101st Congress (1989-1990)

Veto Threats of Legislation in House of Representatives

H.R. 2 - Fair Labor Standards Amendments of 1989 [March 17, 1989]

H.R. 3 - Early Childhood Education and Development Act of 1989 [September 25, 1989]

H.R. 5 - Foreign Ownership Disclosure Act of 1989 [February 16, 1989]

H.R. 7 - Carl D. Perkins Applied Technology
(Vocational) Education Act Amendments [May 1, 1989]

H.R. 20 - Federal Employees Political Activities Act of 1989 [April 13, 1989]

H.R 422 - Local Rail Service Reauthorizing Act [November 17, 1989]

H.R. 536 - Military Medical Malpractice [June 15, 1989]

H.R. 987 - Tonqass Timber Reform Act [July 6, 1989]

H.R. 1208 - Railroad Alcohol and Drug Testing [July 31 1989]

H.R. 1231 - Eastern Airlines Labor Dispute Presidential Emergency Board [October 26, 1989] *

H.R. 1278 - Financial Institutions Reform, Recovery and Enforcement Act of 1989 [June 14, 1989]

H.R. 1484 - Independent National Park Service [July 12, 1989]

H.R. 1495 - Arms Control and Disarmament Agency (ACDA) Authorizations [September 18, 1989]

H.R. 2036 - District of Columbia Appropriations, FY 1990 [July 27, 1989]

H.R. 2364 - Amtrak Reauthorization and Improvement Act of 1989 [September 22, 1989]

H.R. 2442 - Making Additional Appropriations for FY 1990 Drug
Programs by Transfer from the Strategic Defense Initiative [May 23, 1989]

H.R. 2467 - 1988 Disaster Assistance Extension Act [June 23, 1989]

H.R. 2655 - International Cooperation Act of 1989 [June 20, 1989]

H.R. 2939 - Foreign Operations, Export Financing, and Related Programs Appropriations Bill, FY 1990 [September 19, 1989] *

H.R. 2939 - Foreign Operations, Export Financing, and Related Programs Appropriations Act [November 16, 1989]

H.R. 2990 - Labor, Health and Human Services, and Education, and Related Agencies Appropriations Bill [October 10, 1989]

H.R. 3012 - Military Construction Appropriations Bill, FY 1990 [July 28, 1989]

H.R. 3015 - Department of Transportation and Related Agencies Appropriations Bill, FY 1990 [September 12, 1989] *

H.R. 3026 - Conference Report On H.R. 3026, District of Columbia Appropriations FY 1990 [October 4, 1989]

H.R. 3072 - Department of Defense Appropriations Bill, FY 1990 [August 3, 1989]

H.R. 3299 - Budget Reconciliation Act of 1989/ Amendment to Strike Fairness Doctrine Provision [September 29, 1989]

H.R. 3299 - Budget Reconciliation Act of 1989/ Independent Social Security Administration (SSA) [September 27, 1989]

H.R. 3299 - Budget Reconciliation Act of 1989/ Tonqass Timber Contract Provision [September 29, 1989]

H.R. 3443 - Air Carriers Securities Acquisition [October 19, 1989]

H.R. 3482 - Hurricane Hugo Forestry Restoration Act [November 18, 1989] *

No H.R. # -The "Ways and Means Democratic Alternative' to the Omnibus Reconciliation Act of 1990 [October 16, 1990]

H.R. 3 - Early Childhood Education and Development Act [March 28, 1990]

H.R. 20 - Hatch Act Reform Amendments of 1990 [June 8, 1990]

H.J.Res. 647 - Resolution of Disapproval of President's Decision to Extend MFN to China [October 2, 1990]

H.R. 770 - Family and Medical Leave Act of 1989 [May 3, 1990]

H.R. 770 - Family and Medical Leave Act of 1989 [May 8, 1990]

H.R. 849 - Pocket Veto [September 24, 1990]

H.R. 1180 - Housing and Community Development Act [July 27, 1990]

H.R. 1236 - Price Fixing Prevention Act [April 3, 1990]

H.R. 1463 - National Capital Transportation Amendments [March 27, 1990]

H.R. 2015 - Public Works and Economic Development Act [March 30, 1990]

H.R. 2544 - Public Service Education Assistance Act of 1989 [February 23, 1990]

H.R. 3193 - Energy Policy and Conservation Act Amendments of 1990 [July 13, 1990]

H.R. 3847 - Department of Environmental Protection Act [March 26, 1990]

H.R. 3859 - Financial Assistance for the Washington Center for Internships and Academic Seminars [June 14, 1990]

H.R. 3950 - Food and Agricultural Resources Act of 1990 [July 18, 1990]

H.R. 4000 - Civil Rights Act of 1990 [August 2, 1990]

H.R. 4300 - Family Unity and Employment Opportunity Immigration Act of 1990 [September 25, 1990]

H.R. 4309 - Smith River National Recreation Area Act [September 14, 1990]

H.R. 4328 - Textile, Apparel, and Footwear Trade Act of 1990 [September 12, 1990]

H.R. 4330 - National Service Act of 1990 [September 13, 2004]

H.R. 4404 - Dire Emergency Supplemental Appropriations [April 25, 1990] *

H.R. 4450 - Coastal Zone Management Act Reauthorization Amendments [September 20, 1990]

H.R. 4557 - Department of Veterans Affairs Health Professionals Compensation and Labor Relations Act [April 26, 1990]

H.R. 4636 - Supplemental Assistance for Emerging Democracies Act of 1990 [May 21, 1990]

H.R. 4653 - Export Facilitation Act of 1990 [May 31, 1990]

H.R. 4739 - Military Construction Appropriations Bill, FY 1991 [July 26, 1990]

H.R. 4739 - National Defense Authorization Act For Fiscal Year 1991 [September 10, 1990]

H.R. 4793 - Small Business Reauthorization and Amendments Act of 1990 [September 13, 1990]

H.R. 4939 - Additional Objectives Which China Must Meet to Receive MFN [October 16, 1990]

H.R. 4939 - Additional Requirements Which China Must Meet to Receive Most Favored Nation (MFN) [October 22, 1990] *

H.R. 5063 - Ft. McDowell Indian Water Rights Settlement [October 1, 1990]

H.R. 5114 - Foreign Operations, Export Financing, and Related Programs Appropriations Bill, FY 1991 [October 12, 1990] *

H.R. 5114 - Foreign Operations, Exports Financing and Related Programs Appropriations Bill, FY 1991 [June 26, 1990]

H.R. 5115 - Equity and Excellence in Education Act [July 13, 1990]

H,R, 5158 - Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Bill, FY 1991 [October 3, 1990] *

H.R. 5178 - Providing Federal Oil and Gas Receipts to the State of California [September 20, 1990]

H.R. 5204 - Tribal Herd Cattle Project [September 24, 1990]

H.R. 5229 - Department of Transportation and Related Agencies Appropriations Bill, FY 1991 [August 2, 1990] *

H.R. 5241 - Department of the Treasury, Postal Service, and General Government Appropriations Bill, FY 1991 [August 3, 1990] *

H.R. 5267 - Cable Television Consumer Protection and Competition Act of 1990 [September 10, 1990]

H.R. 5269 - Comprehensive Crime Control Act of 1990 [October 1, 1990]

H.R. 5269 – Comprehensive Crime Control Act of 1990 [October 3, 1990]

H.R. 5314 - Water Resources Development Act of 1990 [September 19, 1990]

H.R. 5400 - Campaign Cost Reduction and Reform Act of 1990 [August 3, 1990]

H.R. 5769 - Department of the Interior and Related Agencies Appropriations Bill, FY 1991 [October 11, 1990]

H.R. 5803 - Department of Defense Appropriations Bill; FY 1991 [October 12, 1990]

H.R. 5835 - Omnibus Reconciliation Act of 1990 [October 16, 1990]

Veto Threats of Legislation in Senate

S. 4 - Minimum Wage Restoration Act of 1989 [March 28, 1989]

S. 5 - Act for Better Child Care Services of 1989 [June 15, 1989]

S. 5 - Act for Better Child Care Services of 1989, the Mitchell Substitute, and the Dole-Packwood Amendment [June 20, 1989]

S.J.Res.113 - Resolution Conditioning the Export of Technology to Codevelop the FSX Aircraft with Japan [June 2, 1989] *

S. 135 - Hatch Act Reform Amendments [November, 1989]

S. 195 - Chemical and Biological Weapons Control Act of 1989 [November 14, 1989]

S. 774 - Financial Institutions Reform, Recovery, and Enforcement Act of 1989 [April 17, 1989]

S. 1160 - Foreign Relations Authorization Act for Fiscal Year 1990 [July 5, 1989]

S. 1429 - 1988 Disaster Assistance Extension [August 2, 1989]

S. 1793 - Omnibus Agriculture Amendments [November 16, 1989]

S. 110 – Family Planning Amendments of 1989 [September 12, 1990]

S. 135 - Hatch Act Reform Amendments [April 30, 1990]

S. 137 - Senatorial Election Campaign Act - Mitchell Substitute [July 31, 1990]

S. 195 - Chemical and Biological Weapons Control Act of 1989 [May 16, 1990]

S. J. Res. 212 – National Day of Remembrance of the Seventy-Fifth Anniversary of the Armenian Genocide of 1915-1923 [February 21, 1990]

S. 280 - Niobrara and Missouri Scenic River Designations [June 8, 1990] *

S. 345 - Family and Medical Leave Act [June 14, 1990]

S. 612 - National Capital Transportation Amendments Act of 1990 [September 14, 1990]

S. 865 - The Consumer Protection Against Price-Fixing Act of 1989 [September 28, 1990]

S. 1224 - Motor Vehicle Fuel Efficiency Act of 1990 [September 10, 1990]

S. 1379 - Defense Production Act Amendments of 1990 [September 21, 1990]

S. 1413 - Aroostook Band of Micmac Settlement Act [September 21, 1990] *

S. 1430 - National and Community Service Act of 1989 [February 6, 1990]

S. 1880 - Cable Television Consumer Protection Act of 1990 [September 28, 1990]

S. 1970 - Omnibus Crime Bill [April 11, 1990]

S. 2100 - Veterans Benefits and Health Care Amendments of 1990 [October 10, 1990]

S. 2203 - Zuni Claims Settlement Act of 1990 [June 18, 1990]

S. 2782 - Coastal Zone Improvement Act of 1990 [October 4, 1990]

S. 2830 - Food, Agriculture, Conservation and Trade Act of 1990 [July 18, 1990]

S. 2884 - National Defense Authorization Act, Fiscal Year 1991 [August 2, 1990]

S. 2904 - Emerging Telecommunications Technologies Act of 1990 [October 27, 1990]

S. 2924 – Fish Safety Act of 1990 [September 10, 1990]

S. 2924 - Fish Safety Act of 1990 [October 12, 1990] *

S. 2924 - Fish Safety Act of 1990 [October 17, 1990] *

S. 3189 -Department of Defense Appropriations Bill; FY 1991 [October 12, 1990]

S. 3209 - Omnibus Reconciliation Act of 1990 [October 17, 1990]

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

STATEMENT OF ADMINISTRATION POLICY

(House Floor)
July 27, 1989

DISTRICT OF COLUMBIA APPROPRIATIONS, FY 1990
(Sponsors: Whitten (D), Mississippi; Dixon (D), California)

The Administration objects strongly to a number of provisions in the current bill. In particular, the Administration opposes the deletion of language included in the FY 1989 District of Columbia Appropriations Act that prohibits the use of Federal and local funds for abortion except where the life of the mother would be endangered if the fetus were carried to term. We urge the House to restore this language in the FY 1990 bill. The absence of this prohibition would be viewed as sufficient reason for the President's senior advisors to recommend that he veto this bill.

The Administration has two other significant concerns regarding the House-reported bill:

-- The Administration objects to the Committee's addition of $34.7 million to the President's request for a consolidated Federal payment to the District for water and sewer services supplied to Federal facilities located within the District. Federal agencies' budget requests already contain funds to pay these costs directly to the District. The Administration encourages the House to consider legislation requiring the District to bill Federal agencies directly for water and sewer services.

-- The Administration also requests that legislation excluding Federal Fund payments to the District from the apportionment process, contained in section 132 of the FY 1988 District of Columbia Appropriations Act, be repealed. This exclusion is a highly objectionable erosion of Presidential authority.

The House is urged to remove the objectionable provisions noted above so that the President's senior advisors could recommend that he sign the bill.

STATEMENT OF ADMINISTRATION POLICY

March 17, 1989
(House)

H.R. 2 - Fair Labor Standards Amendments of 1989
(Hawkins (D) CA and 92 others)

The Administration supports a responsible increase in the Federal minimum wage, but opposes H.R. 2, the "Fair Labor Standards Amendments of 1989," because of the adverse effects on job opportunities for the young, the low-skilled, and the disadvantaged that would result from its excessive increase in the minimum wage.

The President's senior advisers would recommend that he veto any legislation to increase the minimum wage that exceeded the following parameters:

- An increase of no more than 27 percent over three years, that is, to no more than $4.25 an hour;
- A meaningful training wage that would apply universally to all new hires, whether or not this is their first job, for six months at $3.35 (the current level of the minimum wage), together with enforcement provisions against displacing employees to hire new workers after six months;
- Liberalization of the current small business exemption (from $362,500 to $500,000) which would be extended to all businesses, not just retail and service establishments; and
- An increase in the "tip credit", from 40 percent to 50 percent.

