit policies as provided in OMB Circular No. A-70. Circular A-70 requires that interest rates on new direct loans or interest subsidies be related to market interest rates and responsive to changes in capital market conditions.
- Direct loan assistance to support the provisions of H.R. 5204 could affect the Department's ability to make loans to other tribes or individual Indians unless additional Federal capital is appropriated.
- The administrative costs supporting the project consortium and the technical assistance grants should be borne by the participating tribes and individuals. The Department would likely incur the additional costs of the technical assistance grants.

LEGISLATIVE REFERENCE DIVISION DRAFT
September 21, 1990 - 5:45 PM



October 22, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5237 - Native American Grave Protection
and Repatriation Act

(Udall (D) Arizona and three others)

The Administration supports the goals of H.R. 5237, but opposes enactment in its current form. We will work in the Senate to address the following issues:

- If remains and funerary objects are not linked to or claimed by a contemporary tribe, the Federal government should maintain stewardship responsibilities over the remains.
- Aboriginal occupation should not be the sole criteria for establishing affinity where no affinity to contemporary groups can be established.
- Additional studies should be allowed where necessary to ensure a correct determination of affinity.
- Because the time and costs for Federal agencies to inventory their collections could be substantial, Federal agencies should be given the same opportunities for extensions of time for inventorying items as would be provided to museums.
- The broad categories of "sacred objects" and "objects of cultural patrimony" should be deleted from the operation of this bill.
- The review committee established in this bill should be purely advisory in nature.

Additionally, conservative estimates suggest that full implementation of H.R. 5237 could cost as much as \$20 million. Such costs are inappropriate given the current budget situation.

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(Not to be Distributed Outside Executive Office of the President)

This position was developed by LRD (Goad) in consultation with NRD (Tuccillo, Cogswell and Gibbons), ES (Norman), Defense (Potuk), Interior (Harris), Justice (Malmquist), and Smithsonian (Gaynor).

Administration Position to Date

The Departments of the Interior and Justice have sent reports to the House Committee on Interior and Insular Affairs opposing H.R. 5237. Justice's report advised that H.R. 5237 would violate the Takings Clause of the Constitution. The bill has been amended to resolve the Takings issue.

Provisions of H.R. 5237

The major provisions of H.R. 5237 would establish:

- as a general premise that the descendants or native tribes own, control, or have right of possession of Native American human remains, funerary objects, sacred objects, and objects of inalienable communal property;
- criminal penalties for the sale, purchase, use for profit, or transport of any Native American human remain, funerary object, sacred object, or object of inalienable communal property;
- inventory and identification procedures for those Federal agencies and museums which have possession or control over holdings or collections of these artifacts;
- a repatriation process to tribes for excavated remains and funerary objects; and
- a committee to monitor and review the implementation of the inventory and identification process and repatriation activities.

The Secretary of the Interior is authorized to make grants to Native American tribes or organizations and museums to assist in the inventory, identification, and repatriation of excavated remains and funerary objects.

Administration Objections to H.R. 5237

The Administration opposes H.R. 5237 for the following reasons:

- Authority to repatriate remains, funerary objects, sacred materials, and cultural patrimony currently exists; the highly structured bureaucracy superimposed by the legislation is unnecessary and undesirable.
- A commission, independent of the Smithsonian, would have oversight and advisory authority over the Smithsonian's repatriation program.
- The legislative definitions are fixed and inflexible, and would invite lengthy and costly litigation.
- The full cost of H.R. 5237 cannot be determined, and preliminary estimates suggest that implementation would be at least \$20 million.

LEGISLATIVE REFERENCE DIVISION DRAFT
October 20, 1990 - 2:00 P.M.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

September 21, 1990

(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5255 - National Fish and Wildlife Foundation
Establishment Act Amendments of 1990
(Studds (D) Massachusetts and 3 others)

The Administration has no objection to House passage of H.R. 5255 which reauthorizes the National Fish and Wildlife Foundation. However, the Administration strongly objects to the nearly five-fold increase in the funding authorization for the Foundation provided by H.R. 5255, and will seek amendments in the Senate to eliminate this increase.

Chartered in 1985, the Fish and Wildlife Foundation was established to attract private sector funding to complement the activities of the U.S. Fish and Wildlife Service. The Fish and Wildlife Foundation Establishment Act authorized "seed money" totaling \$1 million over a period of ten years. The legislative intent was that the Foundation would become self-sustaining.

The Foundation, however, has received ever-increasing amounts of Federal moneys. In 1988, the ceiling on Federal funding was increased to \$5 million for each of fiscal years 1988 through 1993, and H.R. 5255 would increase the amount to \$15 million for FY 1991, to \$20 million for FY 1992, and to \$25 million for FY 1993.

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(Not to be Distributed Outside Executive Office of the President)

This draft position was prepared by LRD (Goad) in consultation with NRD (Kaplan, Cogswell, and Gibbons).

Interior Position

The Department of the Interior (Moore) encourages stronger opposition to the bill. The Department recommends that the first paragraph be replaced with the following one sentence:

"The Administration opposes House passage of H.R. 5255."

Furthermore, the Department recommends that the following be included as the final paragraph:

"H.R. 5255 violates the original self-sufficiency intent of the Establishment Act, perpetuates the Foundation's growing dependency upon Federal funding and exhibits fiscal irresponsibility."

Administration Position to date

The Department of the Interior opposed H.R. 5255 in House testimony on July 31, 1990. The testimony made the points highlighted in the second and third paragraphs of this SAP. The testimony also noted that "[i]t is time to return to the original intent, and have the Foundation concentrate its efforts on raising private sector funds to carry out its programs."

Provisions of H.R. 5255

H.R. 5255 would amend the National Fish and Wildlife Foundation Establishment Act to:

- authorize appropriations in the form of matching grants from the Department of the Interior of not to exceed \$15 million for fiscal year 1991, not to exceed \$20 million for fiscal year 1992, and not to exceed \$25 million for fiscal year 1993;
- prohibit the use of Federal funds for the administrative expenses of the Foundation;
- remove the existing cap on salaries of Foundation employees; and
- prohibit contributions used for administrative expenses from being considered for purposes of determining amounts to be matched by Federal monies.

The National Fish and Wildlife Foundation Establishment Act established the Foundation as a charitable and nonprofit corporation. The Foundation was chartered to attract and administer private gifts or property for the benefit of, or in connection with, the activities and services of the U.S. Fish and Wildlife Service.

The Establishment Act authorized appropriations of \$1 million to the Department of the Interior to be made available to the Foundation over a ten-year period. The legislative intent was for the Foundation to become self-sustaining. Appropriations were to match, on a one-for-one basis, private contributions made to the Foundation and to provide administrative services and support.

The 1988 Amendment (P.L. 100-240) increased the Foundation's appropriation authorization to \$5 million for each of fiscal years 1988 through 1993 and changed the matching grant standards (partial matching allowed). H.R. 5255 proposes to increase the Foundation's appropriation five-fold.

LEGISLATIVE REFERENCE DIVISION DRAFT
September 20, 1990 - 3:45 p.m.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

September 10, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5267 - Cable Television Consumer Protection and
Competition Act of 1990

(Markey (D) Massachusetts and Rinaldo (R) New Jersey)

The Administration strongly opposes reregulation of the cable television industry. If H.R. 5267 were presented to the President in its current form, his senior advisers would recommend a veto.

The Administration opposes H.R. 5267 because it imposes a new regime of Federal regulation over the cable industry beyond that established in the Cable Act of 1984. Specifically, the Administration opposes provisions that would implement additional Federal regulation over cable rates. The Administration also opposes provisions that place restrictions on the ability of cable programmers to distribute their product.

The Administration opposes Section 15 of H.R. 5267 that would restrict foreign ownership of U.S. cable systems. Such a restriction invites retaliation by other nations that could stifle the growing investment of U.S. firms in foreign cable systems and could hinder U.S. efforts to open foreign markets. These provisions would violate existing international obligations under the Organisation for Economic Cooperation and Development's (OECD) Code of Liberalization of Capital Movements and would undercut U.S. efforts in the OECD and the General Agreement on Tariffs and Trade.

In addition, Sections 4 and 5 of H.R. 5267 would require cable operators to carry the signals of certain television stations. This would be required regardless of whether the cable operator believes that the stations are appropriate for inclusion in its package of services, and regardless of whether such inclusion reflects the desires and tastes of cable subscribers. The Administration believes that these "must carry" requirements would raise most serious constitutional questions under the First Amendment by infringing upon the editorial discretion exercised by cable operators in their selection of programming.

Section 3 of H.R. 5267 also raises similar constitutional concerns by requiring cable operators to offer, as one of their service options, a prescribed "basic service tier" to which they may not add any video programming.

The Administration continues to believe that competition, rather than regulation, creates the most substantial benefits for consumers, and the greatest opportunities for American industry. Consistent with this principle, the Administration supports removing barriers to entry by new competitors into the video services marketplace. Congress should consider removing the current legislative prohibitions on telephone company entry found in the 1984 Cable Act as an alternative to instituting a burdensome and unnecessary regulatory regime.

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(Not to be Distributed Outside Executive Office of the President)

This draft Statement of Administration Policy was developed by the Legislative Reference Division (Fotias), in consultation with the Departments of Commerce (Powell), Justice (Dalmage), Treasury (Levy), White House Counsel (Paoletta), TCJ (Edwards/Schwartz), OIRA (Veeder), and IA (Dorsey).

Description of H.R. 5267

H.R. 5267 amends the Communications Act of 1934 in the following areas:

o RATE REGULATION

The FCC is required to establish a formula, to be initiated 120 days after enactment, for setting the maximum price cable operators could charge for a local broadcasting tier.

The FCC is to develop criteria for identifying those in the cable industry, within 180 days of enactment, that employ an "unreasonable or abusive" standard for rates. The FCC's "unreasonable or abusive" standard would be applied to existing rates. Rates for similarly situated cable systems offering comparable cable programming services would be among the criteria to be taken into account by the FCC. A franchising authority, or other relevant State or local government entity, would be authorized to file a complaint with the FCC. The FCC would be required to establish procedures for resolving such complaints and for reducing rates it deems unreasonable or abuse.

Programming for which consumers pay extra on a monthly basis or pay-per-view special events that are paid for per performance would remain unregulated under the bill.

The FCC would be required to set national standards for the cost of providing such miscellaneous cable services as remote control devices.

o ACCESS TO PROGRAMMING

Vertically integrated cable programming services would be prohibited by FCC regulations, to be in place 180 days after enactment, from unreasonably refusing to deal with any multichannel video system operator concerning the provision of video programming. This prohibition would sunset nine years after the date of enactment. The sunset could end earlier under certain conditions: the sunset would be lifted nationwide if the FCC determines that a "competitive national market" exists for the delivery of video programming; the sunset could end earlier at the local level if the FCC finds that a competitive market exists on the local level.

An exclusive contract would be permitted as long as it does not significantly impede competition.

Multichannel video system operators would be prohibited, by FCC rules to be in place one year after enactment, from:

- coercing programmers to enter into exclusive contracts as a condition of carriage;
- requiring a financial interest in a program service as a condition of carriage; and
- discriminating on the basis of affiliation with regard to terms and conditions of carriage.

Any person who encrypts (scrambles) any satellite delivered programming would be required to:

- make such programming available for private viewing by home satellite antenna users;
- establish reasonable and nondiscriminatory financial, technical, service and character criteria for dealing with programming distributors; and
- establish nondiscriminatory price, terms and conditions for distribution of such programming.

o MUST CARRY AND CHANNEL POSITIONING

Cable operators would be required to carry public and commercial television stations pursuant to the agreements reached by the National Cable Television Association (NCTA) with the National Association of Broadcasters (NAB), the Association of Independent Television Stations (INTV), and the National Association of Public Television Stations (NAPTS).

