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[Statements of Administration Policy, 10/1/90-2/7/91]

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

October 1, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 5063 - Ft. McDowell Indian Water Rights Settlement
(Udall (D) AZ and Rhodes (R) AZ)

The Administration strongly opposes enactment of H.R. 5063 because the bill would set a dangerous legal precedent, require Federal contributions far in excess of the Government's legal and trust responsibilities, and fail to extinguish certain related Indian claims.

For these reasons, if H.R. 5063 were presented to the President in its current form, the Secretary of the Interior would recommend a veto of the bill. Each of the bill's serious flaws is addressed below.

Legal and Precedential Concerns

H.R. 5063 would contradict long-standing Federal policy on the validation of water rights. It would do this by statutorily creating a Federal water right for a non-federal entity. If any right exists, it does so exclusively under State rather than Federal law. Thus, by creating a new water right, H.R. 5063 could give rise to legal challenges if it is interpreted to create an unconstitutional taking of property rights. This would create a dangerous precedent for future water settlements and could adversely affect the water rights claims of other Indian communities not a party to this settlement.

Unjustified Federal Contribution

The bill would require the Federal Government to contribute up to $78 million, which represents approximately two-thirds of the settlement cost, to resolve a dispute that exists largely between the Indian community and the State of Arizona. Specifically, the Government would be required to contribute $23 million to a Community Development Trust Fund. Additionally, the United States would have to acquire and provide for the delivery of 13,933 acre-feet of water to the Community. Assuming recently estimated water prices of $3,000 per acre-foot, the cost of this requirement would be $42 million. Finally, the Community would receive a $13 million interest-free reclamation loan to be paid back over 50 years. State and local entities would be required to contribute $38 million -- one-third of the settlement cost.

Extinguishment of Claims

The bill fails to extinguish all claims against the United States despite the Federal contribution to the settlement package. H.R. 5063 contains specific language preserving claims against the United States for failure to protect the Community from adverse affects related to the authorization and planning for Orme Dam. The result -- a "settlement" lacking finality -- violates the basic tenets of equity and is unacceptable.

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

October 1, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 4300 - Family Unity and Employment Opportunity Immigration Act of 1990
(Morrison (D) Connecticut and 32 others)

If H.R. 4300 were presented to the President in its current form, the Attorney General and the Secretaries of Labor and Transportation would recommend a veto. The Administration's principal concerns are that H.R. 4300 would:

-- Grant the immediate relatives of lawful permanent residents the same immigration privileges as those of U.S. citizens. H.R. 4300 would eliminate an incentive for lawful permanent residents to seek naturalized citizenship, impeding the full integration into U.S. society of certain immigrants.

-- Fail to ensure that a sufficient number of employment-related immigration visas would be utilized by skilled workers.

-- Fail to provide for an appropriate balance between the levels of employment-related and family-connected immigration, as provided for in S. 358 as passed by the Senate.

-- Rewrite the law relating to "temporary" immigrants, i.e., non-immigrants. Revision to the admissions system for non-immigrants would be premature until the effect of changes to permanent immigration classifications on the demand for non-immigrant visas is ascertained.

-- As reported by the Judiciary Committee, assess a fee against employers who petition for the admission of foreign workers, even when the employers have attested that they have attempted unsuccessfully to recruit U.S. workers.

-- Increase FY 1991 outlays by $296 million by expanding the scope of the State Legalization Impact Assistance Grant (SLIAG) mandatory program.

-- Impose longshore employer sanctions requirements on owners of foreign vessels that would be unnecessary, inappropriate, and extremely burdensome.

Among the Administration's other concerns with H.R. 4300 are that it would:

-- Provide conditional permanent resident status to aliens from so-called "adversely-affected" foreign states. This would effectively create an amnesty for certain illegal aliens who entered the U.S. prior to January 1, 1990. The Administration opposes any expansion of the amnesty granted by the Immigration Reform and Control Act of 1986.

-- Remove the Attorney General's discretion to determine which immigration emergencies warrant the disbursement of "immigration emergency funds."

-- Establish a math and science scholarship program. The Administration urges, instead, enactment of the President's proposed National Science Scholars program.

-- Create an administrative burden which could not be borne under current budget constraints. The increased numbers of immigrants would require corresponding increases in consular officers in embassies throughout the world.

-- Eliminate an essential element in the examination of applications for non-immigrant visas (i.e., whether the applicant had sought an immigrant visa or other permanent status). This provision could result in issuance of non-immigrant visas to all applicants, even those who clearly intend to remain indefinitely in the U.S.

-- Remove the requirement for exhaustion of administrative remedies and abandon current law regarding the limits of judicial remedies in immigration disputes.

-- Introduce an "attestation" process for permanent immigrants to replace the current labor certification process for foreign workers. This provision could weaken protections for U.S. workers and would be more costly and difficult to administer than the current process. As one example, it could result in fraudulent "employer" schemes for illegal immigration.

The Administration supports legal immigration reform that would enhance skill-based immigration while facilitating the unification of families. It also supports an increase in immigration levels above those in current law.

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

October 1, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 5732 - Aviation Security Improvement Act of 1990
(Oberstar (D) Minnesota and 46 others)

The Administration opposes enactment of H.R. 5732 in its current form.

The Administration supports the report of the President's Commission on Aviation Security and Terrorism and is already acting to implement most of its recommendations. In addition, the Administration urges prompt Senate ratification of Montreal Protocol 3 to assure prompt and fair compensation for victims of terrorism in the air.

The Administration particularly objects to provisions of H.R. 5732 which conflict with Presidential prerogatives and micromanage Federal progams. The most seriously troublesome provisions would:

-- impose counterproductive organizational requirements (section 101);

-- interfere with the prompt deployment of explosives detection systems (section 108);

-- impose threat evaluation and notification requirements which would not only be imprudently rigid, but improperly expose the Federal Government to financial liability (section 109);

-- infringe on the President's authority under the Constitution to conduct foreign relations (sections 201 and 216); and

-- lay the groundwork for exposing the Federal Government to unknown financial liability, create a narrow tax exemption, and infringe on the President's constitutional authority to recommend legislation (section 212).

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OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 1, 1990
(House)

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

October 1, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 5063 - Ft. McDowell Indian Water Rights Settlement
(Udall (D) AZ and Rhodes (R) AZ)

The Administration strongly opposes enactment of H.R. 5063 because the bill would set a dangerous legal precedent, require Federal contributions far in excess of the Government's legal and trust responsibilities, and fail to extinguish certain related Indian claims.

For these reasons, if H.R. 5063 were presented to the President in its current form, the Secretary of the Interior would recommend a veto of the bill. Each of the bill's serious flaws is addressed below.

Legal and Precedential Concerns

H.R. 5063 would contradict long-standing Federal policy on the validation of water rights. It would do this by statutorily creating a Federal water right for a non-federal entity. If any right exists, it does so exclusively under State rather than Federal law. Thus, by creating a new water right, H.R. 5063 could give rise to legal challenges if it is interpreted to create an unconstitutional taking of property rights. This would create a dangerous precedent for future water settlements and could adversely affect the water rights claims of other Indian communities not a party to this settlement.

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

October 2, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.J.Res. 649 - Approving Extension of MFN to Czechoslovakia
(Gephardt (D) MO and Michael (R) IL)

The Administration supports enactment of H.J.Res. 649, which would approve the extension of nondiscriminatory tariff treatment (most-favored-nation treatment) to products of Czechoslovakia.

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

October 2, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.J.Res. 647 - Resolution of Disapproval of President's Decision to Extend MFN to China
(Solomon (R) New York and 17 others)

If H.J.Res. 647 were presented to the President, his senior advisers would recommend that he veto it. H.J.Res. 647 would deny China most-favored-nation (MFN) trade status. Passage of this bill would hurt U.S. business and consumers, damage Hong Kong's economy, reduce our influence with China on global issues, and adversely affect those Chinese who have a direct stake in the reform and opening of China to the outside world.

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 eight UN Security Council resolutions on the Persian Gulf crisis and acted decisively to enforce the UN-approved trade embargo. 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. 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 sound working relationship with China is still necessary so that issues of vital concern to us can be addressed.

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

October 2, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

S. 1511 - Older Workers Benefit Protection Act
(Pryor (D) AR and 45 others)

Although S. 1511, as amended, is a significant improvement over the version which was originally introduced in the Senate, the Administration opposes its enactment. The Administration strongly supports the Age Discrimination in Employment Act and a carefully crafted response to the Betts decision. However, this bill continues to cause concern because it would:

-- unduly restrict the ability of State and local governments and private employers to integrate benefits in employee benefit plans;

-- require that a retiree's health plan must have a specified minimum value before an employer is permitted to offset its value from severance payments otherwise due the employee;

-- continue to permit an employer to offset the value of pension sweeteners from severance payments, but only in the case of immediate and unreduced pensions; and

-- create a dual standard of what constitutes age discrimination by prohibiting practices by State and local governments and private employers that are permitted for Federal employee benefit plans.

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

October 3, 1990
(House)

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 in cases where warrants are not required.

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

- Effectively abolish the death penalty in the United States by increasing delay in State cases and imposing a racial quota system on both State and Federal capital punishment cases.

- Reduce the degree of finality of convictions by weakening procedures relating to habeas corpus.

- Establish "exclusionary rule" procedures that would narrow existing case law by creating additional barriers to the admissibility of evidence.

- Excessively increase authorization levels 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.

The Administration urges the House to adopt the following amendments:

- The Hyde amendment, which embodies the President's proposal on habeas corpus reform. By enacting these habeas corpus reforms proposed by the Powell Committee, the Hyde amendment would curb the abuse of habeas corpus that has virtually nullified the death penalty laws of the States through a seemingly endless system of repetitive litigation and review. In contrast, both the current habeas corpus provisions of H.R. 5269 (title XIII and section 2212), and the Hughes habeas corpus amendment, would increase abuse and delay in both capital and non-capital cases.

- The Douglas amendment to reform the exclusionary rule. This would strike the regressive exclusionary rule provisions that now appear in H.R. 5269, and extend the objective reasonableness ("good faith") exception to cases where a warrant is not required.

- The Sensenbrenner amendment to strike the so-called "Racial Justice Act." This would eliminate provisions of H.R. 5269 (title XVIII) which are neither necessary nor appropriate to guard against racial discrimination in capital punishment, but would actually make continued use of the death penalty impossible in the United States. The proposed Hughes amendment to title XVIII would have the same unacceptable effect as the provisions now contained in H.R. 5269.

- The Gekas amendment to reinstate an enforceable death penalty for highly aggravated Federal crimes and to establish effective death penalty procedures. Based on the Administration's proposals, this amendment would provide fair and effective procedures and adequate authorizations for using the death penalty against the most heinous Federal crimes. In contrast, the current death penalty provisions of H.R. 5269 (title II) and the Hughes amendment incorporate procedures that would thwart the death penalty. The Hughes amendment also severely limits the availability of capital punishment for offenses it purports to include within its scope of coverage.

- The McCollum amendment to provide a death penalty for drug kingpins. This incorporates the critical reform of extending the death penalty to the most aggravated drug offenses and offenders.

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

October 3, 1990
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 3037 - Money Laundering Enforcement Amendments of 1990
(Riegle (D) Michigan)

The Administration supports Senate passage of S. 3037, but will seek an amendment to delete Title V, which would require the redesign of United States coins. The Administration opposes Title V because:

-- Stable coin designs are important symbols of a sound and stable national economy and of a continuity of national purpose.

-- The public does not support the redesign of U.S. coinage.

-- Public confusion will result from concurrent circulation of coins having two designs.

-- Redesign will not produce any appreciable revenue to the Treasury.

-- The initial redesign commemorating the Bicentennial of the United States Constitution is inappropriate because the Constitution has already been commemorated by the minting of a commemorative coin.

The Administration recommends that legislation proposed by the Department of the Treasury, the Numismatic Public Enterprise Fund Act, be substituted for Title V of the bill.

