

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

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

CREATION DATE/TIME: 9-JUL-1995 21:13:23.38

SUBJECT: ~~CONFIDENTIAL~~--AMR DAILY

**DETERMINED TO BE AN ADMINISTRATIVE
MARKING Per E.O. 13526**

Sec. 3.2(C) Initials: JK Date: 6-5-2018
2017-1074-F

TO: Alice M. Rivlin (RIVLIN_A) (OMB)
READ:10-JUL-1995 19:13:52.49

CC: Charles S. Konigsberg (KONIGSBERG_C) (OMB)
READ:10-JUL-1995 14:50:30.68

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

CC: Patrick J. Griffin (GRIFFIN_P) Autoforward to: Erin A. O'Connor (OCONNOR_E)
(WHO)
READ:10-JUL-1995 09:15:12.02

CC: Martha Foley (FOLEY_M) (OMB)
READ:10-JUL-1995 11:09:48.74

CC: Ann M. Cattalini (CATTALINI_A) Autoforward to: Stacey L. Rubin (RUBIN_S)
(WHO)
READ:10-JUL-1995 08:14:27.52

CC: Erin A. O'Connor (OCONNOR_E) (WHO)
READ:10-JUL-1995 09:15:12.02

CC: James C. Murr (MURR_J) (OMB)
READ:10-JUL-1995 08:24:21.70

CC: James J. Jukes (JUKES_J) (OMB)
READ:10-JUL-1995 09:34:54.30

CC: Janet R. Forsgren (FORSGREN_J) (OMB)
READ:10-JUL-1995 10:01:20.65

CC: Ronald K. Peterson (PETERSON_RK) (OMB)
READ:10-JUL-1995 09:44:54.61

CC: LAWRENCE J. HAAS (HAAS_L) (OMB)
READ:10-JUL-1995 13:50:11.78

CC: Robert G. Damus (DAMUS_R) (OMB)
READ:10-JUL-1995 11:35:44.02

CC: Barry B. Anderson (ANDERSON_B) (OMB)
READ:10-JUL-1995 08:57:49.71

CC: Gordon Adams (ADAMS_G) (OMB)

READ:NOT READ

CC: T J Glauthier (GLAUTHIER_T) (OMB)
READ:10-JUL-1995 08:42:55.12

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

CC: Nancy-Ann E. Min (MIN_N) (OMB)
READ:10-JUL-1995 08:46:50.73

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

CC: Joseph Minarik (MINARIK_J) (OMB)
READ:10-JUL-1995 08:16:39.56

CC: Sally Katzen (KATZEN_S) (OMB)
READ:10-JUL-1995 17:34:41.57

CC: Lydia Muniz (MUNIZ_L) (OMB)
READ:10-JUL-1995 08:55:03.07

CC: Charles E. Kieffer (KIEFFER_C) (OMB)
READ:10-JUL-1995 14:33:50.38

CC: Kristen E. Panerali (PANERALI_K) (OMB)
READ:10-JUL-1995 10:07:17.83

CC: John A. Koskinen (KOSKINEN_J) (OMB)
READ:10-JUL-1995 08:58:14.76

CC: Steven Kelman (KELMAN_S) (OMB)
READ:10-JUL-1995 10:25:43.69

CC: G. Edward DeSeve (DESEVE_G) (OMB)
READ:10-JUL-1995 11:04:59.11

CC: John B. Arthur (ARTHUR_J) (OMB)
READ:10-JUL-1995 14:57:38.90

CC: William A. Halter (HALTER_W) (OMB)
READ:10-JUL-1995 11:42:20.09

CC: Jill M. Blickstein (BLICKSTEIN_J) (OMB)
READ:10-JUL-1995 08:11:49.03

CC: Chantale Wong (WONG_C) (OMB)
READ:10-JUL-1995 08:26:59.12

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

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

CC: David J. Lane (LANE_D) (OPD)
READ:10-JUL-1995 08:28:05.51

CC: John Gibbons (GIBBONS_J) Autoforward to: Remote Addressee (
gjack@ccmail.ostp.eop.gov@inet) (STP)
READ:NOT READ

CC: M. Jill Gibbons (GIBBONS_M) (OMB)
READ:10-JUL-1995 09:18:54.49

CC: Ronald E. Jones (JONES_RE) (OMB)
READ:11-JUL-1995 09:35:16.07

CC: Ingrid M. Schroeder (SCHROEDER_I) (OMB)
READ:10-JUL-1995 11:46:16.27

CC: Jeffrey A. Weinberg (WEINBERG_J) (OMB)
READ:10-JUL-1995 09:07:33.78

CC: James A. Brown (BROWN_JA) (OMB)
READ:10-JUL-1995 11:53:43.88

CC: Constance J. Bowers (BOWERS_C) (OMB)
READ:10-JUL-1995 10:25:19.84

CC: Melissa Y. Cook (COOK_MY) (OMB)
READ:10-JUL-1995 08:20:59.61

CC: Anna M. Briatico (BRIATICO_A) (OMB)
READ:10-JUL-1995 09:23:35.12

CC: Christopher J. Mustain (MUSTAIN_C) (OMB)
READ: 2-AUG-1995 11:37:01.53

CC: Robert J. Pellicci (PELLICCI_R) (OMB)
READ:10-JUL-1995 09:58:19.04

CC: James C. Crutchfield (CRUTCHFIEL_J) (OMB)
READ:10-JUL-1995 09:36:11.86

CC: Elyse H. Fitter (FITTER_E) (OMB)
READ:10-JUL-1995 08:52:20.10

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

CC: Annette E. Rooney (ROONEY_A) (OMB)
READ:10-JUL-1995 09:26:25.27

CC: Dena B. Weinstein (WEINSTEIN_D) (OPD)
READ:10-JUL-1995 08:56:00.42

CC: Stacey L. Rubin (RUBIN_S) (WHO)
READ:10-JUL-1995 08:14:27.52

CC: Jennifer N. Palmieri (PALMIERI_J) (OMB)
READ:10-JUL-1995 08:55:34.08

CC: Karin L. Kizer (KIZER_K) (OMB)
READ:10-JUL-1995 10:23:58.33

CC: Margaret R. Shaw (SHAW_M) (OMB)
READ:10-JUL-1995 21:03:33.69

CC: Deborah F. Kramer (KRAMER_D) (OMB)
READ:10-JUL-1995 08:32:04.73

CC: Diane G. Limo (LIMO_D) (OMB)
READ:10-JUL-1995 09:43:03.09

CC: Alice E. Shuffield (SHUFFIELD_A) (OMB)
READ:10-JUL-1995 17:18:54.10

CC: Janet L. Graves (GRAVES_J) (OMB)
READ:10-JUL-1995 09:44:48.50

CC: James I. Blount (BLOUNT_J) (OMB)
READ:10-JUL-1995 09:09:51.40

CC: Lara L. Roholt (ROHOLT_L) (OMB)
READ:10-JUL-1995 10:29:27.16

CC: Philip R. Dame (DAME_P) (OMB)
READ:10-JUL-1995 08:09:11.48

CC: Alan B. Rhinesmith (RHINESMITH_A) (OMB)
READ:10-JUL-1995 08:50:02.31

CC: Kenneth L. Schwartz (SCHWARTZ_K) (OMB)
READ:10-JUL-1995 08:28:56.28

CC: Barry T. Clendenin (CLENDENIN_B) (OMB)
READ:10-JUL-1995 07:27:54.21

CC: Robert B. Rideout (RIDEOUT_R) (OMB)
READ: 9-JUL-1995 22:20:15.37

CC: Philip A. DuSault (DUSAULT_P) (OMB)
READ:10-JUL-1995 09:10:40.90

CC: Phebe N. Vickers (VICKERS_P) (OMB)
READ:10-JUL-1995 07:35:38.83

CC: Kathleen Peroff (PEROFF_K) (OMB)
READ:10-JUL-1995 09:41:28.64

CC: Ron Cogswell (COGSWELL_R) (OMB)
READ:10-JUL-1995 08:20:45.64

CC: Barry White (WHITE_B) (OMB)
READ:10-JUL-1995 07:29:48.10

CC: Richard P. Emery Jr. (EMERY_R) (OMB)
READ:10-JUL-1995 07:57:30.96

CC: Barbara C. Chow (CHOW_B) (WHO)
READ:10-JUL-1995 08:40:56.34

CC: Robert E. Barker (BARKER_R) (OMB)
READ:10-JUL-1995 07:57:00.78

CC: Mark Gearan (GEARAN_M) Autoforward to: Angus S. King (KING_A) (WHO)
READ:10-JUL-1995 12:54:42.01

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:10-JUL-1995 10:29:01.67

CC: Brian Blais (BLAIS_B) (OMB)
READ:10-JUL-1995 11:00:30.24

CC: Mary Lynn Jones (JONES_ML) (OMB)
READ:10-JUL-1995 08:35:18.58

CC: Nancy L. Brandel (BRANDEL_N) (OMB)
READ:10-JUL-1995 11:22:19.17

CC: Christopher F. Walker (WALKER_C) (WHO)
READ:10-JUL-1995 08:21:36.04

CC: Deborah L. Shaw (SHAW_D) (OMB)
READ:11-JUL-1995 10:48:16.91

CC: Gene B. Sperling (SPERLING_G) Autoforward to: Elena R. Mccoy (MCCOY_ER)
(PDONE)
READ:10-JUL-1995 08:57:16.63

CC: Timothy J. Keating (KEATING_T) (WHO)
READ:10-JUL-1995 13:00:33.95

TEXT:

\d
PRINTER FONT 12_POINT_ROMAN

TO: ALICE RIVLIN
cc-

-Lew, Griffin, Tyson, Foley, OMB/2d Floor, DADs,
LRD, Gibbons
FROM: CHUCK KONIGSBERG
SUBJECT: STATUS REPORT ON PENDING LEGISLATION

PRINTER FONT 14_POINT_HELVETICA
SAPs Transmitted:
PRINTER FONT 12_POINT_COURIER
The (attached) non.

-controversial SAPs were transmitted on July 9;
the bills are to be considered under suspension of the rules on
Monday, July 10:
- HR 1642, Authorizing Most Favored Nation (MFN) Status for
Cambodia
- HR 1643, Authorizing Most Favored Nation (MFN) Status for
Bulgaria
- HR 523, Colorado River Basin Salinity Control Act Amendments

PRINTER FONT 14_POINT_HELVETICA
Budget Resolution/Reconciliation:
PRINTER FONT 12_POINT_COURIER
- Last Sunday on Meet the Press, Gephardt said Democrats will
prevent implementation of the Republican budget resolution from
moving forward "when nobody's watching" and would "slow the
process down and...try to engage the American people in this
dialogue, so they know exactly what is going to happen to them."
Press reports compared Gephardt's threat to the recent
action by Wellstone and Moseley

-Braun delaying the rescission
bill. However, this is a false analogy. Unlike the rescission
bill which had no procedural protections, the Reconciliation Bill
is protected by time limits (20 hours in the Senate, and limits
set by the Rules Committee in the House).

PRINTER FONT 14_POINT_HELVETICA
Budget Reconciliation Status Report
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
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.

Govt Affairs--

Judiciary--

Labor--

Veterans--

July 10, 1995
(House)

H.R. 1642 - Authorizing the Extension of Most

-Favored

-Nation
(MFN) Treatment to the Products of Cambodia
(Crane (R) Illinois and Rangel (D) New York)

The Administration supports enactment of H.R. 1642.

Pay

-As

-You

-Go Scoring
H.R. 1642 could affect receipts; therefore, it is subject to the
pay

-as

-you

-go requirement of the Omnibus Budget Reconciliation
Act (OBRA) of 1990. OMB's preliminary scoring estimate is that
this bill would be revenue neutral. Final scoring of this
proposal may deviate from this estimate.
* * * * *

July 10, 1995
(House)

H.R. 1643 - Authorizing the Extension of Most

-Favored

-Nation
(MFN) Treatment to the Products of Bulgaria (Crane (R) Illinois
and Rangel (D) New York)

The Administration supports enactment of H.R. 1643.

Pay

-As

-You

-Go Scoring

H.R. 1643 could affect receipts; therefore, it is subject to the pay

-as

-you

-go requirement of the Omnibus Budget Reconciliation Act (OBRA) of 1990. OMB's preliminary scoring estimate of this bill is zero. Final scoring of this proposal may deviate from this estimate.

* * * * *

July 10, 1995
(House)

S. 523 - Colorado River Basin Salinity Control Act Amendments
(Sen. Bennett (R) UT and seven cosponsors)

The Administration supports enactment of S. 523.

* * * * *

PRINTER FONT 14_POINT_HELVETICA
SENATE FLOOR SCHEDULE:

PRINTER FONT 12_POINT_COURIER

Week of July 10:

- S 343, Reg Reform

[Katzen letter including veto recommendations sent to Dole and Daschle on 6/23/95]

- S 908, Foreign Relations Revitalization Act
[SAP containing multi

-agency veto threat sent 6/28/95]

- 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.