Under this agreement, cable operators would be required to reserve about 25 percent of their total channel capacity for local broadcast signals.

o CONSUMER PROTECTION AND CUSTOMER SERVICE STANDARDS

Minimum Federal standards for customer service and consumer protection would be established by the FCC within 180 days of enactment.

Local authorities would be allowed to seek enhanced customer service and consumer protection standards as (or when) they renegotiate their franchise agreements. States and franchise authorities would retain the ability to enact legislation imposing more stringent consumer protection standards.

The FCC would conduct an inquiry, to be initiated 60 days after enactment, to determine whether standards for such consumer-related cable equipment as converter boxes and remote controls are necessary. In addition, the FCC would be required to study whether various cable-enabling technologies should be required in all television sets.

o TECHNICAL STANDARDS

The FCC would establish minimum technical standards, within one year of enactment, for the technical operation and signal quality of cable systems.

o FINANCIAL REPORTING REQUIREMENTS

Cable operators would be required to file financial information with the FCC on an annual basis.

o HOME WIRING

The FCC would establish rules concerning the disposition of any cable, installed by a cable operator within the premises of a subscriber, after such subscriber terminates service.

o ANTI-TRAFFICKING

Cable operators would not be permitted to sell or transfer ownership in a cable system within 36 months following the acquisition or initial construction of that system, subject to certain exceptions.

o LEASED ACCESS

The FCC would establish a formula, within 180 days of enactment, to determine the maximum rates a cable operator may charge for leased access.

Cable operators would be permitted to reduce their leased access obligations (a fixed percentage set by the 1984 Cable Act) on a one-to-one basis, up to 1/3 of required leased access capacity, by providing access for minority cable programming services.

o FOREIGN OWNERSHIP OF CABLE SYSTEMS

Current restrictions on foreign ownership that apply to broadcast and common carrier licensees would be extended to cable, wireless cable, and DBS systems. Corporate licensees would be limited to 20 percent alien ownership of capital stock while holding companies would be limited to no more than 25 percent foreign ownership.

H.R. 5267 would "grandfather" foreign ownership of those cable systems already in place while limiting their future growth.

o THEFT OF CABLE SERVICE

Penalties for theft of cable service would be brought into conformity with those for theft of satellite signals.

o DIVERSITY, COMPETITION, AND THE FUTURE OF THE VIDEO MARKETPLACE

The FCC would be required:

- to conduct a study and report to Congress, within one year of enactment, on diversity and competition in the video marketplace, including whether to place limits on horizontal and vertical integration.
- to submit a report to Congress, the first one due 18 months after the promulgation of regulations, on the status of competition in the market for the delivery of video programming.
- to initiate a rulemaking proceeding, within 180 days of enactment, to impose access to broadcast time, use of facilities, and other public interest requirements on DBS systems not regulated as common carriers and to consider the implications of DBS for localism. DBS operators would be required to reserve 4 percent to 7 percent of channel capacity for noncommercial public service uses. A study panel would be established to consider strategies for promoting and identifying sources of funding for such use.
- to conduct an inquiry and rulemaking, 45 days after enactment, to determine whether its rules act as barriers to the use of smaller receivers by home satellite dish owners.

- to submit to Congress a report by January 1, 1995, concerning the effects of exclusive licensing arrangements for video programming on competition between classes of multichannel video system operators.
- to report to Congress by January 1, 1994, on the financial condition, profitability, rates and performance of the cable industry.
- to submit to Congress, within one year of enactment, a report, including legislative recommendations, regarding the status, direction, and future of the U.S. video marketplace.

Administration Position To Date

The Departments of Justice and Commerce co-signed letters opposing pending legislation (S. 1880 and H.R. 5267) to re-regulate the cable industry to Chairman Hollings of the Senate Commerce Committee and Chairman Dingell of the House Energy and Commerce Subcommittee on Telecommunications on June 6, 1990, and June 26, 1990, respectively. It has been the consistent position of the Administration that competition, rather than regulation, creates the most substantial benefits for consumers and the greatest opportunities for American industry.

The Commerce Department testified on July 24, 1990, before the Senate Commerce Subcommittee on Telecommunications that, if S. 1880 were presented to the President in its current form, the Commerce Department would recommend a veto.

Legislative Reference Division Draft
9/10/90 -- 9:30 a.m.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

September 10, 1990
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5269 - Comprehensive Crime Control Act of 1990 (Brooks (D) Texas and Hughes (D) New Jersey)

If H.R. 5269 were presented to the President in its current form, his senior advisors would recommend a veto.

The President supports anti-crime legislation along the lines of the "Comprehensive Violent Crime Control Act of 1989" that he transmitted to Congress last year. Major provisions of that measure (H.R. 2709) would: (1) establish the procedures necessary to institute the death penalty for certain Federal offenses; (2) restore an appropriate degree of finality to State and Federal criminal convictions by curtailing abuses of the writ of habeas corpus; and (3) reform the "exclusionary rule" by making admissible evidence obtained as a result of a search or seizure undertaken in objectively reasonable good faith, as determined by a court.

H.R. 5269 would accomplish none of these objectives. On the contrary, it would:

- o Establish procedures that would effectively abolish the death penalty in the United States.
- o Reduce the degree of finality of convictions by weakening procedures relating to habeas corpus.
- o Establish "exclusionary rule" procedures that would reverse existing case law by creating additional barriers to the admissibility of evidence.
- o Excessively increase authorization levels for drug enforcement beyond those provided in the President's 1991 Budget for Federal grants for State and local law enforcement and criminal justice systems. The President's Budget already provides for a 21 percent increase in State and local drug assistance, which will expand funding 161 percent since FY 1989.

While H.R. 5269 does contain a number of meritorious features, the Administration will propose amendments to rectify its deficiencies, including those noted above. The Administration will continue to work with Congress toward the enactment of effective anti-crime legislation.

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(Not to be Distributed Outside Executive Office of the President)

This Statement of Administration Policy was drafted by the Legislative Reference Division (Fotias), in consultation with the Departments of Justice (Webber), Transportation (Bronner), State (Davis), Education (Riddle), Health and Human Services (Barnes), and the Treasury (Kaufman), and the Office of National Drug Control Policy (Rivait), White House Counsel (Lund), OPD (McGettigan), GC (Aitken), Cabinet Affairs (Williamson) and TCJ (Schwartz/Duke).

Description of H.R. 5269-- Title I -- Correctional Options Incentives Amendments

Provides for a new program of Federal assistance for experimental State correctional projects, such as community-based and weekend incarceration, boot camps, electronic monitoring, and intensive supervision probation. Authorizes \$300 million in special discretionary grants to be administered by the Bureau of Justice Assistance (BJA), including a maximum of four grants to public agencies, and grants to private nonprofit organizations without numerical restriction.

-- Title II -- Death Penalty

Authorizes capital punishment for a limited number of offenses where the specified acts were committed with the intention of causing death. This is a basic departure from prior Federal death penalty law and the general pattern of State death penalty law. Title II establishes procedures that bar the imposition of the death penalty unless at least two aggravating factors are found. This holds even if no mitigating factors are found, or where a single aggravating factor clearly outweighs any mitigating factors. This title compares unfavorably to existing Federal death penalty statutes and the President's proposal which do not require "intent to kill" or extensive procedural rules.

-- Title VI -- Law Enforcement Scholarships and Recruitment Incentives

Establishes a \$30 million program for law enforcement officers' scholarships and part-time employment for students interested in a career in law enforcement. The program would be administered by the Bureau of Justice Assistance and would require 50 percent matching by States. Funds would be split 75-25 between scholarship and part-time work programs.

-- Title VII -- Firearms Provisions

crime bill (H.R. 2709). Title VII adds the banning of domestic assembly of semiautomatic rifles and shotguns that are barred from importation. This has the effect of banning "in production" weapons and those manufactured for legitimate export to foreign law enforcement entities. The title provides for increased penalties for unlawful possession of firearms in Federal court facilities. It provides a mandatory minimum penalty of ten years imprisonment for using a short-barreled rifle or shotgun in a drug trafficking crime or crime of violence. In addition, it creates mandatory penalties for use of destructive devices (bombs) that equate to those required for use of machine guns or silenced weapons. These provisions fall short of the President's bill by omitting a large number of firearms related provisions.

-- Title XIII -- Habeas Corpus

Establishes a one year limit on the time allowed for filing appeals, and extensive procedures for processing "death row" appeals. Permits challenges to the validity of capital sentences in repetitive filings, even if those filings have been rejected by the Federal courts in earlier petitions. Allows the overturning of sentences by applying "new law" decisions retroactively. Requires all States seeking to enforce a death penalty to create an elaborate and expensive system for appointing counsel in capital cases.

-- Title XV -- Criminal Aliens

Adds illicit trafficking in any controlled substance to the definition of "aggravated felony" under the immigration laws and changes the arrest authority of INS officers. Clarifies that the Attorney General must take into custody an alien convicted of an aggravated felony on release from incarceration. Conditions Justice assistance funding on the submission by the States of alien conviction records to the INS within 30 days of conviction.

-- Title XVIII -- Racially Discriminatory Capital Sentencing

This title is a variant of the so-called "Racial Justice Act" which would authorize the invalidation of capital sentences on the basis of statistical disparities among various offender and victim classes in the imposition of capital punishment. It imposes the burden of proof on the prosecution to show no discrimination exists in the face of statistical disparities.

-- Other Provisions

The bill contains a number of other provisions such as:

- o Anabolic Steroids provisions which place such chemicals on the controlled substances list and provide criminal

penalties for coaches or others who endeavor to persuade or induce athletes to use steroids;

- o Asset Forfeiture provisions which authorize quarterly transfers from the Justice Asset Forfeiture Fund to the Special Forfeiture Fund, and effectively bar the transfer of forfeited assets to State law enforcement activities where State law prohibits such transfers;
- o Drug Paraphernalia provisions which make it a Federal offense to sell or offer for sale drug paraphernalia;
- o Obstruction of Justice provision which increases penalties for extreme acts of criminal violence against witnesses, jurors, and court officers;
- o Shock Incarceration provision which authorizes "boot camp" type programs;
- o Public Safety Officers' Disability Benefits program which would authorize a one-time \$100,000 Federal benefit to public safety officers who become permanently and totally disabled in the line of duty [capped at a total of \$5 million annually];
- o Intoxication and Restitution provision which clarifies that the bar to discharge in bankruptcy for debts arising from driving while intoxicated includes intoxication resulting from drugs other than alcohol; and
- o Child Abuse provisions which create new grant programs relating to the handling of child abuse cases.

Position To Date

A May 21, 1990, Statement of Administration Policy on S. 1970, companion to H.R. 5269, stated that the President's senior advisers would recommend that S. 1970 be vetoed if it were presented to the President without addressing satisfactorily the Administration's concerns. The Justice Department has prepared a report on H.R. 5269 for transmittal to the House leadership by September 10, 1990, stating that if H.R. 5269 were presented to the President without satisfactorily addressing the Department's concerns, the Attorney General would recommend a veto.

Legislative Reference Division
9/10/90 -- 5:00 p.m.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

September 21, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5314 - Water Resources Development Act of 1990
(Anderson (D) California and three others)

Any new Water Resources Development Act must preserve the critical cost sharing principles and policy reforms established by the Water Resources Development Acts (WRDA) of 1986 and 1988. These reforms emphasize high priority urban flood control and commercial navigation water resources projects. They ensure that all projects have thoroughly documented economic and environmental justifications in accordance with long-standing Federal principles and guidelines. Finally, they guarantee that the beneficiaries of water resources projects pay for their share of project-related benefits.

H.R. 5314 fails to maintain these principles and reforms. Preliminary estimates indicate that the bill would create over \$4.1 billion in future funding commitments. Given the demand to reduce current and future appropriations, this would preclude Federal funding of worthy, high priority flood control and navigation projects in the future. Thus, if H.R. 5314 were enacted in its current form at the House reauthorization levels, the President's senior advisers would recommend that he veto the bill.