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

REVISED
September 25, 1989
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 3 - Early Childhood Education and Development Act of 1989
(Hawkins (D) CA and 124 others)

The Administration strongly opposes both H.R. 3 as reported by the Education and Labor Committee and H.R. 3 as it would be amended by Rep. Downey. If either of these versions of H.R. 3 were presented to the President, his senior advisors would recommend that it be vetoed.

H.R. 3 as reported by the Education and Labor Committee violates all of the President's child care principles, radically alters the Head Start program, and fragments Federal funding for child care and Head Start.

-- It puts its trust in government not parents. No funding goes directly to parents. States, not parents, would make decisions on the care children will receive.

-- It discriminates against two parent families in which one parent stays at home to care for the children. Only two parent families in which both parents are in the labor force can receive assistance from the States under this bill.

-- It diminishes the range of child care options available to parents. By requiring States to license and regulate child care providers utilizing federally-specified categories and rules, H.R. 3 will drive up prices and diminish the supply of care.

-- It is not well-targeted to those in need. Families with incomes more than two and one-half times the poverty level are eligible for child care assistance under this bill.

-- It greatly expands the income eligibility for Head Start -- when not all poor children are being served -- and it provides financial incentives for Head Start programs to focus on child care rather than on the comprehensive developmental services that are key to Head Start's success.

-- It creates four new grant programs in two Federal departments, consuming substantial resources for administrative and bureaucratic functions rather than child care, hindering coordination of child care activities at all levels of government, and facing Head Start sponsors with the prospect of having to apply for funds from two Federal agencies.

Although Rep. Downey's amendment would provide assistance directly to families in which a parent works through changes in the Earned Income Tax Credit (EITC), it does not remedy major deficiencies in H.R. 3 as reported by the Education and Labor Committee. Indeed it exacerbates some of them. For example:

-- The radical changes to Head Start remain.

-- The regulatory and licensing provisions imposed on States are substantially the same. They are mandated through a new subtitle in Title XX, the Social Services Block Grant, that is totally at odds with the block grant nature of this program.

-- The amendment retains all of the new grant programs in H.R. 3 but one (which it replaces with the Title XX subtitle) and adds yet another new program, increasing funding provided to States rather than parents by more than $1 billion.

-- Its $9.2 billion in grant outlays is even more poorly targeted than the grant outlays in H.R. 3.

The total five year cost of H.R. 3, as it would be amended by Rep. Downey, is more than $22.5 billion according to the Congressional Budget Office and the Joint Committee on Taxation. This excessive cost, coupled with counterproductive mandates on States and grant proliferation, makes Rep. Downey's amendment to H.R. 3 totally unacceptable.

Substitute Proposals

The Administration supports the substitute for H.R. 3 to be offered by Rep. Edwards of Oklahoma, which would provide child care assistance directly to families through changes in the EITC. This tax-based proposal, supported by the Republican leadership, is far more consistent with the President's child care principles than H.R. 3 as reported by the Education and Labor Committee and H.R. 3 as it would be amended by Rep. Downey. By focusing all of its assistance on families in which a parent works, the substitute also would directly help working poor families. The substitute is clearly far superior to H.R. 3 and the amendment to be proposed by Rep. Downey.

The Administration could also accept the compromise substitute to be offered Reps. Stenholm and Shaw. Although the Administration has reservations about the costs and other aspects of this substitute, it is preferable to H.R. 3 and the amendment proposed by Rep. Downey. It is more consistent with the President's child care principles; does not alter the Head Start program so radically; avoids the rampant grant proliferation, bureaucratic

excesses, and poor targeting inherent in the two alternative versions of H.R. 3; and would effectively provide assistance to working poor families.

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STATEMENT OF ADMINISTRATION POLICY

February 16, 1989
(House Rules)

H.R. 5 - Foreign Ownership Disclosure Act of 1989
(Bryant (D) Texas and 19 others)

If H.R. 5 were presented to the President, his senior advisers would recommend he veto it.

The provisions in H.R. 5 which mandate registration and disclosure of foreign investment are potentially destructive to investment and will produce little or no useful information not already collected. Discriminatory treatment of foreign investors would discourage investment in America, raise investment costs through burdensome and intrusive reporting and public disclosure requirements, and inappropriately subject foreign investors to the risk of additional civil and criminal penalties. H.R. 5 would make capital more costly in the United States, cutting into economic growth, productivity, new jobs, and triggering higher interest rates that could hurt a wide range of Americans including homebuyers and farmers.

Vital business could be pushed offshore by H.R. 5 at the very time America is fighting to maintain its competitiveness. In summary, H.R. 5 would result in America abandoning its open capital markets which have been used to its advantage for over 200 years to build the economy.

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STATEMENT OF ADMINISTRATION POLICY

(REVISED)

May 1, 1989
(House)

H.R. 7 - Carl D. Perkins Applied Technology (Vocational) Education Act Amendments
(Hawkins (D) CA and 11 others)

The Administration supports reauthorization of vocational education programs under the Carl D. Perkins Act. However, H.R. 7 is seriously flawed, both administratively and programatically. Accordingly, the Administration opposes House passage of H.R. 7, unless the defects are remedied. Indeed, if the provision discussed in the following paragraph were to remain in H.R. 7, the Director of the Office of Management and Budget (OMB) and the Secretary of Education would recommend that the President veto the bill.

The most seriously objectionable provision would bar review or approval by the OMB of any reports, as well as research evaluation plans, surveys, or findings required by the Act. This provision would also impose certain requirements related to OMB's review of agency regulations under the Act. These are extraordinary, unwarranted, and unacceptable intrusions upon the prerogatives of the Executive Branch, and must be deleted. In addition, H.R. 7 also contains other objectionable provisions, as follows:

-- While the bill takes some important steps to promote program simplification, it severely limits the ability of States to determine needs and support effective programs for the target populations identified:

  - o the rigid intra-State allocation formulas seem unduly complex and likely to produce too many small projects;
  - o the school-by-school maintenance of effort, comparability, and maintenance of service requirements are extraordinarily complex and burdensome and beyond the accounting capacity of most school systems; and
  - o the local application requirements are overly detailed and prescriptive.

-- H.R. 7 requires each State to develop performance standards, but does not -- as the Administration's reauthorization bill would -- require the State to use those standards in allocating funds or to improve local programs found deficient.

-- H.R. 7 adds confusion, duplication, and unnecessary requirements to the national programs authorized under title IV of the Act. As the Administration's bill proposed, title IV should be replaced by broad and flexible research, demonstration, and data-gathering authority.

-- The bill contains appropriation authorizations totaling over $1.4 billion for FY 1990, considerably in excess of the $949 million requested by the Administration.

-- The requirement that the Department of Education use "negotiated rulemaking" to develop regulations should be deleted. Negotiated rulemaking was not intended for, and is not suited to, the preparation of Federal grant regulations.

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STATEMENT OF ADMINISTRATION POLICY

April 13, 1989
(House)

H.R. 20 - Federal Employees Political Activities Act of 1989
(Clay (D) (MO) and 306 others)

The Administration opposes the enactment of H.R. 20 and, if it were presented to the President, his senior advisers would recommend its disapproval.

H.R. 20 repeals substantially the Hatch Act's restrictions on partisan political activity by Federal employees. This bill would allow unrestricted off-duty partisan electioneering and political activity by all Federal employees. Such activity would undermine the integrity and independence of the traditionally non-partisan civil service.

Under H.R. 20, Federal employees would be vulnerable to both direct and subtle political pressures. They could be pressed to "volunteer" help in campaigns and to make financial contributions in order to curry favor with one political party or another. The bill's proposed safeguards against abuse are inadequate and largely unenforceable.

The Administration believes the Hatch Act, which has served to protect the public interest for half a century, is a valuable safeguard of governmental integrity and should be preserved.

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

November 17, 1989
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R 422 - Local Rail Service Reauthorizing Act
(Wyden (D) Oregon and 22 others)

The Administration opposes enactment of H.R. 422. If H.R. 422 were presented to the President, the Secretary of Transportation would recommend that it be vetoed.

The Local Rail Service Assistance Program (LRSAP) was created to address a crisis afflicting American railroads in the pre-deregulation era of the 1970's. Since the partial deregulation achieved in the Staggers Rail Act of 1980, however, the industry's return on investment has doubled and America's railroads are now financially stable. Private financing is now readily available to the railroad industry, and 20 states have enacted their own LRSA programs to deal with any financial needs peculiar to certain localities. The LRSAP has therefore essentially served its purpose, and should not be reauthorized.

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STATEMENT OF ADMINISTRATION POLICY

June 15, 1989
(House)

H.R. 536 - Military Medical Malpractice
(Rep. Frank (D) Massachusetts)

The Administration opposes H.R. 536, and the President's senior advisers would recommend that he veto the bill if presented to him in its present form.

H.R. 536 is objectionable because it would legislatively limit the Supreme Court's long-standing Feres doctrine, which holds that "the government is not liable under the Federal Tort Claims Act for injuries to servicemen where the injuries arise out of or are in the course of activity incident to service." There already exists a separate, uniform, comprehensive, and no fault compensation scheme for military personnel. H.R. 536 is also objectionable because it would (1) weaken military discipline by involving the courts in the review of military command decisions, and (2) result in inequities by permitting service-incident claims to be determined by nonuniform local laws.

If Congress concludes that additional compensation should be available to service personnel injured by military medical malpractice, the Administration would not object to the establishment of an administrative medical malpractice compensation program under the Military Claims Act. This alternative would ensure an unbiased review of these claims without requiring the Judicial branch to second-guess military decisions.

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STATEMENT OF ADMINISTRATION POLICY

July 6, 1989
(House Rules)

H.R. 987 - Tongass Timber Reform Act
(Mrazek (D) New York and 154 others)

The Administration opposes enactment of H.R. 987, and urges delay of this legislation until the revised Tongass National Forest Management Plan is completed next year.

The Administration strongly opposes any effort to cancel two existing long-term timber sale contracts. The Department of Agriculture has already renegotiated one of the contracts, and is currently negotiating to revise the other. Cancellation of these contracts is unnecessary, and would result in substantial Federal expenditures to compensate the contract holders for the taking of their property rights. Moreover, cancellation could result in significant economic dislocation in southeast Alaska.

The Administration also objects to provisions of H.R. 987 that would (1) require 100-foot "buffer strips" in which no logging would be permitted on each side of streams and tributaries used by anadromous fish, and (2) create 23 new wilderness areas totalling nearly 1.8 million acres of the Tongass National Forest. The Department of Agriculture is currently reviewing steps needed to improve protection of anadromous fish and additional wilderness area recommendations. Recommendations in both of these areas would benefit greatly from the professional field review and public comment period that are part of the forest planning process.

If H.R. 987 were presented to the President with a provision terminating the existing long-term timber sale contracts, the Secretary of Agriculture would recommend disapproval of the bill.

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STATEMENT OF ADMINISTRATION POLICY

July 31, 1989
(House)

H.R. 1208 - Railroad Alcohol and Drug Testing
(Luken (D) Ohio and 2 others)

The Administration opposes enactment of H.R. 1208, and the Secretary of Transportation would recommend that the President veto the bill unless it is amended to:

-- permit the Department of Transportation to proceed with implementation of its regulations regarding railroad alcohol and drug use (the result of over 6 years of rulemaking and litigation), rather than requiring the Department to promulgate new rules which would be subject to further litigation;

-- delete the guarantee of reinstatement after treatment to employees who violate alcohol and drug use prohibitions; and

-- eliminate the requirement that violators complete 40 hours of community service, which is inadequate as a deterrent and also inappropriate for a civil regulatory program.

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

October 26, 1989
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 1231 - Eastern Airlines Labor Dispute
Presidential Emergency Board
(Anderson (D) CA and Oberstar (D) MN)

The Administration opposes H.R. 1231 and, if it is presented to the President, his senior advisers would recommend that it be vetoed.

It is inappropriate, in light of the history of the present dispute and the Eastern Airlines bankruptcy court proceeding, to require the President to establish a Presidential Emergency Board, as would be mandated by H.R. 1231.

The President's senior advisers would likewise recommend the veto of a substitute for H.R. 1231 providing for establishment of a congressional advisory commission. The proposed commission would investigate and make recommendations on the three pending labor disputes at Eastern Airlines, and additional important aviation industry policy matters. It is premature and infeasible to attempt to resolve these fundamental matters in 45 days, as would be required by the bill.

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STATEMENT OF ADMINISTRATION POLICY

June 14, 1989
(House)

H.R. 1278 - Financial Institutions Reform, Recovery and Enforcement Act of 1989
(Gonzalez (D) Texas and 31 others)

As the President stated in his letter of May 22nd to the House leadership, each day of delay in enacting this essential legislation adds more than $10 million to the cost of resolving this enormous problem. Accordingly, the Administration supports House passage of H.R. 1278 and urges the House to make significant progress toward resolving the Administration's most serious concerns. Two items are of special concern:

- Capital requirements. Inadequate capital requirements and distorted accounting practices were principal causes of the thrift catastrophe and the resulting losses for the American public. The Administration urges the House not to weaken the capital and accounting standards reported by the Banking Committee. In addition, the House should not establish procedural restrictions that would have the effect of limiting or delaying the ability of the supervisory agencies to enforce capital or other supervisory requirements. Such restrictions would materially increase the risk of future thrift losses that the taxpayers would be forced to absorb. The bill should also preclude insured institutions from including in capital loans to, or investments in, separate subsidiaries, unless such subsidiaries are engaged solely in mortgage banking or activities permissible for national banks.