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

October 4, 1990
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 1425 - Nutrition Labeling and Education Act of 1989
(Metzenbaum (D) OH and 7 others)

The Administration recognizes that changes in nutrition labeling are needed. However, the Administration opposes S. 1425 because it is overly prescriptive and unnecessary in light of the Food and Drug Administration's (FDA) current efforts in this area. The FDA has moved quickly to implement nutrition labeling reforms as demonstrated by the proposed rules published in the July 19, 1990, Federal Register. Final regulations will be developed after considering the public comments submitted on these proposals. The FDA has already committed significant time and resources to the reform of nutrition labeling. The pursuit of legislative reform concurrent with regulatory reform is needlessly duplicative.

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

October 4, 1990
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 865 - The Consumer Protection Against Price-Fixing Act of 1989
(Metzenbaum (D) Ohio and 19 others)

If S. 865 were presented to the President in its current form, the President's senior advisors would recommend that the bill be vetoed.

The Administration opposes S. 865 because it would inhibit manufacturers and distributors from entering into pro-competitive distribution agreements for products in a wide variety of markets.

Under existing antitrust law, and notwithstanding the short title of the bill, distribution agreements that set resale prices are already per se illegal. S. 865 would reduce the level of evidence needed to proceed to trial by creating a new evidentiary standard for a finding of unlawful conspiracy in certain cases. The new standard could create an inference of conspiratorial wrongdoing from evidence that is consistent with lawful unilateral conduct. Because of the availability of treble damages, S. 865 could invite a substantial increase in complex antitrust litigation.

S. 865 could also render certain nonprice distribution agreements per se illegal, even though such agreements should be considered, instead, under the antitrust "rule of reason." Consideration under the "rule of reason" provides for the evaluation of pro-competitive effects.

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

ADMINISTRATION POLICY STATEMENTS RELEASED OCTOBER 5, 1990 AS OF 7:40 PM

H.R. 3095	SAFE MEDICAL DEVICES ACT OF 1990
H.R. 4765	PUERTO RICO SELF DETERMINATION ACT
H.R. 4939	ADDITIONAL OBJECTIVES WHICH CHINA MUST MEET TO RECEIVE MFN
H.R. 5422	INTELLIGENCE AUTHORIZATION ACT FOR FY91

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

October 5, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 3095 - Safe Medical Devices Act of 1990
(Waxman (D) CA and 3 others)

The Administration has no objection to enactment of H.R. 3095.

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

October 5, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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H.R. 4765 - Puerto Rico Self-Determination Act
(DeLugo (D) Virgin Islands and 20 others)

The President has urged Congress to pass legislation this year that would grant the people of Puerto Rico, at the earliest possible time, the right to determine their political future.

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

October 5, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

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

The Administration strongly opposes enactment of H.R. 4939. While the bill would permit China's MFN status to continue, it introduces criteria for its extension next year that go substantially beyond those contained in the Jackson-Vanik amendment. Additional MFN criteria would inevitably place U.S. companies at a commercial disadvantage with competitors in Europe, Japan, and other industrial countries. None of our competitors plan to introduce conditionality in extending MFN. If H.R. 4939 is amended to further restrict the President's flexibility, his senior advisers would also recommend that he veto the bill.

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 eight UN Security Council resolutions on the Persian Gulf crisis and acted decisively to enforce the UN-approved trade embargo. 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. 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 sound working relationship with China is still necessary so that issues of vital concern to us can be addressed.

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

ADMINISTRATION POLICY STATEMENTS RELEASED OCTOBER 10, 1990 AS OF 6:30 PM

H.R. 3789	STEWART B. McKINNEY HOMELESS ASSISTANCE AMENDMENT ACT OF 1990
H.R. 5679	DEVELOPMENTAL DISABILITIES ASSISTANCE AND BILL OF RIGHTS ACT
S. 1178	COASTAL PROTECTION ACT OF 1990
S. 2100	VETERANS BENEFITS AND HEALTH CARE AMENDMENTS OF 1990

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

October 10, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 3789 - Stewart B. McKinney Homeless Assistance Amendment Act of 1990
(Vento (D) MN and 113 others)

The Administration supports reauthorization of programs to assist the homeless authorized by the Stewart B. McKinney Homeless Assistance Act. For FY 1991, the Administration has requested $784.5 million for the McKinney Act programs.

The Administration supports House passage of H.R. 3789, but will work later in the legislative process to:

-- Delete the new authority for loans to families for security deposits. This program is not designed to assist the homeless who are most in need, since the most needy would not have income sufficient to repay the loan.

-- Delete authority for grants for construction of housing combined with supportive services. Existing facilities can be modified or rehabilitated to serve the homeless without costly new construction.

-- Delete authority for emergency shelter grants that do not require State or local matching shares. These grants should be subject to a match consistent with current law.

-- Delete the new authority for demonstration grants to State and local educational agencies for support services for homeless youth. These activities can be accomplished under the current exemplary grant program in section 723 of the McKinney Act.

-- Delete the provision in current law requiring States to provide data on the number and location of homeless children. The data provided are not reliable.

-- Delete the special authority for the homeless to participate in the Job Corps program. Homeless individuals are already eligible and participating in the program.

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

October 10, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 5679 - Amendments to the Developmental Disabilities Assistance and Bill of Rights Act
(Madigan (R) IL and 4 others)

The Administration does not object to House passage of H.R. 5679.

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EXECUTIVE OFFICE OF THE PRESIDENT
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WASHINGTON, D.C. 20503

October 10, 1990
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 1178 - Coastal Protection Act of 1990
(Mitchell (D) Maine and 12 others)

The Administration opposes enactment of S. 1178. The bill would impede current Federal regulatory efforts to protect coastal resources. It would disrupt the existing Federal/State relationship established by the Clean Water Act (CWA) and the Marine Protection Research and Sanctuaries Act (MPRSA). The bill would duplicate existing Federal efforts, and impose unreasonable time-frames, unworkable standards, and excessive reporting requirements on States and Federal agencies. Finally, the bill would require mandatory programs where discretionary use of authority is most appropriate.

Among its most objectionable provisions, S. 1178 would require the mandatory use of chemical-specific numerical sediment quality criteria for dredged materials. Although the Administration does not oppose the eventual use of such criteria, it does oppose their mandatory application in the near term as required by S. 1178. This requirement may not necessarily provide additional environmental benefits. It would, however, dramatically increase the cost of maintaining harbor access for shipping and generate additional paperwork, laboratory expense, and other staff costs.

An equally objectionable provision would authorize States to adopt their own more stringent rules, regulations, and criteria relating to ocean dumping within their jurisdictions. This provision would severely impinge upon the ability of the Federal Government to exercise its responsibilities for maintaining navigation for interstate commerce and public vessels.

If S. 1178 were enacted containing the above two provisions, the Secretary of Defense would recommend to the President that the bill be vetoed.

Additionally, the Administration objects to provisions which would:

-- require the elimination of combined sewer overflows (CSO) and the implementation of stringent storm event design standards. The requirements would disrupt the extensive correction program already underway,

unnecessarily escalate costs, and require expensive CSO controls with little additional environmental benefit;

-- create an overlap between CWA and MPRSA requirements. Such overlap could require expensive and unnecessary formal redesignation of hundreds of dredged material disposal sites;

-- require the EPA Administrator to consider applying ocean discharge criteria to all those who discharge into priority designated waters. This would significantly delay permit issuance and increase the resources required to permit such discharges without necessarily resulting in significant environmental gains;

-- authorize costly coastal monitoring and research programs that are administratively burdensome and duplicate existing programs. Rather than allocating scarce research and monitoring funds where the scientific and management needs are greatest, the bill would fund new national and regional bureaucracies at an annual cost of $45 million; and

-- set an undesirable precedent in the National Estuary Program by authorizing funds to implement comprehensive conservation and management plans for the Long Island Sound. Federal agencies are authorized to implement such plans through their normal programs. States and localities, however, must continue to be responsible for the incremental cost of implementing the plans in their estuaries.

Finally, the bill would impermissibly infringe on the President's authority under Article II of the Constitution. It would do this by:

-- vesting significant governmental authority in members of the Lake Champlain and Onondaga Lake Conferences who are not presidential appointees;

-- requiring the President to accomplish certain tasks in conjunction with the Government of Canada; and

-- requiring Executive branch officers to make legislative recommendations to Congress.

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

October 10, 1990
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 2100 - Veterans Benefits and Health Care Amendments of 1990
(Cranston (D) CA and 16 others)

The Administration strongly opposes the enactment of S. 2100 because it would exempt the Department of Veterans Affairs (VA) Medical Care appropriation from sequestration under Gramm-Rudman-Hollings (GRH). The importance of health care for veterans, and the need to cushion the effect of a sequester, is already recognized under current law. The VA Medical Care program, Medicare, and other health care programs are protected by a two percent cap on sequestration of certain activities. Exemption of the VA Medical Care appropriation from sequester is ill-advised and could encourage program-by-program exemptions that circumvent the discipline of sequestration.

Unless S. 2100 is amended to delete the exemption from sequestration, the Secretary of Veterans Affairs and the President's other senior advisers will recommend that the bill be vetoed.

S. 2100 also contains other objectionable provisions, which the Administration will seek to correct during House consideration of the bill. The most seriously objectionable provisions would:

-- Extend the presumption of service-connection for radiation-exposure to veterans who participated in certain military activities. The Administration believes that compensation benefits should only be awarded after considering documented radiation dose and be based on scientific and medical evidence. Section 113 could have disastrous consequences on future military projects and harm our national security.

-- Create statutory presumptions of service-connection for Agent Orange among Vietnam veterans who suffer non-Hodgkin's lymphoma or soft-tissue sarcomas. VA has already utilized its authority to decide cases involving these diseases. Presumptions, without scientific evidence, as contained in Section 122, undermine the principle that there exists a relationship between service and disability.

-- Direct VA to furnish priority medical care to any veteran of a war who seeks treatment for post-traumatic stress disorder (PTSD). Section 201 bypasses VA's adjudication process and treats the veteran with PTSD as service-connected even though service-connection had not been granted. In

addition, it would, for the first time, give certain veterans a priority for care based on a particular diagnosis without regard to those veterans' actual need.

The Administration supports the bill's provisions providing an annual increase in the rates of compensation for service-disabled veterans and the survivors of veterans who die as a result of service.

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

STATEMENT OF ADMINISTRATION POLICY

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

October 11, 1990
(House Floor)

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1991

(Sponsors: Whitten (D), Mississippi; Yates (D), Illinois)

The Administration supports the passage of appropriations bills that are consistent with the Bipartisan Budget Summit Agreement (except as modified for defense by the Conference Report accompanying H.Con.Res. 310). The President's senior advisers will recommend that the President veto any appropriations bill that is not substantially consistent with that Agreement. The purpose of this statement is to express views on H.R. 5769, the Department of the Interior and Related Agencies Appropriations Bill, FY 1991, as reported by the House Appropriations Committee.

The Administration urges the House to reduce funding in the bill to ensure that it meets the 302(b) reallocation. Using OMB scoring, the bill provides $113 million more than the 302(b) reallocation in discretionary budget authority and $23 million more in discretionary outlays.

The bill exceeds the President's request by $2.0 billion in discretionary budget authority and $0.7 billion in discretionary outlays. Significant increases over the President's request include $235 million for Interior Department construction, $237 million for Interior Department operating accounts, and $295 million for Indian health.

The Administration strongly opposes the extension and addition of continued legislative moratoria on oil and gas preleasing, leasing, and drilling on the Outer Continental Shelf (OCS). The inclusion of new leasing moratoria in areas addressed by the President's June 26th OCS decisions is unnecessary and serves only to polarize the debate. The President's decisions resolve the near and mid-term concerns of leasing and development in controversial and sensitive areas.

Extension of legislative moratoria to include the OCS areas of high oil and gas potential off the Florida Panhandle, as well as the continued ban on drilling on existing leases in Bristol Bay off Alaska, are particularly onerous and inappropriate. Continuing and expanding "one-year" legislative moratoria are not

acceptable means for resolving the concerns regarding OCS development. Moreover, legislative moratoria on preleasing activities raise major legal and procedural questions about what OCS activities would be allowable under the Committee bill language. This could seriously disrupt the type of consultations and environmental assessment that the Committee has previously endorsed and that contribute to prudent, balanced decisions.