The Administration could support H.R. 5314 if were amended to delete:

- 18 projects which have not undergone environmental and economic feasibility studies, and five conditionally authorized projects;
- numerous provisions which would require the Federal Government to assume various non-federal responsibilities. These responsibilities include the development of recreation facilities, replacement of a U.S. highway bridge, levee beautification, and agricultural land improvements, and;
- numerous provisions which would weaken established cost-sharing reforms. These provisions include waivers of WRDA cost sharing requirements for specified projects and studies, and an unwarranted expansion of the "ability to pay" policy, which ensures that appropriate State and local resources

are considered when calculating beneficiary financial means.

In addition, the Administration strongly objects to the bill's failure to include certain provisions contained in the Administration's Water Resources Development bill.

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(Not to be Distributed Outside Executive Office of the President)

This draft position was prepared by LRD (Fitter) in consultation with NRD (Long, Gibbons), OIRA (Hunt), Army (Rees), Energy (Tyson), Commerce (Brown), Transportation (DeCell), EPA (Wood), Interior (West), Justice (DeSanctis), USDA (McAndrews), FEMA (Hirsch), GSA (Brady), CEQ (Curtis), State (Davis), Treasury (Levy), and OSTP (Maynard).

Administration Proposal (S. 2469/H.R. 4867)

The Administration's water resources development proposal would have authorized four projects and one project modification for a total cost of \$996 million, of which \$728 million would have been federally funded. The Administration's bill also contained several user fee proposals, including an increase in recreation user fees and the ad valorem harbor maintenance fee imposed on commercial waterborne cargo. These proposals were estimated to generate \$420 million in FY 1991. Additionally, the Administration's bill would have authorized the Corps to work with the Department of Transportation in undertaking research and development of an advanced magnetic levitation high speed transportation system.

Position taken on Senate companion bill, S. 2740

A July 25, 1990, Statement of Administration Policy opposed S. 2740 for many of the same reasons expressed in this position. The draft position on H.R. 5314 contains a senior advisers veto threat, however, because H.R. 5314 is a far more costly, and consequently a more objectionable bill. H.R. 5314 would authorize 30 projects versus S. 2740's 22, and would create an initial cost of \$3.75 billion versus \$3.22 billion and a future Federal commitment of \$4.1 billion versus \$2.5 billion.

H.R. 5314

H.R. 5314 would authorize 30 Army Corps of Engineers water resources development projects and numerous other projects and program-related provisions totalling \$3.75 billion. Approximately \$2.57 billion of this amount would be federally

funded. In addition, the bill contains a number of provisions that would alter WRDA cost-sharing requirements, and affect the management and execution of the Army Civil Works programs. The major components of the bill are described below.

Project Authorizations

The bill contains 30 project authorizations, 23 of which are objectionable. Of these, five are conditionally authorized pending further project review and 18 have not completed the Administration's policy and planning review process.

Project Modifications

The bill contains 59 modifications to authorized projects. Forty-eight of these provisions are objectionable because they would result in the inappropriate Federal assumption of a non-federal responsibility, are contrary to WRDA cost-sharing principals, or are premature. Particularly objectionable are provisions which would require the Corps to:

- develop recreation facilities as part of the Santa Anna mainstream Flood Control Project;
- replace the St. Georges Highway Bridge;
- undertake a major rehabilitation of the Kentucky Locks and Dams No. 5-14; and
- construct flood levee beautification measures.

Additionally, the bill would exempt the Hatfield Bottom flood control project in Matewan, West Virginia, from WRDA cost-sharing requirements.

Miscellaneous Project-Related Provisions

The bill contains an additional 61 provisions relating to Corps projects. Fifty-six of these are objectionable because they would result in an inappropriate Federal assumption of non-federal responsibilities, violate WRDA cost-sharing principals, are premature, or would unnecessarily interfere with Corps administrative procedures. These provisions include requirements to carry out numerous studies on local water supplies and water quality, and to construct wastewater treatment facilities.

General Provisions

Finally, the bill contains 36 general provisions, 24 of which are objectionable because they would alter WRDA cost-sharing requirements and/or unnecessarily intrude into the Corps' management procedures. These provisions include modifications to

the "ability to pay" procedures for flood control, and extension of the these procedures to municipal and industrial water supply systems. Additional provisions would require the creation of reservoir management advisory committees for every major Corps reservoir, and mitigation for Corps project impacts on recreation.

LEGISLATIVE REFERENCE DIVISION DRAFT
9/18/90 5:30 PM



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

September 24, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5316 - Federal Judgeship Act of 1990
(Brooks (D) Texas and Smith (R) Texas)

The Administration supports House passage of H.R. 5316 and will continue to support the Judicial Conference's request for additional judgeships.

H.R. 5316 would create 11 new judgeships for the courts of appeals and 48 for the district courts. These judgeships will fill some of the clear needs in the Judicial branch. The bill, however, does not meet the needs expressed in the Judicial Conference recommendations of June 22, 1990, for 96 additional judgeships -- 20 for the courts of appeals and 76 for the district courts.

The Administration supports the Judicial Conference recommendations and believes that these additional resources are needed to meet current caseload requirements. Furthermore, the Administration supports additional judgeships to hear the many new drug trafficking and money laundering cases, and savings-and-loan and other financial institution cases (criminal and civil fraud, tax, and bankruptcy), that it is pursuing.

* * * * *

(Not to be Distributed Outside Executive Office of the President)

This draft Statement of Administration Policy was developed by the Legislative Reference Division (Ratliff), in consultation with the Department of Justice (Dulmage), the Administrative Office of the U.S. Courts (Fiedler), TCJ (Schwartz, Silas), White House Counsel (Lieberman), and Cabinet Affairs (Williamson).

OPD (McGettigan) did not respond to our request for views.

Provisions of H.R. 5316

A copy of H.R. 5316 as ordered reported by the House Judiciary Committee on September 18th is not available for review. This SAP is based on a draft provided by Justice (Dulmage).

H.R. 5316 would create 59 additional Federal circuit and district court judges (11 circuit and 48 district). Twelve of the new district judgeships would be temporary (i.e., vacancies occurring

five years or more after the effective date could not be filled). The bill would also convert 6 existing temporary judgeships to permanent judgeships.

H.R. 5316 would also authorize appropriations of such sums as necessary to carry out its provisions. It would also require the Comptroller General to review the Judicial Conference's procedures underlying its recommendation to create additional judgeships, in particular its measure of judges' workloads.

Administration Position to Date

In a September 12, 1990, report to the House Judiciary Committee, the Department of Justice expressed concern that H.R. 5316 does not provide for a sufficient number of additional judgeships. Justice recommended that H.R. 5316 be amended at least to bring it into conformity with the most recent recommendations of the Judicial Conference.

Legislative Reference Division Draft
9/24/90 -- 12:00 P.M.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

August 2, 1990
(House Floor)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5350 - Debt Limit Increase
(Rostenkowski (D) Illinois)

The Administration supports enactment of a long-term debt limit increase bill without extraneous amendments. However, in light of the House's action on July 31st, it appears unlikely that such a bill will be enacted. Accordingly, the Administration will support the enactment of a clean short-term debt limit increase sufficient to accommodate planned Federal borrowing through October 1, 1990.

A default would almost certainly occur on August 15th if the debt limit is not increased. Failure to enact a debt limit increase by August 13th would prevent Treasury from auctioning securities on August 14th and settling on August 15th.

* * * * *

(Not to be Distributed Outside Executive Office of the President)

This draft Statement of Administration Policy was developed by the Legislative Reference Division (Jukes/Fotias), in consultation with the Department of the Treasury (Deputy Assistant Secretary Basham), GC (Damus), and BRD (Anderson and Kilpatrick).

H.R. 5350

H.R. 5350 would increase the public debt limit from \$3,122.7 billion to \$3,195 billion through October 15, 1990. After that date, the debt limit would revert to \$3,122.7 billion. Treasury advises that the \$3,195 billion level is high enough to accommodate planned borrowing during the period of the temporary debt limit increase. If the debt limit reverted to \$3,122.7 billion, Treasury estimates that they would run out of cash on October 18, 1990.

Administration Position to Date

In a June 28, 1990, letter to Congress, Secretary Brady stated that it appeared that a debt limit increase would be needed by mid-August to avoid a default on the Government's obligations. (On August 15th, Treasury notes of \$23 billion will mature and interest payments of \$21 billion are due.)

In July 11, 1990, testimony, Treasury Under Secretary Glauber estimated a need for a debt limit of \$3,509 billion for FY 1991, \$3,806 billion for FY 1992, and \$4,046 billion for FY 1993. (The FY 1991 amount is \$30 billion higher than the Mid-Session Review estimate for the end of FY 1991 to allow for the full investment of the normalized tax transfer to the social security trust funds in early September. Allowances of \$35 billion and \$40 billion are included in the amounts for FY 1992 and 1993.)

Recent Treasury testimony has suggested that a multi-year increase be considered in the context of the budget summit negotiations.

A SAP sent to the House on July 31, 1990, supported enactment of H.R. 5355, which would increase the debt limit to \$3,444 billion. Treasury estimates that this amount would be sufficient to support Government borrowing through June 30, 1991. The SAP urged enactment of debt limit legislation without amendment. However, on July 31, 1990, the House passed H.R. 5355 with a Dorgan amendment to remove the Social Security trust funds from Gramm-Rudman-Hollings deficit calculations.

Legislative Reference Division Draft
7/31/90 -- 6:00 p.m.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 31, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5355 - Debt Limit Increase
(Rostenkowski (D) IL)

The Administration supports enactment of H.R. 5355, which would increase the public debt limit from \$3,122.7 billion to \$3,444 billion. The Administration urges that legislation to increase the debt limit be enacted without amendment.

The Administration estimates that the debt limit increase contained in H.R. 5355 would be sufficient to meet the Government's borrowing needs through June 30, 1991.

A default would almost certainly occur on August 15 if the debt limit is not increased. Failure to enact a debt limit increase by August 13 would prevent the Treasury from auctioning securities on August 14 and settling on August 15.

An auction of Treasury securities is scheduled to be announced on August 1. Failure to enact a debt limit increase by that date would compress the time period for distributing those securities. This would raise the cost of Treasury borrowing, all other things being equal. The cost of the delay would grow with its length.

* * * * *

(Not to be Distributed Outside Executive Office of the President)

This draft Statement of Administration Policy was developed by the Legislative Reference Division (Jukes/Fotias), in consultation with the Department of the Treasury (Deputy Assistant Secretary Basham), BRD (Anderson and Kilpatrick), HIMD (Fontenot), HTF (Rhinesmith), EP (Al-Samarrie), and GC (Damus).

H.R. 5355

H.R. 5355 would increase the public debt limit from \$3,122.7 billion to \$3,444 billion.

BRD (Kilpatrick) advises that this amount would be insufficient to meet anticipated borrowing needs through FY 1991. The Mid-Session Review estimates a need for \$3,479 billion in debt subject to limit on September 30, 1991. Treasury estimates that a debt limit of \$3,509 billion would be sufficient to last through FY 1991. (The debt subject to limit is expected to hit a peak level on September 3, 1991, when the normalized tax transfer

to the Social Security trust funds is invested. The \$3,509 billion figure includes a \$30 billion allowance for this transfer.)

The debt limit of \$3,444 contained in H.R. 5355 is \$65 billion less than \$3,509 billion. This difference is the amount of additional outlays for FY 1991 if the Resolution Trust Corporation (RTC) obtains the authority that would allow it to spend the amount estimated in the Mid-Session Review.

According to Treasury (Ouseley), Chairman Rostenkowski wants the Administration to make a specific proposal to provide additional authority for the RTC. Treasury Under Secretary Glauber is expected to announce an Administration proposal on Monday, July 30th.

