RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Charles S. Konigsberg (KONIGSBERG_C) (OMB)

DETERMINED TO BE AN ADMINISTRATIVE MARKING Per E.O. 12958 as amended, Sec. 3.3 (c)
Initials: AC3 Date: 01/30/2013
2012-0774-F

CREATION DATE/TIME:13-JUL-1995 23:40:09.38

SUBJECT: ~~CONFIDENTIAL~~--AMR DAILY

TO: Alice M. Rivlin (RIVLIN_A) (OMB)
READ:14-JUL-1995 07:19:47.41

CC: Charles S. Konigsberg (KONIGSBERG_C) (OMB)
READ:14-JUL-1995 10:46:05.91

CC: Jacob J. Lew (LEW_J) (OMB)
READ:NOT READ

CC: Patrick J. Griffin (GRIFFIN_P) Autoforward to: Erin A. O'Con
READ:14-JUL-1995 08:35:01.07

CC: Martha Foley (FOLEY_M) (OMB)
READ:14-JUL-1995 10:23:26.74

CC: Ann M. Cattalini (CATTALINI_A) (WHO)
READ:14-JUL-1995 09:49:51.38

CC: Erin A. O'Connor (OCONNOR_E) (WHO)
READ:14-JUL-1995 08:35:01.07

CC: James C. Murr (MURR_J) (OMB)
READ:14-JUL-1995 08:32:21.03

CC: James J. Jukes (JUKES_J) (OMB)
READ:14-JUL-1995 09:17:31.26

CC: Janet R. Forsgren (FORSGREN_J) (OMB)
READ:14-JUL-1995 08:54:40.77

CC: Ronald K. Peterson (PETERSON_RK) (OMB)
READ:14-JUL-1995 08:37:48.74

CC: LAWRENCE J. HAAS (HAAS_L) (OMB)
READ:14-JUL-1995 16:44:49.27

CC: Robert G. Damus (DAMUS_R) (OMB)
READ:14-JUL-1995 09:07:15.58

CC: Barry B. Anderson (ANDERSON_B) (OMB)
READ:14-JUL-1995 08:51:20.86

CC: Gordon Adams (ADAMS_G) (OMB)
READ:NOT READ

CC: T J Glauthier (GLAUTHIER_T) (OMB)
READ:14-JUL-1995 19:16:01.21

CC: Kenneth S. Apfel (APFEL_K) (OMB)
READ:NOT READ

CC: Nancy-Ann E. Min (MIN_N) (OMB)

READ:14-JUL-1995 08:39:19.56

CC: Robert E. Litan (LITAN_R) (OMB)
READ:NOT READ

CC: Joseph Minarik (MINARIK_J) (OMB)
READ:14-JUL-1995 12:19:57.64

CC: Sally Katzen (KATZEN_S) (OMB)
READ:14-JUL-1995 11:41:49.45

CC: Lydia Muniz (MUNIZ_L) (OMB)
READ:14-JUL-1995 09:47:23.09

CC: Charles E. Kieffer (KIEFFER_C) (OMB)
READ:14-JUL-1995 09:25:43.92

CC: Kristen E. Panerali (PANERALI_K) (OMB)
READ:14-JUL-1995 08:59:24.47

CC: John A. Koskinen (KOSKINEN_J) (OMB)
READ:14-JUL-1995 09:21:53.05

CC: Steven Kelman (KELMAN_S) (OMB)
READ:14-JUL-1995 08:14:43.95

CC: G. Edward DeSeve (DESEVE_G) (OMB)
READ:NOT READ

CC: John B. Arthur (ARTHUR_J) (OMB)
READ:14-JUL-1995 18:41:40.56

CC: William A. Halter (HALTER_W) (OMB)
READ:14-JUL-1995 08:58:59.54

CC: Jill M. Blickstein (BLICKSTEIN_J) (OMB)
READ:14-JUL-1995 08:21:21.72

CC: Chantale Wong (WONG_C) (OMB)
READ:14-JUL-1995 08:49:05.88

CC: Laura D. Tyson (TYSON_L) Autoforward to: Thomas O'Donnel
READ:NOT READ

CC: Thomas O'Donnell (ODONNELL_T) (OPD)
READ:NOT READ

CC: David J. Lane (LANE_D) (OPD)
READ:14-JUL-1995 08:46:40.69

CC: John Gibbons (GIBBONS_J) Autoforward to: Remote Addres
READ:NOT READ

CC: M. Jill Gibbons (GIBBONS_M) (OMB)
READ:14-JUL-1995 09:26:34.89

CC: Ronald E. Jones (JONES_RE) (OMB)
READ:14-JUL-1995 10:05:47.98

CC: Ingrid M. Schroeder (SCHROEDER_I) (OMB)

READ:14-JUL-1995 12:07:02.12

CC: Jeffrey A. Weinberg (WEINBERG_J) (OMB)
READ:19-JUL-1995 08:57:30.20

CC: James A. Brown (BROWN_JA) (OMB)
READ:NOT READ

CC: Constance J. Bowers (BOWERS_C) (OMB)
READ:14-JUL-1995 09:29:31.52

CC: Melissa Y. Cook (COOK_MY) (OMB)
READ:14-JUL-1995 08:18:09.02

CC: Anna M. Briatico (BRIATICO_A) (OMB)
READ:14-JUL-1995 09:03:09.64

CC: Christopher J. Mustain (MUSTAIN_C) (OMB)
READ: 2-AUG-1995 11:38:35.40

CC: Robert J. Pellicci (PELLICCI_R) (OMB)
READ:14-JUL-1995 08:48:47.57

CC: James C. Crutchfield (CRUTCHFIEL_J) (OMB)
READ:14-JUL-1995 09:17:25.65

CC: Elyse H. Fitter (FITTER_E) (OMB)
READ:14-JUL-1995 09:05:06.84

CC: Michael L. Goad (GOAD_M) (OMB)
READ:NOT READ

CC: Annette E. Rooney (ROONEY_A) (OMB)
READ:14-JUL-1995 08:59:40.66

CC: Dena B. Weinstein (WEINSTEIN_D) (OPD)
READ:14-JUL-1995 07:40:08.12

CC: Stacey L. Rubin (RUBIN_S) (WHO)
READ:14-JUL-1995 08:49:39.47

CC: Jennifer N. Palmieri (PALMIERI_J) (OMB)
READ:14-JUL-1995 09:02:06.55

CC: Karin L. Kizer (KIZER_K) (OMB)
READ:14-JUL-1995 09:03:55.66

CC: Margaret R. Shaw (SHAW_M) (OMB)
READ:14-JUL-1995 08:42:09.90

CC: Deborah F. Kramer (KRAMER_D) (OMB)
READ:14-JUL-1995 08:12:58.28

CC: Diane G. Limo (LIMO_D) (OMB)
READ:14-JUL-1995 10:16:29.58

CC: Alice E. Shuffield (SHUFFIELD_A) (OMB)
READ:14-JUL-1995 14:21:30.25

CC: Janet L. Graves (GRAVES_J) (OMB)

READ:14-JUL-1995 10:27:50.94

CC: James I. Blount (BLOUNT_J) (OMB)
READ:14-JUL-1995 09:42:02.29

CC: Lara L. Roholt (ROHOLT_L) (OMB)
READ:14-JUL-1995 11:15:58.70

CC: Philip R. Dame (DAME_P) (OMB)
READ:17-JUL-1995 09:38:14.34

CC: Alan B. Rhinesmith (RHINESMITH_A) Autoforward to: Elizabeth
READ:14-JUL-1995 10:18:42.29

CC: Kenneth L. Schwartz (SCHWARTZ_K) (OMB)
READ:14-JUL-1995 08:11:02.89

CC: Barry T. Clendenin (CLENDENIN_B) (OMB)
READ:14-JUL-1995 08:18:46.58

CC: Robert B. Rideout (RIDEOUT_R) (OMB)
READ:14-JUL-1995 08:38:04.20

CC: Philip A. DuSault (DUSAULT_P) (OMB)
READ:14-JUL-1995 09:19:48.76

CC: Phebe N. Vickers (VICKERS_P) (OMB)
READ:NOT READ

CC: Kathleen Peroff (PEROFF_K) (OMB)
READ:14-JUL-1995 09:07:07.04

CC: Ron Cogswell (COGSWELL_R) (OMB)
READ:14-JUL-1995 08:33:21.13

CC: Barry White (WHITE_B) (OMB)
READ:14-JUL-1995 08:15:26.72

CC: Richard P. Emery Jr. (EMERY_R) (OMB)
READ:14-JUL-1995 07:56:50.61

CC: Barbara C. Chow (CHOW_B) (WHO)
READ:14-JUL-1995 10:25:19.34

CC: Robert E. Barker (BARKER_R) (OMB)
READ:14-JUL-1995 07:48:05.58

CC: Mark Gearan (GEARAN_M) Autoforward to: Angus S. King
READ:14-JUL-1995 09:45:39.67

CC: Donald A. Baer (BAER_D) (WHO)
READ:NOT READ

CC: Ann F. Walker (WALKER_A) (WHO)
READ:NOT READ

CC: Todd Stern (STERN_T) (WHO)
READ:NOT READ

CC: Kelly Musick (MUSICK_K) (OMB)

READ:14-JUL-1995 09:11:02.80

CC: Brian Blais (BLAIS_B) (OMB)
READ:14-JUL-1995 11:10:03.06

CC: Mary Lynn Jones (JONES_ML) (OMB)
READ:14-JUL-1995 08:41:27.85

CC: Nancy L. Brandel (BRANDEL_N) (OMB)
READ:14-JUL-1995 09:07:47.27

CC: Christopher F. Walker (WALKER_C) (WHO)
READ:17-JUL-1995 15:10:41.02

CC: Deborah L. Shaw (SHAW_D) (OMB)
READ:14-JUL-1995 10:01:40.74

CC: Gene B. Sperling (SPERLING_G) Autoforward to: Elena R. Mcc
READ:14-JUL-1995 08:31:54.41

CC: Timothy J. Keating (KEATING_T) (WHO)
READ:14-JUL-1995 08:35:01.80

CC: Kathryn Higgins (HIGGINS_K) (WHO)
READ:14-JUL-1995 08:37:32.37

CC: Stephen B. Silverman (SILVERMAN_S) (WHO)
READ:14-JUL-1995 19:29:58.81

CC: Bruce N. Reed (REED_B) (OPD)
READ:17-JUL-1995 14:15:15.98

CC: Jeremy D. Benami (BENAMI_J) (OPD)
READ:14-JUL-1995 08:17:16.09

CC: Douglas B. Sosnik (SOSNIK_D) (WHO)
READ:14-JUL-1995 10:52:56.15

CC: Karen L. Hancox (HANCOX_K) (WHO)
READ:14-JUL-1995 08:09:05.61

CC: Shelley N. Fidler (FIDLER_S) (CEQ)
READ:14-JUL-1995 10:10:52.98

TEXT:
\d
PRINTER FONT 12_POINT_ROMAN

TO: ALICE RIVLIN
cc-
□
-Lew, Griffin, Tyson, Foley, OMB/2d Floor, DADs,
LRD,
Gibbons, Cabinet Affairs, CEQ
FROM: CHUCK KONIGSBERG
SUBJECT: STATUS REPORT ON PENDING LEGISLATION

PRINTER FONT 14_POINT_HELVETICA
Reg Reform:
PRINTER FONT 12_POINT_COURIER

Dole filed a cloture petition Wednesday night, July 12. At the urging of Senate Democrats he has agreed to postpone the cloture vote until Monday (ordinarily the vote would have taken place on Friday).

PRINTER FONT 14_POINT_HELVETICA
Reconciliation:
PRINTER FONT 12_POINT_COURIER
In a letter to Speaker Gingrich, Gephardt argued that Reconciliation should be marked up this month so the proposed cuts can be adequately considered before Congress leaves for the August recess. He said he is becoming concerned "we will not have adequate debate over the issues framed by the budget reconciliation process...as well as the question of whether tax cuts are appropriate in this climate of budget imbalance."

PRINTER FONT 14_POINT_HELVETICA
Congress on Thursday:
PRINTER FONT 12_POINT_COURIER
Senate continued consideration of S. 343, Regulatory Reform.
House is continuing consideration of the Interior Appropriations Bill at this time.
□
PRINTER FONT 14_POINT_HELVETICA
SENATE FLOOR SCHEDULE:

PRINTER FONT 12_POINT_COURIER
Friday, July 14:
Continue consideration of S 343, Reg Reform
[Katzen letter including veto recommendations sent to Dole and Daschle on 6/23/95; SAP containing multi
□
-agency veto
threat sent 7/10]

Next Week:

Monday and Tuesday, July 17
□
-18:
Complete consideration of S 343, Reg Reform; cloture vote is scheduled for Monday.
Wednesday, July 19:
Bosnia
Thursday & Friday, July 20 & 21:
Unspecified Appropriations Bills

TENTATIVE (Announced by Dole):
Week of July 24:
□
-Ryan White AIDS program
□
-Gift and Lobbying Reform
Week of July 31:
□
-Foreign Ops Appropriations
□
-S 908, Foreign Relations Revitalization Act
[SAP containing multi
□

-agency veto threat sent 6/28/95]
Week of August 7:
Welfare Reform
RECESS - DELAYED TO AUGUST 12.

Rescission Bill:
Dole has said he will not file a cloture petition on the rescission bill and the Senate will return to the bill only if there is unanimous consent; he said the burden is on the President to convince all Senate Democrats to support the bill.

PRINTER FONT 14_POINT_HELVETICA
HOUSE RULES COMMITTEE SCHEDULE:
PRINTER FONT 12_POINT_COURIER
Week of July 17:
- HR --, Transportation Appropriations
- HR --, Treasury/Postal Appropriations
- China MFN

PRINTER FONT 14_POINT_HELVETICA
HOUSE FLOOR SCHEDULE:
PRINTER FONT 12_POINT_COURIER
Friday, July 14:

No Legislative Business
Week of July 17:

- Complete consideration of HR 1977, Interior Appropriations (if not completed 7/13)
- HR 1976, Agriculture Appropriations
- HR --, Transportation Appropriations
- HR --, Treasury/Postal Appropriations
- HR --, Commerce/Justice/State Appropriations (time permitting)

Floor action between July 4th and August Recess:
- Finish Appropriations
- China MFN
- Telecommunications
- Anti

-Terrorism

PRINTER FONT 14_POINT_HELVETICA
Budget Reconciliation Status Report
PRINTER FONT 12_POINT_COURIER
Changes from previous day indicated by asterisk (*).

PRINTER FONT 14_POINT_HELVETICA
House: (Sept. 22 reporting deadline)
PRINTER FONT 12_POINT_COURIER
Agriculture--
Banking--
Commerce --
Econ & Educational Opp--
Govt Reform--
Internat'l Rel--
Judiciary--
Nat'l Sec--
Resources--
Transportation--

Veterans--
Ways & Means--Not expected to mark
□
-up until September. Expected
to
incorporate by reference pieces of the House
□
-passed welfare
reform and tax bills.

PRINTER FONT 14_POINT_HELVETICA
Senate: (Sept. 22 reporting deadline for spending
cuts, but 5 days following CBO certification for tax
cuts)

PRINTER FONT 12_POINT_COURIER
Agriculture--
Armed Services--
Banking--
Commerce--
Energy--
Environment & PW--
*Finance--Not expected to mark
□
-up until September. Finance has
the
load in the Congress, with all of Medicare, Medicaid,
most of welfare, and all the tax cuts to report. Moreover,
with an 11
□
-9 split, the Republicans need every vote to
report out a Reconciliation package; however, the
Republicans may have trouble holding Chafee's vote. In
addition, Pressler is up for election next year and D'Amato
has the seniors vote to worry about.
Govt Affairs--
Judiciary--
Labor--

Veterans--
□
\d

PRINTER FONT 14_POINT_HELVETICA
SUMMARY of ADMINISTRATION OPPOSITION
PRINTER FONT 10_POINT_ROMAN
[Prepared by OMB/LRD and OMB/LA]

(Note: For details on the legislation listed below, including the
basis for opposition, see the "STATUS OF MAJOR LEGISLATION" List
that follows - note the item #.)

Changes from previous day indicated by asterisk (*).

PRINTER FONT 14_POINT_HELVETICA
Vetoes:

PRINTER FONT 10_POINT_ROMAN
Rescissions/Supplemental - HR 1158

PRINTER FONT 14_POINT_HELVETICA
Presidential Veto Threats:

PRINTER FONT 10_POINT_ROMAN
Labor/HHS Appropriations - Panetta statement 7/11
VA/HUD Appropriations - Panetta statement 7/11

Assault Weapons Ban

Clean Water Amendments of 1995 - HR 961 [Item # 202]
Davis
□
-Bacon - S 141 [Item #303]

Foreign Affairs Authorization/Merge AID, ACDA, USIA into State - HR 1561
[Item #102]

Loser Pays - Civil Litigation - HR 988 [Item #9]

National Security Bill - HR 872 [Item #101]
Product Liability/Civil Litigation - HR 956 [Item #8]

Student Loans

Takings/Private Property Protection - HR 925 and S 605 [Item #6]
Tax Fairness and Deficit Reduction Act - HR 1215 [Item #3]
100,000 cops - HR 728, Law Enforcement Block Grants [Item #4]
Welfare Reform - HR 4 [Item #301]

□
PRINTER FONT 14_POINT_HELVETICA
Multiple Agency Veto Threats:
PRINTER FONT 10_POINT_ROMAN
Interior Appropriations - HR 1977; letter sent 6/21, SAP sent 7/12

Comprehensive Regulatory Reform Act of 1995 - S 343 [Item #5]

Foreign Relations Authorization/Merge AID, ACDA, USIA into State - S 908
[Item #102]

Regulatory Moratorium - HR 450 [Item #7]

PRINTER FONT 14_POINT_HELVETICA
Single Agency Veto Threats:
PRINTER FONT 10_POINT_ROMAN
Financial Institutions Regulatory Relief Act of 1995 - HR 1362 [Item #16]
Food Stamps - Block Grant, 1995 Farm Bill [Item #310]
Jerusalem Embassy - S 770 and HR 1595 [Item #104]
Mining Law - S 506 [Item #207]
National Defense Authorization Act - HR 1530 [Item #103]
National Highway System Designation Act of 1995 - S 440 [Item #14]
Service Contract Repeal Act - [Item #304]
Teamwork for Employees & Managers Act - HR 743 [Item #307]
Utah Wilderness - HR 1745 [Item #208]

□
PRINTER FONT 14_POINT_HELVETICA
Strongly Oppose:

PRINTER FONT 10_POINT_ROMAN
Agriculture Appropriations - letter sent 6/21

Energy & Water Appropriations - HR 1905; letter sent 6/20
Treasury/Postal Appropriations - letter sent 7/10

Federal Retirement Reform - HR 1215 and HR 1185 [Item #401]

Highway Off
□
-Budget - HR 842 [Item #15]
HUD Elimination Act - S 435 [Item #13]
Livestock Grazing Act - S 852 [Item #209]
National Highway System Designation Act of 1995 - S 440 [Item #14]
Pipeline Safety Act - HR 1323 [Item #21]
Risk Assessment - HR 1022 [Item #5]
Telecommunications - S 652 [Item #11]

PRINTER FONT 14_POINT_HELVETICA
Oppose:
PRINTER FONT 10_POINT_ROMAN
Military Construction Appropriations - HR 1817; SAP sent 6/15, letter sent 6/13

Lorton Closure - HR 461 [Item #17]
Regulatory Sunset and Review Act of 1995 - HR 994 [Item #20]
Service Contract Repeal Act - HR 246 [Item #304]

PRINTER FONT 14_POINT_HELVETICA
Oppose Unless Amended:

PRINTER FONT 10_POINT_ROMAN
Securities Litigation Reform - HR 1058 [Item #10]
Violent Criminal Incarceration - HR 667 [Item #4]

□
\d

PRINTER FONT 14_POINT_HELVETICA
STATUS OF MAJOR (Non
□
-Appropriations) LEGISLATION
PRINTER FONT 10_POINT_ROMAN
[Prepared by OMB/LRD]
PRINTER FONT 12_POINT_ROMAN
(Note: Parentheticals indicate who is tracking; bills grouped by RMO)

[Changes from previous day indicated by asterisk (*)]

PRINTER FONT 14_POINT_HELVETICA
GENERAL GOVERNMENT & FINANCE:

PRINTER FONT 10_POINT_ROMAN
1. Budget Resolution: (Konigsberg)
House completed action on HConRes 67 on 5/18, passing the Kasich budget plan 238

□
-193. Senate completed action on 5/25, passing the
Domenici budget 57
□
-42. Budget Resolution conference agreement
passed the House on 6/29 by a vote of 239
□
-194, and passed the Senate
the same day by a vote of 54
□
-46 (party line).
2. Item Veto: (Konigsberg/J. Gibbons)
House passed HR 2 (enhanced rescission) on February 6, (294
□
-134).
Senate passed S 4 (separate enrollment) on March 23, (69
□
-29).
Conference: On June 20, the Senate requested a conference and
appointed conferees.
3. Tax Fairness and Deficit Reduction Act: (R. Jones)
House passed HR 1215 on April 5, (246
□
-188) including tax cuts (child
credit, IRAs, repeal taxes on soc.sec., neutral cost recovery,
corporate AMT, cap gains, expensing, adoptions, marriage penalty
credit, long
□
-term care incentives); raise soc. sec. earnings limit;
spending caps; Medicare extenders; spectrum extender; uranium
enrichment; Federal retirement reforms; and automatic sequester of
amounts taxpayers dedicate to debt reduction. SAP--"If...presented
...in its current form, the Secretary of the Treasury and the
Director of OMB would recommend a veto." Senate not expected to
take up HR 1215, as passed by the House, however components of the
bill may be considered in the context of Reconciliation. Basis for
opposition: Bill is fiscally irresponsible and would provide
disproportionate tax benefits to the wealthy at the expense of
programs for average Americans.
4. Crime Bills: (R. Jones)
House split their original crime bill into 7 smaller pieces and passed
6 of them--
? HR 665, requiring restitution for victims of federal crimes,
passed February 7 (431
□
-0); SAP--"supports passage."
? HR 666, allowing federal prosecutors to use improperly obtained
evidence if police officers acted in "good faith"; would apply with
and w/o warrants. Passed February 8, (289
□
-142). SAP
□
-support only if
amended to apply only where warrants have been obtained.
? HR 729, containing reforms affecting federal habeas corpus review
of state criminal judgments and collateral review of federal
judgements, and requiring federal juries to impose death sentences
in certain cases. Passed February 8 (297
□
-132). SAP-

□
-support if DOJ
concerns addressed.
□
? HR 667, would replace the prison funding program enacted in '94 Act with allocations based on sentencing criteria; and would limit prisoner litigation. Passed February 10, (265
□
-156). SAP-
□
-oppose
unless amended. Basis for opposition: Proposed distribution of prison grants is inferior to current program; drug court program would be repealed.
? HR 668, to expedite the deportation of aliens who commit serious crimes and reimburse states for incarceration of criminal aliens. Passed February 10, (380
□
-20). SAP-
□
-support if amended to offset the
increased direct spending ($600m/yr).
? HR 728, combining last year's grants for 100,000 cops and crime prevention into block grants. Passed February 14, (238
□
-192).
SAP-
□
-Presidential veto threat. Basis for opposition: Bill repeals police grants program, which provides for 100,000 cops. It also eliminates many crime prevention programs.

Senate action on crime legislation not yet scheduled. However, habeas corpus provisions related to those in HR 729 are included in the Senate
□
-passed anti
□
-terrorism bill (S 735, discussed below).
5. Reg Reform/Risk Assessment: (H. Fitter)
House passed HR 1022, Risk Benefit and Cost Benefit Act of 1995 on February 28th (286
□
-141), requiring Federal agencies to perform
highly detailed analyses of the risks that proposed health, safety and environmental regulations seek to address. SAP sent to the House on February 27, 1995, strongly oppose HR 1022. Basis for opposition:
HR 1022 would impose overly broad, prescriptive, and costly analytical requirements on the regulatory process, encourage excessive litigation, and supersede the substantive requirements of many existing health, safety, and environmental laws (i.e., the so
□
-called supermandate).
Senate - Senate Floor action on S. 343 began on 6/28 and is continuing the week of 7/10/95; SAP transmitted on 7/10/95: veto threat by
Secretaries of Labor, Agriculture, Health and Human Services, Housing and Urban Development, Transportation, the Treasury, and the

Interior, and the Administrator of EPA, and the Director of OMB. In addition, in a 6/23/95 letter to Senators Dole and Daschle, OMB OIRA Administrator Katzen stated "we continue to have serious concerns with S 343, and I would recommend that the President veto it if it were presented to him in its current form." Basis for opposition: Would impair rather than improve the regulatory process by generating additional costs, paperwork, litigation, and delay. Senate floor action began on 6/28 and will continue the week of 7/10.

*6. Private Property Rights/Takings: (M. Goad)
On March 3rd, the House passed HR 925 (277
□
-148), subsequently
incorporated the bill into HR 9, and then passed HR 9 (277
□
-141).
HR 925 would require certain Federal agencies to compensate financially landowners if regulatory actions (taken under Endangered Species Act, and wetlands, farm, and water rights laws) cause a decrease of at least 20 percent in the fair market value of any portion of the landowners' properties. The agencies would be required to offer to purchase the property if the regulatory action causes a decrease of more than 50 percent in the property's value.
SAP on HR 925-
□
-strongly oppose (3/1/95). On April 7th, POTUS said,
"I will also veto the House
□
-passed requirement that government pay
property owners billions of dollars every time we act to defend our national heritage of seashores or wetlands or open spaces." Basis for opposition: Undermines Federal authority to protect the general welfare; expands the traditional concept of Fifth Amendment "takings"; creates new direct spending; and imposes an unlimited fiscal burden in the form of an arbitrary, automatic compensation

requirement for reductions in property values that are attributable to Federal actions.

The Senate Judiciary Committee held an April 6th hearing on S 605 (Dole/ Hatch). (S 605 has a 33 percent threshold, and would apply to all Federal agencies.) In testimony presented at the hearing, Justice threatened veto. In separate letters sent to Sen. Hatch in May and June, Agriculture, Army
□
-Civil Works, Defense, EPA, GSA, HHS,
Interior, Justice, Transportation, and Treasury advised that they would recommend veto. In a June 7th letter to Sens. Hatch, Biden, Dole, and Daschle, OMB Director Rivlin advised that, due to the significant increase in Federal spending that would result if S 605 were enacted, she would recommend veto. The Committee has not yet scheduled the mark up of S 605, but may do so at any time. The Senate Environment and Public Works Committee held a June 27th hearing at which Interior and Justice advised that they would recommend veto of S 605 and HR 925. In an additional hearing on July 12th, EPA, Army (Corps), and OMB advised that they would recommend a veto of S.605 or similar legislation. The Committee will hold an additional hearing later this month. Basis for opposition: Undermines Federal authority to protect the general welfare; expands the traditional concept of Fifth Amendment "takings"; creates new

direct spending; and imposes an unlimited fiscal burden in the form of an arbitrary, automatic compensation requirement for reductions in property values that are attributable to Federal actions.

7. Reg Moratorium/Waiting Period: (J. Weinberg)
House passed HR 450 on Feb. 24 by 276
□
-146. The bill would establish
a "moratorium period" -- Nov. 20, 1994 through Dec. 31, 1995 or enactment of reg reform, whichever is earlier -- during which a Federal agency may not take any "regulatory rulemaking action" unless it falls within a specified emergency exception (i.e. military or foreign affairs functions, international trade agreements, agency management, certain banking regulatory matters, implementation of the internal revenue laws; matters relating to loans, grants, benefits, or contracts). Also exempted: regs determined by OIRA to be necessary because of an imminent threat to health or safety or other emergency or necessary for the enforcement of criminal laws. SAP--"The President has stated that a moratorium on regulations, as provided for in H.R. 450, is not acceptable....the Secretaries of Agriculture, Energy, Health and Human Services, Housing and Urban Development, the Interior, Labor, Transportation, and the Treasury, the Attorney General, and the Administrator of the Environmental Protection Agency would recommend that it be vetoed." (In addition, POTUS said on 4/7/95, "if Republicans send me a bill that would let unsafe planes fly or contaminated water continue to find itself into city water systems, I will veto it." Veto threat reiterated in Earth Day speech, 4/21/95.) Basis for opposition: Would prevent the issuance of meritorious rules.
Senate passed S. 219 on March 29 by 100
□
-0; under the Senate version,
regs would not go into effect for 45 days, during which time Congress could enact a disapproval resolution. A March 29 statement by the President called the 45
□
-day review period "the right way to
reform regulation."
Conference: On June 16, the Senate requested a conference and appointed conferees.
8. Product Liability/Civil Litigation/Medical Malpractice: (I. Schroeder)
House passed HR 956 on March 10 (265
□
-161). It would cap punitive
damages in all civil cases and would cap non
□
-economic (pain and
suffering) damages in suits against health providers and insurers. Basis for opposition: Product liability reform should generally be left to the States; punitive damages shouldn't be arbitrarily capped; and differential treatment of "economic" and "noneconomic"

(e.g., "pain and suffering" damages is inappropriate. (March 6th Reno/Mikva letter.)

Senate passed HR 956 on May 10 (61
□
-37). It would cap punitive
damage awards by juries in product liability cases at $250,000 or

twice compensatory damages (economic and non
-economic damages),
whichever is greater. Judges could override those limits in "egregious" cases. Punitive damage awards in product liability cases could not exceed $250,000 for small businesses. Basis for opposition: A May 10th White House statement said the Senate
-passed
liability bill "in its present form does not go far enough toward balancing the interests of consumers with those of manufacturers and sellers." The statement also stated the Administration's concerns regarding the limits on punitive damages adopted by the Senate and reiterated the Administration's opposition to provisions which would abolish joint and several liability. (A provision limiting punitive damage awards in all civil lawsuits, which was the subject of a May 4th Presidential veto threat, was later limited to product liability cases only.)
Conference not scheduled and conferees have not been appointed. Media reports indicate that Speaker Gingrich may defer conference until the fall.
According to press reports, the Senate may take action on a separate bill to curb medical liability late this summer.

9. Loser Pays - Civil Litigation: (I. Schroeder)
House passed HR 988 on March 7 (232
-193). Basis for opposition: The
bill, which would affect only Federal civil suits involving parties from different States, would impose a modified "loser pays" rule, intended to encourage parties to settle out of court. The President said on 4/7/95 that he "will veto any bill with a 'loser pay' requirement such as that was in the House bill." In the Senate, provisions similar to those of HR 988 were added to -- and subsequently deleted from -- the product liability bill (HR 956) on the Senate floor.

10. Shareholder Suits: (I. Schroeder)
House passed HR 1058 on March 8 (325
-99). Basis for opposition:
Could lead to inadequate deterrence against financial fraud. (March 6th Reno/Mikva letter.)
Senate passed HR 1058 on 6/28/95 (69
-30). SAP sent to Senate on
6/23/95 states that the Senate version (previously S. 240) "is now a substantial improvement on [the House version of] H.R. 1058, which the Administration could not support." The statement recommended amendments to: (1) clarify that safe harbors should not protect purposefully misleading statements; (2) restore liability for aiding and abetting in private action that follow a SEC action; and (3) extend the statute of limitations for private securities fraud actions to five years after a violation occurs. The SAP opposed a provision in the bill that would establish proportionate liability for reckless defendants and recommends replacing it with an amendment that would require culpable solvent defendants to pay up to two times their proportionate share of the damages, when a portion of the award is uncollectible.
Conference not scheduled.

11. Telecommunications Reform: (J. Weinberg)
House Commerce Committee-
□
-Ordered reported HR 1555 (38
□
-5) on May
25th. House Judiciary Committee-
□
-Ordered reported HR 1528 on May
18th.
House floor action is expected after the July 4th recess.

Senate passed S. 652 on June 15th, 81
□
-18. SAP strongly opposed
Commerce Committee
□
-reported bill. White House Press Office issued
an Administration statement on Senate passage of S 652 on June 16: "The Administration's position on the final legislation will depend on the extent to which the Administration's concerns have been addressed satisfactorily during the course of the entire legislative process." VP said on April 3 that he opposes the Senate Commerce Committee bill, and on April 4 the VP clarified in a letter, "I did not say that the President would veto the bill, since it is too early for such a decision...." Basis for opposition: Would result in higher phone and cable bills and decrease competition for phone and cable services.
12. Banking and Insurance Reform: (R. Jones)
House Banking Committee marked up Chairman Leach's HR 1062 on May 18. This bill would permit banks and securities firms to affiliate, allowing banks to underwrite securities and permitting securities firms to own banks. HR 1062 was reported by the House Commerce Committee on June 22. Leach has announced his intention to combine HR 1062 with HR 1362, a banking regulatory relief bill, prior to House floor action. (See below for discussion of HR 1362 - Banking Deregulation.)
13. HUD Elimination Act: (A. Briatico)
Although no specific hearings have been held on S. 435, a number of Senate hearings have been held on "reinventing" HUD. HUD, Justice, and OMB have sent letters to the Senate Banking, Housing, and Urban Affairs Committee strongly opposing Title II of S. 435. Title II would transfer to Justice all of the responsibilities currently assigned to HUD under the Fair Housing Act. Basis for opposition: The administration of these authorities is best accomplished by HUD, which has the infrastructure to handle these responsibilities.

14. National Highway System: (J. Brown)
Senate bill (S. 440) passed the Senate on June 22nd. It would designate routes for the new National Highway System (NHS). Absent designation of the NHS, DOT will be unable to obligate $6.5 billion in highway funding in FY 1996. Basis for opposition: Repeal of national maximum speed limit law and motorcycle helmet requirements.