Floor action between July 4th and August Recess:

-Foreign Aid Reductions

- Bosnia
- Defense Authorization
- Gift/Lobbying Reform
- Welfare Reform
- Anti
- Crime Legislation
- Several Appropriations Bills
- Package of "Land Exchange" Bills

PRINTER FONT 14_POINT_HELVETICA
HOUSE FLOOR SCHEDULE:

PRINTER FONT 12_POINT_COURIER

Monday, July 10:

- 4 Suspensions:
- HR 1642, Authorizing Most Favored Nation (MFN) Status for Cambodia
[SAP transmitted to House 7/9/95 -- Administration "supports"]
- HR 1643, Authorizing Most Favored Nation (MFN) Status for Bulgaria
[SAP transmitted to House 7/9/95 -- Administration "supports"]
- HR 1141, Sikes Act Amendments
[Draft SAP pending, Administration "has no objection...but will seek amendments during Senate consideration"]
- HR 523, Colorado River Basin Salinity Control Act Amendments
[SAP transmitted to House 7/9/95 -- Administration "supports"]
- Complete consideration of HR 1868, Foreign Operations Appropriations

Tuesday, July 11 and Balance of the Week:

- HR 1905, Energy and Water Appropriations
- HR --, Interior Appropriations (subject to a Rule)
- HR --, Agriculture Appropriations (subject to a Rule)

Floor action between July 4th and August Recess:

- Finish Appropriations
- Telecommunications
- Anti
- Terrorism

PRINTER FONT 14_POINT_HELVETICA
SUMMARY of ADMINISTRATION OPPOSITION
PRINTER FONT 12_POINT_COURIER
[Most Recent Statements; Prepared by OMB/LRD]

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

PRINTER FONT 14_POINT_HELVETICA
Vetoed:

PRINTER FONT 10_POINT_ROMAN
Rescissions/supplemental, HR 1158-

-on 6/7/95.

PRINTER FONT 14_POINT_HELVETICA
Presidential Veto Threats:

PRINTER FONT 10_POINT_ROMAN
Clean Water Amendments of 1995, HR 961-

-POTUS said on 5/30/95 the House

-passed
bill "will not get past my desk." (SAP, 5/9/95: EPA, Interior, Justice, and
OMB would recommend veto.) 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.
Foreign Affairs Authorization/Merge AID, ACDA, USIA into State, POTUS said on
5/23, "If this bill passes in its present form, I will veto it."
(SAP-

-HR 1561, State, DOD, Treasury, UN Ambassador, AID, ACDA, USIA would
recommend veto.) 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.
100,000 cops: HR 728, Law Enforcement Block Grants, SAP 2/13/95. Basis for
opposition: Bill repeals police grant program, which provides for 100,000
cops.
Product Liability/Civil Litigation, HR 956, POTUS said on 5/4/95 he would veto
the Senate product liability bill due to Dole's amendment limiting punitive
damage awards in all civil lawsuits to twice a claimant's compensatory
damages; provision was later limited to product liability cases only. 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." House bill--"oppose" and "strongly oppose". Basis for opposition: The basis for the veto threat on the Senate version was the cap on punitive damages for all civil lawsuits. Objections to House version include: (1) product liability reforms should generally be enacted by the States; (2) differential treatment of "economic" and "noneconomic" damages would "prejudice ... elderly citizens, plaintiffs whose losses include pain and suffering, and women who suffer loss of their reproductive ability;" (3) establishment of an "arbitrary formulaic limit on punitive damages;" and (4) "unprecedented federal encroachment" on State authority to set procedural rules in State courts.

Nat'l Security, HR 7, POTUS said on 4/7/95 he would "refuse() to approve the so

-called peacekeeping legislation passed by the House." (SAP-

-HR 7: State,

Defense, and UN Ambassador would recommend veto - 2/13/95.) Basis for opposition: Infringes on President's constitutional authorities as Commander in Chief; and virtually eliminates U.S. participation in UN peacekeeping efforts.

Tax Fairness and Deficit Reduction Act, HR 1215, On 4/7/95 POTUS said a \$200 billion tax cut is "not going to happen. We can't afford it." (SAP-

-5/5/95,

Secretary of the Treasury and the Director of OMB would recommend a veto.)

Basis for opposition: Bill is fiscally irresponsible and would provide disproportionate tax benefits to the wealthy at the expense of programs for average Americans.

PRINTER FONT 10_POINT_ROMAN_ITALIC

[The following presidential veto threats were not in SAPs or letters:]

PRINTER FONT 10_POINT_ROMAN

Welfare Reform, 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.

Student Loans, POTUS said in 3/23 interview with college newspaper reporters that he is willing to veto legislation which cuts back on "areas important to me." (This was in response to a question about proposals to cap or eliminate direct loans, cut Pell grants, or eliminate interest subsidies.) Basis for opposition: such proposals are contrary to Presidential policies.

Davis

-Bacon, S 141, President quoted on 4/6/95 as saying he would veto; Reich letter -- would recommend veto 3/28/95. (Also, Reich letter and Senate SAP on

Highway Designation Bill, S. 440, including Davis

-Bacon repeal for highway projects-

-Labor would recommend veto. Repeal was subsequently dropped from S. 440.) Basis for opposition: repeal of Davis

-Bacon requirements would depress workers' wages.

Loser Pays - Civil Litigation, POTUS said on 4/7/95, "I will veto any bill with a "loser pay" requirement such as that was in the House bill." HR 988 (see Reno/Mikva Letter, 3/6/95, opposing the bill.) Basis for opposition: "Loser pay" provisions are unfair -- especially to poorer plaintiffs. [NOTE: The provisions were modified on the House floor prior to passage on 3/7/95.]

Assault Weapons Ban: POTUS reaffirmed on 5/15/95 that he would veto any attempt to repeal the assault weapons ban.

PRINTER FONT 14_POINT_HELVETICA

Multiple Agency Veto Threats:

PRINTER FONT 10_POINT_ROMAN

Regulatory Moratorium, HR 450-

-Ag, Energy, HHS, HUD, Interior, Labor, DOT, Treasury, DOJ, EPA would recommend veto, SAP 2/23/95. (In addition, POTUS said on 4/7/95, "if Republicans send me a bill that would let unsafe planes fly or contaminated meat be sold, 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.

Takings/Private Property Protection -- In testimony presented at a June 27th hearing before the Senate Environment and Public Works Committee, Justice and Interior advised that they would recommend veto of H.R. 925 and S. 605. 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. In letters on S 605 that were sent in May and June to the Senate Judiciary Committee, Agriculture, Army (Corps), Defense, EPA, GSA, HHS, Interior, Justice, Transportation, and Treasury advised they would recommend veto. (In addition, POTUS said on

4/7/95, "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.") House SAP said "strongly oppose" (SAP on HR 925, 3/1/95)]. 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.

Foreign Relations Authorization/Merge AID, ACDA, USIA into State, S. 908, SAP dated June 21, State, UN Ambassador, AID, ACDA, USIA would recommend veto. 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.

PRINTER FONT 14_POINT_HELVETICA

Single Agency Veto Threats:

PRINTER FONT 10_POINT_ROMAN

Jerusalem Embassy -- S 770/H.R. 1595. Secretary Christopher sent a letter to Senator Dole and Speaker Gingrich on 6/20 stating that he would recommend a veto. 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.

National Highway System Designation Act of 1995, S. 440, SAP dated June 15, Secretary of Labor would recommend a veto. Basis of opposition: Would exempt Federal and Federally assisted highway projects from the coverage of the Davis

-Bacon act. This provision was deleted from the bill on the Senate floor. [Administration also opposes repeal of nat'l maximum speed limit law and repeal of current laws encouraging states to enact safety laws.]

Teamwork for Employees & Managers Act, HR 743 (Reich letter: recommend veto, 3/6/95 and 6/21/95; press reported that VP said on 2/20 that President would veto) Basis for opposition: would allow employers to establish company unions or alternative, company

-dominated organizations where unions already exist.

Food Stamps - Block Grant, 1995 Farm Bill, 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.

Service Contract Repeal Act -- see "oppose" below; also, press reported that VP indicated on 2/20 that President would veto. Basis for opposition: repeal of Service Contract Act would depress workers' wages.

Mining Law, S. 506, Interior letter (5/22/95) stated the Secretary would recommend a veto. Justice letter (6/12/95) strongly opposed bill. Basis of opposition: Does not provide for meaningful reform. The bill 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 added that the bill could increase litigation over public liability for cleanup.

Utah Wilderness, H.R. 1745, Interior (Baca) testified on June 29th before a subcommittee in the House Resources Committee that the Secretary would

recommend a veto. Basis for opposition: The bill would (1) not designate an adequate amount of land as wilderness, (2) release too many acres of public land from current protection as wilderness study areas, and (3) allow road construction and other activities that are not suitable for wilderness areas.

National Defense Authorization Act, HR 1530, Sec. Perry, in a 06/20/95 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." Basis for opposition: Raises serious constitutional, national security, budget, personnel, and management concerns. [(SAP 6/13/95) Strongly oppose National Security Committee

-reported bill. On
06/15/95, the House passed H.R. 1530 (300

-126).]

Comprehensive Regulatory Reform Act of 1995, S. 343, OMB OIRA Administrator Katzen in a 6/23/95 letter to Sens. Dole and Daschle 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. Financial Institutions Regulatory Relief Act of 1995, H.R. 1362 (Treasury Secretary Rubin letter, 6/29/95). Basis for opposition: Weakens important safeguards for assuring the safety and soundness of FDIC

-insured depository
institutions and would undercut the Community Reinvestment Act.

PRINTER FONT 14_POINT_HELVETICA
Strongly Oppose:

PRINTER FONT 10_POINT_ROMAN
National Highway System Designation Act of 1995, S. 440 [see single agency veto threats].
Highway Off

-Budget, HR 842 (OMB letter, 3/27/95). Basis for opposition:
Provides off

-budget treatment for trust funds (Highway; Airport and Airway; Inland Waterways; and Harbor Maintenance).
Risk Assessment, HR 1022 (SAP, 2/27/95). Basis for opposition: Imposes overly broad, prescriptive, and costly analytic requirements on the regulatory process; impairs health, safety, and environmental protection under current law; and encourages excessive litigation. In a 6/23/95 letter to Senators Dole and Daschle commenting on a discussion draft, 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." Senate floor action began on 6/21 and will continue the week of 7/10.

Federal Retirement Reform, HR 1215 and HR 1185 (President's 4/5/95 letter on HR 1215 to Speaker Gingrich, and OMB 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.

HUD Elimination Act, S 435 (OMB letter strongly objecting to transfer of Fair Housing Act responsibilities to AG, 3/13/95) Basis for opposition: The administration of these authorities is best accomplished by HUD, which has the infrastructure to handle these responsibilities.

Pipeline Safety Act, HR 1323 (DOT letter, 5/12/95). 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.

Telecommunications: S 652 (SAP 6/7/95) Strongly oppose Commerce Committee

-reported bill. White House Press Office issued an Administration statement on Senate passage of S. 652 (6/15/95): "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 4/3 that he opposes provisions of the Senate Commerce Comm. bill, and on 4/4 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.

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Oppose:

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*Livestock Grazing, S. 852, (At a June 22nd hearing before the Committee, Interior strongly opposed the bill that was 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.

Regulatory Sunset and Review Act of 1995, HR 994, (OMB Testimony before House Gov. Reform, 3/28/95). Basis for opposition: Open

-ended in scope, excessively rigid, and contradictory criteria for review of regulations; paperwork requirements are unworkable; and fundamentally changes the relative roles of "public safety and comment" and "judicial review".

Service Contract Repeal Act, HR 246 (DOL Statement, 2/15/95) [see veto threats, above]

Lorton Closure, HR 461 (Justice letter, 3/16/95) 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.

Housing for Older Persons Act, HR 660 (SAP, 4/6/95) 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.

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Oppose Unless Amended:

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Medicare Select, HR 483 (SAP, 5/17/95). Basis for opposition: Conference agreement extends for three years (through June 30, 1998) the 15

-State SELECT

demonstration project nationwide. SELECT would become permanent in 1998, unless HHS determines that the program is not achieving its intended goals.

Violent Criminal Incarceration, HR 667 (SAP, 2/9/95). Basis for opposition:

Proposed distribution of prison grants is inferior to current program; drug court program would be repealed.

Securities Litigation Reform, HR 1058 (Reno/Mikva Letter, 3/6/95) Basis for opposition: Could lead to inadequate deterrence against financial fraud.

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STATUS OF MAJOR (Non

-Appropriations) LEGISLATION

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[Prepared by OMB/LRD]

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(Note: Parentheticals indicate who is tracking; bills grouped by RMO)

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

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GENERAL GOVERNMENT & FINANCE:

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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 passed the House June 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). On May

17, the House passed S 4 and substituted the text of HR 2, returning S 4 to the Senate. On June 20, the Senate requested a conference and appointed conferees.

3. Tax Cuts: (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.

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 to correct misallocation of prison funds.

? 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: any effort to repeal 100,000 cops;
and strongly oppose elimination of many crime prevention programs.

