99th Congress (1985-1986)

Veto Threats of Legislation in House of Representatives

H.R. 7 - School Lunch and Child Nutrition Amendments of 1985 [September 6, 1985]

H.R. 8 - Clean Water [July 11, 1985]

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H.R. 99 - American Conservation Corps [May 30, 1985]

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H.R. 1523 - Handicapped Children's Protection Act [November 8, 1985]

H.R. 1562 – Textile and Apparel Trade Enforcement Act of 1985 (as amended by the Senate) [November 20, 1985]

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H.R. 3653 - Price-Anderson Amendments Act of 1986 [October 2, 1986]

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H.R. 4175 - 1987 Maritime Administration and the Federal Maritime Commission Authorizations [October 10, 1986]

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H.R. 4300 - Family and Disability Leave Act [September 16, 1986]

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H.R. 4515 - Urgent Supplemental Appropriations Bill, 1986 [April 15, 1986]

H.R. 4672 - Housing Act of 1986 [May 7, 1986]

H.R. 4746 – Housing Act of 1986 [May 8, 1986]

H.R. 4775 - Exemption from Gramm-Rudman-Hollings of VA Home Loan Program [May 15, 1986]

H.R. 4868 - Anti-Apartheid Act of 1986 [June 12, 1986]

H.R. 4868 - Anti-Apartheid Act of 1986 [June 17, 1986]

H.R. 4917 - Depository Institution Examination Improvement Act of 1986 [September 29, 1986]

H.R.5161 - Commerce, Justice, and State Appropriations Bill, 1987 [September 15, 1986] *

H.R. 5205 - Transportation Appropriations Bill, 1987 [September 11, 1986] *

H.R. 5242 - Agricultural Export Enhancement [August 1, 1986]

H.R. 5299 - Veterans Compensation Cost-of-Living ~ adjustments and Gramm-Rudman-Hollings Exemptions [August 4, 1986]

H.R. 5300 - Omnibus Budget Reconciliation A c t [September 24, 1986]

H.R. 5313 - HUD/Independent Agencies Appropriations Bill, 1987 [September 12, 1986]

H.R. 5488 - To Prohibit Implementation of Certain Federal Emergency Management Agency (FEMA) Regulations [September 25, 1986]

H.R. 5546 - National Childhood Vaccine Injury Act of 1986 [October 10, 1986]

H.R. 5576 - Omnibus Banking and Housing Bill [September 26, 1986]

Veto Threats of Legislation in Senate

S.J.Res. 77 - Compact of Free Association [October 2, 1985]

S. 680 - Textile and Apparel Trade Enforcement Act of 1985 [October 2, 1985]

S. 1714 - Farm Bill [October 24, 1985]

S.J. Res. 316 - Prohibiting the proposed sales of certain missiles to Saudi Arabia [April 30, 1986]

S. 1822 - Manufacture and Public Distribution of Certain Copyrighted Material Act [June 23, 1986]

S. 2230 - Federal Management and Cost Control Act of 1986 [August 11, 1986]

S. 2507 - Housing Act of 1986 [June 20, 1986]

S. 2752 - Recapitalization of the Federal Savings and Loan Insurance Corporation and Extension of Expiring Garn-St Germain Depository Institution Act Authorities [October 14, 1986]

* Indicates the President's message to one chamber refers to legislation from the other.

STATEMENT OF ADMINISTRATION POLICY

September 6, 1985
(House)

H.R. 7 - School Lunch and Child Nutrition Amendments of 1985
(Hawkins (D) California)

The Administration strongly opposes House passage of H.R. 7 because it (a) reverses reforms enacted in the 1981 Omnibus Budget Reconciliation Act that targeted benefits to low-income children; (b) contains none of the Administration's budget proposals; (c) creates new entitlement spending by increasing the school breakfast subsidy for all students--including high income students above 185% of poverty; (d) significantly increases expenditures for the Women, Infants and Children (WIC) Program and the Special Milk Program; and (e) permits higher tuition private schools with high income students to receive school lunch subsidies.

If H.R. 7 were to reach the President's desk, his advisers would recommend its disapproval.

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STATEMENT OF ADMINISTRATION POLICY

July 11, 1985
(House)

H.R. 8 - Clean Water
(Rep. Howard (D) New Jersey)

The Administration strongly opposes H.R. 8, the Water Quality Renewal Act of 1985. H.R. 8 would reverse four years of fiscal restraint and would help return us to business-as-usual on Federal spending. Should H.R. 8 reach the President in its present form, the President's advisors would strongly recommend disapproval.

H.R. 8 is objectionable because:

-- the bill's multi-year spending levels are not sustainable under current fiscal limitations, and will not fit within either the House or Senate Budget Resolutions;

-- progress in cleaning up our lakes and streams will continue without the massive new spending programs contained in H.R. 8;

-- H.R. 8 represents a return to business-as-usual on Federal spending: almost $1 billion in this bill is earmarked for ten low priority projects funded outside the regular construction grants program. There is no justification for funding these ten projects differently than other similarly worthwhile projects;

-- H.R. 8 would reverse years of fiscal restraint. It is:

   o $18 billion over the Administration's request;

   o $4.5 billion over the current services baseline for 1986-90 -- First year authorizations alone under this bill are $1.9 billion or 75 percent higher than 1985 appropriated amounts;

   o almost $6 billion over the Senate passed companion bill; and

-- if the Federal Government ever expects to get its fiscal house in order, it must begin by paring back massive, increases in existing programs and making a commitment not to begin new, programs costing billions of dollars.

STATEMENT OF ADMINISTRATION POLICY

July 11, 1985
(House Rules)

H.R. 10 - National Development Investment Act
(Oberstar (D) Minnesota and 165 others)

The Administration strongly opposes enactment of H.R. 10, because the bill would authorize appropriations of $1.5 billion for the Economic Development Administration (EDA) during 1986-1988 and $2.1 billion for the Appalachian Regional Commission (ARC) during 1986-1992. The Administration has proposed to terminate both EDA and ARC at the end of 1985. H.R. 10 would add to the Federal deficit without producing lasting net economic development benefits. The Administration believes that local economic development is best fostered through sound economic growth, regulatory relief, fiscal constraint, and funding by local governments when appropriate.

If H.R. 10 were to reach the President's desk, disapproval would be recommended.

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STATEMENT OF ADMINISTRATION POLICY

May 30, 1985
(House)

H.R. 99 - American Conservation Corps
(Rep. Seiberling (D) Ohio and 137 others)

The Administration strongly opposes enactment of H.R. 99, because (1) it would reinstate programs terminated by Congress because they were costly and ineffective; (2) youth employment programs funded under the Job Training Partnership Act are much less costly per trainee, more likely to result in permanent private sector employment, specifically tailored to needy youth, and scaled to meet today's needs; (3) the work that would be performed is generally of low priority; (4) there is no acceptable reason for now establishing a new State grant program covering part of the operation and maintenance costs of recreation lands; and (5) given the three year, open-ended authorization, the program could cost $370 million annually, as estimated by CBO.

This bill is very similar to H.R. 999 of the 98th Congress, which the President pocket vetoed on October 30, 1984, for the reasons cited above. If H.R. 99 reaches the President's desk, the Office of Management and Budget together with the Departments of the Interior, Agriculture, and Labor will recommend that the President veto the bill.

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STATEMENT OF ADMINISTRATION POLICY

(Revision)

March 1, 1985
(House)

H.R. 1096 - Farm Emergency Credit Act/African Famine Relief
(Rep. Weiss (D) New York and 34 others)

The Administration strongly opposes enactment of H.R. 1096 because it is unnecessary in the short-run and detrimental to long-run economic solutions for the American farmer. The President has publicly stated that he will veto this legislation if it is presented to him.

The Administration has in place both a current Federal lending program for spring planting for eligible farmers and a program of debt adjustment assistance for those in debt to private lenders, which appropriately share the credit burden among farmers, lending institutions, States, and the Federal Government. Secretary Block announced the provisions of the Administration's Emergency Credit Program for American farmers on Friday, February 22. Further actions proposed in this bill are unwarranted.

This bill includes measures which would cause excessive increases in Federal spending:

-- It requires the Government to assume an unwarranted 90 percent of the risk on all new loans made by private lenders through its $1.85 billion debt adjustment program.

-- It provides unprecedented and unjustified advance Commodity Credit Corporation loans on unplanted crops at time of program signup. This has the potential for putting the farmer at greater risk of cash short-falls during the time when he is marketing the crop.

-- It substantially and unnecessarily increases the level of loan guarantees for debt adjustment of borrowers served by private lenders above the Administration's $650 million program.

-- It establishes a $100 million program of payments to rural banks to induce them to lower interest rates on existing farm loans.

The total spending impact of these measures could be as much as $7.4 billion in fiscal year 1985 and a net impact of $1.3 billion in fiscal years 1985-86.

H.R. 1096 would also authorize emergency food aid for disaster assistance in the drought-stricken countries of Africa. However, the total funding authorized by this bill, $175 million ($137.5 million in disaster assistance and $37.5 million for migration and refugee assistance), substantially exceeds the $25 million authorization for disaster assistance requested by the Administration and provides unnecessary authorization for Refugee assistance.

The Administration has made a total commitment for fiscal year 1985 of over $1 billion for Africa famine assistance. For emergency food aid alone, the Administration has volunteered that the United States will provide 50 percent of 1.5 million tons of food for 1985. Only the requested $25 million of additional authorization is needed to meet the $1 billion commitment. Accordingly, the Administration is opposed to enactment of H.R. 1096. It provides a significantly higher authorization than is needed and can be effectively used for disaster assistance. The Administration urges Congress to provide only the amounts required by the Administration.

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STATEMENT OF ADMINISTRATION POLICY

November 8, 1985
(House)

H.R. 1523 - Handicapped Children's Protection Act
(Williams (D) Montana and 67 others)

Although the Administration supports the award of attorneys' fees to prevailing parties in cases brought under the Education of the Handicapped Act, it strongly opposes enactment of H.R. 1523 as reported by the House Education and Labor Committee. The Administration urges that H.R. 1523 be removed from the suspension calendar and amended to delete Section 3(b).

Section 3(b), which would have the effect of codifying agency regulations in existence on July 4, 1984, implementing Section 504 of the Rehabilitation Act of 1973, is highly objectionable for two reasons. First, it would arbitrarily and unnecessarily restrict the Government in its implementation, administration, and enforcement of Section 504 of the Rehabilitation Act. By inflexibly binding Executive branch agencies to regulations in effect over a year ago, H.R. 1523 would limit the Government's ability to respond to changing circumstances and could be detrimental to the interests of handicapped persons, the principal beneficiaries of the Rehabilitation Act. Second, Section 3(b) is not germane to the primary purpose of H.R. 1523 -- the award of attorneys' fees in actions brought under the Education of the Handicapped Act -- and is not at all necessary.

The Departments of Justice and Education would not recommend Presidential approval of H.R. 1523 if it contains Section 3(b).

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(Revision)

STATEMENT OF ADMINISTRATION POLICY

November 20, 1985
(House Rules)

H.R. 1562 - Textile and Apparel Trade Enforcement Act of 1985
(as amended by the Senate)
(Rep. Jenkins (D) Georgia and 291 others)

The Administration strongly opposes H.R. 1562 which would significantly roll back imports of textile and apparel from several major suppliers, regardless of whether such imports cause damage to U.S. producers or are unfairly traded. Specifically, H.R. 1562 is objectionable because it would:

-- cost U.S. consumers billions of dollars annually, with the severest impact falling on low income families;

-- cause exporters to shift to higher profit, more costly merchandise, thereby negating the intended effect on the trade balance, as in the case of Japanese auto exports during the Voluntary Restraint Agreement;

-- violate U.S. commitments under the General Agreement on Tariffs and Trade (GATT), under the Multi-Fiber Arrangement, and under numerous bilateral agreements negotiated with textile exporting countries;

-- result in retaliation against U.S. exports with agricultural products and aircraft being particularly vulnerable, with a cost to the U.S. in decreased exports far in excess of the lower import level; and

-- seriously undermine the ability of the U.S. to effectively negotiate with trading partners in the future because it violates current agreements.

H.R. 1562 would also impose a quota on footwear imports and require the President to negotiate "voluntary restraint agreements" to limit foreign production of copper to levels of prior years. These provisions are also objectionable because the President has recently determined that restraints on trade and production of footwear and copper are not in the national economic interest. At the President's direction, the Secretary of Labor is targeting training and relocation assistance to workers in these industries.

The President's senior advisors will recommend disapproval of this legislation if it is passed.

(Revision)

STATEMENT OF ADMINISTRATION POLICY

September 17, 1985
(House)

H.R. 2032 - The Public Securities Act of 1985
(Dingell (D) Michigan and 36 others)

The Administration strongly opposes H.R. 2032 because it would result in excessive and overlapping regulation of the Treasury securities market and thus add to the cost of financing the public debt. H.R. 2032 is overly broad in scope and inappropriately places authority to regulate U.S. government securities in a newly established board which would conflict with the Treasury Department's oversight of the government securities market, and its plan to propose legislation to amend the public debt statutes in this area.

As the Treasury Secretary indicated in his letter to Congress, if H.R. 2032 were to reach the President's desk, disapproval would be recommended.

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STATEMENT OF ADMINISTRATION POLICY

(Revision)

September 20, 1985
(House)

H.R. 2100 - Food Security Act of 1985
(Rep. de la Garza (D) Texas)

The Administration strongly opposes enactment of H.R. 2100 in its present form because it fails to make those fundamental reforms necessary to assure long-term prosperity in the agricultural sector. If this legislation were to be presented to the President in its present form, the President's Senior Advisors would recommend its disapproval.

As presently written, the Committee bill:

-- Is almost $16 Billion over the Congressional Budget Resolution, despite the Committee claims.

-- Continues to insulate production decisions from true market prices by freezing target price levels well above market prices, thus encouraging overproduction;

-- Fails to establish support prices based on market conditions in an automatic fashion;

-- Increases the cost of milk to consumers through an unfair and costly milk diversion program;

-- Raises the possibility of massive commodity dislocations and consumer price increases through a poorly thought out marketing certificate referendum;

-- Fails to make needed reforms in the outdated sugar, honey, peanut, wool and mohair programs;

-- Fails to target Federal assistance to family sized farms;

-- Substantially increases the cost of foreign humanitarian relief programs;

-- Establishes an unnecessary Special Assistant to the President for Agricultural Exports and Food Aid, which would be incompatible with current management systems for food aid programs;

-- Mandates expenditures for an unacceptable intermediate export credit program; and

The Administration believes that an acceptable 1985 farm bill must contain the following elements:

-- Establishment of commodity price supports that allow export-dependent commodities to become competitive in international markets;

-- A gradual reduction in the level of target prices each year;

-- A reduction in the dairy support price each year as long as surpluses exist;

-- A phase-out of acreage reduction programs;

-- A targeting of income benefits to legitimate family farm operations; and

-- Retention of discretionary authority for financing export credit programs.

The Administration strongly supports the following amendments which will help reduce the cost of the Committee bill and will gradually begin to institute some of the reforms necessary to assure an improved farm economy:

-- The Olin/Michel dairy amendment, which will delete the Committee-passed dairy diversion program while retaining a modified dairy price support program;

-- The Gradison/Downey sugar amendment, which lowers the minimum loan rate by one cent per year beginning with the 1986 crop through the 1988 crop;

-- The Lundine Peanut amendment, which would gradually phase out the current two-price peanut program;

-- An amendment which will reduce target prices;

-- An amendment which will delete the marketing certificate referendum provision; and

-- Amendments which will make necessary reforms in the honey, wool, and mohair programs.

Adoption of these amendments will help to improve this otherwise unacceptable legislation.

Moreover, H.R. 2100 includes highly objectionable Food Stamp provisions that would result in a three-year cost exceeding the President's 1986 Budget and budget projections by $1.4 billion. The bill would repeal previously enacted reforms that target assistance on the neediest individuals; it would also base allotments on uncertain predictions of future food prices.

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STATEMENT OF ADMINISTRATION POLICY

October 2, 1985
(House Rules)

H.R. 2237 - National Health Service Corps Amendments of 1985
(Richardson (D) New Mexico and two others)

The Administration strongly opposes enactment of H.R. 2237 unless it is amended to:

-- delete section 2(b), which unnecessarily authorizes appropriations for 1,175 new National Health Service Corps (NHSC) scholarships over the next three years,

-- reduce the excessive authorization levels contained in section 2(a) for the NHSC field program from $225 million to $161 million, the Concurrent Budget Resolution level, for the period 1986-88, and

-- delete section 8, which unjustifiably authorizes $1.5 million for technical assistance to States for data collection and information gathering activities.

The President's senior advisors would recommend disapproval of this bill in its present form.

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STATEMENT OF ADMINISTRATION POLICY

June 13, 1985
(House)

H.R. 2409 - Health Research Extension Act of 1985
(Waxman (D) California and Madigan (R) Illinois)

The Administration strongly urges that H.R. 2409 be removed from the Suspension Calendar so that it can be amended to:

-- delete the numerous mandates and detailed requirements in the bill (i.e., creating advisory boards, commissions, and panels, and requiring new research programs), which would severely limit NIH's flexibility to make decisions based on research priorities and scientific merit,

-- delete the creation of unnecessary, expensive new institutes, such as for nursing, and

-- reduce the bill's excessive authorization levels, which are $282 million or 13 percent over the House-passed budget resolution.

If H.R. 2409 were to reach the President's desk in its present form, disapproval would be recommended.