Dorgan Amendment

Chairman Rostenkowski has announced his support of a Dorgan amendment to H.R. 5355 that would:

- Exclude Social Security receipts and disbursements from the Gramm-Rudman-Hollings (GRH) deficit and deficit reduction targets, effective in FY 1991.
- Make out of order legislation that would:
 - o Increase Social Security (OASDI) benefits by: (1) \$100 million for the five fiscal years beginning with the year in which it would become effective; or (2) .005 percent of the present value of future taxable payroll for the 75-year period utilized in the most recent Board of Trustees' annual report. However, the legislation would be in order if it provided for a fully-offsetting increase in OASDI taxes.
 - o Reduce OASDI taxes by at least \$100 million or .005 percent of the present value of future taxable payroll for the two periods specified above, unless the legislation provides a fully offsetting net decrease in OASDI benefits. However, it would be in order to reduce OASDI taxes if the same bill contained an equivalent increase in Medicare taxes.

For purposes of this provision, CBO would estimate receipts and outlays. In the Senate, a point of order could be waived only if three-fifths of all members voted in favor.

- Require the Annual Report of the OASDI Board of Trustees to state whether the Social Security trust funds are in close actuarial balance.

A related proposal was recently ordered reported by the Senate Budget Committee by a vote of 20-1. The Senate has also voted

96-1 in favor of including in debt limit legislation a provision to remove Social Security from GRH deficit calculations.

Related Bill - H.R. 5350

On July 25th, the Ways and Means Committee ordered reported two debt limit bills -- H.R. 5355 and H.R. 5350. The latter bill would increase the debt limit to \$3,195 billion through October 15, 1990. We understand that the Rules Committee may make H.R. 5350 in order as an amendment to H.R. 5355.

Administration Position to Date

In a June 28, 1990, letter to Congress, Secretary Brady stated that it appeared that a debt limit increase would be needed by mid-August to avoid a default on the Government's obligations. On August 15, Treasury notes of \$23 billion will mature and interest payments of \$21 billion are due.

The Administration has not explicitly requested a specific level or period of a debt limit increase. Recent Treasury testimony has suggested that a multi-year increase be considered in the context of budget summit negotiations.

In July 11, 1990, testimony, Treasury Under Secretary Glauber estimated a need for a debt limit of \$3,509 billion for FY 1991, \$3,806 billion for FY 1992, and \$4,046 billion for FY 1993. (These amounts include allowances of \$30 billion, \$35 billion, and \$40 billion, respectively, for early September investment of the normalized tax transfer to the Social Security trust funds.)

Legislative Reference Division Draft
7/27/90 -- 5:00 p.m.



October 9, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5367 - Seneca Nation Settlement Act of 1990
(Houghton (R) New York)

The Administration strongly opposes enactment of H.R. 5367 because it requires an unnecessary Federal payment of \$35 million to the Seneca Indian Nation to resolve a dispute that exists between the Indian community, the City of Salamanca, and the State of New York.

H.R. 5367 requires the United States and the State of New York to compensate the Seneca Nation for a 1890 lease arrangement approved by Congress. The bill provides no justification for the \$35 million Federal payment, which was negotiated without Executive Branch participation and represents more than half of the total settlement. Furthermore, the United States has already compensated the Seneca Nation for any impropriety relating to the lease arrangement, and should not be expected to provide further substantial funding to settle a local issue. The Department of Justice advises that the United States has no further legal liability for the lease arrangement.

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(Not to be Distributed Outside Executive Office of the President)

This position was developed by LRD (Goad) in consultation with NRD (Gibbons, Cogswell, and Tuccillo), Interior (Poling), and Justice (Malmquist).

Administration Position to Date

This Statement of Administration Policy is consistent with testimony presented by Walter Mills, Deputy to the Assistant Secretary-Indian Affairs, Department of the Interior, before the House Committee on Interior and Insular Affairs on September 13, 1990. At the hearing, Mr. Mills expressed the Administration's strong opposition to the bill.

Provisions of H.R. 5367

H.R. 5367 would implement an agreement negotiated between the State of New York, the City of Salamanca (NY), and the Seneca Indian Nation to renew leases within the reservation. The current lease, approved by Congress in 1890, expires in February, 1991. The Seneca Nation threatened not to renew the leases with

residents of Salamanca unless the tribe was compensated for the rental rates established in 1890. There are approximately 3,000 lessees living on Seneca land, many of whom pay between \$1 and \$3 annually.

The agreement requires the Federal government to contribute \$35 million and New York to contribute \$25 million to resolve disputes involving the terms of the original 1890 lease arrangement.

The \$60 million would be used to support tribal economic development projects on the reservation, including the City of Salamanca, and to make per capita payments to the 3,400 members of the Seneca Nation.

In 1977, the United States and the Seneca Nation reached a settlement over the improper use of lease fees, whereby the tribe was awarded \$600,000. The Department of Justice advises that the United States has no further legal liability for the lease arrangement.

Administration objections to H.R. 5367

The Administration opposes H.R. 5367 for the following reasons:

- The United States is being asked to commit \$35 million as compensation to the Seneca Nation to resolve a dispute that exists largely between the Indian Community and the State of New York.
- The United States has already compensated the Seneca Nation for any impropriety relating to the lease arrangement and has minimal, if any further, legal liability.
- H.R. 5367 provides neither justification as to how the \$60 million in compensation was derived, nor the basis for the amount of the contributions by the United States or the State of New York.
- H.R. 5367 establishes the most undesirable form of precedent towards the resolution of Indian issues.



September 24, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5381 - Federal Courts Study Commission Implementation Act
(Kastenmeier (D) Wisconsin and Moorhead (R) California)

The Administration has no objection to House passage of H.R. 5381, but will seek Senate amendments to delete:

- Section 109, which would allow removal to Federal district courts of civil actions involving more than one claim or cause of action only where at least one of the claims involves a "Federal question." This section would relegate many matters, in which a Federal interest predominates, to State courts. It would impair the Justice Department's ability to defend the United States and its agencies, officers and employees.
- Section 110, which would allow actions to be brought against the United States in any district where "a substantial part of the events or omissions giving rise to the claim occurred" or a "substantial part of the property . . . is situated." This section would generate additional litigation over the meaning of these ambiguous terms and invite plaintiffs to engage in forum shopping.
- Section 114, which would create new jurisdiction in the Federal courts to hear State law claims. This section would invite plaintiffs to use limited jurisdictional grounds as an unwarranted basis to bring related State law suits into Federal court. It would complicate unnecessarily private and Government litigation.

Section 108 of the bill incorporates the Administration's proposal for an orderly phase-out of parole. The Administration supports this provision. The Administration defers to the Judicial branch with respect to provisions involving the internal administration of that branch.

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(Not to be Distributed Outside Executive Office of the President)

This draft Statement of Administration Policy was developed by the Legislative Reference Division (Ratliff), in consultation with the Department of Justice (Dulmage), the Administrative Office of the U.S. Courts (Fiedler), White House Counsel (Lieberman), TCJ (Silas), and LR (Schreiber).

OPD (McGettigan) did not respond to our request for views.

Provisions of H.R. 5381

A copy of H.R. 5381 as ordered reported by the House Judiciary Committee on September 18th is not yet available for review. This SAP is based on a draft supplied by Justice (Dulmage).

The bill would implement certain recent recommendations of the Federal Courts Study Commission. Its principal provisions include:

- Section 109, which would allow removal to Federal district courts of civil actions involving more than one claim or cause of action only where at least one of the claims involves a "Federal question." (Under current law, there are other bases for removal to Federal courts.) The bill would also allow the district judge to remand to the State court all matters in which State law predominates. Justice believes that this provision could cause confusion and unnecessary litigation.
- Section 110, which would expand choices of venue in many civil actions. Under current law, an action against the United States may be brought in a district where a "cause of action arose" or "the property is situated." H.R. 5381 would change these terms to "a substantial part of the events or omissions giving rise to the claim occurred" and a "substantial part of the property is located," respectively. Justice believes that this change could invite litigation over the terms "substantial" and "events or omissions."
- Section 111, which would establish a four-year statute of limitations for all civil actions arising under Federal statutes that do not currently have them.
- Section 114, which would give the district courts supplemental jurisdiction over certain related claims.

Other provisions of H.R. 5381 would:

- require studies of intercircuit conflicts, structural alternatives for the courts of appeals, and the Federal defender program;
- increase witness and juror fees;

- establish a Federal Offender Review Board, as proposed by the Administration, to provide for an orderly phase-out of parole; and
- establish a new retirement system for Claims Court judges. The Federal Courts Study Commission recommended an enhanced retirement system for the Claims Court. AOUSC states the system is similar to the U.S. Tax Court system and has some of the features of the more recently created system for bankruptcy judges.

Administration Position to Date

On September 6, 1990, the Department of Justice testified before a House Judiciary subcommittee on H.R. 5381. Justice opposed much of H.R. 5381 as drafted but expressed support for several specific sections. Some of the Administration's concerns were subsequently addressed by the Judiciary Committee.

Legislative Reference Division Draft
9/24/90 -- 12:00 P.M.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

August 2, 1990
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5400 - Campaign Cost Reduction and Reform Act of 1990
(Swift (D) Washington)

Although the Administration agrees that the current campaign finance system suffers from a number of serious defects and that there is a need for real reform, the Administration strongly opposes enactment of H.R. 5400. While the following statement details several of the Administration's most serious objections to the bill, it does not represent an exhaustive list. If H.R. 5400 were presented to the President in its current form, his senior advisors would recommend that it be vetoed.

The Administration urges the Congress to enact the President's campaign finance proposal (H.R. 3425). H.R. 3425 contains several far-reaching and much-needed reforms, and is fully consistent with the requirements of the First Amendment. The Administration's bill directly confronts the twin evils of the current system -- practices which give incumbents unfair advantages and the role played by special interest "PACs" subsidized by corporations, labor unions, and trade associations.

By contrast, H.R. 5400 would aggravate many of the worst features of the existing financing system which heavily favors incumbents. The bill would unconstitutionally coerce House candidates into agreeing to participate in a program of campaign spending limits. Under the program, if a challenger raises or spends even \$1 over an amount equal to approximately 36 percent of the "voluntary" limit, the participating incumbent -- who receives postal subsidies, free broadcast advertisements, and indirect subsidies resulting from tax credits to his contributors -- may make expenditures without regard to the applicable limit. Thus, even if a challenger raised or spent only 40 percent of the applicable limit, the participating incumbent would receive all of the benefits of participation with few of the costs. Given the attractiveness of the benefits and the fact that most candidates will inevitably go over the 36 percent mark, the system would create enormous coercive pressure to participate.

The effect, if not the purpose, of this scheme would be to coerce challengers to limit their efforts against incumbents. In doing so, the bill would place unconstitutional burdens on the rights of individual candidates to make campaign expenditures as well as on the rights of contributors. In addition, by attempting to

equalize campaign financial resources, the proposed program would stack the deck even more heavily in favor of incumbents, who enjoy substantial name recognition at the start of a campaign.

In a time of significant fiscal constraints, there is no justification for spending federal dollars, whether in the form of tax credits or postal subsidies, on an incumbent protection scheme. Moreover, any amendments providing for even greater use of taxpayer dollars in House campaigns would aggravate the bill's deficiencies by further weakening the role of individual contributors, increasing the drain on the Federal Treasury, and enhancing the biases in favor of incumbents.

The Administration also objects to several sections of H.R. 5400 that would unconstitutionally regulate the content of political advertisements. Section 117 of H.R. 5400 would impermissibly require that: (1) photographic images of the candidate be displayed in candidate television broadcast advertisements, and (2) independent broadcasts display continuously certain prescribed information.

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(Not to be Distributed Outside Executive Office of the President)

This draft Statement of Administration Policy was developed by the Legislative Reference Division (Brown), in consultation with the White House Counsel's Office (Nelson), Department of Justice (Pestal), TCJ (Beebe), HTF (Hannon), LVE (Matlack) and GC (Damus). Time did not permit reactions to this SAP by the Departments of Commerce or The Treasury.