5. 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-

-strongly oppose

HR 1022 because it 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 Governmental Affairs approved S. 291 (the comparatively moderate Roth bill) on March 23rd by a 10

-0 vote; the text was

subsequently inserted in S. 343. Senate Energy Committee approved S. 333 (a Murkowski bill which seeks a middle ground) on March 29th by a 10

-9 vote. Senate Judiciary Committee chairman Hatch abruptly reported his committee's version of S. 343 (the more conservative Dole bill) on April 27th. Senate will likely begin consideration of risk assessment legislation week of June 26th. The latest "discussion draft" was printed in the June 21, 1995 Congressional Record. In a 6/23/95 letter to Senators Dole and Daschle commenting on the discussion draft, 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." Senate floor action began on 6/21 and will continue the week of 7/10.

6. Private Property Rights (Takings): (M. Goad)

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 (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-

-strongly oppose because it would seriously undermine the Federal Government's ability to protect the general welfare, and would impose an almost unlimited fiscal burden upon the American taxpayer. Note: HR 961, the clean water act bill that the House passed on May 16th, includes takings provisions which are modeled after those in HR 9.

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 to Sen. Hatch that were sent 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. 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 H.R. 925. The Committee will hold additional hearings on July 12th and July 17

-18th. Army

-Civil

Works, EPA, and Interior will testify at the July 12th hearing; Justice may again testify at the July 17

-18th hearing.

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."

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. On May 17, the House passed S 219 and substituted the text of HR 450. The House did not request a conference. On June 16, the Senate 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. Reno/Mikva letter opposed the bill stating that product liability reform should be left to the States and punitive damages shouldn't be arbitrarily capped.

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. 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. SAP--"The Administration strongly opposes" provisions that would impose an artificial ceiling on the amount of punitive damages and provisions that would abolish joint

-and

-several
liability for non

-economic damages. 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). The bill, which would affect only federal civil suits involving parties from different states, would impose a modified "loser pays" rule, designed to encourage parties to settle out of court. 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). The bill would limit the right of dissatisfied investors to sue when the value of a company's stock drops precipitously. Senate floor consideration began on June 22 (SAP transmitted June 23). SAP -- states that "S. 240 is now a substantial improvement on H.R. 1058, which the Administration could not support." The statement recommends amending the bill 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 opposes 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 Commerce Committee approved S 652 on March 30; Senate passed S. 652 on June 15th, 81

-18.

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. House Banking markup of a dereg bill, HR 1362 (number 16 below) was completed on June 28.

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.

14. National Highway System: (J. Brown)

Senate bill (S. 440, introduced by Transportation Subcomm. Chairman Warner) was reported on May 22nd and passed the Senate on June 22nd. It would designate routes for the new National Highway System. (Secretary of Labor veto threat (5/9/95) on Davis Bacon repeal provision; deleted from S. 440 as passed by the Senate). House action not scheduled yet.

15. Highway Trust Fund Off

-Budget Bill: (J. Brown)

HR 842 (introduced by Transportation Comm. Chairman Shuster) would remove four transportation trust funds from the federal budget.

Ordered reported 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.)

Related bill, S. 729, introduced in the Senate on April 27 by Sens. Baucus and Lott.

16. Banking Deregulation: (R. Jones)

House Banking Committee completed markup of Chairman Leach's HR 1362 on June 28. Among other things, this bill would reduce the frequency of examinations of FDIC

-insured institution, allow bank

insiders to be members of the banks' audit committee, and eliminate

or reduce reporting requirements for banks, including requirements affecting the Community reinvestment Act, the Home Mortgage Disclosure Act, and the Equal Credit Opportunity Act. The Administration is opposed to these changes and after completion of the markup, Sec. Rubin sent a letter to the Chairman stating he would recommend a veto of the bill in its present form. Leach has announced his intention to combine HR 1362 with HR 1062 (number 12 above), a banking reform bill that would eliminate many of the barriers between commercial and investment banks, prior to House floor action. A Senate deregulatory bill, S. 650, is now 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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1. National Security: (A. Rooney)

The 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).
SAP-

-Secretaries of State and Defense and the U.S. Ambassador to the UN would recommend a veto.

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 proposals and deleted from the bill as reported. State advises that peacekeeping will be considered separately by the Committee at a later date.

2. Foreign Affairs Consolidation and Authorization: (A. Rooney)

The House passed H.R. 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 H.R. 1561 passed in its present form, he would veto it. SAP (May 22nd) stated that State, DOD, Treasury, the U.S. Ambassador to the UN, AID, USIA, and ACDA would recommend a veto of HR 1561. This bill imposes unnecessary foreign policy and other restrictions, eliminates 3 foreign affairs agencies, and reduces authorization levels.

The Senate Foreign Relations Committee (SFRC) ordered reported Senator Helms' foreign affairs consolidation and authorization

proposal (S. 908) on May 17th by a vote of 10

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

-8. S. 908 is on the Senate Calendar and may be considered at
any time. SAP (June 28th) states that State, the U.S. Ambassador to
the UN, AID, USIA, and ACDA would recommend a veto of S. 908. This
bill imposes unnecessary foreign policy and other restrictions,
eliminates 3 foreign affairs agencies, and reduces authorization
levels.

3. National Defense Authorization Act: (M. Goad)
On June 15th, the House passed H.R. 1530 (300

-126). 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 (June 13th) stated that the Administration
"strongly opposes" the bill because it raises serious
constitutional, national security, budget, personnel, and management
concerns.

The Senate Armed Services Committees completed mark up of S. 727,
the companion bill, on June 29th. The Senate is expected to take up
in the bill mid

-July.

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NATURAL RESOURCES, ENERGY & SCIENCE
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*1. 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 working on bill language and subcommittee markups
could start in July, but Full Committee action is not expected until
after the August recess. (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.)

2. Clean Water Act Reauthorization: (H. Fitter)
House Transportation and Infrastructure Committee approved HR 961 on
April 6th and the bill passed the House by a vote of 240

-185 on May
16th. 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. SAP contained multiple agency veto threat (OMB, Justice, EPA, Interior). Senate Environment Chairman Chafee has indicated that Clean Water Act reauthorization is not one of his top priorities.

3. Endangered Species: (M. Goad)

On March 14th, the Senate Environment Subcommittee approved S 503. The bill would impose a six

-month moratorium on new listings under the Endangered Species Act (ESA).

On May 9th, Sens. Gorton, Johnston, and Shelby introduced S 768, the "Endangered Species Act Reform Act". The bill would: (1) require the consideration of economic factors when listing species and cost

-benefit analyses of proposed conservation measures; (2) require an ad hoc committee of private individuals and local and State government representatives to review each proposed action; (3) require, under certain circumstances, the Secretaries of Commerce and the Interior to make final decisions on whether to protect a species and to restrict land use; and (4) restrict the definition of "harm" of an endangered species to those actions that directly result in the injury or death of the animal or plant.

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.

Interior advises that House Task Force has not completed drafting legislation to amend the ESA. Interior does not expect the Committee to act on the draft until after the August recess.

4. 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.

5. Interstate Waste: (H. Fitter)

S. 534 would give states more power to restrict both intra and interstate garbage dumping. Passed the Senate by a vote of 94

-6 on

May 16th.

6. Superfund Reform: (H. Fitter)

The taxes which fund the hazardous waste clean

-up program expire at the end of 1995; there is also support among some Republicans to

scale back retroactive liability (which would shift much of the costs to the government). Superfund Subcommittee Chair Bob Smith has held hearings in the Senate. In the House hearings have been held by subcommittees of the House Transportation and the House Commerce Committees.

7. 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). The Committee has postponed mark up of the bill until sometime in July. Interior supports Sen. Bumpers' more extensive reform bill (S. 504). Interior Secretary Babbitt stated in a May 22nd letter to Chairman Murkowski that he would recommend a veto of S. 506. Justice strongly opposed S. 506 in a June 12th letter. House has not scheduled action.

*8. Utah Wilderness: (C. Crutchfield)

House National Parks Subcommittee is scheduled on July 18th to mark up Rep. Hansen's legislation (HR 1745) designating certain Federal lands in Utah as wilderness. Interior testified on June 29th 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 scheduled a July 13th hearing on identical legislation (S 884) introduced by Sens. Hatch and Bennett.

*9. Livestock Grazing: (C. Crutchfield)

Senate Energy and Natural Resources Committee could mark up S 852 as soon as July. At a June 22nd hearing before the Committee, Interior strongly opposed the bill that was 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. House National Parks Subcommittee has scheduled a hearing on a companion bill (HR 1713) for July 11th.

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HUMAN RESOURCES

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* 1. Welfare Reform: (M. Cook)

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.

2. 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.

3. 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).

4. 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.

*** 5. 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.

6. 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.

7. 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.

PRINTER FONT 14_POINT_HELVETICA
HEALTH & PERSONNEL

PRINTER FONT 10_POINT_ROMAN

1. Federal Retirement Reform Act: (M. Cook)

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.

*2. Medicare Select: (B. Pellicci)
On April 6th, the House voted 408

-14 to pass HR 483, which would expand the 15

-State SELECT demonstration project nationwide and make it permanent, unless HHS determines in 1999 that the program is not

achieving its intended goals. On May 17th, the Senate passed H.R. 483 with amendments by voice vote. The Senate

-passed bill changes to 1996 the date by which HHS must determine if the SELECT program is meeting its intended goals. In addition, the Senate

-passed bill requires GAO to report to Congress by June 10, 1996, on a number of issues affecting beneficiaries' safeguards under SELECT. On June 22nd, House/Senate conferees agreed to expand the SELECT program nationwide and extend its authority through June 30, 1998. SELECT would become permanent in 1998, unless HHS determines by that time that the program is not meeting its intended goals. The Conference agreement includes the GAO study on beneficiaries' safeguards under SELECT. Senate adopted conference report June 26; House, on June

30.

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.

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

CREATOR: Constance J. Bowers (BOWERS_C) (OMB)

CREATION DATE/TIME:10-JUL-1995 10:54:17.87

SUBJECT: SLMA bill

TO: Ellen S. Seidman (SEIDMAN_E) (OPD)

READ:10-JUL-1995 12:09:55.16

TEXT:

I received your comments on the transmittal letter. First, you questioned the accuracy of clause "or other consideration" in the discussion about requiring the issuance of stock purchase warrants. ED states that this IS ACCURATE.

Secondly, you wanted to add lanugage on the \$5 million fee for use of the name, Sallie Mae. Late last week, it was decided not to include this provision in the bill per discussions between ED, Treasury and OMB. It was added to the previous version of the draft bill because it had been included in HR 1720 to pay for the 85-15 rule provision, which ED does not like and which is not in the Administration's bill. Without it being in our bill, ED feels there is no justification for requiring the fee.

Late Fri., we recirculated the draft bill itself, and the name fee was not in it. Do you want to reopen the issue of the fee?

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

CREATOR: Ellen S. Seidman (SEIDMAN_E) (OPD)

CREATION DATE/TIME:10-JUL-1995 12:10:51.99

SUBJECT: RE: SLMA bill

TO: Constance J. Bowers (BOWERS_C) (OMB)

READ:10-JUL-1995 12:45:26.40

TEXT:

No, that's fine. It's actually pretty clever standing alone, and I expect we'll see it again before this is over. Ellen

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

CREATOR: Barry White (WHITE_B) (OMB)

CREATION DATE/TIME:10-JUL-1995 08:07:56.51

SUBJECT: RE: Clearance of Sallie Mae draft bill

TO: Paul R. Dimond (DIMOND_P) (OPD)

READ:10-JUL-1995 09:11:35.96

CC: Constance J. Bowers (BOWERS_C) (OMB)

READ:10-JUL-1995 09:08:55.04

CC: Ellen S. Seidman (SEIDMAN_E) (OPD)

READ:10-JUL-1995 08:49:18.48

CC: Daniel J. Chenok (CHENOK_D) (OMB)

READ:10-JUL-1995 09:13:35.47

CC: Rosalyn J. Rettman (RETTMAN_R) (OMB)

READ:10-JUL-1995 10:15:00.25

CC: Arthur W. Stigile (STIGILE_A) (OMB)

READ:10-JUL-1995 09:10:07.52

CC: Kim H. Burke (BURKE_K) (OMB)

READ:10-JUL-1995 08:07:57.12

CC: Christopher M. Lewis (LEWIS_CM) (OMB)

READ:10-JUL-1995 08:56:44.24

CC: Julie J. Sonier (SONIER_J) (OMB)

READ:10-JUL-1995 09:11:15.92

CC: Patricia A. Smith (SMITH_P) (OMB)

READ:12-JUL-1995 11:05:37.76

CC: Janet R. Forsgren (FORSGREN_J) (OMB)

READ:10-JUL-1995 10:02:10.46

CC: Lisa B. Fairhall (FAIRHALL_L) (OMB)

READ:10-JUL-1995 09:16:13.96

TEXT:

I've added a short paragraph alluding to congressional scoring, subject to our techies' approval of wording. I don't think this is the place for an elaborate discussion. Scoring is tangential to this bill, which proposes what it proposes for many other substantive reasons. We would want direct lending even if it saved nothing. Privatization is not concerned with the Resolution's directed scoring.