- Financing. The financing plan, proposed by the Administration and adopted by both the House and Senate Banking Committees, as well as the full Senate, maintains the fiscal discipline of Gramm-Rudman-Hollings, locks in the thrift industry's contribution, and should prove less costly than other alternatives proposed. Reformulation of this financing program can only delay passage of the legislation and could have undesirable economic consequences.

The President's senior advisers will recommend a veto of this legislation unless it addresses substantially and adequately the concerns outlined above.

Other issues of strong concern are:

- Housing provisions. Although housing affordability and ownership are established priorities of the Administration, the President urges the deletion of housing subsidies to be

provided by the Federal Home Loan Banks or the Resolution Trust Corporation. Any such programs should be fully considered on their merits in separate legislation, so as to avoid delaying this critical legislation. The Administration strongly urges the House not to grant preferential rights to purchase assets of failed thrifts to any group. Preferential purchase or financing arrangements will reduce the values that can be obtained from such assets, thereby increasing taxpayer costs.

- Cap on Resolution Trust Fund (RTC) Obligations. The Administration urges Congress to retain sufficient flexibility for the RTC to issue notes and guarantees for working capital purposes, especially prior to receipt of cash from REFCORP. If a limitation is added, the Administration would prefer to permit such obligations to be incurred against the full amount of the resources authorized to be available to the RTC, including cash proceeds received from REFCORP and assets acquired in the resolution of insolvent thrifts. Because tangible assets will back up RTC obligations, taxpayers will not be exposed to excessive risk. Too restrictive a cap would create incentives to dump assets from thrift resolutions, as well as minimize the opportunity to liquidate institutions where necessary.

- FDIC accountability. The accountability of the FDIC should be enhanced in two ways. First, the FDIC's quarterly reports should be made both to Treasury and OMB, to ensure prudent and timely financial planning within the Executive branch. These reports should include not only financial operating plans and forecasts, but information on financial commitments, guarantees, and other contingent liabilities, as well. Second, the bill should make explicit that the FDIC Chairman serves as Chairman at the pleasure of the President.

- Composition of the Federal Housing Finance Board. All members of the Federal Housing Finance Board should be appointed by the President, in order to ensure compliance with the Appointments Clause of the Constitution.

- Federal Home Loan Bank contributions. To ensure that the industry pays its fair share of the costs incurred, H.R. 1278 should require a minimum annual contribution of $300 million from the Federal Home Loan Banks to the funding package.

- Primary supervisor for State thrifts. To better insure future safety and soundness, chartering and supervisory functions should be separated from the operation of deposit insurance programs. H.R. 1278 should therefore make the Director of the proposed Office of Thrift Supervision (OTS) the primary supervisor of both State and Federal thrifts, to preserve the deposit insurer's ability to exercise independent judgment regarding supervisory issues. This would reduce substantially the risk of disruption of effective examination capabilities

that would result from transferring State thrift supervisory authority to the FDIC.

- o Qualified thrift lender (QTL). H.R. 1278 should require that a thrift that fails to meet the QTL test convert to a bank charter. At the same time, satisfaction of the QTL test should be a requirement for eligibility by other types of institutions for Federal Home Loan Bank membership or advances. The Administration does not believe that the current 60 percent QTL threshold should be raised.

- o Civil monetary penalties (CMP's). H.R. 1278 should provide for maximum CMP's of $1 million per day against individuals, in order to encourage compliance with the financial institutions laws. The bill should also require that CMP's be deposited in the general fund of the Treasury, consistent with sound budgetary practice.

- o Compensation of employees of the Office of the Comptroller of the Currency (OCC) and OTS. The authority of the Comptroller of the Currency and the Director of OTS to fix the compensation of OCC and OTS employees should be made subject to the approval of the Secretary of the Treasury, their immediate supervisor. The Board of the National Credit Union Administration (NCUA) should be prohibited from fixing the pay of NCUA employees at levels in excess of those established for employees of OCC and OTS.

- o Approval of employment of senior financial institution officials by the regulatory agencies. H.R. 1278 would require regulatory agencies to approve members of the boards and other senior officials of new or troubled financial institutions or institutions that have undergone a change in control. This function cannot be performed adequately by the agencies and is not an appropriate governmental activity.

- o FHLMC/FNMA. To minimize the financial risk to the Federal Government, the bill should authorize the Secretary of Housing and Urban Development to establish binding risk-based capital standards for the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA), pending the outcome of the authorized study.

The Administration will continue to work with Congress on an urgent basis to present to the President legislation that will resolve the current crisis and ensure that it is never repeated.

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STATEMENT OF ADMINISTRATION POLICY

"As approved by Director for Rules Committee."

July 12, 1989
(House Rules)

H.R. 1484 - Independent National Park Service
(Vento (D) MN and 72 others)

If H.R. 1484 were presented to the President, the Secretary of the Interior, the Attorney General, and the Director of the Office of Management and Budget would recommend that he veto the bill. This bill's limitation on the President's authority to remove the Director of the National Park Service, and the exemption from Presidential review of the Director's legislative and budgetary recommendations to Congress, represent an unwise and unconstitutional impairment of the unitary powers of the Executive branch. Moreover, the removal of the Director from the supervison of the Secretary of the Interior would reduce accountability and be contrary to sound management principles.

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

September 18, 1989
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 1495 - Arms Control and Disarmament Agency (ACDA) Authorizations
(Fascell (D) Florida and 12 others)

The Administration opposes House passage of Title II of H.R. 1495, and urges that the bill not be considered under suspension of the rules. If H.R. 1495 were presented to the President in its current form, his senior advisers would recommend that the bill be vetoed.

The Administration recommends that H.R. 1495 be amended to delete Title II, which would change statutorily the existing structure and policy-making mechanisms for the On-Site Inspection Agency (OSIA). Title II would establish a confusing and inefficient chain of command for OSIA, create serious management problems, and diminish OSIA's effectiveness in carrying out its arms control inspection mission. The title is, moreover, unnecessary because existing arrangements are working well. H.R. 1495 would infringe on the President's authority to organize the Executive branch.

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

September 22, 1989
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2364 - Amtrak Reauthorization and Improvement Act of 1989
(Luken (D) Ohio)

The Secretary of Transportation and the Director of the Office of Management and Budget would recommend a veto of H.R. 2364 if it were presented to the President in its current form. H.R. 2364 is objectionable because it would:

-- increase appropriation authorizations for Amtrak ($2 billion during FYs 1990-1992); and

-- require review of acquisitions of control of certain rail carriers by the Interstate Commerce Commission. The Administration is studying carefully the issue of leveraged buyouts in the transportation industry. It would be premature and potentially harmful to legislate for railroads prior to completion of the transportation industry-wide review.

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STATEMENT OF ADMINISTRATION POLICY

(Revised LA 6/26/89)
June 23, 1989
(House)

H.R. 2467 - 1988 Disaster Assistance Extension Act
(de la Garza (D) TX and 33 others)

The Administration opposes enactment of H.R. 2467. Although limited disaster assistance may be appropriate for winter wheat producers, enactment of any drought relief legislation would be premature until better information on crop yields is available. It is clear, however, that enactment of across-the-board disaster relief legislation is inappropriate under current circumstances, because recent rains have greatly improved the prospects for spring-planted crops.

The Secretary of Agriculture has stated that he could not recommend to the President that he sign any disaster assistance bill unless it:

-- is budget-neutral and would not lead to a sequestration under the Gramm-Rudman-Hollings Act;

-- applies only to 1989 crops affected by drought; and

-- is accompanied by an agreement between Congress and the Administration that Federal crop insurance will be the sole vehicle for crop disaster assistance in the future.

H.R. 2467 fails to meet at least two of these requirements. First, it would broadly extend the 1988 Disaster Assistance Act to all commercial crops damaged by any adverse weather condition in 1988 or 1989. Second, although the bill includes a requirement that relief recipients purchase crop insurance for 1990 crops, this provision includes enough exceptions to render it ineffective.

Finally, although H.R. 2467 includes a provision intended to render the bill budget-neutral and to prevent it from triggering sequestration, it is impossible to ensure the latter result, due to the nature of the Gramm-Rudman-Hollings sequestration mechanism. In this regard, the Department of Agriculture estimates that full implementation of H.R. 2467 would increase Federal outlays over fiscal years 1989 and 1990 by $1.0 to $1.5 billion.

The Secretary of Agriculture and the Director of Office of Management and Budget would recommend disapproval of H.R. 2467 if it is presented to the President in its current form.

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STATEMENT OF ADMINISTRATION POLICY

May 23, 1989
(House)

H.R. 2442 - MAKING ADDITIONAL APPROPRIATIONS FOR FY 1990 DRUG PROGRAMS BY TRANSFER FROM THE STRATEGIC DEFENSE INITIATIVE
(AuCoin (D), Oregon)

If the bill were presented to the President in its current form, the Director of the Office of Management and Budget would recommend to the President that he veto it.

The Administration strongly opposes any effort to offset FY 1990 drug funding through the transfer of defense program funding such as SDI funding. Any bill that would add FY 1990 funding for drugs without valid offsets from domestic discretionary programs would be a blatant attempt to circumvent the budget agreement and is not acceptable.

The President is requesting over $6.4 billion for drug programs for FY 1990, a 20 percent increase over FY 1989. This request can be accommodated within the overall domestic discretionary spending cap set in the Bipartisan Budget Agreement of 1989. There is no need to break the budget agreement to fund the war on drugs.

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STATEMENT OF ADMINISTRATION POLICY

June 20, 1989
(House)

H.R. 2655 - International Cooperation Act of 1989

(Fascell (D) Florida and 29 others)

The Administration has been seriously engaged over the past year in a major effort, initiated by the House Foreign Affairs Committee, to rewrite the authorities of the Foreign Assistance Act of 1961. The task of making substantial changes to legislation first enacted in 1961, and amended annually thereafter, has been an enormous undertaking and one that was long overdue. The Report of the Task Force on Foreign Assistance, co-chaired by Representatives Hamilton and Gilman, was perceptive and basically accurate in its findings and recommendations. The Administration appreciates greatly the efforts of the leadership of the House Foreign Affairs Committee and those of other Members to take a fresh look at the foreign assistance program in order to establish more effective assistance programs, to eliminate obsolete and inconsistent provisions, and to foster greater cooperation between the Congress and the Executive branch. This effort coincides with the President's strong view, expressed to Congressional leaders in April, that the tendency toward legislative micromanagement should be rolled back.

The Administration recognizes that H.R. 2655, as reported by the House Foreign Affairs Committee, authorizes programs at or near the Administration request levels, authorizes the special assistance initiative for the Philippines, and improves or eliminates many obsolete and inconsistent provisions of current law. Among other things it provides for fair pricing in military sales; makes the Southern Region Amendment permanent; authorizes military assistance to the non-communist Cambodian resistance; revises congressional notification procedures; improves the language and reach of prohibitions on aid as well as administrative procedures that will increase programming efficiency; and eliminates outdated reporting requirements as well as modifying others to make them less burdensome.

The Administration continues to object, however, to provisions that raise serious constitutional concerns and impinge significantly on the ability of the President to conduct foreign policy. If these provisions were included in the bill presented to the President, his senior advisers would recommend that it be disapproved:

- Section 707(b) -- this unconstitutional provision could be construed to prohibit, among other things, certain forms of consultation between the United States and other sovereign nations regarding actions such nations may wish to undertake. If a foreign aid recipient were to seek the President's views with respect to its policy of aiding the Nicaraguan resistance, Section 707 would purport to prohibit the President from expressing his concurrence. Any such limitation on the President's authority to discuss certain issues with foreign governments, or to recommend or concur in courses of action taken with their own resources, would pose the gravest constitutional problem.

- Section 703 greatly restricts the President's ability to work towards peace in El Salvador. It fails to reflect the spirit of greater cooperation between the Congress and the Executive branch envisioned in the Bipartisan Accord on Central America.

- By shifting $1 billion from Economic Support Assistance to Development Assistance, the bill removes the flexibility provided by economic support assistance to respond to foreign policy exigencies, and inadvisably politicizes the Development Assistance account.

The Administration also urges that several of the most important reform recommendations of the Task Force be incorporated into the bill. Unless these reforms are adopted and other defects in H.R. 2655 are addressed, they could cumulatively result in the President's senior advisers recommending disapproval of the bill:

- The majority of the economic and military assistance funds are earmarked, contrary to the recommendations of the Task Force and the repeated requests of the Administration for increased flexibility in conducting foreign policy. The earmarks and section 5304(b), which exempts the funds for Israel and Egypt from sequestration, should be deleted.

- Several sections violate the constitutional requirement that legislation go through a process of bicameral passage and presentation to the President before becoming law. INS v. Chadha, 462 U.S. 919 (1983).