This draft SAP, and the following description of the bill, are based on a "rough draft" provided by LA (Pierson) that we understand was subsequently introduced as H.R. 5400. An article in the Washington Post of August 2, 1990, (page A18) suggests that the bill will be amended by the leadership before it goes to the floor. We do not have the the text of the amendments.

In addition to H.R. 5400, a substitute version sponsored by Representatives Obey ((D) Wisconsin) and Synar ((D) Oklahoma) may also be considered. Unlike the base bill, this provision would provide \$100,000 in public financing for House candidates who agree to abide by the bill's expenditure limitations.

This possible amendment is addressed in the draft Statement of Administration Policy (SAP). (The campaign finance reform package introduced by the House Republican Leadership is not addressed in the SAP because: (1) Justice staff advise that they do not expect these proposals to be considered on the House floor; and (2) while preferable to the two Democratic proposals, the package does not achieve all of the reforms sought by the Administration.)

Provisions of H.R. 5400Changes to Generally Applicable Federal Campaign Finance Laws

H.R. 5400 would:

- eliminate the current limit on expenditures by Presidential candidates on primaries in any one State (while retaining the overall limitation of \$10,000,000 on expenditures by candidates for nomination for President);
- prohibit any candidate for Federal office from (1) maintaining or controlling any political committees other than the candidate's own authorized committee or the committee of a political party, or (2) accepting any contribution if the contribution was originally given for a non-Federal campaign;
- require that any contributions made through intermediaries be counted against applicable Federal expenditure limitations for both the individual and the intermediary;
- prohibit lobbyists from serving as intermediaries for contributions for any Federal campaign;
- make total contributions to Federal candidates from all party committees, including State or local party committees, subject to the overall limit which now applies to contributions by national party committees; and
- require Federal candidates to include, in any television ad, a photographic or similar image of the candidate as well as a statement that the candidate "takes full responsibility for the content of [the] advertisement", covering at least 1/3 of the screen and shown for at least 4 seconds;
- require similar statements of responsibility in radio and print ads placed by candidates;
- require independent expenditure organizations to include, in print and broadcast advertising, statements that they are not authorized by the candidate and an identification of who has paid for the advertising;
- require independent expenditure organizations to include in solicitations for contributions notices that neither the committee nor the communication are authorized by or under the control of a candidate;
- prohibit false claims that funds are being solicited on behalf of a Federal candidate;

- prohibit the conversion of political contributions to personal use by candidates or other individuals;
- prohibit PACs with average donations exceeding \$240 from contributing more than \$1,000 to a Federal candidate (PACs with average contributions of less than \$240 could contribute up to \$5,000 to a Federal candidate);
- require several new reports by State and national political party committees;
- require broadcasting organizations to sell time to Federal candidates at rates which do not exceed rates for comparable use by other advertisers; and
- tighten several miscellaneous definitions relating to campaign contributions and expenditures.

House Campaign Expenditures

H.R. 5400 would establish a system under which House candidates who agree to adhere to the spending limitations set forth in the bill would become eligible for reduced postage and broadcast advertising rates. Candidates who agreed to the limitations would continue to receive these benefits but would be released from any restrictions on spending if opponents who have not agreed to these limitations receive contributions or make expenditures exceeding \$200,000. Participating candidates would be required to agree:

- not to spend more than \$75,000 of their own money on their campaigns;
- not to spend more than \$550,000 for a general election, \$300,000 for a primary election (\$400,000 in States where candidates who receive a majority of votes in the primary are elected to office), or \$100,000 for a runoff election (beginning after calendar year 1992, these figures would be adjusted every four years in accordance with a formula set forth in H.R. 5400); and
- to pay to the Treasury (for deposit as miscellaneous receipts), in the event that any of these limits are exceeded, an amount equal to (1) the amount of the overage, if the excess was less than 5 percent of the limit; (2) 3 times the overage, if the excess was more than 5 or less than 10 percent of the limit; and (3) 3 times the overage plus a civil penalty in an amount determined by the Federal Election Commission, if the excess was more than 10 percent of the limit.

Limitations on PAC Contributions to House Candidates

H.R. 5400 would prohibit candidates for the House or their political committees from accepting contributions from PACs totalling more than 50 percent of the total expenditures permitted for the applicable election.

Requirements With Respect to Broadcasts in House Campaigns

H.R. 5400 would require that broadcasters:

- offer to provide to House candidates whose "honesty, character, integrity" or similar qualities have been attacked in an ad by an independent expenditure organization: (1) the details of the ad, and (2) an opportunity to respond, without cost, to the ad; and
- sell time to participating House candidates at the rate of three advertisements for the price of two.

Tax Credits for Contributions to House Campaigns

H.R. 5400 would provide for a maximum tax credit of \$50 (or \$100 for a couple filing jointly) for an individual contributing to a participating candidate for the House. Contributions to non-participating House candidates would not qualify for the credit.

Administration Position to Date

The Administration has not previously taken a position on H.R. 5400. However, a Statement of Administration Policy dated July 31, 1990 regarding a similar bill in the Senate (S. 137) stated that the President's senior advisors would recommend that he veto that bill.

The President's proposal (H.R. 3425) would:

- eliminate PACs supported by corporations, unions, or trade associations, and prohibit such entities from paying for the overhead or administrative costs of any independent PAC;
- increase the amounts that political parties can spend on behalf of Congressional candidates;
- reduce the unwarranted advantages of incumbency by prohibiting the personal use of excess campaign funds, reduce franked Congressional mailings, ban the rollover of campaign funds from one election to another, and legislate fair criteria for Congressional redistricting; and
- require full disclosure of all "soft money" spent by the political parties and all labor unions, corporations, and trade associations to influence a federal election.

In a letter to Senator McConnell dated May 24th, the President stated that limitations on campaign spending "would simply entrench incumbents further while ironically enhancing the influence of specific political action committee contributions. It is my intention to veto any such counterproductive legislation should it reach my desk."

Legislative Reference Division Draft
8/2/90 -- 11:00 a.m.



October 5, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5422 - Intelligence Authorization Act
For Fiscal Year 1991
(Beilenson (D) California)

The Administration supports House passage of H.R. 5422, but will seek to restore the requested authorization levels in certain high priority programs during conference. Furthermore, the Administration urges the House to delete certain burdensome reporting requirements contained in section 503 regarding DOD intelligence collection activities.

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(Not to be Distributed Outside Executive Office of the President)

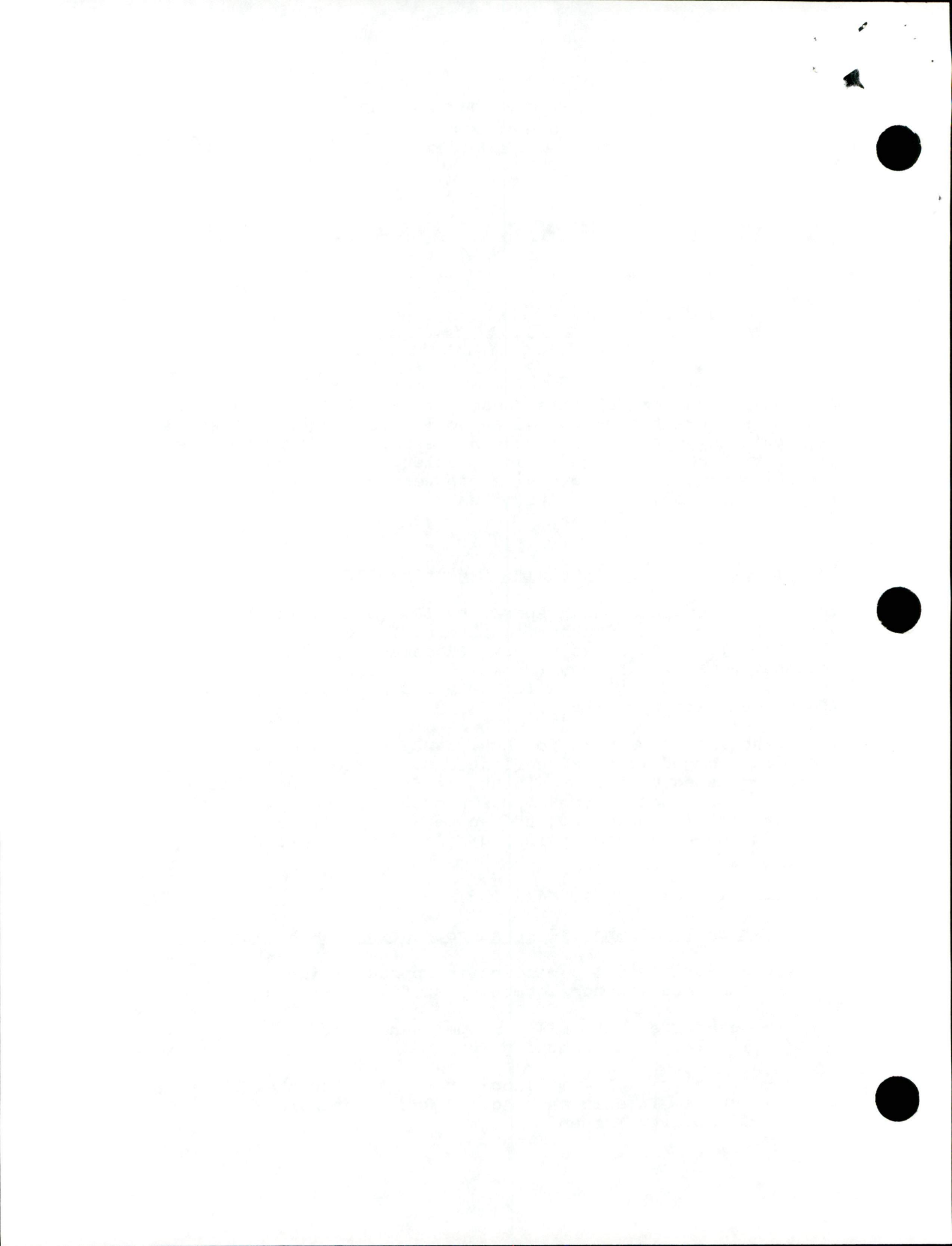
This draft position was prepared by LRD (Goad), in consultation with NSD (Gessaman, Donahue, and Scheid), GC (Damus), IAD (Eisenhour), White House Counsel (Rademaker), CIA (Manget), Defense (Hawkins), Energy (Connolly), Justice (Wise), ONDCP (Dorn), NSC (Pilling), OGE (Condray), OPM (Woodruff), State (Davis) and Treasury (Levy).

The authorization levels for H.R. 5422, as included in the classified schedule of authorizations, are less than 2% below those requested by the President for FY 1991. The National Foreign Intelligence Program was reduced by approximately 5%, the Tactical Intelligence Program was reduced by 1%, and intelligence-related drug interdiction funding was reduced over 50%.

Other provisions of H.R. 5422 include:

Titles I, II and III -- Appropriations Authorizations

- Authorizes \$34.5 million in appropriations for the Intelligence Community staff for FY 1991.
- Authorizes 311 full-time personnel for the Intelligence Community Staff.
- Authorizes \$164 million for FY 1991 for the Central Intelligence Agency Retirement and Disability System.