As to Secretary Rubin, Alan Cohen has been talking to me about

the scoring issue. I've provided him with some background and will get him a more detailed explanation in the next day or two.

**Clinton Presidential Records
Automated Records Management System
[EMAIL] and Tape Restoration Project [Email]**

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies a responsive email, already made available within another collection.

Collection: 2014-0226-F

Bucket: OPD

Creation Date: 1995-07-11

Subject: Meetings

Creator: Wendy J. Einhellig EINHELLIG_W OPD

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

CREATOR: Wendy J. Einhellig (EINHELLIG_W) (OPD)

CREATION DATE/TIME:12-JUL-1995 11:04:16.37

SUBJECT: SALLIE MAE MEETING

TO: Paul R. Dimond (DIMOND_P) (OPD)

READ:12-JUL-1995 11:45:02.99

TEXT:

Ellen asked me to let you know that Treasury is putting together a Sallie Mae Legislative Strategy meeting for tomorrow morning. I have 9:30-11am blocked off on her sked for it. Ellen said you REALLY need to go to this meeting. I'll let you know if there are any changes to this.

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

CREATOR: Wendy J. Einhellig (EINHELLIG_W) (OPD)

CREATION DATE/TIME:12-JUL-1995 18:16:11.78

SUBJECT: Meetings

TO: Paul A. Deegan (DEEGAN_P) (OPD)

READ:13-JUL-1995 07:49:48.09

TEXT:

Ellen Seidman will meet with people at Treasury tomorrow to discuss Sallie Mae Legislative Strategy. w

**Clinton Presidential Records
Automated Records Management System
[EMAIL] and Tape Restoration Project [Email]**

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies a responsive email, already made available within another collection.

Collection: 2014-0226-F

Bucket: OPD

Creation Date: 1995-07-14

Subject: Weekly.1

Creator: Paul R. Dimond DIMOND_P OPD

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

CREATOR: Patricia E. Romani (ROMANI_P) (OPD)

CREATION DATE/TIME:20-JUL-1995 09:43:49.62

SUBJECT: Betsey Wright

TO: Carol H. Rasco (RASCO_C) (OPD)

READ:20-JUL-1995 09:44:02.07

TEXT:

Carol,

Betsey's assistant was given the message that you are out-of-town on travel; I also mentioned that you would be back in office on July 31.

Betsey's assistant asked (at BW's request) that sometime during your travels you phone her re. SallieMae

I said I would pass on message:

Betsey's phone numbers:

office: 662-3723

home: 202-319-1183

Pat

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

CREATOR: Jeremy D. Benami (BENAMI_J) (OPD)

CREATION DATE/TIME: 8-AUG-1995 19:14:30.66

SUBJECT: RE: Betsey Wright

TO: Carol H. Rasco (RASCO_C) (OPD)

READ: 8-AUG-1995 19:30:11.68

TEXT:

I did speak to her.

She had questions about the privatization of Sallie Mae which she had apparently talked to Galston about. I asked Paul Dimond to give her a call, and I reminded him today. He promised he would this afternoon.

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

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

CREATION DATE/TIME: 9-AUG-1995 22:48:16.04

SUBJECT: ~~CONFIDENTIAL~~--AMR DAILY

TO: Alice M. Rivlin (RIVLIN_A) (OMB)

READ:10-AUG-1995 07:27:40.31

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

READ:10-AUG-1995 10:46:06.33

CC: Jacob J. Lew (LEW_J) (OMB)

READ:NOT READ

CC: Patrick J. Griffin (GRIFFIN_P) Autoforward to: Erin A. O'Connor (OCONNOR_E) (WHO)

READ:10-AUG-1995 12:22:49.77

CC: Martha Foley (FOLEY_M) (OMB)

READ:10-AUG-1995 16:32:34.36

CC: Ann M. Cattalini (CATTALINI_A) (WHO)

READ:10-AUG-1995 09:12:14.54

CC: Erin A. O'Connor (OCONNOR_E) (WHO)

READ:10-AUG-1995 12:22:49.77

CC: James C. Murr (MURR_J) (OMB)

READ:10-AUG-1995 09:38:21.19

CC: James J. Jukes (JUKES_J) (OMB)

READ:10-AUG-1995 09:22:00.46

CC: Janet R. Forsgren (FORSGREN_J) (OMB)

READ:10-AUG-1995 12:43:17.41

CC: Ronald K. Peterson (PETERSON_RK) (OMB)

READ:10-AUG-1995 08:52:24.17

CC: LAWRENCE J. HAAS (HAAS_L) (OMB)

READ:10-AUG-1995 07:52:05.77

CC: Robert G. Damus (DAMUS_R) (OMB)

READ:10-AUG-1995 08:19:37.79

CC: Barry B. Anderson (ANDERSON_B) (OMB)

READ:21-AUG-1995 11:09:45.37

CC: Gordon Adams (ADAMS_G) (OMB)

READ:NOT READ

**DETERMINED TO BE AN ADMINISTRATIVE
MARKING Per E.O. 13526**

Sec. 3.2(C) Initials: JK Date: 6-5-2012

2017-1074-F

CC: T J Glauthier (GLAUTHIER_T) (OMB)
READ:10-AUG-1995 07:53:14.21

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

CC: Nancy-Ann E. Min (MIN_N) (OMB)
READ:10-AUG-1995 08:08:41.24

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

CC: Joseph Minarik (MINARIK_J) (OMB)
READ:10-AUG-1995 08:16:59.22

CC: Sally Katzen (KATZEN_S) (OMB)
READ:10-AUG-1995 14:06:15.96

CC: Lydia Muniz (MUNIZ_L) (OMB)
READ:10-AUG-1995 10:29:01.70

CC: Charles E. Kieffer (KIEFFER_C) (OMB)
READ:10-AUG-1995 09:40:32.93

CC: Kristen E. Panerali (PANERALI_K) (OMB)
READ:10-AUG-1995 09:19:11.90

CC: John A. Koskinen (KOSKINEN_J) (OMB)
READ:10-AUG-1995 09:23:36.95

CC: Steven Kelman (KELMAN_S) (OMB)
READ:10-AUG-1995 11:28:08.10

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

CC: John B. Arthur (ARTHUR_J) (OMB)
READ:10-AUG-1995 06:08:41.26

CC: William A. Halter (HALTER_W) (OMB)
READ:10-AUG-1995 09:16:43.96

CC: Jill M. Blickstein (BLICKSTEIN_J) (OMB)
READ:10-AUG-1995 08:17:07.28

CC: Chantale Wong (WONG_C) (OMB)
READ:10-AUG-1995 09:50:47.19

CC: Laura D. Tyson (TYSON_L) Autoforward to: Thomas O'Donnell (ODONNELL_T)
(OPD)
READ:10-AUG-1995 10:26:41.71

CC: Thomas O'Donnell (ODONNELL_T) (OPD)

READ:10-AUG-1995 10:26:41.71

CC: David J. Lane (LANE_D) (OPD)

READ:10-AUG-1995 08:26:20.94

CC: John Gibbons (GIBBONS_J) Autoforward to: Remote Addressee (gjack@ccmail.ostp.eop.gov@inet) (STP)

READ:NOT READ

CC: M. Jill Gibbons (GIBBONS_M) (OMB)

READ:10-AUG-1995 09:48:31.02

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

READ:10-AUG-1995 09:44:08.31

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

READ:10-AUG-1995 09:54:10.76

CC: Jeffrey A. Weinberg (WEINBERG_J) (OMB)

READ:10-AUG-1995 09:04:13.36

CC: James A. Brown (BROWN_JA) (OMB)

READ:10-AUG-1995 08:48:45.50

CC: Constance J. Bowers (BOWERS_C) (OMB)

READ:10-AUG-1995 09:48:52.15

CC: Melissa Y. Cook (COOK_MY) (OMB)

READ:10-AUG-1995 08:15:25.91

CC: Anna M. Briatico (BRIATICO_A) (OMB)

READ:10-AUG-1995 10:30:59.16

CC: Christopher J. Mustain (MUSTAIN_C) (OMB)

READ:NOT READ

CC: Robert J. Pellicci (PELLICCI_R) (OMB)

READ:10-AUG-1995 08:17:21.75

CC: James C. Crutchfield (CRUTCHFIEL_J) (OMB)

READ:10-AUG-1995 09:30:47.17

CC: Elyse H. Fitter (FITTER_E) (OMB)

READ:10-AUG-1995 09:14:14.90

CC: Michael L. Goad (GOAD_M) (OMB)

READ:10-AUG-1995 08:21:42.02

CC: Annette E. Rooney (ROONEY_A) (OMB)

READ:10-AUG-1995 08:58:15.75

CC: Dena B. Weinstein (WEINSTEIN_D) (OPD)

READ:10-AUG-1995 08:38:32.81

CC: Stacey L. Rubin (RUBIN_S) (WHO)
READ:10-AUG-1995 08:05:53.96

CC: Jennifer N. Palmieri (PALMIERI_J) (OMB)
READ:10-AUG-1995 09:17:42.94

CC: Karin L. Kizer (KIZER_K) (OMB)
READ:10-AUG-1995 12:19:22.69

CC: Margaret R. Shaw (SHAW_M) (OMB)
READ:10-AUG-1995 16:35:55.77

CC: Deborah F. Kramer (KRAMER_D) (OMB)
READ:10-AUG-1995 07:53:48.87

CC: Diane G. Limo (LIMO_D) (OMB)
READ:10-AUG-1995 10:30:33.65

CC: Alice E. Shuffield (SHUFFIELD_A) (OMB)
READ:10-AUG-1995 12:35:08.16

CC: Janet L. Graves (GRAVES_J) (OMB)
READ:10-AUG-1995 07:58:01.28

CC: James I. Blount (BLOUNT_J) (OMB)
READ:10-AUG-1995 10:55:17.81

CC: Lara L. Roholt (ROHOLT_L) (OMB)
READ:10-AUG-1995 17:04:17.88

CC: Philip R. Dame (DAME_P) (OMB)
READ:14-AUG-1995 10:30:04.16

CC: Alan B. Rhinesmith (RHINESMITH_A) Autoforward to: Elizabeth M. DiGennaro (DIGENNARO_E) (OMB)
READ:10-AUG-1995 10:33:34.08

CC: Kenneth L. Schwartz (SCHWARTZ_K) (OMB)
READ:10-AUG-1995 10:47:12.63

CC: Barry T. Clendenin (CLENDENIN_B) (OMB)
READ:10-AUG-1995 07:59:46.36

CC: Robert B. Rideout (RIDEOUT_R) (OMB)
READ:10-AUG-1995 10:56:48.33

CC: Philip A. DuSault (DUSAULT_P) (OMB)
READ:10-AUG-1995 09:46:05.42

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

CC: Kathleen Peroff (PEROFF_K) (OMB)
READ:10-AUG-1995 09:11:20.69

CC: Ron Cogswell (COGSWELL_R) (OMB)
READ:10-AUG-1995 08:12:57.23

CC: Barry White (WHITE_B) (OMB)
READ:10-AUG-1995 08:42:58.49

CC: Richard P. Emery Jr. (EMERY_R) (OMB)
READ:10-AUG-1995 08:07:54.06

CC: Barbara C. Chow (CHOW_B) (WHO)
READ:10-AUG-1995 10:08:18.47

CC: Robert E. Barker (BARKER_R) (OMB)
READ:10-AUG-1995 07:54:56.21

CC: Mark Gearan (GEARAN_M) Autoforward to: Angus S. King (KING_A) (WHO)
READ:10-AUG-1995 10:22:12.42

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:10-AUG-1995 08:31:07.50

CC: Nancy L. Brandel (BRANDEL_N) (OMB)
READ:10-AUG-1995 10:38:39.01

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

CC: Deborah L. Shaw (SHAW_D) (OMB)
READ:10-AUG-1995 09:32:49.98

CC: Gene B. Sperling (SPERLING_G) Autoforward to: Elena R. Mccoy (MCCOY_ER)
(PDONE)
READ:10-AUG-1995 07:52:20.06

CC: Timothy J. Keating (KEATING_T) (WHO)
READ:10-AUG-1995 09:31:06.30

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

CC: Stephen B. Silverman (SILVERMAN_S) (WHO)
READ:22-AUG-1995 11:23:35.37

CC: Bruce N. Reed (REED_B) (OPD)

READ:10-AUG-1995 11:25:29.72

CC: Jeremy D. Benami (BENAMI_J) (OPD)
READ:10-AUG-1995 10:48:23.99

CC: Douglas B. Sosnik (SOSNIK_D) (WHO)
READ:10-AUG-1995 11:34:05.16

CC: Karen L. Hancox (HANCOX_K) (WHO)
READ:10-AUG-1995 07:56:57.80

CC: Shelley N. Fidler (FIDLER_S) (CEQ)
READ:10-AUG-1995 08:44:15.41

CC: Janet L. Himler (HIMLER_J) (OMB)
READ:14-AUG-1995 08:24:35.42

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

CC: John C. Angell (ANGELL_J) (WHO)
READ:10-AUG-1995 13:29:56.75

CC: Emily Kim (KIM_E) (OMB)
READ:10-AUG-1995 08:40:25.05

CC: Eva Sheibar (SHEIBAR_E) (OMB)
READ:10-AUG-1995 11:21:24.65

CC: Lisa Kountoupes (KOUNTOUPES_L) (OMB)
READ:NOT READ

TEXT:
\\d
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FONT
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OMAN

TO:
ALICE
RIVLI
N

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 13_POINT_HELVETICA
Senate on Wednesday:

PRINTER FONT 10_POINT_COURIER

Passed Interior Appropriations 92

-6 and began consideration of Transportation Appropriations.