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STATEMENT OF ADMINISTRATION POLICY

September 26, 1985
(House)

H.R. 3008 - Federal Equitable Pay Practice Act

(Oakar (D) Ohio and 79 others)

The Administration strongly supports the principle of equal pay for equal work as embodied in current law. Moreover, the Administration supports full enforcement of the current law and rejects attempts to undermine that principle. H.R. 3008 replaces the clear standards under the Equal Pay Act with undefined and biased criteria for a study of differentials in pay between Federal Government positions held predominantly by female and male employees. The composition of the mandated commission designated by the bill to judge the results of the study would predispose the results.

The Administration strongly opposes H.R. 3008. If H.R. 3008 were to reach the President's desk in its present form, disapproval would be recommended.

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STATEMENT OF ADMINISTRATION POLICY

October 22, 1985
(Senate floor)

H.R. 3011, Interior Appropriation Bill, 1986
(Sponsor: Hatfield (R), Oregon
McClure (R), Idaho)

The Administration strongly opposes H.R. 3011 because it contains spending totals that are substantially over the Congressional budget resolution. The President's senior advisors could not recommend that he sign the bill in its present form.

The bill purports to make $8.1 billion available. Actual spending authority will be $9.7 billion, however, because the Committee has failed to count:

- $650 million which has been appropriated in this bill to be available in future years for a new clean coal technology demonstration program; this action is not provided for in the Congressional budget resolution; instead, the resolution provides for $250 million a year ($1 billion over four years) for clean coal research;

- $561 million for the development and fill of the Strategic Petroleum Reserve; these funds were made available by the Congress when it overturned two Administration requested deferrals;

- $200 million for an anticipated firefighting supplemental which is required by section 106 of the bill; and

- Loss of minerals management receipts; the deletion of language deducting $125.2 million from Federal on-shore mineral leasing receipts prior to the division and distribution of such receipts between the States and the Treasury will result in $113 million not collected into the Treasury.

Only by failing to count these substantial expenditures -- which put the total bill cost nearly 20% higher than that claimed by the Committee -- does the bill fall within the Congressional budget resolution guidelines.

The amounts included in the bill exceed the President's request by $260 million for energy conservation and by $137 million for land acquisition. Language provisions in the bill relating to employment ceilings, reorganizations, and reprogrammings violate the Constitutional legislative process that requires approval by the full Congress and the President.

The Administration urges the Senate to eliminate the $750 million in appropriations for the new clean coal demonstration program -- a program not provided for in the budget resolution -- and to make other reductions necessary to bring the bill within the Congressional budget resolution. The Administration also urges deletion of the other unwarranted spending and objectionable language provisions identified in the attachment.

The President's senior advisors could not recommend that he sign this bill given the continued presence of excessive amounts for the total bill and for the above programs and the objectionable language provisions.

STATEMENT OF ADMINISTRATION POLICY

November 4, 1985
(House)

H.R. 3670 - Water Resources Conservation, Development, and Infrastructure and Rehabilitation Act of 1985
(Rep. Roe (D) New Jersey)

While the Administration commends the House Ways and Means and Merchant Marine and Fisheries Committees for endorsing the concept of an ad valorem harbor user fee, the House Interior Committee for its efforts to delete the unnecessary National Water Resources Policy Board, and the House Public Works Committee for incorporating elements of the Senate-Administration compromise agreement on cost-sharing and user fees, the Administration is still strongly opposed to H.R. 3670 because it would cost $16-17 billion over the next several years in total Federal funds and authorize:

-- several massive, unnecessary new programs that often supplant traditional State and local responsibilities at a time when the Administration is struggling to fund existing Federal programs in the water resource area. Particularly objectionable are: the subsidized Federal loan programs for municipal water treatment/distribution systems (potential exposure of $100 billion or more), and repair of non-Federal dams (potential exposure of billions of dollars); Federal loan guarantees for non-Federal harbor construction; and the new National Board on Water Resources Policy;

-- construction of scores of new water projects, 80 percent of which are of dubious economic or environmental benefit or have been incompletely studied;

-- special provisons changing current law that would substantially and unnecessarily decrease traditional non-Federal cost sharing for the deepening of certain harbors; and

-- an unwarranted and unacceptable lowering of water project evaluation standards. H.R. 3670 mandates changes in current criteria that would make many projects with benefits much less than their costs appear to be justified.

Further, H.R. 3670 does not include the increase of the inland waterway fuel tax recommended by the Administration, nor the navigation user fee technical amendments proposed by Treasury and Army in September. These amendments are necessary for the effective and efficient administration of the user fees. The bill also fails to treat all regions of the nation equitably, by not extending the compromise cost-sharing agreement to as-yet unstarted, multi-million dollar features of the Mississippi River and Tributaries comprehensive flood control project.

The Administration urges the Congress to eliminate or modify objectionable provisions or omissions in H.R. 3670 during floor or conference action. If H.R. 3670 is enacted in its present form, the President's advisors would recommend that the bill be disapproved.

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STATEMENT OF ADMINISTRATION POLICY

December 5, 1985
(House)

H.R. 3852 Superfund Amendments of 1985
(Representatives Dingell (D) Michigan,
Howard (D) N.J., and Roe (D) N.J.)

The Administration strongly supports a five year reauthorization of the Superfund program. However, the President's senior advisors will recommend disapproval of any Superfund legislation containing a broad-based tax (such as a value-added tax) or substantial increases in the existing feedstock and petroleum taxes. Further, the Administration strongly opposes enactment of H.R. 3852 unless it is amended to:

-- reduce the five year funding level of $10 billion to the President's proposal of $5.3 billion. EPA can operate an efficient, well-managed $5.3 billion program that protects human health through an aggressive emergency cleanup program and makes significant progress toward addressing the long-term hazardous waste cleanup problem;

-- delete the provision allowing citizens to file suit for any violation of the Act or against the Government for failure to perform any non-discretionary duty. Such litigation would be extremely costly, impose huge burdens on the courts, and result in program priorities being set by a variety of different courts;

-- delete the provision creating a new $0.85 billion trust fund to respond to leaks from underground petroleum storage tanks. Establishment of a massive new Fund is not warranted when no information is available yet to determine the size of the problem that exists or whether it can be adequately dealt with under the Hazardous and Solid Waste Amendments of 1984; and

-- delete the provision requiring 90% financing of operations and maintenance costs by the Fund. Funding of O&M is an inappropriate Federal role and would set a bad precedent for other Federal construction programs under which funding is a State or local responsibility.

-- delete the provision which imposes mandatory schedules for listing facilities on the priority list and commencing remedial actions. Such schedules are unreasonable from a management standpoint and would result in serious administrative problems;

-- delete the provision allowing the use of Superfund money to pay for restoration of natural resources damages. This provision will simply divert money from Superfund's primary mission, to protect human health, to low priority environmental restoration activity;

-- delete the provision which provides for the expansion of the citizen suit authorities to include suits against persons responsible for releases posing an imminent and substantial endangerment to public health or the environment. This will interfere with EPA's ability to set priorities for cleanup, and will slow down cleanup efforts nation-wide.

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STATEMENT OF ADMINISTRATION POLICY

October 2, 1985
(Senate)

S.J.Res. 77 - Compact of Free Association
(Senator McClure (R) Idaho)

The Administration urges prompt Senate passage of S.J.Res. 77, including certain amendments to be offered by Senators Packwood and McClure. The Compact would provide for a new United States relationship with the two largest components of the Trust Territory of the Pacific Islands--the Marshall Islands and the Federated States of Micronesia--and has been approved by the voters of these two jurisdictions. Prompt enactment of the Compact is necessary to ensure continued use of Kwajalein missile range and fulfill United States trusteeship obligations.

The Administration supports the tax and trade amendment to be offered by Senator Packwood. The Administration recognizes the need for a provision to compensate the Micronesians for benefits originally negotiated in the Compact that would be foregone under this amendment. The Administration believes, however, that the compensation amendment to be offered by Senator McClure, estimated to cost over $95 million, far exceeds the potential loss to the Micronesians. If the Senate adopts this amendment, the Administration will seek to have it reduced in the House to a level commensurate with the potential loss, estimated to be approximately $15 million.

The Administration strongly opposes the protectionist textile amendment which we understand may be offered on the Senate floor. This amendment would significantly roll back imports of textile and apparel products from twelve selected major suppliers, regardless of whether such imports cause damage to U.S. producers or are unfairly traded. If such an amendment is added to the joint resolution, the President's senior advisors would recommend disapproval.

Finally, because the Administration favors enactment of the Compact in a version as close as possible to the President's proposal, the Administration opposes all other amendments, including an amendment that may be offered dealing with settlement of nuclear claims by U.S. citizens. The Administration's opposition to this amendment was expressed in a letter from Max Friedersdorf to Senator Dole on July 26, 1985, which noted that if such an amendment is included in the joint resolution, the President's senior advisors would recommend disapproval.

STATEMENT OF ADMINISTRATION POLICY

October 2, 1985
(Senate)

S. 680 - Textile and Apparel Trade Enforcement Act of 1985
(Sen. Thurmond (R) South Carolina and 29 others)

The Administration strongly opposes S. 680 which would significantly roll back imports of textile and apparel from products 12 selected major suppliers, regardless of whether such imports cause damage to U.S. producers or are unfairly traded. Specifically, S. 680 is objectionable because it would:

-- cost U.S. consumers 28 billion dollars annually, with the severest impact falling on low income families because, just as Japanese automobile producers chose to increase shipments of luxury and "loaded" cars in order to maintain profit levels despite lower volume during the period of the Voluntary Restraint Agreement, so too can textile exporters be expected to shift more of their shipments into higher profit, more costly merchandise;

-- violate U.S. commitments under the General Agreement on Tariffs and Trade (GATT), under the Multi-Fiber Arrangement, and under the 32 bilateral agreements negotiated with textile exporting countries;

-- result in retaliation against U.S. exports with agricultural products and aircraft being particularly vulnerable, with a cost to the U.S. in decreased exports far in excess of the lower import level; and

-- seriously undermine the ability of the U.S. to effectively negotiate with trading partners in the future because it violates current agreements.

The President's senior advisors will recommend disapproval of this legislation if it is passed.

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STATEMENT OF ADMINISTRATION POLICY

October 24, 1985
(Senate)

S. 1714 - Farm Bill
(Senator Helms (R) North Carolina)

The Administration opposes enactment of S. 1714 in its present form because it fails to make those fundamental reforms necessary to assure long-term prosperity in the agricultural sector without continually escalating program costs. If this legislation were to be presented to the President in its present form, the President's Senior Advisors would be unable to recommend its approval.

As presently written, the Committee bill:

-- is $20-$30 billion over the Congressional Budget Resolution in CCC funding;

-- continues to insulate production decisions from true market prices by freezing subsidized target price levels well above market prices, thus encouraging overproduction;

-- fails to target Federal financial assistance to family-size farms;

-- fails to make needed reforms in the outdated sugar, honey, peanut, wool, and mohair programs; and

-- requires expenditures for an injurious intermediate export credit program.

The Administration believes that an acceptable 1985 farm bill must contain the following elements:

-- Establishment of commodity price supports that allow commodities to become competitive in international markets;

-- A one-year freeze in income supports, with a five-percent reduction in each subsequent year;

-- A reduction in dairy support prices as long as surpluses exist;

-- Targeting of income and price support benefits to legitimate family farm operations;

-- Modification of the outdated sugar, honey, peanut, wool, and mohair programs toward greater market orientation; and

-- Provision for administrative discretion in managing export credit programs.

The Administration will support amendments which will improve the bill to assure a more market-oriented agricultural economy at a cost which does not threaten our overall fiscal policies.

SAP code/info sheet **Date:** 10/2/85 **Bill Number:** S. 680

Bill Title: Textile & Apparel Trade Enforcement Act of 1985

Where sent? House floor (Senate floor) House committee Senate committee Conference committee Other:_____

Language of threat(verbs): strongly opposes, disapproval

Who is the threat attributed to? (list all) Administration, President's senior advisors

(Strong)/weak? **(circle one) List adjectives.** strongly opposes,

Objections to? Part (Whole) **If part, number of itemized objections:**_____

List all objections: object to consequences of bill

Does it rank the objections? (If so include rankings with listing): Yes (No) Unclear/NA

Preference of president: (Status Quo) Change, less than Congress Change, more than Congress

Likes bill without certain amendments or provisions **Other:**_____

Does the threat identify one version over another? Yes, explicitly Yes, implicitly (No)

President's threat against which version(s)?:_____

Spending objections (describe): cost US consumers $28 billion annually

Does it claim to list all objections or does it imply others exist: (Exhaustive) Incomplete Unclear

Is the SAP (*purely negative*) or does it *express support* for certain items of the bill? (Circle one)
(Explain)_____

Is there an indication that the president might sign it if changes were made? Yes, explicitly Yes, implicitly (No)

Does it identify changes that would make the bill acceptable? Yes, explicitly Yes, implicitly (No)

If so, list:_____

Coder: Laurie (Kristen) Jenny Novette Erik Other :_____

Circle here if notes on back

SAP code/info sheet **Date:** 10/24/95 **Bill Number:** S 1714

Bill Title: Farm Bill

Where sent? House floor (Senate floor) House committee Senate committee
Conference committee Other:

Language of threat(verbs): opposes enactment in present form; unable to recommend

Who is the threat attributed to? (list all) Administration; President's Senior Advisors

Strong/weak? (circle one) List adjectives. unwise

Objections to? (Part) **Whole** **If part, number of itemized objections:** 5

List all objections:
- 20-30 billion over Congressional Budget Res
- insulates production decisions from true market prices
- fails to target Fed financial assistance to family sized farms
- fails to make reforms to sugar, honey, peanut, wool, & mohair programs
- requires expenditures for an injurious intermediate export credit program

Does it rank the objections? (If so include rankings with listing): Yes (No) Unclear/NA

Preference of president: Status Quo Change, less than Congress (Change, more than Congress)

Likes bill without certain amendments or provisions **Other:**

Does the threat identify one version over another? Yes, explicitly Yes, implicitly (No)

President's threat against which version(s)?:

Spending objections (describe): requires expenditures for export credit; 20-30 billion over Cong. budget

Does it claim to list all objections or does it imply others exist: (Exhaustive) Incomplete Unclear

Is the SAP *purely negative* or does it *express support* for certain items of the bill? (Circle one)
(Explain) wants bill with a few fundamental changes

Is there an indication that the president might sign it if changes were made? (Yes, explicitly) Yes, implicitly No

Does it identify changes that would make the bill acceptable? (Yes, explicitly) Yes, implicitly No

If so, list: commodity price support, one year freeze in income support, reduction in dairy support prices, target support to family farm, modify outdated programs, administrative discretion in managing export credit program

Coder: Laurie (Kristen) Jenny Novette Erik Other:

Circle here if notes on back

SAP code/info sheet **Date:** 10/2/85 **Bill Number:** SJ Res 77

Bill Title: Compact of Free Association

Where sent? House floor (Senate floor) House committee Senate committee
Conference committee Other:

Language of threat(verbs): strongly opposes Amendment, disapproval,

Who is the threat attributed to? (list all) Administration, President's Senior Advisors,

Strong/weak? (circle one) List adjectives. opposes, disapproves

Objections to? (Part) **Whole** **If part, number of itemized objections:** 3

List all objections: - Amendment compensation of $15 million to Micronesians
- Protectionist textile amendment
- All other possible amendments

Does it rank the objections? (If so include rankings with listing): Yes (No) Unclear/NA

Preference of president: Status Quo (Change, less than Congress) Change, more than Congress

(Likes bill without certain amendments or provisions) **Other:**

Does the threat identify one version over another? Yes, explicitly Yes, implicitly (No)

President's threat against which version(s)?:

Spending objections (describe): too much $ to Micronesians

Does it claim to list all objections or does it imply others exist: (Exhaustive) Incomplete Unclear

Is the SAP *purely negative* or does it *express support* for certain items of the bill? (Circle one)
(Explain) likes passage of bill without certain provisions

Is there an indication that the president might sign it if changes were made? (Yes, explicitly) Yes, implicitly No

Does it identify changes that would make the bill acceptable? (Yes, explicitly) Yes, implicitly No

If so, list: less $ to Micronesians, no protectionist textile Amendment, no additional Amendments

Coder: Laurie (Kristen) Jenny Novette Erik Other :

Circle here if notes on back

SAP code/info sheet **Date:** 11/4/85 **Bill Number:** HR 3678

Bill Title: Water Resources Conservation, Development, & Infrastructure Rehabilitation Act of 1985

Where sent? House floor Senate floor House committee Senate committee
Conference committee Other:_____

Language of threat(verbs): strongly opposed

Who is the threat attributed to? (list all) Administration, President's Advisors

Strong/weak? (circle one) List adjectives. disapproves, strongly opposed

Objections to? Part Whole **If part, number of itemized objections:** 6

List all objections:
- COST 16-17 billion over next several years
- Massive new programs
- Incompletely studied water projects
- Unnecessary decrease non-Fed cost sharing for keeping harbors
- lowering water project evaluation standards
- not include increase of inland waterway tax nor user fees technical amendments

Does it rank the objections? (If so include rankings with listing): Yes No Unclear/NA

Preference of president: Status Quo Change, less than Congress Change, more than Congress
Likes bill without certain amendments or provisions **Other:**_____

Does the threat identify one version over another? Yes, explicitly Yes, implicitly No

President's threat against which version(s)?:_____

Spending objections (describe): costs 16-17 billion over next several years

Does it claim to list all objections or does it imply others exist: Exhaustive Incomplete Unclear

Is the SAP *purely negative* or does it *express support* for certain items of the bill? (Circle one)
(Explain) wants certain changes