The Administration strongly objects to the omission of funding for the cost-share component of the President's tree planting initiative that was requested in the Forest Service's proposed America the Beautiful appropriation. The Administration endorses the $20 million added by the full Committee to the State and Private Forestry account for the Foundation component, but funding ($90 million) for the cost-share portion has not been provided. This funding would ensure substantial progress towards the President's goal of planting a billion trees per year, and the House is strongly urged to add it to the bill. With the levels currently approved in the Committee bill, we would fall far, far short of that number -- with fewer than 30 million trees being planted.

The Administration strongly objects to bill language intended to prevent the transfer of technical responsibility for dam safety from the Bureau of Indian Affairs (BIA) to the Bureau of Reclamation. This language is similar to report language accompanying the House-passed Energy and Water Development Appropriations Bill. There are serious and long-standing safety deficiencies at various BIA dams, and now lives are at stake. BIA has failed to correct the deficiencies, so the Administration must be permitted to take steps to do so before a tragedy occurs.

The Administration strongly objects to language that precludes use of appropriated funds for leasing oil for the Strategic Petroleum Reserve (SPR). The Congress has recently passed legislation authorizing creative and cost-effective approaches to financing further fill of the SPR through negotiated agreements with major oil producers. This language would rule out the consideration of such an approach, which could have significant cost savings.

The Administration opposes the provision to extend permanent coverage of the Federal Tort Claims Act to tribal contractors or their employees. The treatment of these contractors or their employees as employees of the Federal government would establish an adverse precedent. It is the Administration's view that the Federal government should not accept direct fiscal responsibility for professional negligence in the absence of an adequate opportunity to control and supervise professional conduct.

These and other concerns are discussed more fully in the attachment.

Attachment

(House Floor)

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1991

MAJOR PROVISIONS OPPOSED BY THE ADMINISTRATION

A. Funding Levels

Department of the Interior

Interior Construction. The Administration objects to the funding level for construction in the House Committee's bill. The Committee mark is $235 million, or 97 percent, above the President's request for Interior's land management agencies and the Bureau of Indian Affairs (BIA). Much of the additional funding is unnecessary and directed at low-priority projects not in the Department's backlog of needed health and safety projects. The additional construction projects are generally non-critical and can be postponed or foregone. New construction is a lower priority than providing quality operations, maintenance, and rehabilitation of existing facilities.

Interior Operating Accounts. The Administration opposes increases over the President's request in various Interior operating accounts. The Committee mark increases funding for these accounts by $237 million, exclusive of $245 million that provides forward funding for BIA elementary and secondary schools. The additional funding is unnecessary. The need for fiscal restraint dictates that all Federal spending be limited to necessary Federal responsibilities.

Low-Priority Grants. The Administration opposes increased funding above the President's request for various lower priority grant programs. These include Land and Water Conservation Fund State grants ($47 million added), Abandoned Mine Land State grants ($33 million added), and Urban Park grants not funded by Congress since FY 1985 ($20 million added). Many of the purposes of these grants are admirable but are the responsibility of the private sector and/or State and local governments.

Palau Funding. The additional $21 million above the request for Trust Territory of the Pacific Islands (Palau) is unnecessary. This increase would undercut the efforts of the Department of the Interior to restrain uncontrolled spending by the last Trust

Territory and far exceeds the Federal government's commitment to Palau. Interior continues its efforts to assist Palau in attempting to control local spending and achieve responsible management of funds. Past experience has shown Palau unable to handle large grants efficiently.

Indian Health Service

Overall Funding Level. The Administration objects to the excessive increase in funding for the Indian Health Service (IHS). The bill would provide $1,587 million, or a 23-percent increase above the President's request and a 27-percent increase above the FY 1990 enacted level. The President's Budget requested a three-percent increase over FY 1990, which takes into account inflation and the limitations of the IHS in managing its spending and accounting for its funds. The rapid funding increase that would be provided by the Committee bill would lead to a waste of funds as the agency struggles to find uses for new appropriations.

Commission of Fine Arts

National Capital Arts and Cultural Affairs Grant. The Administration objects to the appropriation of $6.3 million for general operating support on a non-competitive grant basis to Washington, D.C., arts and cultural organizations. This funding is unnecessary as it duplicates existing Federal nationwide competitive grants.

Various Agencies

Pay and Administrative Support. The Committee bill fails to recognize potential savings in salaries and administrative support expenses. The Administration has serious concerns over the Committee's restoration in full of the cost of the January 1991 pay raise. Other appropriations bills have incorporated reasonable levels of pay absorption as a method of controlling spending. In addition, the Committee rejected proposed savings made for administrative and staffing efficiency, which would have little or no effect on existing programs.

B. Language Provisions

Outer Continental Shelf (OCS) Moratoria. The Administration strongly objects to the extension and addition of continued legislative moratoria on oil and gas preleasing, leasing, and drilling on the OCS. The Committee recommends new leasing moratoria in areas addressed by the President's June 26th OCS decisions. This language is unnecessary and serves only to polarize the debate. The President's decisions resolve the near- and mid-term concerns of leasing and development in controversial and sensitive areas.

In addition, the Committee extends legislative preleasing and leasing moratoria to include the OCS areas of high oil and gas potential off the Florida Panhandle, as well as the continued ban on drilling on existing leases in Bristol Bay off Alaska. Continuing and expanding "one-year" legislative moratoria on preleasing activities raises major legal and procedural questions about what OCS activities would be allowable under the Committee bill language. This could seriously disrupt the type of consultations and environmental assessments that the Committee has previously endorsed and that contribute to prudent, balanced decisions.

Bureau of Indian Affairs (BIA) Management Improvement. The Administration strongly objects to the Committee's denial of funding and authority for several short-term corrective actions to address serious and long-standing management problems in the BIA. The requested measures include establishing an Office of Quality Assurance to oversee and monitor management weaknesses in BIA and other Interior bureaus, transferring technical responsibility for the safety of Indian dams to the Bureau of Reclamation, and providing additional resources for BIA to conduct needed internal program reviews and properly execute its fiduciary responsibility as trustee of $1.7 billion in Indian trust assets. The Administration must be provided flexibility to correct identified management weaknesses, especially those involving the safety of communities and millions of dollars of taxpayer money.

Particularly objectionable is bill language intended to prevent the transfer of technical responsibility for dam safety from BIA to the Bureau of Reclamation. This language is similar to report language accompanying the House-passed Energy and Water

Development Appropriations Bill. There are serious and long-standing safety deficiencies at various BIA dams, and now lives are at stake. BIA has failed to correct these deficiencies, so the Administration must be permitted to take steps before a tragedy occurs.

The Administration further objects, on constitutional and policy grounds, to bill language that attempts to prohibit the Secretary of the Interior from implementing any reorganization related to the BIA without the approval of the Appropriations Committees. The Secretary of the Interior is charged with overseeing BIA annual spending of about $1.4 billion in discretionary appropriations and of about $500 million in permanent funds. The management of these substantial resources of the taxpayers and the Indian people requires the Executive Branch, specifically the Secretary of the Interior, to devise the most effective organizational arrangements possible. If attempts to improve management of Federal Indian programs are stymied by Congressional action, it will be impossible to move meaningfully toward the goal of Indian self-determination or to ensure proper stewardship of Federal funds. Moreover, because the language conditions exercise of authority vested in the Secretary by law on approval by the Appropriations Committees, it would be a legislative veto unconstitutional under the Supreme Court's decision in INS v. Chadha, 462 U.S. 919 (1983).

Federal Tort Claims Act. The Administration opposes the provision to extend permanent coverage of the Federal Tort Claims Act to tribal contractors or their employees. The treatment of these contractors or their employees as employees of the Federal government would establish an adverse precedent. It is the Administration's view that the Federal government should not accept direct fiscal responsibility for professional negligence in the absence of an adequate opportunity to control and supervise professional conduct.

Emergency Transfer Authority. The Administration opposes the failure of the Committee to provide emergency transfer authority for the Secretary of the Interior. The elimination of this authority would drastically curtail the Department's ability to address emergency situations that threaten public

health and safety. There would be no way without this authority for Interior to respond to major natural disasters or fund fire suppression costs that exceed the amounts appropriated.

Helium Facility Sales. The Administration objects to bill language that would prohibit the sale of Federal helium processing facilities currently in operation. The language would block the Administration from carrying out the fiscally responsible plan of privatizing the nation's helium operations.

Report language that directs Interior's Bureau of Mines (BOM) to examine the development of "a state-of-the art helium facility" and to make improvements to the existing facilities is also objectionable. The Administration has developed a credible plan to phase out current helium operations and replace them with private sector activities. The Committee's language would impede this measure and suggests that millions of dollars be spent on an unnecessary state-of-the-art facility.

The Helium Act Amendments of 1960 ordered the BOM to encourage the private development of the helium market. The Bureau has been successful in doing so. The Federal government once provided 100 percent of the nation's refined helium. Today, it provides only about 15 percent of all the refined helium sold. Current studies reveal that "the private sector will have the crude and pure helium capacity available for BOM to close its helium production facilities beginning in 1991."

Bureau of Land Management (BLM) Mineral Patents. The Administration objects to language preventing BLM from issuing mineral patents that transfer title of land to mining claimants who, having satisfied all statutory requirements, are otherwise entitled to a patent under the Mining Law of 1872. While the Administration agrees that various provisions of the mining law need to be reviewed, the provision in the bill appears to be an attempt to force changes in the underlying philosophy of mining on Federal lands. If enacted, this moratorium on patenting would be a piecemeal and inefficient attempt to reform Federal land management policy and procedures and would not solve the problems of concern to the Congress, the agencies, and the public.

Directed Scorekeeping. The Administration opposes Fish and Wildlife Service and Geological Survey language that would treat contributions from non-Federal sources for cooperative programs as intragovernmental funds. The Committee's action is contrary to established budgetary and accounting principles and as such sets a highly adverse precedent. The Administration opposes budgetary gimmicks that are intended to circumvent the controls of the Gramm-Rudman-Hollings law.

America the Beautiful Accounts. The Administration objects to the Committee's rejection of separate America the Beautiful accounts for Agriculture's Forest Service and the Department of the Interior. It does appear that many of the requested activities under the President's America the Beautiful initiative in Interior are funded in separate bureaus and several appropriation accounts. However, the lack of a single Interior and single Agriculture account would reduce both Government and public focus on the needs and accomplishments of the America the Beautiful programs.

Strategic Petroleum Reserve (SPR) Oil Leasing. The Administration strongly objects to bill language that precludes the use of appropriated funds for leasing oil for the SPR. Congress has recently passed legislation authorizing creative and cost-effective approaches to financing further fill of the SPR through negotiated agreements with major oil producers. This language would rule out the consideration of such an approach, which could have significant cost savings.

Natural Gas Receipts. The Administration objects to bill language specifying that receipts from producing and selling natural gas are to be deposited in a spending account rather than credited, as proposed in the budget and as has been done in the past, to the Treasury as miscellaneous receipts. Under the language, these receipts would be made available to the Department of Energy at its discretion and without the review of the normal appropriations process. This would discourage the efficient use of Federal funds because there would not be an effective check on the spending of these receipts.

Employment Floors. The Administration opposes language that would establish a new employment floor of 90 full-time Federal employees for the Department of Energy's Clean Coal Technology Program. This

would be in addition to the existing employment floor for fossil energy research and development. The Administration also opposes several bill and/or report language provisions that would require maintenance of specific staffing levels for Interior Department programs such as the Bureau of Mines; Office of Surface Mining (OSM) inspectors and troubleshooters; and the OSM Wilkes-Barre, Pennsylvania, field office. Such provisions restrict the Departments from managing efficiently and often require excessive spending of administrative funds that are needed to carry out important program purposes.