- Sections of the bill that (1) mandate unnecessary organizational arrangements, and (2) impose excessive consultation, certification, and reporting requirements are antithetical to the intended new cooperative spirit sought by the Committee leadership and the Administration. Further, we are concerned that the bill infringes on the President's authority to determine

foreign policy, to negotiate on behalf of the United States, and to vote on behalf of the United States in international organizations.

- Section 1303 would require that U.S. commodities purchased with cash transfers under the economic assistance program be shipped on U.S. merchant ships. This provision would significantly reduce the value of U.S. foreign assistance to recipient countries.

- The bill fails to achieve the Task Force recommendation to focus the economic assistance programs on the four basic objectives of broad based economic growth, poverty alleviation, environmental sustainability, and pluralism. Instead, it contains objectionable, complex policy objectives and programming requirements (sections 1102 and 1201 in Title I, Chapter 2 in Title VII, and Chapter 3 in Title X).

- Section 1201 is also counter to the Task Force Report's encouragement of programming on a country-by-country basis. This section would require the President to develop and use a plan to achieve specific, statutorily-mandated global goals and target dates for alleviating the worst aspects of poverty. This requirement undercuts the attempt to focus on the four basic objectives of economic assistance.

- The bill fails to institute the Task Force recommendation for a unified development assistance account, which would enable the Administration to effectively pursue the four basic objectives and allocate funds based on economic performance. The Administration would support an amendment to create a single development assistance account without functional or regional earmarks or other limitations.

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

STATEMENT OF ADMINISTRATION POLICY

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

(Senate Floor)
September 19, 1989

H.R. 2939 - FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS BILL, FY 1990
Sponsors: (Byrd (D) WV; Leahy, (D), VT)

The Administration would support passage of H.R. 2939, the Foreign Operations, Export Financing and Related Programs Appropriations Act, FY 1990, if floor action eliminates section 582 regarding leveraging of funds. This section would impose serious constraints on the President's ability to conduct foreign policy, and we believe that it would be unconstitutional. If section 582 is in a bill presented to the President, his senior advisors will recommend disapproval.

As the bill is considered on the Senate floor and in conference, the Administration will work to modify or eliminate a number of other provisions to which we have strong objections. Certain combinations of these other provisions together with objectionable provisions in the House version of the bill could also lead the President's senior advisors to recommend disapproval of the bill.

These other provisions, that would restrict significantly the ability of the President to achieve foreign policy objectives that are broadly supported in the Congress and among the American people, are:

-- Section 594 and other provisions set limitations on the provision of military and economic aid to El Salvador. These sections would inhibit the President's ability to provide critically needed assistance in a timely manner and threaten a successful outcome in the government's negotiations with the Farabundo Marti Liberacion Nacional (FMLN).

-- The Committee bill earmarks $15 million for the UN Fund for Population Activity (UNFPA). That organization participates in the management of a program in China that involves coercive abortion. The Administration opposes this practice as do an overwhelming majority of the American people. Even if the U.S. contribution to the UNFPA is barred from being spent in China, the United States would still be supporting an organization whose UNFPA/China program is in opposition to U.S. values. Therefore, the Administration must strongly oppose this provision.

-- The Committee bill also reverses the action of the House to reduce the earmarking of funds for specific countries and purposes. For the refugee assistance program, where the ability to respond to changing needs is vital, nearly half of the funds are earmarked. For the Foreign Military Financing Program, the combination of heavy earmarking and the necessary allocation of unearmarked funds to meet international agreements would not permit the provision of any assistance from this account for Central America and for narcotics aid to the Andean countries within the amount available.

-- Section 562 reallocates Panamanian sugar quotas on a discriminatory basis. This is illegal under the terms of the General Agreement on Tariffs and Trade (GATT).

-- An anticipated floor amendment expands the previous arrangements for foreign military debt restructuring in a costly and inappropriate way.

The bill, as acted on by the Subcommittee and the full Appropriations Committee, does reflect cooperation with the Administration in a number of areas. We are happy to have support for the President's initiative for the Philippines, for the Andean anti-narcotics strategy and for Eastern Europe. The bill also provides needed flexibility managing programs such as the pricing of certain military aid, the disposal of excess defense articles, and assistance to Pakistan.

The Administration's concerns about this bill are discussed in more detail in the attachment.

Attachment

(Senate Floor)
September 19, 1989

FOREIGN OPERATIONS, EXPORT FINANCING AND RELATED PROGRAMS APPROPRIATIONS BILL, FY 1990

I. MAJOR PROVISIONS SUPPORTED BY THE ADMINISTRATION

The Senate Appropriations Committee version of the bill has a number of provisions that reflect forthcoming cooperation with the Administration to achieve important foreign policy objectives and effective programs:

-- establishment of the multilateral assistance initiative for the Philippines;

-- waiver of constraints on the Andean drug initiative;

-- support for the private sector in Poland and Hungary;

-- removal of a House provision that shifts funds from the economic support fund to development aid;

-- extending the Bahrain Stinger buyback deadline;

-- fair pricing for certain foreign military aid;

-- modified language on the transfer of excess defense articles; and,

-- flexibility in providing assistance to Pakistan.

II. MAJOR SENATE PROVISIONS OPPOSED BY THE ADMINISTRATION

A. Language Provisions

Prohibition on Leveraging United States Assistance. Section 582 could be construed to prohibit, among other things, certain forms of consultation between the United States and other sovereign nations regarding actions such nations may wish to undertake. Any such limitation on the President's authority to discuss certain issues with foreign governments, or to recommend or concur in courses of action taken with their own resources would be unconstitutional.

Restrictions on Aid to El Salvador. Section 594 and other provisions contain a series of restrictions on aid to El Salvador that seriously constrain administration of the program. The subsection (a) requirement in section 594 to obligate foreign

military financing in three separate increments is the most troubling as this schedule does not relate to programmatic needs. These restrictions serve to undermine confidence in the Salvadoran government and threaten a successful outcome in the government's negotiations with the Farabundo Marti Liberacion Nacional(FMLN).

Population Earmark for the UN Fund for Population Activity (UNFPA). The committee bill earmarks $15 million for the UN Fund for Population Activity (UNFPA). That organization participates in the management of a program in China that involves coercive abortion. The Administration opposes this practice as do an overwhelming majority of the American people. Even if the U.S. contribution to the UNFPA is barred from being spent in China, the United States would still be supporting an organization whose UNFPA/China program is in opposition to U.S. values. Therefore, the Administration must strongly oppose this provision.

Earmarking of Funds. For a number of years, the Executive Branch has pointed out that flexibility to allocate funds within constrained amounts for individual budget accounts is critical to conducting foreign policy. The House version of this bill takes steps, albeit limited, to diminish the practice of earmarking funds for specific recipient countries and specific purposes. The Senate Committee version reverses that welcome effort. The most serious impact of the Committee version is on the Foreign Military Financing Program. Earmarks more extensive than in last year's appropriation along with the need to provide unearmarked funds for comprehensive mutual security agreements with the Philippines and Portugal literally use up all the funds. No financing from this account would be available for Central America, for the three countries intended to benefit from the Andean drug initiative nor for any other country. While less extensive, the earmarking of nearly half of migration and refugee assistance could seriously limit the ability of that program to respond to changing humanitarian needs. Many other programs are also seriously impacted by earmarking.

Sugar Quota Reallocation. Section 562 calls for the reallocation of Panama's quota for imports of sugar into the United States primarily to Caribbean Basin countries and the Philippines. This discriminatory reallocation, rather than following a formula, is inconsistent with regulations of the General Agreement on Tariff and Trade which the United States is obliged by agreement to honor.

Foreign Military Sales Debt Restructuring. An anticipated amendment to existing law would permit borrowers under past foreign military sales credit authority to prepay without penalty loans bearing interest rates of eight percent and above. A 90 percent government guarantee would be available to support new commercial borrowing by the beneficiaries. By GAO estimate, the existing program costs the taxpayer as much as $1.5 billion. The proposed unneeded change would increase that cost by $.4 billion.

Restriction on Reductions in Central America Aid. A proviso in the Economic Support Fund language requires that the reduction in the total assistance going to any Central American country be no greater than the reduction for any other country in Central America. This provision prohibits the Administration from adjusting reduced assistance levels to take into account need, other resources flowing into individual countries and countries' own efforts to establish appropriate economic policies.

Ceiling on AID Reimbursement to State Department Administrative Services Abroad. The Senate Committee bill retains last year's $15 million limitation on the amount of AID operating expenses that can be used to reimburse the State Department for Foreign Affairs Administrative Support (FAAS). Under the FAAS arrangement, the Department provides certain administrative services to foreign affairs agencies abroad in order to achieve efficiencies and economies of scale. In line with the request of a congressional committee, the budget provided for increased reimbursement by AID and other agencies to the State Department in 1990. The restriction on AID reimbursements not only frustrates management improvement but also seriously impacts State Department salaries and expenses which were reduced to account for higher payments by AID and other agencies. The Senate has made no provision for restoring funds to the State Department. Absent some change, it is unlikely the Department will be able to provide the full range of services required by AID.

Global Poverty Reduction. Section 592 would require the Administrator of AID to establish a system of quantitative and qualitative indicators of poverty reduction on a country-by-country basis. While poverty reduction and improved quality of life are the ultimate goals of most foreign assistance programs, primary attention needs to be focused on measures to increase economic freedoms and growth, for, without these, the means to accomplish sustained poverty reduction are not created.

IMET Per Capita GNP Restrictions. The bill, for the first time, excludes certain NATO and other countries from receiving International Military Education and Training (IMET) grants. It would make much more sense to hold such a drastic step in abeyance until the related GAO and Administration reports, which the Senate Appropriations Committee has just requested, are completed.

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

(F)

November 16, 1989
(House Floor)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2939, Foreign Operations, Export Financing, and Related Programs Appropriations Act

The Administration opposes H.R. 2939, the Foreign Operations, Export Financing, and Related Programs Appropriations Act for FY 1990, as it passed the Senate on November 15, 1989.

The Administration strongly opposes the Senate action to earmark $15 million for the UN Fund for Population Activities (UNFPA). Even though the United States contribution to the UNFPA would be barred from being spent in China, the Administration continues to oppose the provision, because the United States would still be supporting population control practices and methods that are inconsistent with American values. The President stated in his letter of October 6, 1989, that he will veto the bill if it includes the UNFPA provision. The Administration supports language approved by the House on November 14, 1989.

The leveraging provision in section 582 remains overly broad, vague, and potentially would infringe on the President's constitutional authorities regarding the conduct of foreign policy. As stated previously, the President's senior advisors will recommend to the President that he disapprove the bill if it contains this provision in its current form.

The Administration objects to the Senate provision that prohibits the use of funds available to the Bureau of the Census to count illegal aliens in the Untied States. The Secretary of Commerce will recommend that the President veto the bill if this provision is included. We believe that all persons, irrespective of their citizenship, should be counted in the 1990 census, as required by the 14th Amendment to the Constitution. Excluding illegal aliens in the 1990 Decennial Census would result in an incomplete, ineffective count and potentially increase the cost of the Census by an estimated $800 million.

The Conference Report contains many provisions that the Administration strongly supports. Among the provisions the Administration welcomes are support of the Philippines Multilateral Assistance Initiative, the Stabilization and Enterprise Funds for Poland, and the funds to enhance the President's ability to carry forward the war on drugs. We urge Congress to eliminate the unacceptable UNFPA, leveraging and Census provisions so that the President can be presented with a bill that he can sign.

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

STATEMENT OF ADMINISTRATION POLICY

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

(House Floor)
October 10, 1989

H.R. 2990 - LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS BILL

(Sponsors: Whitten (D), Mississippi; Natcher (D), Kentucky; Byrd (D), West Virginia; Harkin (D), Iowa)

The Committee on Conference on H.R. 2990 has reported the FY 1990 Labor, Health and Human Services, and Education, and Related Agencies Appropriations Bill. The President's senior advisors would recommend that the President sign this bill provided it does not contain the Senate language in section 204 concerning abortion.

The Administration finds unacceptable the Senate's attempt to expand Federal funding for abortion beyond cases where the life of the mother would be endangered if the fetus were carried to term. In a letter dated August 2, 1989, regarding the District of Columbia Appropriations Bill, the President stated that he would veto a bill with language permitting use of appropriated funds for abortions other than those where the life of the mother would be endangered if the fetus were carried to term.

The House is urged to insist on its position so that the President can be presented a bill that he can sign.

STATEMENT OF ADMINISTRATION POLICY

July 28, 1989
(House)

H.R. 3012, Military Construction Appropriations Bill, FY 1990
Whitten (D/MS) and Hefner (D/NC)

The Administration generally supports the Military Construction Appropriations Bill as reported, but there is one provision that, if included, would cause the Administration to oppose the bill.

The Secretary of Defense, the Attorney General and Director of OMB would recommend to the President that he veto this bill because of a provision that would prohibit proceeding with any base closure or realignment currently under study by the General Accounting Office (GAO) unless the GAO determines that the total savings over a six year period exceed the total cost of closure or realignment. This provision would seriously undermine a major initiative supported by both the Administration and Congress to close unneeded military bases. It could prevent or seriously delay the closure or realignment of several installations now under study by GAO. This amendment also infringes on the constitutional separation of powers because it would make Executive Branch action legally dependent on decisions by the Comptroller General. This provision is unconstitutional and directly contrary to the Supreme Court's decision in Bowsher vs Synar, which held that the Comptroller General is an officer of the legislative branch and can not perform executive functions.