(SAP to Senate, 6/15/95. A provision repealing Davis
□
-Bacon
□
-type
labor protections, which was the subject of a Secretary of Labor

veto threat in the SAP, was deleted on the Senate floor.) House committee action expected in July.
15. Highway Trust Fund Off
□
-Budget Bill: (J. Brown)
House bill (HR 842) was ordered reported by House Transport. Cte. on May 3. Will be sequentially referred to Budget and Gov. Reform & Oversight Committees. (The Speaker has stated that he will appoint a task force to study issues raised by this bill.) Basis for opposition: Bill removes four trust funds from the Budget -- inconsistent with unified budget. (Rivlin letter to Chairman Shuster, 3/27/95.) Senate bill (S. 729) was introduced on April 27 by Sens. Baucus and Lott.
16. Banking Deregulation: (R. Jones)
House Banking Committee ordered reported Chairman Leach's HR 1362 on June 28. Leach has announced his intention to combine HR 1362 with HR 1062 (listed above) prior to House floor action. Basis for opposition: Weakens important safeguards for assuring the safety and soundness of FDIC
□
-insured depository institutions and would eviscerate the Community Reinvestment Act. (Secretary Rubin issued a veto threat in a 6/29/95 letter to Chairman Leach.) Senate bill (S 650) is pending in the Senate Banking Committee. The Senate bill contains some, but not all, of the troublesome provisions.

17. Lorton Closure: (M.Cook)
The House Government Reform and Oversight D.C. Subcommittee has held a couple of hearings this year on HR 461, the "Lorton Correctional Complex Closure Act." At these hearings, no Administration witnesses were asked to testify. Justice, however, expects Administration witnesses to be invited to testify at future Subcommittee hearings on this matter. On 3/16/95, Justice sent a letter to this Subcommittee opposing HR 461. Basis for opposition: The approach of HR 461 is "seriously flawed" but alternatives, which will be discussed with the Congress, exist to remedy the Lorton issue.
18. Housing for Older Persons Act: (M.Cook)
On April 6, 1995, HR 660 passed the House by a vote of 424 to 5. The Administration sent a SAP on 4/6/95 opposing H.R. 660. The Senate has not taken any action on this bill yet. Basis for opposition: Amends the Fair Housing Act in a way that would loosen the standards used to determine what housing qualifies for the "housing for older persons" exemption, potentially increasing discrimination against families. Therefore, the Administration prefers administrative action to clarify the application of the "housing for older persons" exemption. NOTE: The bill's provisions are identical to those of Title IV of HR 8, the "Senior Citizens' Equity Act," a Contract with America bill.
□
19. Counterterrorism: (R. Jones)
Senate passed S 735 on June 7 (81
□
-8) The bill includes many proposals similar or identical to Presidential proposals (e.g., establishes Federal jurisdiction for terrorist acts, expedites removal of alien terrorists from the U.S., implements the international agreement on marking plastic explosives, etc.). Does not include the Administration's language for funding compliance with the 1994 digital telephony legislation. Includes habeas corpus reforms similar to that passed the House as a free standing bill

(H.R. 729, listed under crime heading above). House Judiciary Committee reported H.R. 1710 on June 20 (23
-12). The House bill
also includes many of the President's proposals, including a funding mechanism for digital telephony. House floor action is expected before the August recess.

20. Regulatory Sunset and Review: (J. Gibbons)
House bill (HR 994) was approved by a Gov. Reform & Oversight Subcte. on 5/18/95. Basis for opposition: Open
-ended in scope,
excessively rigid, and contradictory criteria for review of regulations; paperwork requirements are unworkable. (Katzen testimony of 3/28/95 before House Gov. Reform.) Senate action not scheduled, but could be folded into broader regulatory reform legislation.

21. Pipeline Safety: (J. Brown)
House bill (HR 1323) has been reported by Transportation and Commerce Ctes. Basis for opposition: (1) Authorizes less than 44 percent of the FY 1996 Budget request for pipeline safety activities; and (2) imposes burdensome and costly risk assessment procedures on the pipeline safety rulemaking process. (DOT letter, 5/12/95.)

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NATIONAL SECURITY & INTERNATIONAL AFFAIRS:
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101. National Security: (A. Rooney)
House passed HR 7 on February 16th (241
-181) (star wars was deleted
on the Floor but many objectionable provisions remain which would infringe upon the authority of the President to respond to international crises and conflicts; remove UN peacekeeping as an option for burdensharing; establish an unnecessary Nat'l Security Commission; and mandate policies on NATO membership). On 4/7/95, POTUS said that he would "refuse () to approve the so
-called
peacekeeping legislation passed by the House." SAP (Feb. 13th)-- State, Defense, and the U.S. Ambassador to the UN would recommend a veto. Basis for opposition: Infringes on President's constitutional authorities as Commander in Chief; and virtually eliminates U.S. participation in UN peacekeeping efforts.
Senate Foreign Relations Committee (SFRC) began hearings on March 21st on S 5, Peacekeeping Powers Act (introduced by Dole) and HR 7. Aspects of S 5 were considered on May 17th as part of the SFRC markup of Foreign Affairs Authorization and Consolidation proposal and deleted from the bill as reported. State advises that peacekeeping will be considered separately by the Committee at a later date.

102. Foreign Affairs Authorization and Consolidation: (A. Rooney)
House passed HR 1561 on June 8th (222 - 192). On May 23rd, the President expressed serious concerns regarding congressional legislation that would "place new restrictions on how America conducts its foreign policy and slash our budget in foreign affairs." Further,
the President advised that if HR 1561 passed in its present form, he

would veto it. SAP (May 22nd) -- State, DOD, Treasury, the U.S. Ambassador to the UN, AID, USIA, and ACDA would recommend a veto of HR 1561. Basis for opposition: Imposes numerous, far

-reaching
restrictions on the conduct of American foreign policy; inappropriately consolidates three foreign affairs agencies (AID; ACDA; USIA) into a "super" State Department; and significantly reduces appropriation authorizations for international affairs programs.
Senate Foreign Relations Committee (SFRC) ordered reported Senator Helms' foreign relations authorization and consolidation proposal (S 908) on May 17th by a vote of 10

-8. On June 7th, SFRC ordered
reported Senator Helms' Foreign Aid Reduction Act (S 961) by a vote of 10

-8. S 908 is on the Senate Calendar and may be considered at any time. SAP (June 28th) -- State, the U.S. Ambassador to the UN, AID, USIA, and ACDA would recommend a veto of S 908. Basis for opposition: Imposes numerous restrictions on the conduct of American foreign policy; inappropriately consolidates three foreign affairs agencies (AID; ACDA; USIA) into a "super" State Department; and significantly reduces appropriation authorizations for international affairs programs.
103. National Defense Authorization Act: (M. Goad)
House passed HR 1530 (300

-126) on June 15th. Sec. Perry, in a
June 20th letter to Sen. Thurmond, stated that "[m]any of the provisions . . . are totally unacceptable. Unless they are eliminated or radically modified, they threaten the prospects for the bill itself." SAP on HR 1530-

-strongly opposes (6/13/95).
Basis for opposition: Raises serious constitutional, national security, budget, personnel, and management concerns.
Senate Armed Services Committee completed mark up of S 727, the companion bill, on June 29th. The Senate is expected to take up the bill before the August recess.
104. Jerusalem Embassy: (A. Rooney)
S 770/HR 1595 would require the United States to move its embassy to Jerusalem. On June 20th, Secretary Christopher sent a letter to Senator Dole and Speaker Gingrich stating that he would recommend a veto of the legislation. No action scheduled on either bill. Basis for opposition: Potentially very damaging to the success of the Middle East peace process and infringes on the President's constitutional prerogatives in foreign policy.

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NATURAL RESOURCES, ENERGY & SCIENCE
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*201. Farm Bill: (C. Crutchfield)
Traditionally a 5

-year measure, this legislation will reauthorize a
slew of farm, nutrition, rural development, and other USDA programs. The Administration's Farm Bill guidance assumes savings in farm programs of $1.5 billion over five years. The 1996 Budget

Resolution calls for cuts in farm programs of $8.5 billion over 5 years and $13.4 billion over 7 years. House and Senate Agriculture committees are currently drafting bill language. Although some markups on discretionary titles are scheduled for late July, committee action on mandatory provisions is not expected until September. (NOTE: In oral remarks before the House and Senate Agriculture committees, Secretary Glickman has stated that the President would veto legislation that block grants Food Stamps.)
202. Clean Water Amendments of 1995: (H. Fitter)
House passed HR 961 on May 16th, by a vote of 240
□
-185. The bill
would ease, overhaul, or revoke a number of current law's
anti
□
-pollution requirements, allow States to continue to rely on

voluntary measures to deal with certain water pollution problems, and restrict the ability of Federal agencies to declare wetlands off limits to development. On May 30, 1995, POTUS stated that the House
□
-passed bill "will not get past my desk." SAP, sent on May 9, 1995, contained multiple agency veto threat (OMB, Justice, EPA, Interior). Basis for opposition: The bill would reduce water quality protection; eliminate fundamental wetlands protections; create enormous new costs (the bill includes a "mandatory compensation" takings provision similar to that contained in HR 925); fail to address effectively non
□
-point source pollution; and
paralyze the Federal Government's ability to issue regulations and guidance to protect the Nation's waters. Senate Environment Chairman Chafee has indicated that Clean Water Act reauthorization is not one of his top priorities.
203. Endangered Species: (M. Goad)
Senate Environment and Public Works Committee will hold oversight hearings on the Endangered Species Act (ESA) on July 13th, 20th, and 27th. CEQ expects that, once the oversight hearings are concluded, Sen. Kempthorne (R) ID will introduce a bill to reauthorize the ESA. On May 25th, the Departments of Agriculture, Commerce, and the Interior testified before the House Endangered Species Task Force on possible changes to the ESA. CEQ and Interior advise that the House Task Force will not complete drafting legislation to amend the ESA until after the August recess.
204. Safe Drinking Water: (H. Fitter)
Reauthorization of the 1974 law designed to keep contaminants out of the nation's water supply. State and local officials want a State revolving loan fund for water supply projects and relief from testing requirements. House Commerce staff and Senate Environment and Public Works staff, respectively, are attempting to complete draft bills.

205. Interstate Waste: (H. Fitter)
Senate passed S 534 on May 16th, by a vote of 94
□
-6. S. 534 would
give states more power to restrict both intra and interstate garbage dumping.
206. Superfund Reform: (H. Fitter)

The taxes which fund the hazardous waste clean
□
-up program expire at
the end of 1995. There is support among some Republicans to scale back retroactive liability (which would shift much of the costs to the government). Senate Environment Subcommittee Chair Bob Smith has circulated a "Superfund Reform Outline" containing principles for Superfund reform. A Senate bill may be introduced before the August recess. House Transportation and Commerce Committees have held subcommittee hearings on Superfund reform.

207. Mining Law: (C. Crutchfield)
Senate Energy and Natural Resources Committee is considering changes to Craig's bill (S 506) to win over committee members, such as Johnston, that have proposed a compromise version (S 639). Chairman Murkowski has postponed mark up of the bill indefinitely and indicated the issue would be dropped this session if a compromise is not reached soon. Interior Secretary Babbitt stated in a 5/22/95 letter to Chairman Murkowski that he would recommend a veto of S 506. Basis for opposition: S 506 does not provide for meaningful reform. It would (1) grant rights to purchase valuable Federal mineral lands at bargain
□
-basement prices; (2) deprive Federal land
managers of authority to protect the environment; and (3) result in little or no return to Federal taxpayers for use of publicly
□
-owned
mineral deposits. Justice also strongly opposed S 506 in a 6/12/95 letter because it would increase litigation over public liability

for cleanup. House has not scheduled action.
*208. Utah Wilderness: (C. Crutchfield)
House National Parks Subcommittee is scheduled on 7/18/95 to mark up Rep. Hansen's legislation (HR 1745) designating certain Federal lands in Utah as wilderness. Interior testified 6/29/95 before the Subcommittee that the Secretary would recommend a veto of HR 1745. Basis for opposition: The bill would (1) fail to designate enough land as wilderness; (2) open up for development too much land currently protected as wilderness study areas; and (3) allow road construction and other activities that are incompatible with wilderness designation Senate Energy and Natural Resources Committee has begun consideration of identical legislation (S 884) introduced by Sens. Hatch and Bennett. Interior testified on 7/13/95 before the Committee that the Secretary would recommend a veto of S 884. Basis for opposition: Same as House.
209. Livestock Grazing: (C. Crutchfield)
Senate Energy and Natural Resources Committee is scheduled to mark up S 852 on 7/19/95. Interior testified before the Committee on 6/22/95 that it strongly opposed S. 852, introduced by Sen. Domenici and 15 cosponsors to supersede Interior's new regulations for livestock grazing on Federal lands. Basis for opposition: S 852 would (1) establish grazing as a dominant use for public lands over recreation, wildlife protection, and other concerns; (2) limit public involvement in the management of public lands; and (3) raise a number of questions over water rights, fee levels, and compliance with environmental statutes. In testimony on 7/11/95 before the House National Parks Subcommittee, Interior strongly opposed the companion bill (HR 1713).
□

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HUMAN RESOURCES
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301. Welfare Reform: (M. Cook)
HR 4 (SAP, 3/21/95 said oppose, but in a 4/13/95 CNN interview, POTUS said "I'd be happy to veto"). Basis for opposition: denial of cash benefits to unwed parents under age 18; funding cuts to Food Stamp and other nutrition programs; funding cuts and removal of Federal oversight of State child protection systems; inadequate resources and requirements for States to move people from welfare to work; and inadequate resources for States in times of recession.
House passed H.R. 4 on March 23 (234
□
-199) which would replace
current welfare programs with 5 block grants to States (cash welfare; child welfare; child care; school meals; family nutrition).
House SAP opposed H.R. 4 because it would: fail to reform welfare by moving people from welfare to work; reduce Federal funding in ways that would impair the health and nutrition of children and families; and is not tough enough on parents who owe child support, and too tough on innocent children.
Senate Finance Committee reported its version of H.R. 4 on June 9. The bill block grants AFDC, imposes a five
□
-year time limit on
benefits, tightens eligibility for SSI, and strengthens child support enforcement. HHS cited concerns with the bill in a May 24 letter to the Committee. Senator Packwood indicated May 15 that the bill would be considered as a stand
□
-alone bill unless it is
filibustered. In that case, the bill would be considered as a component of the budget reconciliation bill. The Senate Labor and Human Resources Committee ordered reported S. 850 (Child Care and Development Block Grant amendments) on May 26. The measure is expected to be included in the final Senate welfare reform package. HHS supported S. 850 in a May 24 letter to the Committee, but cited concerns with potential cuts in other child care programs. The Senate Agriculture Committee marked up S. 904, a Food Stamp and nutrition programs bill on June 14. S. 904 also is expected to be included in the final Senate welfare reform package. USDA commended the Committee for not block granting food and nutrition programs, but cited concerns with the bill's reduction in Food Stamp funding and repeal of Regulation E coverage for Electronic Benefit Transfers.
Senate floor action -- tentatively scheduled for July.
302. Social Security Earnings Test: (M. Cook)
House-
□
-increase in earnings limit to $30,000 included in HR 1215,
which passed on April 5, (246
□
-188). Senate action unclear.
303. Davis
□
-Bacon Repeal: (C. Bowers)
H.R. 500 and S. 141 would repeal the Davis
□
-Bacon Act of 1931. The
act requires Federal contractors working on jobs valued at more than

$2000 to pay their workers the "local prevailing wage," which is often the union rate. A House Economic & Education Opportunities Subcommittee referred H.R. 500 to full committee on March 2. Senate Labor & Human Resources Committee reported S. 141 on May 12. A provision to repeal Davis
□
-Bacon coverage of Federal Highway projects
was dropped from S. 440, the National Highway bill (see entry above). Basis for opposition: repeal of Davis
□
-Bacon requirements
would depress workers' wages. President quoted on 4/6/95 as saying he would veto S. 141; Reich letter -- would recommend veto 3/18/95. (Also Reich letter and Senate SAP on S. 440 stated Labor would recommend veto.

304. Service Contract Repeal Act: (B. Pellicci)
Press reported that VP indicated on 2/20/95 that President would veto such legislation. Basis for opposition: repeal of Service Contract Act would depress workers' wages. HR 246 was marked up by a House EEO subcommittee on 3/03/95.

305. Minimum Wage Increase: (A. Briatico)
On 2/13/95, President transmitted to Congress a proposal to raise the minimum wage in two 45 cent steps -- raising the rate to $4.70 per hour on July 4, 1995 and to $5.15 per hour on July 4, 1996. President's proposal introduced as S. 413 and H.R. 940. Senator Kassebaum indicated on April 21 that the Senate Labor and Human Resources Committee will hold hearings on increasing the minimum wage. No date has been set.
306. Striker Replacement: (B. Pellicci)
On 3/8/95, President issued an Executive Order to deny Federal contracts to employers that permanently replace striking workers. H.R. 1176 and S. 603 would nullify the Executive Order. The House Economic and Educational Opportunities Committee reported H.R. 1176 on June 27.
307. Teamwork for Employees and Managers Act: (B. Pellicci)
HR 743 and S295. (Reich letter: recommend veto, 3/6/95 and 6/21/95; press reported that VP said on 02/20/95 that President would veto such legislation.) Basis for opposition: would allow employers to establish company unions or alternative,
company
□
-dominated organizations where unions already exist. HR 743 was ordered reported on 6/22/95 by the House EEO Committee. No action has been taken to date on S 295.

308. Social Security Solvency: (M. Cook)
The "Strengthening Social Security Act of 1995" (S. 825), one of the "Simpson/Kerrey" bills, is designed to secure the long
□
-term solvency
of the Social Security program. It would: (1) accelerate the currently scheduled increase of the normal retirement age; (2) limit COLAs to certain Social Security beneficiaries; (3) adjust, for a limited period, Social Security COLA estimates based on CPI; (4) modify the formula for determining the primary insurance amount (the basic monthly benefit payable to a worker) to make it more progressive; (5) allow future beneficiaries to divert up to 2 percentage points of their payroll taxes to place in their own

personal investment plan; (6) reduce gradually spousal benefits starting in 2000; (7) redirect revenue obtained through the taxation of Social Security benefits from the HI Trust Fund to the OASDI Trust Fund; and (8) invest a portion of the OASDI Trust Fund assets in a stock fund index. On June 27, 1995, a Senate Finance Subcommittee held a hearing on the solvency of the Social Security system. To date, the Administration has not taken a position on S. 825. No comparable bill has been introduced in the House.

309. Employment, Training, and Retraining: (C. Bowers)
House Economic and Educational Opportunities (EEO) Committee reported H.R. 1617 (The Consolidated and Reformed Education, Employment and Rehabilitation Systems, or 'CAREERS' Act) on May 17, 1995.
Senate Labor and Human Resources Committee reported S. 143 (Workforce Development Act) on June 21, 1995.
Both bills would consolidate numerous Federal education and job training programs into four grants to States -- for youth development and career preparation, adult training, adult education and literacy, and vocational rehabilitation. These bills differ significantly from the President's proposal to restructure education and job training programs (the G.I. Bill for America's Workers), and they reduce substantially Federal resources for these functions.
It is expected that H.R. 1617 will be linked on the House Floor with H.R. 1720 (Privatization Act of 1995), which was reported by the House EEO Committee on June 22, 1995. H.R. 1720 would privatize Sallie Mae and Connie Lee and eliminate numerous higher education programs. The Administration proposes to privatize these GSEs and eliminate the higher education programs, but its privatization

initiatives differ in certain respects from H.R. 1720.
Negotiations over possible amendments to all of these bills are ongoing. It is likely that Administration statements for Floor consideration will support the objectives but either oppose specific features or suggest further amendments to align with the President's proposal. It has been expected that House or Senate Floor action could occur in July (House action more likely than Senate action); however, this could be postponed.
*310. Food Stamps - Block Grant: (M.Cook)
Sec. Glickman stated before S. Ag. Cte., 5/23/95, that he strongly opposes block granting food stamps and that the President has indicated his intention to veto such legislation. Basis for opposition: would jeopardize the health and nutrition of low
□
-income
families.
Any changes made to the Food Stamp program are expected to be done within the context of Welfare Reform. Neither HR 4 (the Welfare Reform bill), as passed by the House, nor S 904 (which is expected to be rolled into the Senate version of HR 4), as ordered reported by the Senate, contain provisions that would block grant Food Stamps. In addition, HR 1997 (the food and nutrition title of the Farm Bill), as approved by a H. Agriculture Subcommittee on 7/11/95, also does not contain provisions that would block grant Food Stamps.
□
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HEALTH & PERSONNEL
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401. Federal Retirement Reform Act: (M. Cook)
HR 1215 and HR 1185 both include Federal retirement reform

provisions. The Administration's position on such reforms has been articulated in the President's 4/5/95 letter on HR 1215 to Speaker Gingrich and in OMB's 3/15/95 letter on HR 1185 to Speaker Gingrich.
Basis for opposition: Reduces retirement benefits of Federal employees to finance a tax cut for the wealthy.
On 3/15/95, the full H. Government Reform and Oversight Committee began consideration of HR 1185. It, however, recessed before taking action on the bill. NOTE: Title IV of HR 1215, as passed by the House on 4/5/95 (246
□
-188), contains provisions similar to those of HR 1185. To date, the Senate has taken no action on a stand
□
-alone retirement bill. On June 19, 1995, however, the FBI and DEA testified before a S. Governmental Affairs subcommittee opposing changes in retirement benefits for Federal employees. Modifications to Federal retirement programs are likely to be included in reconciliation legislation.

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MAJOR LEGISLATION ENACTED

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? Unfunded Mandates Reform Act of 1995 (PL 104
□
-4). President signed
3/22/95.
? Defense Supplemental Appropriations (PL 104
□
-6). President signed
4/10/95.
? Permanently Extend the Tax Deductibility for Health Insurance Costs for Self
□
-Employed Individuals (PL 104
□
-7). President signed 4/11/95.
? HR 1345, DC Financial Responsibility and Management Assistance Act of 1995
(PL 104
□
-8). President signed 4/17/95.
? Paperwork Reduction (PL 104
□
-13). President signed 5/22/95.
? Medicare SELECT (PL 104
□
-18). President signed 7/7/95.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Barry J. Toiv (TOIV_B) (WHO)

CREATION DATE/TIME:18-JUL-1995 19:19:44.66

SUBJECT: Notes

TO: Jason S. Goldberg (GOLDBERG_JS) (WHO)
READ:18-JUL-1995 19:20:06.65

TEXT:
Here it is. This is all we need for approps.
==================== ATTACHMENT 1 ====================
ATT CREATION TIME/DATE:18-JUL-1995 19:19:00.00

ATT BODYPART TYPE:p

ATT CREATOR: Barry J. Toiv

TEXT:
PRINTER FONT 12_POINT_ROMAN
BUDGET NOTES

TUESDAY, JULY 18

? The House passed the FY 1996 Interior appropriations bill. This is the fifth of the 13 1996 appropriations bills to be passed by the House. The Senate has yet to pass any.
? The House Appropriations Committee passed the FY 1996 VA
□
-HUD
appropriations bill. The President issued a statement threatening a veto.
The bill would eliminate funding for Americorps; cut funding for HUD programs for the homeless in half; and sharply reduce EPA funding, cutting enforcement programs by one
□
-half
and staffing by one
□
-third.
? The Senate Appropriations Committee approved its 602(b) allocations, providing an increase from the House allocation for the Labor
□
-HHS
□
-Education Subcommittee but still substantially less than the amount proposed in the President's budget.

WEDNESDAY, JULY 19

? The House is expected to consider the FY 1996
Treasury
□
-Postal appropriations bill.
This legislation would eliminate funding for the Council of Economic Advisors, and it contains provisions designed to

restrict Federal employees and their dependents from
choosing a health plan that incudes coverage for abortion
service.
? The House Appropriations Committee is expected to consider
the FY 1996 Commerce
□
-Justice
□
-State appropriations bill.
? The Senate Appropriations Committee is expected to consider
the FY 1996 Military Construction appropriations bill.
================== END ATTACHMENT 1 ==================

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Charles S. Konigsberg (KONIGSBERG_C) (OMB)

DETERMINED TO BE AN ADMINISTRATIVE MARKING Per E.O. 12958 as amended, Sec. 3.3 (c)
Initials: ACS Date: 01/30/2013
2012-0774-F

CREATION DATE/TIME:27-JUL-1995 23:49:15.15

SUBJECT: ~~CONFIDENTIAL--~~AMR DAILY

TO: Alice M. Rivlin (RIVLIN_A) (OMB)
READ:28-JUL-1995 07:23:44.96

CC: Charles S. Konigsberg (KONIGSBERG_C) (OMB)
READ:28-JUL-1995 16:40:07.41

CC: Jacob J. Lew (LEW_J) (OMB)
READ:NOT READ

CC: Patrick J. Griffin (GRIFFIN_P) Autoforward to: Erin A. O'Con
READ:28-JUL-1995 08:51:10.76

CC: Martha Foley (FOLEY_M) (OMB)
READ:28-JUL-1995 20:57:17.81

CC: Ann M. Cattalini (CATTALINI_A) (WHO)
READ:28-JUL-1995 09:20:16.96

CC: Erin A. O'Connor (OCONNOR_E) (WHO)
READ:28-JUL-1995 08:51:10.76

CC: James C. Murr (MURR_J) (OMB)
READ:28-JUL-1995 08:18:05.00

CC: James J. Jukes (JUKES_J) (OMB)
READ:28-JUL-1995 10:32:40.50

CC: Janet R. Forsgren (FORSGREN_J) (OMB)
READ:28-JUL-1995 10:21:41.34

CC: Ronald K. Peterson (PETERSON_RK) (OMB)
READ:28-JUL-1995 08:20:37.24

CC: LAWRENCE J. HAAS (HAAS_L) (OMB)
READ:28-JUL-1995 07:59:41.07

CC: Robert G. Damus (DAMUS_R) (OMB)
READ: 1-AUG-1995 10:09:22.72

CC: Barry B. Anderson (ANDERSON_B) (OMB)
READ:31-JUL-1995 09:22:14.88

CC: Gordon Adams (ADAMS_G) (OMB)
READ:NOT READ

CC: T J Glauthier (GLAUTHIER_T) (OMB)
READ:28-JUL-1995 13:55:41.00

CC: Kenneth S. Apfel (APFEL_K) (OMB)
READ:NOT READ

CC: Nancy-Ann E. Min (MIN_N) (OMB)

READ:NOT READ

CC: Robert E. Litan (LITAN_R) (OMB)
READ:28-JUL-1995 11:23:20.93

CC: Joseph Minarik (MINARIK_J) (OMB)
READ:28-JUL-1995 09:16:04.67

CC: Sally Katzen (KATZEN_S) (OMB)
READ:28-JUL-1995 18:59:35.48

CC: Lydia Muniz (MUNIZ_L) (OMB)
READ:28-JUL-1995 09:23:02.84

CC: Charles E. Kieffer (KIEFFER_C) (OMB)
READ:28-JUL-1995 08:28:51.27

CC: Kristen E. Panerali (PANERALI_K) (OMB)
READ:28-JUL-1995 10:18:28.64

CC: John A. Koskinen (KOSKINEN_J) (OMB)
READ:28-JUL-1995 09:18:05.09

CC: Steven Kelman (KELMAN_S) (OMB)
READ:28-JUL-1995 08:18:28.66

CC: G. Edward DeSeve (DESEVE_G) (OMB)
READ:NOT READ

CC: John B. Arthur (ARTHUR_J) (OMB)
READ:28-JUL-1995 06:26:59.11

CC: William A. Halter (HALTER_W) (OMB)
READ:28-JUL-1995 11:23:59.99

CC: Jill M. Blickstein (BLICKSTEIN_J) (OMB)
READ:28-JUL-1995 09:41:56.39

CC: Chantale Wong (WONG_C) (OMB)
READ:28-JUL-1995 09:34:37.83

CC: Laura D. Tyson (TYSON_L) Autoforward to: Thomas O'Donnel
READ:NOT READ

CC: Thomas O'Donnell (ODONNELL_T) (OPD)
READ:NOT READ

CC: David J. Lane (LANE_D) (OPD)
READ:28-JUL-1995 09:18:29.30

CC: John Gibbons (GIBBONS_J) Autoforward to: Remote Addres
READ:NOT READ

CC: M. Jill Gibbons (GIBBONS_M) (OMB)
READ:28-JUL-1995 09:06:52.17

CC: Ronald E. Jones (JONES_RE) (OMB)
READ:28-JUL-1995 10:21:18.30

CC: Ingrid M. Schroeder (SCHROEDER_I) (OMB)

READ:28-JUL-1995 08:40:08.69

CC: Jeffrey A. Weinberg (WEINBERG_J) (OMB)
READ:28-JUL-1995 08:59:47.02

CC: James A. Brown (BROWN_JA) (OMB)
READ:28-JUL-1995 09:51:54.93

CC: Constance J. Bowers (BOWERS_C) (OMB)
READ:28-JUL-1995 08:48:49.73

CC: Melissa Y. Cook (COOK_MY) (OMB)
READ:28-JUL-1995 07:51:47.61

CC: Anna M. Briatico (BRIATICO_A) (OMB)
READ:28-JUL-1995 08:17:32.38

CC: Christopher J. Mustain (MUSTAIN_C) (OMB)
READ: 2-AUG-1995 11:42:42.80

CC: Robert J. Pellicci (PELLICCI_R) (OMB)
READ:28-JUL-1995 08:27:13.09

CC: James C. Crutchfield (CRUTCHFIEL_J) (OMB)
READ:28-JUL-1995 09:27:49.26

CC: Elyse H. Fitter (FITTER_E) (OMB)
READ:28-JUL-1995 09:12:02.85

CC: Michael L. Goad (GOAD_M) (OMB)
READ:28-JUL-1995 07:54:18.66

CC: Annette E. Rooney (ROONEY_A) (OMB)
READ: 8-AUG-1995 10:52:23.49

CC: Dena B. Weinstein (WEINSTEIN_D) (OPD)
READ:28-JUL-1995 07:49:54.37

CC: Stacey L. Rubin (RUBIN_S) (WHO)
READ:28-JUL-1995 08:16:13.94

CC: Jennifer N. Palmieri (PALMIERI_J) (OMB)
READ:28-JUL-1995 11:10:44.53

CC: Karin L. Kizer (KIZER_K) (OMB)
READ:28-JUL-1995 13:01:30.67

CC: Margaret R. Shaw (SHAW_M) (OMB)
READ:28-JUL-1995 10:27:57.33

CC: Deborah F. Kramer (KRAMER_D) (OMB)
READ:28-JUL-1995 08:02:56.44

CC: Diane G. Limo (LIMO_D) (OMB)
READ:28-JUL-1995 11:53:32.10

CC: Alice E. Shuffield (SHUFFIELD_A) (OMB)
READ:28-JUL-1995 19:16:32.89

CC: Janet L. Graves (GRAVES_J) (OMB)

READ:28-JUL-1995 09:17:52.80

CC: James I. Blount (BLOUNT_J) (OMB)
READ:28-JUL-1995 09:02:30.36

CC: Lara L. Roholt (ROHOLT_L) (OMB)
READ:28-JUL-1995 12:38:22.85

CC: Philip R. Dame (DAME_P) (OMB)
READ:14-AUG-1995 10:09:22.30

CC: Alan B. Rhinesmith (RHINESMITH_A) (OMB)
READ:28-JUL-1995 08:12:26.21

CC: Kenneth L. Schwartz (SCHWARTZ_K) (OMB)
READ:28-JUL-1995 09:31:55.19

CC: Barry T. Clendenin (CLENDENIN_B) (OMB)
READ:28-JUL-1995 07:16:57.92

CC: Robert B. Rideout (RIDEOUT_R) (OMB)
READ:28-JUL-1995 10:58:59.07

CC: Philip A. DuSault (DUSAULT_P) (OMB)
READ:28-JUL-1995 09:23:34.37

CC: Phebe N. Vickers (VICKERS_P) (OMB)
READ:NOT READ

CC: Kathleen Peroff (PEROFF_K) (OMB)
READ:28-JUL-1995 10:30:20.90

CC: Ron Cogswell (COGSWELL_R) (OMB)
READ:28-JUL-1995 13:16:11.65

CC: Barry White (WHITE_B) (OMB)
READ:28-JUL-1995 14:08:30.14

CC: Richard P. Emery Jr. (EMERY_R) (OMB)
READ:28-JUL-1995 08:25:23.92

CC: Barbara C. Chow (CHOW_B) (WHO)
READ:28-JUL-1995 08:40:51.07

CC: Robert E. Barker (BARKER_R) (OMB)
READ:28-JUL-1995 10:43:18.05

CC: Mark Gearan (GEARAN_M) Autoforward to: Angus S. King
READ:28-JUL-1995 08:34:05.30

CC: Donald A. Baer (BAER_D) (WHO)
READ:NOT READ

CC: Ann F. Walker (WALKER_A) (WHO)
READ:21-AUG-1995 10:41:15.85

CC: Todd Stern (STERN_T) (WHO)
READ:NOT READ

CC: Kelly Musick (MUSICK_K) (OMB)

READ:28-JUL-1995 08:25:54.84

CC: Nancy L. Brandel (BRANDEL_N) (OMB)
READ:28-JUL-1995 11:44:51.57

CC: Christopher F. Walker (WALKER_C) (WHO)
READ:NOT READ

CC: Deborah L. Shaw (SHAW_D) (OMB)
READ:28-JUL-1995 07:23:39.60

CC: Gene B. Sperling (SPERLING_G) Autoforward to: Elena R. Mcc
READ:28-JUL-1995 07:57:34.09

CC: Timothy J. Keating (KEATING_T) (WHO)
READ:28-JUL-1995 09:50:53.42

CC: Kathryn Higgins (HIGGINS_K) (WHO)
READ:28-JUL-1995 14:25:01.71

CC: Stephen B. Silverman (SILVERMAN_S) (WHO)
READ:28-JUL-1995 11:26:08.48

CC: Bruce N. Reed (REED_B) (OPD)
READ:28-JUL-1995 14:57:07.29

CC: Jeremy D. Benami (BENAMI_J) (OPD)
READ:28-JUL-1995 12:46:54.48

CC: Douglas B. Sosnik (SOSNIK_D) (WHO)
READ:28-JUL-1995 10:51:14.49

CC: Karen L. Hancox (HANCOX_K) (WHO)
READ:28-JUL-1995 08:25:19.44

CC: Shelley N. Fidler (FIDLER_S) (CEQ)
READ:28-JUL-1995 11:09:26.72

CC: Janet L. Himler (HIMLER_J) (OMB)
READ:28-JUL-1995 08:18:23.56

CC: Daniel Tate (TATE_D) (WHO)
READ:28-JUL-1995 18:16:41.61

CC: John C. Angell (ANGELL_J) (WHO)
READ:28-JUL-1995 10:15:17.55

TEXT:
\d
PRINTER FONT 12_POINT_ROMAN

TO: ALICE RIVLIN
cc-
□
-Lew, Griffin, Tyson, Angell, Foley, OMB/2d Floor,
DADs, LRD, Gibbons, Cabinet Affairs, CEQ
FROM: CHUCK KONIGSBERG
SUBJECT: STATUS REPORT ON PENDING LEGISLATION

PRINTER FONT 14_POINT_HELVETICA

Congress on Thursday:
PRINTER FONT 12_POINT_COURIER
Senate today passed S 641, Ryan White CARE Reauthorization (97
-3)
and continued consideration of S 1061, Congressional Gift Reform Act of 1995. House today began consideration of HR 2099, VA/HUD Appropriations.