Is there an indication that the president might sign it if changes were made? Yes, explicitly Yes, implicitly No

Does it identify changes that would make the bill acceptable? Yes, explicitly Yes, implicitly No

If so, list: see above

Coder: Laurie Kristen Jenny Novette Erik Other :_____

Circle here if notes on back

nB

SAP code/info sheet **Date:** 12/5/85 **Bill Number:** HR 3552

Bill Title: Superfund Amendments of 1985

Where sent? (House floor) Senate floor House committee Senate committee
Conference committee Other:_____

Language of threat(verbs): recommend disapproval, strongly opposes

Who is the threat attributed to? (list all) President's Senior Advisors, Administration

Strong/weak? (circle one) List adjectives. recommend disapproval, strongly opposes

Objections to? (Part) Whole **If part, number of itemized objections:** 8

List all objections: any bill containing broad based tax or increase in feedstock & petroleum tax
- reduces 5 year fund level of 10 billion to 5.3 billion
- delete provision allowing citizens suit for violation of Act
- delete provision creating new trust fund for leaks
- delete provision requiring 90% financing of ops & maintn.
- delete provision imposing schedules for listing facilities on priority
- delete provision to allow $ to pay for restoration of natural damages

- delete provision which provides for expansion of citizen suit authorities

Does it rank the objections? (If so include rankings with listing): Yes (No) **Unclear/NA**

Preference of president: **Status Quo** **Change, less than Congress** **Change, more than Congress**

(Likes bill without certain amendments or provisions) **Other:**_____

Does the threat identify one version over another? **Yes, explicitly** **Yes, implicitly** (No)

President's threat against which version(s)?:_____

Spending objections (describe): reduce funding level from 10 billion to 5.3 billion

Does it claim to list all objections or does it imply others exist: (Exhaustive) **Incomplete** **Unclear**

Is the SAP *purely negative* or does ~~it express support~~ for certain items of the bill? (Circle one)
(Explain) wants certain changes

Is there an indication that the president might sign it if changes were made? (Yes, explicitly) **Yes, implicitly** **No**

Does it identify changes that would make the bill acceptable? (Yes, explicitly) **Yes, implicitly** **No**

If so, list: see above

Coder: Laurie (Kristen) Jenny Novette Erik Other:_____

Circle here if notes on back

SAP code/info sheet **Date:** 10/2/85 **Bill Number:** HR 2237

Bill Title: National Health Service Corps Amendments of 1985

Where sent? House floor Senate floor (House committee) Senate committee
Conference committee Other:_____

Language of threat(verbs): strongly opposes, disapproval

Who is the threat attributed to? (list all) Administration, President's Senior Advisors

Strong/weak? (circle one) List adjectives. strongly, disapproval

Objections to? (Part) **Whole** **If part, number of itemized objections:** 3

List all objections:
- section 2b - authorizes appropriations for scholarships
- section 2a - excessive authorization levels
- section 8 - authorizes $ for technical assistance to states for data collection

Does it rank the objections? (If so include rankings with listing): Yes (No) Unclear/NA

Preference of president: Status Quo Change, less than Congress Change, more than Congress

(Likes bill without certain amendments or provisions) **Other:**_____

Does the threat identify one version over another? Yes, explicitly Yes, implicitly (No)

President's threat against which version(s)?:_____

Spending objections (describe): ~~$225~~ $225 million in authorization levels too high authorization $1.9 million for tech assistance

Does it claim to list all objections or does it imply others exist: (Exhaustive) Incomplete Unclear

Is the SAP *purely negative* or does it *express support* for certain items of the bill? (Circle one)
(Explain) just wants 3 changes made

Is there an indication that the president might sign it if changes were made? (Yes, explicitly) Yes, implicitly No

Does it identify changes that would make the bill acceptable? (Yes, explicitly) Yes, implicitly No

If so, list: delete section 2b, delete section 8, reduce section 2a levels from $225 million to $161 million

Coder: Laurie (Kristen) Jenny Novette Erik Other:_____

Circle here if notes on back

SAP code/info sheet **Date:** 6/13/85 **Bill Number:** HR 2409

Bill Title: Health Research Extension Act of 1985

Where sent? (House floor) Senate floor House committee Senate committee Conference committee Other:_____

Language of threat(verbs): strongly urges bill to be removed from Suspension Calendar disapproval

Who is the threat attributed to? (list all) Administration

Strong/weak? (circle one) List adjectives. removed from calendar, disapproval

Objections to? (Part) Whole **If part, number of itemized objections:** 3

List all objections:
- mandates & detailed requirements in the bill
- creation unnecessary expensive new institutes
- excessive authorization levels over House passed budget

Does it rank the objections? (If so include rankings with listing): Yes (No) Unclear/NA

Preference of president: Status Quo Change, less than Congress Change, more than Congress

(Likes bill without certain amendments or provisions) **Other:**_____

Does the threat identify one version over another? Yes, explicitly Yes, implicitly (No)

President's threat against which version(s)?:_____

Spending objections (describe): excessive authorization levels $ 282 million over House budget

Does it claim to list all objections or does it imply others exist: (Exhaustive) Incomplete Unclear

Is the SAP *purely negative* or does it *express support* for certain items of the bill? (Circle one)
(Explain) wants bill without 3 provisions

Is there an indication that the president might sign it if changes were made? (Yes, explicitly) Yes, implicitly No

Does it identify changes that would make the bill acceptable? (Yes, explicitly) Yes, implicitly No

If so, list: delete mandates, delete creation unnecessary institutes, reduce excessive authorization levels

Coder: Laurie (Kristen) Jenny Novette Erik Other:_____

Circle here if notes on back

MB

SAP code/info sheet **Date:** 9/26/85 **Bill Number:** HR 3008

Bill Title: Federal Equitable Pay Practice Act

Where sent? (House floor) Senate floor House committee Senate committee Conference committee Other:_____

Language of threat(verbs): Strongly opposes, disapproval

Who is the threat attributed to? (list all) Administration

(Strong)/weak? (circle one) **List adjectives.** undefined & biased criteria, predispose the results (of previous Act) strongly opposes, disapproval, undermine

Objections to? Part (Whole) **If part, number of itemized objections:**_____

List all objections: replaces clear standards of Equal Pay Act with undefined, biased criteria
Composition of Commission would predispose the results

Does it rank the objections? (If so include rankings with listing): Yes (No) **Unclear/NA**

Preference of president: (Status Quo) **Change, less than Congress Change, more than Congress**

Likes bill without certain amendments or provisions **Other:**_____

Does the threat identify one version over another? **Yes, explicitly** **Yes, implicitly** (No)

President's threat against which version(s)?:_____

Spending objections (describe):_____

Does it claim to list all objections or does it imply others exist: (Exhaustive) **Incomplete** **Unclear**

Is the SAP (*purely negative*) **or does it *express support* for certain items of the bill? (Circle one)**
(Explain) likes original act & enforcement of it, not this bill

Is there an indication that the president might sign it if changes were made? **Yes, explicitly** **Yes, implicitly** (No)

Does it identify changes that would make the bill acceptable? **Yes, explicitly** **Yes, implicitly** (No)

If so, list:_____

Coder: Laurie (Kristen) Jenny Novette Erik Other :_____

Circle here if notes on back

SAP code/info sheet **Date:** 10/22/85 **Bill Number:** HR 3011

Bill Title: Interior Appropriation Bill, 1986

Where sent? House floor (Senate floor) House committee Senate committee
Conference committee Other:_____

Language of threat(verbs): Strongly opposes, could not recommend

Who is the threat attributed to? (list all) Administration, President's Senior Advisors

Strong/(weak?) (circle one) List adjectives. Strongly opposes, excessive, objectionable language, could not

Objections to? (Part) **Whole** **If part, number of itemized objections:** 3

List all objections: bill exceeds President's request by $260 million for energy conservation & $137 mill. for land acquis.
- language provisions relating to employment ceilings, reorganization, & reprogrammings & others from attachment
- want eliminate $750 mill in approp for new clean coal program & other necessary reductions

Does it rank the objections? (If so include rankings with listing): Yes (No) Unclear/NA

Preference of president: Status Quo Change, less than Congress Change, more than Congress
(Likes bill without certain amendments or provisions) **Other:**_____

Does the threat identify one version over another? Yes, explicitly Yes, implicitly (No)

President's threat against which version(s)?:_____

Spending objections (describe): $750 mill over budget, bill exceeds ~~of~~ Presidents requests by $260 mil for energy & $137 mill for land acqusition

Does it claim to list all objections or does it imply others exist: (Exhaustive) Incomplete Unclear

Is the SAP *purely negative* or does it *express support* for certain items of the bill? (Circle one)
(Explain) wants many changes to reduce $ spent on bill

Is there an indication that the president might sign it if changes were made? Yes, explicitly (Yes, implicitly) No

Does it identify changes that would make the bill acceptable? (Yes, explicitly) Yes, implicitly No

If so, list: reduce expenditures described above & change objectionable language provisions

Coder: Laurie (Kristen) Jenny Novette Erik Other:_____

Circle here if notes on back

SAP code/info sheet **Date:** 11/20/85 **Bill Number:** HR 1562

Bill Title: Textile & Apparel Trade Enforcement Act of 1985

Where sent? House floor Senate floor (House committee) Senate committee
Conference committee Other:_____

Language of threat(verbs): strongly opposes, will recommend disapproval

Who is the threat attributed to? (list all) Administration, Presidents Senior Advisors

Strong/weak? (circle one) List adjectives. objectionable, strongly oppose; disapproval

Objections to? Part (Whole) **If part, number of itemized objections:** 6

List all objections:
- cost US consumers billions
- cost exporters to shift to higher profit, more costly merchandise
- violate US commitments to GATT & ATT
- result in retaliation against US exports
- undermine ability of US to negotiate
- impose quotas on footwear & copper which contradicts presidents recent position

Does it rank the objections? (If so include rankings with listing): Yes (No) Unclear/NA

Preference of president: (Status Quo) Change, less than Congress Change, more than Congress

Likes bill without certain amendments or provisions **Other:**_____

Does the threat identify one version over another? Yes, explicitly Yes, implicitly (No)

President's threat against which version(s)?:_____

Spending objections (describe): cost to US consumers

Does it claim to list all objections or does it imply others exist: (Exhaustive) Incomplete Unclear

Is the SAP *purely negative* or does it *express support* for certain items of the bill? (Circle one)
(Explain) states no support for the bill

Is there an indication that the president might sign it if changes were made? Yes, explicitly Yes, implicitly (No)

Does it identify changes that would make the bill acceptable? Yes, explicitly Yes, implicitly (No)

If so, list:_____

Coder: Laurie (Kristen) Jenny Novette Erik Other:_____

Circle here if notes on back

"specifically" objections - exhaustive?

NB

SAP code/info sheet **Date:** 9/17/85 **Bill Number:** HR 2032

Bill Title: The Public Securities Act of 1985

Where sent? (House floor) Senate floor House committee Senate committee Conference committee Other:_____

Language of threat(verbs): strongly opposes, disapproval

Who is the threat attributed to? (list all) Administration, Treasury Secretary (in separate letter)

Strong/weak? (circle one) List adjectives. excessive, overlapping, overly broad, conflict w/ Treasury Dept, disapproval, strongly opposes

Objections to? Part (Whole) **If part, number of itemized objections:**_____

List all objections: Results of bill
- excessive overlapping regulation of Treasury securities market
- overly broad
- inappropriately places regulation to new board which conflicts w/ Treasury Dept

Does it rank the objections? (If so include rankings with listing): Yes (No) Unclear/NA

Preference of president: (Status Quo) Change, less than Congress Change, more than Congress

Likes bill without certain amendments or provisions **Other:**_____

Does the threat identify one version over another? Yes, explicitly Yes, implicitly (No)

President's threat against which version(s)?:_____

Spending objections (describe):_____

Does it claim to list all objections or does it imply others exist: Exhaustive Incomplete (Unclear)

Is the SAP *purely negative* or does it *express support* for certain items of the bill? (Circle one)
(Explain) no support mentioned

Is there an indication that the president might sign it if changes were made? Yes, explicitly Yes, implicitly (No)

Does it identify changes that would make the bill acceptable? Yes, explicitly Yes, implicitly (No)

If so, list:_____

Coder: Laurie (Kristen) Jenny Novette Erik Other :_____

Circle here if notes on back

NB

SAP code/info sheet **Date:** 9/20/85 **Bill Number:** HR 2100

Bill Title: Food Security Act of 1985

Where sent? (House floor) Senate floor House committee Senate committee Conference committee **Other:**

Language of threat(verbs): strongly opposes, recommend disapproval

Who is the threat attributed to? (list all)

Strong/weak? (circle one) List adjectives. highly objectionable provisions, unacceptable,

Objections to? (Part) Whole **If part, number of itemized objections:** 13

List all objections: - $16 bill over Budget, - insulate production decisions from true market - fails est support prices based on market conditions in automatic fashion, - increases cost milk to consumers - increases possibility massive commodity dislocations & consumer price increase - fails to make reforms to outdated programs - fails target family farms - increases cost of humanitarian projects - est unnecessary Assistant - mandates expenditures for export credit programs

- unacceptable food stamp provisions
- repeals reforms for neediest ppl
- base allotments in uncertain once predictions

Does it rank the objections? (If so include rankings with listing): Yes (No) Unclear/NA

Preference of president: ~~Status Quo~~ ~~Change, less than Congress~~ Change, more than Congress

(Likes bill without certain amendments or provisions) **Other:**

Does the threat identify one version over another? Yes, explicitly Yes, implicitly (No)

President's threat against which version(s)?:

Spending objections (describe): over budget

Does it claim to list all objections or does it imply others exist: (Exhaustive) Incomplete Unclear

Is the SAP *purely negative* or does it *express support* for certain items of the bill? (Circle one)
(Explain) wants many changes but still would support

Is there an indication that the president might sign it if changes were made? Yes, explicitly (Yes, implicitly) No

Does it identify changes that would make the bill acceptable? (Yes, explicitly) Yes, implicitly No

If so, list: ~~[illegible]~~ est commodity price support, - reduction in level target prices each year - reduce dairy support - phase out acreage reduction programs, - target benefits to family farms - retain discretion for export credit - include 01 in /Michel amendment - Gradison/Downey Amend - Lundine peanut amend - Amend to reduce target prices - delete marketing certificate referendum provision - make reforms in honey, wool, mohair programs

Coder: Laurie Kristen Jenny Novette Erik Other:

Circle here if notes on back

SAP code/info sheet **Date:** 11/8/85 **Bill Number:** HR 1523

Bill Title: Handicapped Children's Protection Act

Where sent? (House floor) Senate floor House committee Senate committee Conference committee Other:_____

Language of threat(verbs): would not recommend, strongly opposes

Who is the threat attributed to? (list all) Administration, Departments of Justice & Education

Strong/weak? (circle one) List adjectives. urges removal from calendar, strongly opposes, section 3b highly objectionable

Objections to? (Part) Whole **If part, number of itemized objections:** 2

List all objections: Section 3b

1- arbitrarily & unnecessarily restrict governments implementation & enforcement of Section 504 of Rehabilitation Act. limit ability to respond to changes, detrimental to handicapped persons interests

2- not germane or necessary

Does it rank the objections? (If so include rankings with listing): (Yes) No Unclear/NA

Preference of president: Status Quo Change, less than Congress Change, more than Congress

(Likes bill without certain amendments or provisions) **Other:**_____

Does the threat identify one version over another? Yes, explicitly Yes, implicitly (No)

President's threat against which version(s)?:_____

Spending objections (describe):_____

Does it claim to list all objections or does it imply others exist: (Exhaustive) Incomplete Unclear

Is the SAP *purely negative* or does it *express support* for certain items of the bill? (Circle one)
(Explain) wants only one part deleted, supports rest

Is there an indication that the president might sign it if changes were made? (Yes, explicitly) Yes, implicitly No

Does it identify changes that would make the bill acceptable? (Yes, explicitly) Yes, implicitly No

If so, list: Delete Section 3b

Coder: Laurie (Kristen) Jenny Novette Erik Other:_____

Circle here if notes on back

SAP code/info sheet **Date:** 3/1/85 **Bill Number:** HR 1096

Bill Title: Farm Emergency Credit Act/African Famine Relief

Where sent? (House floor) Senate floor House committee Senate committee
Conference committee Other:_____

Language of threat(verbs): strongly opposes, publicly stated will veto

Who is the threat attributed to? (list all) President, Administration

Strong/weak? (circle one) List adjectives. strongly opposes, unnecessary & detrimental, Pres publicly state will veto, actions proposed are unwarranted

Objections to? Part (Whole) **If part, number of itemized objections:**_____

List all objections: already have program, - excessive spending
- government assumes 90% risk
- unjustified Commodity Credit Corp loans
- increases level loan guarantees
- $100 mill program payments to rural banks
- funding assistance exceeds authorized $25 mil

Does it rank the objections? (If so include rankings with listing): Yes (No) Unclear/NA

Preference of president: Status Quo (Change, less than Congress) Change, more than Congress

Likes bill without certain amendments or provisions **Other:**_____

Does the threat identify one version over another? Yes, explicitly Yes, implicitly (No)

President's threat against which version(s)?:_____

Spending objections (describe): excessive - only wants requested $25 mill

Does it claim to list all objections or does it imply others exist: (Exhaustive) Incomplete Unclear

Is the SAP *purely negative* or does it *express support* for certain items of the bill? (Circle one)
(Explain) support for $25 million but not this bill

Is there an indication that the president might sign it if changes were made? Yes, explicitly Yes, implicitly (No)

Does it identify changes that would make the bill acceptable? Yes, explicitly Yes, implicitly (No)