Title IV and V -- Administrative Provisions

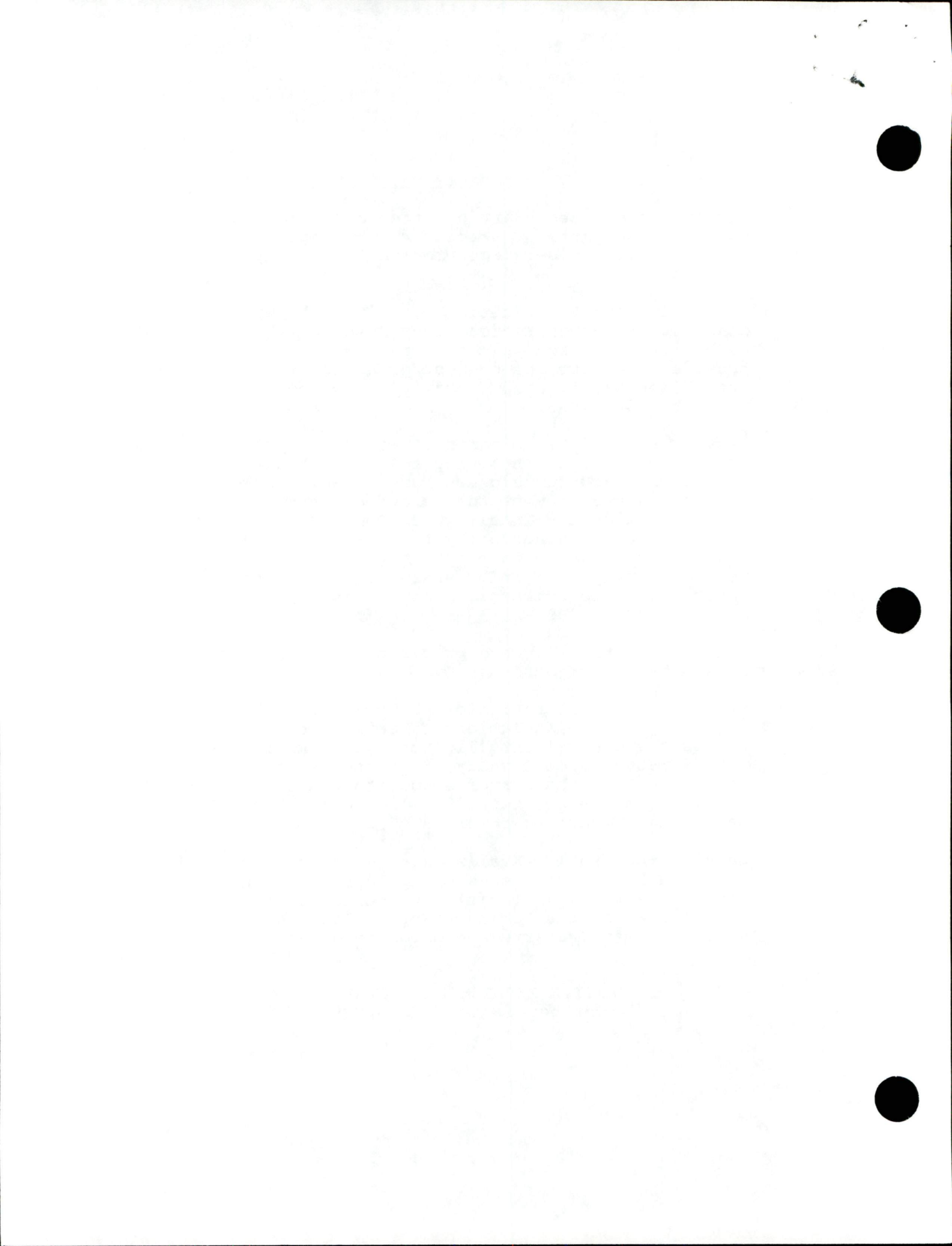
- Authorizes the Secretary of Defense to grant the use of the Department's reimbursement rate for military airlift services provided by Defense to the CIA.
- Amends Chapter 21 of title 10, United States Code, granting the Secretary of Defense the authority to engage in commercial activities to provide cover for the conduct of authorized intelligence collection activities through September 30, 1995.

Section 503 adds some administrative requirements to the Administration's proposed bill that the Department of Defense deems burdensome. These include: a requirement that the Secretary of Defense notify the Intelligence Committees of his intent to use the authority to establish a corporation, partnership or other legal entity for cover purposes; and a sunset clause on the conduct of such commercial activities after September 30, 1995.

H.R. 5422 includes the following provisions to which the Administration has no objection:

- Section 307 (Restoration of Former Spouse Benefits after Dissolution of Remarriage) which amends the Central Intelligence Agency Retirement Act of 1964. Specifically, it restores the entitlement of the former spouse to the survivor annuity, retirement benefits, and health benefits on the date that the remarriage is dissolved.
- Section 502 (Public Availability of Maps, Etc., Produced by the Defense Mapping Agency) which amends Chapter 167 of title 10, United State Code, to allow the Defense Mapping Agency to sell specified maps, charts and geodetic data.

LEGISLATIVE REFERENCE DIVISION DRAFT
October 1, 1990 1:40 PM





October 12, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5506 - Transfer of Pershing Hall to the Department of
Veterans Affairs
(Montgomery (D) MS and Stump (R) AZ)

The Administration supports enactment of H.R. 5506.

* * * * *

(Not to be Distributed Outside Executive Office of the President)

This draft position was developed by LRD (Pellicci) in consultation with LVED (Jacobs/Blanchon), NSD (Stanners), and IAD (Sasser). The Department of Veterans Affairs (VA) (per Bob Coy, Deputy General Counsel) concurs in the draft position.

There is no House Veterans' Affairs Committee report on H.R. 5506. The proposed position is based on information from VA staff.

Background

Pershing Hall is an asset of the United States, valued at \$43 to \$80 million, exclusive of its contents. It is located at 49 Rue Pierre Charron, one block from the Champs Elysee and several blocks from the Arch of Triumph. It is in the so-called "Golden Triangle," the most expensive commercial real estate area of Paris.

Pursuant to P.L. 74-171, The American Legion transferred title to Pershing Hall to the United States in 1936 for the use and benefit of World War I veterans. Presently, the offices, rooms, and courtyard in Pershing Hall are leased at less than market rates to a variety of entities, including a restaurant, a student exchange, the USO, local expatriate support groups, and Paris Post No. 1.

In May 1990, a VA team headed by Deputy Secretary Principi visited the site to develop a recommendation for VA utilization of the building. Rep. Montgomery, Chairman of the House Veterans' Affairs Committee, requested the visit because of concerns about the current condition and use of the building. Pershing Hall is currently managed by the Pershing Hall Operating Committee (PHOC). The PHOC is a non-profit association organized in both France and the U.S. (Maryland).

H.R. 5506 would transfer custody and control of Pershing Hall, and its contents, to VA. The Secretary would administer, operate, develop, and improve Pershing Hall as he determines appropriate to the needs of veterans and veterans organizations.

In addition, the bill would:

- Permit the Secretary to enter into lease agreements (not to exceed 35 years for new construction and 20 years in all other cases) for the operation, development, and improvement of Pershing Hall.
- Establish in the Treasury the Pershing Hall Revolving Fund (the Fund), a public enterprise revolving fund, administered by VA.
- Permit VA to transfer up to \$5 million to the Fund from funds appropriated to the Department's major projects construction account. Any funds transferred to the Fund must be reimbursed to the VA appropriation as soon as possible.
- Require that funds received by VA from the operation of Pershing Hall or from any leases or other agreements be deposited in the Fund.

LEGISLATIVE REFERENCE DIVISION DRAFT
10/11/90



October 22, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5539 - San Carlos Apache Tribe Water Rights
Settlement Act of 1990
(Udall (D) Arizona and Rhodes (R) Arizona)

The Administration strongly opposes enactment of H.R. 5539. The bill imposes a settlement about which there has been insufficient congressional review and minimal Executive branch involvement. Moreover, the settlement may not resolve the dispute between the San Carlos Apache Indian Tribe, the United States, the State of Arizona, and other parties.

Additionally, some of the parties involved have yet to agree on the issues of water rights and sources, total settlement costs, and the contributions, financial or otherwise, contained in the bill. Furthermore, H.R. 5539 may resolve the water dispute to the disadvantage of other nearby Indian communities. Finally, proponents of H.R. 5539 have not provided justification for the significant Federal funding, estimated at more than \$50 million, that would be required by the bill.

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(Not to be distributed Outside Executive Office of the President)

This position was developed by LRD (Goad) in consultation with NRD (Tuccillo, Cogswell and Gibbons), Interior (Glidden), Justice (Malmquist), Treasury (Dorsey), and EPA (Wood).

Administration Position to Date

The Department of the Interior, in testimony before the House Committee on Interior and Insular Affairs on September 11, 1990, strongly opposed H.R. 5539.

Provisions of H.R. 5539

The major provisions of 5539:

- authorize the allocation and use of water from the 1984 Ak-Chin settlement surplus, municipal and industrial supplies to the San Carlos Indian tribe, at an estimated cost to the United States of approximately \$14 million;

- ratify and confirm a 66-year old contract between the Salt River Project (SRP) and the Roosevelt Water Conservation District (RWCD);
- provide that the SRP and RWCD lands would be free from the ownership limitations and full cost pricing provisions of federal law;
- establish a Tribal Development Trust Fund and authorize appropriations of \$36.2 million over fiscal years 1992, 1993, and 1994, with interest dating from one year after enactment to which the State of Arizona would deposit an additional \$3 million to the Fund;
- permit the Tribe to use the Fund's principal and interest for the purpose of long-term economic growth;
- direct the Secretary to design and construct new water distribution facilities for the Tribe's 12,700 acre feet allocation of the Central Arizona Project water;
- provide for the relief of \$3.3 million in debts the Tribe owes the United States for construction of a dam and domestic water/sewage treatment system on the reservation;
- waive the tribe's water rights claims against the United States and the parties to the agreement; and
- require the Secretary to comply with all applicable environmental laws in implementing the provisions of the settlement, and exempts the Secretary's ministerial act of signing the agreement from the National Environmental Policy Act.

Administration Objections to H.R. 5539

The Administration opposes H.R. 5539 for the following reasons:

- There is no final agreement among the parties on water rights, water sources, total settlement costs, and the specific financial and other contributions to the settlement.
- There is no justification for the level of Federal funding, estimated at more than \$50 million.

- The settlement does not adequately resolve the water-related disputes between the Tribe and the United States, and could adversely affect the interests of other Indian Communities.
- Relief from the Reclamation Reform Act is inconsistent with general Administration policy, and the waiver appears unnecessary.
- Guidance regarding environmental compliance is not provided.

LEGISLATIVE REFERENCE DIVISION DRAFT
October 20, 1990 -- 2:30 P.M.



September 24, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5640 - Federal Debt Collection Procedures Act of 1990 (Brooks (D) TX)

The Administration supports House passage of H.R. 5640, which would establish a uniform, nationwide system for the collection of debts owed the Federal Government. The Administration will, however, work with Congress to conform the bill to the proposal submitted by the Department of Justice to the House Judiciary Committee on August 10, 1990.

* * * * *

(Not to be Distributed Outside Executive Office of the President)

This draft Statement of Administration Policy was developed by the Legislative Reference Division (Ratliff), in consultation with the Department of Justice (Jones), TCJ (Beebe), FM (Green), and BR (Rea).

The August 10, 1990, language cited above the line was received and approved by the Departments of Education (Gellisen), HHS (Burnett), HUD (Fuentes), Labor (Cooper), Transportation (Donelan), Treasury (Kaufman), and Veterans Affairs (Bartow).

Background

H.R. 5640 would establish uniform procedures for the collection of debts owed to the United States. Currently, the U.S. must execute judgments obtained against debtors under procedures which vary markedly from State to State. Moreover, the homestead laws of several states, in particular Texas and Florida, create "debtor havens" which make collection on judgments difficult.

Enactment of debt collection legislation in the 101st Congress is a major priority for the U.S. Attorneys.

Description of H.R. 5640

The printed version of H.R. 5640 is not available for review. The following description is based on a typed copy provided by Justice staff (Jones).

The civil procedures established by the bill include:

- Authorization to order the sale of perishable personal property of the debtor.
- Joinder as an additional defendant of a person reasonably believed to owe money to the debtor arising out of the transaction giving rise to the debt.
- With limitations, exemption from attachment of certain residential and other property, such as one motor vehicle, household furnishings, and certain earnings.
- Availability in some circumstances of prejudgment remedies after notice to the debtor with provision for reduction or discharge of the attachment if excessive or unreasonable.
- Provision for judgment liens which would render the debtor ineligible for Federal grants or loans and certain other Federal funds until the judgment is satisfied.
- Enforcement of judgments after detailed notice to the debtor with specific provisions for execution liens, the conduct of execution sales, installment payment orders, and garnishment.
- Postjudgment discovery regarding the financial condition of the judgment debtor.
- Avoidance of certain fraudulent transfers made by a judgment debtor after a court awards a judgment for the U.S. A good-faith transferee would be entitled to certain relief to the extent of the value given the judgment debtor.