PRINTER FONT 14_POINT_HELVETICA
Schedule change on Foreign Relations/Foreign Aid Reduction Bills:
PRINTER FONT 12_POINT_COURIER
The cloture vote on S. 908, the Foreign Relations Bill, previously scheduled for Friday morning has been postponed until late Monday. The cloture vote on S. 961, the Foreign Aid Reduction Bill, has been vitiated (i.e. cancelled). (The SAP on S. 961 was transmitted Thursday evening -- Secretary of State, Secretary of Defense, UN Ambassador, AID Administrator would recommend the bill be vetoed.

PRINTER FONT 14_POINT_HELVETICA
Ways & Means may incorporate entire tax bill:
PRINTER FONT 12_POINT_COURIER
This afternoon Congress Daily reported Ways & Means Chairman Archer as having said that CBO has agreed to score a procedural device which would permit them to include their previously passed tax bill in the Reconciliation Bill -- notwithstanding the fact that the tax bill loses $354 billion and the Reconciliation instructions permit tax cuts only up to $245 billion over 7 years. The device Archer is looking at is the inclusion of language providing that each revenue provision is multiplied by 245/354. Archer said the CBO decision is "informal" and not yet in writing; and that the House Republican leadership has not signed off on the proposal, but is "very close." This procedure would enable Archer to technically comply with the Reconciliation instructions, but also effectively bring the entire tax bill into the conference.
I have not yet verified this with CBO. However, it would seem that such a device raises numerous difficulties. While a child tax credit could be dialed down by a particular fraction in order to scale back the revenue loss, it is difficult to imagine how other tax provisions, such as repeal of AMT could be so reduced -- given that revenue estimates are often based on the number of individuals estimated to utilize a provision.

PRINTER FONT 14_POINT_HELVETICA
Appropriations Status Report:

PRINTER FONT 12_POINT_COURIER
The appropriations status report, on the 4th page of the daily, has been reformatted to display a history of SAPs and letters on each of the appropriations bills.

PRINTER FONT 14_POINT_HELVETICA
SENATE FLOOR SCHEDULE:

PRINTER FONT 12_POINT_COURIER

Friday, July 28:
- Complete consideration of S 1061, Congressional Gift Reform Act.
  [SAP sent 7/27 -- "The Administration strongly supports"]

Monday, July 31:
- Begin consideration of Energy/Water Appropriations.
  [SAP being developed]
- Cloture vote on motion to proceed to S 908, Foreign Relations Revitalization Act
[SAP containing multi
□
-agency veto threat sent 6/28/95;
Presidential veto threat released 7/26]

DOLE'S LIST TO BE DONE BEFORE RECESS:
□
-S 961, Foreign Aid Reauthorization
  [SAP sent 7/27 -- State/Defense/UN/AID veto threat]
□
-Possibly return to S. 343, Reg. Reform (if Dole can get additional votes for cloture)
[SAP containing multi
□
-agency veto threat sent 7/10]
□
-Possible Appropriations Bills
  - Interior
  - Energy
  - Treasury/Postal
  - Defense
  - Agriculture
□
-S 1026, Defense Authorization
□
-HR 4, Welfare Reform
NOTE - DOLE ANNOUNCED THAT SATURDAY SESSIONS ARE POSSIBLE JULY 29, AUGUST 5, AND AUGUST 12. RECESS - DELAYED TO AUGUST 12.
□

PRINTER FONT 14_POINT_HELVETICA
HOUSE RULES COMMITTEE:
PRINTER FONT 12_POINT_COURIER
Friday-
□
-Labor/HHS; and Defense Appropriations

Next Week--
Monday-
□
-S 21, Lifting the Arms Embargo on Bosnia (tentative)
Wednesday-
□
-Telecommunications (tentative)

PRINTER FONT 14_POINT_HELVETICA
HOUSE FLOOR SCHEDULE:
PRINTER FONT 12_POINT_COURIER
Friday 7/28:

- VA/HUD Appropriations
  [SAP sent 7/26-
□
-POTUS veto threat]

Week of July 31 (tentative):
- HR --, Defense Appropriations
  [Rules SAP sent 7/27 -- serious concerns]
- HR 2099, Labor/HHS Appropriations
  [Rules SAP sent 7/27 -- POTUS would veto]
- HR 1555, Telecommunications (time permitting)
  [SAP is being developed]

Floor action between July 4th and August Recess:
- Bosnia (possibly as a free
□
-standing bill or as an amendment)
  [No SAP is under consideration at this time]
- Lock
□
-Box (as amendment to Labor/HHS)
  [Position under consideration]
- Anti
□
-Terrorism??

Other pending legislation:
HR 1332, the Omnibus Insular Areas Act, may be taken up.
  [SAP being developed with a DOI veto recommendation.]
(If you have questions about the House or Senate legislative schedules, contact Lydia Muniz at OMB Legislative Affairs, 54790.)
□
\d
PRINTER FONT 14_POINT_HELVETICA
APPROPRIATIONS --
SUPPORT/OPPOSITION
PRINTER FONT 10_POINT_ROMAN
Agriculture (HR 1976)
□
-House subcommittee reported-
□
-OMB letter 6/21: serious objections.
□
-House committee reported-
□
-Floor SAP 7/18: Agriculture/OMB veto recommendation.

C/J/S (HR 2076)
□
-House subcommittee reported-
□
-OMB letter 7/18: Attorney General/Commerce/
  OMB veto recommendation.
□
-House committee reported-
□
-Rules SAP 7/20: Attorney General/Commerce/
  OMB veto recommendation.

□
-House committee reported-
□
-Floor SAP 7/24: Attorney General/Commerce/
OMB veto recommendation.

Defense
□
-House subcommittee reported-
□
-OMB letter 7/20: Administration does not
support.
□
-House committee reported-
□
-Rules SAP 7/27: serious concerns.

DC

Energy/Water (HR 1905)
□
-House subcommittee reported-
□
-OMB letter 6/20: strongly opposed.
□
-House passed-
□
-OMB letter 7/20: strongly opposed.

Foreign Ops (HR 1868)
□
-House committee reported-
□
-Floor SAP 6/22: difficulty supporting if
improvements are not made.

Interior (HR 1977)
□
-House subcommittee reported-
□
-OMB letter 6/21: serious objections.
□
-House committee reported-
□
-Floor SAP 7/12: OMB/Interior veto
recommendation.
□
-House passed-
□
-OMB letter 7/25: OMB/Interior veto recommendation.

Labor/HHS/Ed
□
-Panetta, 7/11: if subcomm. chairman's mark reaches the President's desk
in its current form, "h
veto."
□

-House subcommittee reported-
□
-OMB letter 7/19: President would veto.
□
-House committee reported-
□
-Rules SAP 7/27: President would veto.

Leg Branch (HR 1854)

□
Mil Con (HR 1817)
□
-House subcommittee reported-
□
-OMB letter 6/13: would support if modified.
□
-House committee reported-
□
-Rules SAP 6/15: would support if modified.
□
-House
□
-passed-
□
-OMB letter 7/18: strongly objects to certain provisions.
□
-Senate committee reported-
□
-Floor SAP 7/20: strongly objects to certain
provisions.
Transportation (HR 2002)
□
-House committee reported-
□
-Rules SAP 7/19: serious objections.
□
-House committee reported-
□
-Floor SAP 7/21: serious objections.

Treasury/Postal (HR 2020)
□
-House subcommittee reported-
□
-OMB letter 7/10: serious objections.
□
-House committee reported-
□
-Floor SAP 7/17: OMB/Sr.WH officials/OPM veto
recommendation.
□
-House
□
-passed-
□
-OMB letter 7/24: OMB/Sr.WH officials/Treasury/OPM veto
recommendation.
□

-Senate subcommittee reported-

-POTUS STATEMENT on ONDCP 7/26: As this bill
is now constructed,
not sign it.

-Senate subcommittee reported-

-OMB letter 7/27: Treasury veto
recommendation.

VA/HUD/Independent Agencies

-House subcommittee reported-

-Panetta statement 7/11: President will
veto.

-House subcommittee reported-

-OMB letter 7/17: senior advisors veto
recommendation.

-House committee reported-

-Rules SAP 7/24: President would veto bill.

-House committee reported-

-Floor SAP 7/26: President would veto bill.

\d
PRINTER FONT 14_POINT_HELVETICA
BUDGET RECONCILIATION STATUS REPORT

PRINTER FONT 10_POINT_ROMAN
Changes from previous day indicated by asterisk (*).

PRINTER FONT 14_POINT_HELVETICA
House: (Sept. 22 reporting deadline)
PRINTER FONT 12_POINT_COURIER
No committees have scheduled legislative action before the August recess. Hearings are beginning, particularly in the areas of Medicare and Medicaid.
Agriculture -- Chairman Roberts expects to mark up in September. He may seek to turn price support programs into a "capped entitlement" to give greater certainty to lenders and users. He will be seeking to structure action to defend against other cuts especially in commodity programs.
Banking -- No specific action on reconciliation bill. Chairman Leach has indicated he may try to attach his bank overhaul bill (HR 1858) to it.
Commerce -- Holding hearings on Medicare and Medicaid, some jointly with Ways and Means, no schedule for mark up yet.
Econ & Educational Opp--
Govt Reform--
Internat'l Rel--
Judiciary--
Nat'l Sec--
Resources--

Transportation--
Veterans--
Ways & Means-
□
-Not expected to mark
□
-up until September.
Expected to incorporate by reference pieces of the
House
□
-passed welfare reform and tax bills. Chairman Archer
announced today that CBO has agreed to score the $354 billion
tax cut bill passed earlier this year at $245 billion which
allows him to avoid having to re
□
-open the bill in committee
(would reduce the $500 per child tax credit to approximately
$345 per child). He has stated that this is merely a
mechanism to get expedite getting to conference, not a sign
that the tax cuts would be reduced in conference.
PRINTER FONT 14_POINT_HELVETICA
Senate: (Sept. 22 reporting deadline for spending
cuts, but 5 days following CBO certification for
tax cuts)

PRINTER FONT 12_POINT_COURIER
Agriculture--

Armed Services--
Banking--
Commerce--
Energy--
Environment & PW--
Finance--Not expected to mark
□
-up until September. Finance has
the heaviest load in the Congress, with all of Medicare,
Medicaid, most of welfare, and all the tax cuts to report.
Moreover, with an 11
□
-9 split, the Republicans need every vote
to report out a Reconciliation package; however, the
Republicans may have trouble holding Chafee's vote. In
addition, Pressler is up for election next year and D'Amato
has the seniors vote to worry about.
Govt Affairs--
Judiciary--
Labor--
Veterans--
□
\d
PRINTER FONT 12_POINT_ROMAN

PRINTER FONT 14_POINT_HELVETICA
SUMMARY of ADMINISTRATION OPPOSITION
PRINTER FONT 10_POINT_ROMAN
[Prepared by OMB/LRD and OMB/LA]
(NON
□
-APPROPRIATIONS)

(Note: For details on the legislation listed below, including the basis for opposition, see the "STATUS OF MAJOR LEGISLATION" List that follows - note the item #; for appropriations items, see the "APPROPRIATIONS -- SUPPORT/OPPOSITION" file, above.)

Changes from previous day indicated by asterisk (*).

PRINTER FONT 14_POINT_HELVETICA
Vetoes:

PRINTER FONT 10_POINT_ROMAN
Rescissions/Supplemental - HR 1158

PRINTER FONT 14_POINT_HELVETICA
Presidential Veto Threats:

PRINTER FONT 10_POINT_ROMAN
Assault Weapons Ban

Clean Water Amendments of 1995 - HR 961 [Item # 202]
Davis
□
-Bacon - S 141 [Item #303]
*Foreign Affairs Authorization/Merge AID, ACDA, USIA into State -
HR 1561, S. 908, S. 961 [Item #102]

Loser Pays - Civil Litigation - HR 988 [Item #9]

National Security Bill - HR 872 [Item #101]
Product Liability/Civil Litigation - HR 956 [Item #8]

Student Loans

Takings/Private Property Protection - HR 925 and S 605 [Item #6]
Tax Fairness and Deficit Reduction Act - HR 1215 [Item #3]
100,000 cops - HR 728, Law Enforcement Block Grants [Item #4]
Welfare Reform - HR 4 [Item #301]
Dismantling Commerce Department - HR 1756 and S929 [Item #22]

*Bosnia - S. 21 [Item 105]
*Americans with Disabilities Act Revisions - July 26, POTUS said he would veto "any substantive change to the ADA."
□
PRINTER FONT 14_POINT_HELVETICA
Multiple Agency Veto Threats:
PRINTER FONT 10_POINT_ROMAN
Comprehensive Regulatory Reform Act of 1995 - S 343 [Item #5]

Regulatory Moratorium - HR 450 [Item #7]

PRINTER FONT 14_POINT_HELVETICA
Single Agency Veto Threats:
PRINTER FONT 10_POINT_ROMAN
Financial Institutions Regulatory Relief Act of 1995 - HR 1362 [Item #16]
Food Stamps - Block Grant, HR 4, HR 1997, and S 904 [Items #201, 301, & 310]
Jerusalem Embassy - S 770 and HR 1595 [Item #104]
Mining Law - S 506 [Item #207]
National Defense Authorization Act - HR 1530 [Item #103]

National Highway System Designation Act of 1995 - S 440 [Item #14]
Service Contract Repeal Act - [Item #304]
Teamwork for Employees & Managers Act - HR 743 [Item #307]
Utah Wilderness - HR 1745 [Item #208]

OSHA Reform - HR 1834 [Item #311]
□
PRINTER FONT 14_POINT_HELVETICA
Strongly Oppose:

PRINTER FONT 10_POINT_ROMAN
Federal Retirement Reform - HR 1215 and HR 1185 [Item #401]

Highway Off
□
-Budget - HR 842 [Item #15]
HUD Elimination Act - S 435 [Item #13]
Livestock Grazing Act - S 852 [Item #209]
National Highway System Designation Act of 1995 - S 440 [Item #14]
Pipeline Safety Act - HR 1323 [Item #21]
Risk Assessment - HR 1022 [Item #5]
Telecommunications - S 652 [Item #11]

PRINTER FONT 14_POINT_HELVETICA
Oppose:
PRINTER FONT 10_POINT_ROMAN
Lorton Closure - HR 461 [Item #17]
Regulatory Sunset and Review Act of 1995 - HR 994 [Item #20]
Service Contract Repeal Act - HR 246 [Item #304]

PRINTER FONT 14_POINT_HELVETICA
Oppose Unless Amended:

PRINTER FONT 10_POINT_ROMAN
Securities Litigation Reform - HR 1058 [Item #10]
Violent Criminal Incarceration - HR 667 [Item #4]
□
\d

PRINTER FONT 14_POINT_HELVETICA
STATUS OF MAJOR (Non
□
-Appropriations) LEGISLATION
PRINTER FONT 10_POINT_ROMAN
[Prepared by OMB/LRD]
PRINTER FONT 12_POINT_ROMAN
(Note: Parentheticals indicate who is tracking; bills grouped by RMO)

[Changes from previous day indicated by asterisk (*)]

PRINTER FONT 14_POINT_HELVETICA
GENERAL GOVERNMENT & FINANCE:

PRINTER FONT 10_POINT_ROMAN
1. Budget Resolution: (Konigsberg)
House completed action on HConRes 67 on 5/18, passing the Kasich budget plan 238
□
-193. Senate completed action on 5/25, passing the

Domenici budget 57
□
-42. Budget Resolution conference agreement
passed the House on 6/29 by a vote of 239
□
-194, and passed the Senate
the same day by a vote of 54
□
-46 (party line).
2. Item Veto: (Konigsberg/J. Gibbons)
House passed HR 2 (enhanced rescission) on February 6, (294
□
-134).
Senate passed S 4 (separate enrollment) on March 23, (69
□
-29).
Conference: On June 20, the Senate requested a conference and
appointed conferees.
3. Tax Fairness and Deficit Reduction Act: (R. Jones)
House passed HR 1215 on April 5, (246
□
-188) including tax cuts (child
credit, IRAs, repeal taxes on soc.sec., neutral cost recovery,
corporate AMT, cap gains, expensing, adoptions, marriage penalty
credit, long
□
-term care incentives); raise soc. sec. earnings limit;
spending caps; Medicare extenders; spectrum extender; uranium
enrichment; Federal retirement reforms; and automatic sequester of
amounts taxpayers dedicate to debt reduction. SAP--"If...presented
...in its current form, the Secretary of the Treasury and the
Director of OMB would recommend a veto." Senate not expected to
take up HR 1215, as passed by the House, however components of the
bill may be considered in the context of Reconciliation. Basis for
opposition: Bill is fiscally irresponsible and would provide
disproportionate tax benefits to the wealthy at the expense of
programs for average Americans.
4. Crime Bills: (R. Jones)
House split their original crime bill into 7 smaller pieces and passed
6 of them--
? HR 665, requiring restitution for victims of federal crimes,
passed February 7 (431
□
-0); SAP--"supports passage."
? HR 666, allowing federal prosecutors to use improperly obtained
evidence if police officers acted in "good faith"; would apply with
and w/o warrants. Passed February 8, (289
□
-142). SAP
□
-support only if
amended to apply only where warrants have been obtained.
? HR 729, containing reforms affecting federal habeas corpus review
of state criminal judgments and collateral review of federal
judgements, and requiring federal juries to impose death sentences
in certain cases. Passed February 8 (297
□
-132). SAP-
□
-support if DOJ

concerns addressed.
? HR 667, would replace the prison funding program enacted in '94 Act with allocations based on sentencing criteria; and would limit prisoner litigation. Passed February 10, (265
□
-156). SAP-
□
-oppose
unless amended. Basis for opposition: Proposed distribution of prison grants is inferior to current program; drug court program would be repealed.
? HR 668, to expedite the deportation of aliens who commit serious crimes and reimburse states for incarceration of criminal aliens.

Passed February 10, (380
□
-20). SAP-
□
-support if amended to offset the
increased direct spending ($600m/yr).
? HR 728, combining last year's grants for 100,000 cops and crime prevention into block grants. Passed February 14, (238
□
-192).
SAP-
□
-Presidential veto threat. Basis for opposition: Bill repeals police grants program, which provides for 100,000 cops. It also eliminates many crime prevention programs.

Senate action on crime legislation not yet scheduled. However, habeas corpus provisions related to those in HR 729 are included in the Senate
□
-passed anti
□
-terrorism bill (S 735, discussed below).
5. Reg Reform/Risk Assessment: (H. Fitter)
House passed HR 1022, Risk Benefit and Cost Benefit Act of 1995 on February 28th (286
□
-141), requiring Federal agencies to perform
highly detailed analyses of the risks that proposed health, safety and environmental regulations seek to address. SAP sent to the House on February 27, 1995, strongly oppose HR 1022. Basis for opposition:
HR 1022 would impose overly broad, prescriptive, and costly analytical requirements on the regulatory process, encourage excessive litigation, and supersede the substantive requirements of many existing health, safety, and environmental laws (i.e., the so
□
-called supermandate).
Senate - Senate Floor action on S 343 began on 6/28. A 7/17/95 cloture vote failed (48
□
-46); a second cloture vote on 7/18/95 also
failed (53
□
-47); a third cloture vote failed (58

□
-40) on 7/20/95. A
SAP was transmitted on 7/10/95: veto threat by Secretaries of Labor, Agriculture, Health and Human Services, Housing and Urban Development, Transportation, the Treasury, and the Interior, and the Administrator of EPA, and the Director of OMB. In addition, in a 6/23/95 letter to Senators Dole and Daschle, OMB OIRA Administrator Katzen stated "we continue to have serious concerns with S 343, and I would recommend that the President veto it if it were presented to him in its current form." Basis for opposition: Would impair rather than improve the regulatory process by generating additional costs, paperwork, litigation, and delay.
6. Private Property Rights/Takings: (M. Goad)
On March 3rd, the House passed HR 925 (277
□
-148), subsequently
incorporated the bill into HR 9, and then passed HR 9 (277
□
-141).
HR 925 would require certain Federal agencies to compensate financially landowners if regulatory actions (taken under Endangered Species Act, and wetlands, farm, and water rights laws) cause a decrease of at least 20 percent in the fair market value of any portion of the landowners' properties. The agencies would be required to offer to purchase the property if the regulatory action causes a decrease of more than 50 percent in the property's value.
SAP on HR 925-
□
-strongly oppose (3/1/95). On April 7th, POTUS said,
"I will also veto the House
□
-passed requirement that government pay
property owners billions of dollars every time we act to defend our national heritage of seashores or wetlands or open spaces." Basis for opposition: Undermines Federal authority to protect the general welfare; expands the traditional concept of Fifth Amendment "takings"; creates new direct spending; and imposes an unlimited fiscal burden in the form of an arbitrary, automatic compensation requirement for reductions in property values that are attributable to Federal actions.

The Senate Judiciary Committee held an April 6th hearing on S 605 (Dole/ Hatch). (S 605 has a 33 percent threshold, and would apply to all Federal agencies.) In testimony presented at the hearing, Justice threatened veto. In separate letters sent to Sen. Hatch in May and June, Agriculture, Army
□
-Civil Works, Defense, EPA, GSA, HHS,
Interior, Justice, Transportation, and Treasury advised that they

would recommend veto. In a June 7th letter to Sens. Hatch, Biden, Dole, and Daschle, OMB Director Rivlin advised that, due to the significant increase in Federal spending that would result if S 605 were enacted, she would recommend veto. The Committee has not yet scheduled the mark up of S 605, but may do so at any time. The Senate Environment and Public Works (EPW) Committee held a June 27th hearing at which Interior and Justice advised that they would recommend veto of S 605 and HR 925. In an additional EPW hearing on July 12th, EPA, Army (Corps), and OMB advised that they would recommend a veto of S.605 or similar legislation. The Committee may hold an additional hearing later this month. Basis for opposition: Same as opposition to House bill.

7. Reg Moratorium/Waiting Period: (J. Weinberg)
House passed HR 450 on Feb. 24 by 276
□
-146. The bill would establish
a "moratorium period" -- Nov. 20, 1994 through Dec. 31, 1995 or enactment of reg reform, whichever is earlier -- during which a Federal agency may not take any "regulatory rulemaking action" unless it falls within a specified emergency exception (i.e. military or foreign affairs functions, international trade agreements, agency management, certain banking regulatory matters, implementation of the internal revenue laws; matters relating to loans, grants, benefits, or contracts). Also exempted: regs determined by OIRA to be necessary because of an imminent threat to health or safety or other emergency or necessary for the enforcement of criminal laws. SAP--"The President has stated that a moratorium on regulations, as provided for in H.R. 450, is not acceptable....the Secretaries of Agriculture, Energy, Health and Human Services, Housing and Urban Development, the Interior, Labor, Transportation, and the Treasury, the Attorney General, and the Administrator of the Environmental Protection Agency would recommend that it be vetoed." (In addition, POTUS said on 4/7/95, "if Republicans send me a bill that would let unsafe planes fly or contaminated water continue to find itself into city water systems, I will veto it." Veto threat reiterated in Earth Day speech, 4/21/95.) Basis for opposition: Would prevent the issuance of meritorious rules.
Senate passed S. 219 on March 29 by 100
□
-0; under the Senate version,
regs would not go into effect for 45 days, during which time Congress could enact a disapproval resolution. A March 29 statement by the President called the 45
□
-day review period "the right way to
reform regulation."
□
Conference: On June 16, the Senate requested a conference and appointed conferees.
8. Product Liability/Civil Litigation/Medical Malpractice: (I. Schroeder)
House passed HR 956 on March 10 (265
□
-161). It would cap punitive
damages in all civil cases and would cap non
□
-economic (pain and
suffering) damages in suits against health providers and insurers. Basis for opposition: Product liability reform should generally be left to the States; punitive damages shouldn't be arbitrarily capped; and differential treatment of "economic" and "noneconomic" (e.g., "pain and suffering" damages is inappropriate. (March 6th Reno/Mikva letter.)

Senate passed HR 956 on May 10 (61
□
-37). It would cap punitive
damage awards by juries in product liability cases at $250,000 or twice compensatory damages (economic and non

-economic damages),
whichever is greater. Judges could override those limits in "egregious" cases. Punitive damage awards in product liability cases could not exceed $250,000 for small businesses. Basis for opposition: A May 10th White House statement said the Senate

-passed
liability bill "in its present form does not go far enough toward balancing the interests of consumers with those of manufacturers and sellers." The statement also stated the Administration's concerns regarding the limits on punitive damages adopted by the Senate and reiterated the Administration's opposition to provisions which would abolish joint and several liability. (A provision limiting punitive damage awards in all civil lawsuits, which was the subject of a May 4th Presidential veto threat, was later limited to product liability cases only.)
Conference not scheduled and conferees have not been appointed. Media reports indicate that Speaker Gingrich may defer conference until the fall.
According to press reports, the Senate may take action on a separate bill to curb medical liability late this summer.

9. Loser Pays - Civil Litigation: (I. Schroeder)
House passed HR 988 on March 7 (232

-193). Basis for opposition: The
bill, which would affect only Federal civil suits involving parties from different States, would impose a modified "loser pays" rule, intended to encourage parties to settle out of court. The President said on 4/7/95 that he "will veto any bill with a 'loser pay' requirement such as that was in the House bill." In the Senate, provisions similar to those of HR 988 were added to -- and subsequently deleted from -- the product liability bill (HR 956) on the Senate floor.

10. Shareholder Suits: (I. Schroeder)
House passed HR 1058 on March 8 (325

-99). Basis for opposition:
Could lead to inadequate deterrence against financial fraud. (March 6th Reno/Mikva letter.)
Senate passed HR 1058 on 6/28/95 (69

-30). SAP sent to Senate on
6/23/95 states that the Senate version (previously S. 240) "is now a substantial improvement on [the House version of] H.R. 1058, which the Administration could not support." The statement recommended amendments to: (1) clarify that safe harbors should not protect purposefully misleading statements; (2) restore liability for aiding and abetting in private action that follow a SEC action; and (3) extend the statute of limitations for private securities fraud actions to five years after a violation occurs. The SAP opposed a provision in the bill that would establish proportionate liability for reckless defendants and recommends replacing it with an amendment that would require culpable solvent defendants to pay up to two times their proportionate share of the damages, when a

portion of the award is uncollectible.
Conference not scheduled.

*11. Telecommunications Reform: (J. Weinberg)
House Commerce Committee-
□
-Reported HR 1555 on July 24th. House
Judiciary Committee-
□
-Reported HR 1528 on July 24th.
House floor action is possible during the week of July 31st.
Significant leadership
□
-backed amendments are expected on the House
floor.

Senate passed S. 652 on June 15th, 81
□
-18. SAP strongly opposed
Commerce Committee
□
-reported bill. White House Press Office issued
an Administration statement on Senate passage of S 652 on June 16: "The Administration's position on the final legislation will depend on the extent to which the Administration's concerns have been addressed satisfactorily during the course of the entire legislative process." VP said on April 3 that he opposes the Senate Commerce Committee bill, and on April 4 the VP clarified in a letter, "I did not say that the President would veto the bill, since it is too early for such a decision...." Basis for opposition: Would result in higher phone and cable bills and decrease competition for phone and cable services.
12. Banking and Insurance Reform: (R. Jones)
House Banking Committee marked up Chairman Leach's HR 1062 on May 18. This bill would permit banks and securities firms to affiliate, allowing banks to underwrite securities and permitting securities firms to own banks. HR 1062 was reported by the House Commerce Committee on June 22. HR 1062 may move to the House floor in tandem with HR 1858, a banking regulatory relief bill. (See below for discussion of HR 1858 - Banking Deregulation.)
13. HUD Elimination Act: (A. Briatico)
Although no specific hearings have been held on S. 435, a number of Senate hearings have been held on "reinventing" HUD. HUD, Justice, and OMB have sent letters to the Senate Banking, Housing, and Urban Affairs Committee strongly opposing Title II of S. 435. Title II would transfer to Justice all of the responsibilities currently assigned to HUD under the Fair Housing Act. Basis for opposition: The administration of these authorities is best accomplished by HUD, which has the infrastructure to handle these responsibilities.
□
14. National Highway System: (J. Brown)
Senate bill (S. 440) passed the Senate on June 22nd. It would designate routes for the new National Highway System (NHS). Absent designation of the NHS, DOT will be unable to obligate $6.5 billion in highway funding in FY 1996. Basis for opposition: Repeal of national maximum speed limit law and motorcycle helmet requirements. (SAP to Senate, 6/15/95. A provision repealing Davis
□
-Bacon
□
-type
labor protections, which was the subject of a Secretary of Labor veto threat in the SAP, was deleted on the Senate floor.) House

committee action expected August 2nd.
15. Highway Trust Fund Off
□
-Budget Bill: (J. Brown)
House bill (HR 842) was ordered reported by House Transport. Cte. on May 3. Will be sequentially referred to Budget and Gov. Reform & Oversight Committees. (The Speaker has stated that he will appoint a task force to study issues raised by this bill.) Basis for opposition: Bill removes four trust funds from the Budget -- inconsistent with unified budget. (Rivlin letter to Chairman Shuster, 3/27/95.) Senate bill (S. 729) was introduced on April 27 by Sens. Baucus and Lott.
16. Banking Deregulation: (R. Jones)
House Banking Committee reported Chairman Leach's HR 1858 (successor to HR 1362) on July 18. This bill may go to the House floor in tandem with HR 1062 (listed above). Basis for opposition: Weakens important safeguards for assuring the safety and soundness of FDIC
□
-insured depository institutions and would eviscerate the Community Reinvestment Act. (Secretary Rubin issued a veto threat in a 6/29/95 letter to Chairman Leach.) Senate bill (S 650) is pending in the Senate Banking Committee. The Senate bill contains some, but not all, of the troublesome provisions.

17. Lorton Closure: (M.Cook)
The House Government Reform and Oversight D.C. Subcommittee has held a couple of hearings this year on HR 461, the "Lorton Correctional Complex Closure Act." At these hearings, no Administration witnesses were asked to testify. Justice, however, expects Administration witnesses to be invited to testify at future Subcommittee hearings on this matter. On 3/16/95, Justice sent a letter to this Subcommittee opposing HR 461. Basis for opposition: The approach of HR 461 is "seriously flawed" but alternatives, which will be discussed with the Congress, exist to remedy the Lorton issue.
18. Housing for Older Persons Act: (M.Cook)
On April 6, 1995, HR 660 passed the House by a vote of 424 to 5. The Administration sent a SAP on 4/6/95 opposing H.R. 660. The Senate has not taken any action on this bill yet. Basis for opposition: Amends the Fair Housing Act in a way that would loosen the standards used to determine what housing qualifies for the "housing for older persons" exemption, potentially increasing discrimination against families. Therefore, the Administration prefers administrative action to clarify the application of the "housing for older persons" exemption. NOTE: The bill's provisions are identical to those of Title IV of HR 8, the "Senior Citizens' Equity Act," a Contract with America bill.
□
19. Counterterrorism: (R. Jones)
Senate passed S 735 on June 7 (81
□
-8) The bill includes many
proposals similar or identical to Presidential proposals (e.g., establishes Federal jurisdiction for terrorist acts, expedites removal of alien terrorists from the U.S., implements the international agreement on marking plastic explosives, etc.). Does not include the Administration's language for funding compliance with the 1994 digital telephony legislation. Includes habeas corpus reforms similar to that passed the House as a free standing bill (H.R. 729, listed under crime heading above). House Judiciary

Committee reported H.R. 1710 on June 20 (23
□
-12). The House bill
also includes many of the President's proposals, including a funding mechanism for digital telephony. Justice does not expect House floor action until September.
20. Regulatory Sunset and Review: (J. Gibbons)
House bill (HR 994) was approved by a Gov. Reform & Oversight Cte. on 7/18/95 with significant amendments by a vote of 39
□
-7. Basis for
opposition: Open
□
-ended in scope, excessively rigid, and
contradictory criteria for review of regulations; paperwork requirements are unworkable. (Katzen testimony of 3/28/95 before House Gov. Reform.) Senate action not scheduled, but could be folded into broader regulatory reform legislation.
21. Pipeline Safety: (J. Brown)
House bill (HR 1323) has been reported by Transportation and Commerce Ctes. Basis for opposition: (1) Authorizes less than 44 percent of the FY 1996 Budget request for pipeline safety activities; and (2) imposes burdensome and costly risk assessment procedures on the pipeline safety rulemaking process. (DOT letter, 5/12/95.)
22. Dismantling Commerce Department: (J. Weinberg)
House bill (HR 1756) hearing was held by two House Commerce Subcommittees on 7/24/95 at which Secretary Brown announced that the President will veto any legislation to dismantle the Commerce Department. Senate bill (S 929) hearing was held by Senate Governmental Affairs on 7/25/95 at which Secretary Brown repeated Presidential veto statement.
Basis for opposition: Commerce Department is working effectively to promote economic growth.