If so, list: only wants $25 mill authorized not this bill

Coder: Laurie (Kristen) Jenny Novette Erik Other:_____

Circle here if notes on back

SAP code/info sheet **Date:** 9/6/85 **Bill Number:** H R 7

Bill Title: School Lunch & Child Nutrition Amendments of 1985

Where sent? (House floor) Senate floor House committee Senate committee Conference committee Other:_____

Language of threat(verbs): Strongly opposes, recommend disapproval

Who is the threat attributed to? (list all) Administration, Advisers

Strong/weak? (circle one) List adjectives. strongly opposes, disapproval

Objections to? Part (Whole) **If part, number of itemized objections:**_____

List all objections:

A- reverses reforms of 1981

B- contains none of Admin Budget proposals

C- increases breakfast subsidy for all even wealthy

D- increases expenditures for Woman, Infant, Children Program & Special Milk Program

E- permits high tuition private schools with high income students to receive school lunch subsidies

Does it rank the objections? (If so include rankings with listing): (Yes) No Unclear/NA

Preference of president: (Status Quo) Change, less than Congress Change, more than Congress

Likes bill without certain amendments or provisions Other:_____

Does the threat identify one version over another? Yes, explicitly Yes, implicitly (No)

President's threat against which version(s)?:_____

Spending objections (describe):_____

Does it claim to list all objections or does it imply others exist: (Exhaustive) Incomplete Unclear

Is the SAP *purely negative* or does it *express support* for certain items of the bill? (Circle one)
(Explain)_____

Is there an indication that the president might sign it if changes were made? Yes, explicitly Yes, implicitly (No)

Does it identify changes that would make the bill acceptable? Yes, explicitly Yes, implicitly (No)

If so, list:_____

Coder: Laurie (Kristen) Jenny Novette Erik Other:_____

Circle here if notes on back

SAP code/info sheet **Date:** 7/11/85 **Bill Number:** HR 8

Bill Title: Clean Water

Where sent? (House floor) Senate floor House committee Senate committee Conference committee Other: _____

Language of threat(verbs): strongly opposes, Strongly recommend disapprove

Who is the threat attributed to? (list all) Administration, Presidents Advisors

Strong/(weak?) (circle one) List adjectives. strongly opposes, reverses 4 years of fiscal restraint

Objections to? Part (Whole) **If part, number of itemized objections:** _____

List all objections:
- multi year spending level not sustainable
- Clean up does not need spending programs
- returns to business as usual Fed spending
- $18 billion over request
- $4.5 bill over current baseline
- $6 bill over Senate bill
- Fed must stop increasing exist programs

Does it rank the objections? (If so include rankings with listing): Yes (No) Unclear/NA

Preference of president: (Status Quo) Change, less than Congress Change, more than Congress

Likes bill without certain amendments or provisions **Other:** _____

Does the threat identify one version over another? Yes, explicitly (Yes, implicitly) No

President's threat against which version(s)?: House - Senate $6 bill less

Spending objections (describe): All about too much spending see above

Does it claim to list all objections or does it imply others exist: (Exhaustive) Incomplete Unclear

Is the SAP *purely negative* or does it *express support* for certain items of the bill? (Circle one)
(Explain) too much $

Is there an indication that the president might sign it if changes were made? Yes, explicitly Yes, implicitly (No)

Does it identify changes that would make the bill acceptable? Yes, explicitly Yes, implicitly (No)

If so, list: _____

Coder: Laurie (Kristen) Jenny Novette Erik Other: _____

Circle here if notes on back

UB

SAP code/info sheet **Date:** 7/11/85 **Bill Number:** HR 10

Bill Title: National Development Investment Act

Where sent? House floor Senate floor ~~House committee~~ Senate committee
Conference committee Other:

Language of threat(verbs): strongly opposes, disapproval

Who is the threat attributed to? (list all) Administration

Strong/weak? (circle one) List adjectives. strongly opposes, disapproval

Objections to? Part **Whole** **If part, number of itemized objections:**

List all objections:
- Appropriates $1.5 bill to Economic Development Admin & $2.1 bill to Appalachian Region Commission
- Admin wants to terminate EDA & ARC
- Add to deficit without pasting economic develop:

Does it rank the objections? (If so include rankings with listing): Yes **No** Unclear/NA

Preference of president: Status Quo Change, less than Congress Change, more than Congress

Likes bill without certain amendments or provisions **Other:** Admin wants econ growth, regulatory relief, fiscal constraint, funding by local governments

Does the threat identify one version over another? Yes, explicitly Yes, implicitly **No**

President's threat against which version(s)?:

Spending objections (describe): see above - too much $

Does it claim to list all objections or does it imply others exist: **Exhaustive** Incomplete Unclear

Is the SAP *purely negative* or does it *express support* for certain items of the bill? (Circle one)
(Explain)

Is there an indication that the president might sign it if changes were made? Yes, explicitly Yes, implicitly **No**

Does it identify changes that would make the bill acceptable? Yes, explicitly Yes, implicitly **No**

If so, list:

Coder: Laurie **Kristen** Jenny Novette Erik Other :

Circle here if notes on back

NB

SAP code/info sheet **Date:** 5/30/85 **Bill Number:** HR 99

Bill Title: American Conservation Corps

Where sent? (House floor) Senate floor House committee Senate committee
Conference committee Other:_____

Language of threat(verbs): strongly opposes, will recommend

Who is the threat attributed to? (list all) Administration, Office of Management & Budget, Departments of Interior, Agriculture, & Labor

Strong/weak? (circle one) List adjectives. strongly

Objections to? Part (Whole) **If part, number of itemized objections:**_____

List all objections:
1- reinstate terminated costly programs
2- Youth training programs already funded are more effective & cheaper
3- low priority work
4- no reason for new State grant program
5- could cost $370 mill annually

Does it rank the objections? (If so include rankings with listing): (Yes) No Unclear/NA

Preference of president: (Status Quo) Change, less than Congress Change, more than Congress

Likes bill without certain amendments or provisions **Other:**_____

Does the threat identify one version over another? Yes, explicitly Yes, implicitly (No)

President's threat against which version(s)?:_____

Spending objections (describe):_____

Does it claim to list all objections or does it imply others exist: (Exhaustive) Incomplete Unclear

Is the SAP *purely negative* or does it *express support* for certain items of the bill? (Circle one)
(Explain) status quo is acceptable, not this bill

Is there an indication that the president might sign it if changes were made? Yes, explicitly Yes, implicitly (No)

Does it identify changes that would make the bill acceptable? Yes, explicitly Yes, implicitly (No)

If so, list:_____

Coder: Laurie (Kristen) Jenny Novette Erik Other:_____

Circle here if notes on back

(Revision)

STATEMENT OF ADMINISTRATION POLICY

April 30, 1986
(House)

H.J.Res. 589 - Prohibiting the proposed sales of certain missiles to Saudi Arabia
(Rep. Levine (D) California and 219 others)

The Administration strongly opposes enactment of H.J.Res. 589. The President's Senior Advisors will recommend disapproval of this bill if it reaches the President's desk.

The proposed limited sale of missiles will allow Saudi Arabia, with which we have had close and mutually beneficial ties for over 40 years, to meet military threats in the future. Missiles of these types are already in the Saudi inventory; this increment will not be delivered until 1989-1991. The Administration has gone forward with the sale now, however, to achieve important political objectives: to send a clear signal to Iran not to expand the Iran-Iraq war to the moderate Gulf states and to bolster the resolve of those states with whom we share important security interests.

The Administration judges that the sale to Saudi Arabia proposed by the President supports U.S. interests in the Middle East and clearly poses no threat to the security of Israel.

If the Saudis are not able to meet their defense needs through the purchase of U.S. weapons, they will be forced to go elsewhere. It serves neither United States nor Israeli interests to allow other countries to sell these needed arms to the Saudis, particularly since only U.S. arms sales require safeguards and assurances. This sale could also have large economic benefits to the U.S. economy.

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STATEMENT OF ADMINISTRATION POLICY

September 29, 1986
(House)

H.J.Res. 699 - Disapproval of Department of Energy's Proposed New Uranium Enrichment Regulations
(Rep. Richardson (D) New Mexico and 8 others)

The Administration opposes enactment of H.J.Res. 699. The bill would disapprove criteria which are vital for DOE's uranium enrichment enterprise to remain a competitive and reliable supplier of enrichment services. The criteria would help maintain a financially healthy enterprise which is essential in order to preserve the multi-billion dollar Federal investment and to avoid the need for Federal subsidy in the future. The President's senior advisors would recommend disapproval of H.J.Res. 699.

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STATEMENT OF ADMINISTRATION POLICY

March 12, 1986
(House Rules)

H.R. 1 -- Housing Act of 1986
(Gonzalez (D) Texas)

The Administration is strongly opposed to the substitute to H.R. 1 because it would reverse the course of Federal housing policies which Congress and the Administration have been following since 1981. If the substitute to H.R. 1 were to reach the President's desk in its present form, his senior advisers would recommend disapproval. The Administration recommends enactment of a simple extension of the expiring Federal Housing Administration (FHA) insuring authorities instead of this version of H.R. 1.

The most objectionable features of H.R. 1 are:

-- deletion of the 1981 Omnibus Budget Reconciliation Act provision which targeted subsidized housing on the neediest households;

-- the requirement that HUD provide rent subsidies to many of the tenants in FHA-insured projects if HUD takes control of the projects on default; this would inappropriately create another new and very costly subsidized housing program as well as impede HUD's ability to manage and dispose of Federal assets efficiently;

-- imposition of a limit on the rent which can be charged in public housing units;

-- creation of a new Federal subsidy for moderate income homeownership, which would be feasible only in a few large cities, contains hidden costs, and targets funds to moderate income homebuyers at a time when interest rates are falling and more families are qualifying for conventional or FHA homeownership;

-- extension and/or expansion of programs which should be terminated, such as Urban Development Action Grants (UDAG), section 312 rehabilitation loans, and crime insurance;

-- alteration of the public housing operating subsidy system, resulting in added operating subsidy costs and unnecessary restrictions on HUD's regulatory authority; and

-- prohibition on the establishment of or increases in housing credit user fees for the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Government National Mortgage Association and Federal Housing Administration.

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STATEMENT OF ADMINISTRATION POLICY

September 30, 1986
(House)

H.R. 1140 - The Railroad Anti-Monopoly Act of 1986
(Sieberling (D) Ohio and 48 others)

The Administration opposes enactment of H.R. 1140 and, if it were presented to the President, the President's senior advisors would recommend a veto. H.R. 1140 would unnecessarily subject railroads to duplicative and potentially inconsistent regulation by the courts, at a time when the Interstate Commerce Commission is providing continuing and increasing relief for alleged anti-competitive practice.

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STATEMENT OF ADMINISTRATION POLICY

August 4, 1986
(House Rules)

H.R. 1400 - Extension of General Revenue Sharing
(Weiss (D) New York and 85 others)

The President's senior advisers will recommend a veto of H.R. 1400 if it is presented for the President's action. In the current fiscal environment, it is important that Federal funds be used to support national needs and priorities, not non-essential programs, such as General Revenue Sharing. The President's 1987 Budget assumes termination of General Revenue Sharing.

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STATEMENT OF ADMINISTRATION POLICY

September 18, 1986
(House)

H.R. 3077 - Inspector General Act Amendments
(Brooks (D) Texas and Horton (R) New York)

The President's senior advisers will recommend a veto of H.R. 3077 because of provisions which would create a statutory Inspector General in each of the Departments of Justice and the Treasury. By establishing statutory Inspectors General pursuant to the Inspector General Act of 1978 (the Act), H.R. 3077 would infringe upon the law enforcement responsibilities of both departments and monetary policy responsibilities of the Department of the Treasury which have not traditionally been the subject of Inspectors General inquiries. Further, the bill fails to take account of the effective mechanisms in place at both Departments to investigate allegations of impropriety and to conduct audits.

The Administration is also concerned with provisions of H.R. 3077 that would extend certain responsibilities of the Act to audit units in many smaller agencies. Expanding the scope of the Act in this fashion fails to take account of differences in staff size, expertise, and responsibilities, and would be unduly burdensome on smaller agencies and audit offices.

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STATEMENT OF ADMINISTRATION POLICY

July 24, 1986
(House Rules)

H.R. 3129 - Surface Transportation and Uniform Relocation Assistance Act of 1986
(Anderson (D) California and 47 others)

The Administration strongly opposes H.R. 3129 and, if presented to the President in its current form, the President's senior advisers would recommend that it be vetoed.

The Administration urges that H.R. 3129 be amended to:

-- authorize obligations for highway, transit, and highway safety activities of $70.7 billion for fiscal years 1987-1991, instead of $91.7 billion as contained in H.R. 3129;

-- delete provisions that undermine the purpose of highway and transit obligation limitations;

-- delete authorizations for over 100 expensive special interest projects;

-- delete authorizations for two Boston projects to be designated as part of Interstate System which increase the cost to complete the Interstate by $1.4 billion;

-- delete the provisions which continue discretionary transit grants and authorize multi-year contracts, as well as effectively exempt these funds from sequestration and annual appropriated obligation limitations;

-- delete provisions increasing the Federal matching share and waiving non-Federal matching requirements in certain cases;

-- delete provisions (1) increasing domestic content requirements, (2) preventing States from accepting the lowest bidder on architectural and engineering contracts, (3) limiting the use of convict-produced materials, and (4) reauthorizing rather than terminating the compensation requirements of the highway beauty program;

-- incorporate Administration proposals to increase Federal and State flexibility in the use of highway and transit funds and to allocate Mass Transit Account funds by formula;

-- delete the provision that would permit States or localities to prohibit or restrict the awarding of Federally-funded highway and transit construction contracts to businesses conducting business in South Africa; and

-- delete definitions and requirements under the Uniform Relocation Act which increase Federal costs, restrict State and local flexibility, and are inconsistent with Federalism principles.

The Administration is strongly opposed to any amendments to H.R. 3129 that would increase spending levels or place the Highway Trust Fund off-budget or remove it from the budget controls contained in Gramm-Rudman-Hollings.

The Administration also urges the adoption of amendments to reduce tax evasion and to repeal the current tax exemptions enjoyed by gasohol and bus operators, thereby assuring sufficient Highway Trust Fund revenues.

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STATEMENT OF ADMINISTRATION POLICY

August 8, 1986
(House)

H.R. 3358 - Atlantic Striped Bass Conservation Act Amendments
(Rep. Studds (D) Massachusetts and 17 others)

The Administration opposes H.R. 3358 unless amended to correct constitutional deficiencies in the Atlantic Striped Bass Conservation Act, and to make other changes in the bill discussed below.

The Department of Justice advises that the Act unconstitutionally requires the Executive Branch to impose a moratorium on fishing of striped bass if it agrees with a determination of the Atlantic States Fisheries Commission (members of which are chosen by State Governors) that the Commission's conservation plan is not being enforced. It would require Federal enforcement of a plan prepared by non-Federal officials, when Federal officials can enforce only laws of the United States enacted pursuant to the Constitution and regulations issued under such laws. Moreover, language in the Senate Committee report on this legislation and statements on the Senate floor by the bill's supporters indicate congressional intent that absent unusual circumstances, the Executive Branch would have essentially no discretion regarding whether or not to impose a moratorium if the Commission finds enforcement to be lacking. This would give the Commission a significant governmental duty that may be performed only by officers of the United States appointed in compliance with the Appointments Clause of the Constitution, and thus is unconstitutional.

The Administration urges that H.R. 3358 not be considered under suspension of the rules and recommends that the bill be considered under a rule that will allow amendments to (1) grant explicit congressional approval to the Commission's conservation plan, including amendments adopted to date; (2) grant the Executive Branch clear discretion to decide whether or not to impose a fishing moratorium in response to a finding by the Commission that the Plan is not being enforced; (3) retain current law's authority to declare a fishing moratorium under the Act solely with the Secretary of Commerce, instead of requiring such a moratorium to be declared jointly by the Secretaries of Commerce and the Interior; and (4) delete the reauthorization of the Federal striped bass study, which has been completed.

Unless the constitutional flaws are corrected, the Department of Justice has advised that it will recommend disapproval of H.R. 3358.

STATEMENT OF ADMINISTRATION POLICY

October 2, 1986
(House)

H.R. 3653 - Price-Anderson Amendments Act of 1986
(Rep. Udall (R) Arizona)

While the Administration supports the extension of Price-Anderson nuclear liability insurance, it opposes enactment of H.R. 3653 unless the bill is amended to:

-- delete the provision allowing the Department of Energy to be sued as if it were a contractor where a claim arises from the physical handling of radioactive nuclear waste by an Energy employee. By stripping the United States of the protection of the Federal Tort Claims Act, this provision would allow the Government to be sued for discretionary policy decisions, undermining the long-standing policy that no plaintiff suing the U.S. should receive preferential treatment;

-- retain the current 20-years-from-date-of-occurrence statute of limitation; and

-- lower the liability limit of $6.5 billion by about one-half.

If H.R. 3653 is not amended as described, the President's senior advisors would recommend disapproval.

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(Revision)

STATEMENT OF ADMINISTRATION POLICY

February 28, 1986
(House)

H.R. 4105 - Farm Program Payment Yields
(Rep. Foley (D) Washington and 13 others)

The Administration strongly opposes H.R. 4105, because it would reverse one of the cost saving provisions agreed to by the Food Security Act conferees in order to make that bill acceptable to the Administration. Changing the commodity provisions of the two-month-old 1985 Food Security Act, particularly in a fashion that would increase Federal outlays over fiscal years 1986-88 by approximately $850 million, is unwise and unacceptable.