PRINTER FONT 14_POINT_HELVETICA

Commerce Dept. Elimination, Davis

-Bacon, Service

Contract Act and the Byrd Rule:

PRINTER FONT 12_POINT_COURIER

Gingrich and Armev reportedly sent a letter to Govt Reform Chairman Clinger stating their intention that legislation to eliminate the Commerce Dept. be included in Reconciliation. "It is our firm commitment to incorporate the dismantling legislation into the reconciliation bill."

However, this will almost certainly violate the Senate's Byrd Rule, because authorizing legislation to eliminate Commerce does not have any scoreable deficit effect (it simply frees up room under the spending caps for appropriated funds to be spent elsewhere). Today's Congress Daily reports a House Republican Leadership staffer as saying the Republican Leadership is aware of the Byrd Rule issue, but added "We still think it sends a valuable signal to do it in Reconciliation."

PRINTER FONT 14_POINT_HELVETICA

Welfare and Reconciliation:

PRINTER FONT 12_POINT_COURIER

Dole said yesterday if a free

-standing welfare bill is not passed by the Reconciliation reporting deadline, it will be included in the Reconciliation Bill. The reporting deadline is still September 22 (but could still slip to the 29th).

PRINTER FONT 14_POINT_HELVETICA

SENATE FLOOR SCHEDULE:

PRINTER FONT 10_POINT_COURIER

Wednesday, Aug 9 - Saturday, Aug. 12:

NOTE: Senate is now expected to adjourn for recess by COB Friday.

- Transportation Appropriations

[Floor SAP 8/9: appreciate that several concerns are addressed, but have some remaining concerns.]

- Possibly Complete action on S 1026, FY 1996 Defense

Authorization; Dems preventing completion of bill due to concerns over ABM and other issues; negotiations are ongoing to see if an agreement can be reached)

[SAP sent 7/31 -- "The President will not support the bill unless these

concerns are addressed." Lake letter to Daschle sent 8/4 -- "Unless the unacceptable missile defense provisions are deleted or revised and other changes are made to the bill bringing it more in line with Administration policy, the President's advisors would recommend that he veto the bill."]

- Possible-

-Nat'l Security Appropriations; this might be taken up even though the House hasn't completed action; Senate would act on the S.

-bill,
and hold it at the desk until the House sends the H.

-bill over]
[SAP being developed]

September:

- Sept. 5: Resume consideration of HR 4, Welfare Reform (Dole Substitute); the Daschle substitute is now pending.

[SAP sent 8/5 -- Administration opposes Dole substitute; strongly supports the Daschle/Breaux/Mikulski substitute]

- S. 343 Reg Reform (if Dole can get enough votes for cloture)
[SAP containing multi

-agency veto threat sent 7/10]

PRINTER FONT 13_POINT_HELVETICA

HOUSE FLOOR SCHEDULE:

PRINTER FONT 10_POINT_COURIER

August 7 - September 5:

Not in session.

Possible Floor action between Sept. 6 and October 1:

- Leg. Branch Approps. 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."]

- Complete consideration of HR 2126, National Security Appropriations

[SAP sent 7/31 -- "President will not support the bill unless ... concerns are addressed."]

- 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.)

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APPROPRIATIONS --

SUPPORT/OPPOSITION

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Status as of Recess: 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, and Interior, and is scheduled to act on Transportation, and Defense this week.

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.

-House committee reported--POTUS letter 7/25: "I would veto it because it would eliminate the Community Oriented Policing Services (COPS) program."

Defense

-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."

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.

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

-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."

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SUMMARY of ADMINISTRATION OPPOSITION
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[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
Vetoos:

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Rescissions/Supplemental - HR 1158

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Presidential Veto Threats:

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

Bosnia - S. 21 [Item 105]

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]

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Multiple Agency Veto Threats:

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

Regulatory Moratorium - HR 450 [Item #7]

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Single Agency Veto Threats:

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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 [Item #208]

OSHA Reform - HR 1834 [Item #311]

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

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Strongly Oppose:

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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]

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Oppose:

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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]

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Oppose Unless Amended:

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Securities Litigation Reform - HR 1058 [Item #10]

Violent Criminal Incarceration - HR 667 [Item #4]

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STATUS OF MAJOR (Non

-Appropriations)

LEGISLATION

PRINTER FONT 12_POINT_ROMAN

[Prepared by OMB/LRD]

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(Note: Parentheticals indicate who is tracking;
bills grouped by RMO)

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

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GENERAL GOVERNMENT & FINANCE:

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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 judgments, 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. 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
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.

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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. 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 to invoke cloture twice 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.

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 begin consideration of S 1026, the companion bill, on August 2nd. 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 July 26th, the Senate passed S. 21, the Bosnia and Herzegovina Self

-Defense Act, by 69

-29. 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). On August 1st by a vote of 298 to 128, S. 21 was passed by the House and cleared for the President. 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.

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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 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. House and Senate Agriculture committees are currently drafting bill language. Although the Senate Agriculture Committee marked up some discretionary titles in 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)

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 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 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 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). The subcommittee postponed mark up of H.R. 1713, originally scheduled for August 4th,

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.

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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 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 and is continuing during the week of August 7th. 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 8/5/85. 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.

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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.

? 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.

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BUDGET RECONCILIATION STATUS REPORT

NOTE: This report will soon be replaced by a
separate daily report tracking Reconciliation
action.

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

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House: (Sept. 22 reporting deadline); Note-

-the

Reconciliation instructions for House committees
set a total direct spending cap for each
committee's programs for FY96, FY96

-2000, and FY

96

-2002. Each committee must produce spending cuts which meet the instructions for each of the
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three budget periods. However, for brevity, the following summaries reflect only the 7

-year totals.

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Agriculture -- Instructions require savings of \$30.374 billion from food stamps and \$13.386 billion from NON

-food stamps programs (assumed by
Budget Committee to be price supports). Full committee mark

-up scheduled
for September 13, 14, and 15. Chairman Roberts likely to include his Freedom to Farm Act (introduced 8/3) in the committee's Reconciliation package.

Banking -- Instructions require savings of \$2.391 billion in direct spending over 7 years. Budget committee assumed this would be achieved as follows -- \$2.181 billion from reform of flood insurance premiums and \$210 million from FHA multifamily property disposition. Possibility Chairman Leach may try to attach the budgetary aspects of Savings Assoc. Insurance Fund (SAIF) to Reconciliation. (Other non

-budgetary banking
issues would then be dealt with in a separate bill.)

Commerce -- Instructions require savings of \$469.490 billion in direct spending over 7 years. Budget committee assumed this would be achieved as follows -- \$182 billion from Medicaid; \$270 from Medicare (shared with Ways & Means); \$14 b from FCC spectrum auction; \$483 million from FCC user fees; \$1.308 b from extending NRC user fees; \$702 million from FDA user fees; \$1.659 b from selling US Enrichment Corp; \$1.046 from selling the Naval Petroleum Reserve (shared with Nat'l Sec Comm); and \$737 million from Energy asset sales.

Econ & Educational Opp--Instructions require savings of \$21.976 billion in direct spending over 7 years. Budget committee assumed this would be achieved as follows -- \$10.077 billion from student loans; and \$11.899 billion from reform of child nutrition programs. ALSO, the instructions require program changes in authorizing laws that would result in a reduction in outlays of \$8.770 billion over 7 years, assumed by Budget Committee to be repeal of Davis

-Bacon and repeal of the Service Contract
Act.

Govt Reform--Instructions require deficit reduction of \$1.127 billion over 7 years, assumed by Budget Committee to be from increased employee pension contributions; and spending reductions of \$9.497 billion in direct spending over 7 years, assumed by Budget committee to be achieved as follows -- \$1.155 b from High

-5; \$4.9 b from fixed dollar FEHB contributions from retirees; \$2.662 b from increased agency pension contributions; and \$780 m from charging federal employees for parking.
Contact: Ron Stroman 225

-5051.

Internat'l Rel--Instructions require deficit reduction of \$22 billion over 7 years, assumed by Budget Committee to be increased foreign service retirement contributions; and spending reductions of \$26 million in direct spending over 7 years, assumed by Budget Committee to be from savings in foreign service retirement.

Judiciary--Instructions require savings of \$476 million in direct spending over 7 years. Budget committee assumed this would be achieved from patent and trademark offices fees.

Nat'l Sec--Approved Reconciliation package Aug. 1, producing a net spending increase of \$2.2 billion over 7 years (achieving its Recon. instructions). The package, approved 31

-21, includes: (1) sale of 6 naval petroleum reserves (which produces a \$1.6 billion in savings in FY96 from the sale, but results in lost receipts each year thereafter) for a net loss of \$1 billion (shared w/ Commerce Comm); (2) a requirement to calculate military retirement pay on a "high

-12

-month" basis, which saves \$649 million over 7 years; and (3) a shift in military COLA dates to April from October which is a \$1.8 billion coster.

Resources--Instructions require savings of \$2.3 billion in direct spending over 7 years. Budget committee assumed this would be achieved as follows

-- \$1.3 billion from leasing portions of ANWR for oil/gas exploration; \$225 m from park entrance and concession fees; \$50 m from privatizing helium reserves; \$737 m from energy asset sales; and new spending of \$42 million for territorial assistance.

Transportation--Instructions require savings of \$715 million in direct spending over 7 years. Budget committee assumed this would be achieved from the following fees -- \$357 m (rail safety); \$196 m (vessel tonnage); \$84 m (FEMA radiation); \$78 m (corp of engineer permit fees).

Veterans--Instructions require savings of \$6.392 billion in direct spending over 7 years. Budget committee assumed this would be achieved

from the following -- \$2.602 b from extending current law provisions; \$2.283 from veterans comp; \$1.067 from prescription drug copayments; and \$440 million from half COLA for GI bill.

Ways & Means-

-No mark

-ups held yet. The schedule for September is still not definitive, contrary to press reports. The Reconciliation trade provisions may be marked up early in the month. Mark

-up of human resources provisions and Medicare provisions around mid

-month.

Instructions require savings of \$341.564 billion in direct spending over 7 years. Budget committee assumed this would be achieved as follows -- \$270 b from Medicare (shared with Commerce Comm); \$58 b from welfare reform; \$6.6 billion from AFDC JOBS; \$3 billion from foster care; \$525 million from drug treatment; \$1.9 billion from TAA; \$1.6 billion from requiring a state match for Title XX social services block grants; \$657 million from unemployment insurance; and \$88 million from veterans medical care.

Committee is also instructed to make changes in tax laws which reflect tax cuts of no more than \$46 b in FY 2000 and \$245 b in 2002 (the FY 2000 reference was a mistake in the resolution; should have been \$50 b in 2002.) Committee is unlikely to open up the House

-passed tax bill (which cost \$354 billion). Rules committee may incorporate it, with some provisions to shave it down, in the Reconciliation Bill.

Committee is also instructed to report provisions to increase the debt ceiling to \$5.5 trillion.

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Senate: (Sept. 22 reporting deadline for spending cuts, but 5 days following CBO certification for tax cuts). Note-

-the Reconciliation instructions for Senate committees require specified cuts for each of three budget periods: FY96, FY96

-2000, and FY 96

-2002. However, for brevity, the following summaries reflect only the 7

-year

totals.

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Agriculture-

-Committee is likely to meet late in September; the Rep./Dem. split is 10

-8, so Lugar cannot afford to lose any Republican votes; minority believes Lugar will have a tough time getting all the Repubs to agree on a package; if Lugar fails, Dole and Domenici would have to attempt to put together 51 Republican votes to add an Ag. title on the Floor. Dem. contacts: Pat Westhoff, 224

-8240; Jim Cubie, 224

-6901.

Instructions require savings of \$48.402 billion in direct spending over 7 years. Budget committee assumed this would be achieved from the following -- \$35 b from welfare reform (food stamps) and \$13 b from agriculture commodity programs.

Armed Services-

-Mark

-up not expected until later in the month, just prior to the reporting deadline. Instructions require savings of \$2.199 billion in direct spending over 7 years. Budget committee assumed this would be achieved from the following -- \$1.55 b from sale of the Naval Petroleum Reserve; and \$649 million from military retirement reform (high

-12

months). There is some concern on the comm. about NPR being a "give

-away" and the staff will present the committee with other savings options besides high

-1. Min. contact: Mike McCord - 224

-9353.

Banking-

-Instructions require savings of \$2.391 billion in direct spending over 7 years. Budget committee assumed this would be achieved from the following--\$2.181 b from flood insurance premiums and \$210 million from FHA multifamily property disposition. Possibility Chairman D'Amato may try to attach the budgetary aspects of Savings Assoc. Insurance Fund (SAIF) to Reconciliation. (Other non

-budgetary banking issues would then be dealt with in a separate bill.)