PRINTER FONT 14_POINT_HELVETICA
NATIONAL SECURITY & INTERNATIONAL AFFAIRS:
PRINTER FONT 10_POINT_ROMAN
101. National Security: (A. Rooney)
House passed HR 7 on February 16th (241
□
-181) (star wars was deleted
on the Floor but many objectionable provisions remain which would infringe upon the authority of the President to respond to international crises and conflicts; remove UN peacekeeping as an option for burdensharing; establish an unnecessary Nat'l Security Commission; and mandate policies on NATO membership). On 4/7/95, POTUS said that he would "refuse () to approve the so
□
-called
peacekeeping legislation passed by the House." SAP (Feb. 13th)--State, Defense, and the U.S. Ambassador to the UN would recommend a veto. Basis for opposition: Infringes on President's constitutional authorities as Commander in Chief; and virtually eliminates U.S. participation in UN peacekeeping efforts.
Senate Foreign Relations Committee (SFRC) began hearings on March 21st on S 5, Peacekeeping Powers Act (introduced by Dole) and HR 7. Aspects of S 5 were considered on May 17th as part of the SFRC markup of Foreign Affairs Authorization and Consolidation proposal and deleted from the bill as reported. State advises that

peacekeeping will be considered separately by the Committee at a

later date.
*102. Foreign Affairs Authorization and Consolidation: (A. Rooney)
House passed HR 1561 on June 8th (222 - 192). On May 23rd, the President expressed serious concerns regarding congressional legislation that would "place new restrictions on how America conducts its foreign policy and slash our budget in foreign affairs." Further, the President advised that if HR 1561 passed in its present form, he would veto it. SAP (May 22nd) -- State, DOD, Treasury, the U.S. Ambassador to the UN, AID, USIA, and ACDA would recommend a veto of HR 1561. Basis for opposition: Imposes numerous, far
□
-reaching restrictions on the conduct of American foreign policy; inappropriately consolidates three foreign affairs agencies (AID; ACDA; USIA) into a "super" State Department; and significantly reduces appropriation authorizations for international affairs programs.
Senate Foreign Relations Committee (SFRC) ordered reported Senator Helms' foreign relations authorization and consolidation proposal (S 908) on May 17th by a vote of 10
□
-8. On June 7th, SFRC ordered reported Senator Helms' Foreign Aid Reduction Act (S 961) by a vote of 10
□
-8. On July 26th, the President stated that S. 908 ?would undermine the President?s authority to conduct our nation?s foreign policy and deny us the resources we need to lead in the world.? (The statement also referenced S. 961.) The President concluded that he would veto this legislation in its present form. S 908 is expected to be considered as early as July 26th. SAP (June 28th) -- State, the U.S. Ambassador to the UN, AID, USIA, and ACDA would recommend a veto of S 908. Basis for opposition: Same as opposition to House bill.
103. National Defense Authorization Act: (M. Goad)
House passed HR 1530 (300
□
-126) on June 15th. Sec. Perry, in a June 20th letter to Sen. Thurmond, stated that "[m]any of the provisions . . . are totally unacceptable. Unless they are eliminated or radically modified, they threaten the prospects for the bill itself." SAP on HR 1530-
□
-strongly opposes (6/13/95).
Basis for opposition: Raises serious constitutional, national security, budget, personnel, and management concerns.
Senate Armed Services Committee reported S 1026, the companion bill, on July 12th. The Senate is expected to take up the bill before the August recess.
104. Jerusalem Embassy: (A. Rooney)
S 770/HR 1595 would require the United States to move its embassy to Jerusalem. On June 20th, Secretary Christopher sent a letter to Senator Dole and Speaker Gingrich stating that he would recommend a veto of the legislation. No action scheduled on either bill. Basis for opposition: Potentially very damaging to the success of the Middle East peace process and infringes on the President's constitutional prerogatives in foreign policy.
□

*105. Bosnia: (A. Rooney)
On July 25th, the Senate resumed consideration of S. 21, Bosnia and Herzegovina Self
□
-Defense Act. In July 25th letters to Senators Dole and Daschle, the President expressed strong opposition to S. 21. The President concluded that he would veto any resolution or bill that "may require the United States to lift unilaterally the arms embargo." A similar provision was added to H.R. 1561 during House consideration. (See above for status of H.R. 1561). Basis for opposition: Undermine efforts to achieve a negotiated settlement in Bosnia and could lead to an escalation of the conflict there, including the possible Americanization of the conflict.
PRINTER FONT 14_POINT_HELVETICA
NATURAL RESOURCES, ENERGY & SCIENCE
PRINTER FONT 10_POINT_ROMAN
201. Farm Bill: (C. Crutchfield)
Traditionally a 5
□
-year measure, this legislation will reauthorize a slew of farm, nutrition, rural development, and other USDA programs. The Administration's Farm Bill guidance assumes savings in farm programs of $1.5 billion over five years. The 1996 Budget Resolution calls for cuts in farm programs of $8.5 billion over 5 years and $13.4 billion over 7 years. House and Senate Agriculture committees are currently drafting bill language. Although some markups on discretionary titles are scheduled for late July, committee action on mandatory provisions is not expected until September. (NOTE: In oral remarks before the House and Senate Agriculture committees, Secretary Glickman has stated that the President would veto legislation that block grants Food Stamps. On 7/11/95, a H. Agriculture Subcommittee ordered reported the food and nutrition title of the Farm Bill, HR 1997, which does not contain provisions to block grant Food Stamps.)
202. Clean Water Amendments of 1995: (H. Fitter)
House passed HR 961 on May 16th, by a vote of 240
□
-185. The bill would ease, overhaul, or revoke a number of current law's anti
□
-pollution requirements, allow States to continue to rely on voluntary measures to deal with certain water pollution problems, and restrict the ability of Federal agencies to declare wetlands off limits to development. On May 30, 1995, POTUS stated that the House
□
-passed bill "will not get past my desk." SAP, sent on May 9, 1995, contained multiple agency veto threat (OMB, Justice, EPA, Interior). Basis for opposition: The bill would reduce water quality protection; eliminate fundamental wetlands protections; create enormous new costs (the bill includes a "mandatory compensation" takings provision similar to that contained in HR 925); fail to address effectively non
□
-point source pollution; and paralyze the Federal Government's ability to issue regulations and guidance to protect the Nation's waters. Senate Environment Chairman Chafee has indicated that Clean Water Act reauthorization is not one of his top priorities.

*203. Endangered Species: (M. Goad)
On July 13th and 20th, the Departments of Commerce and the Interior testified on the Endangered Species Act (ESA) before the Senate Environment and Public Works Committee. The Committee may hold additional oversight hearings. CEQ expects that, once the oversight hearings are concluded, Sen. Kempthorne (R) ID will introduce a bill to reauthorize the ESA.
On May 25th, the Departments of Agriculture, Commerce, and the Interior testified before the House Endangered Species Task Force on possible changes to the ESA. CEQ and Interior advise that the House Task Force will not complete drafting legislation to amend the ESA until after the August recess.
204. Safe Drinking Water: (H. Fitter)
Reauthorization of the 1974 law designed to keep contaminants out of

the nation's water supply. State and local officials want a State revolving loan fund for water supply projects and relief from testing requirements. House Commerce staff and Senate Environment and Public Works staff, respectively, are attempting to complete draft bills.

205. Interstate Waste: (H. Fitter)
Senate passed S 534 on May 16th, by a vote of 94
□
-6. S. 534 would
give states more power to restrict both intra and interstate garbage dumping.
206. Superfund Reform: (H. Fitter)
The taxes which fund the hazardous waste clean
□
-up program expire at
the end of 1995. There is support among some Republicans to scale back retroactive liability (which would shift much of the costs to the government). Senate Environment Subcommittee Chair Bob Smith has circulated a "Superfund Reform Outline" containing principles for Superfund reform. A Senate bill may be introduced before the August recess. A July 11, 1995, EPA Administrator Browner letter to Senator Smith stated that the outline "incorporates proposals that are unfair, unworkable, or insufficiently protective of human health and the environment." (EPA is especially concerned about the outline's repeal of strict, joint, and several retroactive liability.) Browner's letter further advised, "we do not believe this outline will establish a viable basis on which to attract the broad support that is needed if we are to achieve Superfund reform in the limited time left in this calendar year." House Transportation and Commerce subcommittee on Hazardous Material has held numerous subcommittee hearings on Superfund reform. On July 17th, Subcommittee Chairman Oxley unveiled his superfund reform proposal which is similar to the Smith outline.

207. Mining Law: (C. Crutchfield)
Senate Energy and Natural Resources Committee is considering changes to Craig's bill (S 506) to win over committee members, such as Johnston, that have proposed a compromise version (S 639). Chairman Murkowski has postponed mark up of the bill indefinitely and indicated the issue would be dropped this session if a compromise is not reached soon. Interior Secretary Babbitt stated in a 5/22/95 letter to Chairman Murkowski that he would recommend a veto of S 506. Basis for opposition: S 506 does not provide for meaningful reform. It would (1) grant rights to purchase valuable Federal

mineral lands at bargain
□
-basement prices; (2) deprive Federal land
managers of authority to protect the environment; and (3) result in little or no return to Federal taxpayers for use of publicly
□
-owned
mineral deposits. Justice also strongly opposed S 506 in a 6/12/95 letter because it would increase litigation over public liability for cleanup. House has not scheduled action.
□
208. Utah Wilderness: (C. Crutchfield)
House National Parks Subcommittee on 7/18/95 approved for full Committee action legislation (HR 1745) designating certain Federal lands in Utah as wilderness. Interior testified 6/29/95 before the Subcommittee that the Secretary would recommend a veto of HR 1745. Basis for opposition: The bill would (1) fail to designate enough land as wilderness; (2) open up for development too much land currently protected as wilderness study areas; and (3) allow road construction and other activities that are incompatible with wilderness designation Senate Energy and Natural Resources Committee has begun consideration of identical legislation (S 884) introduced by Sens. Hatch and Bennett. Interior testified on 7/13/95 before the Committee that the Secretary would recommend a veto of S 884. Basis for opposition: Same as House.
209. Livestock Grazing: (C. Crutchfield)
Senate Energy and Natural Resources Committee ordered reported S 852 on 7/19/95. Interior testified before the Committee on 6/22/95 that it strongly opposed S. 852, introduced by Sen. Domenici and 15 cosponsors to supersede Interior's new regulations for livestock grazing on Federal lands. In a 7/18/95 letter to the Committee, USDA Forest Service also strongly opposed amendments that apply provisions in S. 852 to National Forest System lands. Basis for opposition: S. 852 would (1) establish grazing as a dominant use for public lands over recreation, wildlife protection, and other concerns; (2) limit public involvement in the management of public lands; and (3) raise a number of questions over water rights, fee levels, and compliance with environmental statutes. In testimony on 7/11/95 before the House National Parks Subcommittee, Interior strongly opposed the companion bill (HR 1713).

PRINTER FONT 14_POINT_HELVETICA
HUMAN RESOURCES
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301. Welfare Reform: (M. Cook)
HR 4 (SAP, 3/21/95 said oppose, but in a 4/13/95 CNN interview, POTUS said "I'd be happy to veto"). Basis for opposition: denial of cash benefits to unwed parents under age 18; funding cuts to Food Stamp and other nutrition programs; funding cuts and removal of Federal oversight of State child protection systems; inadequate resources and requirements for States to move people from welfare to work; and inadequate resources for States in times of recession. House passed H.R. 4 on March 23 (234
□
-199) which would replace
current welfare programs with 5 block grants to States (cash welfare; child welfare; child care; school meals; family nutrition). House SAP opposed H.R. 4 because it would: fail to reform welfare by moving people from welfare to work; reduce Federal funding in ways that would impair the health and nutrition of children and

families; and is not tough enough on parents who owe child support, and too tough on innocent children.
Senate Finance Committee reported its version of H.R. 4 on June 9. The bill block grants AFDC, imposes a five
□
-year time limit on
benefits, tightens eligibility for SSI, and strengthens child support enforcement. HHS cited concerns with the bill in a May 24 letter to the Committee. Senator Packwood indicated May 15 that the bill would be considered as a stand
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-alone bill unless it is
filibustered. In that case, the bill would be considered as a component of the budget reconciliation bill. The Senate Labor and Human Resources Committee ordered reported S. 850 (Child Care and Development Block Grant amendments) on May 26. The measure is expected to be included in the final Senate welfare reform package. HHS supported S. 850 in a May 24 letter to the Committee, but cited concerns with potential cuts in other child care programs. The Senate Agriculture Committee marked up S. 904, a Food Stamp and nutrition programs bill on June 14. S. 904 also is expected to be included in the final Senate welfare reform package. USDA commended

the Committee for not block granting food and nutrition programs, but cited concerns with the bill's reduction in Food Stamp funding and repeal of Regulation E coverage for Electronic Benefit Transfers.
Senate floor action -- scheduled for week of August 7th.
302. Social Security Earnings Test: (M. Cook)
House-
□
-increase in earnings limit to $30,000 included in HR 1215, which passed on April 5, (246
□
-188). Senate action unclear.
303. Davis
□
-Bacon Repeal: (C. Bowers)
H.R. 500 and S. 141 would repeal the Davis
□
-Bacon Act of 1931. The
act requires Federal contractors working on jobs valued at more than $2000 to pay their workers the "local prevailing wage," which is often the union rate. A House Economic & Education Opportunities Subcommittee referred H.R. 500 to full committee on March 2. Senate Labor & Human Resources Committee reported S. 141 on May 12. A provision to repeal Davis
□
-Bacon coverage of Federal Highway projects
was dropped from S. 440, the National Highway bill (see entry above). Basis for opposition: repeal of Davis
□
-Bacon requirements
would depress workers' wages. President quoted on 4/6/95 as saying he would veto S. 141; Reich letter -- would recommend veto 3/18/95. (Also Reich letter and Senate SAP on S. 440 stated Labor would recommend veto.

304. Service Contract Repeal Act: (B. Pellicci)
Press reported that VP indicated on 2/20/95 that President would

veto such legislation. Basis for opposition: repeal of Service Contract Act would depress workers' wages. HR 246 was marked up by a House EEO subcommittee on 3/03/95.

305. Minimum Wage Increase: (A. Briatico)
On 2/13/95, President transmitted to Congress a proposal to raise the minimum wage in two 45 cent steps -- raising the rate to $4.70 per hour on July 4, 1995 and to $5.15 per hour on July 4, 1996. President's proposal introduced as S. 413 and H.R. 940. Senator Kassebaum indicated on April 21 that the Senate Labor and Human Resources Committee will hold hearings on increasing the minimum wage. No date has been set.

306. Striker Replacement: (B. Pellicci)
On 3/8/95, President issued an Executive Order to deny Federal contracts to employers that permanently replace striking workers. H.R. 1176 and S. 603 would nullify the Executive Order. The House Economic and Educational Opportunities Committee reported H.R. 1176 on June 27.

307. Teamwork for Employees and Managers Act: (B. Pellicci)
HR 743 and S295. (Reich letter: recommend veto, 3/6/95 and 6/21/95; press reported that VP said on 02/20/95 that President would veto such legislation.) Basis for opposition: would allow employers to establish company unions or alternative, company
□
-dominated organizations where unions already exist. HR 743 was ordered reported on 6/22/95 by the House EEO Committee. No action has been taken to date on S 295.

308. Social Security Solvency: (M. Cook)
The "Strengthening Social Security Act of 1995" (S. 825), one of the "Simpson/Kerrey" bills, is designed to secure the long
□
-term solvency
of the Social Security program. It would: (1) accelerate the currently scheduled increase of the normal retirement age; (2) limit COLAs to certain Social Security beneficiaries; (3) adjust, for a limited period, Social Security COLA estimates based on CPI; (4) modify the formula for determining the primary insurance amount (the basic monthly benefit payable to a worker) to make it more

progressive; (5) allow future beneficiaries to divert up to 2 percentage points of their payroll taxes to place in their own personal investment plan; (6) reduce gradually spousal benefits starting in 2000; (7) redirect revenue obtained through the taxation of Social Security benefits from the HI Trust Fund to the OASDI Trust Fund; and (8) invest a portion of the OASDI Trust Fund assets in a stock fund index. On June 27, 1995, a Senate Finance Subcommittee held a hearing on the solvency of the Social Security system. To date, the Administration has not taken a position on S. 825. No comparable bill has been introduced in the House.

309.Employment, Training, and Retraining: (C. Bowers)
House Economic and Educational Opportunities (EEO) Committee reported H.R. 1617 (The Consolidated and Reformed Education, Employment and Rehabilitation Systems, or 'CAREERS' Act) on May 17, 1995.
Senate Labor and Human Resources Committee reported S. 143 (Workforce Development Act) on June 21, 1995.
Both bills would consolidate numerous Federal education and job training programs into four grants to States -- for youth

development and career preparation, adult training, adult education and literacy, and vocational rehabilitation. These bills differ significantly from the President's proposal to restructure education and job training programs (the G.I. Bill for America's Workers), and they reduce substantially Federal resources for these functions.
It is expected that H.R. 1617 will be linked on the House Floor with H.R. 1720 (Privatization Act of 1995), which was reported by the House EEO Committee on June 22, 1995. H.R. 1720 would privatize Sallie Mae and Connie Lee and eliminate numerous higher education programs. The Administration proposes to privatize these GSEs and eliminate the higher education programs, but its privatization initiatives differ in certain respects from H.R. 1720.
Negotiations over possible amendments to all of these bills are ongoing. It is likely that Administration statements for Floor consideration will support the objectives but either oppose specific features or suggest further amendments to align with the President's proposal. House or Senate Floor action could occur in August.
*310. Food Stamps - Block Grant: (M.Cook)
Sec. Glickman stated before S. Ag. Cte., 5/23/95, that he strongly opposes block granting food stamps and that the President has indicated his intention to veto such legislation. Basis for opposition: would jeopardize the health and nutrition of low
□
-income
families.
Any changes made to the Food Stamp program are expected to be done within the context of Welfare Reform. Neither HR 4 (the Welfare Reform bill), as passed by the House, nor S 904 (which is expected to be rolled into the Senate version of HR 4), as ordered reported by the Senate, contain provisions that would block grant Food Stamps. In addition, HR 1997 (the food and nutrition title of the Farm Bill), as approved by a H. Agriculture Subcommittee on 7/11/95, also does not contain provisions that would block grant Food Stamps. According to USDA, the Full H. Agriculture Committee is expected to take up HR 1997 in September.
311. OSHA Reform: (C. Bowers)
The House Economic and Educational Opportunities Committee, Subcommittee on Workforce Protections, held a hearing June 28, 1995, on H.R. 1834 (Ballenger), the "Safety and Health Improvement and Regulatory Reform Act of 1995." Labor testified against H.R. 1834. Basis for Opposition: Would redirect funding away from enforcement activities, jeopardize the health and safety of American workers by weakening enforcement and regulatory authority, and particularly threaten miners by revising Federal mine safety and enforcement. On July 12, 1995, Secretary Reich held a press conference on the House

appropriation subcommittee actions affecting the Department of Labor. In response to a question, Secretary Reich stated that he "will strongly recommend a veto of the Ballenger bill . . . [which] amounts to a wrecking ball rather than reform." H.R. 1834 is pending in the subcommittee.

PRINTER FONT 14_POINT_HELVETICA
HEALTH & PERSONNEL
PRINTER FONT 10_POINT_ROMAN
401. Federal Retirement Reform Act: (M. Cook)
HR 1215 and HR 1185 both include Federal retirement reform provisions. The Administration's position on such reforms has been articulated in the President's 4/5/95 letter on HR 1215 to Speaker Gingrich and in OMB's 3/15/95 letter on HR 1185 to Speaker Gingrich.

Basis for opposition: Reduces retirement benefits of Federal employees to finance a tax cut for the wealthy.
On 3/15/95, the full H. Government Reform and Oversight Committee began consideration of HR 1185. It, however, recessed before taking action on the bill. NOTE: Title IV of HR 1215, as passed by the House on 4/5/95 (246
□
-188), contains provisions similar to those of HR 1185. To date, the Senate has taken no action on a stand
□
-alone retirement bill. On June 19, 1995, however, the FBI and DEA testified before a S. Governmental Affairs subcommittee opposing changes in retirement benefits for Federal employees. Modifications to Federal retirement programs are likely to be included in reconciliation legislation.
□

PRINTER FONT 14_POINT_HELVETICA
MAJOR LEGISLATION ENACTED

PRINTER FONT 10_POINT_ROMAN
? Unfunded Mandates Reform Act of 1995 (PL 104
□
-4). President signed
3/22/95.
? Defense Supplemental Appropriations (PL 104
□
-6). President signed
4/10/95.
? Permanently Extend the Tax Deductibility for Health Insurance Costs for Self
□
-Employed Individuals (PL 104
□
-7). President signed 4/11/95.
? HR 1345, DC Financial Responsibility and Management Assistance Act of 1995
(PL 104
□
-8). President signed 4/17/95.
? Paperwork Reduction (PL 104
□
-13). President signed 5/22/95.
? Medicare SELECT (PL 104
□
-18). President signed 7/7/95.
? Emergency Supplemental Appropriations for Additional Disaster Assistance, for Anti
□
-terrorism Initiatives, for Assistance in the Recovery from the Tragedy that Occurred at Oklahoma City, and Rescissions Act, 1995
(PL ______). President signed 7/27/95.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Charles E. Kieffer (KIEFFER_C) (OMB)

CREATION DATE/TIME: 3-AUG-1995 20:38:19.54

SUBJECT: interior Senate SAP

TO: Patrick J. Griffin (GRIFFIN_P) Autoforward to: Erin A. O'Con
READ: 4-AUG-1995 08:39:49.12

TO: Martha Foley (FOLEY_M) (OMB)
READ: 3-AUG-1995 20:48:13.42

TO: Jacob J. Lew (LEW_J) (OMB)
READ: 7-AUG-1995 13:43:15.03

TO: Barbara C. Chow (CHOW_B) (WHO)
READ: 4-AUG-1995 08:38:40.72

TO: Timothy J. Keating (KEATING_T) (WHO)
READ: 3-AUG-1995 22:08:30.26

TO: Erin A. O'Connor (OCONNOR_E) (WHO)
READ: 4-AUG-1995 08:39:49.12

TEXT:
The Senate is expected to take up the Interior bill on Saturday.
Please provide your comments by noon on Friday.
=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 3-AUG-1995 20:35:00.00

ATT BODYPART TYPE:p

ATT CREATOR: Charles E. Kieffer

TEXT:
PRINTER FONT 12_POINT_COURIER
August 3, 1995
(Senate Floor)

H.R. 1977 -- DEPARTMENT OF THE INTERIOR AND
RELATED AGENCIES APPROPRIATIONS BILL, FY 1996
(Sponsors: Hatfield (R), Oregon; Gorton (R), Washington)

This Statement of Administration Policy provides the Administration's views on H.R. 1977, the Department of the Interior and Related Agencies Appropriations Bill, FY 1996, as reported by the Senate Appropriations Committee.

The Administration is committed to balancing the Federal budget by FY 2005. The President's budget proposes to reduce discretionary spending for FY 1996 by $5 billion in outlays below the FY 1995 enacted level. The Administration does not support the level of funding assumed by the House or Senate Committee 602(b) allocations. The Administration must evaluate each bill both in terms of funding levels provided and the share of total resources available for remaining priorities. The Committee bill is $1.7 billion below the President's request.

The Administration is pleased that the Senate Committee has improved funding levels over the House

-passed bill for several key investments and agencies. Notably, the Administration commends the Committee for increasing funds for science in the Department of the Interior, especially for the Natural Resource Science Agency; and for allowing implementation of the 1994 California Desert Wilderness Act by restoring management of the East Mojave National Preserve to the National Park Service.

Despite these improvements, the Senate Committee has added new legislative restrictions, reduced funding for high

-priority investment programs, continued funding for low

-priority items, and made additional devastating cuts in programs of the Bureau of Indian Affairs. In addition to these changes, many of the previously stated objections to the House

-passed bill have not been addressed. For the reasons outlined below, the Secretary of the Interior and the Director of the Office of Management and Budget would recommend that the President veto the bill if it were presented to him as reported by the Senate Committee.

Patent Moratorium

The Administration strongly opposes the Committee's decision not to continue the current moratorium on patenting mining claims on Federal lands. Patenting means privatizing valuable Federally

-owned mineral deposits, with only minimal returns to taxpayers, and putting these deposits beyond the reach of any royalty payment to the Federal treasury.

Native American Programs

The Committee's $435 million reduction to the request for Bureau of Indian Affairs (BIA) programs would devastate tribal governments and other basic services to reservations, reversing progress that has been made towards meaningful self

-determination. The Administration strongly opposes the 35

-percent cut for Tribal Priority Allocation (TPA) programs, which include basic tribal government operations, law enforcement, housing improvement, general assistance, child welfare, and vocational training. The TPA programs are the Tribes' highest priority.

The Administration strongly opposes the transfer of responsibility for all trust programs from the Assistant Secretary - Indian Affairs to a special trustee's office in the Office of the Secretary of the Interior. This action, coupled with an $18 million reduction for trust operations, would impair ongoing efforts to improve the management of trust funds.

The Administration objects to the Committee's 58
□
-percent
reduction to BIA's Central Office functions. Resulting severance costs would necessitate the termination of almost all Washington and Albuquerque Central Office staff, leaving the BIA with insufficient resources to provide policy direction or to correct material weaknesses. Further, the Committee's proposed
46
□
-percent reduction in Area Office functions would force the closure or consolidation of offices, jeopardizing technical assistance to Tribes.

Funding BIA schools at $30 million below the request, as recommended by the Committee, would severely limit the BIA's ability to operate schools on reservations in accordance with State and regional accreditation standards, would not allow for transportation to day and boarding schools, and would jeopardize school safety.

The Administration strongly opposes the 35
□
-percent reduction
from the request for the Department of Education's Indian Education programs, which primarily serve the 90 percent of Native American children who attend public rather than BIA
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-funded

□
schools and provide literacy services and fellowships for Native American adults. These programs provide supplemental academic and enrichment services that would otherwise be unavailable to these students.

The Administration strongly objects to the $92 million reduction to the request for the Indian Health Service (IHS). This action would impede the ability of IHS to maintain basic health services for Native Americans and Alaskan Natives at current levels.

Endangered Species Act

The Administration strongly objects to the Committee's moratorium on endangered species listings and critical habitat designations. The Administration also objects to the 29
□
-percent
reduction in funding for Endangered Species Act (ESA) programs in the Fish and Wildlife Service (FWS). These activities are preventive measures that help keep species off the endangered or threatened species list so that local communities will not be negatively affected by the Act. Reducing the ability of the FWS to work with States, local communities, and private citizens at an early stage outside of the regulatory environment would cost more money and cause more economic, social, and environmental conflicts in the long run.

Columbia River Basin Ecoregion Assessment Project

The Administration is opposed to the appropriations language and funding restrictions of the Committee bill that would discontinue the Columbia River Basin Ecoregion Assessment Project. This project, entering its final year, uses a coordinated, multi
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-agency approach to the management of public lands to improve salmon habitat, forest health, and multi
□
-species
protection within the Columbia River Basin. By establishing unrealistic timelines for analyzing data and information and finishing environmental impact statements, the Committee would prevent the use of scientific and economic information collected to date on the project. This analysis is crucial for updating forest plans based on the most recent, scientifically credible information. Eliminating the project so close to its completion would jeopardize both the ability of the Forest Service and the Bureau of Land Management (BLM) to maintain a sustainable flow of timber and the production of other goods and services generated by the forests in the affected area.

Pacific Northwest

The Administration strongly opposes the Committee's reduction of funding for several economic and environmental

activities in the Pacific Northwest. The BLM would not be able to meet its timber targets at these reduced levels. The Fish and Wildlife Service would not be able to approve timber sales for the land management agencies or work with private landowners under special rules proposed by the Administration to ease spotted owl taking prohibitions on private lands. Reduced funding would also mean fewer employment opportunities under the "Jobs in the Woods" program. The Administration urges the Senate to restore funding for economic and environmental activities in the Pacific Northwest.

Tongass National Forest

The Administration strongly opposes the language in the Committee bill that would prohibit the use of funds for activities that are not in compliance with the 1991 Alternative "P" Forest Management Plan for the Tongass. This provision would set an unacceptable precedent by denying public involvement in the land management planning process and by preventing current scientific information from being incorporated into management strategies for the Tongass National Forest. Although Alternative "P" was sound at the time it was drafted, the Forest Service has gathered new information concerning cave resources, wildlife viability, anadramous fish habitat, and endangered species that make this alternative obsolete. Ignoring up
□
-to
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-date scientific
information and public opinion regarding multiple
□
-use management
of the Tongass would put many of the forest's resources and area job opportunities at risk and would increase vulnerability to litigation.

Department of Energy

The Administration opposes funding the Clean Coal Technology

program at $140 million over the request, particularly at the expense of higher
-priority needs such as Energy Conservation.
These additional funds will not be obligated in FY 1996 since there is approximately $1 billion in unobligated funds in the account.

The Administration strongly opposes the Committee's overall 38
-percent reduction to the Energy Conservation request, which would seriously disrupt several high
-priority initiatives. The Committee's 40
-percent cut in the State Grants program would mean that 40,000 to 50,000 low
-income homes would not be weatherized and would greatly hinder implementation of the State block grants initiative. The 37
-percent cut in Energy Conservation research and development would make meeting climate change and greenhouse gas reduction goals almost impossible, would compromise industry partnerships aimed at improving the energy efficiency of buildings and industry, and would seriously jeopardize the

Partnership for a New Generation of Vehicles program.

AmeriCorps

The Administration objects to language included in the Committee
-reported bill that would prohibit the use of funds provided in the bill for AmeriCorps national service projects. Although it has been in existence for less than a year, the Americorps program has had remarkable success in terms of providing national service opportunities. For example, at the Everglades
-South Florida project, 110 Americorps members have installed, calibrated, and placed in operation 30 of the 40 planned water monitoring stations, saving $250,000 annually. The Senate is urged to delete this language from the bill.

Additional Administration concerns with the bill as reported by the Committee are contained in the attachment.

Attachment

Attachment
(Senate Floor)

ADDITIONAL CONCERNS
H.R. 1977 -- INTERIOR AND RELATED AGENCIES

APPROPRIATIONS BILL, FY 1996
(AS REPORTED BY THE SENATE COMMITTEE)

The Outer Continental Shelf
The Administration strongly supports the Committee's decision to reinstate the long
□
-standing legislative
moratoria on oil and gas leasing and drilling on certain lands of the Outer Continental Shelf (OCS). Maintaining these moratoria will protect the environment and economies of California, Florida, the Pacific Northwest, Alaska, and other coastal States. It will also aid Administration efforts to resolve disputes involving OCS policy and base that policy on sound science protecting America's sensitive coastal ecosystems.
Department of the Interior
The Administration supports the Committee's decision to increase funding for science programs within the Department of the Interior. The Natural Resource Science Agency, the U.S. Geological Survey, and the Bureau of Mines provide key research and analysis on natural resource issues for land and resource managers within Federal, State, and local agencies.
The Administration does not support the Committee's action that would underfund natural resource protection and land management operations in the National Park Service (NPS), Bureau of Land Management, and Fish and Wildlife Service. Operating programs in these three bureaus would be reduced $170 million, or seven percent, below the request.
The Administration opposes congressional add
□
-ons for
unrequested, low
□
-priority items, such as the Water Resources Research Institutes, at the expense of higher
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-priority
needs. The Committee added $50 million for land acquisition and construction projects not requested by the Administration, including $24.9 million for 16 add
□
-on NPS
construction projects, many of which have no priority for construction and a few which have no planning completed.
The Administration opposes the 21
□
-percent reduction to the

Abandoned Mine Lands Reclamation program managed by the Office of Surface Mining (OSM). This reduction would impede the ability of OSM to respond to emergencies, such as
□
RESET 2
mudslides and subsidence, that threaten the safety of coal field residents. The 54
□
-percent reduction in OSM's fee compliance
program would jeopardize the collection of over $240 million in

reclamation fees.
Section 2477 of the Revised Statutes (RS 2477)
The Administration objects to the moratorium on implementing Interior's final regulation to resolve RS 2477 disputes. This regulation would provide a process to resolve legal questions concerning rights
□
-of
□
-way on public lands. A moratorium would maintain the status quo and uncertainty about which rights
□
-of
□
-way represent valid claims.
Forest Service, Department of Agriculture
The Administration commends the Senate for restoring funds for construction, which are needed to rehabilitate decaying infrastructure and improve trails and facilities on National Forest lands and for land acquisition. However, the elimination of funding for the Stewardship Incentives Program would cause a subsequent loss of leveraged funding from private landowners and States of $27 million. This would curtail the implementation of stewardship practices, such as reforestation and timber stand improvements, on thousands of acres of non
□
-industrial private forestlands.
The Administration urges the Senate to reallocate funds for higher priority programs, such as the Stewardship Incentives Program.
Department of Energy
The Administration supports the Committee's decision to eliminate section 319 of the House
□
-passed bill, but objects to the revised section 320. The revised provision would prevent the establishment of efficiency standards for fluorescent lights, which would cost consumers millions of dollars.
Cultural Agencies
The Administration commends the Committee for restoring funding for the Smithsonian's National Museum of the American Indian. These funds are needed to ensure timely construction and to maintain the safety of many artifacts that have been stored in substandard conditions.
The Administration opposes the drastic cuts in funding for the arts and humanities and museum services recommended by the Committee. The National Endowment for the Arts (NEA),

the National Endowment for the Humanities (NEH), and the Institute for Museum Services (IMS) play an important role in the preservation of American artistic and cultural heritage and expression. The NEA ensures that arts programs can be brought to a wider audience, including inner
□
-city
youth; major research and educational projects depend on support from the NEH; and the IMS provides critical

resources to small and rural museums. In addition, these agencies have a positive impact on regional economies and in leveraging private funds for the Federal funds invested.