The Administration would also object to any provision that prohibits the closure or realignment of any of the bases that were part of the recommendations from the Commission on Base Realignment and Closure.

The bill also adds almost $500 million for unrequested projects and cuts 70 overseas construction projects totaling $354 million. The Administration urges the House to restore funding for the requested overseas programs.

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

STATEMENT OF ADMINISTRATION POLICY

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

(Senate Floor)
September 12, 1989

H.R. 3015 -- DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1990
(Sponsors: Byrd (D), WV; Lautenberg (D), NJ)

The Administration has serious concerns with the Transportation Appropriations bill. In addition, late last night, the Administration learned that major new drug legislation is expected to be proposed by the Chairman of the Senate Appropriations Committee as an amendment to the bill. If the "Emergency Drug" amendment developed by the Chairman is included in the Transportation Appropriations bill in its current form, the Secretary of Defense, the Director of the Office of National Drug Control Policy, the Director of the Office of Management and Budget and the President's other senior advisors will recommend to the President that he veto the bill.

The Omnibus Drug Act required the President to do a thorough analysis of the drug problem and to send Congress a comprehensive strategy for solving the problem. As required by law, Director Bennett spent six months consulting widely and preparing just such a strategy. The strategy has been generally viewed as serious and sound. To propose a major increase in funding, 78 percent over FY 1989, just six days later -- and to demand acceptance in 24 hours -- is to reject the whole Drug Strategy process that the Congress itself demanded and legislated.

Other serious concerns with the "Emergency Drug" amendment follow:

- The President's plan proposed increasing drug spending by $2.2 billion over FY 1989 to a total of $7.9 billion for FY 1990. He made the tough choices. The proposed "Emergency Drug" amendment makes no choices. It throws money at the problem rather than providing a plan. It proposes a level of $10 billion, approximately a 78 percent increase over FY 1989.

- The Chairman's plan pays for the drug funding with a .575 of one percent cut in all discretionary spending. This proposal would arbitrarily cut defense by $1.8 billion. This cut in defense is way out of proportion. It would take 67% of the

funds out of defense, when the defense component of the strategy is less than 10%. Defense has already taken reductions in real terms every year since 1985. The Defense bill that is being marked up today by the Defense Appropriations Subcommittee already dedicates over $700 million to drug programs.

- As part of the Bipartisan Budget Agreement, the President agreed to a real reduction in defense spending. The "Emergency Drug" amendment would take another $1.8 billion in budget authority from defense and would be a gross violation of the budget agreement.

The Administration has several serious concerns about the Transportation bill itself. The bill assumes the use of $300 million of Department of Defense appropriations to fund services for the Coast Guard. The Administration strongly opposes the practice of diverting funds from needed Defense programs to augment inadequate appropriations for the Coast Guard. In addition, it is the Administration's position that providing domestic discretionary programs (such as Coast Guard services) with funds intended for national defense violates the Bipartisan Budget Agreement (BBA).

Based on OMB's scoring, discretionary spending provided by this bill would result in outlays of $27.5 billion or $59 million above the 302(b) allocation. The Initial OMB Sequester Report of August 25th made clear that we have virtually no margin for expenditures above the 302(b) allocations if we are to avoid sequester. We therefore would respectfully urge the Senate to find appropriate means to bring the bill down to the 302(b) level.

The Administration is also concerned because the bill funds Federal Aviation Administration (FAA) operations, modernization of air traffic control equipment, and Coast Guard services at levels below those contained in the President's request. We urge the Senate to fund fully the FAA and Coast Guard requests by making reductions in highways, mass transit, and Amtrak.

The Administration opposes a number of other provisions, as outlined in the attachment. We hope that the Senate will approve a bill that adequately funds essential programs, that complies with 302(b) allocations and the BBA, and that addresses satisfactorily the issues raised by the Administration.

Attachment

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

STATEMENT OF ADMINISTRATION POLICY

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

(House Floor)
October 4, 1989

CONFERENCE REPORT ON H.R. 3026, DISTRICT OF COLUMBIA APROPRIATIONS, FY 1990

(Sponsors: Whitten (D), Mississippi; Dixon (D), California; Byrd (D), West Virginia; Adams (D), Washington)

The Administration objects strongly to H.R. 3026, the FY 1990 District of Columbia Appropriations bill, as reported by House and Senate conferees. The bill, as reported, would delete language included in the FY 1989 District of Columbia Appropriations Act that prohibits the use of appropriated funds for abortion except where the life of the mother would be endangered if the fetus were carried to term. In a letter dated August 2, 1989, the President indicated that the absence of this language would result in his veto of the bill.

The Administration urges the House and Senate to send the bill back to Committee with instructions to restore the FY 1989 abortion provision so that the President is presented with a bill that he can sign.

STATEMENT OF ADMINISTRATION POLICY

August 3, 1989
(House)

H.R. 3072, Department of Defense Appropriations Bill, FY 1990
Whitten (D/MS) and Murtha (D/PA)

The President's senior advisors would recommend that he veto the FY 1990 Department of Defense Appropriations Bill as reported by the House Appropriations Committee.

The overall funding level provided in the Committee bill is inconsistent with the Bipartisan Budget Agreement, and several of its program recommendations conflict with important Administration priorities. The Committee bill would provide budget authority of $286.5 billion. This is nearly $1 billion less than the House 302(b) allocation, which was in accord with the Bipartisan Budget Agreement.

Funding is significantly reduced for several high-priority strategic and conventional programs, including the Strategic Defense Initiative, the B-2 bomber, the Peacekeeper missile, the Small ICBM, the Advanced Cruise Missile, the MILSTAR communications program, and the Advanced Tactical Fighter. On the other hand, the Committee has added funds to reverse cancellation of several programs the Administration does not believe to be affordable or essential. The Committee has also added funds for other lower-priority military programs not requested by the Administration. The Committee's recommendation would severely compromise the Administration's objective of providing adequate defense capabilities within constrained resources.

The bill also includes funding for programs that should be funded from domestic discretionary appropriations -- in particular, the appropriations for the Coast Guard ($300 million) and the National Science Foundation ($82.9 million). Funding domestic discretionary programs from defense resources is a violation of the Bipartisan Budget Agreement. With regard to the Coast Guard funding, the Conference Report on the FY 1989 Defense Appropriations Act stated: "The conferees agree that this is the final year that Department of Defense appropriations should fund Coast Guard requirements."

Finally, Section 9052 raises constitutional questions because it purports to make Administration action legally dependent upon the approval of the Appropriations Committees before the Administration can transfer funds under this provision. This is contrary to the Supreme Court's decision in INS vs. Chadha, which overturned the one-house legislative veto.

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

September 29, 1989
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 3299 - Budget Reconciliation Act of 1989/
Amendment to Strike Fairness Doctrine Provision

The Administration supports the Oxley Amendment to strike the provision that would codify the so-called "fairness doctrine."

This doctrine is objectionable because it:

-- conflicts with important First Amendment principles and impermissibly restricts the journalistic freedoms of broadcasters;

-- could inhibit the free and open discussion of important and controversial issues; and

-- is unnecessary, especially in light of the dramatic increase in the number of broadcast information sources in recent years.

A "fairness doctrine" provision does not belong in reconciliation legislation. In April of this year, the Justice Department advised Congress that it would recommend a veto of H.R. 315, which would codify the fairness doctrine.

LEGISLATIVE REFERENCE DIVISION DRAFT
9/29/89 - 11:25 A.M.

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

September 27, 1989
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 3299 - Budget Reconciliation Act of 1989/
Independent Social Security Administration (SSA)

The Administration opposes provisions to remove the Social Security Administration (SSA) from the Department of Health and Human Services (HHS) and establish it as an independent agency. There is no evidence to support the notion that an independent SSA will lead to improved performance. To the contrary, removing SSA from HHS would disrupt an integrated network of services presently in place and working well. Moreover, as the baby-boom generation ages, the need for coordinated services for the elderly will increase rather than decrease.

The Secretaries of HHS, the Treasury, and Labor, the Attorney General, and the Director of the Office of Management and Budget advised Congress earlier this year that they would recommend a veto of an independent SSA bill, and urged removal of such provisions from the reconciliation bill.

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

September 29, 1989
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 3299 - Budget Reconciliation Act of 1989/
Tongass Timber Contract Provision

The Tongass Timber Contract Provisions would, among other things, cancel existing long-term timber sale contracts, thereby potentially requiring compensation for the taking of contract holders' rights.

The Secretary of Agriculture has advised Congress -- in a letter to the House Budget Committee, and in a Statement of Administration Policy on H.R. 987 -- that he would recommend the veto of that bill if it contained the "contract termination" provision.

LEGISLATIVE REFERENCE DIVISION DRAFT
9/29/89 - 11:35 A.M.

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

October 19, 1989
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 3443 - Air Carriers Securities Acquisition
(Oberstar (D) Minnesota and 28 others)

The Administration opposes enactment of H.R. 3443, and the President's senior advisors would recommend that he veto this bill or any similar legislation.

The Department of Transportation has sufficient authority to ensure that airline operators are financially fit, and comply with U.S. citizenship requirements. H.R. 3443, on the other hand, would require that airline acquisitions be disapproved for reasons not directly related to safety or competition, and needlessly signal hostility to foreign investment in the airline industry.

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

November 18, 1989
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 3482 - Hurricane Hugo Forestry Restoration Act
(Tallon (D) South Carolina and 6 others)

The Administration is sympathetic and has been responsive to the needs of those affected by Hurricane Hugo. The Administration opposes, however, H.R. 3482, which would require the Secretary of Agriculture to implement a $100 million reforestation program on private timber land damaged by Hurricane Hugo. Program payments would be made from disaster relief funds appropriated to the Federal Emergency Management Agency (FEMA). If H.R. 3482 were presented to the President, his senior advisers would recommend disapproval of the bill.

H.R. 3482 would establish the highly objectionable precedent of using FEMA disaster relief funds to reimburse private profit-making concerns for disaster losses. This unprecedented requirement would expand substantially the historically authorized uses of FEMA disaster relief funds. It would reduce the emergency disaster relief assistance that would otherwise be available to public authorities, and individuals and families for the rebuilding of their lives. Meeting these emergency needs should not be postponed to provide Federal funding for the reforestation of private timber lands. Inevitably, funding for such reforestation would lead to additional demands from other parties for assistance, resulting in a further diversion of funds from priority needs.

FEMA is currently developing a plan, in cooperation with the State of South Carolina and the Department of Agriculture, to address timber salvage and fire hazard reduction needs on public and private lands damaged by Hurricane Hugo.

In providing supplemental appropriations to enable FEMA to respond to the damages inflicted by Hurricane Hugo, both the Administration and the Congress agreed that the funds provided would be considered as "mandatory" rather than "discretionary" spending for purposes of the Bipartisan Budget Agreement. The diversion of these funds to a non-mandatory purpose, as envisioned in H.R. 3482, would result in the funds being treated as discretionary spending.

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STATEMENT OF ADMINISTRATION POLICY

June 2, 1989
(House)

S.J.Res. 113 - Resolution Conditioning the Export of Technology to Codevelop the FSX Aircraft with Japan
(Dixon (D) Illinois and eleven others)

The Administration opposes any legislative effort to impede, condition or restrict the FSX Program. If the House Foreign Affairs Committee revised version of the Senate amendment to S.J.Res. 113 or the Bruce amendment were presented to the President, his senior advisers would recommend that he veto it.

After careful interagency review, the President decided to proceed with joint United States-Japanese development of the FSX fighter aircraft. The President's decision was based on a number of considerations, including specifically that joint development of the FSX:

-- is in the strategic and commercial interests of the United States;

-- will contribute to the security of the United States and a major ally, Japan;

-- will improve Japan's ability to bear a fair share of the defense burden in the Pacific, at no cost to the American taxpayer;

-- will generate substantial work for the United States aerospace industry; and

-- will not jeopardize our commitment to the continued excellence of the United States aerospace industry.

S.J.Res. 113 would have originally disapproved the FSX weapon system codevelopment program. Such disapproval was voted down by the Senate on May 16, 1989. On the same day, the Senate approved the Byrd amendment to the defeated resolution of disapproval. The President has expressed his strong opposition to Senator Byrd's amendment to S.J.Res. 113.

The Senate-approved Byrd amendment to S.J.Res. 113 and the continued life of that amendment in the House reflect an effort to undo the defeat of the resolution of disapproval. This effort is inconsistent with the existing statutory regime, which was followed as a matter of comity and longstanding practice when the FSX codevelopment Memorandum of Understanding, signed November 29, 1988, was presented for congressional consideration on May 1, 1989. This attempt to circumvent established procedure is a most unacceptable precedent and augers a setback in our

mutual effort to minimize legislative micromanagement of foreign affairs. The House Foreign Affairs Committee approved version of S.J.Res. 113, moreover, continues to:

-- intrude improperly into Executive Branch deliberations;

-- compromise the President's ability to exercise effectively his foreign affairs powers; and

-- give the General Accounting Office a non-auditing role, including an implicit role in negotiations, that is properly the responsibility of the Executive Branch.