The President's Senior Advisors would recommend disapproval of this bill in its present form.

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STATEMENT OF ADMINISTRATION POLICY

October 10, 1986
(House)

H.R. 4175 - 1987 Maritime Administration and the Federal Maritime Commission Authorizations
(Biaggi (D) N.Y. and 16 others)

The Administration opposes enactment of H.R. 4175 as amended by the Senate on October 8th, and if the bill were presented to the President in its current form, the President's senior advisers will recommend a veto.

The Senate version of H.R. 4175 is highly objectionable because it would: (1) allow new Title XI ship construction loan guarantee commitments; and (2) continue, rather than phase out, Federal financial assistance for the State maritime schools program.

The Administration would support H.R. 4175 if it were amended to: (1) allow no new commitments under the Title XI loan guarantee program; and (2) authorize appropriations for 1987 in amounts and for activities proposed in the President's Budget -- $320 million for operating differential subsidies, $5.5 million for research and development activities, and $62.693 million for operations and training activities.

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STATEMENT OF ADMINISTRATION POLICY

June 5, 1986
(House)

H.R. 4175 - 1987 Maritime Administration and the Federal Maritime Commission Authorizations
(Biaggi (D) N.Y. and 16 others)

The Administration strongly opposes House passage of H.R. 4175, and, if the bill were presented to the President in its current form, the President's senior advisors would recommend that it be vetoed.

H.R. 4175 is highly objectionable because it would: (1) evade the basic purpose of Gramm-Rudman-Hollings by increasing the obligation ceiling for Title XI loan guarantees to $500 million for each of fiscal years 1986 and 1987; (2) allow new Title XI ship construction loan guarantee commitments after fiscal year 1986; and (3) continue, rather than phase out, Federal financial assistance for the State maritime schools program.

The Administration would support H.R. 4175 if it is amended to: (1) allow no new commitments under the Title XI loan guarantee program, after fiscal year 1986, and delete the obligation ceiling increase for 1986; (2) authorize appropriations for 1987 in amounts and for activities proposed in the President's Budget -- $320 million for operating differential subsidies, $5.5 million for research and development activities, and $62.693 million for operations and training activities; and (3) delete section 7 which is unnecessary.

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STATEMENT OF ADMINISTRATION POLICY

October 1, 1986
(Senate)

H.R. 4216 - Papago Indians Claims Settlement Concerning the Impact of the Painted Rock Dam on the Gila Bend Reservation
(Reps. Udall (D) and McCain (R) Arizona)

The Administration opposes enactment of H.R. 4216 because it would require the Federal Government to pay $30 million to the Papago Tribe based on the contention that its Reservation has been rendered "unuseable" as a result of flooding attributable to operation of the Painted Rock Dam by the Corps of Engineers. The Papagos, however, were compensated for any flood damage when the U.S. purchased a flowage easement from the tribe that explicitly permitted flooding of these Reservation lands. Moreover, these lands could be restored to the condition they were in prior to their flooding at a much smaller ($1 to $2 million) cost to the tribe. Successful cotton farming operations are currently underway on similarly situated, previously flooded lands adjacent to the Reservation.

If H.R. 4216 were to be enacted, the President's senior advisors would recommend disapproval.

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STATEMENT OF ADMINISTRATION POLICY

September 16, 1986
(House)

H.R. 4300 - Family and Disability Leave Act
(Clay (D) MO and 125 others)

The Administration opposes enactment of H.R. 4300, which would require every public and private employer with 15 or more employees to provide their employees with up to 18 workweeks of parental leave in any two years, and up to 26 workweeks of medical leave in any one calendar year. If this bill is enacted, the President's Senior Advisors will recommend a veto.

The bill is objectionable for the following major reasons:

- It interferes with the private marketplace by dictating terms and conditions of employment which are best left to negotiations between employers and employees.

- The case has not been made for a federally mandated leave benefit. The inflexibility of a mandated benefit prohibits employers from meeting the differing needs of a diverse and changing workforce and would actually stifle the current trend of employers to accommodate the needs of their employees to meet conflicting family responsibilities.

- The bill would create a Federal intrusion into the traditional responsibility of the States to take actions where appropriate to protect the health, safety, and welfare of their citizens.

- With regard to the Federal sector, the bill is unnecessary because the Federal Government already provides very generous leave benefits for its employees. In addition, the bill would limit the flexibility of the Federal Government to best meet the needs of its employees, managers, and the public.

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STATEMENT OF ADMINISTRATION POLICY

April 22, 1986
(House Floor)

H.R. 4515, Urgent Supplemental Appropriations, 1986
(Whitten (D), Mississippi)

The President's senior advisors would recommend veto of H.R. 4515 in its present form.

There are numerous extremely objectionable features to the bill in its present form, including:

- the inclusion of substantive law provisions in appropriations language designed to repeal the President's authority to defer budget authority under section 1013 of the Congressional Budget and Impoundment Control Act of 1974;

- the inclusion of language that would rewrite completely the recent farm bill for all major commodities and institute a program of advance non-recourse loans for crops. The potential three-year cost of these provisions is $17 billion and domestic market prices for wheat and cotton would be raised by 50 percent above current levels. Since prices would rise sharply, massive export subsidies would be required to make U.S. commodities competitive abroad at a potential cost of an additional $10 billion;

- the provision of debt relief for all agricultural producers adversely affected by government embargoes during the 1970's and by "failure to offer surplus commodities in world trade at competitive prices since 1980." The bill would also require the Farmers Home Administration to defer principal and interest repayments on agricultural loans. The potential FY 1986 cost is $5 billion.

- the provisions that would require diplomatic security appropriations to be derived by transfer from previously appropriated defense and unearmarked foreign aid funds;

- approval of only $29 million of the proposed $10 billion of rescissions proposed in the President's budget, and the disapproval of $4.7 billion of deferrals;

- $180 million in unrequested program supplementals and $1.0 billion in unrequested transfers that could add unnecessarily to spending in FY 1986 and later years. Any such increases are unwarranted and cannot be justified during this period of fiscal restraint;

- the inclusion of substantive law provisions in the appropriations language for impact aid; these provisions have the effect of providing inappropriate special relief and of increasing budget costs;

- the limitation that funds made available to the Department of Agriculture in Appropriations Acts shall be available only for the purposes for which appropriated unless the transfer of funds from such accounts is provided in advance in Appropriations Acts;

- failure to offset $115.5 million of requested increases for FAA and Coast Guard operating expenses with comparable decreases in other transportation programs as requested by the Administration.

- failure to include certain funding and language that the Administration requested;

It should be noted that the provisions outlined above are only the most objectionable provisions of the bill. A more comprehensive list of objectionable provisions is contained in the attachment.

In addition, many of the proposed floor amendments resulting from Rules Committee action are objectionable, including:

- the "Buy American" provisions eliminated at the Administration's insistence from the recently signed reconciliation bill;

- an amendment blocking the sale of Power Marketing Administrations in the lower 48 States;

- an amendment blocking future nuclear tests;

- an amendment that would require embassy security funds be used consistent with the provisions of the embassy security authorization recently passed by the House (H.R. 4151);

- an amendment that would delay for one year the reform of the medicare hospital capital payment system; and

- an amendment providing economic and military aid for Haiti in the form of earmarks of existing funds.

- an amendment that would establish an arbitrary ceiling in the total amount of "policy" deferrals in any fiscal year, thereby impairing the President's ability to manage prudently the government's funds.

April 15, 1986

Attachment

OBJECTIONABLE PROVISIONS IN H.R. 4515, URGENT SUPPLEMENTAL APPROPRIATIONS BILL, 1986

Chapter I, Title I

Department of Agriculture: Soil Conservation Service. The Administration's FY 1987 budget proposed rescission of funds for Water and Flood Prevention Operations. Instead, the Committee ignored the rescission and added $25 million more. In addition, the Committee provided an additional $10 million for Emergency Conservation activities. This $35 million is unnecessary.

Chapter I, Title II

Department of Agriculture: Limitation on transfer of funds. This section limits the Secretary of Agriculture's statutory authority to transfer funds to respond to emergencies that threaten U.S. agriculture. It states that funds made available to the Department in Appropriations Acts shall be availabe only for the purposes for which appropriated unless the transfer of funds from such accounts is provided in advance in Appropriations Acts.

Chapter I, Title III

Department of Agriculture: Special Supplemental Food Program for Women, Infants, and Children (WIC). This action would make available an additional $20 million for the WIC program in fiscal year 1986. WIC has received its full year appropriation; no supplemental is needed at this time. The States are aware of the fiscal year 1986 funding level and have planned their program years accordingly. Further, the WIC program has already received special treatment compared to other discretionary programs in that its fiscal year 1986 appropriation exceeds the 1985 level. WIC has also not been subject to a reduction under Gramm-Rudman-Hollings; had WIC been subject to this act, 1986 funding would have been reduced by $67 million.

Department of Agriculture: Commodity Supplemental Food Program (CSFP). This section would unnecessarily increase Federal outlays by $4 million by reversing the payment of $4 million by the Food and Nutrition Service to CCC for commodities provided by the CCC to CSFP grantees. The reimbursement of CCC for commodities included in food packages is a valid program expense. Reversal of the payment results in a subsidy from CCC to CSFP. Failure to pay for donated CCC items distorts the apparent amount of resources needed to maintain the food package.

Chapter I, Title IV, Section 1

Department of Agriculture: Commodity Credit Corporation. The language of this section is from a continuing resolution (H.J. Res. 465) that passed the House but died in Conference. It requests the Secretary of Agriculture to establish a program of advance non-recourse loans at a level that would give the farmer a fair return above the cost of production. The Secretary would be expected to run the program in a way that would provide for payment by the purchaser of agricultural commodities rather than by the taxpayer. Although H.J. Res. 465 did not address the method by which this would be accomplished, it is clear that the program would mean higher commodity prices and possibly some form of production quotas limiting supply.

If implemented, the program would raise domestic market prices by about 50 percent from current levels for wheat and cotton and almost 15 percent for corn. This would increase the cost of the Farm Bill by $17 billion over the next three years. Since prices would rise sharply, massive export subsidies would be required to make U.S. commodities competitive abroad. This could add another $10 billion to outlays.

Chapter I, Title IV, Sections 4 and 5

Department of Agriculture: Commodity Credit Corporation. These sections would require the transfer of funds from the Commodity Credit Corporation to the Animal and Plant Health Inspection Service (APHIS) for citrus canker indemnity payments and control activities for avian influenza. The Secretary of Agriculture has already acted to make $11 million available for canker indemnity payments, which is the amount for which claims have been received to date. The APHIS contingency fund contains sufficient resources to continue federal efforts to eradicate avian influenza. These sections would result in unnecessary increases of as much as $24 million in FY 1986 outlays.

Chapter I, Title V

Department of Agriculture: Farmers Home Administration. This section provides debt relief for all agricultural producers adversely affected by Government embargoes during the 1970s and "failure to offer surplus commodities in world trade at competitive prices since 1980." The FmHA Administrator would be asked to determine by April 1, 1986 -- a date that has passed -- the farmers eligible for FmHA assistance. The language of this section appears to require deferral of fiscal year 1986 principal and interest repayments to FmHA.

Determining the cost of this provision is extremely difficult for the following reasons:

-- "Should" rather than "shall" is the operative term throughout.

-- The language does not repeal the current test for loan eligibility that the farmer must be able to "cash flow" with the loan.

-- It is impossible to establish causal relationships between past embargoes and the current inability of some individual farmers to pay their debts. However, this provision puts the collection of farmers FY 1986 indebtedness to the Farmers Home Administration very much at risk. Estimated principal and interest repayments for agricultural loans to FmHA for FY 1986 total $4.8 billion.

This section could force FmHA to forgo the FY 1986 collections, thereby forcing an FY 1986 outlay increase of almost $5 billion.

Chapter II

State Department: Administration of Foreign Affairs. The Administration strongly supports the $702 million provided for the State Department to enhance diplomatic security and urges that the $4.8 million request of the President for anti-terrorism assistance to other nations also be appropriated. The Administration, however, vigorously opposes the provisos that would require diplomatic security appropriations to be derived by transfer from previously appropriated defense and unearmarked foreign aid funds. Funds already appropriated for defense and foreign aid must remain intact for the purposes for which appropriated if we are to attain vital defense and foreign policy objectives. Moreover, the Administration's request for increased diplomatic security appropriations does not require such a transfer. The $88 million increase in 1986 outlays resulting from the supplemental request is already offset by the outlay reductions from 1986 rescission proposals in the FY 1987 Budget. The $277 million in 1987 outlays are already scored in the total outlays in the FY 1987 Budget, which results in a 1987 budget deficit that is within the prescribed Gramm-Rudmann- Hollings maximum deficit amount.

Chapter III

DOD, Civil: Flood control and coastal emergencies. The Administration does not believe that a supplemental is necessary for this account at this time. Resources currently available are sufficient to meet the needs identified to date.

DOD, Civil: Construction General. The Administration opposes the transfer of funds to remedy slope erosion along the Tombigbee River in Alabama. This is not a Federal responsibility.

Chapter IV

Bilateral Economic Assistance: Agency for International Development. The bill would earmark $50 million of funds already appropriated for the Economic Support Fund for a U.S.

contribution to the International Fund established pursuant to the 1985 Anglo-Irish Peace Agreement. Earlier the Administration had requested a 1986 supplemental appropriation of $20 million to the Economic Support Fund for reconstruction and economic development in Ireland. Not only would the bill provide funds 150 percent more than requested, they would be taken from monies already appropriated for other intended recipients. Such disruptive action would reduce the U.S. ability to acheive important security and foreign policy objects. Moreover, as pointed out in the Administration request, the $20 million increase in 1986 outlays is offset by outlay reductions from rescission proposals transmitted in the FY 1987 Budget. The Administration supports its original request.

Chapter V

Environmental Protection Agency: Hazardous Substance Response Trust Fund. The language making $150 million immediately available for the Superfund program is no longer necessary and should be deleted. The language is almost identical to the recently passed H.J. Res. 573. While providing this language in the Urgent Supplemental Appropriation Bill would not provide any additional funds, it would create ambiguites in the language and cause considerable confusion.

Veterans Administration transfer of construction funding. The transfer of $71 million in VA construction funds, $36 million to VA medical and operating expenses programs and $35 million to the Veterans job training program, is unwarranted. These funds may need to be restored to construction in future years in order to maintain planned program levels. For the medical and operating expenses programs, the addition of 1986 funds runs counter to the Gramm-Rudman-Hollings reductions and is not necessary to avoid adverse personnel actions. Also, the addition of more funding for veterans job training has no meaning in 1986 because the program is not using the resources it already has available. Because funds used for operating expenses are obligated and spent more quickly than construction funds, this set of transfers would increase 1986 outlays by $30.9 million with a coresponding increase in the deficit.

Chapter VI

Strategic Petroleum Reserve and SPR Petroleum Account. The Administration's 1987 budget proposes a moratorium on further fill of the Strategic Petroleum Reserve (SPR) in light of substantially improved world oil market conditions and the substantial level of protection afforded by the 500 million barrels of crude oil that are now stored in the SPR. Overturning of this deferral and mandating continued fill of the SPR at 100,000 barrels per day will increase Federal outlays by more than $500 million but will make a negligible contribution to U.S. energy security.

HHS: Indian Health Service. The Administration opposes adding an additional $20 million for the Indian Health Service (IHS) in FY 1986. The President's Budget includes $786 million for IHS services, plus an additional $48 million to be collected from Medicare, Medicaid and other reimbursements. Against this total of $830 in obligational authority, there is no programmatic justification for adding $20 million. Enactment of this supplemental will negate the FY 1986 reductions of $10.7 million from the Balanced Budget and Emergency Deficit Control Act of 1985 while adding an additional $9.3 million that cannot be spent effectively in the time remaining in FY 1986.

Chapter VII

Department of Education: Impact aid. The supplemental of $20 million is not needed. Additional funds needed for disaster assistance are being met by funds already available to the Secretary.

Three substantive law provisions in the appropriation language are objectionable:

- A provision to instruct the Department to forgo seeking recovery of overpayments from certain school districts in Kentucky whose payments under Section 2 (payments to compensate for partial loss of tax base) were made on the basis of the school districts' inappropriate use of State rather than local property tax data. This form of special relief is not appropriate.

- A clause that changes the basis on which Section 2 payments will be made in the future to take into account State-levied property taxes. This clause, if enacted, would substantially change the nature and intent of the authorizing statute and increase the program cost by an indeterminate amount. This is a "back-door" increase in budget cost.

- A provision restricting the Department of Education's ability to recover fiscal year 1978 overpayments to school districts. The provision requires those recoveries to be made through reductions in future Impact Aid payments. As a result, the Department would be unable to collect overpayments from almost a dozen school districts no longer participating in the Impact Aid program.

Chapter IX

Department of Transportation: Coast Guard and FAA Operations. While the Administration supports an $80 million increase for the FAA and a $35.5 million increase for the Coast Guard, we believe strongly that the outlays from these increases should be offset as much as possible through reductions in lower priority transportation programs. On March 26, 1986, the President proposed offsetting reductions in the following activities: $8.7 million in Amtrak grants, $94.5 million from mass transit formula

grants, $3.5 million for Coast Guard research, $2 million from the Coast Guard Retired Pay account, and $43.5 million from discretionary airport improvements grants.

Chapter X

Department of the Treasury: U.S. Customs Service. The unrequested increases for the Customs Service provided by the House Appropriations Committee are highly objectionable. These increases completely restore the reductions mandated by the Gramm-Rudman-Hollings measure.