Objectionable Provisions

The Administration objects to several provisions, which seek to micromanage agency activities and impede the ability of the agencies to accomplish their work efficiently and effectively. Some specific concerns related to these objectionable provisions follow:

Refuge Management Restrictions. The Administration objects to the Committee's attempt to micromanage specific National Wildlife Refuges. Language overturning the Department's pesticide use policy on two refuges in northern California would actively undermine the conservation purpose of these refuges by allowing the use of pesticides on lands leased for agriculture that have been documented as killing migratory birds and endangered species and impairing the reproductive ability of certain species. This language would increase the risk of pesticide
□
-related
deaths to several species, including bald eagles and waterfowl.

Interference with Tribal Self
□
-Governance. The
Administration objects to language that would penalize self
□
-governance tribes in Washington State for asserting their rights in disputes with non
□
-tribal
owners of land within reservations. The language would unfairly preclude settlement of such disputes through dispute resolution mechanisms open to all citizens. The Department of the Interior is involved in negotiations with the State of Washington, the Lummi Tribe, and private property owners to resolve the water dispute on the Lummi reservation. This language would undermine the dispute resolution process.

Restrictions on Restructuring. The Administration objects to restrictions on the distribution of Bureau of Mines resources that would have the effect of overturning the long
□
-planned streamlining of the

Bureau, which was a recommendation of the National Performance Review. The Administration also objects to restrictions on the implementation of the Forest Service's restructuring plans which have also resulted from the National Performance Review. These streamlining efforts would help to increase efficient agency operations and effective service.

Infringement on Executive Authority

There are several provisions in the Committee
□
-reported bill

that purport to require Congressional approval before Executive Branch execution of aspects of the bill. The Administration will interpret such provisos to require notification only, since any other interpretation would contradict the Supreme Court ruling in INS vs. Chadha.

General Provisions

The Administration objects to section 317 of the Committee

-reported bill on the ground that this provision merely restates the obligation of officials to act within the law, and so does not accomplish anything except to create confusion as to its meaning.

================= END ATTACHMENT 1 =================

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Lisa Kountoupes (KOUNTOUPES_L) (OMB)

DETERMINED TO BE AN ADMINISTRATIVE MARKING Per E.O. 12958 as amended, Sec. 3.3 (c)
Initials: ACB Date: 01/31/2013
2012-0774-F

CREATION DATE/TIME: 5-SEP-1995 21:42:43.39

SUBJECT: ~~CONFIDENTIAL~~: AMR DAILY

TO: Alice M. Rivlin (RIVLIN_A) (OMB)
READ: 6-SEP-1995 07:27:48.07

CC: Charles S. Konigsberg (KONIGSBERG_C) (OMB)
READ: 5-SEP-1995 21:59:06.93

CC: Alice M. Rivlin (RIVLIN_A) (OMB)
READ: 6-SEP-1995 07:27:48.07

CC: Jacob J. Lew (LEW_J) (OMB)
READ:NOT READ

CC: Patrick J. Griffin (GRIFFIN_P) Autoforward to: Erin A. O'Con
READ: 6-SEP-1995 08:51:47.94

CC: Martha Foley (FOLEY_M) (WHO)
READ: 6-SEP-1995 10:00:44.36

CC: Ann M. Cattalini (CATTALINI_A) (WHO)
READ: 6-SEP-1995 08:41:21.90

CC: Erin A. O'Connor (OCONNOR_E) (WHO)
READ: 6-SEP-1995 08:51:47.94

CC: James C. Murr (MURR_J) (OMB)
READ: 6-SEP-1995 08:17:02.17

CC: James J. Jukes (JUKES_J) (OMB)
READ: 6-SEP-1995 09:54:36.58

CC: Janet R. Forsgren (FORSGREN_J) (OMB)
READ: 6-SEP-1995 09:04:35.84

CC: Ronald K. Peterson (PETERSON_RK) (OMB)
READ:11-SEP-1995 09:41:12.49

CC: LAWRENCE J. HAAS (HAAS_L) (OMB)
READ: 6-SEP-1995 08:10:34.83

CC: Robert G. Damus (DAMUS_R) (OMB)
READ:11-SEP-1995 09:48:15.72

CC: Barry B. Anderson (ANDERSON_B) (OMB)
READ: 6-SEP-1995 09:37:11.54

CC: Gordon Adams (ADAMS_G) (OMB)
READ: 6-SEP-1995 17:35:53.49

CC: T J Glauthier (GLAUTHIER_T) (OMB)
READ: 6-SEP-1995 16:24:11.44

CC: Kenneth S. Apfel (APFEL_K) (OMB)

READ:NOT READ

CC: Nancy-Ann E. Min (MIN_N) (OMB)
READ: 7-SEP-1995 15:51:54.78

CC: Robert E. Litan (LITAN_R) (OMB)
READ:NOT READ

CC: Joseph Minarik (MINARIK_J) (OMB)
READ: 6-SEP-1995 08:03:54.18

CC: Sally Katzen (KATZEN_S) (OMB)
READ: 6-SEP-1995 10:02:32.01

CC: Lydia Muniz (MUNIZ_L) (OMB)
READ: 6-SEP-1995 09:42:02.32

CC: Charles E. Kieffer (KIEFFER_C) (OMB)
READ: 6-SEP-1995 10:29:15.23

CC: Kristen E. Panerali (PANERALI_K) (OMB)
READ: 6-SEP-1995 09:15:20.08

CC: John A. Koskinen (KOSKINEN_J) (OMB)
READ: 6-SEP-1995 09:41:47.72

CC: Steven Kelman (KELMAN_S) (OMB)
READ: 6-SEP-1995 09:03:07.34

CC: G. Edward DeSeve (DESEVE_G) (OMB)
READ: 6-SEP-1995 16:17:53.93

CC: John B. Arthur (ARTHUR_J) (OMB)
READ: 6-SEP-1995 06:24:17.40

CC: William A. Halter (HALTER_W) (OMB)
READ: 6-SEP-1995 08:25:44.28

CC: Jill M. Blickstein (BLICKSTEIN_J) (OMB)
READ:NOT READ

CC: Chantale Wong (WONG_C) (OMB)
READ: 6-SEP-1995 10:48:38.65

CC: Laura D. Tyson (TYSON_L) Autoforward to: Thomas O'Donnel
READ:NOT READ

CC: Thomas O'Donnell (ODONNELL_T) (OPD)
READ:NOT READ

CC: David J. Lane (LANE_D) (OPD)
READ: 6-SEP-1995 09:30:52.59

CC: John Gibbons (GIBBONS_J) Autoforward to: Remote Addres
READ:NOT READ

CC: M. Jill Gibbons (GIBBONS_M) (OMB)
READ: 6-SEP-1995 13:31:29.16

CC: Ronald E. Jones (JONES_RE) (OMB)

READ: 6-SEP-1995 10:04:42.15

CC: Ingrid M. Schroeder (SCHROEDER_I) (OMB)
READ: 6-SEP-1995 14:33:16.45

CC: Jeffrey A. Weinberg (WEINBERG_J) (OMB)
READ: 6-SEP-1995 08:21:20.93

CC: James A. Brown (BROWN_JA) (OMB)
READ: 6-SEP-1995 12:20:15.84

CC: Constance J. Bowers (BOWERS_C) (OMB)
READ: 6-SEP-1995 09:00:40.42

CC: Melissa Y. Cook (COOK_MY) (OMB)
READ: 6-SEP-1995 08:15:50.69

CC: Anna M. Briatico (BRIATICO_A) (OMB)
READ: 6-SEP-1995 09:16:36.46

CC: Christopher J. Mustain (MUSTAIN_C) (OMB)
READ:NOT READ

CC: Robert J. Pellicci (PELLICCI_R) (OMB)
READ: 6-SEP-1995 08:26:30.18

CC: James C. Crutchfield (CRUTCHFIEL_J) (OMB)
READ: 6-SEP-1995 08:47:21.01

CC: Elyse H. Fitter (FITTER_E) (OMB)
READ: 7-SEP-1995 09:38:36.43

CC: Michael L. Goad (GOAD_M) (OMB)
READ: 6-SEP-1995 08:22:28.65

CC: Annette E. Rooney (ROONEY_A) (OMB)
READ: 6-SEP-1995 13:03:13.13

CC: Dena B. Weinstein (WEINSTEIN_D) (OPD)
READ: 6-SEP-1995 08:52:05.31

CC: Stacey L. Rubin (RUBIN_S) (WHO)
READ:11-SEP-1995 08:41:54.27

CC: Jennifer N. Palmieri (PALMIERI_J) (WHO)
READ: 6-SEP-1995 12:54:00.20

CC: Karin L. Kizer (KIZER_K) (OMB)
READ: 6-SEP-1995 10:08:27.81

CC: Margaret R. Shaw (SHAW_M) (OMB)
READ: 6-SEP-1995 09:09:58.26

CC: Deborah F. Kramer (KRAMER_D) (OMB)
READ: 6-SEP-1995 08:34:59.07

CC: Diane G. Limo (LIMO_D) (OMB)
READ: 6-SEP-1995 10:33:51.66

CC: Alice E. Shuffield (SHUFFIELD_A) (OMB)

READ: 6-SEP-1995 12:53:59.14

CC: Janet L. Graves (GRAVES_J) Autoforward to: Lara L. Roholt
READ: 6-SEP-1995 09:10:31.13

CC: James I. Blount (BLOUNT_J) (OMB)
READ: 6-SEP-1995 08:49:43.65

CC: Lara L. Roholt (ROHOLT_L) (OMB)
READ: 6-SEP-1995 09:10:31.13

CC: Philip R. Dame (DAME_P) (OMB)
READ: 6-SEP-1995 08:26:36.55

CC: Alan B. Rhinesmith (RHINESMITH_A) (OMB)
READ: 6-SEP-1995 12:39:42.29

CC: Kenneth L. Schwartz (SCHWARTZ_K) (OMB)
READ: 6-SEP-1995 08:42:20.24

CC: Barry T. Clendenin (CLENDENIN_B) (OMB)
READ: 6-SEP-1995 07:36:11.90

CC: Robert B. Rideout (RIDEOUT_R) (OMB)
READ: 6-SEP-1995 08:41:30.64

CC: Philip A. DuSault (DUSAULT_P) (OMB)
READ: 6-SEP-1995 09:34:20.15

CC: Phebe N. Vickers (VICKERS_P) (OMB)
READ:NOT READ

CC: Kathleen Peroff (PEROFF_K) (OMB)
READ: 6-SEP-1995 10:20:09.48

CC: Ron Cogswell (COGSWELL_R) Autoforward to: Maryanne B.
READ: 6-SEP-1995 09:19:22.89

CC: Barry White (WHITE_B) (OMB)
READ: 6-SEP-1995 08:46:11.06

CC: Richard P. Emery Jr. (EMERY_R) (OMB)
READ: 6-SEP-1995 08:29:11.34

CC: Barbara C. Chow (CHOW_B) (WHO)
READ: 6-SEP-1995 08:51:10.29

CC: Robert E. Barker (BARKER_R) (OMB)
READ: 6-SEP-1995 08:03:43.87

CC: Mark Gearan (GEARAN_M) Autoforward to: Angus S. King
READ: 6-SEP-1995 08:50:06.40

CC: Donald A. Baer (BAER_D) (WHO)
READ:NOT READ

CC: Ann F. Walker (WALKER_A) (WHO)
READ:NOT READ

CC: Todd Stern (STERN_T) (WHO)

READ: 6-SEP-1995 09:40:02.72

CC: Kelly Musick (MUSICK_K) (OMB)
READ:NOT READ

CC: Nancy L. Brandel (BRANDEL_N) (OMB)
READ: 6-SEP-1995 09:45:51.12

CC: Christopher F. Walker (WALKER_C) (WHO)
READ:NOT READ

CC: Deborah L. Shaw (SHAW_D) (OMB)
READ: 6-SEP-1995 10:50:08.41

CC: Gene B. Sperling (SPERLING_G) Autoforward to: Daniel Taber
READ: 6-SEP-1995 09:29:54.63

CC: Timothy J. Keating (KEATING_T) (WHO)
READ: 6-SEP-1995 12:25:37.09

CC: Kathryn Higgins (HIGGINS_K) (WHO)
READ:NOT READ

CC: Stephen B. Silverman (SILVERMAN_S) (WHO)
READ:NOT READ

CC: Bruce N. Reed (REED_B) (OPD)
READ: 6-SEP-1995 12:00:44.12

CC: Jeremy D. Benami (BENAMI_J) (OPD)
READ: 6-SEP-1995 09:52:32.66

CC: Douglas B. Sosnik (SOSNIK_D) (WHO)
READ: 6-SEP-1995 13:15:59.69

CC: Karen L. Hancox (HANCOX_K) (WHO)
READ: 6-SEP-1995 08:05:43.05

CC: Shelley N. Fidler (FIDLER_S) (CEQ)
READ: 6-SEP-1995 09:10:55.51

CC: Janet L. Himler (HIMLER_J) (OMB)
READ: 6-SEP-1995 08:11:05.02

CC: Daniel Tate (TATE_D) (WHO)
READ:NOT READ

CC: John C. Angell (ANGELL_J) (WHO)
READ: 6-SEP-1995 14:34:08.94

CC: Emily Kim (KIM_E) (OMB)
READ:NOT READ

CC: Eva Sheibar (SHEIBAR_E) (OMB)
READ:NOT READ

CC: Susanne D. Lind (LIND_S) (OMB)
READ: 6-SEP-1995 09:27:00.67

CC: Ellen J. Balis (BALIS_E) (OMB)

READ: 7-SEP-1995 09:47:44.28

CC: Anita Chellaraj (CHELLARAJ_A) (OMB)
READ:11-SEP-1995 11:39:13.91

CC: Alicia K. Kolaian (KOLAIAN_A) (OMB)
READ: 6-SEP-1995 09:04:06.76

TEXT:
COMMENT
AUTHOR : Executive Office of the President
OPERATOR : Executive Office of the President8<
COMMENT :

PRINTER FONT 14_POINT_COURIER
September 5, 1995

TO: ALICE RIVLIN
cc-
□
-Lew, Griffin, Tyson, Angell, Foley,
OMB/2d Floor, DADs, LRD, Gibbons, Cabinet
Affairs, CEQ

FROM: LISA KOUNTOUPES

SUBJECT: STATUS REPORT ON PENDING LEGISLATION

PRINTER FONT 12_POINT_COURIER
Congress Today:
The Senate today passed S. 1087, Defense Appropriations
(62
□
-35). At this hour, the Senate is continuing consideration
of and will complete action tonight on S. 1026, the Defense
Authorization Bill. The House was not in session.

Item veto:
(Item from Chuck) House is scheduled to take up a motion on
Thursday to appoint line
□
-item veto conferees. I?m working on
a letter to the conferees which reiterates our support for the
House approach and includes our suggestions for minor
perfecting amendments to the House bill.

□
SENATE FLOOR SCHEDULE:
Wednesday, September 6, and Balance of the Week:
- Continue consideration of HR 4, Welfare Reform (Dole
perfecting amendment is pending).
[SAP sent 8/5 -- Administration opposes Dole substitute;
strongly supports the Daschle/Breaux/Mikulski substitute]
- Senate could take up the Leg. Branch Appropriations
Conference Report if it is passed by the House.
[POTUS said on 8/1: "If the congressional leadership
follows through on its plan to send me its own funding
bill before it finishes work on the rest of the budget, I

will be compelled to veto it."]
□
PRINTER FONT 13_POINT_COURIER
HOUSE RULES COMMITTEE:

Thursday, September 7:

- HR 1594, Economically Targeted Investments
- HR 1655, Intelligence Authorization Bill

HOUSE FLOOR SCHEDULE:
Wednesday, September 6:

- HR 1854, Leg. Branch Appropriations Conference Report
[POTUS said on 8/1: "If the congressional leadership follows through on its plan to send me its own funding bill before it finishes work on the rest of the budget, I will be compelled to veto it."]

Thursday, September 7:
- Motion to go to Conference on Line Item Veto
- Complete consideration of HR 2126, Defense Appropriations
[SAP sent 7/31 -- "President will not support the bill unless ... concerns are addressed."]
Friday, September 8:
- Motion to go to Conference on HR 1905, Energy and Water Appropriations
- Motion to go to Conference on HR 1817, Military Construction Appropriations
- Motion to go to Conference on HR 1977, Interior Appropriations
- HJ Res 102, BRAC Disapproval

Possible Floor action before October 1:

- Appropriations conference reports
- Legislation to end minority set
□
-asides (either as an

amendment or free
□
-standing)
- Glass
□
-Steagall banking bill
- Superfund Reauthorization
- Anti
□
-Terrorism (conservative House Republican concern over increased gov't authority has slowed down the bill)
[A recess has been announced from October 3
□
-9.]

Potential Floor Action After the October Recess:

- Immigration Bill
- School Prayer
- Repeal of Assault Weapon Ban

Other pending legislation:
HR 1332, the Omnibus Insular Areas Act.
[SAP being developed with a DOI veto recommendation.]

(If you have questions about the House or Senate legislative schedules, contact Lydia Muniz at OMB Legislative Affairs, 54790.)

\d
APPROPRIATIONS -- SUPPORT/OPPOSITION

House has passed 11 of the 13 appropriations bills, leaving only Defense and DC. Senate has thus far passed Leg. Branch, Mil Con, Energy & Water, Treasury/Postal, Interior, and Transportation, and is scheduled to act on Defense on Tuesday, September 5th. Veto recommendations indicated by asterisk.

*Agriculture (HR 1976)

-House subcommittee reported-

-OMB letter 6/21: serious objections.

-House committee reported-

-Floor SAP 7/18: Agriculture/OMB veto recommendation.

-House passed-

-OMB letter 8/11: Ag/OMB veto recommendation.

*C/J/S (HR 2076)

-House subcommittee reported-

-OMB letter 7/18: Attorney General/Commerce/OMB veto recommendation.

-House committee reported-

-Rules SAP 7/20: Attorney General/Commerce/OMB veto recommendation.

-House committee reported-

-Floor SAP 7/24: Attorney General/Commerce/OMB veto recommendation.

-House committee reported-

-POTUS letter 7/25: "I would

veto it because it would eliminate the Community
Oriented Policing Services (COPS) program."

-House passed-

-OMB letter 8/12: Commerce/OMB veto
recommendation.

*Defense (HR 2126/S 1087)

-House subcommittee reported-

-OMB letter 7/20:
Administration does not support.

-House committee reported-

-Rules SAP 7/27: serious
concerns and "the President will not support the bill
unless those concerns are addressed."

-House committee reported-

-Floor SAP 7/31: serious
concerns and "the President will not support the bill
unless those concerns are addressed."

-Senate committee reported-

-Floor SAP 8/10: senior
advisers would recommend veto if bill presented in
current form.

DC

Energy/Water (HR 1905)

-House subcommittee reported-

-OMB letter 6/20: strongly
opposed.

-House passed-

-OMB letter 7/20: strongly opposed.

-Senate committee reported-

-Senate SAP 7/31: strongly
opposed.

Foreign Ops (HR 1868)

-House committee reported-

-Floor SAP 6/22: difficulty

supporting if improvements are not made.

*Interior (HR 1977)

-House subcommittee reported-

-OMB letter 6/21: serious
objections.

-House committee reported-

-Floor SAP 7/12: OMB/Interior
veto recommendation.

-House passed-

-OMB letter 7/25: OMB/Interior veto
recommendation.

-House passed-

-Senate Floor SAP 8/4: OMB/Interior veto
recommendation.

*Labor/HHS/Ed

-Panetta, 7/11: if subcomm. chairman's mark reaches the
President's desk in its current form, "he will veto."

-House subcommittee reported-

-OMB letter 7/19:
President would veto.

-House committee reported-

-Rules SAP 7/27: President
would veto.

-House committee reported-

-Floor SAP 8/2: President
would veto.

-House passed-

-OMB letter 8/12: President would veto.

*Leg Branch (HR 1854)

-Conference report-

-POTUS said on 8/1: "If the
congressional leadership follows through on its plan to
send me its own funding bill before it finishes work on
the rest of the budget, I will be compelled to veto
it."

Mil Con (HR 1817)

□
-House subcommittee reported-
□
-OMB letter 6/13: would
support if modified.
□
-House committee reported-
□
-Rules SAP 6/15: would
support if modified.
□
-House
□
-passed-
□
-OMB letter 7/18: strongly objects to
certain provisions.
□
-Senate committee reported-
□
-Floor SAP 7/20: strongly
objects to certain provisions.

Transportation (HR 2002)

□
-House committee reported-
□
-Rules SAP 7/19: serious
objections.
□
-House committee reported-
□
-Floor SAP 7/21: serious
objections.
□
-House passed-
□
-OMB letter 8/1: serious objections.
□
-Senate committee reported-
□
-Floor SAP 8/9: appreciate
that several concerns are addressed, but have some
remaining concerns.

□

*Treasury/Postal (HR 2020)
□
-House subcommittee reported-
□
-OMB letter 7/10: serious
objections.
□
-House committee reported-
□
-Floor SAP 7/17: OMB/Sr.WH
officials/OPM veto recommendation.
□

-House
□
-passed-
□
-OMB letter 7/24: OMB/Sr.WH
officials/Treasury/OPM veto recommendation.
□
-Senate subcommittee reported-
□
-POTUS STATEMENT on ONDCP
7/26:´As this bill is now constructed, I will not sign
it.
□
-Senate subcommittee reported-
□
-OMB letter 7/27:
Treasury veto recommendation.
□
-Senate committee reported-
□
-Floor SAP 8/3: President
has stated he would not sign due to elimination of
ONDCP; Treasury veto recommendation due to other
concerns.

*VA/HUD/Independent Agencies (HR 2099)
□
-House subcommittee reported-
□
-Panetta statement 7/11:
President will veto.
□
-House subcommittee reported-
□
-OMB letter 7/17: senior
advisors veto recommendation.
□
-House committee reported-
□
-Rules SAP 7/24: President
would veto bill.
□
-House committee reported-
□
-Floor SAP 7/26: President
would veto bill.
□
-House
□
-passed-
□
-POTUS said on 8/1: "The minute this
polluter's protection act hits my desk, I will veto
it."
□
-House
□
-passed-
□
-OMB letter 8/12: President would veto

bill.
□
\d

SUMMARY of ADMINISTRATION OPPOSITION
[Prepared by OMB/LRD and OMB/LA]
(NON
□
-APPROPRIATIONS)

(Note: For details on the legislation listed below, including the basis for opposition, see the "STATUS OF MAJOR LEGISLATION" List that follows - note the item #; for appropriations items, see the "APPROPRIATIONS -- SUPPORT/OPPOSITION" file, above.)

Changes from previous day indicated by asterisk (*).

PRINTER FONT 16_POINT_COURIER
Vetoes:

PRINTER FONT 13_POINT_COURIER
Rescissions/Supplemental - HR 1158
*Bosnia - S. 21 [Item 105]

Presidential Veto Threats:

Americans with Disabilities Act Revisions - July 26, POTUS said he would veto "any substantive change to the ADA."
Assault Weapons Ban

Clean Water Amendments of 1995 - HR 961 [Item # 202]
Crime/100,000 cops - HR 728, Law Enforcement Block Grants [Item #4]
Davis
□
-Bacon - S 141 [Item #303]
Dismantling Commerce Department - HR 1756 and S 929 [Item #22]
Foreign Affairs Authorization/Merge AID, ACDA, USIA into State -
HR 1561, S. 908, S. 961 [Item #102]

Loser Pays - Civil Litigation - HR 988 [Item #9]
National Defense Authorization Act - S 1026 [Item #103]

National Security Bill - HR 872 [Item #101]
Product Liability/Civil Litigation - HR 956 [Item #8]

Student Loans

Takings/Private Property Protection - HR 925 and S 605 [Item #6]
Tax Fairness and Deficit Reduction Act - HR 1215 [Item #3]
Telecommunications Amendments - H.R. 1555 [Item #11]
Welfare Reform - HR 4 [Item #301]
□
Multiple Agency Veto Threats:

Comprehensive Regulatory Reform Act of 1995 - S 343 [Item #5]

Regulatory Moratorium - HR 450 [Item #7]

Single Agency Veto Threats:
Financial Institutions Regulatory Relief Act of 1995 - HR 1362 [Item #16]
Food Stamps - Block Grant, HR 4, HR 1997, and S 904 [Items #201, 301, & 310]
Jerusalem Embassy - S 770 and HR 1595 [Item #104]
Mining Law - S 506 [Item #207]
National Defense Authorization Act - HR 1530 [Item #103]
National Highway System Designation Act of 1995 - S 440 [Item #14]
Energy Exploration in the Arctic National Wildlife Refuge - [Item #211]
Service Contract Repeal Act - [Item #304]
Teamwork for Employees & Managers Act - HR 743 [Item #307]
*Utah Wilderness - HR 1745 and S 884 [Item #208]

OSHA Reform - HR 1834 [Item #311]

Transfer BLM Lands to States - HR 2032 [Item #210]

Strongly Oppose:

Federal Retirement Reform - HR 1215 and HR 1185 [Item #401]

Highway Off

-Budget - HR 842 [Item #15]
HUD Elimination Act - S 435 [Item #13]
*Livestock Grazing Act - S 852 and HR 1713 [Item #209]
National Highway System Designation Act of 1995 - S 440 [Item #14]
Pipeline Safety Act - HR 1323 [Item #21]
Risk Assessment - HR 1022 [Item #5]
Telecommunications - S 652 [Item #11]

Oppose:
Lorton Closure - HR 461 [Item #17]
Regulatory Sunset and Review Act of 1995 - HR 994 [Item #20]
Service Contract Repeal Act - HR 246 [Item #304]

Oppose Unless Amended:

Securities Litigation Reform - HR 1058 [Item #10]
Violent Criminal Incarceration - HR 667 [Item #4]

\d
STATUS OF MAJOR (Non

-Appropriations) LEGISLATION
[Prepared by OMB/LRD]

(Note: Parentheticals indicate who is

tracking; bills grouped by RMO)

[Changes from previous day indicated by asterisk (*)]
GENERAL GOVERNMENT & FINANCE:

1. Budget Resolution: (Konigsberg)
House completed action on HConRes 67 on 5/18,
passing the Kasich budget plan 238
□
-193. Senate
completed action on 5/25, passing the Domenici
budget 57
□
-42. Budget Resolution conference
agreement passed the House on 6/29 by a vote of
239
□
-194, and passed the Senate the same day by a
vote of 54
□
-46 (party line).
2. Item Veto: (Konigsberg/J. Gibbons)
House passed HR 2 (enhanced rescission) on February
6,
(294
□
-134).Senate passed S 4 (separate enrollment) on
March
23, (69
□
-29). Conference: On June 20, the Senate
requested a conference and appointed conferees.
3. Tax Fairness and Deficit Reduction Act: (R. Jones)
House passed HR 1215 on April 5, (246
□
-188)
including tax cuts (child credit, IRAs, repeal
taxes on soc.sec., neutral cost recovery, corporate
AMT, cap gains, expensing, adoptions, marriage
penalty credit, long
□
-term care incentives); raise
soc. sec. earnings limit; spending caps; Medicare
extenders; spectrum extender; uranium enrichment;
Federal retirement reforms; and automatic sequester
of amounts taxpayers dedicate to debt reduction.
SAP--"If...presented ...in its current form, the
Secretary of the Treasury and the Director of OMB
would recommend a veto." Senate not expected to
take up HR 1215, as passed by the House, however
components of the bill may be considered in the
context of Reconciliation. Basis for opposition:
Bill is fiscally irresponsible and would provide
disproportionate tax benefits to the wealthy at the
expense of programs for average Americans.

4. Crime Bills: (R. Jones)
House split their original crime bill into 7
smaller pieces and passed 6 of them--
? HR 665, requiring restitution for victims of

federal crimes, passed February 7 (431
□
-0);
SAP--"supports
passage."
? HR 666, allowing federal prosecutors to use
improperly obtained evidence if police officers
acted in "good faith"; would apply with and w/o
warrants. Passed February 8, (289
□
-142). SAP
□
-support
only if amended to apply only where warrants have
been obtained.
? HR 729, containing reforms affecting federal
habeas corpus review of state criminal judgments
and collateral review of federal judgements, and
requiring federal juries to impose death sentences
in certain cases. Passed February 8 (297
□
-132).
SAP-
□
-support if DOJ concerns addressed.
? HR 667, would replace the prison funding program
enacted in '94 Act with allocations based on
sentencing criteria; and would limit prisoner
litigation. Passed February 10, (265
□
-156).
SAP-
□
-oppose unless amended. Basis for opposition:
Proposed distribution of prison grants is inferior
to current program; drug court program would be
repealed.
? HR 668, to expedite the deportation of aliens who
commit serious crimes and reimburse states for
incarceration of criminal aliens. Passed February
10, (380
□
-20). SAP-
□
-support if amended to offset
the increased direct spending ($600m/yr).
? HR 728, combining last year's grants for 100,000
cops and crime prevention into block grants. Passed
February 14, (238
□
-192). SAP-
□
-Presidential veto
threat. Basis for opposition: Bill repeals police
grants program, which provides for 100,000 cops.
It also eliminates many crime prevention programs.

Senate action on crime legislation not yet
scheduled. However, habeas corpus provisions
related to those in HR 729 are included in the

Senate
□
-passed anti
□
-terrorism bill (S 735, discussed
below).

5. Reg Reform/Risk Assessment: (H. Fitter)
House passed HR 1022, Risk Benefit and Cost Benefit
Act of 1995 on February 28th (286
□
-141), requiring
Federal agencies to perform highly detailed
analyses of the risks that proposed health, safety
and environmental regulations seek to address. SAP
sent to the House on February 27, 1995, strongly
oppose HR 1022. Basis for opposition:
HR 1022 would impose overly broad, prescriptive,
and costly analytical requirements on the
regulatory process, encourage excessive
litigation, and supersede the substantive
requirements of many existing health, safety, and
environmental laws (i.e., the so
□
-called
supermandate).
Senate - Senate Floor action on S 343 began on
6/28. A 7/17/95 cloture vote failed (48
□
-46); a
second cloture vote on 7/18/95 also failed
(53
□
-47); a third cloture vote failed (58
□
-40) on
7/20/95. A SAP was transmitted on 7/10/95: veto
threat by Secretaries of Labor, Agriculture,
Health and Human Services, Housing and Urban
Development, Transportation, the Treasury, and the
Interior, the Administrator of EPA, and the
Director of OMB. In addition, in a 6/23/95 letter
to Senators Dole and Daschle, OMB OIRA
Administrator Katzen stated "we continue to have
serious concerns with S 343, and I would recommend
that the President veto it if it were presented to
him in its current form." Basis for opposition:
Would impair rather than improve the regulatory
process by generating additional costs, paperwork,
litigation, and delay.
6. Private Property Rights/Takings: (M. Goad)
On March 3rd, the House passed HR 925 (277
□
-148),
subsequently incorporated the bill into HR 9, and
then passed HR 9 (277
□
-141). HR 925 would require
certain Federal agencies to compensate financially
landowners if regulatory actions (taken under

Endangered Species Act, and wetlands, farm, and water rights laws) cause a decrease of at least 20 percent in the fair market value of any portion of the landowners' properties. The agencies would be required to offer to purchase the property if the regulatory action causes a decrease of more than 50

percent in the property's value. SAP on HR 925-
□
-strongly oppose (3/1/95). On April 7th, POTUS said, "I will also veto the House
□
-passed
requirement that government pay property owners billions of dollars every time we act to defend our national heritage of seashores or wetlands or open spaces." Basis for opposition: Undermines Federal authority to protect the general welfare; expands the traditional concept of Fifth Amendment "takings"; creates new direct spending; and imposes an unlimited fiscal burden in the form of an arbitrary, automatic compensation requirement for reductions in property values that are attributable to Federal actions.

The Senate Judiciary Committee held an April 6th hearing on S 605 (Dole/ Hatch). (S 605 has a 33 percent threshold, and would apply to all Federal agencies.) In testimony presented at the hearing, Justice threatened veto. In separate letters sent to Sen. Hatch in May and June, Agriculture, Army
□
-Civil Works, Defense, EPA, GSA, HHS, Interior, Justice, Transportation, and Treasury advised that they would recommend veto. In a June 7th letter to Sens. Hatch, Biden, Dole, and Daschle, OMB Director Rivlin advised that, due to the significant increase in Federal spending that would result if S 605 were enacted, she would recommend veto.
The Committee has not yet scheduled the mark up of S 605, but may do so at any time. The Senate Environment and Public Works (EPW) Committee held a June 27th hearing at which Interior and Justice advised that they would recommend veto of S 605 and HR 925. In an additional EPW hearing on July 12th, EPA, Army (Corps), and OMB advised that they would recommend a veto of S.605 or similar legislation. Basis for opposition: Same as opposition to House bill.