Energy Conservation Earmark. The Administration objects to language that would earmark $1.25 million for a pilot Metal Casting Research Center at the University of Alabama. Legislation authorizing four such centers is currently in conference, but the centers would be selected competitively under provisions of that legislation. This proposed earmarking would thwart the intent of that legislation and prevent the Department of Energy from ensuring that funds go to the most qualified researchers.

Landsat Reimbursements. The Administration objects to report language disapproving further reimbursements from the Department of the Interior to the Department of Commerce for Landsat operations. While at least one Landsat satellite is expected to remain operational through 1991, flexibility is required to deal with the uncertainty in the operational life of these satellites. This includes the possibility of reimbursement from the user agencies, including the Department of the Interior.

Indian Health Service Micromanagement. The Administration strongly objects to bill language that would inhibit the performance of management responsibilities of the Indian Health Service (IHS). Language is included that would circumvent established rulemaking procedures by prohibiting the implementation of the September 16, 1987, final rule on eligibility for IHS health services. The Committee also includes highly objectionable language that would dictate the Executive Branch's apportionment and accounting formats.

Committee Approval Provisions. The Administration objects to bill language that purports to restrict the use of funds or to limit agency actions unless

approval is granted by Congressional committees. Such provisions are unconstitutional (see INS v. Chadha, 462 U.S. 919 (1983)). In any event, the Executive Branch will continue to provide the Committee notification and consultation that inter-branch comity requires in matters in which Congress has indicated such a special interest.

Employment Ceilings. The Administration opposes bill language to exempt programs funded by the bill from employment ceilings. The provision is objectionable because it would prevent effective and efficient management of agency programs and would promote wasteful spending.

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

STATEMENT OF ADMINISTRATION POLICY

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

October 11, 1990
(House)

DEPARTMENT OF DEFENSE APPROPRIATIONS BILL, FY 1991
(Sponsors: Whitten (D), Mississippi; Murtha (D), Pennsylvania)

The Administration supports the passage of appropriations bills that are consistent with the Bipartisan Budget Summit Agreement (except as modified for defense by the Conference Report accompanying H.Con.Res. 310). The President's senior advisers will recommend that the President veto any appropriations bill that is not substantially consistent with the Agreement, as modified.

The Department of Defense Appropriations Bill, FY 1991, as reported by the House Full Committee, would provide $267.7 billion in budget authority for defense purposes, a level slightly below that provided in the Agreement. In addition, the bill provides $0.5 billion in budget authority for domestic programs.

The President's senior advisers would recommend that he veto the bill as reported from Committee because it provides (1) insufficient funding for crucial strategic modernization programs; (2) insufficient funding to pursue effectively the Strategic Defense Initiative (SDI); and, (3) funds for items not needed for the national defense.

The bill eliminates or underfunds crucial strategic weapon systems and the SDI. Of particular concern, the bill:

-- terminates the B-2 Stealth bomber program, despite its value in a retaliatory force shaped by the limits in the START Treaty, and underfunds the strategic missile modernization programs that remain essential to deter the use of nuclear weapons; and

-- underfunds the SDI, which holds promise of a future defense against nuclear weapons. As ballistic missiles capable of delivering nuclear, chemical, biological, or high-explosive warheads proliferate, the importance of SDI continues to grow.

The bill adds funds for low-priority or unneeded items. For example, the bill includes funds for the V-22 Osprey aircraft program and for items not requested for National Guard and Reserve programs, as well as undesirable earmarks for research and development grants to certain institutions.

The bill includes programs that should be funded in other appropriations bills. Examples are $300 million for Coast Guard programs, up to $100 million for Department of Labor job training programs, $96 million for Commerce Department economic adjustment programs, $36 million for Customs Service Aerostats, $30 million for the Nuclear Fuel Facility at Apollo, Pennsylvania, $10 million for the National Drug Intelligence Center, $5 million for a parliament building in the Solomon Islands, and $912,000 for the Library of Congress. The Defense bill should not be used to fund programs of such low priority that they cannot be funded in the appropriate bills.

The House is urged to eliminate provisions that would:

-- restrict competition by directing the purchase of certain items from American producers;

-- create an unnecessary National Commission on Defense and National Security; and

-- cap the level of U.S. military personnel stationed in Japan at 50,000 and require a cut of 5,000 if, in the preceding year, the Japanese did not pay for all the direct costs of U.S. military personnel in Japan.

The House is urged to address the Administration's concerns and pass a Department of Defense Appropriations Bill that the President can support.

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

STATEMENT OF ADMINISTRATION POLICY

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

October 11, 1990
(House)

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(Sponsors: Whitten (D), Mississippi; Murtha (D), Pennsylvania)

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-- terminates the B-2 Stealth bomber program, despite its value in a retaliatory force shaped by the limits in the START Treaty, and underfunds the strategic missile modernization programs that remain essential to deter the use of nuclear weapons; and

-- underfunds the SDI, which holds promise of a future defense against nuclear weapons. As ballistic missiles capable of delivering nuclear, chemical, biological, or high-explosive warheads proliferate, the importance of SDI continues to grow.

The bill adds funds for low-priority or unneeded items. For example, the bill includes funds for the V-22 Osprey aircraft program and for items not requested for National Guard and Reserve programs, as well as undesirable earmarks for research and development grants to certain institutions.

The bill includes programs that should be funded in other appropriations bills. Examples are $300 million for Coast Guard programs, up to $100 million for Department of Labor job training programs, $96 million for Commerce Department economic adjustment programs, $36 million for Customs Service Aerostats, $30 million for the Nuclear Fuel Facility at Apollo, Pennsylvania, $10 million for the National Drug Intelligence Center, $5 million for a parliament building in the Solomon Islands, and $912,000 for the Library of Congress. The Defense bill should not be used to fund programs of such low priority that they cannot be funded in the appropriate bills.

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-- restrict competition by directing the purchase of certain items from American producers;

-- create an unnecessary National Commission on Defense and National Security; and

-- cap the level of U.S. military personnel stationed in Japan at 50,000 and require a cut of 5,000 if, in the preceding year, the Japanese did not pay for all the direct costs of U.S. military personnel in Japan.

The House is urged to address the Administration's concerns and pass a Department of Defense Appropriations Bill that the President can support.

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

STATEMENT OF ADMINISTRATION POLICY

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

October 12, 1990
(Senate Floor)

DEPARTMENT OF DEFENSE APPROPRIATIONS BILL, FY 1991
(Sponsors: Byrd (D), West Virginia; Inouye (D), Hawaii)

The Administration supports the passage of appropriations bills that are consistent with the Budget Summit Agreement (except as modified for defense by the Conference Report accompanying H.Con.Res. 310). The President's senior advisers will recommend that the President veto any appropriations bill that is not substantially consistent with the Agreement, as modified.

The Committee is commended for producing a bill that is substantially consistent in overall level with the budget agreement and that provides adequate funding for the B-2 aircraft and the Strategic Defense Initiative (SDI). Passage of amendments, however, that would result in the President being presented with a bill that contains no procurement funding for the B-2 and lower levels of SDI funding would result in the President's senior advisers recommending that he veto the bill.

The Senate is urged to delete provisions that limit the President's flexibility to allocate SDI funding in the most effective manner. Earmarking of funds for specific projects would limit our flexibility to exploit fast-paced technological developments and hurt our ability to meet the President's SDI objectives.

The Senate is urged to restore funds for key modernization programs including the $1.1 billion requested for the MILSTAR communications satellite program and the $158 million requested for the National Aerospace Plane (NASP). MILSTAR will provide a much needed major upgrade in our command, control and communications capabilities and should be fully funded. The NASP is an important part of the nation's space program with major civilian and military applications.

The Committee bill reduces military end strength 100,000 below the FY 1990 level. A reduction of more than 80,000 would require involuntary separations of personnel who otherwise may be required to support Operation Desert Shield.

The bill adds funds for low priority or unneeded items and provides for programs that should be included in other appropriation bills. For example, the bill includes $238 million for development of the V-22 Osprey aircraft program, $144 million for M-1 tank upgrades, and $300 million for Coast Guard programs. The Senate is urged to delete unrequested programs from the Committee bill.

Section 8081 of the bill would give the classified annex to the report the force of law even though provisions of the annex have not been subject to debate or to review by the Administration. Consequently, we are unable to comment on the substance of the proposed report language which would be statutorily significant if these sections were to be enacted. The Senate is urged to delete this provision.

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

ADMINISTRATION POLICY STATEMENTS RELEASED OCTOBER 12, 1990 AS OF 7:00 PM

H.R. 3069	DISPLACED HOMEMAKERS SELF-SUFFICIENCY ACT
H.R. 3911	ATTENDANT ALLOWANCE ADJUSTMENT ACT
H.R. 4515	HIGH SPEED RAIL TRANSPORTATION POLICY
H.R. 5093	DEPARTMENT OF VETERANS AFFAIRS CODIFICATION ACT
H.R. 5506	TRANSFER OF PERSHING HALL TO THE DEPARTMENT OF VETERANS AFFAIRS
H.R. 5657	U.S. COURT OF VETERANS APPEALS AMENDMENTS
H.R. 5814	SOLDIERS' AND SAILORS' CIVIL RELIEF ACT AMENDMENTS OF 1990

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. 3069 - Displaced Homemakers Self-Sufficiency Act
(Martinez (D) CA)

The Administration supports providing employment and training services to displaced homemakers. Such services are being provided under the Job Training Partnership Act (JTPA) and the Carl B. Perkins Vocational and Applied Technology Education Act.

The Administration, therefore, objects to H.R. 3069 because it is unnecessary. It would authorize a new grant program to serve displaced homemakers at $50 million for FY 1991 and "such sums as may be necessary" for each succeeding fiscal year. Displaced homemakers can be served more effectively through the JTPA's local delivery system and the Perkins Act programs.

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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. 3911 - Attendant Allowance Adjustment Act
(Kennedy (D) MA and 15 others)

The Administration has no objection to enactment of H.R. 3911.

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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. 4515 - High Speed Rail Transportation Policy and Development Act
(Walgren (D) Pennsylvania and 11 others)

The Administration opposes enactment of H.R. 4515 unless it is amended to delete the provision that would inappropriately authorize the Federal Government to guarantee up to $1 billion in loans for development of high speed rail technologies.

The Federal Government is already funding basic research in high speed rail technologies. This research will help States, localities, and the private sector to determine whether proposed projects are technologically and economically feasible. Financing from conventional sources will be available for projects meeting these criteria.

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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. 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.

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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. 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.

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

STATEMENT OF ADMINISTRATION POLICY

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

October 12, 1990
(Senate Floor)

H.R. 5114 -- FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS BILL, FY 1991
(Sponsors: Byrd (D), West Virginia; Leahy (D), Vermont)

The Administration supports the passage of appropriations bills that are consistent with the Budget Summit Agreement (except as modified for defense by the Conference Report accompanying H.Con.Res. 310). The President's senior advisers will recommend that the President veto any appropriations bill that is not substantially in accord with that Agreement.

The Administration opposes the earmarking of $15 million for the United Nations Population Fund (UNFPA). The Administration has endorsed the approach used in the Smith amendment regarding family planning assistance in Romania, which was adopted on the House floor, and would consider other such alternatives. The Smith amendment keeps intact the Kemp-Kasten provision and the Mexico City policy. The President stated in his June 26th letter to Congressman Obey that he will veto this bill if either policy is changed.

The current language on El Salvador, including the language intended as a substitute for the House-passed Moakley-Murtha language, is unacceptable. The Administration is hopeful that compromise language acceptable to both the Administration and Congress will be crafted. Should the final bill, when it is presented to the President, contain either of these provisions on El Salvador or provisions similar to them, the President's senior advisers would recommend a veto.

The reduction of almost $500 million in the Economic Support Fund (ESF) is of particular concern. The Administration urges that funds for the ESF be restored by reducing unrequested and unwarranted increases of more than $750 million in AID programs, the Export Import Bank, International Organizations, and a number of other smaller programs.

There are several provisions in the bill that the Administration welcomes. The Committee has provided language to resolve the Egyptian debt issue -- a matter of high Presidential priority. The World Bank has been fully funded, the provision in the House bill relating to the Paris Club negotiation process has been deleted, and there are several other provisions that give more flexibility to the President in conducting foreign policy.