In addition, the House Committee has included a bill language provision (identical to language included in the regular 1986 appropriations bill) which sets an FTE floor level for the Customs Service. This language provision is highly objectionable and will prevent the economies and efficiencies advocated by this Administration for the Customs Service to be implemented.

Chapter X, Title II

General Provisions: Section 201. The Administration strongly opposes the language designed to repeal the President's authority to defer budget authority under section 1013 of the Congressional Budget and Impoundment Control Act of 1974.

Section 203. The Administration strongly opposes the provision prohibiting implementation of the OMB proposal to restore an appropriate balance between federal support of scientific research and Federal payments for University-allocated overhead. Given the recent agreement to delay implementation for three months to permit further review and consultation, the prohibition would prevent a timely productive solution to the problem of steadily increasing payments for overhead and correspondingly less money for scientific research.

Section 204: The Administration objects to the language which bans the implementation of OPM's new regulations governing the Combined Federal Campaign. The new rules were written to implement the 1983 Executive Order (EO 12404) permitting traditional health and welfare organizations to participate in the fund-raising campaign, while excluding political advocacy groups from participating.

Other Objections:

Department of Transportation. The President's 1987 budget included supplemental language that would have the effect of prohibiting the Secretary of Transportation from borrowing from Treasury to cover the expanded cargo preference requirement enacted in the Food Security Act of 1985. The expanded cargo preference requirement was effective on April 1, 1986, although it is not expected that the Secretary of Transportation will have to borrow to meet the requirement until later in the fiscal year.

Because the H.R. 4515 does not include the supplemental language proposed in the President's 1987 budget, the Secretary of Transportation will have to borrow an estimated $48M in 1986 for an unwarranted increased subsidy to the maritime industry.

7/24 - 7202

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

April 23, 1986

TO: DISTRIBUTION

FROM: Chris Nolan CN
Budget Preparation Branch

SUBJECT: House Floor Action on H.R. 4515, Urgent Supplemental Appropriations Bill, 1986

Attached is a copy of the latest position statement on H.R. 4515, the Urgent Supplemental Appropriations Bill, 1986, sent to the House on Tuesday, April 22. On Tuesday, the House voted to defeat the rule allowing consideration of the bill. Further action is not expected until early next week.

Attachment

STATEMENT OF ADMINISTRATION POLICY

(Revision)

May 7, 1986
(House Rules)

H.R. 4672 -- Housing Act of 1986
(Gonzalez (D) Texas)

The Administration is strongly opposed to H.R. 4672, a substitute for H.R. 1, because it would reverse the course of Federal housing policies which Congress and the Administration have been following since 1981. If H.R. 4672 were to reach the President's desk in its present form, his senior advisers would recommend disapproval.

The five year cost of the bill is estimated to be $94 billion, $32 billion more than the President's budget. In FY 1987, additional outlays would be approximately $3.8 billion. These estimates could grow if appropriations authorized in this bill for "such sums as may be necessary" exceed current services levels.

Instead of H.R. 4672, the Administration recommends enactment of the housing proposals in the President's 1987 Budget which would:

-- more effectively target Federal Housing Administration (FHA) mortgage insurance to borrowers whose needs cannot be fully served by private mortgage insurers,

-- authorize public housing comprehensive grants, free-standing housing vouchers, and the Fair Housing Initiatives program,

-- repeal the Urban Development Action Grant (UDAG), Section 108 loan guaranty, Section 312 rehabilitation loan, and Section 8 moderate rehabilitation programs,

-- modify existing programs to ensure greater efficiency and reduce fraud, waste, and abuse.

The most objectionable features of H.R. 4672 are:

-- relaxing the 1981 Omnibus Budget Reconciliation Act provision which targeted subsidized housing to the neediest households;

-- requiring that HUD provide rent subsidies to tenants in FHA-insured projects if HUD takes control of the projects on default; this provision would inappropriately create a new and very costly subsidized housing program, as well as impede HUD's ability to manage and dispose of Federal assets efficiently;

-- creating a new Federal subsidy for middle-income homeownership, which would be feasible only in a few large cities, contains hidden costs, and targets funds to middle-income homebuyers at a time when interest rates are falling and most families are able to qualify for conventional or FHA mortgage financing;

-- extending programs which should be terminated, such as UDAG, Section 312 Rehabilitation Loans, Section 235 Homeownership Assistance Program, Rental Housing Development Grants (HoDAG), and crime insurance;

-- altering the public housing operating subsidy system, which would result in added operating subsidy costs and unnecessary restrictions on HUD's regulatory authority;

-- prohibiting the establishment of, or increases in, housing credit user fees for the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Federal Housing Administration;

-- increasing the fees paid to public housing authorities for administering the Section 8 existing and housing voucher programs at the expense of assistance to poor tenants; and

-- providing special considerations for several individual cities and projects, absent compelling reasons.

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STATEMENT OF ADMINISTRATION POLICY

May 8, 1986
(House)

H.R. 4746 -- Housing Act of 1986
(Gonzalez (D) Texas)

The Administration is strongly opposed to H.R. 4746, a substitute for H.R. 1, because it would reverse the course of Federal housing policies which Congress and the Administration have been following since 1981. If H.R. 4746 were to reach the President's desk in its present form, his senior advisers would recommend disapproval.

The five year cost of the bill is estimated to be $96 billion, $36 billion more than the President's budget. In FY 1987, additional outlays would be approximately $3.6 billion. These estimates could grow if appropriations authorized in this bill for "such sums as may be necessary" exceed current services levels.

Instead of H.R. 4746, the Administration recommends enactment of the housing proposals in the President's 1987 Budget which would:

-- more effectively target Federal Housing Administration (FHA) mortgage insurance to borrowers whose needs cannot be fully served by private mortgage insurers,

-- authorize public housing comprehensive grants, free-standing housing vouchers, and the Fair Housing Initiatives program,

-- repeal the Urban Development Action Grant (UDAG), Section 108 loan guaranty, Section 312 rehabilitation loan, and Section 8 moderate rehabilitation programs,

-- modify existing programs to ensure greater efficiency and reduce fraud, waste, and abuse.

The most objectionable features of H.R. 4746 are:

-- relaxing the 1981 Omnibus Budget Reconciliation Act provision which targeted subsidized housing to the neediest households;

-- setting a ceiling on rents paid by moderate income tenants in public housing, which provides incentives for them to occupy apartments that could be occupied by people with more serious housing needs who do not have a private sector alternative;

-- requiring that HUD provide rent subsidies to tenants in FHA-insured projects if HUD takes control of the projects on default; this provision would inappropriately create a

new and very costly subsidized housing program, as well as impede HUD's ability to manage and dispose of Federal assets efficiently;

-- creating a new Federal subsidy for middle-income homeownership, which would be feasible only in a few large cities, contains hidden costs, and targets funds to middle-income homebuyers at a time when interest rates are falling and most families are able to qualify for conventional or FHA mortgage financing;

-- extending programs which should be terminated, such as UDAG, Section 312 Rehabilitation Loans, Section 235 Homeownership Assistance Program, Rental Housing Development Grants (HoDAG), and crime insurance;

-- altering the public housing operating subsidy system, which would result in added operating subsidy costs and unnecessary restrictions on HUD's regulatory authority;

-- prohibiting the establishment of, or increases in, housing credit user fees for the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Federal Housing Administration;

-- increasing the fees paid to public housing authorities for administering the Section 8 existing and housing voucher programs at the expense of assistance to poor tenants; and

-- providing special considerations for several individual cities and projects, absent compelling reasons.

* * * * *

STATEMENT OF ADMINISTRATION POLICY

(Revision)

May 15, 1986
(House)

H.R. 4775 - Exemption from Gramm-Rudman-Hollings of VA Home Loan Program
(Shelby (D) Alabama)

The Administration is strongly opposed to H.R. 4775, which would exempt the Veterans Administration housing loan program from the sequester authority of the Balanced Budget and Emergency Deficit Control Act of 1985. No exemptions to that law's sequester authority should be enacted which involve increasing the deficit, either now or in future years.

Instead of H.R. 4775, the Administration recommends House passage of the Senate-passed bill, S. 2416, which would increase the VA housing loan program limit for fiscal year 1986 from $18.2 billion to $30.9 billion.

If H.R. 4775 were to reach the President's desk in its present form, his senior advisers would recommend disapproval.

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STATEMENT OF ADMINISTRATION POLICY

June 12, 1986
(House Rules)

H.R. 4868 - Anti-Apartheid Act of 1986
(Rep. Grey (D) Pennsylvania and 106 others)

The Administration strongly opposes enactment of H.R. 4868 because the measures it calls for would impede rather than advance the goal of promoting further change in South Africa.

The President's Executive orders of last September and October have sent strong signals of this country's opposition to apartheid and have been strictly and promptly implemented. In addition, an advisory committee on South Africa is now engaged in preparing recommendations on how the people and government of this country can best use our influence to promote further change in South Africa. It is extremely important that the advisory committee's report, due not later than January 1987, not be preempted by a congressional move toward additional measures at this volatile time.

If the measures called for in H.R. 4868 are enacted they would harm the South African economy and U.S. economic and financial interests without hastening the end of apartheid and could heighten intransigence on both sides at a time when we should be strengthening voices of dialogue and modernization.

If H.R. 4868 is enacted, the President's advisors will recommend its disapproval.

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STATEMENT OF ADMINISTRATION POLICY

FINAL

June 17, 1986
(House)

H.R. 4868 - Anti-Apartheid Act of 1986
(Rep. Gray (D) Pennsylvania and 106 others)

The Administration strongly opposes enactment of H.R. 4868 because the measures it calls for would impede rather than advance the goal of promoting further change in South Africa.

The President's Executive orders of last September and October have sent strong signals of this country's opposition to apartheid and have been strictly and promptly implemented. In addition, an advisory committee on South Africa is now engaged in preparing recommendations on how the people and government of this country can best use our influence to promote further change in South Africa. It is extremely important that the advisory committee's report not be preempted by a congressional move toward additional measures at this volatile time.

If the measures called for in H.R. 4868 are enacted, they would harm the South African economy and U.S. economic and financial interests without hastening the end of apartheid and could heighten intransigence on both sides at a time when we should be strengthening the voices of dialogue and moderation.

If H.R. 4868 is enacted, the President's advisors will recommend its disapproval.

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STATEMENT OF ADMINISTRATION POLICY

September 29, 1986
(House)

H.R. 4917 - Depository Institution Examination Improvement Act of 1986
(Carper (D) Delaware and 40 others)

The President's senior advisers will recommend disapproval if H.R. 4917 is presented to the President in its current form. Although the Administration would not object to exempting the financial institution regulatory agencies from the Gramm-Rudman-Hollings law for 1987 and beyond, a retroactive exemption from the already-enacted 1986 sequester is highly objectionable and would set an undesirable precedent.

The Administration strongly opposes any effort to remove the budget development and execution of the Federal financial institution regulatory agencies from Executive branch oversight. The expenditures of these agencies are included within the Federal budget totals and any increases add to the Federal budget deficit. Moreover, these are Executive branch agencies, and the President cannot effectively perform his chief executive functions if his current oversight authorities are restricted or removed.

The President has proposed legislation to provide for a government-wide demonstration project for reform of the Federal personnel and compensation laws. The Administration opposes statutory pilot programs for individual Federal agencies, because such piecemeal approaches undermine the government-wide reform the President believes is necessary.

* * * * *

Frey

STATEMENT OF ADMINISTRATION POLICY

September 15, 1986
(Senate)

H.R.5161, Commerce, Justice, and State Appropriations Bill, 1987
(Sponsors: Smith (D), Iowa
Whitten (D), Mississippi
Rudman (R), New Hampshire
Hatfield (R), Oregon)

The President's senior advisers will recommend a veto of the bill reported by the Senate Committee. The Committee scores its action as being $4.0 billion below the Administration's request. These reductions were achieved in part by the Committee's decision not to approve the proposed $2.3 billion purchase of the Small Business Administration's loan portfolio from the Federal Financing Bank for sale to the public and by cutting badly needed funding for international operations and diplomatic security. When adjusted to a comparable basis, this bill exceeds the Administration's request by more than $325 million.

Past economic activity as well as revised economic assumptions point to slower growth and a higher projected deficit than was forecast earlier. In the Administration's opinion, as well as that of the Congressional Budget Office, the Congressional Budget Resolution, including its allocation to the Commerce-Justice-State Appropriations Subcommittee, will be inadequate to avoid the necessity of a Gramm-Rudmann-Hollings sequester. The Administration believes Congress should act to cut spending in areas of lower priority in this bill so that a sequester, which would hit high-priority and low-priority areas alike, can be avoided.

The enclosure details funding provisions that are objectionable to the Administration. The most seriously objectionable ones are:

- $140 million for the Economic Development Administration's planning and public works grants, which the Administration proposed to terminate in 1987;
- $169 million for SBA direct business loans and $3.1 billion in SBA guaranteed loans;

- o NOAA increase of $142 million in excess of the President's request to fund low priority and unnecessary programs;

- o $74 million above the President's request for the Office of Justice Programs;

- o failure to terminate the Maritime Administration's Title XI ship construction loan guarantee program, which has experienced more than $1 billion in defaults in 1986; and

- o $306 million for the Legal Services Corporation, which the Administration proposed to terminate in 1987;

The Administration objects strongly to deep and dangerous cuts to key foreign affairs activities. These reductions would restrict seriously the President's ability to achieve his national security objectives. The Committee has reduced the request for the State Department by $1.63 billion, or 43% on a base of $3.8 billion. Also large reductions were made in the request for the United States Information Agency and the Board for International Broadcasting. The resulting amounts are inadequate to meet the needs of our diplomacy. The reductions are most harmful in the vital diplomatic security program, with respect to international organizational contributions, and for the regular salaries and expenses account. Unless these cuts are restored, particularly for the diplomatic security program, the nation's representatives abroad will be left even more vulnerable to attacks.

The Administration strongly supports continuation of the Commission on Civil Rights at the $12.6 million level of the President's 1987 budget request. The action of the Committee, which would reduce the appropriation by 50 percent (to $6 million) should be reversed by the Senate. More important, the administrative restrictions approved by the Committee would make it exceedingly difficult for the Commission to perform its function as a national resource for the furtherance of civil rights.

Finally, the Administration strongly opposes general provision 609 that would ratify the California-Nevada compact for the apportionment of the Carson, Truckee, Walker rivers and provide that the Federal Government agrees to be bound by its terms. The compact unilaterally abrogates Federal rights and responsibilities to Indian tribes and other entities. Ratification is acceptable only if it includes language proposed by the Administration specifically protecting the Federal obligations and responsibilities.

COMMERCE, JUSTICE, STATE APPROPRIATION BILL, 1987
OBJECTIONABLE PROVISIONS

I. FUNDING LEVELS

- Small Business Administration (SBA). The Administration objects to the funding provided by the Senate Committee to continue SBA credit activity and other ineffective programs. The Committee provides for $169 million in direct business loans (including $78 million in Federal Financing Bank direct loans guaranteed by SBA) and $3.1 billion in guarantees. Although the bill is $2.3 billion less than the requested budget authority level, the bulk of the difference is composed of resources to repurchase SBA-guaranteed assets from the Federal Financing Bank in order to sell these assets to the public. Because the Committee has not adopted this proposal, $2.5 billion in offsetting receipts that would have accrued to the Federal Government from the portfolio sale are not achieved. A $17.3 million reduction from the requested level for salaries and expenses is claimed also by the Senate because of the transfer of $92 million from the Disaster Loan Fund to the salaries and expenses account. The total amount of obligational authority provided for this account actually exceeds the requested level by $75 million.

- International Affairs. The Administration is deeply concerned about the ill-founded reductions in funding for International Affairs programs. The Senate Committee action would reduce the President's request for the Department of State by $1.6 billion or 43%. Also large reductions were made in the request for the U.S. Information Agency and the Board for International Broadcasting. These reductions would cripple the United States in carrying out its foreign policy. The Committee action would deny funds for basic needs on diplomatic operations and would severly curtail the Administration's program for enhanced diplomatic security placing lives in jeopardy. Moreover, the amounts provided for the BIB and USIA would force a sharp curtailment of U.S. international broadcasting, information, and exchange of persons programs at a time when the need for and promise of such programs is great. BIB is especially injured by this level because of exchange losses.

- Legal Services Corporation. The Administration objects to appropriating $306 million for the Legal Services

Corporation (LSC) when private attorneys and other Federal programs can provide civil legal aid. The Administration requests no further appropriations for LSC and proposes that LSC not be reauthorized.

- Economic Development Administration (EDA). The Administration opposes the $140 million increase for EDA planning, technical assistance, economic adjustment, and public works grants and the $150 million in loan guarantee authority. The Administration continues to believe that EDA programs should be terminated because no new net job creation has been demonstrated.

- National Oceanic and Atmospheric Administration (NOAA). The Administration objects to the addition of $142 million to the President's request for NOAA. This increase would fund a number of unnecessary and low priority programs in areas such as fisheries management, market research, industry assistance and sea grants. The Administration also objects to funding NEXRAD from the General Fund. The President's Budget recommends that NOAA's portion of this program be funded from the Aviation Trust Fund because NEXRAD primarily benefits aviation users. The Administration also objects to the specificity of the accompanying report, the new and unnecessary reporting requirements, and the attempts to redirect the administration of NOAA in report language.

- International Trade Administration (ITA). The Administration objects to the continuation of funding for the technical assistance grants portion of the Trade Adjustment Assistance (TAA) Program because the program simply does not work. Less than 4 percent of firms certified as adversely affected by import competition will experience sales or employment improvement that could be attributed to TAA.