Commerce-

-Instructions require savings of \$15.036 billion in direct spending over 7 years. Budget committee assumed this would be achieved from the following--\$14 b from FCC spectrum auction; \$357 m from extending rail safety fees; \$196 million from extending vessel tonnage fees; and 483 million from FCC fees.

Energy-

-Instructions require savings of \$4.001 billion in direct spending over 7 years. Budget committee assumed this would be achieved from the following--\$1.3 billion from leasing portions of ANWR for oil/gas exploration; \$1.659 b from selling US Enrichment Corp; \$60 m from reforming concession fees; \$50 m from privatizing helium reserves; \$195 m from national park service fees; and \$737 m from energy asset sales.

Environment & PW-

-Mark

-up delayed until after recess. Instructions require savings of \$2.250 billion in direct spending over 7 years. Budget committee assumed this would be achieved from the following--\$1.308 b from extending NRC fees; \$780 m by charging Fed. employees for parking; \$78 m from Corps of Engineers permit fees; and \$84 m from extending FEMA radiological fee. Contact: Tom Sliter, 224

-8832.

Finance-

-No schedule yet; possibility of mark

-up on health, trade and human resources spending cuts the week of Sept. 22; and tax mark

-up the week of Sept. 25.

Finance has the heaviest load in the Congress, with all of Medicare, Medicaid, most of welfare, and all the tax cuts to report. Instructions require savings of \$530 billion in direct spending over 7 years. Budget committee assumed this would be achieved from the following--\$270 b from Medicare; \$181 b from Medicaid; \$65 b from welfare reform; \$6.6 b from AFDC JOBS; \$3 b from foster care and adoption assistance; \$1.6 b from social services block grants; \$1.3 b from TAA cash benefits; \$655 m from TAA NAFTA & training; and \$657 m from unemployment insurance.

If CBO certifies that budgetary balance has been achieved in 2002 and for the period 2002

-2005, then Finance Committee is to report tax

cuts of up to \$245 billion over 7 years. Finance is also to report an increase in the debt ceiling to \$5.5 trillion.

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.

Govt Affairs--Mark

-up the week of Sept. 11. Instructions require savings of \$9.844 billion in direct spending over 7 years. Budget committee assumed this would be achieved from the following--\$4.9 b from fixed dollar FEHB contributions from retirees; \$2.663 b from increased agency pension contributions; \$1.145 b from civilian retirement reform; \$1.127 b from increased employee contributions; and \$9 m from congressional retirement reform.

Judiciary-

-Instructions require savings of \$476 million in direct spending over 7 years. Budget committee assumed this would be achieved from patent and trademark offices fees.

Labor-

-Instructions require savings of \$10.779 billion in direct spending over 7 years. Budget committee assumed this would be achieved from--\$10.077 b from student loans and \$702 million from FDA user fees.

Veterans-

-Instructions require savings of \$6.392 billion in direct spending over 7 years. Budget committee assumed this would be achieved from the following -- \$2.601 b from extending current law provisions; \$2.284 from veterans comp; \$1.067 from prescription drug copayments; and \$440 million from half COLA for GI bill.

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

CREATOR: Lisa Kountoupes (KOUNTOUPES_L) (OMB)

CREATION DATE/TIME: 6-SEP-1995 20:30:26.99

SUBJECT: ~~CONFIDENTIAL~~ AMR DAILY

**DETERMINED TO BE AN ADMINISTRATIVE
MARKING Per E.O. 13526**

Sec. 3.2(C) Initials: JK Date: 6-5-2018
2017-1074-F

TO: Alice M. Rivlin (RIVLIN_A) (OMB)

READ: 7-SEP-1995 07:25:27.48

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

READ: 6-SEP-1995 20:43:41.66

CC: Alice M. Rivlin (RIVLIN_A) (OMB)

READ: 7-SEP-1995 07:25:27.48

CC: Jacob J. Lew (LEW_J) (OMB)

READ: NOT READ

CC: Patrick J. Griffin (GRIFFIN_P) Autoforward to: Erin A. O'Connor (OCONNOR_E)
(WHO)

READ: 6-SEP-1995 20:52:57.43

CC: Martha Foley (FOLEY_M) (WHO)

READ: 7-SEP-1995 15:47:06.66

CC: Ann M. Cattalini (CATTALINI_A) (WHO)

READ: 7-SEP-1995 08:50:11.74

CC: Erin A. O'Connor (OCONNOR_E) (WHO)

READ: 6-SEP-1995 20:52:57.43

CC: James C. Murr (MURR_J) (OMB)

READ: 7-SEP-1995 09:03:27.10

CC: James J. Jukes (JUKES_J) (OMB)

READ: 7-SEP-1995 09:11:41.33

CC: Janet R. Forsgren (FORSGREN_J) (OMB)

READ: 7-SEP-1995 17:49:29.57

CC: Ronald K. Peterson (PETERSON_RK) (OMB)

READ: 11-SEP-1995 09:50:04.23

CC: LAWRENCE J. HAAS (HAAS_L) (OMB)

READ: 7-SEP-1995 14:39:24.26

CC: Robert G. Damus (DAMUS_R) (OMB)

READ: 11-SEP-1995 18:39:20.86

CC: Barry B. Anderson (ANDERSON_B) (OMB)

READ: 7-SEP-1995 09:35:42.29

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

CC: T J Glauthier (GLAUTHIER_T) (OMB)
READ: 6-SEP-1995 21:18:02.78

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

CC: Nancy-Ann E. Min (MIN_N) (OMB)
READ: 7-SEP-1995 15:59:29.45

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

CC: Joseph Minarik (MINARIK_J) (OMB)
READ: 7-SEP-1995 07:36:31.27

CC: Sally Katzen (KATZEN_S) (OMB)
READ: 7-SEP-1995 10:19:02.64

CC: Lydia Muniz (MUNIZ_L) (OMB)
READ: 7-SEP-1995 09:48:08.58

CC: Charles E. Kieffer (KIEFFER_C) (OMB)
READ: 7-SEP-1995 09:08:45.18

CC: Kristen E. Panerali (PANERALI_K) (OMB)
READ: 7-SEP-1995 09:25:24.24

CC: John A. Koskinen (KOSKINEN_J) (OMB)
READ: 7-SEP-1995 09:54:00.72

CC: Steven Kelman (KELMAN_S) (OMB)
READ: 7-SEP-1995 11:35:18.42

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

CC: John B. Arthur (ARTHUR_J) (OMB)
READ: 7-SEP-1995 06:06:24.36

CC: William A. Halter (HALTER_W) (OMB)
READ: 7-SEP-1995 09:16:38.23

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

CC: Chantale Wong (WONG_C) (OMB)
READ: 7-SEP-1995 09:07:35.36

CC: Laura D. Tyson (TYSON_L) Autoforward to: Thomas O'Donnell (O'DONNELL_T)
(OPD)

READ:NOT READ

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

CC: David J. Lane (LANE_D) (OPD)
READ: 7-SEP-1995 10:02:39.43

CC: John Gibbons (GIBBONS_J) Autoforward to: Remote Addressee (
gjack@ccmail.ostp.eop.gov@inet) (STP)
READ:NOT READ

CC: M. Jill Gibbons (GIBBONS_M) (OMB)
READ: 7-SEP-1995 11:19:31.57

CC: Ronald E. Jones (JONES_RE) (OMB)
READ: 7-SEP-1995 10:01:48.85

CC: Ingrid M. Schroeder (SCHROEDER_I) (OMB)
READ: 8-SEP-1995 08:46:19.23

CC: Jeffrey A. Weinberg (WEINBERG_J) (OMB)
READ: 7-SEP-1995 09:30:55.23

CC: James A. Brown (BROWN_JA) (OMB)
READ: 7-SEP-1995 09:49:20.06

CC: Constance J. Bowers (BOWERS_C) (OMB)
READ: 7-SEP-1995 09:04:14.55

CC: Melissa Y. Cook (COOK_MY) (OMB)
READ: 7-SEP-1995 09:45:53.66

CC: Anna M. Briatico (BRIATICO_A) (OMB)
READ: 7-SEP-1995 09:24:12.22

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

CC: Robert J. Pellicci (PELLICCI_R) (OMB)
READ: 7-SEP-1995 09:50:24.10

CC: James C. Crutchfield (CRUTCHFIEL_J) (OMB)
READ: 8-SEP-1995 09:31:14.37

CC: Elyse H. Fitter (FITTER_E) (OMB)
READ: 7-SEP-1995 09:42:03.79

CC: Michael L. Goad (GOAD_M) (OMB)
READ: 7-SEP-1995 08:40:37.94

CC: Annette E. Rooney (ROONEY_A) (OMB)
READ: 7-SEP-1995 10:05:22.02

CC: Dena B. Weinstein (WEINSTEIN_D) (OPD)
READ: 7-SEP-1995 07:33:20.56

CC: Stacey L. Rubin (RUBIN_S) (WHO)
READ: 11-SEP-1995 08:44:55.55

CC: Jennifer N. Palmieri (PALMIERI_J) (WHO)
READ: 7-SEP-1995 10:00:21.28

CC: Karin L. Kizer (KIZER_K) (OMB)
READ: 7-SEP-1995 17:00:48.37

CC: Margaret R. Shaw (SHAW_M) (OMB)
READ: 7-SEP-1995 11:53:10.47

CC: Deborah F. Kramer (KRAMER_D) (OMB)
READ: NOT READ

CC: Diane G. Limo (LIMO_D) (OMB)
READ: 7-SEP-1995 11:17:52.02

CC: Alice E. Shuffield (SHUFFIELD_A) (OMB)
READ: 7-SEP-1995 10:28:24.40

CC: Janet L. Graves (GRAVES_J) Autoforward to: Lara L. Roholt (ROHOLT_L) (OMB)
READ: 7-SEP-1995 09:17:36.53

CC: James I. Blount (BLOUNT_J) (OMB)
READ: 7-SEP-1995 08:42:24.74

CC: Lara L. Roholt (ROHOLT_L) (OMB)
READ: 7-SEP-1995 09:17:36.53

CC: Philip R. Dame (DAME_P) (OMB)
READ: 7-SEP-1995 08:32:39.90

CC: Alan B. Rhinesmith (RHINESMITH_A) (OMB)
READ: 8-SEP-1995 07:51:28.69

CC: Kenneth L. Schwartz (SCHWARTZ_K) (OMB)
READ: 7-SEP-1995 07:54:35.23

CC: Barry T. Clendenin (CLENDENIN_B) (OMB)
READ: 6-SEP-1995 20:44:51.74

CC: Robert B. Rideout (RIDEOUT_R) (OMB)
READ: 7-SEP-1995 12:00:24.57

CC: Philip A. DuSault (DUSAULT_P) (OMB)
READ: 7-SEP-1995 09:12:55.94

CC: Phebe N. Vickers (VICKERS_P) (OMB)
READ: 7-SEP-1995 12:17:56.72

CC: Kathleen Peroff (PEROFF_K) (OMB)
READ: 7-SEP-1995 09:40:04.33

CC: Ron Cogswell (COGSWELL_R) Autoforward to: Robert S. Fairweather (FAIRWEATHE_R) (OMB)
READ: 7-SEP-1995 09:25:03.66

CC: Barry White (WHITE_B) (OMB)
READ: 7-SEP-1995 08:42:43.45

CC: Richard P. Emery Jr. (EMERY_R) (OMB)
READ: 7-SEP-1995 08:18:20.80

CC: Barbara C. Chow (CHOW_B) (WHO)
READ: 7-SEP-1995 15:11:20.27

CC: Robert E. Barker (BARKER_R) (OMB)
READ: 7-SEP-1995 08:03:34.27

CC: Mark Gearan (GEARAN_M) Autoforward to: Angus S. King (KING_A)
READ: 7-SEP-1995 09:16:16.74

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: 7-SEP-1995 14:34:26.45

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

CC: Nancy L. Brandel (BRANDEL_N) (OMB)
READ: 7-SEP-1995 11:19:43.05

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

CC: Deborah L. Shaw (SHAW_D) (OMB)
READ: 7-SEP-1995 07:41:05.26

CC: Gene B. Sperling (SPERLING_G) Autoforward to: Daniel Taberski (TABERSKI_D) (OPD)
READ: 6-SEP-1995 20:55:16.90

CC: Timothy J. Keating (KEATING_T) (WHO)
READ: 7-SEP-1995 07:57:44.09

CC: Kathryn Higgins (HIGGINS_K) (WHO)
READ: 7-SEP-1995 11:04:23.36

CC: Stephen B. Silverman (SILVERMAN_S) (WHO)

READ: 7-SEP-1995 09:54:48.13

CC: Bruce N. Reed (REED_B) (OPD)
READ: 7-SEP-1995 10:57:06.37

CC: Jeremy D. Benami (BENAMI_J) (OPD)
READ: 7-SEP-1995 08:34:16.79

CC: Douglas B. Sosnik (SOSNIK_D) (WHO)
READ: 7-SEP-1995 12:41:24.94

CC: Karen L. Hancox (HANCOX_K) (WHO)
READ: 7-SEP-1995 08:03:55.57

CC: Shelley N. Fidler (FIDLER_S) (CEQ)
READ: 7-SEP-1995 10:28:37.90

CC: Janet L. Himler (HIMLER_J) (OMB)
READ: 7-SEP-1995 08:29:08.80

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

CC: John C. Angell (ANGELL_J) (WHO)
READ: 7-SEP-1995 12:25:20.96

CC: Emily Kim (KIM_E)
READ:NOT READ

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

CC: Susanne D. Lind (LIND_S) (OMB)
READ: 7-SEP-1995 09:26:19.18

CC: Ellen J. Balis (BALIS_E) (OMB)
READ: 7-SEP-1995 10:45:14.02

CC: Anita Chellaraj (CHELLARAJ_A) (OMB)
READ:11-SEP-1995 11:42:55.09

CC: Alicia K. Kolaian (KOLAIAN_A) (OMB)
READ: 7-SEP-1995 08:57:27.90

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

\d
PRINTER FONT 14_POINT_COURIER

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
House Appropriations Chairman Livingston (R

-LA) thinks threats
of vetoes and government shutdown are exaggerated. According
to press reports, the Chairman does not believe the
Republicans have enough votes to override appropriations
vetoes. Due to tight spending levels in all of the bills he
does not see much room to negotiate with the White House on
the dollar amounts, but recognized that the President has more
leverage in the legislative language contained in many of the
spending bills.