The Administration urges that language allowing continued assistance to the Noncommunist Resistance in Cambodia be restored to the bill. Other important provisions of concern to the Administration are contained in this appropriation bill. Administration views on a number of these provisions are outlined in the attachment.

Attachment

(Senate Floor)

H.R. 5114 -- FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1991

MAJOR PROVISIONS OPPOSED BY THE ADMINISTRATION

Amendments Seeking to Reverse the Mexico City Policy and the Kemp-Kasten Provision

The Kemp-Kasten provision states that "None of the funds made available to Population, Development Assistance may be made available to any organization or program which, as determined by the President of the U.S., supports or participates in the management of a program of coercive abortion or involuntary sterilization."

Mexico City policy states that: "The United States does not consider abortion an acceptable element of family planning programs and will no longer contribute to those of which it is a part. Accordingly, when dealing with nations which support abortion with funds not provided by the United States government, the U.S. will contribute to such nations through segregated accounts which cannot be used for abortion. Moreover, the United States will no longer contribute to separate non-governmental organizations (NGO's) which perform or actively promote abortion as a method of family planning in other nations. With regard to the United Nations Fund for Population Activity (UNFPA), the U.S. will insist that no part of its contribution be used for abortion. The U.S. will also call for concrete assurances that the UNFPA is not engaged in, or does not provide funding for, abortion or coercive family planning programs; if such assurances are not forthcoming, the U.S. will redirect the amount of its contribution to other, non-UNFPA family planning programs."

The Administration continues to support both the Mexico City policy and the Kemp-Kasten provision. Opposition to abortion as a method of family planning is an important matter of principle to this Administration. Consistent with that principle, the President has decided to disassociate the United States from foreign abortion advocates by making them ineligible to participate in the AID population assistance program. AID's implementation of the Mexico City policy was upheld by the U.S. Court of Appeals for the Second Circuit on September 18, 1990. Using a segregated account or other complicated procedures to provide support for UNFPA would be perceived as a transparent bookkeeping transaction and would undermine U.S. opposition to coercive abortions.

The Administration opposes providing assistance specifically through the United Nations Population Fund (UNFPA) and the International Planned Parenthood Federation (IPPF) for the following specific reasons. Assistance provided through the UNFPA would violate the Kemp-Kasten amendment because the UNFPA supports or participates in the management of a program of coercive abortion or involuntary sterilization in China. If the U.S. provides any funds to the UNFPA, the U.S. would in effect be endorsing China's policy of coercive abortion. Assistance provided through IPPF would violate the President's continued advocacy of the Mexico City policy. Allowing this non-governmental organization, which performs or promotes abortion as a method of family planning, to become eligible for U.S. funding would undermine Administration principle and policy, and destroy the pro-life and pro-human rights character of U.S. population assistance programs.

El Salvador

The bill would withhold 50 percent of military assistance to the government of El Salvador unless the President certifies that the Farabundo Marti National Liberation Front (FMLN) has failed to meet certain conditions relating to good-faith negotiations. As currently drafted, the provision would destroy the best chance for a negotiated end to the war and would risk encouraging a new guerrilla offensive that may target American citizens, as well as Salvadorans. The FMLN would be encouraged to continue its intransigent position in the peace talks now occurring under the leadership of the Secretary General of the United Nations. This provision as drafted would permit shipments of lethal military assistance to the FMLN from outside El Salvador -- a violation of the 1987 Esquipulas Accord. The Administration supports tough unequivocal provisions concerning the Jesuit murders, but the provisions with regard to the FMLN have been so diluted as to be meaningless.

The Congress and the Administration must come together on a principled bipartisan position regarding assistance to El Salvador that encourages all parties to negotiate a peace accord. It is critically important that the two Branches agree on an acceptable assistance package that sends a clear signal to all parties that the United States government is united in supporting a cease-fire and a negotiated settlement.

Reductions in the Economic Support Fund (ESF)

The Senate Committee bill cuts $500 million out of the $3.6 billion request for the Economic Support Fund. Such reductions constrain our ability to support Central and

South American democracies and to meet best-efforts pledges to key friends such as Portugal and the Philippines, which would complicate currently ongoing base-access negotiations. In a period of significant global change, adequate and flexible ESF resources are a particularly valuable tool of U.S. foreign policy in providing needed and timely assistance to countries of key interest to the United States. There are few foreign policy and national security interests that this shortfall in ESF would leave undamaged.

Unwarranted Increases in Other Programs

The Senate Committee bill provides for significant increases above the budget request in Functional Development Assistance, the Development Fund for Africa, Assistance for Eastern Europe, the Export-Import Bank, and International Organizations and Programs (IO&P) appropriations. These increases total over $750 million more than the President's request. The reallocation for these various programs and activities is inconsistent with meeting the most urgent priorities for our scarce foreign affairs resources. The ability of the President to carry out his foreign policy would be severely constrained by this shift.

Earmarkings in Foreign Military Financing (FMF), Economic Assistance, International Organizations and Programs (IO&P), Refugees Accounts, and Functional Development Assistance

The Administration must be able to respond to changing conditions in the newly emerging democracies and elsewhere. Therefore, the Administration opposes earmarking for programs or countries in these various accounts because it restricts the allocation of this assistance in a manner that may not be most appropriate in addressing foreign policy priorities. For instance, almost 90 percent of FMF is earmarked. Earmarks hamstring the President in allocating assistance, prevent the funding of more crucial, higher-priority programs, and impair the ability of the executive branch to respond to changing events.

Provision Relating to U.N. Sanction Against Iraq

The Administration opposes the provision requiring unilateral U.S. action against countries not in compliance with the U.N. sanctions against Iraq. The Administration has to date been successful, through multilateral diplomacy, in refuting Iraqi assertions that current Gulf tensions are based on an Iraqi-U.S. dispute rather than a dispute with the entire world. The Administration is concerned that this provision would undercut U.S. diplomatic efforts. If actions

against sanctions violators should become necessary, this ought to occur on a multilateral basis through the U.N. Security Council.

International Development Association (IDA) Lending to China

This provision requires that the President reduce the amount obligated for IDA by the U.S. proportionate share of any loans approved by the Board of Directors for China since January 1, 1990, for non-basic human needs. Withheld funds may be obligated only if the President certifies that it is in the national interest of the United States to do so. The Administration opposes this provision because it would reduce the President's flexibility and the ability to shape and limit overall lending to China. It could also result in a larger overall lending program than could be shaped with U.S. influence exerted on the lending process.

Aid to Cambodia

The Administration strongly opposes the Committee's action to end the program of assistance to the Cambodian Non-Communist Resistance that was approved by the House. The Administration is encouraged by the prospects of the U.N.-based plan and believes this assistance is crucial to our active efforts to keep pressure on the parties involved to accept a negotiated solution to the tragic conflict in Cambodia. The Administration accepts the language, sponsored by Mr. Solarz in the House-passed bill, which provides conditional funding as follows: "The President shall terminate assistance under this section to any non-communist resistance organization that he determines is engaged in a pattern of military cooperation and coordination designed to assist the Khmer Rouge."

EBRD: Reduced Funding and Withholding of Obligations

The Administration is opposed to the reduction of $13.2 million in funding and to the restrictions imposed on the U.S. contribution to the EBRD. There is concern about the effect of such a provision on the President's ability to carry out his responsibilities under the Constitution with respect to the conduct of foreign policy. The Committee bill stresses the importance of assisting in the economic rebirth of Eastern Europe yet thwarts the Administration's efforts toward this end by placing unnecessary restrictions on the U.S. ability to participate in the EBRD. The provision of funds for EBRD should not be linked to Polish debt negotiations but should stand on its own merits.

Export-Import Bank

The Committee's increase in direct lending from $500 million to $750 million would increase the recipients' debt without contributing significantly to United States export capacity. United States capital goods exports grew by $58 billion over the last three years without significant changes in Eximbank authority.

An unrequested $25 million for the Bank's Interest Equalization Program (IEP) is another gimmick in the expansion of credit programs. The program is unnecessary because United States exports have grown dramatically in the absence of IEP. Further, the program is inefficient in that it increases the cost to the United States Government of providing credit to borrowers on competitive terms. Finally, the IEP expands the base of risky, long-term government liabilities.

Operating Expenses for AID

The Committee bill reduces the $448 million request for AID's operating expenses by $13 million, but restores this amount by providing the agency authority to use up to $12.5 million of program funds for operating expenses related to population programs. It also provides for up to $40 million or five percent of Development Fund for Africa funds being used to meet operating expenses. As well, it provides $1 million each for AID's operating expenses and those of the Inspector General from Eastern Europe program funds. The Administration welcomes the Senate's recognition of the need to provide sufficient funding for personnel and financial management systems to enable the Agency to provide adequate levels of programmatic effectiveness and accountability. However, the funding should be provided in the appropriate operating expenses account.

Administrative Charges for Military Sales

The Administration opposes the provision to limit the availability of administrative charges for payment of the costs of security assistance administrative personnel because it would have a seriously disruptive effect on foreign military sales (FMS). This provision would disrupt acquisition and procurement activities, training, logistic support, and financial management at a time of rapidly evolving needs and requirements of major FMS purchasers. The FMS program is self-sufficient, requiring no significant subsidy. A spending cap could result in shortfalls having to be made up with appropriated funds.

Assistance to Eastern Europe

While welcoming the significant degree of flexibility in this bill afforded to the Administration regarding Eastern Europe, we note that the bill provides for only project-related assistance and does not provide for the possibility of balance-of-payments support. Balance of payments support may prove necessary as Eastern European countries undergo significant economic restructuring and adjust to the effects of the Persian Gulf crisis.

Human Rights Reporting

The Administration opposes the proposed provision on human rights because it would introduce unnecessary rigidity into the implementation of the foreign assistance program and the human rights provisions of section 502b. In practice the Administration seeks to bring about improvement in human rights conditions through warning of the possibility of a finding of a pattern of gross violations.

Assistance for Latvia, Lithuania, and Estonia

The Administration opposes this provision on the grounds that it could disrupt the sensitive discussions now under way between Moscow and the Baltic States. These discussions are intended to prepare for formal negotiations on the future status of Latvia, Lithuania, and Estonia. The provision of U.S. assistance to the Baltic States at this delicate moment could make it more difficult for these talks to reach a successful conclusion. In addition, while fostering the development of the private sector in the Baltic States is an important goal which the Administration supports, this proposal must be weighed against the large number of requests for U.S. assistance from other countries, many of which have a more immediate need for U.S. aid.

Proposed Language Regarding Sections 522, 555, and Other Provisions

Several provisions require that United States representatives to international bodies be instructed to vote for or against a particular position or otherwise be required to take particular positions in international negotiations. Such provisions must be construed as advisory only, since they would otherwise unconstitutionally interfere with the President's foreign affairs powers. Such provisions should be deleted, or, to avoid ambiguity and unnecessary disputes, clearly drafted as advisory only. As well, section 599B on Judicial Reform in El Salvador has language regarding establishing a Commission which raises serious constitutional questions.

Proposed Language Regarding Leveraging

Section 569, which is identical to section 582 of P.L. No. 101-167, forbids providing funds to foreign governments "in exchange for that foreign government or person undertaking any action which is, if carried out by the United States Government, a United States official or employee, expressly prohibited by a provision of the United States law." When the President signed P.L. No. 101-167, he observed that although the provision could be construed narrowly in order to avoid constitutional problems, "many routine and unobjectionable diplomatic activities could be misconstrued as somehow involving a forbidden 'exchange,'". He further said that, therefore, "this type of provision can chill U.S. diplomats in the proper discharge of their duties." Section 569 should be deleted.