  The Administration opposes the reduction of 8 permanent positions and $225 thousand in the steel related activities of the International Trade Administration. In the past three years, the Office of Compliance Agreements' work load has increased 400 percent and this reduction will result in abandonment of the monitoring of steel compliance agreements with countries such as East Germany, Hungary, Finland, Austria, and Venezuela.

- Maritime Administration. The Administration disagrees with the distribution of budget authority among maritime programs in the Senate Committee version of the bill. We believe strongly that continued Federal assistance to State maritime schools cannot be justified given the current oversupply of merchant marine officers and the relatively small percentage of the State school students graduating with a Naval Reserve obligation.

In addition, the Administration objects to the absence of any language in the Senate Committee version of the bill to preclude new Title XI loan commitments in 1987. Inaction leaves intact the arbitrary and inflated limitation on 1987 loan guarantee commitments contained in H.R. 4175. We believe that no new commitments after 1986 are warranted given the record level of defaults in 1986 ($1.2 billion to date) and the oversupply of vessels throughout the industry.

- Office of Justice Programs (OJP). The Administration opposes the increase of $74 million, which includes funding for Juvenile Justice, State and Local Assistance, Mariel Cubans, and Regional Information Systems Sharing programs. These programs have accomplished their original objectives and are now the responsibility of State and local governments for continued funding. We commend the Committee's action to terminate the State and Local Assistance program.

- Immigration and Naturalization Service (INS). The Administration supports the concept behind the INS user fee established by this bill, but has potential concerns regarding operation of the user fee fund and the possibility that fees will be used to augment INS programs.

- Drug Enforcement Administration (DEA). The Administration opposes the continued funding of the DEA diversion control grant program. The activities to be funded by this program are properly the responsibility of State governments.

- State Justice Institute. The Administration opposes the inclusion of $7 million for the State Justice Institute. The purpose of this program would primarily benefit State court systems. Therefore, funding by State government is more appropriate.

- Public Telecommunications Facilities Program. The Administration strongly objects to the continued funding of $18 million for the Public Telecommunications Facilities, Planning and Construction Program (PTFP). Over 95 percent of the public is already capable of receiving public telecommunications programming. Because the program has achieved its purpose -- to make public broadcasting available to the American public -- it should be ended.

- U.S. Travel and Tourism Administration (USTTA). The Administration objects to continued funding of the U.S. Travel and Tourism Administration. State and local governments and private industry are far better able to

promote international tourism than the Federal Government because they can respond much more quickly and effectively to the everchanging tourism market.

- o Office of Productivity, Technology, and Innovation (OPTI). The Administration opposes restoration of funding for the Office of Productivity, Technology, and Innovation. The Administration proposed to phase out OPTI by the end of 1987 because it has fulfilled its mission.

- o Census. The Administration objects to the decrease of $14 million for Periodic Censuses and Programs. The cyclical nature of the periodic censuses requires that obligations be incurred in 1987 for data capture equipment for the quinquennial censuses of agriculture and economics and for the 1990 decennial census.

- o National Bureau of Standards. The Administration objects to the lack of funding for the Cold Neutron Research Facility and requests that this facility be funded by reductions in funding for the Centers for Fire and Building Research and the Institute for Computer Science and Technology as well as other programs.

- o Civil Rights Commission. The Administration strongly supports continuation of the Commission on Civil Rights at the $12.6 million level of the President's 1987 budget request. This action of the Committee, which would reduce the appropriation by 50 percent (to $6 million) should be reversed by the Senate. More important, the administrative restrictions approved by the Committee would make it exceedingly difficult for the Commission to perform its function as a national resource for the furtherance of civil rights.

II. LANGUAGE PROVISIONS

- o The Administration cannot accept general provision 609 that would ratify the California-Nevada compact for the apportionment of the Carson, Truckee, Walker rivers and provide that the Federal Government agrees to be bound by its terms. The compact unilaterally abrogates Federal rights and responsibilities to Indian tribes and other entities. Ratification is acceptable only if it includes language proposed by the Administration specifically protecting the Federal obligations and responsibilities.

SUMMARY FACT SHEET
COMMERCE/JUSTICE/STATE APPROPRIATIONS, 1987
(budget authority, in millions of dollars)

Item	1986 Enacted	President's Request	House Floor Action	Senate Committee Action	Senate difference from: Enacted	Request	House
Committee estimate, bill total.....	12,245	15,959	12,312	11,933	-312	-4,026	-379
Less: Entitlements and mandatory programs.....	-266	-616	-278	-285	-19	331	-7
Committee estimate, discretionary appropriations.....	11,979	15,343	12,034	11,648	-331	-3,695	-386
Plus: Scorekeeping differences..	+96	+50	+146	+149	+53	+99	+3
OMB estimate, discretionary appropriations.....	12,075	15,393	12,180	11,799	-278	-3,594	-383
Less: Adjustments.....	---	-3,920	---	---	---	3,920	---
OMB adjusted estimate, discretionary appropriations.....	12,075	11,473	12,180	11,799	-278	326	-383
302 (b) discretionary allocations..			12,600 (House)	11,800 (Senate)			
Senate bill above/below.....			-801	-1			

Administration position:

- The President's senior advisers will recommend a veto of the House bill. Funding for discretionary activities is $307 million greater than the President's request.
- The President's senior advisers will recommend a veto of the Senate Committee bill. Funding for discretionary activities is $326 million greater than the President's request.

92:115,79
September 13, 1986

MAJOR CHANGES
COMMERCE/JUSTICE/STATE APPROPRIATIONS, 1987
DISCRETIONARY SPENDING
(in millions of dollars)

Item	1986 Enacted	President's Request	House Floor Action	Senate Committee Action	Senate difference from: Enacted	Request	House
Commerce:							
Bureau of Census	188	277	250	262	74	-15	12
Economic Development Adm	200	---	205	164	-36	164	-41
NOAA	1,175	962	1,122	1,104	-71	142	-18
All other	534	547	535	558	24	11	23
Total, Commerce	2,097	1,786	2,112	2,088	-9	302	-24
Justice:							
Legal Activities	798	945	845	881	83	-64	36
FBI	1,157	1,278	1,260	1,260	103	-18	---
Immigration and Naturalization	571	609	575	593	22	-16	18
Federal Prison System	606	767	705	736	130	-31	31
All other	636	571	688	652	16	81	-36
Total, Justice	3,769	4,170	4,073	4,122	353	-48	49
State:							
Administration of Foreign Affairs	2,436	3,234	2,094	1,701	-735	-1,533	-393
International Organizations and Conferences	477	493	418	420	-57	-73	2
All other	55	69	53	44	-11	-25	-9
Total, State	2,968	3,796	2,565	2,165	-803	-1,630	-400
Judiciary	928	1,116	1,009	1,060	132	-56	51
Small Business Administration	461	2,773	580	579	118	-2,194	-1
Legal Services Corporation	292	---	290	306	14	306	16
USIA	837	959	808	727	-110	-232	-81
All Other	724	792	742	752	28	-40	10
Less: Adjustments	---	-3,920	---	---	---	3,920	---
Total, discretionary programs	12,075	11,473	12,180	11,799	-278	326	-383

Detail may not add to total due to rounding.

BRIDGE TABLE: SENATE COMMITTEE ACTION
ESTIMATES TO OMB ESTIMATES
COMMERCE/JUSTICE/STATE APPROPRIATIONS BILL, 1987
(budget authority in millions of dollars)

	1986 Enacted	1987 President's Request	House Floor Action	Senate Committee Action
COMMITTEE ESTIMATE.....	12,245	15,959	12,312	11,933
Less: Entitlements/ Mandatory.....	-266	-616	-278	-285
COMMITTEE ESTIMATE, DISCRETIONARY.....	11,979	15,343	12,034	11,648
Scorekeeping differences:				
SBA: BLIF, G-R-H reduction not recognized.....	---	-31	---	---
Items proposed for later transmittal not acted on by the Committee.....	---	+351	---	---
Justice: Assets forfeiture fund, permanent/indefinite	-20	---	---	---
Commerce: Economic Development Administration.....	-17	---	---	---
NOAA permanent/indefinite.	+43	+46	+44	+57
SBA: transfer from disaster loan fund to Salaries and Expenses.....	+90	---	+87	+92
5.03% BA reduction made in SBA credit programs without corresponding reductions made to credit program levels..	---	---	+15	---

BRIDGE TABLE: SENATE COMMITTEE ACTION
ESTIMATES TO OMB ESTIMATES
COMMERCE/JUSTICE/STATE APPROPRIATIONS BILL, 1987
(budget authority in millions of dollars)
(continued)

	1986 Enacted	1987 President's Request	House Floor Action	Senate Committee Action
Legal Services.....	---	-306	---	---
State Justice Institute.....	---	-10	---	---
OMB estimate, discretionary appropriations.....	12,075	15,393	12,180	11,799
Less: Adjustments.....	---	-3,920	---	---
ADJUSTED OMB ESTIMATE, DISCRETIONARY APPROPRIATIONS.	12,075	11,473	12,180	11,799

Detail may not add to total due to rounding.

COMMERCE/JUSTICE/STATE APPROPRIATIONS BILL, 1987

IDENTIFICATION OF SCOREKEEPING DIFFERENCES
(in millions of dollars)

	Senate Committee Action
CONGRESSIONAL ESTIMATE, BILL TOTAL	11,933
Source: (CSBA - Senate)	
Less: Mandatory Programs:	
Judiciary: Salaries of judges	-105
Justice: Fees and expenses of witnesses	-127
State: Payment to the Foreign Service retirement and disability fund	-52
Congressional Estimate, Discretionary	11,648
Scorekeeping differences (discretionary programs):	
Small Business Administration: This is an unrequested transfer from disaster loan fund to Salaries and expenses	+92
Commerce: (NOAA) This adjustment scores the partial transfer of permanent/indefinite budget authority from the Promote and Develop account and the Coastal Energy Impact Fund to offset current BA requirements for the ORF account	+57
Subtotal, Scorekeeping differences	+149
OMB ESTIMATE, DISCRETIONARY APPROPRIATIONS	11,799

193:115,79
September 13, 1986

STATEMENT OF ADMINISTRATION POLICY

September 11, 1986
(Senate)

H.R. 5205, Transportation Appropriations Bill, 1987
(Sponsor: Whitten (D), Mississippi; Lehman (D),Florida
Hatfield (R), Oregon; Andrews (D), North Dakota)

The President's senior advisers will recommend a veto of this bill in its present form. The Senate Committee bill is $4.3 billion over the President's request -- an increase of $3.2 billion in budget authority and $1.1 billion in total obligational limitations. While the bill is $25 million below the CBO/OMB average Gradison baseline specified by Gramm-Rudman-Hollings for budget authority, it is about $375 million above that baseline for obligational limitations. Likewise, it is unacceptable to the Administration that the bill bars the Secretary from denying reemployment to fired air traffic controllers "as a class" solely because of participation in an illegal strike. This provision would inappropriately mandate executive branch hiring and would jeopardize the safety of the air traffic control system.

Past economic activity as well as revised economic assumptions point to slower growth and a higher projected deficit than was forecast earlier. In the Administration's opinion, as well as that of the Congressional Budget Office, the Congressional Budget Resolution, including its allocation to the Transportation Appropriations Subcommittee, will be inadequate to avoid the necessity of a Gramm-Rudman-Hollings sequester. The Administration believes Congress should act to cut spending in areas of lower priority in the bill so that a sequester, which would hit high-priority and low-priority areas alike, can be avoided.

In particular, the Administration objects to:

- an additional $826 million for Urban Mass Transportation Formula Grants;
- $990 million for Urban Mass Transportation Discretionary Grants;
- $591 million for Amtrak;
- $1,030 million increase in total obligations for the Federal-Aid Highway program;
- $288 million increase in obligation limitations for Airport Improvement program grants; and
- continued subsidies for payments to air carriers, which are unwarranted.

SUMMARY FACT SHEET
TRANSPORTATION APPROPRIATIONS, 1987
(in millions of dollars)

	1986 Enacted	President's Request	House Floor Action	Senate Committee Action	Senate Difference from Enacted	Senate Difference from Request	Senate Difference from House
Committee estimate, bill total....	10,147	7,015	10,285	10,198	51	3,183	-87
Less: Entitlements and mandatory programs.....	368	364	385	394	26	30	9
Committee estimate, discretionary appropriations.....	9,779	6,651	9,900	9,804	25	3,153	-96
Plus: Scorekeeping differences...	--	15	71	37	37	22	-34
OMB estimate, discretionary appropriations.....	9,779	6,666	9,971	9,841	63	3,176	-130
Congressional estimate, obligation limitations.....	15,304	14,600	15,479	15,280	-24	680	-199
Plus: Scorekeeping differences....	1,155	350	1,299	800	-355	450	-499
OMB estimate, obligation limitations.....	16,459	14,950	16,778	16,080	-379	1,130	-698
Total Discretionary Spending.....	26,238	21,616	26,749	25,921	-316	4,305	-828

302(b) discretionary allocations..	9,900 (House)	10,200 (Senate)
Senate bill above/below (does not include obligation limitations)..	-59	-351

Administration position:

- The President's senior advisers will recommend a veto of the bill in its current form.
- Funding for discretionary action, including obligation limitations, is more than $4 billion greater than the President's request.

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MAJOR CHANGES DISCRETIONARY SPENDING
TRANSPORTATION APPROPRIATIONS, 1987
(in millions of dollars)

	1986 Enacted	President's Request	House Floor Action	Senate Committee Action	Senate Difference from Enacted	Senate Difference from Request	Senate Difference from House
Comparison with Request:							
Department of Transportation:							
Federal Highway Administration.....	76	27	121	67	-9	40	-55
National Highway Traffic Safety Administration.....	80	84	94	86	6	3	-7
Federal Railroad Administration....	672	47	703	664	-8	617	-39
Urban Mass Transit Administration..	2,512	0	2,466	2,433	-78	2,433	-32
Federal Aviation Administration....	3,892	3,801	3,887	3762	-130	-39	-125
Coast Guard.....	1,901	2,043	2,038	2,169	268	126	131
All Other.....	96	104	103	101	4	-3	-2
Subtotal, Department of Transportation.....	9,230	6,105	9,411	9,282	52	3,177	-129
Other Independent Agencies.....	549	561	560	559	10	-1	-1
Subtotal, discretionary budget authority.....	9,779	6,666	9,971	9,841	63	3,176	-130
Obligation Limitations							
Federal-Aid Highways*.....	14,280	12,770	14,424	13,800	-480	1,030	624
All Other.....	2,179	2,180	2,354	2,280	101	100	-74
Subtotal, obligation limitations.....	16,459	14,950	16,778	16,080	-379	1,130	-698
Total, discretionary spending.....	26,238	21,616	26,749	25,921	-816	4,305	-827

Detail may not add to total due to rounding.
* Including exemptions

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BRIDGE TABLE: SENATE COMMITTEE
ESTIMATES TO OMB ESTIMATES
TRANSPORTATION APPROPRIATIONS BILL, 1987
(budget authority, in millions of dollars)

	1986 Enacted	1987 Request	1987 House Floor	1987 Senate Committee
COMMITTEE ESTIMATE, BILL TOTAL....	10,147	7,015	10,285	10,198
Less Entitlements/Mandatory:				
Coast Guard, retired pay.....	-341	-364	-364	-364
Payments to air carriers.....	-27	---	-21	-30
COMMITTEE ESTIMATE, BILL TOTAL....	9,779	6,651	9,900	9,804
Adjustments:				
Coast Guard, Reserve Training Transfer of unobligated balances.....	--	--	+5	--
Coast Guard, Boat Safety Technical Adjustment to Score Contract Authority.....	--	+15	--	--
Coast Guard, Acquisition, Construction and Improvements Rescission of unobligated balances.....	--	--	--	+32
Federal Aviation Administration, Grants-in-Aid for Airports Rescission of unobligated balances.....	--	--	+50	--
National Highway Traffic Safety Administration, Rescission of unobligated balances.....	--	+5	--	--
National Highway Traffic Safety Administration, Operation and research, Transfer of Unobligated balances.	--	--	--	+5

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BRIDGE TABLE: SENATE COMMITTEE
ESTIMATES TO OMB ESTIMATES
TRANSPORTATION APPROPRIATIONS BILL, 1987
(budget authority, in millions of dollars)

	1986 Enacted	1987 Request	1987 House Floor	1987 Senate Committee
Federal Railroad Administration, Grants to National Railroad Passenger Corporation Transfer of unobligated balances.....	--	--	+11	--
OMB Estimate, Discretionary Budget Authority..	9,779	6,666	9,971	9,841
Committee Estimate, Obligation Limitations.....	15,304	14,600	15,479	15,280
Adjustments:				
Federal-Aid Highways Technical adjustment to score obligations exempt from the limitation.....	+1,155	+350	+1,299	800 1/
	16,459	14,950	16,778	16,080
TOTAL DISCRETIONARY SPENDING.....	26,238	21,616	26,749	25,921

Detail may not add to total due to rounding.

1/ Committee assumes that its obligation limitations are in addition to the exempt obligations provided in S. 2405, the Senate Highway Reauthorization bill.