7. Reg Moratorium/Waiting Period: (J. Weinberg) House passed HR 450 on Feb. 24 by 276
□
-146. The bill
would establish a "moratorium period" -- Nov. 20, 1994 through Dec. 31, 1995 or enactment of reg reform, whichever is earlier -- during which a Federal agency may not take any "regulatory

rulemaking action" unless it falls within a specified emergency exception (i.e. military or foreign affairs functions, international trade agreements, agency management, certain banking

regulatory matters, implementation of the internal revenue laws; matters relating to loans, grants, benefits, or contracts). Also exempted: regs determined by OIRA to be necessary because of an imminent threat to health or safety or other emergency or necessary for the enforcement of criminal laws. SAP--"The President has stated that a moratorium on regulations, as provided for in H.R. 450, is not acceptable....the Secretaries of Agriculture, Energy, Health and Human Services, Housing and Urban Development, the Interior, Labor, Transportation, and the Treasury, the Attorney General, and the Administrator of the Environmental Protection Agency would recommend that it be vetoed." (In addition, POTUS said on 4/7/95, "if Republicans send me a bill that would let unsafe planes fly or contaminated water continue to find itself into city water systems, I will veto it." Veto threat reiterated in Earth Day speech, 4/21/95.) Basis for opposition: Would prevent the issuance of meritorious rules.
Senate passed S. 219 on March 29 by 100
□
-0; under
the Senate version, regs would not go into effect for 45 days, during which time Congress could enact a disapproval resolution. A March 29 statement by the President called the 45
□
-day review period "the
right way to reform regulation."
Conference: On June 16, the Senate requested a conference and appointed conferees.
8. Product Liability/Civil Litigation/Medical Malpractice:
(I. Schroeder)
House passed HR 956 on March 10 (265
□
-161). It
would cap punitive damages in all civil cases and would cap non
□
-economic (pain and suffering) damages
in suits against health providers and insurers.
Basis for opposition: Product liability reform should generally be left to the States; punitive damages shouldn't be arbitrarily capped; and differential treatment of "economic" and "noneconomic" (e.g., "pain and suffering" damages is inappropriate. (March 6th Reno/Mikva letter.)

Senate passed HR 956 on May 10 (61
□
-37). It would

cap punitive damage awards by juries in product liability cases at $250,000 or twice compensatory damages (economic and non
□
-economic damages),
whichever is greater. Judges could override those limits in "egregious" cases. Punitive damage awards in product liability cases could not exceed $250,000 for small businesses. Basis for opposition: A May 10th White House statement said the Senate
□
-passed liability bill "in its present form does not go far enough toward balancing the interests of consumers with those of manufacturers and sellers." The statement also stated the Administration's concerns regarding the limits on punitive damages adopted by the Senate and reiterated the Administration's opposition to provisions which would abolish joint and several liability. (A provision limiting punitive damage awards in all civil lawsuits, which was the subject of a May 4th Presidential veto threat, was later limited to product liability cases only.)
Conference not scheduled and conferees have not been appointed. Media reports indicate that Speaker Gingrich may defer conference until the fall.
According to press reports, the Senate may take action on a separate bill to curb medical liability late this summer.

9. Loser Pays - Civil Litigation: (I. Schroeder)
House passed HR 988 on March 7 (232
□
-193). Basis for
opposition: The bill, which would affect only Federal civil suits involving parties from different States, would impose a modified "loser pays" rule, intended to encourage parties to settle out of court. The President said on 4/7/95 that he "will veto any bill with a 'loser pay' requirement such as that was in the House bill." In the Senate, provisions similar to those of HR 988 were added to -- and subsequently deleted from -- the product liability bill (HR 956) on the Senate floor.

10. Shareholder Suits: (I. Schroeder)
House passed HR 1058 on March 8 (325
□
-99). Basis
for opposition: Could lead to inadequate deterrence against financial fraud. (March 6th Reno/Mikva

letter.)
Senate passed HR 1058 on 6/28/95 (69
□
-30). SAP sent

to Senate on 6/23/95 states that the Senate version (previously S. 240) "is now a substantial improvement on [the House version of] H.R. 1058, which the Administration could not support." The statement recommended amendments to: (1) clarify that safe harbors should not protect purposefully misleading statements; (2) restore liability for aiding and abetting in private action that follow a SEC action; and (3) extend the statute of limitations for private securities fraud actions to five years after a violation occurs. The SAP opposed a provision in the bill that would establish proportionate liability for reckless defendants and recommends replacing it with an amendment that would require culpable solvent defendants to pay up to two times their proportionate share of the damages, when a portion of the award is uncollectible.
Conference not scheduled.
11. Telecommunications Amendments: (J. Weinberg)
House passed HR 1555, amended, on August 4th,
305
▢
-117. Statement by the President on August 1st threatening to veto HR 1555 with the managers? amendments. Basis for opposition: Would harm competition and weaken benefits to the public.

Senate passed S. 652 on June 15th, 81
▢
-18. SAP
strongly opposed Commerce Committee
▢
-reported bill.
White House Press Office issued an Administration statement on Senate passage of S 652 on June 16: "The Administration's position on the final legislation will depend on the extent to which the Administration's concerns have been addressed satisfactorily during the course of the entire legislative process." VP said on April 3 that he opposes the Senate Commerce Committee bill, and on April 4 the VP clarified in a letter, "I did not say that the President would veto the bill, since it is too early for such a decision...." Basis for opposition: Would result in higher phone and cable bills and decrease competition for phone and cable services.
12. Banking and Insurance Reform: (R. Jones)
House Banking Committee marked up Chairman Leach's

HR 1062 on May 18. This bill would permit banks and securities firms to affiliate, allowing banks to underwrite securities and permitting securities firms to own banks. HR 1062 was reported by the House Commerce Committee on June 22. HR 1062 may move to the House floor in tandem with HR 1858, a banking regulatory relief bill. (See below for discussion of HR 1858 - Banking Deregulation.)
13. HUD Elimination Act: (A. Briatico)

Although no specific hearings have been held on S. 435, a number of Senate hearings have been held on "reinventing" HUD. HUD, Justice, and OMB have sent letters to the Senate Banking, Housing, and Urban Affairs Committee strongly opposing Title II of S. 435. Title II would transfer to Justice all of the responsibilities currently assigned to HUD under the Fair Housing Act. Basis for opposition: The administration of these authorities is best accomplished by HUD, which has the infrastructure to handle these responsibilities.

14. National Highway System: (J. Brown)
Senate bill (S. 440) passed the Senate on June 22nd. It would designate routes for the new National Highway System (NHS). Absent designation of the NHS, DOT will be unable to obligate $6.5 billion in highway funding in FY 1996. Basis for opposition: Repeal of national maximum speed limit law and motorcycle helmet requirements. (SAP to Senate, 6/15/95. A provision repealing
Davis
□
-Bacon
□
-type labor protections, which was the subject of a Secretary of Labor veto threat in the SAP, was deleted on the Senate floor.) House committee action not yet scheduled.
15. Highway Trust Fund Off
□
-Budget Bill: (J. Brown)
House bill (HR 842) was ordered reported by House Transport. Cte. on May 3. Will be sequentially referred to Budget and Gov. Reform & Oversight Committees. (The Speaker has stated that he will appoint a task force to study issues raised by this bill.) Basis for opposition: Bill removes four trust funds from the Budget -- inconsistent with unified budget. (Rivlin letter to Chairman Shuster, 3/27/95.) Senate bill (S. 729) was introduced on

April 27 by Sens. Baucus and Lott.
16. Banking Deregulation: (R. Jones)
House Banking Committee reported Chairman Leach's HR 1858 (successor to HR 1362) on July 18. This bill may go to the House floor in tandem with HR 1062 (listed above). Basis for opposition: Weakens important safeguards for assuring the safety and soundness of FDIC
□
-insured depository institutions and would eviscerate the Community Reinvestment Act. (Secretary Rubin issued a veto threat in a 6/29/95 letter to Chairman Leach.) Senate bill (S 650) is pending in the Senate Banking Committee. The Senate bill contains some, but not all, of the troublesome provisions.

17. Lorton Closure: (M.Cook)
The House Government Reform and Oversight D.C. Subcommittee has held a couple of hearings this year on HR 461, the "Lorton Correctional Complex Closure Act." At these hearings, no Administration witnesses were asked to testify. Justice, however, expects Administration witnesses to be invited to testify at future Subcommittee hearings on this matter. On 3/16/95, Justice sent a letter to this Subcommittee opposing HR 461. Basis for opposition: The approach of HR 461 is "seriously flawed" but alternatives, which will be discussed with the Congress, exist to remedy the Lorton issue.
18. Housing for Older Persons Act: (A.Briatico)
On April 6, 1995, HR 660 passed the House by a vote of 424 to 5. The Administration sent a SAP on 4/6/95 opposing H.R. 660. The Senate Subcommittee on the Constitution, Federalism and Property approved HR 660 by voice vote on August 2nd with an amendment that would require senior citizen housing to have at least 80 percent actual occupancy by seniors to qualify for the exemption from the Fair Housing Act. Basis for opposition: Amends the Fair Housing Act in a way that would loosen the standards used to determine what housing qualifies for the "housing for older persons" exemption, potentially increasing discrimination against families. Therefore, the Administration prefers administrative action to clarify the application of the "housing for older persons" exemption. NOTE: The bill's

provisions are similar to those of Title IV of HR 8, the "Senior Citizens' Equity Act," a Contract with America bill.

19. Counterterrorism: (R. Jones)
Senate passed S 735 on June 7 (81
□
-8) The bill
includes many proposals similar or identical to Presidential proposals (e.g., establishes Federal jurisdiction for terrorist acts, expedites removal of alien terrorists from the U.S., implements the international agreement on marking plastic explosives, etc.). Does not include the Administration's language for funding compliance with the 1994 digital telephony legislation. Includes habeas corpus reforms similar to that passed the House as a free standing bill (H.R. 729, listed under crime heading above). House Judiciary Committee reported H.R. 1710 on June 20 (23
□
-12).
The House bill also includes many of the President's proposals, including a funding mechanism for digital telephony. Justice does not expect House floor action until September.
20. Regulatory Sunset and Review: (J. Gibbons)

House bill (HR 994) was approved by a Gov. Reform & Oversight Cte. on 7/18/95 with significant amendments by a vote of 39
□
-7. Basis for opposition: Open
□
-ended in scope, excessively rigid, and contradictory criteria for review of regulations; paperwork requirements are unworkable. (Katzen testimony of 3/28/95 before House Gov. Reform.) Senate action not scheduled, but could be folded into broader regulatory reform legislation.
21. Pipeline Safety: (J. Brown)
House bill (HR 1323) has been reported by Transportation and Commerce Ctes. Basis for opposition: (1) Authorizes less than 44 percent of the FY 1996 Budget request for pipeline safety activities; and (2) imposes burdensome and costly risk assessment procedures on the pipeline safety rulemaking process. (DOT letter, 5/12/95.)
22. Dismantling Commerce Department: (J. Weinberg)
House bill (HR 1756) hearing was held by two House Commerce S

ubcommittees on 7/24/95 at which Secretary Brown announced that the President will veto any legislation to dismantle the Commerce Department. Senate bill (S 929) hearing was held by Senate Governmental Affairs on 7/25/95 at which Secretary Brown repeated Presidential veto statement.
Basis for opposition: Commerce Department is working effectively to promote economic growth.

NATIONAL SECURITY & INTERNATIONAL AFFAIRS:
101. National Security: (A. Rooney)
House passed HR 7 on February 16th (241
□
-181) (star wars was deleted on the Floor but many objectionable provisions remain which would infringe upon the authority of the President to respond to international crises and conflicts; remove UN peacekeeping as an option for burdensharing; establish an unnecessary Nat'l Security Commission; and mandate policies on NATO membership). (HR 872 was amended on the House floor and passed as HR 7) On 4/7/95, POTUS said that he would refuse to approve the peacekeeping legislation passed by the House. SAP (Feb. 13th)--State, Defense, and the U.S. Ambassador to the UN would recommend a veto. Basis for opposition: Infringes on President's constitutional authorities as Commander in Chief; and virtually eliminates U.S. participation in UN peacekeeping efforts. Senate Foreign Relations Committee (SFRC) began hearings on March 21st on S 5, Peacekeeping Powers Act (introduced by Dole) and HR 7. Aspects of S 5 were considered on May 17th as part of the SFRC

markup of Foreign Affairs Authorization and Consolidation proposal (S 908) and deleted from the bill as reported. State advises that peacekeeping may be considered separately by the Committee at a later date.
102. Foreign Affairs Authorization and Consolidation: (A. Rooney)
House passed HR 1561 on June 8th (222 - 192). On May 23rd, the President expressed serious concerns

regarding congressional legislation that would "place new restrictions on how America conducts its foreign policy and slash our budget in foreign affairs." Further, the President advised that if HR 1561 passed in its present form, he would veto it. SAP (May 22nd) -- State, DOD, Treasury, the U.S. Ambassador to the UN, AID, USIA, and ACDA would recommend a veto of HR 1561. Basis for opposition: Imposes numerous, far
□
-reaching
restrictions on the conduct of American foreign policy; inappropriately consolidates three foreign affairs agencies (AID; ACDA; USIA) into a "super" State Department; and significantly reduces appropriation authorizations for international affairs programs.
Senate Foreign Relations Committee (SFRC) ordered reported Senator Helms' foreign relations authorization and consolidation proposal (S 908) on May 17th by a vote of 10
□
-8. On June 7th, SFRC
ordered reported Senator Helms' Foreign Aid Reduction Act (S 961) by a vote of 10
□
-8. On July
26th, the President stated that S. 908 ?would undermine the President?s authority to conduct our nation?s foreign policy and deny us the resources we need to lead in the world.? (The statement also cited S. 961 as contributing to the "dangerous and shortsighted" cuts in the international affairs budget.) The President concluded that he would veto this legislation in its present form. On August 1st, the Senate failed twice to invoke cloture on S. 908 on identical votes of 55
□
-45. The
Senate may return to consideration of S. 908 in September. SAP (June 28th) -- State, the U.S. Ambassador to the UN, AID, USIA, and ACDA would recommend a veto of S 908. Basis for opposition: Same as opposition to House bill. SAP on S. 961 (July 27th) -- State, Defense, U.S. Ambassador to the UN, and AID would recommend a veto. Basis for opposition: unwise restrictions on Presidential authority, congressional micro
□
-management, and

inadequate appropriations authorizations. Further Senate consideration of S. 961 is uncertain.
*103. National Defense Authorization Act: (M. Goad)
House passed HR 1530 (300
-126) on June 15th.
Sec. Perry, in a June 20th letter to Sen. Thurmond, stated that "[m]any of the provisions . . . are

totally unacceptable. Unless they are eliminated or radically modified, they threaten the prospects for the bill itself." SAP on HR 1530
(6/13/95)-
-strongly opposes. Basis for opposition: Raises serious constitutional, national security, budget, personnel, and management concerns.
Senate has agreed to hold final vote on S 1026, the companion bill, on September 5th. The National Security Adviser, in an August 4th letter to Sen. Daschle, stated that "unless the unacceptable missile defense provisions are deleted or revised and other changes are made to the bill . . . . the President's advisors will recommend that he veto the bill." SAP on S 1026 (7/31/95)--"The President will not support the bill unless these concerns are addressed." Basis for opposition: Raises serious constitutional, national security, budget, and management concerns.
104. Jerusalem Embassy: (A. Rooney)
S 770/HR 1595 would require the United States to move its embassy to Jerusalem. On June 20th, Secretary Christopher sent a letter to Senator Dole and Speaker Gingrich stating that he would recommend a veto of the legislation. No action scheduled on either bill. Basis for opposition: Potentially very damaging to the success of the Middle East peace process and infringes on the President's constitutional prerogatives in foreign policy.
*105. Bosnia: (A. Rooney)
On August 11th, the President vetoed S. 21. Attempts to override the veto are expected in September. In July 25th letters to Senators Dole and Daschle, the President expressed strong opposition to S. 21, the Bosnia and Herzegovina Self
-Defense Act. The President concluded that he would veto any resolution or bill that "may require the United States to lift unilaterally the arms embargo." A similar provision was added to H.R. 1561 during House consideration. (See above for status of H.R. 1561). The Senate passed S. 21, by 69
-29 on July 26th and the House, by a vote of 298 to 128, passed and cleared the bill for the President on August 1st. Basis for opposition:

Undermine efforts to achieve a negotiated settlement

in Bosnia and could lead to an escalation of the conflict there, including the possible Americanization of the conflict.

NATURAL RESOURCES, ENERGY & SCIENCE
*201. Farm Bill: (C. Crutchfield)
Traditionally a 5
□
-year measure, this legislation will reauthorize a slew of farm, nutrition, rural development, and other USDA programs. The Administration's Farm Bill guidance assumes savings in farm programs of $1.5 billion over 5 years. The 1996 Budget Resolution calls for cuts in farm programs of $8.5 billion over 5 years and $13.4 billion over 7 years. Committee action will begin earnestly in the fall, with the House Ag. Ctte. scheduled to mark up budget reconciliation instructions on 9/13/95 and the Senate Ag. Ctte. expected to follow soon thereafter. Mandatory farm programs will likely be included in reconciliation, although the House and Senate seem to be taking different approaches. Rep. Roberts has proposed a "Freedom to Farm" bill (HR 2195) that decouples farm payments from production levels, but not from conservation and crop insurance requirements. Many Senators, such as Sen. Cochran (S 1155), want to take a more incremental approach, such as increasing nonpayment acres to reduce outlays. (NOTE: See item #310 for information on Secretary Glickman's veto threat against block grants for food stamps.)
202. Clean Water Amendments of 1995: (H. Fitter)
House passed HR 961 on May 16th, by a vote of
240
□
-185. The bill would ease, overhaul, or revoke a number of current law's anti
□
-pollution
requirements, allow States to continue to rely on voluntary measures to deal with certain water pollution problems, and restrict the ability of Federal agencies to declare wetlands off limits to development. On May 30, 1995, POTUS stated that the House
□
-passed bill "will not get past my desk."
SAP, sent on May 9, 1995, contained multiple agency veto threat (OMB, Justice, EPA, Interior). Basis for opposition: The bill would reduce water quality protection; eliminate fundamental wetlands protections; create enormous new costs (the bill

includes a "mandatory compensation" takings provision similar to that contained in HR 925); fail to address effectively non

□
-point source
pollution; and paralyze the Federal Government's ability to issue regulations and guidance to protect the Nation's waters. Senate Environment Chairman Chafee has indicated that Clean Water Act reauthorization is not one of his top priorities.
203. Endangered Species: (M. Goad)
At July 13th and 20th oversight hearings before the Senate Environment and Public Works Committee, the Departments of Commerce and the Interior testified on the Endangered Species Act (ESA). The Committee may hold additional oversight hearings. CEQ expects that, once the oversight hearings are concluded, Sen. Kempthorne (R) ID will introduce a bill to reauthorize the ESA.
On May 25th, the Departments of Agriculture, Commerce, and the Interior testified before the House Endangered Species Task Force on possible changes to the ESA. CEQ and Interior advise that the House Task Force will not complete drafting legislation to amend the ESA until after the August recess.
204. Safe Drinking Water: (H. Fitter)
Reauthorization of the 1974 law designed to keep contaminants out of the nation's water supply. State and local officials want a State revolving loan fund for water supply projects and relief from testing requirements. House Commerce staff and Senate Environment and Public Works staff, respectively, are working on draft bills.
205. Interstate Waste: (H. Fitter)
Senate passed S 534 on May 16th, by a vote of 94
□
-6.
S. 534 would give states more power to restrict both intra and interstate garbage dumping. House Commerce subcommittee marked up an unnumbered subcommittee print on May 18, 1995. Timing of full Committee action is uncertain.
206. Superfund Reform: (H. Fitter)
The taxes which fund the hazardous waste clean
□
-up
program expire at the end of 1995. There is support among some Republicans to scale back retroactive

liability (which would shift much of the costs to the government). Senate Environment Subcommittee Chair Bob Smith has circulated a "Superfund Reform Outline" containing principles for Superfund reform. EPA Administrator Browner, in a July 11th letter to Senator Smith, stated that the outline "incorporates proposals that are unfair, unworkable, or insufficiently protective of human health and the environment." (EPA is especially concerned about the outline's repeal of strict, joint, and several retroactive liability.)
Browner's letter further advised, "we do not

believe this outline will establish a viable basis on which to attract the broad support that is needed if we are to achieve Superfund reform in the limited time left in this calendar year." House Transportation and Commerce subcommittee on Hazardous Material has held numerous subcommittee hearings on Superfund reform. On July 17th, Subcommittee Chairman Oxley unveiled his superfund reform proposal which is similar to the Smith outline. EPA Administrator Browner, in a July 24th letter to Chairman Oxley, reiterated the concerns she raised on the Smith proposal. On July 24th Subcommittee Chairman Boehlert unveiled "Superfund '95 A Road Map to Reform". While the Boehlert proposal is preferable to the Smith/Oxley proposals, initial Administration review indicates a variety of problems.

207. Mining Law: (C. Crutchfield)
Senate Energy and Natural Resources Committee has postponed indefinitely markup of S 506 and apparently will not act this session. Interior Secretary Babbitt stated in a 5/22/95 letter to Chairman Murkowski that he would recommend a veto of S 506. Basis for opposition: S 506 does not provide for meaningful reform. It would (1) grant rights to purchase valuable Federal mineral lands at bargain
□
-basement prices; (2) deprive Federal land managers of authority to protect the environment; and (3) result in little or no return to Federal taxpayers for use of publicly
□
-owned
mineral deposits. Justice also strongly opposed S 506 in a 6/12/95 letter because it would increase litigation over public liability for cleanup. House has not scheduled action.

208. Utah Wilderness: (C. Crutchfield)
House Resources Committee on 8/2/95 ordered reported HR 1745, designating certain Federal lands in Utah as wilderness. Interior testified 6/29/95 before the Committee that the Secretary would recommend a veto of HR 1745. Basis for opposition: The bill would (1) fail to designate enough land as wilderness; (2) open up for development too much land currently protected as wilderness study areas; and (3) allow road construction and other activities that are incompatible with wilderness designation. Senate Energy and Natural Resources Committee has begun consideration of identical legislation (S 884) introduced by Sens. Hatch and Bennett. Interior testified on 7/13/95 before the Committee that the Secretary would recommend a veto of S 884. Basis for opposition: Same as House.
*209. Livestock Grazing: (C. Crutchfield)
Senate Energy and Natural Resources Committee reported S 852 on 7/28/95 and Sen. Domenici and

other (Western State) sponsors will likely seek floor consideration this fall. The bill would supercede Interior's regulations for livestock grazing on public lands, that took effect on August 21st. Interior strongly opposed S 852 in testimony before the Senate on 6/22/95, and USDA Forest Service objected in a 7/18/95 letter to provisions in the reported bill that apply to National Forest System lands. Basis for opposition: S. 852 would (1) establish grazing as a dominant use for public lands over recreation, wildlife protection, and other concerns; (2) limit public involvement in the management of public lands; and (3) restrict land managers ability to enforce environmental and other applicable statutes. In the House, Interior opposed the companion bill (HR 1713) in testimony on 7/11/95 before the National Parks Subcommittee. Subcommittee markup of H.R. 1713, originally scheduled for August 4th, was postponed until September.

210. Transfer BLM Lands to States: (C. Crutchfield)

Interior testified before the House National Parks Subcommittee on 8/01/95 that the Secretary would recommend veto of HR 2032. Basis for opposition: HR 2032 would "transfer tremendous national assets

and revenues to a small number of fortunate States. The bill is fiscally irresponsible and would squander much of our national heritage." No bill introduced in the Senate.

211. Energy Exploration in the Arctic National Wildlife Refuge: (M. Goad)

On 08/02/95, the Senate Energy and Natural Resources Committee held an oversight hearing on oil and gas exploration on the coastal plain of the Arctic National Wildlife Refuge. Interior Secretary Babbitt, in a statement presented before the Committee, stated that he would "recommend to the President that he veto any legislation" that would allow for such activity in the Refuge.

Basis for opposition: Such legislation would allow industrial development in, thus placing at risk the wildlife resources of, the only area along on the Alaskan arctic coast that is dedicated to the protection of wildlife and wilderness resources.

HUMAN RESOURCES

301. Welfare Reform: (M. Cook)

HR 4 (SAP, 3/21/95 said oppose, but in a 4/13/95 CNN interview, POTUS said "I'd be happy to veto").

Basis for opposition: denial of cash benefits to unwed parents under age 18; funding cuts to Food Stamp and other nutrition programs; funding cuts and removal of Federal oversight of State child protection systems; inadequate resources and requirements for States to move people from welfare to work; and inadequate resources for States in times of recession.

House passed H.R. 4 on March 23 (234

□
-199) which
would replace current welfare programs with 5 block grants to States (cash welfare; child welfare; child care; school meals; family nutrition). House SAP opposed H.R. 4 because it would: fail to reform welfare by moving people from welfare to work; reduce Federal funding in ways that would impair the health and nutrition of children and families; and is not tough enough on parents who owe child support, and too tough on innocent children.
Senate Finance Committee reported its version of H.R. 4 on June 9. The bill would block grant AFDC;

impose a five
□
-year time limit on benefits; tighten eligibility for SSI; and strengthen child support enforcement. HHS cited concerns with the bill in a May 24 letter to the Committee. On August 3, 1995, Senator Dole introduced S. 1120, a ?perfecting amendment.? S. 1120 is based on the S. Finance Committee?s H.R. 4, but also includes provisions: reauthorizing the Child Care Development Block Grant; consolidating training programs (based on S. 143, Kassebaum's Workforce Development Act); and allowing States the option of receiving their Food Stamp revenue in the form of a block grant
Senate floor action began on S. 1120 on Saturday, August 5th, but was tabled until the week of September 5th. On August 5th, a SAP on S. 1120 was released opposing this bill and strongly supporting S. 1117, the Democratic leadership welfare reform alternative.
302. Social Security Earnings Test: (M. Cook)
House-
□
-increase in earnings limit to $30,000
included in HR 1215, which passed on April 5,
(246
□
-188). Senate action unclear.
303. Davis
□
-Bacon Repeal: (C. Bowers)
H.R. 500 and S. 141 would repeal the Davis
□
-Bacon
Act of 1931. The act requires Federal contractors working on jobs valued at more than $2000 to pay their workers the "local prevailing wage," which is often the union rate. A House Economic & Education Opportunities Subcommittee referred H.R. 500 to full committee on March 2. Senate Labor & Human Resources Committee reported S. 141 on May 12. A provision to repeal Davis
□
-Bacon coverage of Federal
Highway projects was dropped from S. 440, the

National Highway bill (see entry above). S.1120 (Work Opportunity Act of 1995) would modify Davis

□

-Bacon labor standards protections for tenants of public housing. The Administration?s SAP on S.1120 (dated August 5, 1995) recommended deleting this provision from the bill and indicated that Davis

□

-Bacon reform would be the appropriate avenue for making changes Davis

□

-Bacon requirements. Basis for opposition: repeal of Davis

□

-Bacon requirements would depress workers' wages. President quoted on 4/6/95 as saying he would veto S. 141; Reich letter -- would recommend veto 3/18/95. (Also Reich letter and Senate SAP on S. 440 stated Labor would

recommend veto.

304. Service Contract Repeal Act: (B. Pellicci) Press reported that VP indicated on 2/20/95 that President would veto such legislation. Basis for opposition: repeal of Service Contract Act would depress workers' wages. HR 246 was marked up by a House EEO subcommittee on 3/03/95.

305. Minimum Wage Increase: (A. Briatico) On 2/13/95, President transmitted to Congress a proposal to raise the minimum wage in two 45 cent steps -- raising the rate to $4.70 per hour on July 4, 1995 and to $5.15 per hour on July 4, 1996. President's proposal introduced as S. 413 and H.R. 940. Senator Kassebaum indicated on April 21 that the Senate Labor and Human Resources Committee will hold hearings on increasing the minimum wage. No date has been set.

306. Striker Replacement: (B. Pellicci) On 3/8/95, President issued an Executive Order to deny Federal contracts to employers that permanently replace striking workers. H.R. 1176 and S. 603 would nullify the Executive Order. The House Economic and Educational Opportunities Committee reported H.R. 1176 on June 27. The House passed Labor/HHS Appropriations bill (H.R. 2127) contains a provision prohibiting the use of funds to enforce the President?s Executive Order.

307. Teamwork for Employees and Managers Act: (B. Pellicci) HR 743 and S295. (Reich letter: recommend veto, 3/6/95 and 6/21/95; press reported that VP said on 02/20/95 that President would veto such legislation.) Basis for opposition: would allow employers to establish company unions or alternative, company

□

-dominated organizations where
unions already exist. HR 743 was ordered reported on 6/22/95 by the House EEO Committee. No action has been taken to date on S 295.

308. Social Security Solvency: (M. Cook)
The "Strengthening Social Security Act of 1995" (S. 825), one of the "Simpson/Kerrey" bills, is designed

to secure the long
□
-term solvency of the Social
Security program. It would: (1) accelerate the currently scheduled increase of the normal retirement age; (2) limit COLAs to certain Social Security beneficiaries; (3) adjust, for a limited period, Social Security COLA estimates based on CPI; (4) modify the formula for determining the primary insurance amount (the basic monthly benefit payable to a worker) to make it more progressive; (5) allow future beneficiaries to divert up to 2 percentage points of their payroll taxes to place in their own personal investment plan; (6) reduce gradually spousal benefits starting in 2000; (7) redirect revenue obtained through the taxation of Social Security benefits from the HI Trust Fund to the OASDI Trust Fund; and (8) invest a portion of the OASDI Trust Fund assets in a stock fund index. On June 27, 1995, a Senate Finance Subcommittee held a hearing on the solvency of the Social Security system. To date, the Administration has not taken a position on S. 825. No comparable bill has been introduced in the House.

309. Employment, Training, and Retraining: (C. Bowers) Both the Senate and House authorizing committees have reported bills that would consolidate numerous Federal education and job training programs grants for youth development and career preparation, adult training, adult education and literacy, and vocational rehabilitation. These bills differ significantly from the President's proposal to restructure education and job training programs (the G.I. Bill for America's Workers), and they reduce substantially Federal resources for these functions. House Economic and Educational Opportunities (EEO) Committee reported H.R. 1617 (The Consolidated and Reformed Education, Employment and Rehabilitation Systems, or 'CAREERS' Act) on May 17, 1995. It is expected that H.R. 1617 will be linked on the House Floor with H.R. 1720 (Privatization Act of 1995), which was reported by the House EEO Committee on June 22, 1995. H.R. 1720 would privatize Sallie Mae and Connie Lee and eliminate numerous higher education programs. The Administration proposes to privatize these GSEs and eliminate the higher education programs, but its

privatization initiatives differ in certain

respects from H.R. 1720. Senate Labor and Human Resources Committee reported S. 143 (Workforce Development Act) on June 21, 1995. The provisions of S. 143 were incorporated in large part into S. 1120, the Republican leadership welfare reform bill. The August 5th Statement of Administration Policy on S. 1120 expressed concerns with a variety of these provisions and stated that the inclusion of the provisions in S. 1120 was ?inappropriate?.
310. Food Stamps - Block Grant: (M.Cook)
Sec. Glickman stated before S. Ag. Cte., 5/23/95, that he strongly opposes block granting food stamps and that the President has indicated his intention to veto such legislation. Basis for opposition: would jeopardize the health and nutrition of low
□
-income families.
Any changes made to the Food Stamp program are expected to be done within the context of Welfare Reform. S. 1120, the Senate Republican leadership welfare reform bill provides States the option of receiving their Food Stamp revenue as a block grant. Senate floor action on S. 1120 began on 8/5/95, but was tabled until the week of September 5th. House
□
-passed HR 4 (the welfare reform bill) and HR 1997 (the food and nutrition title of the Farm Bill), as approved by a H. Agriculture Subcommittee on 7/11/95, do not contain provisions that would block grant Food Stamps. According to USDA, the Full H. Agriculture Committee is expected to take up HR 1997 in September.
311. OSHA Reform: (C. Bowers)
The House Economic and Educational Opportunities Committee, Subcommittee on Workforce Protections, held a hearing June 28, 1995, on H.R. 1834 (Ballenger), the "Safety and Health Improvement and Regulatory Reform Act of 1995." Labor testified against H.R. 1834. Basis for Opposition: Would redirect funding away from enforcement activities, jeopardize the health and safety of American workers by weakening enforcement and regulatory authority, and particularly threaten miners by revising Federal mine safety and enforcement. On July 12, 1995, Secretary Reich held a press conference on the House appropriation subcommittee actions affecting the

Department of Labor. In response to a question, Secretary Reich stated that he "will strongly recommend a veto of the Ballenger bill . . . [which] amounts to a wrecking ball rather than reform." H.R. 1834 is pending in the subcommittee.

HEALTH & PERSONNEL
401. Federal Retirement Reform Act: (M. Cook)
HR 1215 and HR 1185 both include Federal retirement reform provisions. The Administration's position

on such reforms has been articulated in the President's 4/5/95 letter on HR 1215 to Speaker Gingrich and in OMB's 3/15/95 letter on HR 1185 to Speaker Gingrich. Basis for opposition: Reduces retirement benefits of Federal employees to finance a tax cut for the wealthy.
On 3/15/95, the full H. Government Reform and Oversight Committee began consideration of HR 1185. It, however, recessed before taking action on the bill. NOTE: Title IV of HR 1215, as passed by the House on 4/5/95 (246
□
-188), contains provisions similar to those of HR 1185. To date, the Senate has taken no action on a stand
□
-alone retirement
bill. On June 19, 1995, however, the FBI and DEA testified before a S. Governmental Affairs subcommittee opposing changes in retirement benefits for Federal employees. Modifications to Federal retirement programs are likely to be included in reconciliation legislation.

MAJOR LEGISLATION ENACTED
? Unfunded Mandates Reform Act of 1995 (PL 104
□
-4).
President signed 3/22/95.
? Defense Supplemental Appropriations (PL 104
□
-6).
President signed 4/10/95.
? Permanently Extend the Tax Deductibility for Health Insurance Costs for Self
□
-Employed Individuals (PL
104
□
-7). President signed 4/11/95.
? HR 1345, DC Financial Responsibility and Management Assistance Act of 1995 (PL 104
□
-8). President signed
4/17/95.
? Paperwork Reduction (PL 104
□
-13). President signed
5/22/95.