Montreal Protocol

This provision mandates that $10 million of AID development assistance funds be used to support a fund to encourage global participation in the Montreal Protocol on Substances that Deplete the Ozone Layer. An interim financial mechanism, to operate from FY 1991 through FY 1993, was established by the Parties to the Montreal Protocol last June in London. It is anticipated that the fund will initially be established at $160 million, of which the U.S. share would be $40 million (25 percent) for the three-year period. Thus, the FY 1991 funding level would be about $13.3 million, which has already been budgeted for and will be funded by the Environmental Protection Agency. The earmarking of $10 million of AID development assistance funds is therefore unnecessary and should be deleted.

Restrictions on Assistance to Zaire

The Administration opposes the limitations on the provision of military and economic assistance to Zaire. In the foreign military financing account, the Administration is not proposing to spend funds on new programs or for new or replacement end items, nor would funds be used for lethal systems. With regard to the international military education and training account, this training and exposure to the U.S. and our values is the most important part of our military assistance program. U.S. economic assistance is carefully controlled and monitored to ensure that no dollars flow directly to or through the government of Zaire and that projects benefit the poorest and neediest Zairians. We work through private and voluntary organizations, universities, and the private sector to the widest extent possible.

Excess Defense Articles

The Administration also opposes the requirement for notification before issuing letters of offer to sell excess defense articles as unnecessary. The requirement would apply even in cases involving relatively minor sales and could lead to an enormous number of additional congressional notifications.

Inter-American Investment Corporation (IIC)

The Committee bill provides no funding for the IIC. The request of $25.5 million is for payments to the IIC that are more than two years overdue. Unlike other multilateral development banks, the IIC cannot make lending commitments that are contingent on a member making a subscription payment at a later date. While governments are willing to agree to projects that are on hold until the funding becomes available, the private sector -- to which all IIC operations are directed -- is not. At a minimum, $12.5 million is needed to fund a minimum operating program and keep U.S. voting power just above the 20 percent level needed to maintain a veto over charter amendments.

Conditioning Aid to Kenya

The Administration opposes this provision which conditions aid to Kenya. One of the Administration's objectives in Kenya is to encourage greater political pluralism and respect for human rights, and the Kenyans have been engaged repeatedly on this issue. To underscore further our concern about human rights abuses, the Administration withheld disbursement of all FY 1990 FMF monies, pending improvement in Kenyan behavior. The Committee conditions, however, are likely to undercut rather than help these efforts. The Kenyan government tends to react defensively to public pressure and will likely dig in rather than move in the right direction.

Military Aid Limited to Democratic Governments

While the Administration sympathizes with the spirit of this provision, it strongly opposes its enactment into law. In an imperfect world, it can sometimes serve important United States interests, including our interest in the long-term trend toward democratic governments, to furnish assistance to countries having different forms of government than our own. Those interests are undercut by a requirement that the President choose between severing assistance relationships with a country or publicly criticizing its form of government by exercising a waiver authority.

EXECUTIVE OFFICE OF THE PRESIDENT
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October 12, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 4009 - Federal Maritime Commission Authorization
(Jones (D) North Carolina and 3 others)

The Administration has no objection to the enactment of H.R. 4009 as amended by the Senate.

The Administration would, however, oppose the enactment of any amendments which would:

-- Permit vessels of the Soviet Union to enter U.S. ports in addition to those currently covered by the U.S.-Soviet Maritime Agreement signed on June 1, 1990. Such an amendment would constrain the President's exercise of his constitutional responsibilities to conduct foreign relations and protect the national security.

-- Impose costs and paperwork for which no need has been established by mandating new bonding requirements for certain ocean common carriers.

These two provisions were included in H.R. 4205 as passed by the House.

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WASHINGTON, D.C. 20503

October 12, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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H.R. 4257 - District of Columbia Judicial Reorganization Act of 1990
(Dymally (D) California and
Fauntroy (D) District of Columbia)

The Administration opposes enactment of H.R. 4257 because it superimposes a new and unnecessary Supreme Court on the District of Columbia court system, resulting in a wasteful proliferation of appeals and an unwarranted burden on litigants.

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

October 15, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 5687 - Chief Financial Officers Act of 1990
(Conyers (D) Michigan)

The President supports legislation to improve the government's management. In particular, the Administration supports the establishment of a Deputy Director for Management and a Government-wide Controller in the Office of Management and Budget (OMB). It also supports statutory establishment of Chief Financial Officer positions in the each Department and major independent agency.

However, the Administration strongly opposes H.R. 5687 in its current form.

- Section 303 would provide supplementary authority to secure financial statements (as has been done for decades) and ensure that they are audited. The provision is unnecessary and could confuse the Administration's current effort to ensure financial integrity.

- Section 204 would establish a four-year term for the new position of Controller in OMB. It would also establish qualification requirements for appointment of the Controller and require the President to report his reasons for removal of the Controller to Congress. These conditions would constitute an unprecedented restraint on Presidential appointments within the Executive Office of the President. The qualification requirements and the reporting requirement also raise serious constitutional concerns.

- Section 201 would redesignate the Deputy Director of OMB Deputy Director for Budget. This redesignation would be misleading; the Deputy Director is alter ego to the Director on management as well as budget.

The Administration also opposes H.R. 5687 because it would:

- Designate the Deputy Director for Management as "Chief Financial Officer of the United States." This would create confusion between the responsibilities vested in the Treasury and OMB.

- Require a study on the development of accounting standards. The Secretary of the Treasury, the Comptroller General, and the Director of OMB have agreed to establish a Federal Accounting Standards Advisory Board which will address these requirements, making a study unnecessary.

- Provide for a separate statement of appropriations for the Office of Federal Financial Management. Such a provision would unnecessarily complicate and bifurcate OMB's small budget. It is not necessary.

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

October 16, 1990
House Floor

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 5835 OMNIBUS RECONCILIATION ACT OF 1990

The House version of Omnibus Reconciliation Act of 1990 produces budgetary savings that are generally consistent with the Bipartisan Budget Summit Agreement. However, the President's senior advisors would recommend that the President veto the bill if it includes any of the following provisions.

- Highway, Transit, and Aviation Trust Funds. The Administration strongly opposes the inclusion of a number of extraneous provisions for highways, transit and aviation. In particular, the House bill would attempt to rewrite the Budget Summit Agreement before it is even completed by excluding transportation spending from discretionary spending ceilings. This provision would disrupt the balance of the Agreement by removing long-standing discretionary programs from the caps on discretionary spending that were agreed to after many weeks of negotiations by the Congressional leadership, Appropriations Committees, and the Executive Branch. Instead of a deficit reduction package that produces $500 billion in savings over 5 years, the package would produce only about $470 billion if these increases to these funds provided for elsewhere in the bill were removed from the discretionary caps and the caps not reduced. In addition, the House bill would remove highways, transit and aviation trust funds from the unified Federal budget further disrupting the balance of the Budget Agreement and eroding the fiscal discipline that is required to control Federal spending. If either of these provisions were included in the version of the bill that is presented to the President for signature, the President's senior advisors would recommend that the bill be vetoed. (If the Panetta amendment on extraneous provisions were adopted, these provisions would be deleted as extraneous. The Administration supports the Panetta amendment.)

- GATT Trigger. The GATT trigger provision would cancel savings in the commodity price support programs on July 1, 1992, if a GATT agreement is not implemented by that time. This provision could potentially reduce savings in these programs by as much as $8 billion in FY 1993-1995. In addition, this provision would create perverse incentives for the U.S. agriculture community to ensure that a GATT

agreement is never consummated. If this provision is included in the version of the bill that is presented to the President for signature, the President's senior advisors would recommend that the bill be vetoed.

- o OSHA and MSHA Fines. The House bill raises the ceilings on OSHA fines seven-fold and on most MSHA fines five-fold, establishes floors for most fines, and makes certain safety and health violations of OSHA a criminal offense. While the Administration has agreed that some increase in OSHA and MSHA fines are acceptable, it strongly objects to including floors in the amount of fines that may be levied and to criminalizing certain OSHA violations. The reconciliation bill, with its expedited rules and limited debate, is not the proper place to enact legislation that has criminal penalties. If the OSHA provisions with criminal penalties and minimum fines were included in the version of bill presented to the President for signature, the President's senior advisors would recommend that the bill be vetoed.

In addition, the Administration has serious concerns about several other provisions in the House bill, including but not limited to the following:

- o Civil Penalties for Certain Unfair Labor Practice Violations. The bill assesses a minimum fine of $1,000 and a maximum fine of $10,000 per affected individual for employer or union violations of the National Labor Relations Act (NLRA). The fines apply to sections 8(a)(3) and 8(b)(2), which deal with discriminatory discharge, and sections 8(a)(5) and 8(b)(3), which deal with bad faith bargaining. This provision was not discussed by the Bipartisan Budget Summit negotiators and it attempts to enact legislation that has not been the subject of hearings or debate. The National Labor Relations Board currently pursues compensatory damage suits for affected individuals successfully; it does not levy fines. Such fines, especially a floor on the fines, will generate substantial additional litigation and is apt to delay justice. Restitution is not required while cases are contested.

- o Guaranteed Student Loans. The House included $1.7 billion in savings from the Guaranteed Student Loan program, $.3 billion less than the original $2.0 billion target. The House would eliminate subsidized loans at schools with default rates of 35 percent or greater with specific exemptions for certain types of schools, while the Senate authorizing committee would eliminate all Title IV aid at high default schools (40% in 1991, 30% in 1992 and 25% in 1993), without specific exemptions. The Administration strongly prefers the Senate committee provision. If subsidized loans are to be eliminated at bad schools, grants

and work-study funds backed either completely or substantially by Federal dollars should also be eliminated as would be done by the Senate committee language

- o EPA Fee Provisions. The Administration does not believe that the savings claimed for these provisions by both the Merchant Marine and Fisheries Committee ($21 million in FY 1991, $145 million over 5 years) and the Public Works and Transportation Committee ($42 million in FY 1991, $212 million over 5 years) can be achieved unless language were added to these provisions that specifically authorizes pesticide registration fees.

- o Patent and Trademark Office (PTO) User Fees. The House Judiciary Committee authorized increased PTO user fees, as provided in the Budget Agreement, but it neglected to prevent those fees from being spent under the discretionary caps. As a consequence, no funds are returned to the Treasury and no savings accrue to offset the deficit. This situation can be rectified by a language change which deposits the increased fees in a "Special Fund" in the Treasury.

- o Budget Process Reforms. The Administration will continue to work with the House to make the House language on budget process reforms more consistent with the Bipartisan Budget Summit Agreement.

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

October 16, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

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

The Administration strongly opposes enactment of H.R. 4939. While the bill would permit China's MFN status to continue, it introduces criteria for its extension next year that go substantially beyond those contained in the Jackson-Vanik amendment. Additional MFN criteria would inevitably place U.S. companies at a commercial disadvantage with competitors in Europe, Japan, and other industrial countries. None of our competitors plan to introduce conditionality in extending MFN. If H.R. 4939 is amended to further restrict the President's flexibility, his senior advisers would recommend that he veto the bill.

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 eight UN Security Council resolutions on the Persian Gulf crisis and acted decisively to enforce the UN-approved trade embargo. 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. 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 sound working relationship with China is still necessary so that issues of vital concern to us can be addressed.

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

October 16, 1990
House Floor

STATEMENT OF ADMINISTRATION POLICY

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

THE "WAYS AND MEANS DEMOCRATIC ALTERNATIVE" TO THE OMNIBUS RECONCILIATION ACT OF 1990

The "Ways and Means Democratic Alternative" relies principally on increases in income taxes for people in all brackets. Delaying the indexation of tax rates for inflation will increase the income taxes paid by middle class families -- hardly an argument for fairness. In addition, there is nothing in the package to encourage economic growth, the driving force behind increases in the standard of living for all Americans. Because of these serious flaws, the President's senior advisors would recommend that he veto the "Ways and Means Democratic Alternative" if it were presented to him for his signature.

The "Ways and Means Democratic Alternative" includes a $93.6 billion across-the-board income tax increase. Specifically:

-- The proposal reduces the tax benefits of the personal exemption by removing indexing for inflation. This will increase taxes on everyone except the wealthiest one million taxpayers who lost their personal exemptions in the 1986 tax bill.