The U.S. Conference of Mayors and the National Association of
Counties held a press conference today after meeting with the
President to discuss concerns with the planned Republican
budget cuts. The members released a report outlining what
they fear will be a shift in the funding burden from the
federal government to the local government due to the GOP plan
for programs such as education, summer jobs, housing energy
assistance, and community development block grants.

Congress Today:

The Senate today passed S. 1026, the Defense Authorization
Bill (64

-34) and continued consideration of HR 4, Welfare
Reform.

The House passed HR 1854, Legislative Branch Appropriations
(305

-101). A motion to recommit was defeated 164

-243. [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."] OMB Director Rivlin sent letter today urging the House
Leadership to not approve the legislative branch
appropriations bill. [It states, "To avoid a veto, Congress
should first make substantial progress in presenting other

appropriations bills that the President can sign before
sending him this bill...]

SENATE FLOOR SCHEDULE:

Thursday, September 7, 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. House passed 9/6 (305

-101).

[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."]

September:

- S 343, Reg. Reform (if Dole can get enough votes for cloture)

[SAP containing multi

-agency veto threat sent 7/10]

HOUSE RULES COMMITTEE:

Thursday, September 7:

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

HOUSE FLOOR SCHEDULE:

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

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

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APPROPRIATIONS -- SUPPORT/OPPOSITION

The House has passed 11 of the 13 appropriations bills, leaving only Defense and DC. The 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."

-Rivlin letter 9/6:

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 (*).

Vetoos:

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: (Königsberg)

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 judgments, 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
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.

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 passed S 1026, the companion bill, on September
6th (64

-34). 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, however Senate floor consideration is uncertain. The bill's sponsor (Domenici, R

-NM)

reportedly indicated during the August recess that he would postpone action on S 852 to address criticism from a coalition of recreation, hunting, and conservation groups that the bill would make livestock production the dominant use of public lands. Interior hopes the delay will give time for its new grazing regulations, which took effect on August 21st, to become more firmly established. 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, is scheduled for September 12th.

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 (EXTERNAL MAIL)

CREATOR: ELMENDORFE@aascu.nche.edu@INET@EOPMRX

CREATION DATE/TIME: 7-SEP-1995 16:25:00.00

SUBJECT: Higher Education Budget--Reconciliation Letter

TO: Benami_J (Benami_J@A1@CD) (OPD)

READ: 7-SEP-1995 18:13:10.62

TO: SMITH_P (SMITH_P@A1@CD) (OMB)

READ: 7-SEP-1995 16:28:36.13

TEXT:

-Forwarded

Apparently-To: <SMITH_P@a1.eop.gov>

Apparently-To: <Benami_J@a1.eop.gov>

To: AASCU State Representatives

From: Ed Elmendorf, Vice President for Governmental
Relations and Policy Analysis

Date: September 8, 1995

Subject: Higher Education Budget. Reconciliation Letter

As we approach reconciliation action by the Congress beginning on September 12 with a mark up by the Senate Subcommittee on Labor, Health and Human Services and Education, you should be aware of the cooperative efforts completed by the higher education community. The community letter attached is our proposal for congressional committees to find better alternatives to student cuts than we have seen thus far in actions taken by the House late in July to reduce federal education spending by \$4 billion, or 16 percent, over current levels in fiscal 1996. The Senate and House authorizing committees, under the budget instruction passed by the Congress before the August recess, are charged with developing a plan to save \$10.4 billion over 7 years from mandatory student financial aid programs. The authorizing committees are required to come up with savings before September 22. The design suggested by the congressional budget committees calls for savings to come from changes in the student loan programs by eliminating federal subsidies of student-loan interest for graduate and professional students while the borrowers are in school. The Chairman of the House Budget Committee, Representative Kasich, R-Ohio, also called for the elimination of the direct loan program as a partial replacement for the savings made by eliminating student loan interest subsidies. AASCU strongly opposes the elimination of direct lending and is working to ensure that congressional representatives know of the success of this program among our members.

Our aim is to provide alternative savings that do not come from students.

The letter and attachment sent yesterday is only our first effort. AASCU has sent additional suggestions since this letter was mailed showing the committee staff where to look for potential changes that could be made to avert students aid cuts.

Please use this information as part of any congressional contact you make this month. Your congressional representatives need to hear from you about alternatives to student cuts. We need as much support for preserving students aid as we can muster. It is critical to act now! The process is far from over; it may continue well past the beginning of the new fiscal year for the federal government beginning on October 1, 1995. We need to assure ourselves that we have weighed-in at this step in the process to give as much support as possible to those who may counsel the President to veto this bill if it fails to change. Please send me electronic mail, fax or letters you send and receive. Thanks.

SUBJECT: HE Community Letter Re: Budget Reconciliation

The following letter was sent to key House and Senate education leaders. The letter was signed by American Council on Education President Robert Atwell on behalf of a number of higher education associations including AASCU and NASULGC.

September 6, 1995

The Honorable William F. Goodling
Chairman
Economic and Educational Opportunities Committee
U.S. House of Representatives
2263 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Goodling:

I am writing to share the views of the higher education community with respect to the Fiscal Year 1996 Budget Resolution and the requirement that your Committee reduce spending in the federal student loan program by \$10.4 billion over the next seven years.

We believe that the unprecedented cuts in federal student assistance that will result from the Budget Resolution are an unwise and dangerous reduction in the nation's investment in higher education. Regardless of whether we seek to increase economic competitiveness, prepare students for life in the information age, enable the disadvantaged to improve their economic opportunities, or increase the shared knowledge base in our diverse society, higher education has never been more important than it is today. Deep cuts in federal student aid will reduce access to higher education at precisely the point the nation needs it more than ever before. Because we believe the \$10.4 billion reduction in federal student loans in the Budget Resolution is contrary to the national interest, we will continue to seek ways to reduce or eliminate cuts to student loans.

We believe that reductions in the federal student loan program should not

harm financially needy students. In a program which includes substantial payments to financial and administrative agencies, it is undesirable to adopt changes that will increase the cost of student borrowing and limit educational opportunities.

To this end, we encourage the Committee to examine carefully the substantial federal costs in the Federal Family Education Loan Program that result from payments to banks, guaranty agencies, and secondary markets. While these agencies perform critical functions in the student loan program, significant budgetary savings can be found through modifications in the payments to these organizations that will preserve the roles that these agencies play.

To help the Committee move in this direction, we have attached a list of possible savings options that we hope you will score and use in putting together your reconciliation package.

We appreciate your willingness to consider these suggestions. We would be pleased to discuss the items on our list and to work with you as the reconciliation process moves forward in the weeks ahead.

Sincerely,

Robert H. Atwell
President

On behalf of the following higher education associations:

- American Council on Education
- American Association for Higher Education
- American Association of Community Colleges
- American Association of State Colleges and Universities
- American Association of University Professors
- Association of American Colleges and Universities
- Association of American Dental Schools
- Association of American Universities
- Association of Catholic Colleges and Universities
- Association of Community College Trustees
- Association of Governing Boards of Universities and Colleges
- Association of Jesuit Colleges and Universities
- Council for Advancement and Support of Education
- Council of Graduate Schools
- Council of Independent Colleges
- Hispanic Association of Colleges and Universities
- National Association for Equal Opportunity in Higher Education
- National Association of College and University Business Officers
- National Association of Graduate-Professional Students, Inc.
- National Association of Independent Colleges and Universities
- National Association of State Universities and Land-Grant Colleges
- The College Board
- United Negro College Fund
- United States Public Interest Research Group

Attachment:

Possible options for saving money in the student loan program

1) Increase risk sharing on guaranty agencies by reducing reinsurance. Current reinsurance rates are 98-88-78. This could be lowered to 95-85-75.

At the same time, reduce lender of last resort (LLR) insurance to 98 percent to avoid any sharp increases in federal costs resulting from more loans being made under LLR.

2) Reduce the insurance rate paid to banks to 95 percent. Reduce LLR insurance to 98 percent.

3) Eliminate Supplemental Preclaims Assistance payments to guaranty agencies.

4 a) Change basis for determining FFELP special allowance formula for new loans from the 91-day T-bill plus a special allowance to the 10-year Treasury bond.

b) Reduce the special allowance payments during the in-school and grace periods from 2.5 to 1.5 or 2.0.

5) Require state secondary markets that use tax exempt bonds to raise revenue to purchase student loans to pay a fee of 25 basis points (.25 %) for each loan they buy in the same way that Sallie Mae pays a fee for loans that they purchase.

6) Recall excess Guaranty Agency reserves. (Specific dollar number of amount to be recalled needed. Directed scorekeeping may also be necessary.)

7) Require automatic subrogation of loans to the Secretary when a default claim is paid. Guaranty agencies become contractors and must negotiate collection agreements with the Secretary. (Secretary can pick the best collection proposals from guarantee agencies or another source.)

8) Lengthen the period of time before a loan is declared in default from 180 to 270 days.

9) Authorize a repayment incentive plan for defaulters by waiving collection fee add-ons for defaulters who agree to have their loans consolidated.

Require letters be sent to defaulters informing them of this option.

10) Require the federal government to contract out all guaranty agency services to a specified number (e.g. 10) of organizations under competitive bidding and let the market determine the price for guaranty agency services.

Similar letters were addressed to staff and members of key committees

directly involved in the reconciliation process.

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

ATT CREATION TIME/DATE: 7-SEP-1995 16:23:00.00

ATT BODYPART TYPE:D

TEXT:

RFC-822-headers:

Received: from gatekeeper.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)

id <01HV01QFJ1A8003K9Q@PMDf.EOP.GOV>; Thu, 07 Sep 1995 16:25:39 -0400 (EDT)

Received: by gatekeeper.eop.gov (5.65/fma-120691); id AA23581; Thu,

07 Sep 1995 16:20:19 -0400

Received: by nchemail.nche.edu (5.65/DEC-Ultrix/4.3) id AA08916; Thu,

07 Sep 1995 16:21:43 -0400

Received: from aascudomain-Message_Server by aascu.nche.edu with

Novell_GroupWise; Thu, 07 Sep 1995 16:23:39 -0400

X-Mailer: Novell GroupWise 4.1

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

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

CREATOR: Lisa Kountoupes (KOUNTOUPES_L) (OMB)

CREATION DATE/TIME:11-SEP-1995 23:34:20.84

SUBJECT:~~CONFIDENTIAL~~ AMR DAILY

**DETERMINED TO BE AN ADMINISTRATIVE
MARKING Per E.O. 13526**

Sec. 3.2(C) Initials: JK Date: 6-5-2018
2017-1074- F

TO: Alice M. Rivlin (RIVLIN_A) (OMB)

READ:12-SEP-1995 07:23:34.92

CC: Michelle Denton (DENTON_M) (CEQ)

READ:12-SEP-1995 09:03:15.00

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

READ:12-SEP-1995 09:54:03.85

CC: Alice M. Rivlin (RIVLIN_A) (OMB)

READ:12-SEP-1995 07:23:34.92

CC: Jacob J. Lew (LEW_J) (OMB)

READ:NOT READ

CC: Patrick J. Griffin (GRIFFIN_P) Autoforward to: Erin A. O'Connor (OCONNOR_E)
(WHO)

READ:12-SEP-1995 08:32:24.78

CC: Martha Foley (FOLEY_M) (WHO)

READ:19-SEP-1995 15:12:23.44

CC: Ann M. Cattalini (CATTALINI_A) (WHO)

READ:12-SEP-1995 08:06:59.61

CC: Erin A. O'Connor (OCONNOR_E) (WHO)

READ:12-SEP-1995 08:32:24.78

CC: James C. Murr (MURR_J) (OMB)