The bill also features:

- A surcharge against the debtor of ten percent of the amount of the debt to cover the cost of litigation and enforcement.
- Appointment of receivers to take possession of and administer attached or levied property who would be entitled to up to a five percent commission.
- Agency authorization to sell debts to private debt collection agencies and involve private debt collection agencies or law firms in the collection of debts.

Administration Position to Date

The Administration has not previously taken a position on H.R. 5640, which was introduced and ordered reported by the House Judiciary Committee on September 18, 1990. In testimony of July 31, 1990, to the House Government Operations Committee, the Department of Justice supported enactment of S. 84, a related bill that passed the Senate on November 3, 1989. On August 10, 1990, Justice transmitted to the House Judiciary Committee proposed substitute language for S. 84.

Legislative Reference Division Draft
9/12/90 -- 1:00 P.M.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

September 21, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5643 - Temporary Extension of Executive Exchange Programs
(Sikorski (D) MN and Morella (R) MD)

The Administration has no objection to enactment of H.R. 5643.

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(Not to be Distributed Outside Executive Office of the President)

This draft position was developed by LRD (Schreiber) in consultation with the Federal Personnel Policy Branch (Ray Kogut). The Department of Justice (Faith Burton), the Office of Government Ethics (Jane Ley), the Office of Personnel Management (Jim Woodruff), and the Office of White House Counsel (Amy Schwartz) concur in this position.

Background

Under existing law, a limited number of private sector executives may participate in the President's Executive Exchange Program by "volunteering" their services as Federal employees. That is, they serve in Federal agencies, but remain on their company payroll. Currently, nine private sector executives are participating in this capacity. The legislative authority allowing this arrangement expires on September 30, 1990. Because of potential ethics problems, the White House Counsel's Office, Justice, Office of Government Ethics, and OMB agree that the legislative authority should not be extended.

Provisions of H.R. 5643

Section 1 would allow private sector executives now "volunteering" in Federal agencies to extend their service period for 90 days beyond September 30, 1990 -- i.e., until December 30, 1990. This section is based upon language supplied by OMB to the President's Exchange Commission. This extension responds to requests from the Department of State and the Office of National Drug Control Policy to extend the service period of three private sector executives currently working for them.

Section 2 of H.R. 5643 would allow Federal employees to remain on their agencies' payroll when working in the private sector as participants in the Exchange Program. Currently, Federal employees participating in the program must be on leave without pay. The purpose of this section is to allow Federal employees

to retain Federal retirement and life and health insurance coverage during their participation in the Exchange Program. The private sector firms, to which the Federal employees are assigned, would be required to reimburse the Federal agencies for the salaries of the assigned employees.

Section 2 parallels the laws governing assignment of Federal employees to international organizations and to State and local governments.

LEGISLATIVE REFERENCE DIVISION DRAFT
9/21/90



September 27, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5649 - National Aeronautics and Space Administration
Appropriations Authorizations
(Roe (D) New Jersey and 27 others)

The Administration is pleased that H.R. 5649 authorizes multiyear appropriations for essential National Aeronautics and Space Administration (NASA) programs, particularly the President's Space Exploration Initiative. However, the Administration opposes enactment of H.R. 5649 unless it is amended as follows:

- Delete the requirement in Title II for a case-by-case determination of agency launch needs by the Administrator of NASA and for reporting of each determination to Congress. (The overall intent of Title II, however, is consistent with the National Space Policy's provision on commercial launch services.)
- Modify Section 204(b) to add national security and foreign policy considerations to the grounds for exceptions from the launch services purchase requirement.
- Delete Section 124, which requires the National Space Council to establish a space Users' Advisory Group. This would duplicate and conflict with the Vice President's Space Policy Advisory Board established by Executive Order No. 12675.
- Delete the proviso that none of the funds authorized for FY 1991 for aeronautical research and technology shall be expended unless at least \$119 million is made available for FY 1991 for the National Aero-Space Plane (NASP) program. This provision would penalize the entire NASA aeronautics program if compliance proves impossible.
- Delete Section 116, and modify Section 102(13), which prescribe the details of the NASP program, including specific goals, agency responsibilities, and funding. These are more appropriately specified in a NASA-Defense joint management plan, consistent with the recommendations of the National Space Council, as approved by the President. The funding ratios for the two agencies in Section 116 are contrary to those contained in the Budget.

- Delete Section 117, subsections (b) through (h). The effect of these subsections would be to require that necessary facilities which support important government programs but which may support limited commercial activity be made available for sale. Disposition of excess Federal property is determined by the General Services Administration as required by statute. These provisions would confuse existing responsibilities and create a new category of disposable property.
- Delete Section 114, requiring the National Space Council to conduct a major Study on International Cooperation in Planetary Exploration and report to Congress on mission strategy. Some aspects of this study would be premature considering the early stage of the Space Exploration Initiative. The study would also duplicate and conflict with existing Space Council efforts in international space cooperation and would adversely affect the workload of the Space Council, preventing the completion of other important activities.
- Delete the set-aside requirements under the Space Research and Technology and Human Exploration Initiative for university contracts and grants. The Administration is committed to strong university involvement in these programs; however, earmarking a specific percentage for universities is not an effective way to manage the available resources for these programs.
- Delete the language for Space Station Freedom to mandate the use of solar dynamic power for future growth and to initiate a flight test of the solar dynamic power program. Such a test should not be conducted in the absence of a decision to develop solar dynamics, and should not preclude other options to provide additional power.
- Delete Section 110, an objectionable "Buy America" provision.
- Delete Section 115. Establishing, statutorily, an Office of Space Commerce in the Department of Commerce would restrict the Secretary's flexibility to manage space programs.

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(Not to be Distributed Outside Executive Office of the President)

This draft Statement of Administration Policy was developed by the Legislative Reference Division (Bowers), in consultation with the Departments of Transportation (David), Commerce (Sockett), and the Treasury (Levy), the National Space Council (Prestridge), the Office of Science and Technology Policy (Phillips), the

Council of Economic Advisors (Jaffe), Office of Cabinet Affairs (Williamson), ES (Noonan/Campbell), IA (Kizer), TCJ (Gold/Corbett), NS (Wu), and OFPP (Brown). The Departments of Defense and Justice, the National Security Council, the General Services Administration and the U.S. Trade Representative did not comment due to time constraints.

Provisions of H.R. 5649

-- Appropriations Authorizations

H.R. 5649 would authorize appropriations for NASA for FYs 1991-1993 generally consistent with the Budget. For FY 1991, the bill would authorize a total of \$15,351 million, which is \$226 million above the Budget. Most of the difference is continuation of a multi-year Space Station authorization from several years ago that is higher than the FY 1991 request.

The Senate authorization bill for NASA has cleared committee but not gone to the floor. H.R. 5649 authorization levels equal or exceed Senate levels for all programs except Earth Science and Applications. (The Senate bill adds \$18 million; the House keeps it at requested level). The House bill authorizes all new Space Exploration Initiative (SEI) funding (\$188 million), while the Senate version authorizes none. The House bill assumes that Space Station is covered by an earlier multi-year authorization, while the Senate bill would reauthorize the Station at a new level \$70 million below the request. Additionally, the House bill assumes the Polar Platform is covered under the previous Space Station multi-year authorization, while the Senate version reauthorizes funding in the Earth Sciences line.

The House VA/HUD/IA Appropriation bill cleared the floor several months ago, while the Senate VA/HUD/IA bill has cleared committee but not gone to floor. H.R. 5649 funding levels for NASA equal or exceed levels in both appropriation bills in nearly all program areas. The most significant difference between H.R. 5649 and the appropriation bills is that H.R. 5649 includes new funding for the SEI, while the others do not.

In addition, H.R. 5649 would authorize the appropriation of \$1.363 million for FY 1991 for the National Space Council, consistent with the Budget. It would require the Council to reimburse other agencies for half of the cost of personnel detailed to it. It would also authorize the appropriation of \$4.517 million for FY 1991 for the Department of Transportation's Office of Commercial Space Transportation.

-- Legislative Provisions

H.R. 5649 contains several legislative provisions, the most objectionable of which are described above the line. Other provisions would:

- Earmark Space Shuttle production and operational capability funds for certain safety enhancements to the Space Shuttle.
- Require the National Academy of Public Administration to conduct a review of NASA management, and a cost benefit analysis of the Shuttle-C program.
- Require NASA to distribute research funds geographically to provide for broad participation.
- Provide reprogramming authorities, subject to certain limitations.
- As noted above the line, require the NASA Administrator to award to domestic firms contracts that would have been awarded to foreign firms under the use of competitive procedures if certain conditions are met. This annually-approved "Buy America" requirement also contains, however, a burdensome reporting requirement with respect to contracts with foreign entities determined to be in violation of the General Agreement on Tariffs and Trade (GATT).
- Require NASA to report to Congress periodically on the Advanced Solid Rocket Motor costs.
- State that it is U.S. policy that space related activities be conducted so as not to increase orbital space debris.
- Provide NASA with authority to purchase all U.S. Government commercial space goods and services.

Legislative Reference Division Draft
9/27/90 -- 7:00 p.m.



October 12, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5657 - U.S. Court of Veterans Appeals Amendments
(Montgomery (D) MS and Stump (R) AZ)

The Administration has no objection to enactment of H.R. 5657.

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(Not to be Distributed Outside Executive Office of the President)

This draft position was developed by LRD (Pellicci) in consultation with LVED (Jacobs/Kopca). The Department of Veterans Affairs (VA) (per Jack Thompson, Office of the General Counsel) agrees with the position.

There is no House Veterans' Affairs Committee report on H.R. 5657. The draft position is based on information provided by VA staff.

H.R. 5657 would make technical amendments to the Veterans Judicial Review Act. Specifically, it would authorize the Court of Veterans Appeals to conduct judicial conferences to improve the administration of veterans' appeals. In addition, the bill would clarify the authority of the Secretary of Veterans Affairs to make veterans' medical records available to the Court in connection with litigation pending before it.

LEGISLATIVE REFERENCE DIVISION DRAFT
10/11/90



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 9, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5675 - Saguaro National Monument Boundary Expansion
(Kolbe (R) AZ and Udall (D) AZ)

The Administration opposes enactment of H.R. 5675, which would extend the boundaries of the Saguaro National Monument by some 3,600 acres. The National Park Service has not had the opportunity to determine the merits of the proposal given the lack of time available to obtain information about the area to be added to the Monument. Cost estimates for the large amount of land to be acquired have ranged from \$10 to \$30 million. Given existing budgetary constraints, expansion of Saguaro National Monument must be carefully evaluated against other land acquisition priorities.

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(Not to be Distributed Outside Executive Office of the President)

This draft position was prepared by LRD (Peterson), in consultation with NRD (Cogswell and Gibbons) and Interior (Harris).

The Saguaro National Monument was created by Presidential Proclamation in 1933 to preserve the life and landscape of a part of the Sonoran desert of Arizona that was considered to be of outstanding scientific interest. This area is known for its exceptional growth of various species of cacti, including the saguaro, or so-called "giant" cactus. The area also abounds in other kinds of flora and fauna. The current boundary of the Saguaro National Monument includes 83,576 acres.

LEGISLATIVE REFERENCE DIVISION DRAFT
October 5, 1990 - 11:30 a.m.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 22, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5693 - Family Planning Reauthorization Act of 1990
(Waxman (D) CA)

The Administration opposes enactment of H.R. 5693, which would extend the current family planning program through FY 1994. This bill is inconsistent with the proposal in the President's FY 1991 Budget to change the current family planning program from a categorical grant program to a program of direct grants to States. Continuation of the family planning program as a categorical grant program would thwart the Administration's efforts to provide maximum State and local control over the delivery of family planning services. It would also undermine the Administration's efforts to promote better integration of family planning services with maternal and child health services.