-- The "Ways and Means Democratic Alternative" brings back bracket creep with a vengeance. Since World War II every taxpayer was subject to ever-increasing taxes through inflation. Bracket creep was the favorite tool of the tax and spenders. It was stopped in 1985 with indexing of personal exemptions and tax brackets. By reversing this policy, the "Ways and Means Democratic Alternative" brings back silent rate increases for everyone. This provision raises $36 billion over 5 years, largely on the backs of low and middle class income families. This is advertised as a "one-year tax increase." What will keep the Democratically-controlled Congress from repeated extensions?

-- It increases income taxes for people in all brackets.

- A married couple with two children, who have taxable income of $34,000 in 1991 would pay income taxes of $5,100 under current law. Under the no-

indexing provision of the "Ways and Means Democratic Alternative," they would pay $5,413.50, an increase of $313.50, more than six percent.

- A single person with no dependents who has taxable income of $21,000 in 1991 would pay income taxes of $3,150 under current law. Under the no-indexing provision of the "Ways and Means Democratic Alternative," that person would pay $3,301.50, an increase of nearly five percent.

-- <u>These tax increases are permanent</u>. Even if indexing is delayed for just one year, the increase will apply for every year thereafter.

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

October 16, 1990
House Floor

STATEMENT OF ADMINISTRATION POLICY

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

THE "WAYS AND MEANS DEMOCRATIC ALTERNATIVE" TO THE OMNIBUS RECONCILIATION ACT OF 1990

The "Ways and Means Democratic Alternative" relies principally on increases in income taxes for people in all brackets. Delaying the indexation of tax rates for inflation will increase the income taxes paid by middle class families -- hardly an argument for fairness. In addition, there is nothing in the package to encourage economic growth, the driving force behind increases in the standard of living for all Americans. Because of these serious flaws, the President's senior advisors would recommend that he veto the "Ways and Means Democratic Alternative" if it were presented to him for his signature.

The "Ways and Means Democratic Alternative" includes a $93.6 billion across-the-board income tax increase. Specifically:

-- The proposal reduces the tax benefits of the personal exemption by removing indexing for inflation. This will increase taxes on everyone except the wealthiest one million taxpayers who lost their personal exemptions in the 1986 tax bill.

-- The "Ways and Means Democratic Alternative" brings back bracket creep with a vengeance. Since World War II every taxpayer was subject to ever-increasing taxes through inflation. Bracket creep was the favorite tool of the tax and spenders. It was stopped in 1985 with indexing of personal exemptions and tax brackets. By reversing this policy, the "Ways and Means Democratic Alternative" brings back silent rate increases for everyone. This provision raises $36 billion over 5 years, largely on the backs of low and middle class income families. This is advertised as a "one-year tax increase." What will keep the Democratically-controlled Congress from repeated extensions?

-- It increases income taxes for people in all brackets.

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indexing provision of the "Ways and Means Democratic Alternative," they would pay $5,413.50, an increase of $313.50, more than six percent.

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October 16, 1990
House Floor

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

October 17, 1990
(House Floor)

STATEMENT OF ADMINISTRATION POLICY

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

S. 2924 - Fish Safety Act of 1990
(Mitchell (D) ME)

The Administration supports an expansion of the existing seafood inspection program in the Food and Drug Administration (FDA) and the National Oceanic and Atmospheric Administration (NOAA). The Administration, however, opposes S. 2924, which would move virtually the entire program to the Department of Agriculture for reasons unrelated to public health and safety. If S. 2924 is presented to the President, his senior advisers would recommend a veto.

The Administration prefers the amendment in the nature of a substitute which will be offered on behalf of the Committees on Merchant Marine and Fisheries and Energy and Commerce and supports its passage. The amendment aggressively addresses the primary health and safety concern -- shellfish contamination -- and allows the Administration to propose a comprehensive inspection program to improve the safety of all fish products.

The Administration continues to believe that overall responsibility for seafood safety should remain with the FDA, an agency of the Department of Health and Human Services, and NOAA, an agency of the Department of Commerce. The President's FY 1991 Budget includes an increase for the Federal seafood inspection program directed toward those agencies. The Administration also supports user fees to allow further enhancement of inspection services that impart substantial private benefit to industry. The seafood industry has requested additional Federal inspection, which may increase public confidence and improve seafood marketing opportunities. Thus, user fees are appropriate to finance a portion of any expanded program.

FDA's seafood safety program currently includes mandatory, random inspections and extensive research, and relies on longstanding relationships with States, other Federal agencies, and foreign countries. Many of the activities in FDA's program require highly specialized knowledge and training, including expertise in marine biology and related marine disciplines. FDA's program should remain the cornerstone of the Federal regulatory system for seafood.

NOAA is the only Federal agency authorized to control fishing activities of vessels in Federal waters and has closed those

waters to harvesting when a FDA tolerance for a contaminant in shellfish has been exceeded. NOAA has an unsurpassed knowledge of fishing vessels and acceptability of catch. Like FDA, NOAA has experience in inspecting seafood processors under its current voluntary program. This program, which complements FDA's mandatory program, includes grading and lot certification for export, features important for international trade. NOAA is also the lead Federal agency with respect to fisheries trade policy and strategy.

The clearest health risk from seafood involves the consumption of raw molluscan shellfish, although less than one percent of all seafood is consumed that way. This risk stems largely from human pollution of coastal waters. Monitoring the quality of local growing waters is the only viable recourse to addressing this problem. FDA and NOAA, working with the States, are uniquely qualified to address the issue of seafood safety. All State shellfish safety programs for monitoring growing waters are based on FDA training and rely on FDA technical assistance.

Although the Energy and Commerce and Merchant Marine and Fisheries substitute involves some objectionable provisions, it is far preferable to S. 2924.

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

October 17, 1990
(House Floor)

STATEMENT OF ADMINISTRATION POLICY

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

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

October 17, 1990
(Senate Floor)

STATEMENT OF ADMINISTRATION POLICY

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

S. 3209 - OMNIBUS RECONCILIATION ACT OF 1990

The Senate version of the Omnibus Reconciliation Act of 1990 produces budgetary savings that are generally consistent with the Bipartisan Budget Summit Agreement. However, the President's senior advisors would recommend that the President veto the bill if it includes either of the following provisions.

- Federal Aviation Administration (FAA) Reauthorization. Many of the provisions in the Senate bill that reauthorize the FAA are highly objectionable, in particular:

  - A labor protection provision establishing fixed procedures and protections for resolving certain labor conflicts; resolution of these conflicts should be left to collective bargaining or other labor/management negotiations.

  - Provisions changing landing and take-off rights at three airports subject to the High Density Rule; these provisions would enormously disrupt domestic passenger air travel and would eliminate the use of market forces for the exchange of landing and take-off rights.

  - Federally mandated actions on aviation noise would unduly interfere with local airport authority decisionmaking. This does not balance the widely varying interests of concerned groups.

  Unless the version of the bill that is presented to the President for signature is amended to address these concerns, the President's senior advisors would recommend that the bill be vetoed.

- OSHA and MSHA Fines. The Senate bill raises the ceilings on most OSHA and MSHA fines, establishes floors for most fines, and makes certain safety and health violations of OSHA a criminal offense. While the Administration has agreed that some increase in OSHA and MSHA fines may be acceptable, it strongly objects to provisions that would include floors in the amount of fines that may be levied and would criminalize certain OSHA violations. If the floors on fines and the

OSHA criminal provisions are included in the version of the bill that is submitted to the President for signature, the President's senior advisors would recommend that the bill be vetoed.

In addition, the Administration has serious concerns about several other provisions in the Senate bill, including but not limited to the following:

- Rural Electrification Administration Loans. The Administration supports the reconciliation package reported by the Committee on Agriculture, including the provisions that would shift 25 percent of the direct loans currently provided by the REA to private loans with a Federal guarantee. However, the Administration is concerned about the provision that would provide for a 99 percent guarantee. A 90 percent guarantee would be more consistent with existing Federal practice and the goal of real deficit reduction.

- Coast Guard User Fees. Although the Administration strongly supports collection of Coast Guard user fees, it objects to the provision in the Senate bill that would only permit collections from vessels operating "where Coast Guard has a presence." Since there is no accepted legal definition of waters where Coast Guard has a presence, collections could be challenged in court. In addition, the language lacks a specific schedule of fees for direct services. It would be preferable to include a schedule of fees in order to ensure that actual collection levels for 1991 match the levels specified in the Budget Resolution.

- Federal Employee Health Benefits (FEHB) Savings. The Senate bill would apply Medicare payment limits for inpatient hospital services to retired FEHB enrollees age 65 and older who are not already covered by Medicare Part A. The Administration supports this proposal, but notes that savings arising from reduced payments to hospitals would not occur unless the legislation has an enforcement provision amending Title 18 of the Social Security Act. Such a provision would require hospitals to adhere to Medicare payment limits for FEHB enrollees age 65 and older as a condition of the Hospital's participation in Medicare.

- Reforms in Postal Cost of Living Adjustments (COLAs). The Senate bill does not include provisions that would require the Postal Service to bear a larger share of the cost of COLAs provided to Postal retirees. Postal COLA reforms were included in the Bipartisan Budget Summit Agreement and adopted by the House. Continued taxpayer subsidies for these costs are inappropriate. They are legitimate

operating expenses of the Postal Service that should be covered by rates charged to Postal customers.

- Moratorium on Emergency Assistance Regulations. These provisions would prohibit HHS from finalizing any regulation which changes the emergency assistance program in 1991. One effect of this provision would be to allow New York City to go back to putting homeless families with children in run-down welfare hotels. The 1991 cost of this provision is estimated at $35 million.

- Tax Subsidy for Rail Pensions. This provision would transfer $180 million from the Treasury to the rail sector pension fund. Federal subsidies should not be used as a substitute for rail sector contributions to its own private sector pension fund.

- Disregard of Trust Contributions. The effect of this provision would be to create a "tax shelter" for Supplemental Security Income, allowing well-to-do individuals to avoid having their income and assets counted for eligibility for this means-tested program.

- Medically-Needy Income Levels for Certain Member Families. This provision would expand Medicaid eligibility beyond current interpretation of the statute and regulation. The HCFA Actuary scores this provision as increasing spending by $700 million over five years.

- Extension of Provision on Voluntary Contributions and Provider-Specific Taxes. Under this provision, States could levy hospital-specific taxes on Medicaid providers, and use the resulting revenues to satisfy the State match requirements under the Medicaid program. The HCFA Actuary scores this provision as increasing spending by $1.7 billion over five years.

- Uranium Enrichment. The Senate bill contains a $300 million authorization for a Uranium Mill Tailings Program. This authorization does not produce a change in outlays or revenues and thus is not appropriate for inclusion in a budget reconciliation measure.

Budget Process Reform Amendment. The Administration will continue to work with the Senate to make the language of the Senate amendment on budget process reforms more consistent with the Bipartisan Budget Summit Agreement.

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

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:

- 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.

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

STATEMENT OF ADMINISTRATION POLICY

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

October 19, 1990
(Senate Floor)

H.R. 5769 -- DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1991
(Sponsor: Byrd (D), West Virginia)

The Administration supports the passage of appropriations bills that are consistent with the Budget Summit Agreement (except as modified for defense by the Conference Report accompanying H.Con.Res. 310). The President's senior advisers will recommend that the President veto any appropriations bill that is not substantially consistent with that Agreement.

The Administration strongly supports the Senate Committee's decision to forego continued legislative moratoria on oil and gas preleasing, leasing, and drilling on the Outer Continental Shelf (OCS). The President's June 26th OCS decisions resolve the near and mid-term concerns of leasing and development in controversial and sensitive areas.

The Administration also supports the Senate Committee's increase over the House level for the President's tree planting initiative. However, the Administration urges the Senate to include funding for the President's Tree Foundation. Funding each component of this initiative would ensure substantial progress towards the President's goal of planting a billion trees per year.