READ:NOT READ

CC: James J. Jukes (JUKES_J) (OMB)

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CC: Janet R. Forsgren (FORSGREN_J) (OMB)

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CC: Ronald K. Peterson (PETERSON_RK) (OMB)

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CC: LAWRENCE J. HAAS (HAAS_L) (OMB)

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CC: Robert G. Damus (DAMUS_R) (OMB)

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CC: Gordon Adams (ADAMS_G) (OMB)
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CC: T J Glauthier (GLAUTHIER_T) (OMB)
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CC: Kenneth S. Apfel (APFEL_K) (OMB)
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CC: Nancy-Ann E. Min (MIN_N) (OMB)
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CC: Robert E. Litan (LITAN_R) (OMB)
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CC: Joseph Minarik (MINARIK_J) (OMB)
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CC: Sally Katzen (KATZEN_S) (OMB)
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CC: Charles E. Kieffer (KIEFFER_C) (OMB)
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CC: Kristen E. Panerali (PANERALI_K) (OMB)
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CC: John A. Koskinen (KOSKINEN_J) (OMB)
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CC: Steven Kelman (KELMAN_S) (OMB)
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CC: G. Edward DeSeve (DESEVE_G) (OMB)
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CC: John B. Arthur (ARTHUR_J) (OMB)
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CC: William A. Halter (HALTER_W) (OMB)
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CC: Jill M. Blickstein (BLICKSTEIN_J) (OMB)
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CC: Chantale Wong (WONG_C) (OMB)
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CC: Laura D. Tyson (TYSON_L) Autoforward to: Thomas O'Donnell (ODONNELL_T)
(OPD)
READ:NOT READ

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

CC: David J. Lane (LANE_D) (OPD)
READ:12-SEP-1995 09:06:53.25

CC: John Gibbons (GIBBONS_J) Autoforward to: Remote Addressee (
gjack@ccmail.ostp.eop.gov@inet) (STP)
READ:NOT READ

CC: M. Jill Gibbons (GIBBONS_M) (OMB)
READ:12-SEP-1995 09:27:00.99

CC: Ronald E. Jones (JONES_RE) (OMB)
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CC: Jeffrey A. Weinberg (WEINBERG_J) (OMB)
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CC: James A. Brown (BROWN_JA) (OMB)
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CC: Constance J. Bowers (BOWERS_C) (OMB)
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CC: Melissa Y. Cook (COOK_MY) (OMB)
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CC: Elyse H. Fitter (FITTER_E) (OMB)
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CC: Michael L. Goad (GOAD_M) (OMB)
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CC: Annette E. Rooney (ROONEY_A) (OMB)
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CC: Dena B. Weinstein (WEINSTEIN_D) (OPD)
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CC: Stacey L. Rubin (RUBIN_S) (WHO)
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CC: Jennifer N. Palmieri (PALMIERI_J) (WHO)
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CC: Karin L. Kizer (KIZER_K) (OMB)
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CC: Margaret R. Shaw (SHAW_M) (OMB)
READ:NOT READ

CC: Deborah F. Kramer (KRAMER_D) (OMB)
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CC: Diane G. Limo (LIMO_D) (OMB)
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CC: Alice E. Shuffield (SHUFFIELD_A) (OMB)
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CC: Lara L. Roholt (ROHOLT_L) (OMB)
READ:12-SEP-1995 12:01:36.77

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CC: Alan B. Rhinesmith (RHINESMITH_A) (OMB)
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CC: Barbara C. Chow (CHOW_B) (WHO)
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CC: Robert E. Barker (BARKER_R) (OMB)
READ:12-SEP-1995 07:56:10.93

CC: Mark Gearan (GEARAN_M) Autoforward to: Angus S. King (KING_A)
READ:12-SEP-1995 08:55:37.71

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: Nancy L. Brandel (BRANDEL_N) (OMB)
READ:12-SEP-1995 12:19:53.64

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

CC: Deborah L. Shaw (SHAW_D) (OMB)
READ:12-SEP-1995 08:22:12.44

CC: Gene B. Sperling (SPERLING_G) Autoforward to: Daniel Taberski (TABERSKI_D)
(OPD)
READ:12-SEP-1995 08:52:36.10

CC: Timothy J. Keating (KEATING_T) (WHO)
READ:12-SEP-1995 19:03:41.94

CC: Kathryn Higgins (HIGGINS_K) (WHO)
READ:12-SEP-1995 08:56:47.22

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

CC: Bruce N. Reed (REED_B) (OPD)
READ:12-SEP-1995 10:33:31.03

CC: Jeremy D. Benami (BENAMI_J) (OPD)
READ:12-SEP-1995 09:04:03.88

CC: Douglas B. Sosnik (SOSNIK_D) (WHO)
READ:12-SEP-1995 12:13:48.17

CC: Karen L. Hancox (HANCOX_K) (WHO)
READ:12-SEP-1995 07:47:54.98

CC: Shelley N. Fidler (FIDLER_S) (CEQ)
READ:12-SEP-1995 10:19:04.42

CC: Janet L. Himler (HIMLER_J) (OMB)
READ:12-SEP-1995 12:25:22.00

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

CC: John C. Angell (ANGELL_J) (WHO)
READ:12-SEP-1995 11:04:25.58

CC: Susanne D. Lind (LIND_S) (OMB)
READ:12-SEP-1995 10:18:15.70

CC: Ellen J. Balis (BALIS_E) (OMB)
READ:12-SEP-1995 09:02:13.82

CC: Anita Chellaraj (CHELLARAJ_A) (OMB)
READ:12-SEP-1995 09:39:49.39

CC: Alicia K. Kolaian (KOLAIAN_A) (OMB)
READ:12-SEP-1995 09:10:34.98

CC: Jennifer L. Nelson (NELSON_JL) (WHO)
READ:NOT READ

CC: Nick B. Kirkhorn (KIRKHORN_N) (WHO)
READ:NOT READ

CC: Janet Murguia (MURGUIA_J) (WHO)
READ:12-SEP-1995 21:03:19.14

CC: Lucia A. Wyman (WYMAN_L) (WHO)
READ:13-SEP-1995 22:03:23.95

CC: Alphonse Maldon (MALDON_A) (WHO)
READ:NOT READ

CC: Bruce D. Long (LONG_B) (OMB)
READ:12-SEP-1995 06:33:47.25

CC: Donald L. Fowler (FOWLER_D) (WHO)
READ:12-SEP-1995 10:49:36.33

CC: James T. Heimbach (HEIMBACH_J) (WHO)
READ:13-SEP-1995 07:53:30.93

TEXT:
\d

PRINTER FONT 12_POINT_COURIER
TO: ALICE RIVLIN
cc-

-Lew, Griffin, Tyson, Angell, Foley, OMB/2d
Floor, DADs, LRD, Gibbons, Cabinet Affairs, CEQ

FROM: LISA KOUNTOUPES

Transportation Ranking Member Mineta will retire Oct. 10
Mineta came to Congress in 1974 and served as Committee
Chairman during the last Congress. He is leaving to become
vice president of Lockheed Martin's transportation systems and
services division. Governor Wilson has two weeks to call for
a special election. There is a good likelihood that the seat
will remain democratic. Mineta's successor as Ranking
Committee Member will probably be Rep. Oberstar (D

-MN). The
committee may add two new Democrats and two new Republicans to
fill his vacancy and to fulfill a proposal that has been
pending by Chairman Shuster.

Transportation Off

-Budget. (Item from Chuck)
TCJS (Dan Corbett) informs us that the House Transportation
Committee, in its Friday markup of the National Highway System
bill did NOT remove the language which would take the
transportation trust funds off

-budget.
According to Dan-

-We understand that Chairman Shuster may
remove H.R. 842 from the NHS bill, if Speaker Gingrich
indicates it will be an obstacle to floor consideration. He
has also indicated an interest in possibly including the off-
budget language in Reconciliation, although this might violate
the Senate's Byrd Rule.

CONGRESS TODAY:

The Senate continued consideration of HR 4, Welfare Reform.
The House was not in session.

SENATE FLOOR SCHEDULE:

Week of September 11:

Tues. - Wed.

- Continue and complete consideration of HR 4, Welfare Reform.
[SAP sent 8/5 -- Administration opposes Dole substitute;
strongly supports the Daschle/Breaux/Mikulski
substitute]

Thurs. - Fri.

- Commerce/Justice/State Appropriations
[SAP being developed]
Other upcoming legislation

- Senate could take up the Leg. Branch Appropriations
Conference Report. House passed 9/6 (305

-101).

[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."]

HOUSE RULES COMMITTEE:

Tuesday, September 12:

- HR 1670, Federal Acquisition Reform Act
[SAP being developed for House Floor]
- HR 1162, ?Lock Box? legislation
[SAP under consideration]

HOUSE FLOOR SCHEDULE:

Tuesday, September 12 and Balance of the Week:

- HR 2150, Small Business Credit Efficiency Act (suspension)
[SAP being developed, ?Administration has no objection
[but] will continue to seek an amendment...?]
- HR 1594, Restrictions on Federal Activities Regarding
Economically Targeted Investments
[SAP being developed, ?Administration strongly opposes?]
- HR 1670, Federal Acquisition Reform Act
[SAP being developed]
- HR 1655, Intelligence Authorization Bill
[SAP being developed, ?Administration would support...if
amended?]

- HR 1162, ?Lock Box? legislation
[SAP under consideration]

Friday, September 15:

- No legislative business.

POSSIBLE FLOOR ACTION BEFORE OCTOBER 1:

- Appropriations conference reports
- Glass
- Steagall banking bill
- Highway Authorization
- Ryan White 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
- Endangered Species Act
- Farm Bill
- Reg. Sunset
- Legal Services Corp. Reform

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

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APPROPRIATIONS -- SUPPORT/OPPOSITION

The House has passed 12 of the 13 appropriations bills, leaving only DC. The Senate has thus far passed Leg. Branch, Mil Con, Energy & Water, Treasury/Postal, Interior, Transportation and Defense. 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.

-House committee reported-

-Floor SAP 9/7: 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."

-Rivlin letter 9/6: ?To avoid a veto, Congress should first make substantial progress in presenting other appropriations bills that the President can sign...?

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.
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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 (*).

Vetoed:

Rescissions/Supplemental - HR 1158
Bosnia - S. 21 [Item 105]
PRINTER FONT 12_POINT_COURIER
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 and HR 2274 [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 and HR
2274 [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:

PRINTER FONT 12 POINT ROMAN

Securities Litigation Reform - HR 1058 [Item #10]

Violent Criminal Incarceration - HR 667 [Item #4]

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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.)

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PRINTER FONT 12_POINT_ROMAN

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STATUS OF MAJOR (Non

-Appropriations) LEGISLATION

[Prepared by OMB/LRD]

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(Note: Parentheticals indicate who is tracking;
bills grouped by RMO)

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

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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. On
September 7, the House agreed to go to conference and
agreed to a motion to instruct conferees to apply the
authority to current year spending.

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 judgments, 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 bill (H.R. 2274) marked up in Subcommittee on September 7th. Scheduled for markup by the House Transport. Committee on September 8th. Basis of opposition. Repeal of national maximum speed limit law; removes four trust funds from the Budget -- inconsistent with unified budget; provides for the sequester of already authorized highway, highway safety, and mass transit funding. (Pena letter to Chairman Shuster, 9/7/95.)

15. Highway Trust Fund Off

-Budget Bill: (J. Brown)

House bill (HR 842 and HR 2274). HR 842 was ordered reported by House Transport. Cte. on May 3. Subsequently incorporated in HR 2274, the "National Highway System Designation Act of 1995" in a House Transport. Subcommittee markup on September 7th. (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 Subcommittees on 7/24/95 at which Secretary Brown announced that the President will veto any legislation to dismantle the Commerce Department.
H. Science Committee is scheduled to markup HR 1756 on 9/14/95. Senate bill (S 929) hearing was held by Senate Governmental Affairs on 7/25/95 at which Secretary Brown repeated Presidential veto statement. On 9/7/95 Senate Governmental Affairs Committee marked up S. 929 and ordered it reported by

a vote of 5 to 3.

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 passed S 1026, the companion bill, on September 6th (64

-34). 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, however Senate floor consideration is uncertain. The bill's sponsor (Domenici, R

-NM)

reportedly indicated during the August recess that he would postpone action on S 852 to address criticism from a coalition of recreation, hunting, and conservation groups that the bill would make livestock production the dominant use of public lands. Interior hopes the delay will give time for its new grazing regulations, which

took effect on August 21st, to become more firmly established. 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, is scheduled for September 12th.

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. On 08/03/95, Secretary Babbitt reiterated the veto threat before the House Committee on Resources. 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 August 5th, but was tabled until the week of September 5th. According to press reports, the Senate Majority Leader is aiming to have a vote on final passage of the bill by September 13th or 14th. If work on a free

-standing bill is delayed, it is likely that welfare reform will be dealt with as part of reconciliation. On August 5th, a SAP on S. 1120 was released opposing S. 1120 and strongly supporting S. 1117, the Democratic leadership welfare reform alternative. On September 6th, the President issued a letter reaffirming this position.

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.

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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.
? 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.