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TRANSPORTATION APPROPRIATIONS BILL, 1987
IDENTIFICATION OF SCOREKEEPING DIFFERENCES
(budget authority in millions of dollars)

	Senate Committee Action
CONGRESSIONAL ESTIMATE, BILL TOTAL	10,198
Source: (CSBA - Preliminary Senate Subcommittee)	
Less Entitlements:	
Coast Guard retired pay	-364
Payment to air carriers	-30
CONGRESSIONAL ESTIMATE, ANNUALLY FUNDED PROGRAMS	9,804
Scorekeeping differences:	
Coast Guard, Acquisition, Construction and Improvements. The Committee include a $32 million rescission of unobligated balances from the Acquisition, Construction, and Improvements account. OMB does not score rescissions of unobligated balances as a reduction of new budget authority.	+32
National Highway Traffic Safety Administration, Operations and Research. The Committee increases the program level by transferring $5 million of unobligated balances from Alcohol Safety Incentive grants.	+5
Subtotal, Scorekeeping differences	+37
OMB ESTIMATE, ANNUALLY FUNDED PROGRAMS	9,841
CONGRESSIONAL ESTIMATE, OBLIGATION LIMITATIONS	15,280
Scorekeeping differences:	
Federal-Aid Highways obligation limitations. The Committee's obligation limitations are in addition to those that would be exempt from limitation by S. 2405, and that would exceed the President's budget by $450 million.	800
OMB ESTIMATE, OBLIGATION LIMITATIONS	16,080
TOTAL DISCRETIONARY SPENDING	25,921

Detail may not add to total due to rounding.

STATEMENT OF ADMINISTRATION POLICY

August 1, 1986
(House)

H.R. 5242 - Agricultural Export Enhancement
(Rep. Daschle (D) South Dakota and 6 others)

The Administration opposes H.R. 5242. On August 1, 1986, the President decided to allow grain to be sold to the Soviet Union at current world market prices in sufficient quantities to fulfill the terms of the U.S./Soviet Long Term Grain Agreement. The unfulfilled portion of the contract calls for the Soviets to purchase 4 million metric tons of U.S. wheat by September 30, 1986.

Adequate authority already exists to implement fully the current three-year, $1 billion Export Enhancement Program. H.R. 5242 is unnecessary, therefore, and could seriously jeopardize U.S. foreign policy and national security interests. Accordingly, the President's senior advisors would recommend a veto of H.R. 5242 if passed by Congress.

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STATEMENT OF ADMINISTRATION POLICY

(REVISION)
August 4, 1986
(House)

H.R. 5299 - Veterans Compensation Cost-of-Living Adjustments and Gramm-Rudman-Hollings Exemptions

Unless the provisions of H.R. 5299 which exempt a number of VA programs from Gramm-Rudman-Hollings sequester orders are deleted, the President's Senior Advisors will recommend disapproval of this bill. The Administration favors an exemption only for two self-financed programs -- the Canteen Service Revolving Fund and the Special Therapeutic and Rehabilitation Activities Fund.

The Administration favors the same cost-of-living adjustment (COLA) for VA compensation and Dependency and Indemnity Compensation beneficiaries as will be given to social security beneficiaries effective December 1986. H.R. 5299 contains a higher COLA than is currently estimated for social security. The Administration will work to amend the bill appropriately in the Senate.

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STATEMENT OF ADMINISTRATION POLICY

September 24, 1986
(House)

H.R. 5300 -- Omnibus Budget Reconciliation Act
(Sponsor: William Gray (D), Pennsylvania)

The Administration supports passage by the House of an Omnibus Budget Reconciliation Act that is substantially the same as the Domenici-Dole-Chiles Amendment as introduced in the Senate. It is imperative that the savings approved by the Senate be adopted by the House-Senate conference to help avoid a Gramm-Rudman-Hollings sequester.

With respect to the bill now before the House (H.R. 5300), unless the provisions discussed below, to which the Administration objects most strongly, are not resolved satisfactorily, the President's senior advisors would recommend veto:

- The inclusion of the bill H.R. 1, the Housing Act of 1985.
- Language requiring an across-the-board reduction in discretionary appropriations in order to achieve a $1 billion reduction in outlays.
- Excessive Customs Service user fees on cargo imports, which exceed actual costs would violate our international obligations under the GATT and create a new revolving trust fund for Customs Service operations.
- The labor protection provisions that would encumber the sale of Conrail.
- Extension of the temporary Federal Unemployment Tax Act 0.2 percent tax.
- Removal of Executive Branch discretion regarding the PPS update in the Medicare program.
- Preventing the Administration from achieving much needed Medicare reforms, particularly in the areas of hospital capital payments, physician charges, and the ESRD program.
- A blanket prohibition of Administration regulations necessary to prudent management of the Medicare program prior to September 15, 1987.
- Placing the Hospital Insurance trust fund off budget, in violation of the 1983 bipartisan agreement on Social Security.

- Payment for Medicare claims beginning in FY 1988 within 22 days, rather than the current 30 days, increasing Medicare costs by $1.2 billion each year.

- An ill-advised and counterproductive Buy-America requirement (stricken from last year's reconciliation bill) that, by requiring any vessel or structure used for the exploration of oil and gas on the O.C.S. to be built in the U.S., would threaten our export-dependent farmers and industries with retaliation from our trading partners.

- The requirement increasing the mandatory minimum daily fill rate for the Strategic Petroleum Reserve (SPR) from 35,000 barrels per day under current law to 100,000 barrels per day, thus adding approximately $1.5 billion over the next three years to our deficit.

- Language that would have the effect of increasing the amount of R.E.A. guaranteed Federal Financing Bank loans that can be prepaid without penalty, in contravention of existing contracts signed by these cooperatives, and at a cost to the Treasury of several hundred million dollars in prepayment penalties.

- The requirement that sale of loan assets with recourse be treated as offsetting collections that reduce the deficit.

- The establishment of a new government-sponsored enterprise (COSBI) to finance small business investment companies (SBICs) that would require the sale of the $1 billion SBIC portfolio (currently held by the FFB) at par on a full resource basis.

- Language that allows Civil Service Retirement System-covered employees to contribute to the new thrift plan on January 1, 1987, but doesn't permit them to switch to the new retirement system until July 1, 1987.

- Excessive sales of Export-Import Bank loans -- at a level that would cause enormous future losses to the government and raise major problems in the financial management of the Bank.

STATEMENT OF ADMINISTRATION POLICY

Revised
Fnl

September 12, 1986
(House)

H.R. 5313, HUD/Independent Agencies Appropriations Bill, 1987
(Sponsors: Whitten (D), Mississippi;
Boland (D), Massachusetts)

The President's senior advisors will recommend veto of this bill in its present form. The bill provides $1.6 billion more than the President's request and nearly $370 million more than the CBO/OMB average Gradison baseline specified by Gramm-Rudman-Hollings for budget authority for discretionary programs other than subsidized housing, substantial increases above the requested level for subsidized housing programs, and several objectionable language provisions.

Past economic activity as well as revised economic assumptions point to slower growth and a higher projected deficit than was forecast earlier. In the Administration's opinion, as well as that of the Congressional Budget Office, the Congressional Budget Resolution, including its allocation to the HUD Appropriations Subcommittee, will be inadequate to avoid the necessity of a Gramm-Rudman-Hollings sequester. The Administration believes Congress should act to cut spending in areas of lower priority in the bill so that a sequester, which would hit high-priority and low-priority areas alike, can be avoided.

The major areas of concern are:

-- the inclusion of $275 million in unrequested funding for HUD Urban Development Action Grants, continuing an inefficient and unnecessary program;

-- an increase of $600 million above the President's request for EPA construction grants;

-- an additional $403 million in unrequested funding for VA, Medical Care, which is not necessary for the continued provision of quality health care to the nation's veterans and for the administration of the means test and third party reimbursement;

-- $225 million in unrequested funding for the HUD Rental Housing Development Grant program, an expensive, poorly targeted program that subsidizes housing for middle and

-- $250 million for the HUD Rental Rehabilitation Grant program that was not requested and that more than triples the 1986 appropriations.

-- funding increases in salaries and expenses accounts that are not consistent with corresponding Committee action on related program levels;

-- the inclusion of language linking vouchers to the rental rehabilitation grant program, despite passage last month by the House of a bill that would relax this relationship; and

-- objectionable Committee language prohibiting the Veterans Administration from implementing their management proposal to consolidate the operation of insurance programs. The VA proposal would save $7.75 million over six years.

STATEMENT OF ADMINISTRATION POLICY

September 25, 1986
(House)

H.R. 5488 - To Prohibit Implementation of Certain Federal Emergency Management Agency (FEMA) Regulations
(Howard (D) New Jersey and 15 others)

The Administration opposes enactment of H.R. 5488 because it would interfere unacceptably with the authority of the President to administer the Disaster Assistance Program. If H.R. 5488 were presented to the President in its current form, the President's senior advisers would recommend a veto.

H.R. 5488 would not only prohibit implementation of a particular regulation, but would also prevent the President and FEMA from making any changes in policies or regulations under the Disaster Assistance Program for a period of 18 months.

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STATEMENT OF ADMINISTRATION POLICY

October 10, 1986
(House)

H.R. 5546 - National Childhood Vaccine Injury Act of 1986
(Waxman (D) California and 23 others)

The Administration opposes enactment of H.R. 5546 because it (a) would establish a major new childhood vaccine compensation entitlement program without adequate data to show that such a drastic and potentially costly step is necessary, (b) is likely to do little to assure the vaccine supply or to improve our childhood immunization efforts, and (c) would restructure, in a disruptive way, well-running mechanisms for vaccine research and administration of immunization programs.

H.R. 5546 would impose an excise tax on childhood vaccines in order to finance the compensation trust fund. The Administration strongly opposes the imposition of any new tax, or any increases in existing taxes, and therefore finds the proposed excise tax in this bill unacceptable.

Should this bill be enacted, the President's senior advisors will recommend a veto.

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STATEMENT OF ADMINISTRATION POLICY

September 26, 1986
(House)

H.R. 5576 - Omnibus Banking and Housing Bill
(St Germain (D) Rhode Island)

The Administration supports legislation to recapitalize the Federal Savings and Loan Insurance Corporation and to provide additional authorities for the regulatory agencies to assist troubled depository institutions. The Administration has consistently urged Congress to protect our Nation's depositors by acting expeditiously on this legislation without amendments, which may at this late date impede its progress and prevent its enactment. In this connection, the Administration strongly opposes the unacceptable housing provisions of H.R. 1.

If the provisions of H.R. 1 were to reach the President's desk without substantial change to address the concerns raised below, his senior advisors would recommend disapproval.

The Administration strongly opposes any legislation that incorporates H.R. 1 because it would reverse reforms in Federal housing policies which Congress and the Administration have pursued since 1981.

The five year cost of H.R. 1 is estimated to be $96 billion, $34 billion more than the President's Budget level of $62 billion. In FY 1987, additional outlays would be approximately $3.6 billion, over to the President's Budget level of $13.4 billion.

In addition to its excessive costs, H.R. 1 contains many objectionable features, including:

-- relaxing the targeting of assistance to the neediest families;

-- creating a new Federal subsidy for middle-income homeownership (Nehemiah grants), which would be feasible only in a few large cities, containing hidden costs, and targeting funds to middle-income homebuyers at a time when interest rates are falling and most families are able to qualify for conventional or FHA mortgage financing;

-- the Multifamily Management and Preservaton provision in section 221 which is the most costly single provision in the bill, and would require about $6 billion in Section 8 subsidies in the year of enactment and about $600 million per year thereafter;

-- extending programs which are not cost-effective and should be terminated, such as UDAG, Section 312 Rehabilitation Loans, Section 235 Homeownership Assistance Program, and Rental Housing Development Grants (HoDAG);

-- prohibiting the establishment of, or increases in, housing credit user fees for the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Federal Housing Administration;

-- severely restricting HUD's ability to administer the Government National Mortgate Association's mortgage-backed securities program;

-- providing for public housing ceiling rents; and reducing the contribution toward rent payments required by elderly tenants from 30 to 25 percent of their income, increasing outlays by approximately $384 million in 1987; and

-- increasing the fees paid to public housing authorities for administering the Section 8 existing and housing voucher programs, at the expense of assistance to poor tenants.

In addition to these provisions from H.R. 1, the Administration objects to the provisions establishing a statutory timetable for holds on deposited funds.

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STATEMENT OF ADMINISTRATION POLICY

June 23, 1986
(Senate)

S. 1822 - Manufacture and Public Distribution of Certain Copyrighted Material Act
(Thurmond (R) South Carolina and 18 others)

The Administration strongly opposes S. 1822, as reported by the Senate Judiciary Committee, and the President's senior advisers would recommend its disapproval to the President. S. 1822 would extend the manufacturing clause of U.S. copyright law beyond its June 30, 1986 expiration date and, in so doing, it would: (1) continue a current violation of the General Agreement on Tariffs and Trade (GATT); (2) result in retaliation against U.S. industries in a variety of sectors by our trading partners; (3) undermine U.S. efforts to secure international agreements for bringing intellectual property rights issues under the GATT; (4) make it difficult for the United States to encourage other nations to enact strong intellectual property laws; and (5) provide unnecessary protection to the U.S. printing industry.

The Administration does, however, support S. 1822, as reported by the Senate Committee on Finance, which would repeal the manufacturing clause and require the U.S. Trade Representative to identify barriers to trade in printed material and report its findings to Congress by February 1, 1987.

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STATEMENT OF ADMINISTRATION POLICY

August 11, 1986
(Senate)

S. 2230 - Federal Management and Cost Control Act of 1986
(Roth (R) Delaware and four others)

The President's senior advisers will recommend disapproval if any bill containing title I of S. 2230 is presented for the President's action. The Administration supports efforts, both legislative and administrative, to improve the management of the Federal Government; however, by statutorily reorganizing the Office of Management and Budget, S. 2230 would inappropriately and unnecessarily interfere with the President's discretion and flexibility in managing the Executive branch, in general, and the Executive Office of the President, in particular.

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STATEMENT OF ADMINISTRATION POLICY

(Revision)

June 20, 1986
(Senate)

S. 2507 -- Housing Act of 1986
(Garn (R) Utah)

The Administration strongly opposes S. 2507 because it would reverse the course of Federal housing policies which Congress and the Administration have adopted since 1981. If S. 2507 were to reach the President's desk in its present form, his senior advisers would recommend disapproval.

The five-year cost of the bill is estimated to be $91 billion, $30 billion more than the President's budget. In FY 1987, additional outlays would be approximately $2.8 billion.

Instead of S. 2507, the Administration recommends enactment of the housing proposals in the President's 1987 budget which would:

-- more effectively target Federal Housing Administration (FHA) mortgage insurance to borrowers whose needs cannot be fully served by private mortgage insurers;

-- authorize public housing comprehensive grants, and free-standing housing vouchers; and

-- repeal the Urban Development Action Grant (UDAG), Farmers Home Administration rural housing programs, rental housing development grant (HoDAG), Section 108 loan guaranty, Section 312 rehabilitation loan, and Section 8 moderate rehabilitation programs.

The most objectionable features of S. 2507 are:

-- creating a new Federal subsidy for middle-income homeownership, which would be feasible only in a few large cities, contains hidden costs, and targets funds to middle-income homebuyers at a time when most middle-income families are able to qualify for conventional or FHA mortgage financing;

-- extending programs which should be terminated, such as UDAG, Section 312 Rehabilitation Loans, and Rental Housing Development Grants (HoDAG);

-- prohibiting the establishment of, or increases in, housing credit user fees for the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Federal Housing Administration;

-- restricting HUD's ability to use a competitive auction to allocate commitment authority in the Government National Mortgage Association's mortgage-backed securities program; and

-- increasing the fees paid to public housing authorities for administering the Section 8 existing and housing voucher programs at the expense of assistance to poor tenants.

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STATEMENT OF ADMINISTRATION POLICY

October 14, 1986
(Senate)

S. 2752 - Recapitalization of the Federal Savings and Loan Insurance Corporation and Extension of Expiring Garn-St Germain Depository Institution Act Authorities
(Garn (R) Utah)

The Administration strongly supports legislation to recapitalize the Federal Savings and Loan Insurance Corporation fund and to provide the financial institution regulatory agencies with additional authorities to assist troubled institutions, including an extension of the authorities of the Garn-St Germain Depository Institutions Act of 1982.

The Administration strongly opposes section 105 of S. 2752, however, which would exempt the regulatory agencies from the President's apportionment authority. Apportionment authority is essential in ensuring that the President and his senior advisors are able to oversee and manage the Executive branch -- of which the regulatory agencies are a part -- in an effective and efficient manner. The Director of the Office of Management and Budget will recommend disapproval of S. 2752, if the proposed exemptions from apportionment authority are not deleted.

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STATEMENT OF ADMINISTRATION POLICY

(Revision)

April 30, 1986
(Senate)

S.J.Res. 316 - Prohibiting the proposed sales of certain missiles to Saudi Arabia
(Sen. Cranston (D) California and 64 others)

The Administration strongly opposes enactment of S.J.Res. 316. The President's Senior Advisors will recommend disapproval of this bill if it reaches the President's desk.

The proposed limited sale of missiles will allow Saudi Arabia, with which we have had close and mutually beneficial ties for over 40 years, to meet military threats in the future. Missiles of these types are already in the Saudi inventory; this increment will not be delivered until 1989-1991. The Administration has gone forward with the sale now, however, to achieve important political objectives: to send a clear signal to Iran not to expand the Iran-Iraq war to the moderate Gulf states and to bolster the resolve of those states with whom we share important security interests.

The Administration judges that the sale to Saudi Arabia proposed by the President supports U.S. interests in the Middle East and clearly poses no threat to the security of Israel.

If the Saudis are not able to meet their defense needs through the purchase of U.S. weapons, they will be forced to go elsewhere. It serves neither United States nor Israeli interests to allow other countries to sell these needed arms to the Saudis, particularly since only U.S. arms sales require important safeguards and assurances. This sale could also have large economic benefits to the U.S. economy.

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