The Administration objects to the Committee's provision of $6 million for the initiation of construction planning for a one billion barrel Strategic Petroleum Reserve (SPR). Based upon recent fill rates, the SPR would not reach the targeted 750 million barrels until 1999. Thus, any additional fill will not be needed until after the year 2000. The Administration also objects to related report language that is inconsistent with recently enacted authorizing legislation. As required by law, the Administration will amend the SPR Plan by September 1992, to prescribe plans for completion of the storage of one billion barrels. The Administration will not be able to 1) provide detailed plans for a one billion barrel Reserve by March 1991, or 2) complete acquisition of facilities for a one billion barrel SPR by 1999.

The Administration objects to language that would make receipts from the sale of oil and gas from the Naval Petroleum Reserves (NPR) that exceed $638 million available to buy SPR oil. This treatment is an attempt to avoid budgetary controls by using NPR receipts to offset discretionary spending that would otherwise be directly appropriated by the Committee.

The Administration opposes the provision to extend permanent coverage of the Federal Tort Claims Act to tribal contractors or their employees. The treatment of these contractors or their employees as employees of the Federal government would establish an adverse precedent. It is the Administration's view that the Federal government should not accept direct fiscal responsibility for professional negligence in the absence of an adequate opportunity to control and supervise professional conduct.

The Administration urges the Senate to address these concerns favorably in its consideration of this bill.

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

October 19, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

S. 1890 - Correcting Inequities in Retirement Credit for Certain National Guard Technician Service
(Thurmond (R) SC and 89 others)

The Administration supports enactment of S. 1890.

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

October 25, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 5756 - Campaign Advertising Act
(Dingell (D) Michigan and 12 others)

The Administration opposes enactment of H.R. 5756, unless section 3(3) is deleted or modified to avoid constitutional concerns. That subsection would prohibit most preemption of campaign-related broadcast advertising. It could prevent broadcast licensees whose contracts reserve the right to preempt campaign-related advertisements from exercising those rights. It could also be understood to prohibit preemption of advertising by affiliates who are not obligated by contract to carry a message purchased from a network or other entity. This restriction could violate the First Amendment by depriving broadcasters -- and potentially cable television operators -- of the freedom to air programming of their choice.

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

ADMINISTRATION POLICY STATEMENTS RELEASED OCTOBER 22, 1990 AS OF 4:50 PM

H.R. 2567	RECLAMATION PROJECTS AUTHORIZATION AND ADJUSTMENT ACT OF 1990
H.R. 4638	ORPHAN DRUG AMENDMENTS OF 1990
H.R. 4939	ADDITIONAL REQUIREMENTS WHICH CHINA MUST MEET TO RECEIVE MOST FAVORED NATION (MFN)
H.R. 5237	NATIVE AMERICAN GRAVE PROTECTION AND REPATRIATION ACT
H.R. 5539	SAN CARLOS APACHE TRIBE WATER RIGHTS SETTLEMENT ACT OF 1990
H.R. 5693	FAMILY PLANNING REAUTHORIZATION ACT OF 1990
H.R. 5791	NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION APPROPRIATIONS AUTHORIZATION
S. 1270	INDIAN HEALTH CARE AMENDMENTS OF 1990
S. 2638	MENTAL HEALTH AMENDMENTS OF 1990

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

October 22, 1990
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2567 - Reclamation Projects Authorization and Adjustment Act of 1990
(Thomas (R) Wyoming)

The Administration supports many of the projects contained in H.R. 2567. If 1) the Truckee-Carson-Pyramid Lake Economic Development Fund, 2) the Grand Canyon Protection Act of 1990, and 3) the Lake Andes-Wagner/Marty II Irrigation Projects are removed from H.R. 2567, the Administration would have no objection to Senate passage of the bill.

Truckee-Carson-Pyramid Lake Water Settlement Act (Title VII). The Administration supports a settlement to fairly allocate water rights of the Truckee and Carson Rivers and does not object to the establishment of a $25 million fisheries development fund as part of the settlement. The $50 million economic development fund, to be paid to a small number of Paiute Indians, has been included in the bill with no justification. If the $50 million economic development fund is included in the version of the bill that is presented to the President, the Secretary of the Interior and the Attorney General would recommend that it be vetoed.

Irrigation Drainage Demonstration Program and Lake Andes-Wagner/Marty II Projects (Title XI). Title XI must be amended. The full-scale South Dakota irrigation project, which would cost approximately $200 million, should be deleted. The project has the potential of doing substantial environmental harm and may well be without adequate benefits to justify any expenditures. In addition, the demonstration program must be modified to require significant non-Federal cost-sharing under terms acceptable to the Secretary of the Interior. If these provisions are included in the version of the bill that is presented to the President, the Secretary of the Interior and the President's senior advisers would recommend that it be vetoed.

Grand Canyon Protection (Title X). Title X would require the that Secretary of the Interior operate the Glen Canyon Dam in a manner that would minimize its effects on downstream environmental and economic resources. The dam is located upstream of the Grand Canyon National Park. This title is unnecessary because the Secretary of the Interior has sufficient authority and discretion to establish appropriate power operating criteria for the dam.
The Administration strongly objects to Section 1007 of this title, which specifies that the Federal Government bear the full

cost of preparing a Glen Canyon Environmental Impact Statement, including the cost of supporting studies and long-term monitoring. Such a requirement violates long-standing congressional and Executive branch policy, which appropriately allocates such costs to project purposes and beneficiaries. This precedent could result in potentially significant costs to the Federal taxpayer.

If these provisions are included in the version of the bill that is presented to the President, the Secretary of Energy would recommend that it be vetoed.

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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. 4638 - Orphan Drug Amendments of 1990
(Waxman (D) CA)

The Administration opposes enactment of H.R. 4638. The current Orphan Drug Act has been successful in stimulating the development of drugs for rare diseases. Questions have been raised about the appropriateness of a few specific drugs receiving benefits under the Orphan Drug Act. However, the Administration believes that the provisions of H.R. 4638 would jeopardize the incentives provided by the Act for research and development of orphan drugs.

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

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 resticts 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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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
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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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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. 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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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.

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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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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.)

S. 1270 - Indian Health Care Amendments of 1990
(McCain (R) AZ)

The Administration has no objection to enactment of S. 1270.

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WASHINGTON, D.C. 20503

October 22, 1990
(House)

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S. 2628 - Mental Health Amendments of 1990
(Kennedy (D) MA)

The Administration has no objection to enactment of S. 2628.

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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.

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WASHINGTON, D.C. 20503

October 22, 1990
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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

ADMINISTRATION POLICY STATEMENTS RELEASED OCTOBER 23, 1990 AS OF 6:00 PM

H.R. 3695	PAPERWORK REDUCTION AND FEDERAL INFORMATION RESOURCE MANAGEMENT ACT OF 1989
H.R. 5322	SENIOR EXECUTIVE SERVICE IMPROVEMENTS ACT

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

October 23, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 3695 - Paperwork Reduction and Federal Information Resource Management Act of 1989
(Conyers (D) MI and Horton (R) NY)

The Administration opposes House passage of H.R. 3695 and urges that it not be considered under suspension of the rules.

The Administration urges, instead, that the House await Senate passage of S. 1742, which has been the vehicle for negotiations between the Administration and the House and Senate oversight committees.

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OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 23, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 5322 - Senior Executive Service Improvements Act
(Sikorski (D) MN and Morella (R) MD)

The Administration strongly opposes enactment of H.R. 5322.

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

October 24, 1990
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 1742 Federal Information Resources Management Act
(Bingaman (D) NM and Lieberman (D) CT)

The Administration strongly supports passage of S. 1742 (with Committee amendment substitute) reauthorizing the Office of Information and Regulatory Affairs (OIRA) for four full years from enactment. While S. 1742, as reported by the Committee on Governmental Affairs, contained a number of items on which Senior Advisors recommended veto, a compromise has been reached which accommodates Administration and small business concerns. The amended S. 1742 would no longer significantly intrude on Presidential oversight of regulatory review and paperwork reduction.

The House passed last night a bill which the Administration and small business strongly oppose, but indicated they would accept the amended Senate bill. To not pass the Committee substitute will significantly impair OIRA's ability to operate next year and threaten OIRA appropriations.

Equally important, there is agreement by the Senate Committee on Governmental Affairs to hold hearings early next year on legislation which would remedy the problems created by the Supreme Court's decision in Dole vs. Steelworkers.

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

February 7, 1991
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 330 - Soldiers' and Sailors' Civil Relief Act Amendments of 1991
(Cranston (D) CA and 32 others)

On January 25, 1991, 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/Storm. 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 supports providing professional liability protection for certain military personnel.

S. 330 has the same goals as the Administration's proposal. The Administration supports Senate passage of S. 330.

The Administration, however, strongly opposes a proposed amendment to S. 330 to be offered by Senator Heinz. As stated in a February 7, 1991, letter (attached) from the Secretary of Defense and Chairman of the Joint Chiefs of Staff to the Senate leadership, this amendment is unwarranted and unwise. The amendment would express the sense of the Senate that military couples and single parents with minor children should be barred from assignment to the Operation Desert Storm theater. The Administration believes it would be a serious mistake, especially in the midst of combat, to reverse the Department of Defense's longstanding policy that such personnel are available for duty worldwide. Moving them now would weaken combat capability by undermining troop cohesion and esprit de corps. It would also be unfair to single parents and military couples and to their comrades who depend on them every day.

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THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA

7 February 1991

The Honorable George Mitchell
Majority Leader
United States Senate
Washington, D.C. 20510-1001

Dear Senator Mitchell:

One of the matters raised in the session we had with the Senate yesterday was a proposed resolution expressing the sense of the Senate that we take immediate action to ensure that no single parents or military couples with children serve in the Desert Storm theater of operations. We both stated that we were strongly opposed to such a resolution and to the policy it encourages. We would like to take this opportunity to explain more fully the reasons for our opposition to the policy and to the draft resolution prepared by Senator Heinz. We have discussed this matter with the Joint Chiefs of Staff, who join us in strongly opposing any such policy.

The military is a profession of arms that ultimately exists for a single purpose: to do battle when called upon by the leadership of the United States. Every dollar we spend, every action we take, and every policy we adopt must and should support that purpose. All members of that profession of arms serving today are volunteers. They understand that when they volunteered to serve, they freely assumed the duty and obligation to place themselves in harm's way when called upon to do so. That shared obligation is crucial to the unit cohesion that is the foundation of our combat capability.

That understanding and obligation is held equally by the single parents and military couples now serving around the world, including in the Desert Storm theater. Their exposure to the risks inherent in military service is not new. Years ago, the Department of Defense made the considered policy choice not to treat single parents and military couples as second class citizens, and to allow them to serve anywhere in the world, in every type of unit, and in any position. For decades, single parents and military couples have been serving well and honorably in places like Korea and Europe, places where the possiblity of sudden and lethal combat was very real. They served in Operation Urgent Fury in Grenada and in Operation Just Cause in Panama. Their service and contributions, including their service in Operations Desert Shield and Desert Storm, have demonstrated the wisdom of that policy choice.

We are and have been sensitive to the needs of all of our military families, including the special needs of our single parents and military couples. For that reason, we have a longstanding policy of requiring every single parent and military couple to maintain a current family care plan to ensure that their children are cared for when the parent or parents deploy. That policy is working well. Our single parents and military couples across the board have been meeting their obligations both as members of the military and as parents.

In our view, it would be a serious mistake, particularly while we are engaged in combat, to reverse our longstanding policy that single parents and military couples are fully deployable and available for assignment anywhere in the world. Requiring their redeployment from the Desert Storm theater now would weaken our combat capability by removing key personnel from our deployed units and by undermining unit cohesion and esprit de corps. It would also break faith with our single parents and military couples and with their comrades who depend on them every day.

We understand and appreciate your concern. We share that concern, not only for our single parents and military couples, but for every member of our Armed Forces who is serving in Operation Desert Storm. We urge you, however, not to allow that concern to lead you and your fellow Senators to call for a policy that, in our view, would be both unwarranted and unwise.

Sincerely,

DICK CHENEY
Secretary of Defense

COLIN L. POWELL
Chairman
Joint Chiefs of Staff

cc: The Honorable Robert Dole
Minority Leader