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STATEMENT OF ADMINISTRATION POLICY

March 28, 1989
(Senate)

S. 4 - Minimum Wage Restoration Act of 1989
(Kennedy (D) MA and nine others)

The Administration supports a responsible increase in the Federal minimum wage, but opposes S. 4, the "Minimum Wage Restoration Act of 1989," because of the adverse effects on job opportunities for the young, the low-skilled, and the disadvantaged that would result from its excessive increase in the minimum wage.

The President's senior advisers would recommend that he veto any legislation to increase the minimum wage that exceeded the following parameters:

- An increase of no more than 27 percent over three years, that is, to no more than $4.25 an hour;
- A meaningful training wage that would apply universally to all new hires, whether or not this is their first job, for six months at $3.35 (the current level of the minimum wage) together with enforcement provisions against displacing employees to hire new workers after six months;
- Liberalization of the current small business exemption (from $362,500 to $500,000) which would be extended to all businesses, not just retail and service establishments; and
- An increase in the "tip credit", from 40 percent to 50 percent.

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SENT EARLY IN A.M. 6/21/89

STATEMENT OF ADMINISTRATION POLICY

June 20, 1989
(Senate)

S. 5 - Act for Better Child Care Services of 1989, the Mitchell Substitute, and the Dole-Packwood Amendment

The Administration supports child care legislation that is consistent with the following principles established by the President:

- Assistance should go directly to parents, who are best able to make decisions about their children. Parents, and not the government, should choose the child care they consider best.
- Federal policy should increase, not decrease, the range of choices available to parents.
- New Federal support for child care should be targeted to families most in need.
- Federal policy should not discriminate against two parent families in which one parent works at home to care for their children.

S. 5 violates all of the President's principles:

- S. 5 puts its trust in government, not parents. Assistance does not go directly to parents. It is provided to States, which have the ultimate decision-making power on the care children will receive -- whether the care is provided under contracts, grants, or certificates.
- S. 5 provides assistance to two parent families only when both parents are employed, perpetuating the current discrimination against those families which sacrifice income so that one parent can work at home to care for their children.
- S. 5 decreases the range of child care choices available to parents. All care subsidized by S. 5, including care provided by relatives, must be totally non-sectarian in nature and content -- a significant limitation on parental choice. S. 5 also mandates Federal standards that will limit the supply of providers and drive up prices, further diminishing parental choice.

- S. 5 is not well targeted and would serve only a fraction of families most in need. One million children, at most, would receive subsidies in 1990, and they could be from families with incomes more than four times the poverty level.

In addition, S. 5 sets up a huge bureaucracy with significant administrative overhead costs that will reduce the monies available to parents.

FLAWED ALTERNATIVE (THE "MITCHELL SUBSTITUTE")

The alternative advanced by the Majority Leader -- the "Mitchell substitute" -- is an attempt to ameliorate the highly objectionable features of S. 5. Although it includes a tax credit that is not inconsistent with the President's principles, it is fundamentally flawed because:

- It provides direct assistance through tax credits only to families who pay for child care and health insurance. These conditions constrain parental choice and deny assistance to families who are in as great or greater need than those who receive the credits.

- It does not resolve the Church-State problem. The substitute retains the requirement that care be non-sectarian in nature and content. New language indicates that care subsidized through State-issued certificates is not subject to this requirement if it comports with constitutional law. The Mitchell substitute merely states a truism: that no government monies may be awarded in violation of the Establishment Clause of the First Amendment of the Constitution. The new language does not eliminate the bill's fundamental problem -- that religiously affiliated child care providers participating in a certificate program will be subjected to expensive, intrusive and invasive litigation and government regulation. These problems consequently will deter use of certificates and encourage the use of grants and contracts, which are subject to the non-sectarian requirement.

- It retains the biases in favor of institutional care and against care provided by informal providers, such as friends and neighbors. Only providers who are licensed or regulated, who are determined by the State to be "eligible providers," and who comply with government paperwork requirements can be paid for care under the substitute. The uncertainty about what constitutes acceptable practice when child care subsidies are provided through certificates only compounds this bias.

- o The tax credit and grant funds earmarked for child care services benefit only those two parent families in which both parents work outside the home. This perpetuates the discrimination against two parent families in which one parent works at home to care for the children. Because two-earner families have higher incomes than "traditional" families, and because the substitute discriminates against "traditional" families, it is not only unfair; it is also poorly targeted with respect to those in need.

PRESIDENT'S PROPOSAL

The President's tax-based proposal (S. 601) is clearly superior to S. 5 and the Mitchell substitute. It provides all assistance directly to parents, allowing them to decide for themselves how best to meet their children's needs. Assistance is targeted to low-income families, and 100% of the families who meet income and family composition requirements receive assistance. Two parent families in which one parent works at home to care for the children are eligible for the Child Tax Credit, which is not conditioned upon their making expenditures specified by the government.

The President has indicated that he is firm in his devotion to the principles underlying his proposal, but that he is flexible on how best to achieve them. As the Senate acts on child care legislation, the Administration seeks to advance a bill that best reflects the President's principles and prevents the S. 5-Mitchell approach.

DOLE-PACKWOOD SUBSTITUTE

We understand that Senators Dole and Packwood will propose an amendment to perfect the Mitchell substitute that does the following. It emphasizes direct assistance to parents by providing tax credits to low-income families with children. It includes an Earned Income Tax Credit (EITC) supplement for young children, which benefits two parent families in which one parent cares for the children at home. This supplement, which is similar to the President's Child Credit, could be used for, but is not conditioned upon, the purchase of health insurance. The amendment also makes the current Dependent and Child Care Tax Credit refundable, as proposed by the President. It retains the Head Start authorization increase and revenue measures in the Mitchell substitute.

This amendment clearly is far more consistent with the President's principles than S. 5 or the Mitchell substitute. It provides for greater parental choice and better targeting of those in need; it reduces discrimination against mothers who work at home; and it does not discriminate against parents who favor sectarian child care. Accordingly, the Administration favors Senate passage of the Dole-Packwood Amendment.

If S. 5 or the Mitchell child care bill were presented to the President, his senior advisors would recommend that he veto it.

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STATEMENT OF ADMINISTRATION POLICY

Sweeney

June 15, 1989
(Senate)

S. 5 - Act for Better Child Care Services of 1989
(Dodd (D) CT and 43 others)

The Administration supports child care legislation that is consistent with the principles underlying the tax credit legislation (S. 601) that the President has transmitted to the Congress. S. 5 does not meet that test. The President's senior advisers therefore would recommend that he veto S. 5 if it were presented to him as a stand-alone bill or as part of any child care legislation, such as a bill incorporating S. 1185, Senator Bentsen's proposal.

The President's principles are:

- Assistance should go directly to parents. Parents are best able to make decisions about their children, and they, not the government, should choose the child care they consider best.

- Federal policy should increase, not decrease, the range of choices available to parents.

- New Federal support for child care should be targeted to families most in need.

- Federal policy should not discriminate against two parent families in which one parent works at home to care for their children.

S. 5 violates all of the President's principles:

- S. 5 puts its trust in government, not parents. Assistance does not go directly to parents. It is provided to States, which have the ultimate decision-making power on the care children will receive -- whether that care is provided under contracts, grants, or certificates. Amending S. 5 to delete the language providing that certificates can only be used pursuant to a written agreement between the State and eligible child care provider would not significantly shift power to parents. States could decide not to offer certificates, or they could offer only a small number so that the majority of parents would still be faced with using a provider whom the State has given a grant or contract.

- S. 5 provides assistance to two parent families only when both parents are employed, perpetuating the current discrimination against those families which sacrifice income so that one parent can work at home to care for their children.

- S. 5 decreases the range of child care choices available to parents. All care subsidized by S. 5, including care provided by relatives, must be totally non-sectarian in nature and content -- a significant limitation on parental choice. Amending S. 5 to delete application of the non-sectarian requirement to care subsidized through certificates would still limit parents' choices unless the States provided all assistance to parents through certificates. In addition, S. 5 mandates Federal standards that will limit the supply of providers and drive up prices, also diminishing parents' choice. Amending S. 5 to make the mandated Federal standards "recommended standards" and linking required State matching rates to achievement of these standards would lessen but not eliminate these effects.

- S. 5 is not well targeted and would serve only a fraction of families most in need. Some families of four with incomes in excess of $45,000 -- more than four times the poverty level -- would be eligible. The sponsors' estimates show that in 1990 only six percent of eligible children would receive child care from the States, and there is no guarantee they would be from the families most in need.

In addition, S. 5 sets up a huge bureaucracy that will require significant administrative overhead costs and reduce the monies made available to parents.

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

November __, 1989
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 135 - Hatch Act Reform Amendments
(Glenn (D) OH and 51 others)

The Administration opposes the enactment of S. 135. If this bill were presented to the President, his senior advisers would recommend its disapproval.

S. 135 repeals virtually all of the Hatch Act's restrictions on partisan political activity by Federal employees. This bill would allow unrestricted, off-duty partisan electioneering and political activity by all Federal employees. Such activity would undermine the integrity and independence of the traditionally non-partisan civil service.

Under S. 135, Federal employees would be vulnerable to both direct and subtle political pressures. They could be pressed to "volunteer" help in campaigns and to make financial contributions in order to curry favor with one political party or another. The bill's proposed safeguards against abuse are inadequate and largely unenforceable.

The Administration believes the Hatch Act, which has served to protect the public interest for half a century, is a valuable safeguard of governmental integrity and should be preserved.

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

November 14, 1989
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 195 - Chemical and Biological Weapons Control Act of 1989
(Pell (D) Rhode Island and 18 others)

The Administration is working actively to secure international cooperation to stem the proliferation of chemical and biological weapons (CBW). The Administration supports discretionary authority for the President to sanction countries that use CBW in violation of international law. However, it strongly opposes S. 195 because the bill would, regardless of the circumstances, mandate the imposition of CBW sanctions, subject only to a nine month waiver in the case of country sanctions. If S. 195 were presented to the President in its current form, his senior advisers would recommend that it be vetoed.

Mandatory sanctions fail to provide necessary Presidential discretion and flexibility for imposing or waiving sanctions. As a result, Administration CBW non-proliferation objectives would be impeded. In addition, mandatory sanctions and elaborate reporting requirements could inimically affect our foreign policy and trade interests, as well as jeopardize intelligence sources and activities. Finally, several provisions in the bill micromanage or unconstitutionally constrain the President's authority to conduct the Nation's foreign affairs or provide for exercise of legislative power outside the constitutionally prescribed manner.

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STATEMENT OF ADMINISTRATION POLICY

April 17, 1989
(Senate)

S. 774 - Financial Institutions Reform, Recovery, and Enforcement Act of 1989
(Riegle (D) Michigan)

The Administration strongly supports Senate passage of S. 774 and urges Congress to continue to act quickly to send to the President legislation that will resolve the current crisis and ensure that it is never repeated.

The Administration continues to believe that having sufficient private capital at risk, ahead of the deposit insurance fund, is an essential safeguard for American taxpayers and is needed to prevent future losses. More than any other factor, the massive losses incurred by thrifts -- which this legislation funds -- were a result of growth without the discipline of prudent levels of capital that exist for national banks.

Accordingly, the Administration will work in conference and in the House of Representatives to strengthen the capital requirements in the final legislation. If the capital requirements in the bill presented to the President are not sufficiently strong, or if the Administration's financing mechanism is brought on-budget or altered in violation of the recent budget accord, the President's senior advisers would recommend a veto of the legislation.

The Administration also has other concerns about several specific provisions of the bill and will work to ensure that they are resolved. The Administration's other major concerns are outlined below.

- Budget and legislative bypass for Office of Savings Associations (OSA) and Office of the Comptroller of the Currency (OCC). The requirement of this bill that OSA and OCC submit legislative recommendations directly to Congress, without review within the Executive branch, would violate Article II of the Constitution, which confers upon the President sole authority to "recommend" to Congress "Consideration [of] such Measures as he shall judge necessary and expedient." Moreover, the requirement of S. 774 that OSA and OCC concurrently transmit budget estimates to Congress and OMB interferes with presidential review of such estimates and is similarly troublesome.

- Service of FDIC Chairman. The bill should make explicit that the FDIC Chairman serves as Chairman at the pleasure of the President, as provided in the Administration's bill. The Administration's approach ensures that Executive branch officials are accountable to the President and would contribute to the accountability of such officials to the public.

- Quarterly reporting by the FDIC. The bill should be amended to provide that such reports be made both to Treasury and OMB, in order to ensure prudent and timely financial planning within the Executive branch.

- Independent litigating authority for OSA. Provisions of this nature are a serious erosion of the general reservation of litigation authority to the Attorney General contained in 28 U.S.C. 612 and prevent the Attorney General from directing and conducting all litigation on behalf of the United States Government.

- Compensation of employees of the OCC. A provision of S. 774 that would permit the Comptroller of the Currency to fix the compensation of OCC employees without regard to any other laws or regulations should be amended to make any such determination subject to the approval of the Secretary of the Treasury, consistent with both the Administration's proposal and the bill's treatment of compensation of employees of the OSA.

- Limitation on FDIC notes and obligations. S. 774 would cap the amount of notes and obligations that the FDIC would be permitted to issue at 100 percent of the assets of the deposit insurance funds. This is not a meaningful limitation, because total fund assets are increased by the value of the assets acquired when the FDIC issues notes. The Administration believes that a cap limiting new notes and obligations to no more than 75 percent of the net worth of the deposit insurance funds would be much more prudent and sound.