? Medicare SELECT (PL 104
□
-18). President signed
7/7/95.
? Emergency Supplemental Appropriations for Additional Disaster Assistance, for Anti
□
-terrorism Initiatives,
for Assistance in the Recovery from the Tragedy that Occurred at Oklahoma City, and Rescissions Act,

1995 (PL 104-   19). President signed 7/27/95.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Charles E. Kieffer (KIEFFER_C) (OMB)

CREATION DATE/TIME: 9-SEP-1995 14:33:05.95

SUBJECT: interior conferees letter

TO: Patrick J. Griffin (GRIFFIN_P) Autoforward to: Erin A. O'Con
READ:11-SEP-1995 09:21:52.10

TO: Martha Foley (FOLEY_M) (OMB)
READ:10-SEP-1995 15:52:29.54

TO: Jacob J. Lew (LEW_J) (OMB)
READ:10-SEP-1995 14:48:41.09

TO: Barbara C. Chow (CHOW_B) (WHO)
READ:11-SEP-1995 11:40:18.66

TO: Timothy J. Keating (KEATING_T) (WHO)
READ:11-SEP-1995 08:17:52.12

TO: Erin A. O'Connor (OCONNOR_E) (WHO)
READ:11-SEP-1995 09:21:52.10

TEXT:

The Interior conference is not yet scheduled but could be late the week of Sept 11th.
Please provide your comments by 4pm on Monday.
note that there is an attachment.
thanks

PRINTER FONT 12_POINT_COURIER
Honorable Bob Livingston
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515
Dear Mr. Chairman:

The purpose of this letter is to provide the Administration's views on H.R. 1977, the Department of the Interior and Related Agencies Appropriations Bill, FY 1996, as passed by the House and by the Senate. As you develop the conference version of the bill, your consideration of the Administration's views would be appreciated.

The Administration is committed to balancing the Federal budget by FY 2005. The President's budget proposes to reduce discretionary spending for FY 1996 by $5 billion in outlays below the FY 1995 enacted level. The Administration does not support the level of funding assumed by the House or Senate Committee 602(b) allocations and has serious concerns about the overall priorities reflected in the appropriations process. The Administration must evaluate each bill both in terms of funding levels provided and the share of total resources available for remaining priorities. Both the House and Senate versions of the bill are over $1.7 billion below the President's request.

Both versions of the bill contain provisions that the Administration finds seriously objectionable. In their current forms, the House and Senate versions of the bill would drastically reduce essential services to Native Americans, impede scientific research, prevent the effective management of public lands, and hinder the implementation of recreation, energy, and cultural programs. For these reasons, discussed more fully below and in the enclosure, I would join the Secretary of the Interior in recommending that the President veto the bill if it were presented to him as passed by the House or as passed by the Senate.

Department of the Interior Funding Levels

The Administration supports the Senate's improved funding levels over the House

-passed bill for certain key investments and agencies, such as the funding level provided for natural resources science. However, the increased funding levels in the Senate bill were achieved largely through unacceptable reductions to Bureau of Indian Affairs (BIA) programs. These reductions would impede the provision of critical tribal services related to government operations, law enforcement, housing, child welfare, education, vocational training, and health care. Moreover, any attempt to restore cuts to BIA programs by further cutting natural resource and land management programs would eviscerate the core Interior operating programs for parks, refuges, and public lands.

Endangered Species Act

The Administration strongly objects to the Senate's moratorium on endangered species listings and critical habitat designations and objects to the House and Senate reductions in funding for Endangered Species Act programs in the Fish and Wildlife Service (FWS). The Administration urges the conferees to eliminate the moratorium and provide sufficient funds for continuing these critical programs.

Pacific Northwest

The Administration opposes the funding reductions for the Bureau of Land Management and the Fish and Wildlife Service activities in the Pacific Northwest, including implementation of the President?s Forest Plan. These reductions would affect timber targets and the ability of the Fish and Wildlife Service to work with private landowners under special rules proposed by the Administration to ease spotted owl taking prohibitions on private lands. Reduced funding would also mean fewer employment opportunities under the "Jobs in the Woods" program. The Administration urges the conferees to restore funding for economic and environmental activities in the Pacific Northwest.

AmeriCorps

The Administration objects to House and Senate language that would prohibit the use of funds provided in the bill for AmeriCorps national service projects. The Senate bill would allow agencies to request reprogramming of appropriated funds if the parent Corporation for National and Community Service receives funding in the VA, HUD, and Independent Agencies bill. The Administration urges the conferees to delete the prohibition on the use of appropriated funds for AmeriCorps projects. However, if a stricture must be maintained, the Senate language allowing reprogramming of funds would be the preferred action.

Patent Moratorium

The Administration strongly opposes the Senate's decision not to continue the current moratorium on patenting mining claims on Federal lands. Patenting means privatizing valuable Federally

-owned land and mineral deposits, with only minimal returns to taxpayers, and putting these deposits beyond the reach of any royalty payment to the Federal treasury. The Administration supports the House

-passed provision, which would continue the patent moratorium, and urges the conferees to include this provision in the conference version of the bill.

Department of Energy

The Administration strongly opposes the drastic reductions made by both the House and the Senate to the request for Energy Conservation, which would seriously disrupt several high

-priority initiatives. The Administration urges the conferees to increase the allocation for conservation programs, especially the weatherization initiative, climate change activities, and the Partnership for a New Generation of Vehicles.

Timber Salvage

The Administration understands that conferees may include language concerning timber salvage. The Administration would strongly oppose ....(TJ, Martha- this is a placeholder).

Additional Administration concerns, particularly with regard to the Senate moratorium on grazing fees, the Senate language concerning timber harvesting in the Tongass Forest and House funding for the East Mohave Desert, are contained in the enclosure. We look forward to working closely with the conferees to address our mutual concerns.

Sincerely,

Alice M. Rivlin
Director

Enclosure

Identical Letters Sent to Honorable Bob Livingston,
Honorable David Obey, Honorable Ralph Regula,
Honorable Sidney R. Yates, Honorable Mark O. Hatfield,
Honorable Slade Gorton, and Honorable Robert C. Byrd

Honorable David R. Obey
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515
Dear Congressman Obey:

Honorable Ralph Regula
Chairman
Subcommittee on Interior and
Related Agencies Appropriations
Committee on Appropriations
U.S. House of Representatives

Washington, D.C. 20515
Dear Mr. Chairman:

Honorable Sidney R. Yates
Subcommittee on Interior and
Related Agencies Appropriations
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515
Dear Congressman Yates:

Honorable Mark O. Hatfield
Chairman
Committee on Appropriations
United States Senate
Washington, D.C. 20510
Dear Mr. Chairman:

□
Honorable Robert C. Byrd
Committee on Appropriations
United States Senate
Washington, D.C. 20510
Dear Senator Byrd:

Honorable Slade Gorton
Chairman
Subcommittee on Interior and
Related Agencies Appropriations
Committee on Appropriations
United States Senate
Washington, D.C. 20510
Dear Mr. Chairman:
□
RESET 1
Enclosure
(Conference)

ADDITIONAL CONCERNS
H.R. 1977 -- INTERIOR AND RELATED AGENCIES
APPROPRIATIONS BILL, FY 1996
(AS PASSED BY THE HOUSE AND BY THE SENATE)

Department of Interior
Bureau of Indian Affairs (BIA). The House
□
-passed bill would
reduce funding by $228 million below the FY 1996 request and $48 million below FY 1995. Inadequate funds are provided for school operations, economic development, child protection, tribal courts, and reservation infrastructure needs. The Senate
□
-passed bill would slash funding for the
BIA by an additional $207 million. This reduction is 23 percent below the President?s request and 15 percent below the FY 1995 enacted level. The most severely affected would be tribal priority allocation programs -- those critical local tribal programs such as law enforcement, housing

improvement, general assistance, Indian child welfare, and adult vocational training administered by the Tribe and over which Tribes can set their own priorities. The Administration urges the conferees to restore the programs to acceptable levels.
Grazing Regulations. The Administration strongly objects to the 90
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-day moratorium on grazing regulation changes included in the Senate
□
-passed bill. These regulations went into effect on August 21, 1995. The Congress was given an additional six months after their promulgation last February to consider the grazing rule. The Administration urges the conferees to delete this provision and would strongly oppose any action affecting the new regulations.
Office of Surface Mining. Both the House and Senate would reduce the Office of Surface Mining?s (OSM?s) Federal Regulatory Program budget by 21 percent. This action would impede current efforts to deal with environmental damage from surface coal mining. The Senate would also reduce OSM?s Abandoned Mine Land Reclamation program operations by 21 percent and the Fee Compliance program by 54 percent. These

actions would result in environmental degradation and would jeopardize the safety and livelihood of residents as well as the collection of over $240 million in reclamation fees.
□
Natural Resource Protection/Land Management. The Administration does not support the Senate's action that would underfund natural resource protection and land management operations in the National Park Service (NPS), Bureau of Land Management, and Fish and Wildlife Service. Operating programs in these three bureaus would be reduced $170 million, or seven percent, below the request.
East Mohave Desert. More to come................
Territorial and International Affairs. The House
□
-passed
bill would eliminate funding for technical assistance programs and would delete all funding for salaries and expenses of the Office of Insular Affairs. These reductions would eliminate the Department?s institutional capability to perform all insular functions for which the Secretary of the Interior is responsible, including its fiscal responsibilities to manage and to monitor the use of hundreds of millions in Federal funds provided to the insular areas. The Administration urges the conferees to support the Senate?s position.
Unrequested/Low
□
-priority Items. The Administration opposes congressional add
□
-ons for unrequested, low
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-priority items,
such as the Water Resources Research Institutes, at the

expense of higher
□
-priority needs. The Senate added $50
million for land acquisition and construction projects not requested by the Administration, including $24.9 million for 16 add
□
-on NPS construction projects, many of which have no priority for construction and a few which have no planning completed.
Department of Education, Office of Indian Education
Although the Senate has restored a small portion of the Indian Education funding reduced by the House, both the House and Senate versions of the bill would fail to provide the funds needed to maintain essential programs serving Native American children and youth. Activities that would be terminated by both the House and the Senate include demonstrations of new approaches to the education of Indian children, fellowships for Indian post
□
-secondary students,
and Indian adult education. The Administration urges the conferees to restore funding for these activities.

Department of Agriculture, Forest Service
Tongass National Forest.The language in the Senate
□
-passed
bill directing the Forest Service program in the Tongass National Forest undermines responsible forest management. The Senate provision would displace a scientific and public process with specific direction from Congress and ignore the scientific research that has been done on this plan since its original publication. This would result in the extraction of timber in some of the most environmentally sensitive areas of the Tongass. The conferees are urged to delete this unprecedented provision.
Stewardship Incentives Program. The Administration opposes the House bill?s elimination and the Senate bill?s severe restriction of funding for the Stewardship Incentives Program, which would cause a subsequent loss of leveraged funding from private landowners and States. This would curtail the implementation of stewardship practices, such as reforestation and timber stand improvements, on thousands of acres of non
□
-industrial private forest lands.
Department of Energy
The Administration opposes the decision of the House and the Senate to fund the Clean Coal Technology program at $140 million over the request, particularly at the expense of higher
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-priority needs such as Energy Conservation. These additional funds will not be obligated in FY 1996 since there is approximately $1 billion in unobligated funds in the account.
The Administration strongly opposes section 319 of the House
□

-passed bill, which would prevent the establishment of a wide range of appliance efficiency standards mandated by the Energy Policy Act of 1992. While the Senate bill eliminates section 319, the Senate bill includes in section 320 a prohibition on fluorescent lights efficiency standards, which could cost consumers millions of dollars.

Cultural Agencies

The Administration objects to the low levels of funding

provided by both the House and the Senate for the National Endowment for the Arts (NEA) and the National Endowment for the Humanities (NEH). The Administration urges the conferees to approve additional funding for the NEA and NEH so that these agencies can continue to provide important cultural, educational, and artistic programs for communities across America.

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Columbia River Basin Ecoregion Assessment Project

While the Senate bill would provide more funding than the House bill, the Administration remains opposed to House and Senate appropriations language and funding restrictions that would limit the Columbia River Basin Ecoregion Assessment Project. Curtailing the project so close to its completion would jeopardize the ability of the Forest Service and the Bureau of Land Management to complete land use plans pursuant to existing law, or even to maintain a sustainable flow of timber and the production of other goods and services generated by the forests in the affected area. The Administration recommends the elimination of these provisions.

Infringement on Executive Authority

There are several provisions in the House and Senate versions of the bill that purport to require congressional approval before Executive Branch execution of aspects of the bill. The Administration will interpret such provisos to require notification only, since any other interpretation would contradict the Supreme Court ruling in INS vs. Chadha.

Objectionable Language Provisions

The Administration objects to several provisions that seek to micromanage agency activities and would impede the ability of the agencies to accomplish their work efficiently and effectively. Some specific concerns related to these objectionable provisions include Refuge Management restrictions, interference with tribal self

□

-governance, and

restrictions on Bureau of Mines restructuring.

General Provisions

The Administration objects to section 317 of the Senate

□

-passed bill on the ground that this provision merely restates the obligation of officials to act within the law, and so does not accomplish anything except to create confusion as to its meaning.

RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: Bill_Dauster@budget_min.senate.gov@INET@EOPMRX

CREATION DATE/TIME:11-SEP-1995 16:03:00.00

SUBJECT: Appropriations Status Report

TO: Heimbach_J (Heimbach_J@A1@CD) (WHO)
READ:12-SEP-1995 07:51:33.67

TEXT:

APPROPRIATIONS STATUS REPORT
Prepared by Senate Budget Committee Democratic Staff
September 8, 1995

Six appropriation bills have passed the Senate: Defense, Interior, Legislative Branch, Military Construction, Transportation, and Treasury-Postal. All bills are below their allocations except Treasury-Postal. A floor amendment added $1 million above the budget authority allocation, an error that should be corrected in conference.

Agriculture House and Senate allocations are identical and cut $508 million below a BA freeze and $1.4 billion below the President s request. The administration has threatened to veto the House version of the bill, largely over cuts in rural housing loans. The House tried but failed to reduce subsidies for tobacco, peanuts, and individuals with high off-farm income, but did succeed in cutting the U.S. Mink Export Development Council. The House added $260 million to last year s levels for the Women, Infants and Children (WIC) feeding program. Senate subcommittee markup is scheduled for September 12; full committee markup is tentatively scheduled for September 14.

Commerce, Justice, State The Senate allocation is $739 million below a BA freeze and $4.3 billion below the President s request. This bill is highly controversial and faces a Presidential veto. Contentious issues include cuts in the Economic Development Administration, Legal Services, and Public Broadcasting Grants, as well as authorizing language that would convert the COPS program into a block grant. The bill makes substantial cuts in the U.S. contribution to the United Nations and related peacekeeping activities and slashes various technology and research programs administered by the Commerce Department. The Senate bill will go to full committee on September 12.

Defense The Senate allocation is $6.3 billion above the administration s request and $1 billion below a BA freeze. Most of the increase above the President $5.8 billion was allocated toward procurement, which reflects many Members concerns that weapons modernization has been neglected during the last 10 years. The House-reported bill is $1.4 billion above the Senate and contains politically inflammatory policy provisions that will likely draw a veto. These include a prohibition of DoD funds for the UN; an increase of $599 million over the administration s request for a national missile defense; and restrictions on spending for international peacekeeping, humanitarian assistance, and disaster relief activity. The President has threatened a veto on two grounds: if it busts the budget at a time when domestic spending is being slashed, and if it ties the hands of the military to participate in operations other than war. The Senate bill passed September 5. Conference has not been scheduled.

District of Columbia The House, Senate, and President have allocated $712 million for this bill, the same level as a BA freeze. Both the House and the Senate have delayed action on this bill to allow the city s new Financial Control Board to work with the Mayor and City Council on a budget plan. The House will probably act during the third week in September.

Energy and Water The Senate allocation is $387 million below a BA freeze and $555 million below the President s request. The Senate allocation exceeds the House levels by $1.6 billion. About half of these additional funds are used for nuclear weapons cleanup activities. This bill is one of the least controversial appropriations measures and the President will probably not veto it. The Senate passed the bill August 1. Conference has not been scheduled.

Foreign Operations The Senate allocation is $1.3 billion below a BA freeze and $2.5 billion below the President s request. Cuts below the President are likely to be made in three areas: Multilateral Development Bank, the Agency for International Development, and International Security Assistance. The Senate Foreign Operations subcommittee will consider the bill on September 12 with full committee action scheduled for September 14.

Interior The Senate allocation is $2.2 billion below a BA freeze and $2.3 billion below the President s request. The administration strongly opposes cuts in the Bureau of Indian Affairs and DOE energy conservation programs, as well as language allowing for a larger timber harvest in the Tongass National Forest in Alaska. This bill has about a 50-50 chance of being vetoed in its current form. The Senate passed the bill on August 9. Conference has not been scheduled.

Labor, HHS, Education The Senate allocation is $8.1 billion below a BA freeze and $10.8 billion below the President s request. Severe cuts in education and training programs in the House-passed bill resulted in a stern veto threat from the administration. The Senate allocation is $1.6 billion above the House and education is likely to receive most of the additional funds but the increase may not be enough to satisfy the President. Legislative riders on the House-passed bill will also be problematic for the President, including abortion restrictions, striker replacement prohibitions, advocacy limitations on grant recipients, and a deficit reduction lock box. There is a bipartisan agreement that the Senate subcommittee will strip all legislative riders and report a clean bill in the Senate, but these issues will resurface on the floor and in conference. The Senate subcommittee will mark up the bill Wednesday, September 13.

Legislative Branch The Senate allocations are $218 million below a BA freeze and $444 million below the President s request. The bill eliminates more than 2,600 legislative jobs, terminates the Office of Technology Assessment, cuts $16.8 million from the Architect of the Capitol, and cuts $7.9 billion from the Government Printing Office. The President had threatened to veto this legislation because of a concern that Congress first funded itself while threatening to allow the rest of the Government to close down, however, it appears that this veto threat has been lifted. The House passed the conference report for the Legislative Branch Appropriations bill Wednesday, September 6. The Senate is expected to take up and pass the conference report soon.

Military Construction The Senate allocation exceeds a BA freeze by $2.2 billion and is $461 million above the President s request. The House and Senate bills differ by only $18 million. The two chambers have wide differences in three areas: military construction for active components, reserve components, and family housing. The administration objects strongly to the more than $600 million both chambers have appropriated for 85-100 military and family housing projects. This issues is not likely to invoke a presidential veto. The House and Senate have both passed the bill but no date has been set for conference.

Transportation The Senate allocation is $1.3 billion below a BA freeze and $1.2 billion below the President s request. There are no politically contentious issues in this bill and a Presidential veto is not expected. Neither bill contains funding for essential air service and local rail freight assistance. However, the Senate does provide $1 million for the creation of the Rail Safety Institute. The bill has passed both the House and the Senate. Conference is expected to begin later this month.

Treasury-Postal The Senate allocation is $564 million below a BA freeze and $1.9 billion below the President s request. The Senate bill is $96 million below the House-passed bill. The Senate bill reinstates a ban on abortions funded through Federal employees health plans, except in cases of rape or incest or where the mother s life is in danger. The House bans abortions under Federal health plans unless the mother s life is in danger. The Senate bill blocks cost-of-living adjustments for Members of Congress. Both the House and Senate have completed action on this bill. Conferees are expected to meet the week of September 11.

Veterans Affairs, Housing, and Urban Development The Senate allocation is $9.3 billion below a BA freeze and nearly $10 billion below the President s request. A draft proposal includes approximately 100 pages of housing authorization language and makes less severe cuts in housing programs than the House-passed bill. The President has threatened a veto of the House-passed measure for a variety of reasons, including severe cuts in homeless assistance programs, major cuts in the EPA, and many legislative riders that would scale back enforcement of existing clean air and water laws. The House passed the bill on July 31. The Senate subcommittee will probably mark up its version of the bill Monday, September 11, followed by full committee markup Wednesday, September 13.

=================== ATTACHMENT 1 ===================

ATT CREATION TIME/DATE:11-SEP-1995 16:01:00.00

ATT BODYPART TYPE:D

TEXT:

RFC-822-headers:
Received: from gatekeeper.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
 id <01HV5M4U0HIO004YXK@PMDF.EOP.GOV> for Heimbach_J@a1.eop.gov; Mon,
 11 Sep 1995 16:03:06 -0400 (EDT)
Received: by gatekeeper.eop.gov (5.65/fma-120691); id AA20290; Mon,
 11 Sep 1995 15:57:50 -0400

```
Received: from [156.33.203.30] by gateway.senate.gov;
 (5.65/1.1.8.2/14Sep94-0947PM) id AA18942; Mon, 11 Sep 1995 16:02:59 -0400
Received: from smtpgwy by mailhost.senate.gov id aa23288; Mon,
 11 Sep 1995 15:54 -0400 (EDT)
Received: from cc:Mail by smtpgwy.senate.gov id AA810859112; Mon,
 11 Sep 1995 15:29:03 -0500 (EST)
================== END ATTACHMENT   1 ==================
```

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Charles E. Kieffer (KIEFFER_C) (OMB)

CREATION DATE/TIME:15-SEP-1995 18:33:35.07

SUBJECT: Interior conferees letter

TO: Patrick J. Griffin (GRIFFIN_P) Autoforward to: Erin A. O'Con
READ:15-SEP-1995 19:31:18.39

TO: Martha Foley (FOLEY_M) (OMB)
READ:15-SEP-1995 18:35:57.14

TO: Jacob J. Lew (LEW_J) (OMB)
READ:17-SEP-1995 22:20:46.73

TO: Barbara C. Chow (CHOW_B) (WHO)
READ:15-SEP-1995 19:22:54.32

TO: Timothy J. Keating (KEATING_T) (WHO)
READ:15-SEP-1995 19:52:39.41

TO: Erin A. O'Connor (OCONNOR_E) (WHO)
READ:15-SEP-1995 19:31:18.39

TEXT:
The Interior conference is Tuesday at 9am.
Please provide comments by Noon, Monday.
=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE:15-SEP-1995 18:32:00.00

ATT BODYPART TYPE:p

ATT CREATOR: Charles E. Kieffer

TEXT:
PRINTER FONT 12_POINT_COURIER
Honorable Bob Livingston
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515
Dear Mr. Chairman:

The purpose of this letter is to provide the Administration's views on H.R. 1977, the Department of the Interior and Related Agencies Appropriations Bill, FY 1996, as passed by the House and by the Senate. As you develop the conference version of the bill, your consideration of the Administration's views would be appreciated.

The Administration is committed to balancing the Federal budget by FY 2005. The President's budget proposes to reduce discretionary spending for FY 1996 by $5 billion in outlays below the FY 1995 enacted level. The Administration does not support the level of funding assumed by the House or Senate Committee 602(b) allocations and has serious concerns about the overall priorities reflected in the appropriations process. The Administration must evaluate each bill both in terms of funding levels provided and the share of total resources available for remaining priorities. Both the House and Senate versions of the bill are over $1.7 billion below the President's request.

Both versions of the bill contain provisions that the Administration finds seriously objectionable. In their current forms, the House and Senate versions of the bill would drastically reduce essential services to Native Americans, impede scientific research, prevent the effective management of public lands, and hinder the implementation of recreation, energy, and cultural programs. For these reasons, discussed more fully below and in the enclosure, I would join the Secretary of the Interior in recommending that the President veto the bill if it were presented to him as passed by the House or as passed by the Senate.

Department of the Interior Funding Levels

The Administration supports the Senate's improved funding levels over the House
-passed bill for certain key investments and agencies, such as the funding level provided for the Natural Resource Science Agency. However, the increased funding levels in the Senate bill have been achieved largely through unacceptable reductions to Bureau of Indian Affairs (BIA) programs. These reductions would seriously impede the provision of critical tribal services related to government operations, law enforcement, housing, child welfare, education, vocational training, and tribal courts.

Department of Energy

The Administration opposes the drastic reductions made by both the House and the Senate to the request for Energy Conservation, which would seriously disrupt several high
-priority
initiatives that would create jobs, save consumers money, and protect the environment. The Administration urges the conferees to increase the allocation for conservation programs, especially the weatherization initiative, climate change activities, and the Partnership for a New Generation of Vehicles.

Legislative Riders

The Administration is very concerned about the number of legislative riders contained in this bill and finds many of them very objectionable. The Administration urges the conferees to delete these provisions, including the following:

Tongass National Forest. The Senate provision would displace a scientific and public process with specific direction from Congress and ignore the scientific research that has been done on this plan. This would result in the extraction of timber in some of the most environmentally sensitive areas of the Tongass.

Mining Patent Moratorium. The Senate's provision would allow privatizing valuable Federally
-owned land and mineral
deposits, with only minimal returns to taxpayers, and putting these deposits beyond the reach of any royalty payment to the Federal treasury. The Administration

strongly supports the House action, consistent with the

grandfather provision included in the FY 1996 request. The House provision would continue the patent moratorium and allow time to work on more comprehensive reforms.

Columbia River Basin Ecoregion Assessment Project. Curtailing this project so close to its completion would jeopardize the ability of the Forest Service and the Bureau of Land Management to complete land use plans pursuant to existing law, or even to maintain a sustainable flow of timber in the interior Columbia River basin. The project needs to be completed and funded fully, in order to provide certainty for the region and to avoid returning to the species
□
-by
□
-species crisis management of the past.

Grazing Regulations. The Senate bill contains a 90
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-day
moratorium on grazing regulation changes that went into effect on August 21, 1995. The Congress was given an additional six months after promulgation of the changes last February to consider the grazing rule.

Energy Efficiency Standards. The Administration strongly opposes section 319 of the House
□
-passed bill and section 320
of the Senate
□
-passed bill, both of which would prevent the establishment of a wide range of appliance efficiency standards mandated by the Energy Policy Act of 1992. These prohibitions could cost consumers millions of dollars.

AmeriCorps. The House language would prohibit the use of funds provided in the bill for AmeriCorps national service projects. The Senate bill would at least allow agencies to request reprogramming of appropriated funds if the parent Corporation for National and Community Service receives funding in the VA, HUD, and Independent Agencies bill.

Timber Salvage. The Administration is actively implementing the timber salvage and related programs authorized in the rescission bill (P.L. 104
□
-19) this summer. Any riders in
this bill to redirect these programs would only disrupt the orderly and prompt implementation that is already underway and could jeopardize the ability to meet the objectives in the original legislation.

California Desert

The Administration strongly opposes the House action that would transfer funding for the newly created Mojave National

Preserve from the National Park Service to the Bureau of Land Management. Such action would undermine implementation of the 1994 California Desert Protection Act. The Administration urges the conferees to follow the Senate approach concerning the Mojave National Preserve and to fund fully the levels requested in the FY 1996 Budget.

Cultural Agencies

The Administration objects to the proposed phase

-out and the

low levels of funding for the National Endowment for the Arts (NEA) and the National Endowment for the Humanities (NEH). The Administration urges the conferees to remove any phase

-out

language and approve additional funding for the NEA and NEH so that these agencies can continue to provide important cultural, educational, and artistic programs for communities across America.

Additional Administration concerns are contained in the enclosure. We look forward to working closely with the conferees to address our mutual concerns.

Sincerely,

Alice M. Rivlin
Director

Enclosure

Identical Letters Sent to Honorable Bob Livingston, Honorable David Obey, Honorable Ralph Regula, Honorable Sidney R. Yates, Honorable Mark O. Hatfield, Honorable Slade Gorton, and Honorable Robert C. Byrd

Honorable David R. Obey
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515
Dear Congressman Obey:

Honorable Ralph Regula
Chairman
Subcommittee on Interior and
Related Agencies Appropriations
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515
Dear Mr. Chairman:

Honorable Sidney R. Yates
Subcommittee on Interior and
Related Agencies Appropriations
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515
Dear Congressman Yates:

Honorable Mark O. Hatfield
Chairman
Committee on Appropriations
United States Senate
Washington, D.C. 20510
Dear Mr. Chairman:

□
Honorable Robert C. Byrd
Committee on Appropriations
United States Senate
Washington, D.C. 20510
Dear Senator Byrd:

Honorable Slade Gorton
Chairman
Subcommittee on Interior and
Related Agencies Appropriations
Committee on Appropriations
United States Senate
Washington, D.C. 20510
Dear Mr. Chairman:
□
RESET 1
Enclosure
(Conference)

ADDITIONAL CONCERNS
H.R. 1977 -- INTERIOR AND RELATED AGENCIES
APPROPRIATIONS BILL, FY 1996
(AS PASSED BY THE HOUSE AND BY THE SENATE)

Department of the Interior
Bureau of Indian Affairs (BIA). The House
□
-passed bill would
reduce funding by $228 million below the FY 1996 request and $48 million below FY 1995. Inadequate funds are provided for school operations, economic development, child protection, tribal courts, and reservation infrastructure needs. The Senate
□
-passed bill would slash funding for the
BIA by an additional $207 million. This reduction is 23 percent below the President?s request and 15 percent below the FY 1995 enacted level. The most severely affected would be tribal priority allocation programs -- those critical local tribal programs such as law enforcement, housing improvement, general assistance, Indian child welfare, and adult vocational training administered by the Tribe and over which Tribes can set their own priorities. The Administration urges the conferees to restore the programs to acceptable levels.
Endangered Species Act. The Administration objects to the Senate's moratorium on endangered species listings and critical habitat designations and objects to the House and Senate reductions in funding for Endangered Species Act programs in the Fish and Wildlife Service (FWS). The

Administration urges the conferees to eliminate the moratorium and provide sufficient funds for continuing these critical programs.

Office of Surface Mining. Both the House and Senate would reduce the Office of Surface Mining?s (OSM?s) Federal Regulatory Program budget by 21 percent. This action would impede current efforts to deal with environmental damage from surface coal mining. The Senate would also reduce OSM?s Abandoned Mine Land Reclamation program operations by 21 percent and the Fee Compliance program by 54 percent. These

actions would result in environmental degradation and would jeopardize the safety and livelihood of residents as well as the collection of over $240 million in reclamation fees.
Natural Resource Protection/Land Management. The Administration does not support the House and Senate's action that would underfund natural resource protection and land management operations in the National Park Service
□
(NPS), Bureau of Land Management, and Fish and Wildlife Service. Operating programs in these three bureaus would be reduced $180 million, or seven percent, below the request.
Territorial and International Affairs. The House
□
-passed
bill would eliminate funding for technical assistance programs and would delete all funding for salaries and expenses of the Office of Insular Affairs. These reductions would eliminate the Department?s institutional capability to perform all insular functions for which the Secretary of the Interior is responsible, including its fiscal responsibilities to manage and to monitor the use of hundreds of millions in Federal funds provided to the insular areas. The Administration urges the conferees to support the Senate?s position.
Unrequested/Low
□
-priority Items. The Administration opposes congressional add
□
-ons for unrequested, low
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-priority items,
such as the Water Resources Research Institutes, at the expense of higher
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-priority needs. The Senate added $50
million for land acquisition and construction projects not requested by the Administration, including $24.9 million for 16 add
□
-on National Park Service construction projects, many of which have no priority for construction and a few which have no planning completed.
Department of Education, Office of Indian Education

Although the Senate has restored a small portion of the reduction to Indian Education made by the House, both the

House and Senate versions of the bill would fail to provide the funds needed to maintain essential programs serving Native American children and youth. Activities that would be terminated by both the House and the Senate include demonstrations of new approaches to the education of Indian children, fellowships for Indian post
□
-secondary students,
and Indian adult education. The Administration urges the conferees to restore funding for these activities.

Department of Agriculture, Forest Service
Stewardship Incentives Program. The Administration opposes the House's elimination and the Senate?s severe restriction of funding for the Stewardship Incentives Program. These

actions would cause a subsequent loss of leveraged funding from private landowners and States. This, in turn, would curtail the implementation of stewardship practices, such as reforestation and timber stand improvements, on thousands of acres of non
□
-industrial private forest lands.

□
Department of Energy
The Administration opposes the decision of the House and the Senate to fund the Clean Coal Technology program at $140 million over the request, particularly at the expense of higher
□
-priority needs such as Energy Conservation. These additional funds will not be obligated in FY 1996 since there is approximately $1 billion in unobligated funds in the account.
Smithsonian Institution and National Gallery of Art
The House and Senate would make sizable reductions in the salaries and expenses accounts for the Smithsonian Institution and the National Gallery of Art. A large portion of these accounts funds salaries for employees, so the reductions could require reductions
□
-in
□
-force. Similar
reductions are envisioned by the Administration as part of its long
□
-term streamlining process, and we urge a similar approach by the Congress to allow the agencies time to plan adequately for the downsizing and restructuring of their workforce. The Administration urges support for the Senate position to provide funding for Smithsonian?s Cultural Resources Center of the National Museum of the American Indian, and to support the proper repair and renovation of buildings for the Smithsonian and National Gallery.

Infringement on Executive Authority
There are several provisions in the House and Senate versions of the bill that purport to require congressional

approval before Executive Branch execution of aspects of the bill. The Administration will interpret such provisos to require notification only, since any other interpretation would contradict the Supreme Court ruling in INS vs. Chadha.