* * * * *

This draft position was developed by LRD (Pellicci) in consultation with HIMD (Clendenin/Steil). HHS (per Linda Eischeid, Deputy Assistant Secretary for Legislation) agrees with the draft position.

Background

The President's FY 1991 Budget proposed to restructure the title X family planning program from a categorical grant program to a program of direct grants to States. The Administration believes that a State-administered program of family planning grants is the best mechanism for delivering family planning services to low-income persons.

A draft bill to implement the budget proposal was submitted to Congress on June 2, 1989. In addition to restructuring the family planning program, the bill would have prohibited funding programs in which abortion is a method of family planning. Senator Coats (R-IN) introduced the Administration's bill as S. 1671.

Provisions of the Bill

H.R. 5693 would:

- Extend through FY 1994 the authority of the Secretary of HHS to make grants to, and enter into contracts with, public or private nonprofit entities to assist in the establishment and operation of family planning projects. The bill authorizes appropriations of \$156.2 million for FY 1991, \$164.2 for FY 1992, \$172.6 million for FY 1993, and \$181.5 million for FY 1994.
- Authorize appropriations of \$4.9 million for FY 1991, \$5.1 million for FY 1992, \$5.3 million for FY 1993, and \$5.5 million for FY 1994 for family planning training and technical assistance contracts.
- Authorize appropriations of such sums as may be necessary for each of FYs 1991-1994 for family planning informational and educational materials.

S. 110, the Senate companion legislation, is seriously objectionable. The bill contains provisions promoting abortion. A recent SAP and HHS letter indicated that the President's senior advisers would recommend a veto of S. 110. On September 26, 1990, the Senate defeated a motion to invoke cloture in considering S. 110. In effect, that vote ends Senate consideration of S. 110 for this year.

LEGISLATIVE REFERENCE DIVISION DRAFT
10/18/90



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 22, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5791 - National Oceanic and Atmospheric
Administration Appropriations Authorization
(Hertel (D) Michigan and 6 others)

The Administration opposes enactment of H.R. 5791 because it would:

- Authorize appropriations for the National Oceanic and Atmospheric Administration (NOAA) ocean and coastal programs, totalling \$470.8 million, that exceed the FY 1991 Budget by over \$143 million.
- Limit the price of nautical charts and other nautical products produced or published by NOAA. This would restrict NOAA's flexibility to adjust prices to reflect actual costs, as provided by existing law.
- Exempt obligations to carry out certain real property lease-purchase acquisitions from the Anti-Deficiency Act and understate the true cost of such acquisitions for budget purposes. This requirement would circumvent the "full funding" agreement between the Executive and Legislative branches to score these purchases to avoid misrepresenting total project costs.
- Require the Secretary of Commerce to provide notice to Congress before reprogramming appropriated funds. The Congressional oversight process makes this limitation unnecessary and burdensome.
- Require the Secretary of Commerce to submit a report to the Congress on the status and modernization needs of the NOAA fleet. This is unnecessary because NOAA is presently conducting a study and intends to provide its findings and recommendations to Congress early next year.

In addition, if the version of H.R. 5791 that is brought to the House floor contains provisions in H.R. 4115 as reported by the House Science Committee, the Administration would object to the title that would establish within the Department of Agriculture an Agricultural Weather Office. This office would duplicate existing Federal, State, and private sector programs. It would also be inconsistent with existing law which designates the

Department of Commerce as the lead Federal agency for providing agricultural weather services.

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(Not to be Distributed Outside Executive Office of the President)

This draft Statement of Administration Policy was developed by the Legislative Reference Division (Bowers), in consultation with the Departments of Commerce (Brown) and the Treasury (McGiven), TCJ (Tornquist), NR (Offut), and BR (Kaufman).

According the House Merchant Marine and Fisheries Committee minority staff (Pittman), H.R. 5791 is scheduled for House floor action. An earlier version of the NOAA authorization legislation (H.R. 4115) was reported, in different forms, by both the House Merchant Marine and Science Committees. H.R. 5791 is similar to the Merchant Marine Committee reported version of H.R. 4115. The House Science Committee staff are attempting to incorporate the text of the version of H.R. 4115 it reported into H.R. 5791 before House floor action. This would expand coverage of the bill to NOAA atmospheric and satellite programs. The title of that version establishing of an Agricultural Weather Office is objectionable as described above.

Provisions of H.R. 5791

H.R. 5791 would authorize FY 1991 appropriations for ocean and coastal programs at NOAA (in the Department of Commerce) and make changes to NOAA programs as described below. It would:

- Authorize FY 1991 appropriations totalling \$471 million for NOAA ocean and coastal programs. This would exceed the Budget level of \$328 million by \$143 million for comparable programs in the three NOAA functions it authorizes. The major points of difference are: (1) \$55 million over the Budget for the National Ocean Service, including \$32 million over the Budget for ocean and coastal management; (2) \$54 million over the Budget for Oceanic and Atmospheric Research, including \$46 million for oceans and Great Lakes programs; and (3) \$35 million over the Budget for Program Support, including \$26 million over the Budget for marine services.

The Commerce appropriations bill has been passed by the Senate with \$366 million for these programs. (The House-passed appropriations bill does not contain funding for unauthorized programs.)

- Prohibit the Secretary of Commerce from reprogramming amounts appropriated under this Act without prior notification to the House and Senate.

- Place a price freeze on nautical charts or other products of NOAA sold after the date of enactment. This provision is intended to prevent NOAA from continuing to include printing and distribution costs in its chart prices.

- Establish within NOAA a Cooperative Institute of Fisheries Oceanography in partnership with Duke University and the Consolidated University of North Carolina. It would authorize the appropriation of \$500,000 for FY 1991 and \$525,000 for FY 1992 for administration, research, and preparation of a 5-year R&D plan (which is to be submitted to the Congress within one year of enactment) for the Institute. Such an institute was created in 1989 by a memorandum of understanding between the parties to promote cooperative fisheries research in the South Atlantic Bight.

- Authorize Commerce to acquire, by exchange or lease-purchase or both, real property and improvements thereto in the area of Newport News-Norfolk, Virginia, to consolidate NOAA facilities. The bill would prohibit any lease from exceeding 30 years and would require that title to property be transferred to the United States upon expiration of the term. The bill also states that obligations of funds for lease-purchase arrangements be made without regard to the Anti-Deficiency Act and be treated as budget authority and outlays for a fiscal year only to the extent that expenditures pursuant to such obligations are made in the fiscal year.

These provisions would understate the true cost of such acquisitions in the budget and allow the appearance of lower near-term outlays and budget authority at the expense of higher long-term costs. They would be inconsistent with the proposed rule on scoring purchases, lease-purchases, and leases developed by the Executive and Legislative branches. This rule states that "language that attempts to waive the Anti-Deficiency Act, or to limit the amount or timing of obligations recorded, does not change the Government's obligations or obligation authority, and so will not effect the scoring of budget authority and outlays."

- Require Commerce to submit a report to the Congress, by December 31, 1990, on the status and modernization needs of the NOAA fleet and the funding required to meet these needs. The report is to contain a plan for replacing the current NOAA fleet over the next 15 years and for acquiring new vessels to meet current and projected requirements.

-- Require Commerce to submit to the Congress, within six months of enactment, a plan for the movement of the National Marine Fisheries Service facilities on Kodiak Island, Alaska, to an alternative location within the boundaries of the Kodiak Island Borough.

-- Authorize Commerce to make grants and provide other financial assistance to States, within funds authorized in this bill, and provide technical assistance to States, to develop geographic information systems relating to lands and waters within the coastal zone. It would require Commerce to develop a standard format and guidelines for geographic information systems that might be developed.

Administration Position To Date

On June 26, 1990, Commerce testified before a House Science subcommittee opposing H.R. 4115 unless it is amended consistent with the Budget. The Administration has not commented on H.R. 5791, which was introduced on October 4, 1990.

Legislative Reference Division Draft
10/19/90 -- 4:00 p.m.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 12, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5814 - Soldiers' and Sailors' Civil Relief Act
Amendments of 1990
(Rep. Montgomery (D) MS and 2 others)

On October 9, 1990, the Administration transmitted to Congress a draft legislative proposal "To amend the Soldiers' and Sailors' Civil Relief Act of 1940." That proposal would address the concerns of Reserve Forces activated for Operation Desert Shield. It would provide Reservists on active duty with protection in court proceedings and protection from adverse action by creditors. It would also protect their dependents from eviction. In addition, the Administration has transmitted to Congress draft legislation to provide professional liability protection for certain military personnel.

The Administration supports House passage of H.R. _____. That bill has the same goals as the Administration's proposals, but differs in certain respects. The Administration will work with the Senate to conform H.R. _____ more closely with the Administration's proposals.

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(Not to be Distributed Outside Executive Office of the President)

This draft position was developed by LRD (Jeffrey Weinberg) in consultation with NSD (Tom Stanners). The Department of Defense (per Frank Rush, Office of the Assistant Secretary of Defense for Reserve Affairs) concurs.

H.R. _____ differs from the Administration's legislative proposal in the following respects.

- (1) The Administration proposed to protect from eviction the dependents of activated Reservists paying up to \$750 per month in rent. That amount would be adjusted each year for inflation. H.R. _____ sets the rent limit at \$1200 per month, without any adjustments.
- (2) The Administration proposed to protect the credit rating of activated Reservists who avail themselves of the protections provided by the Soldiers' and Sailors' Civil Relief Act. H.R. _____ contains no such provision.

- (3) H.R. _____ provides for reinstatement of health insurance of activated Reservists upon their reemployment and clarifies the reemployment rights coverage for Reservists. The Administration did not propose such provisions, but they do not seem to be objectionable.

LEGISLATIVE REFERENCE DIVISION
10/11/90



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 22, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 5855 - Enterprise for the Americas Initiative Act of 1990
(Fascell (D) Florida and 10 others)

The Administration fully supports H.R. 5855, which provides for part of the President's proposal for economic growth and environmental improvement in Latin America and the Caribbean.

* * * * *

(Not to be Distributed Outside Executive Office of the President)

This draft position was prepared by LRD (Rooney) in consultation with IAD (DuSault), Treasury (Mulford), State (Rappaport/Varga), AID (Honnold), and NSC (Melby).

H.R. 5855 was ordered reported by the House Foreign Affairs Committee on October 18, 1990. Although the reported version of the bill is not yet available, HFAC staff has provided OMB with a copy of the bill to be reported.

Provisions of H.R. 5855

H.R. 5855 provides those authorities for the President's Enterprise for the Americas Initiative, transmitted to Congress on September 14, 1990, that are within the House Foreign Affairs Committee (HFAC) purview. Specifically, the bill establishes the Enterprise for the Americas Facility in the Department of the Treasury. This facility will support the objectives of the Initiative through administration of debt reduction operations for those countries that meet investment reforms and other policy conditions.

H.R. 5855 provides for Environmental Framework Agreements, as requested. The major differences in the Framework Agreement provisions from the Administration's request are:

-- the Secretary of State rather than the President would negotiate the agreements, with required consultation with the Enterprise for the Americas Board;

-- the contents of the agreements are more specifically identified in the legislation; and

-- an administering body would be established to review proposals for grant assistance and disburse funds from the Environmental Fund.

H.R. 5855 also establishes an unrequested Enterprise for the Americas Board, appointed by the President and composed of 5 U.S.G. employees and 4 representatives of private nongovernmental organizations. This Board would (1) advise the Secretary of State on negotiations of the Agreements; (2) ensure that a suitable administering body is identified; and (3) review the programs, operations, and fiscal audits of each administering body.

LEGISLATIVE REFERENCE DIVISION DRAFT
October 22, 1990, 2:00 P.M.