- Procedures applicable to claims brought by the FDIC. S. 774 would give a priority to the FDIC's claims against directors, officers, employees, agents, attorneys, and others employed by financial institutions in any suit, claim, or cause of action brought by the FDIC, "except for claims of Federal agencies as provided in section 6321 of the Internal Revenue Code of 1986 and section 3713 of title 31, United States Code." Such a provision conflicts with the the legitimate conflicting claims of other Federal agencies that are not covered by the Federal Priority Statute.

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STATEMENT OF ADMINISTRATION POLICY

July 5, 1989
(Senate)

S. 1160 - Foreign Relations Authorization Act for Fiscal Year 1990
(Pell (D) Rhode Island)

Although S. 1160 contains many useful authorities necessary for the conduct of the Nation's foreign relations, the President's senior advisers would recommend that the bill be vetoed unless sections 111 and 112 are deleted.

These provisions, which are overly vague, intrude impermissibly on the President's constitutional authority to conduct relations with foreign governments and to administer U.S. foreign assistance programs. Furthermore, the provisions would: (1) unfairly expose U.S. officials to potential criminal liability in cases where they would have no reason to believe that their conduct was unlawful; and (2) include many cases where Congress limits or prohibits the use of U.S. funds without any necessary intent to discourage or prevent other governments from pursuing a particular policy.

With the exception of sections 111 and 112, the Administration generally supports S. 1160, but urges that the following additional changes be made:

-- Amend section 151 of P.L. 100-204 to eliminate the requirement that the embassy site and construction agreements at Mt. Alto and Moscow be terminated absent certain findings by the President. A sense of the Congress provision would be preferable, and would recognize that these important foreign relations decisions are the prerogative of the President.

-- Repeal sections 122 and 204 of P.L. 100-204 which prohibit the use of funds to close State Department and U.S. Information Agency (USIA) posts overseas. Although these prohibitions have been waived statutorily for FYs 1988 and 1989, they remain in force for FY 1990. These provisions intrude upon the President's authority to decide when and where ambassadors or consuls shall be appointed.

-- Delete section 908 which imposes a public financial disclosure requirement on members of the President's Foreign Intelligence Advisory Board. This provision would impose a

more burdensome disclosure requirement on Board members than is currently imposed on the President, Director of Central Intelligence, and other government officials, and is inconsistent with the recommendations of the President's Advisory Commission on Federal Ethics Law Reform. The question of financial disclosure by members of this Board should, instead, be addressed in the context of the ongoing effort to revise Federal ethics laws.

-- Increase the appropriations authorizations for State Department operational accounts to as near the request level as possible. This would enable State to fund current construction security requirements, complete the Foreign Service Institute (with the addition of a requested authorization), and adequately cover other new operational needs.

-- Increase the appropriation authorization for USIA to $949 million as proposed by the Administration. This would allow sufficient resources for TV Marti, the two top priority VOA relay stations (Morocco and Thailand), and maintenance of other activities at current levels.

-- Amend Section 208 to permit USIA to retain control over its satellite network facilities.

-- Delete line item authorizations and earmarks, and provide for a two-year authorization, in order to give the Executive branch sufficient flexibility to manage efficiently State Department and USIA programs.

-- Eliminate or make advisory those provisions that purport to mandate negotiations with foreign governments or international organizations because such provisions impermissibly intrude on the President's constitutional authority to conduct relations with foreign governments.

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STATEMENT OF ADMINISTRATION POLICY

Revised LA
August 2, 1989
(Senate)

S. 1429 - 1988 Disaster Assistance Extension
(Leahy (D) Vermont)

The Administration has serious concerns about the scope, and the resultant cost, of S. 1429. Enactment of across-the-board multi-crop/multi-peril disaster relief legislation is inappropriate for two reasons. First, federally-subsidized crop insurance was available for many of these crops and perils. Second, many of the payments required by S. 1429 would be made for normal losses associated with agricultural production in any year.

Accordingly, the Administration opposes S. 1429 unless it is amended to:

-- reduce the cost of the bill. Whatever is spent on disaster assistance will add to the Federal deficit. Therefore, Congress will be required to offset this increased spending to avoid triggering sequestration under Gramm-Rudman-Hollings; and

-- include provisions to ensure that there are not two separate programs in the future for managing weather risk (i.e., Federal crop insurance and annual disaster relief legislation). Moreover, producers who purchased crop insurance for their 1989 crops should be rewarded for taking that prudent step, rather than penalized by receiving the same support as those who did not.

If the bill presented to the President is not fiscally responsible, his senior advisers would recommend that it be vetoed.

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

November 16, 1989
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 1793 - Omnibus Agriculture Amendments
(Pryor (D) Arkansas and 3 others)

The Administration opposes S. 1793, unless the bill is amended to delete a number of objectionable provisions, as explained below.

The Administration would also oppose any amendment to allow Rural Electrification Administration (REA) borrowers to refinance loans held by the Federal Financing Bank (FFB) without paying contractually-required FFB prepayment fees. These fees total approximately $1.7 billion. If S. 1793 were so amended, the President's senior advisers would recommend that the bill be vetoed.

Chief among the troublesome provisions that the Administration recommends be deleted from S. 1793 is section 7. This section would delay until October 1, 1992, the rebate of certain assessments collected by the Farm Credit System Financial Assistance Corporation. Section 7 would also require the Corporation to pay interest on a portion of the assessments until they are rebated. This would substantially reduce the Corporation's Trust Fund in future years. As a result, the Fund's resources may be insufficient to cover expected System defaults, which could lead to increased taxpayer costs.

The Administration also seeks amendments to:

-- Delete section 12, which would extend the Rural Development Insurance Fund (RDIF) prepayment program for 150 days for certain RDIF borrowers. This section would lead other RDIF borrowers to seek a similar extension. The prepayment receipts under section 12 cannot be counted as reducing the deficit, but the revenue forgone as a result of the prepayments would increase the deficit. These costs would be about $1 million in Fiscal Year 1990 and $3 million annually thereafter.

-- Delete subsection 6(a)(3). This subsection would exclude Federally-guaranteed loans from being counted as obligations of the Farm Credit System when calculating reserves required for the Farm Credit System Insurance Corporation. Any reduction of the Insurance Corporation's reserves would

increase the risk that the Corporation might not be able to meet its obligations, and increase the potential for additional Federal assistance.

-- Delete section 11, which would require the Secretary of Agriculture to conduct a study of alternative methods of computing actual crop yields for farm program purposes. If 1989 actual yields or five-year average yields were used to determine farm program payments for the 1990 crops, Federal outlays for such payments would probably increase by approximately $1 billion.

-- Delete section 4, which would require all peanut shellers to meet the terms of an existing marketing agreement. This marketing agreement is voluntary. Mandating that all shellers comply with the agreement would change it into a mandatory marketing order, without the normal "due process" protections of public hearings and prior approval by referendum. This would almost certainly result in litigation, and would set an undesirable precedent.

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

(F)

STATEMENT OF ADMINISTRATION POLICY

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

October 12, 1990
(Senate Floor)

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

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

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

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

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

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

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

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

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

(F)

STATEMENT OF ADMINISTRATION POLICY

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

(House Floor)
July 26, 1990

MILITARY CONSTRUCTION APPROPRIATIONS BILL, FY 1991
(Sponsors: Whitten (D), MS; Hefner (D), NC)

The Administration continues to oppose House action on appropriations bills in advance of a budget summit agreement. Such action could unnecessarily and perhaps harmfully complicate implementation of a final budget resolution that reflects the agreement. However, inasmuch as the House is apparently going to take action, the Administration will express its views on these bills. The purpose of this Statement of Administration Policy is to express views on the Military Construction Bill, FY 1991, as reported by the Committee.

The Committee reduced the requested funding level in the bill by $460 million. The Administration urges the House to restore funding to the requested level, especially the $170 million cut from the NATO Infrastructure account. These funds are required to meet our obligations under treaties and agreements with our NATO allies. In addition, the Committee added $226 million for low-priority national guard and reserve construction projects. Adding funds for such low-priority projects is inappropriate, especially at a time when budget summit participants are meeting to try to reduce the deficit.

The Administration supports the Committee's adoption of $286 million in requested rescissions and urges the House to adopt the remaining $41 million of rescissions that have been proposed.

The Committee's addition of language to overturn the moratorium on new military construction projects is not warranted or necessary. The Department of Defense extended the moratorium to allow time to determine which projects are no longer required and can be recommended for rescission. The moratorium will be lifted as soon as the review process is complete. The Secretary of Defense will consider recommending that the President veto the bill if it includes language that would mandate lifting the moratorium.

Finally, several provisions in the bill, including sections 113 and 117, raise constitutional concerns regarding the President's role as Commander-in-Chief and would be treated as advisory if enacted into law.

The Administration urges that these concerns be addressed satisfactorily, and that the House approve a Military Construction Appropriations Bill that is consistent with the Administration's request.

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

October 16, 1990 (Sent)
House Floor

STATEMENT OF ADMINISTRATION POLICY

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

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

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

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

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

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

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

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

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

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

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

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

October 2, 1990 (Sent)
(House)

STATEMENT OF ADMINISTRATION POLICY

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

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

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

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

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

The United States cannot return to doing business as usual with China. The Administration will continue to press for the release of the estimated 300-400 political detainees resulting from the brutal suppression of the prodemocracy movement of June 1989. But a sound working relationship with China is still necessary so that issues of vital concern to us can be addressed.

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

March 28, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 3 Early Childhood Education and Development Act
(Hawkins (D) CA and 124 others)

The Administration supports House passage of the amendment in the nature of a substitute for H.R. 3 to be offered by Representatives Stenholm and Shaw.

The Administration opposes House passage of H.R. 3 as modified by the majority leadership. Were this bill presented to the President for signature, his senior advisors would recommend that it be vetoed.

The Administration has proposed child care legislation and worked in good faith to develop an acceptable compromise -- with a view toward enacting a responsible bill this year.

At the same time, however, the Administration is concerned that child care legislation should be fiscally responsible, with sufficient offsets provided in each year to fund all new spending. Accordingly, the Administration strongly objects to the fact that the rule on H.R. 3 did not make in order the Michel amendment, which would have ensured that any House-passed child care legislation be fiscally responsible.

The majority leadership has not yet shared the official cost estimates for their bill. Nevertheless, it is clear that this version of H.R. 3 is an exercise in fiscal irresponsibility. Its estimated cost is $29 billion for FYs 91-95 -- almost half of which is not offset by measures included in the bill.

The excessive spending under the majority leadership's bill, moreover, is for initiatives that are seriously flawed substantively, as illustrated below.

Discrimination Against Religiously-based Services. The majority leadership's bill contains a "certificate" provision that it claims will allow parents to choose sectarian care for their children. However, far less choice or access is provided than the rhetoric suggests, or than is provided by the Stenholm-Shaw substitute:

- The modified H.R. 3 certificate provision applies only to child care funded under the new Title XX program. The majority of grant funding in the bill ($7.6 billion) does not allow parents to select religiously-based services for their children. The school-based programs in H.R. 3's Title II constitute the most significant violation of parental choice.

School-based programs eligible for Title II funding operate in accordance with practices and court decisions applicable to Chapter 1 of the Elementary and Secondary Education Act, of which Title II is a part. Consequently, child care and early childhood development services could not be provided in religiously-affiliated schools by the staff of those schools -- regardless of the needs and preferences of the children and their families.

- The modified H.R. 3 contains intricate provisions on preferences in sectarian child care hiring and admissions under Title XX. Enforcement of these provisions risks unconstitutional church-state entanglement, which will deter religiously-affiliated providers from participation.

Federal Mandates that Limit Parental Choice. The majority leadership's bill subjects child care provided by friends and neighbors to intrustive regulatory standards and paperwork requirements. These standards and requirements apply to a relative who cares for a neighbor's child while caring for a member of the family. As a result, many who now are providing care or would do so in the future would refuse to serve as caregivers. Parents' choice of child care arrangements funded under the bill, thus, would be severely constrained.

The reach of the majority leadership's bill, moreover, extends beyond care subsidized under its provisions. There are two sets of Federal requirements for regulatory standards, to be set by two separate agencies in each State. Between them they cover virtually all types of providers -- including neighbors and friends. These requirements will reduce the supply of informal, neighborhood-based care for all parents; bias the care that is available toward institutional centers now used only by a minority of families at any income level; and increase the price of child care nationwide.

Adverse Effects on Head Start. H.R. 3 as modified by the majority leadership does not increase funding to expand Head Start's early childhood development services for poor children. Instead the bill radically alters the current program. It also provides grants to public school systems for early childhood development programs that would compete with Head Start for scarce resources, to the detriment of poor children:

- Title I expands eligibility for Head Start developmental services to nonpoor children when not all poor children are being served. It also contains several strong financial incentives for Head Start programs, now tailored to community needs, to adopt one uniform program model, as well as to focus on child care rather than on the comprehensive, developmental services that are key to Head Start's success.

- Title II authorizes grants for early childhood development programs to public school systems -- many of which are not now adequately fulfilling their current missions, particularly with regard to poor and minority children. These Title II programs are targeted to four year olds (the same age group now emphasized by Head Start), but they would be available to these children regardless of their parents' income. This creates the very real risk that where space and staff are in short supply, poor four year olds would remain unserved while children from higher income families receive services.