Objectionable Language Provisions
The Administration objects to several provisions that seek to micromanage agency activities and would impede the ability of the agencies to accomplish their work efficiently and effectively. Some specific concerns related to these objectionable provisions include Refuge Management restrictions, interference with tribal self
□
-governance, and

restrictions on Bureau of Mines restructuring.
General Provisions
The Administration objects to section 317 of the Senate
□
-passed bill on the ground that this provision merely restates the obligation of officials to act within the law, and so does not accomplish anything except to create confusion as to its meaning.
================= END ATTACHMENT 1 =================

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Julie E. Demeo (DEMEO_J) (OPD)

CREATION DATE/TIME:18-SEP-1995 18:23:57.19

SUBJECT: Final Version of Carol Rasco's Roll Call op-ed

TO: Jeremy D. Benami (BENAMI_J) (WHO)
READ:19-SEP-1995 09:18:31.69

TO: Bruce N. Reed (REED_B) (WHO)
READ:18-SEP-1995 18:24:21.60

TO: Rahm Emanuel (EMANUEL_R) (WHO)
READ:NOT READ

TO: Patrick J. Griffin (GRIFFIN_P) Autoforward to: Erin A. O'Con
READ:18-SEP-1995 19:04:01.33

TO: Kathy McKiernan (MCKIERNAN_K) (WHO)
READ:18-SEP-1995 18:27:25.37

TO: APRIL K. MELLODY (MELLODY_A) (WHO)
READ:26-SEP-1995 10:09:42.97

TO: LAWRENCE J. HAAS (HAAS_L) (OMB)
READ:18-SEP-1995 19:16:09.37

TO: Kenneth S. Apfel (APFEL_K) (OMB)
READ:19-SEP-1995 16:28:20.30

TO: Gene B. Sperling (SPERLING_G) Autoforward to: Daniel Taber
READ:18-SEP-1995 19:32:12.74

TO: Jason S. Goldberg (GOLDBERG_JS) (OPD)
READ:18-SEP-1995 20:20:38.04

CC: Cathy R. Mays (MAYS_C) (OPD)
READ:19-SEP-1995 09:54:25.38

CC: Christa T. Robinson (ROBINSON_C) (WHO)
READ:18-SEP-1995 18:37:01.76

CC: Erin A. O'Connor (OCONNOR_E) (WHO)
READ:18-SEP-1995 19:04:01.33

TEXT:
Thank you all for your help in editing Carol's op-ed for the
September 25th special policy briefing section of Roll Call.
Attached is the final version.
Again thank you for your help.
==================== ATTACHMENT 1 ====================
ATT CREATION TIME/DATE:18-SEP-1995 18:20:00.00

ATT BODYPART TYPE:p

ATT CREATOR: Julie E. Demeo

TEXT:

PRINTER FONT 12_POINT_ROMAN
Honorable Gerald Solomon
Chairman
Committee on Rules
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am writing to transmit the Administration's views on the actions that the House will take to comply with budget reconciliation instructions.

You should have no doubt about the President's position: If reconciliation legislation were sent to him with the extreme spending cuts and huge tax cut called for in the budget resolution, he would veto the bill. The President has underscored the importance of finding common ground for a reconciliation bill which will serve the interests of the American people.

As you know, the reconciliation process is central to achieving the goal that the President shares with congressional leaders -- to balance the budget. It is through reconciliation that we can slow the growth of entitlement programs, which continues to drive future deficits. And it is through reconciliation that we can cut taxes in a responsible way.

Nevertheless, as the President and his senior advisors have repeatedly noted, the Administration has profound differences with the overall approach that Congress has adopted to balance the budget:

? The President's plan: The plan, which the President announced in June, would protect Medicare and Medicaid while slowing their growth; invest in education and training and other priorities; and provide for a targeted tax cut to help middle
□
-income Americans raise their children, save for the future, and pay for postsecondary education.
To reach balance, the President would eliminate wasteful spending, streamline programs, and end unneeded subsidies; take the first, serious steps toward health care reform; reform welfare to reward work; cut non
□
-defense discretionary
spending (other than the high priority investments) 22 percent in real terms in 2002; and target tax relief to those who really need it.

? The Republican plan: By contrast, the Republican plan -- as reflected in the committee
□
-reported reconciliation
provisions and earlier congressional budget actions -- would set an arbitrary date for balancing the budget, and, at the same time, provide a huge tax cut whose benefits would flow disproportionately to those who simply do not need it.

□
To reach balance under those circumstances, the Republican plan would make deep cuts in key discretionary investments such as education and training, and in such mandatory programs as Medicare, Medicaid, student loans, food stamps,

and foster care. It also would raise taxes on millions of working families by slashing the Earned Income Tax Credit (EITC).

The House Republican plan unduly burdens low and middle income Americans in order to provide benefits to the most wealthy. In an analysis we recently conducted on the distribution of the impacts we found that tax breaks for the richest 5% are $37 billion -- almost as large as the total of income and health coverage cuts hitting all families with children. This is not shared sacrifice.

The President believes strongly that, while his approach reflects the common ground that Americans share, the Republican plan reflects an extreme and unwise approach that will hurt average Americans and help special interests. He has repeatedly urged Congress to work with him on a more reasonable path that will help raise average living standards in the future.

The congressional majority, however, has shown no inclination to move to a more responsible path. The Ways and Means and Commerce Committees, for instance, have passed deep, unwarranted cuts in Medicare that would raise costs for beneficiaries and sharply cut payments to providers, jeopardizing access to, and the quality of, care. In addition, Commerce would convert Medicaid into a block grant and limit its annual growth. Using a least optimistic assumption (?), the Urban Institute estimates that even if states absorb half of the cuts by cutting services and provider payments, they would still have to end coverage for 8.8 million people in fiscal 2002, including 6.3 million families and children. Furthermore, Commerce would end needed standards for nursing homes, eliminate spousal impoverishment protection, and not ensure coverage for even the most vulnerable Americans -- poor children under 18.

The provisions passed by the Ways and Means Committee would adversely affect working Americans. They would raise taxes on 14.5 million working families by cutting the Earned Income Tax Credit (EITC), a program that once enjoyed broad support from Democrats and Republicans alike. It would block grant foster care and other child programs, potentially hurting children.

(Placement)The Committee also would make unwise changes to pension fund asset reversions, making it easy for companies to withdraw "excess" pension assets for their own use -- and guaranteed by the Pension Benefit Guaranty Corporation.

We understand that the majority will place the House- and Senate
□
-passed welfare reform bill in the reconciliation bill. When added to food program and EITC cuts elsewhere in reconciliation, the total welfare cuts are excessive. While welfare clearly needs reform, its primary purpose should be to

move people from welfare to work, not reduce the deficit. The cost of excessive program cuts in human terms -- to working families, families with small children, low
□
-income immigrants,
disabled children, and the elderly receiving Supplemental Security Income -- would be grave. The Administration proposes a more acceptable level of cuts, coupled with strong programmatic reforms.

Other committees are making unwise cuts or other changes in programs that affect millions of students and their families, children, the poor of all ages, and the environment.

The Economics and Educational Opportunities Committee would raise college loan costs to middle- and low
□
-income students and
parents, and tax colleges and universities. In particular, the Committee would cap the successful Direct Student Loan program, eliminating about half of the schools that now participate. This action would reverse the real progress we have made in getting more Americans access to education. The Committee also would give $1.7 billion in federal assets to unneeded financial intermediaries, and weaken the Government's power to curb abuses in the guaranteed loan program.

As you know, the House Agriculture Committee did not meet its reconciliation instructions, demonstrating that the proposed level of cuts is too deep. At the same time, the Administration has serious concerns with the House's "Freedom to Farm" proposal to reach the savings target, particularly its effect on the federal safety net for family
□
-sized farms.

The House proposal to dismantle the Commerce Department and create more units of government does not help to reinvent government. Quite the contrary, it will create more government with less efficiency. Commerce houses some of the President's highest
□
-priority technology programs, which ensure the nation's future competitiveness and job growth, and has a strong record of helping businesses, workers, and communities to build a stronger economy.

The House Resources Committee would open ANWR to oil and gas drilling, threatening a rare, pristine ecosystem, in hopes of generating $1.3 billion in federal revenues -- a revenue estimate based on wishful thinking and outdated analysis. Moreover, the potential for long
□
-term damage to this biologically
□
-rich
wilderness is simply too great. The Administration, instead, supports efforts to protect the refuge's coastal plain permanently.

Already, the President has made it clear that he will veto any reconciliation bill that includes Medicare and Medicaid cuts of the size that the budget resolution calls for. Also, as I wrote to the House Resources Committee on September 21, the President will veto any reconciliation bill that opens the Arctic National Wildlife Refuge (ANWR) to oil and gas drilling. (Moved closer to end)

The Administration has other concerns as well about the approach that House is taking. Attached is a more detailed review of our concerns, which we will update as the process continues.

Although we have major differences with Congress at this point, we hope to work with you to find a common path to balance the budget in way that will improve the standard of living of all Americans.

Sincerely,

Alice M. Rivlin
Director

Identical letter sent to The Honorable John Joseph Moakley

CONCERNS WITH HOUSE RECONCILIATION BILL

HOUSE AGRICULTURE

Reform Package

The Committee's inability to meet its reconciliation target highlights how deep the cuts would be. The "Freedom to Farm" proposal, likely to be included in the Rule, would effectively sever the safety net that current farm programs provide in stabilizing farm income. It would fix annual crop subsidy payments, rather than allow them to adjust to changes in market conditions. If market prices drop, federal payments would not rise, as they do under current law. Family farmers would have to absorb the lost income, creating a "ripple effect" of lost income for rural communities.

The House proposal would strike the requirement that participants have crop insurance -- a major, recently
-enacted
reform. Combined with cuts in the farm safety net, this proposal likely to raise pressure to return to budget
-busting, ad hoc
disaster payments. The proposal also would arbitrarily limit benefits to current participants. Similarly, the proposal would limit the Conservation Reserve Program (CRP) -- the largest voluntary conservation assistance program available to farm producers -- to existing contract holders. Even when current CRP participants opt out, USDA could not replace the lost conservation acres with more environmentally significant ones, as the Administration proposes.

Food Stamps

The House food stamp cuts are draconian. Over half of all recipients are children, over a quarter live in households where someone is working, and about seven percent are elderly. The Administration cannot support cuts beyond the Senate's far more reasonable level.

The Administration strongly opposes the House proposal to place an inflexible ceiling on food stamp spending, based on CBO projections. If program costs exceeded projections -- as could easily occur if the economy weakens in the next few years -- benefits would be cut across
-the
-board. The Administration also
strongly opposes the food stamp block grant option, especially in light of congressional efforts to create an AFDC block grant; a national nutrition program helps to put food on the table for low
-income families who may lose their cash assistance. The

Senate's food stamps block grant option is considerably worse than the House's, as it allows up to 20 percent of the block grant to go for non
□
-food purposes and lacks the House's requirement that states have an EBT system in place before opting for a block grant.

Federal nutrition programs have produced measurably better health among the many people who get food assistance. National nutrition standards and a funding mechanism that lets the

programs expand to meet greater needs in times of national or regional economic hardship are essential to feasible welfare reform.

Child Nutrition and Women Infants and Children (WIC)

The House welfare bill would block grant child nutrition programs and cut them by about $11 billion over seven years. The block granting would eliminate national standards that guarantee children access to healthy meals at schools, and preclude an effective response to economic downturns. The Administration strongly opposes the House provision, preferring the Senate plan of preserving the integrity of these key programs that traditionally enjoyed broad bipartisan support.

HOUSE BANKING AND FINANCIAL SERVICES

Community Reinvestment Act (CRA)

The Administration strongly opposes any amendments to the Community Reinvestment Act (CRA). In rewriting the CRA regulations, federal banking agencies considered and resolved the problems of the old CRA process; Congress should not amend the Act before we can evaluate how these regulations are working. The Committee would exempt from CRA financial institutions with assets of under $100 million, and permit institutions with assets of under $250 million to self
□
-certify under CRA -- effectively exempting 90 percent of the nation's banks and thrifts from the Act.

Eliminate/Reform Federal Housing Act (FHA) Single
□
-Family Assignment Program

The Administration appreciates the Committee's informal agreement to consider and possibly substitute the proposed alternative to FHA's single
□
-family assignment program -- if CBO scores its savings at or close to those estimated for assignment elimination. The Committee's current provision would eliminate special forbearance for delinquent FHA homeowners. Currently, FHA can allow up to three years forbearance for homeowners who experience temporary financial hardship. Less than 15 percent of assigned mortgages ever become current, however, and properties lose tremendous value during the extended forbearance period. The proposed alternative would help avoid those losses while still allowing viable FHA homeowners, most of them established and in their homes for several years, to remain homeowners through times of temporary economic distress.

Banking Insurance Fund (BIF)/Savings Association Insurance Fund (SAIF)

The Administration strongly supports the Committee's action to deal with the financial problems facing the Savings Association Insurance Fund (SAIF). We believe, however, that the legislation should unambiguously accomplish the SAIF's merger

with the Bank Insurance Fund (BIF), and not be dependent on future congressional action to change or abolish the thrift charter. While issues concerning the future of the thrift charter are very important, we should not let them interfere with enactment of a comprehensive financial solution that includes merging the deposit insurance funds.

HOUSE COMMERCE

Medicare

In addition to the President's strong opposition to the magnitude of the proposed Medicare cuts, the Administration has other serious concerns with the Committee's proposal. [insert sentences from the Shalala letter cleared on Friday]

The House Commerce and Ways and Means Committees included language creating a Medicare "lock
□
-box," claiming to "lock away"
increases in Medicare Part B deductibles and premiums. It does nothing of the sort. The fact remains: The Republican budget requires $270 billion in Medicare cuts, to pay for the $245 billion tax cut that would go mostly to those who do not need it. If the Committee scaled back its tax cuts -- proposing, for instance, cuts that more closely resemble the President's -- it could scale back its Medicare cuts.

Medicaid

Along with the President's strong opposition to the magnitude of the proposed Medicaid cuts, the Administration has other serious concerns with the Committee's proposal. [insert additional sentences from the October 10 Shalala letter to Bliley]

The Committee proposes to convert Medicaid into a block grant, limiting Medicaid growth to an average of only 4.5 percent per year over 7 years and, thus, saving $182 billion over 7 years. In recent years, Medicaid has grown at an average annual rate of ... (?) percent. With growth of only 4.5 percent, states would face some intolerable choices. Even if they could absorb half of the savings by cutting provider payments and benefits, they may still have to eliminate millions of people from Medicaid. With a block grant, states could be at even more risk if inflation or the Medicaid rolls grow faster than projected.

Privatization of the United States Enrichment Corporation (USEC)

The Administration is pleased that both the House and Senate bills advance prospects for selling the USEC. Generally, the Administration prefers the Senate version, although we oppose Senate provisions that would transfer exclusive rights to gaseous diffusion technology from the Energy Department to USEC. In addition, the Senate treatment of Russian uranium provides a framework to balance antidumping concerns with the national security goal of purchasing Russian high enriched uranium (HEU). But, to effectively implement the HEU deal, the initial limit on

using Russian uranium in the U.S. should be raised to 4 million pounds in 1998 (vs. 2 million pounds) and raised by 2 million pounds per year.

Spectrum Auction

The Administration is pleased that the Committee has included legislation to raise funds from spectrum auction, although it views the Senate's spectrum language as preferable to the Committee's. Unlike the Committee's, the Senate provision provides for the reimbursement (from auction proceeds) of costs that federal agencies bear in migrating from one portion of the telecommunications spectrum to another. This provision could be particularly important for the Departments of Defense and Justice and the Federal Aviation Administration. We should not require agencies to absorb these costs in their discretionary appropriations.

ECONOMIC AND EDUCATIONAL OPPORTUNITIES
Davis
□
-Bacon and Service Contract Act Repeal

The Administration strongly opposes the Committee's proposed repeal of the Davis
□
-Bacon Act and the Service Contract Act.
Davis
□
-Bacon requires federal contractors to pay locally prevailing wages to workers hired for construction, alteration, or repair of public buildings or public works. The Service Contract Act applies a similar prevailing wage provision for service employees on federal contracts and subcontracts. While the Administration supports reform, outright repeal of these laws would lower the wages of working Americans.
Student Loans
The Committee would get over 60 percent of its $10.8 billion in savings by cutting educational assistance to students and parents, and taxing colleges and universities. The Administration strongly opposes all of these provisions.
The President?s direct lending program has been a great success -- saving money and increasing access to education. The Committee proposes to cap the Federal Direct Student Loan program at 20 percent of total federal student loan volume, eliminating up to half the institutions that have so far chosen to participate in this streamlined loan program. The program is easier for institutions to administer than the guaranteed loan program and gives students more flexible repayment options, including income
□
-contingent repayment). The cap would further prohibit other institutions from participating, including those that have already applied.
The Administration also strongly opposes the Committee's proposed end to the federal subsidy of interest payments that Stafford loan recipients receive during the 6
□
-month "grace period"; these students' costs could rise as much as $700. The Committee also proposes a tax of 0.85 percent of total federal

loan volume on institutions of higher education, thus penalizing institutions in which a high proportion of students take out loans.
The Committee further proposes to transfer ownership of $1.7

billion in Federal reserve funds to guaranty agencies which, like banks, are intermediaries that are unnecessary under the Federal Direct Student Loan program. This transfer would greatly weaken the Education Secretary's authority to manage these agencies and cut fraud and abuse.

HOUSE GOVERNMENT REFORM AND OVERSIGHT
Dismantling the Department of Commerce

As stated above, the Administration is strongly opposed to this effort [should include more information on specific provision that was to have been released last Friday and/or pieces of Chrysler letter]. Additionally, the Congressional Budget Office estimate of the Commerce Department dismantlement was, for purposed of reconciliation, a cost of $445 million. This expenditure of funds is wasteful and counterproductive.

Civil Service Retirement and Federal Employees Health Benefits (FEHB)

This committee was also unable to report out a reconciliation package to the House Budget Committee, leaving the issue to be addressed a the House floor, and demonstrating the inability of even a majority of Republicans to support these planned ?reforms.? The Administration believes that the federal employee benefit provisions described in the Chairman?s letter to Budget Chairman Kasich are both unfair and unwise. It is unfair to federal employees to ask them to pay more for their retirement and health benefits while simultaneously reducing their retirement benefits. It is also unfair to federal employees to reduce their benefits at a time when we are reducing the number of federal employees and asking those that remain to provide the American people with a government that works better and costs less.

The Administration opposes the non
□
-germane proposal that
would prohibit the Office of Personnel Management from specifying benefits or levels of coverage to be included by plans in the FEHB. The proposal, according to CBO, produces no government savings and may increase employees? premium. It could also set off a spiral of competition by insurance plans to attract healthy individuals, resulting in greater risk segmentation and adverse risk selection. This could well leave those with chronic health problems unable to afford the coverage they need. This is unwise public policy.

HOUSE INTERNATIONAL RELATIONS

Conduct of Foreign Affairs

The legislation reported by the Committee would incorporate by reference non
□
-germane House
□
-passed legislation (Division A of
H.R. 1561). This legislation would eliminate three foreign affairs agencies by combining the Agency for International Development, the United States Information Agency, and the Arms Control and Disarmament Agency with the State Department, creating a megabureaucracy that would be unwieldily, costly and ineffective. Furthermore, this legislation would significantly

impair the ability of the President to conduct foreign affairs. The Administration?s serious objections to this legislation have been made known to the Congress on numerous occasions and any such provision should be removed prior to final action.

HOUSE JUDICIARY

Patent and Trademark Office (PTO) Fees

The Administration is concerned about the Committee's proposal to extend the patent surcharge fund, and to deny PTO full access to its fees without discretionary appropriations.

Congress has not appropriated the full amount of fee revenues that PTO collects for its own use. This withholding of fees increases patent pendency and delays the deployment of new technology to the marketplace. The President's budget supports the elimination of the patent surcharge fund beginning in fiscal 1999 and the PTO's full access, without appropriation, to all fees.

HOUSE NATIONAL SECURITY

The Administration is pleased that the House chose not to break with our service men and women by changing the method for computing military retirement pay, but instead chose to follow increased sales from the National Defense Stockpile to offset defense mandatory program increases.

HOUSE RESOURCES

Arctic National Wildlife Refuge (ANWR)

As noted above, the President will veto any reconciliation bill that opens the Arctic National Wildlife Refuge (ANWR) to oil and gas drilling. Exploration and development activities would bring physical disturbances to the area, risks of oil spills and pollution, and long
□
-term effects that would harm wildlife for decades. Moreover, the estimate that ANWR will generate $1.3 billion in federal revenues from oil and gas leasing is wishful thinking, based on projected oil prices in the year 2000 of about $39 per barrel -- even though the Energy Information Agency predicts prices will only be $19. The estimate also fails to consider new geological analysis showing lower recoverable oil estimates and Alaska's claims that its Statehood Act entitles it to 90 percent of all revenues -- not 50 percent, as the estimate

assumes.

Sale of Power Marketing Administrations (PMAs)

The House Resources Committee has approved selling the Alaska Power Administration to current customers, as the Administration proposed doing, and we applaud this important area of agreement. The House Resources Committee also proposes selling the Southeastern PMA (SEPA). The Administration supports the sale of the PMAs, but not in the manner directed by the Resources Committee. As passed, the provision does not direct the sale of Southwestern and Western power marketing administrations. It does sell SEPA, but not to its current customers, which would provide effective rate protection and avoid unwarranted increases in power rates. The Resources Committee language does not provide credible rate protection to current customers. It also calls for the sale of physical facilities now owned by the Army Corps or Engineers (dams, locks, powerhouses, and related real estate) and it exempts the dams from existing environmental laws. In general, the Administration does not support selling large

multi
□
-purpose facilities, such as large dams. However, the Administration may be prepared to support some such asset sales if they have been thoroughly studied and if they include terms and conditions that protect the environment and those who benefit from other project uses, such as flood control, water supply, and recreation.

Hardrock Mining Reform

The Administration is concerned that the Committee's proposal to reform the antiquated 1872 hardrock mining law would, in fact, leave it largely intact. Most notably, the proposal retains the notorious patenting provision whereby the government transfers billions of dollars of publicly
□
-owned minerals at little or no
charge to private interests. The proposed "net" royalty on proceeds from minerals production on federal lands has numerous deductions and escape mechanisms, and would raise little if any money to compensate taxpayers or fund the cleanup of abandoned mines that are degrading water supplies and otherwise harming the environment. Moreover, the proposal actually weakens the claim holding fee by enlarging the "small miner" exemption to cover the vast majority of existing claimants.

National Park Closure Proposal

The Committee included language that would set up a commission, similar to the DOD base closure commission, to recommend a list of national parks operated by the Department of the Interior to be closed -- a process which potentially dismantles our Nation?s national parks. Even after it was rejected by the House on a 2310180 vote on September 26th, the committee included it in the reconciliation package.

Endangered Species Act (ESA)

The Committee proposes to exempt Federal land management

agencies from consulting on endangered species issues on a broad category of policy planning activities. This would have serious and broad
□
-reaching impacts on Federal activities, and
significantly alter existing and established practices under the ESA.

Grazing

The Committee proposes to stop long
□
-needed environmental
reforms of grazing practices on Federal lands by gutting regulations issued after two years of extensive public hearings. The budget process should not be used as a backdoor effort to stop the reforms altogether. In addition to reversing all the Administration?s regulatory reforms, the Committee would exempt key rangeland management decision from the National Environmental Policy Act (NEPA), impose an administratively cumbersome and unworkable grazing franchise fee, and increase permit

□
-holders
tenure on the land from 10 to 15 years. (In a deficit reduction bill this language is particularly inappropriate because it does not save money -- is this true?)

Additional concerns with Resource Committee action:

The Committee has chosen to use the reconciliation bill as a catch all for a number of bad policies that often do nothing to help achieve a balanced budget.

Ward Valley Land Transfer - authorizes unconditional transfer with no environmental conditions;
Sale of National Forest Ski Areas - requires the sale of land within national forests to existing ski area permit holders and creates a new formula for determining the fees that would be paid to the federal government by ski areas located on forest service land;
National Parks, Forests, and Public Lands Concessions - gives concessioners the opportunity to earn performance incentives that would have the effect of deterring competition for concessions contract and allows concessioners to continue to accumulate possessory interests in park property;
Oil and Gas Royalties - prohibits the use of Debt Collection Act authorities to collect monies due to the Federal government;
Aircraft Services - requires the sale of assets used in firefighting and research which would lead to increased procurement costs for the government;
Trona (Soda Ash) Royalty Cap - limits royalties to a level below similar private land leases;
Surveying and Mapping - requires contracting out for United States Geological Survey (USGS) services which diverts scarce resources and saves no money;
Sly Park Unit Transfer (CA) - requires transfer of facilities, exempts from environmental laws, results in a net loss of federal revenues and sets a bad precedent;
Central Utah Project (CUP) Prepayment (UT) - authorizes payment that, as written does not protect the government?s financial interest

Central Valley Project (CVP) - City of Folsom (CA) - authorizes the City to receive CVP water at reduced water rates, produces no revenue savings and in fact would result in loss of federal revenues if the city uses project water;
Territorial Assistance
□
-repeals funding for the Commonwealth of
the Northern Mariana Islands (CNMI) Covenant, and for territories oversight and technical assistance by the Interior Department which prevents the redirection of funding proposed by the Administration and approved by the Senate.
HOUSE VETERANS? AFFAIRS
Veterans Association(VA) Medical Care
The Administration is concerned about an additional increase in the co
□
-payments paid by certain veterans for prescription medication provided by VA. This proposal would increase the current co

□
-payment by 50% for these veterans in need of medication.

HOUSE WAYS AND MEANS

Medicare

In addition to the President's strong opposition to the magnitude of the proposed Medicare cuts, the Administration has other serious concerns with the Committee's proposal. [insert sentences from the Shalala letter cleared on Friday]

The House Ways and Means and Commerce Committees included language creating a Medicare "lock
□
-box," claiming to "lock away" increases in Medicare Part B deductibles and premiums. It does nothing of the sort. The fact remains: The Republican budget requires $270 billion in Medicare cuts, to pay for the $245 billion tax cut that would go mostly to those who do not need it. If the Committee scaled back its tax cuts -- proposing, for instance, cuts that more closely resemble the President's -- it could scale back its Medicare cuts.

Welfare Reform - Aid to Families with Dependant Children (AFDC), Job Training and Child Care

The House welfare bill fails to accomplish what we feel meet the objectives of effective reform. The House bill falls short of basic goals and values that most Americans want welfare reform to promote and it would not end welfare as we know it by moving people from welfare to work. The Senate passed version is an significant improvement over the House. The House bill provides States inadequate funding for cash assistance, job training and child care; requires that States continue their financial commitments; removes mandates such as the family cap and restrictions on teenage mothers; has more realistic work requirements; and gives States access to a contingency fund to provide added resources in an economic downturn. If a welfare reform bill is to be included in reconciliation, these very important improvements to the House bill should be made and even

improved upon, as follows:

- A permanent and tighter maintenance of financial effort should be asked of States.
- The mechanisms, such as contingency and loan funds, that help States to cope with economic downturns should be more consistent with estimated need. Between 1989 and 1993, AFDC caseloads grew by 32% and total Federal AFDC spending by $8 billion. But the provision in the Senate welfare bill provides $1 billion, or just 15 of Federal spending on the new welfare block grant over seven years.
- Without sufficient child care funding, welfare reform will be an enormous unfunded mandate on the states. The Administration recommends that Congress improve the bill by adding more child care money, not less.

The Administration strongly opposes cuts and block grants in foster care and child protective services. The House bill would block grant Foster care, repeal the Family Support and Preservation program enacted in 1993, and set up a discretionary block grant for child protective services. The House and Senate welfare bills will increase, not decrease, the need for these programs. Rather than protecting those children, the House bill, changes to foster care and child protective services could put hundreds of thousand at increased risk of harm. This is the wrong time to walk away from abused and neglected children and those at risk.

Foster Care and Child Protection Services

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Benefits for Immigrants

Both the House and Senate welfare reform bills make very steep benefit cuts to legal immigrants. If these proposals become law, billions of dollars in costs may be shifted to States with high immigrant populations unless the States also choose to restrict benefits. The House bill bans over one million immigrants who are currently enrolled in either SSI, Medicaid, or Food Stamps. Instead of the House bill?s broad ban on eligibility for benefits, we prefer the Senate bill?s limit on eligibility for benefits during the first five year?s an immigrant is in the country and provisions that dem sponsor?s income until an immigrant naturalizes.

The final provisions impacting immigrants should recognize certain realities. Immigrants who become disabled after entering the country should be allowed to receive SSI assistance and the House provision exempting the elderly over age 75 is important. Benefit restrictions should not apply to discretionary programs and such mandatory programs as student loans. The administrative burdens on these programs of verifying everyone?s citizenship is significant, and the budget savings are negligible. Finally, refugees and others who came to the U.S. to avoid persecution should be given adequate time to naturalize before being subject to benefit restrictions.

Disabled Children

While both the House and Senate bills go too far in the changes they would make to the SSI children?s disability program, the Senate provisions on the SSI children?s disability program are clearly more moderate than the House bill. The House bill makes deep cuts and terminates all cash assistance to 170,000 disabled children now receiving SSI benefits. Bt the year 2000, close to a million future applicants who would be eligible under current rules would be cut off from cash assistance. While some of these children may be eligible for services funded through State block grant, the size of the block grant is an arbitrary 25% less than the funding source that currently provides cash benefits, which it would replace.

The Senate welfare bill does not cut the program as deeply and continues cash benefits for all eligible children, although it still would end benefits for 170,000 disabled children now receiving SSI (and another 225,000 future applicants by the year 2000). The Administration supports continuing to provide SSI cash benefits for all eligible children. In addition, the Administration strongly urges the House to reduce hardship to disabled children currently on SSI by exempting them from the

new, stricter eligibility rules.
Pension Asset Reversions

Ways and Means has reported out a provision that makes it easy for companies to withdraw what are considered "excess" pension assets for the companies' own use. As the Director wrote to Chairman Archer on September 13th, the Administration strongly objects to this provision. The provision defines "excess funding" as 125 percent of the pension plan's current liability, but companies can make this calculation using actuarial assumptions that would leave a pension plan underfunded if it is terminated (or if there are fluctuations in stock prices or interest rates). Under this provision, a reversion could nevertheless leave a plan that terminated with less than 90 percent of the funds needed to pay pensioners.

Companies in financial difficulty might well have incentives to transfer funds out of pension plans, which will increase the risk of loss for plan participants and for the Pension Benefit Guaranty Corporation. Such reversions also risk a repeat of the

pension raids of the 1980s, when reversions helped fuel corporate takeovers and buyouts. Then, $20 Billion was taken from pension plans. By Congress's own estimate, the new reversions would total $30
□
-40 Billion.

This short
□
-sighted provision risks undermining our private retirement system.

Health Benefits for Retired Unionized Coal Miners and their Families

A 1992 law combines federal and company funding to finance the health care for retired coal miners and dependents that was promised in collective
□
-bargaining agreements. In a provision reported out by Ways and Means, certain mine operators that did not sign a 1988 agreement would no longer have to pay for their former employees' health benefits. Lack of revenue would threaten the miners' health care.

Earned Income Tax Credit (EITC)

The Administration strongly objects to the Ways and means Committee?s proposal to reduce the EITC by $23 billion over seven years. The earned income tax credit would be cut sharply for those in our society who bear the heaviest burden: working at low
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-wage jobs to raise children. These changes would be the antithesis of welfare ?reform:? They would make work pay less, penalizing those who play by the rules. Under the cover of an attack on fraud, which has already been addressed by the Internal Revenue Service administratively and through carefully targeted statutory changes proposed by the Administration, the Congress would cut the EITC across the board, with undeniable harm to those who comply with the law. This would increase taxes on 14.5 million households. One provision -- expanding what income is counted toward the phase
□
-out -- would increase taxes by more that $800 per year on the households they affect and many families

would be affected by more than one provision.

About a fifth of the savings would come from rolling back OBRA 93 expansions -- ending the credit for childless workers. The remainder would come from reducing the income level at which the EITC ends and counting more non

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-taxed social security toward
the phaseout of the EITC. The Administration believes that taxes should not be raised on low income families to give tax breaks to the well

□

-off. EITC changes should be limited to the alien and compliance improvement proposals the Administration submitted.

Taxes

As we stated clearly on April 3rd of this year, the Administration strongly opposes the House tax cut proposal because it is fiscally irresponsible and would provide disproportionate tax benefits to the wealthy at the expense of programs for average Americans. Because the proposed tax cut is far in excess of the $245 billion specified by the Budget Resolution, it is impossible to evaluate the language in detail.

However, there are two fundamental problems with the basic thrust of the bill.

First, even if reduced to the $245 billion sanctioned by the Resolution, the tax cut would be far too large. At a time when the Congress seeks to save almost $1 trillion to balance the budget, adding that much of an additional fiscal shortage forces further harmful choices. It is because of this large tax cut that the Congress must propose heavy increases in premiums and other costs upon the elderly of all incomes in the Medicare program. It is because of the enormous size of the tax cut that the Congress must raise ?hidden taxes,? fees, and other cost increases and benefit cuts, of $148 billion on middle

□

-class and
low

□

-income Americans.

And second, the excesses of the tax cut are showered upon those Americans who need the money least. While the House bill has not yet been revised to reflect the limits of the Budget Resolution, its fundamental shape is already clear. The neutral cost recovery system (NCRS) virtually repeals the corporate income tax for new investment, while the corporate alternative minimum tax (AMT) is virtually repealed for firms that have succeeded in avoiding and postponing tax in the past. The estate tax, which already touches only the wealthiest one percent of the population, is eviscerated still further. And capital gains tax cuts would far exceed any reduction that would be justifiable because of the effects of inflation, and would provide a far disproportionate share of the benefit to those with the very highest incomes. Even the $500 per child tax credit would extend to the highest one percent of taxpayers, with incomes up to one quarter of a million dollars per year.

The Administration will provide its views on the tax provisions in more detail when the bill is made available in a form that complies with the requirements of the Budget Resolution.

(JL suggests dropping table of contents altogether)

Addendum: Specific Concerns with House Reconciliation Provisions

Contents:

Earned Income Tax Credit (EITC)

================= END ATTACHMENT 1 =================