Grant Proliferation and Excessive Bureaucracy. Five new Federal child care grant programs are created under the majority leadership's bill. In addition, new Federal child care funding is provided through a new subtitle in Title XX (the Social Services Block Grant) that contains significant Federal restrictions and requirements that are totally at odds with the block grant nature of the current program. The resulting fragmentation of funding will hinder coordination of child care at all levels of government. It also will consume scarce resources for bureaucratic and administrative functions rather than for providing care for children.

The majority leadership's bill is an improvement over H.R. 3 as reported by the Education and Labor Committee in one respect: it includes an expansion of the Earned Income Tax Credit that is consistent in concept with the President's child care principles. However, the cost of the bill and its serious flaws make the majority leadership's H.R. 3 totally unacceptable.

Stenholm-Shaw Substitute

The Administration supports House passage of the amendment in the nature of a substitute to be offered by Representatives Stenholm and Shaw. The substitute's child care provisions are fundamentally consistent with the President's principles, although the Administration is concerned about its cost and other aspects of the proposal. The child care provisions afford meaningful parental choice, do not discriminate against religiously-based child care, target assistance to those most in need, and do not contain Federal mandates that would reduce the supply of child care and increase its cost. The substitute, therefore, is far preferable to the majority leadership's H.R. 3.

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

(Revised)
June 8, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 20 - Hatch Act Reform Amendments of 1990
(Clay (D) MO and 306 others)

The Administration opposes the enactment of both the House- and Senate-passed versions of H.R. 20. If this legislation were presented to the President, his senior advisers would recommend its disapproval.

H.R. 20 repeals virtually all of the Hatch Act's restrictions on partisan political activity by Federal employees. The bill would allow unrestricted, off-duty, partisan electioneering and political activity by all Federal employees. Such activity would undermine the integrity and independence of the traditionally non-partisan civil service.

Under H.R. 20, Federal employees would be vulnerable to both direct and subtle political pressures. They could be pressured to "volunteer" help in campaigns and to make financial contributions in order to curry favor with one political party or another. The bill's proposed safeguards against abuse are inadequate and largely unenforceable.

The Administration believes the Hatch Act, which has served to protect the public interest for half a century, is a valuable safeguard of governmental integrity and should be preserved.

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

(Final)
May 3, 1990
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 770 - Family and Medical Leave Act of 1989
Clay (D) MO and 151 others

The Administration strongly opposes H.R. 770. This bill would require public and private employers with 50 or more employees, and the Federal Government, to provide their employees with mandatory leave. H.R. 770 would mandate up to 10 workweeks of family leave in any two calendar years, up to 15 workweeks of temporary medical leave in any one year (18 and 26 weeks, respectively, for Federal employees), and other employment protections. If this or any other mandated leave legislation were presented to the President, his senior advisers would recommend that it be vetoed.

The Administration supports and encourages parental and medical leave policies designed to meet the specific needs of individual companies and their employees. This objective can be best achieved voluntarily through the normal collective bargaining process between management and labor, not by the Federal Government mandating employee benefits.

In addition, H.R. 770 would:

-- Reduce the flexibility necessary to meet the needs of a changing workforce and undermine the current trend toward flexible benefit policies.

-- Induce employers to reduce overall employee benefits by limiting voluntary benefits in order to afford new, mandatory parental and medical leave benefits.

-- Impose the costs of leave on employers regardless of their ability to absorb such costs, thus reducing their productivity and U.S. competitiveness -- the impact on smaller businesses would be particularly substantial.

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

FINAL
May 8, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 770 - Family and Medical Leave Act of 1989
Clay (D) MO and 151 others

The Administration strongly opposes H.R. 770. This bill would require public and private employers with 50 or more employees, and the Federal Government, to provide their employees with mandatory leave. H.R. 770 would mandate up to 10 workweeks of family leave in any two calendar years, up to 15 workweeks of temporary medical leave in any one year (18 and 26 weeks, respectively, for Federal employees), and other employment protections. If this or any other mandated leave legislation, such as the Penny and Gordon substitute amendments, were presented to the President, his senior advisers would recommend that it be vetoed.

The Administration supports and encourages parental and medical leave policies designed to meet the specific needs of individual companies and their employees. This objective can be best achieved voluntarily through the normal collective bargaining process between management and labor, not by the Federal Government mandating employee benefits.

In addition, H.R. 770 (and the Penny and Gordon substitutes) would:

-- Reduce the flexibility necessary to meet the needs of a changing workforce and undermine the current trend toward flexible benefit policies.

-- Induce employers to reduce overall employee benefits by limiting voluntary benefits in order to afford new, mandatory parental and medical leave benefits.

-- Impose the costs of leave on employers regardless of their ability to absorb such costs, thus reducing their productivity and U.S. competitiveness -- the impact on smaller businesses would be particularly substantial.

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

September 24, 1990 Sent
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 849 - Pocket Veto
(Derrick (D) South Carolina)

If H.R. 849 is presented to the President in its current form, his senior advisers will recommend a veto because H.R. 849 is unconstitutional.

The bill's reading of the Pocket Veto Clause is incorrect and inconsistent with the only Supreme Court case on the subject. Pocket Veto Case. 279 U.S. 655 (1929).

The bill would have no legal effect, because it cannot change the meaning of the Constitution, and thus would represent simply a statement of Congress' views. Congress is free to express this position through a concurrent resolution or an amicus brief in an appropriate case.

Passage of the bill would create a needless conflict between the political branches, because it would ask the President to endorse a legal position with which he disagrees.

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

July 27, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 1180 - Housing and Community Development Act
(Gonzalez (D) TX and 20 others)

The Administration remains fully committed to working with Congress to enact a fiscally-responsible housing and community development authorization bill. Such a bill must focus on certain objectives, which we are confident we share with Congress. These include: (1) authorizing the Administration's Homeownership and Opportunity for People Everywhere (HOPE) initiatives; (2) making the Federal Housing Administration's (FHA) single-family insurance fund financially sound; (3) directing housing resources more effectively to the neediest poor families, those with severe housing problems; (4) increasing the power of poor people in the housing marketplace; and (5) meeting the overall tests of fiscal responsibility. The Administration is pleased that progress toward meeting these principles was made in the House during markup of the bill, particularly the adoption of most of the President's HOPE proposal. However, neither H.R. 1180, as reported, nor the proposed substitute amendment, H.R. 5157, meet all these important objectives. Consequently, if either one were presented to the President in its current form, his senior advisers would recommend that it be vetoed.

The Administration has demonstrated that it is willing to be considerably flexible on funding, but only after the program integrity and financial soundness of the authorization proposals are assured. Because the Administration has worked productively with the Chairman and members of the House Banking, Finance and Urban Affairs Committee to modify H.R. 1180 to bring it closer to meeting the Administration's objectives, the Administration is confident that further improvements can be made to H.R. 1180 consistent with the shared principles stated above. Yet, since certain provisions currently contained in H.R. 1180 do not uphold those principles, they would require major revision or elimination. In particular, the Title III Rental Housing Production program and the Title IV Community Housing Partnership program encourage costly, developer-driven new construction in lieu of more efficient tenant-based housing assistance, and both are very poorly targeted to low-income families.

In addition, it is necessary for the House bill to include a responsible proposal to restore financial soundness to the FHA. Such an amendment must assure that:

-- the minimum 1.25% capital ratio for FHA is met within two years and that a 2% ratio can be achieved over the next ten years;

-- insurance premiums are varied to reflect default risk;

-- homebuyer equity is increased above currently inadequate levels; and

-- the needs of low and moderate income homebuyers continue to be met by a financially sound FHA insurance fund.

An amendment to be offered by Reps. Vento and Ridge does not meet these minimum standards. It would fall at least two years short of achieving adequate capital for the FHA fund and actually increase defaults well above the current high level. Although the Administration strongly opposes the Vento-Ridge proposal, the Administration would support an amendment consistent with the principles in its own FHA reform proposal. We understand that an effort is underway to develop a bipartisan compromise FHA amendment, and we look forward to its presentation. The Administration is willing to consider modifications to the FHA reform proposal which are consistent with the principles listed above.

The Administration opposes H.R. 1180 in its current form because of the following major problems:

-- The bill would exceed the President's FY 1991 Budget for HUD and Department of Agriculture housing programs by over $6 billion in budget authority and by $1.3 billion in outlays. A fiscally responsible funding level for a new housing bill will depend upon (1) the substantive character of the housing provisions, and (2) agreement on domestic discretionary spending limits pursuant to the ongoing budget summit discussions.

-- The bill does not include an FHA reform proposal that meets the standards described above.

-- The bill creates several additional housing programs which fail to adequately target Federal funds to very low-income households. While current rental assistance programs provide 95 percent of funds to very low-income households (below 50 percent of local median income):

  o Under the proposed Rental Housing Production program, localities would be required to provide only 20 percent of Federal funds to very low-income households <u>or</u> 40 percent to households with incomes below 60 percent of median income. A full 60 percent of these housing resources could be provided for non-poor households. (The current Low-Income Housing Tax Credit, supported by the Administration, permits projects to be either (1) 20 percent very low-income or (2) 40 percent below 60 percent of median income. In either case, <u>every</u> Federal dollar must be spent on low-income households.)

- The Community Housing Partnership (CHP) program rental component would provide 25 percent of Federal funds to households below 30 percent of median income and 50 percent to households below 60 percent of median income. Over one-half of these funds would be available for non-poor households.

- The homeownership component under the proposed CHP program would target only 25 percent of Federal assistance to households below 80 percent of median income and 75 percent to households below 115 percent of median income.

- Homeownership opportunities under the proposed National Housing Trust Fund would target Federal assistance to households below 115 percent of median income. This homeownership income target is too high, especially in light of evidence that a family at 100 percent of median income has 108 percent of the income needed to afford a median-priced existing home.

- Similarly, additional homeownership assistance would be provided to middle-income homebuyers under the Nehemiah program (up to 115 percent of median income), Homeownership Made Easier Demonstration (20 percent below 80 percent of median income; 100 percent below 115 percent), and Second Mortgages for First-Time Homebuyers (all Federal funds for households below 80 percent of median income).

-- The bill would authorize $2.1 billion in FY 1991 for Farmers Home Administration new rural housing construction direct loans. This would be $1.1 billion more than in the President's Budget. The bill also would authorize deferred mortgage payments for very low income borrowers. These provisions are contrary to Administration policy. Instead of increased direct loans, the Administration supports the use of a combination of direct and guaranteed loans as well as tenant-based housing vouchers. The bill's proposed deferral of mortgage payments would increase Federal credit risks.

-- The bill reverses existing targeting of public housing and Section 8 assistance to the point that, in aggregate, fewer additional "worst-case" very low-income households, e.g., those paying more than 50 percent of income for rent or living in substandard housing, will be served by these programs in FY 1991 than in FY 1990 -- even though an additional 69,000 public housing units, Section 8 vouchers and certificates are proposed to be authorized.

-- The bill would make housing assistance an entitlement for families whose lack of adequate housing is a primary factor in their children being in foster care. Such a provision

would result in significant pressure on local welfare agencies to certify families requiring housing assistance to avoid foster care. In addition to creating a perverse incentive, the program would establish an untenable precedent for requiring housing assistance for this group over other deserving groups, such as the elderly or handicapped-specific individuals.

-- The bill also would establish new programs and set-asides to assist certain individuals with AIDS. While well intentioned, these provisions would override preferences for families who are homeless or live in severely inadequate housing. These provisions would set an undesirable precedent for creating special programs or entitlements for other groups.

-- The bill creates more than 10 new HUD programs and imposes significant additional requirements on existing HUD programs. There are no program terminations. In fact, the bill reauthorizes the scandal-ridden Section 8 Moderate Rehabilitation program ($220 million).

-- The bill authorizes a program for modernizing vacant public housing. This would be an unnecessary discretionary program that would encourage public housing agencies to allow units to deteriorate and become vacant.

-- The bill includes the Administration's Operation Bootstrap proposal, but would oversubsidize PHAs by including an increase of Section 8 fees to 9 percent of the local fair market rent (FMR). HUD and GAO are reviewing the existing fee structure of the Section 8 program, and preliminary evidence shows that the current rate of overpayment may cover the cost of this new activity.

-- The bill modifies current income deductions for determining tenant rents in Section 8 and public housing. This provision, along with others, would increase Federal spending annually without any appropriation action.

-- The bill authorizes several programs that duplicate activities covered in existing programs. In public housing, the bill creates a new perinatal services demonstration to provide facilities and renovate existing structures, activities that are eligible for funding under the public housing modernization (CIAP) program.

-- The bill authorizes unlimited use of Federal operating subsidies for services costs in public housing and Section 202.

-- The bill authorizes Fair Market Rents (FMRs) to be established in smaller areas within a housing market area. If these submarket FMRs are increased only 5 percent, the

net Federal cost of providing vouchers and certificates in that locality would be increased 15 to 20 percent. The Section 8 FMR-based system authorizes the distribution of over $10 billion annually; any small change to this program would be expensive and could result in a significant reduction of the number of new households served -- every $30,000 diverted to existing households eliminates a new housing voucher.

-- The bill reauthorizes the existing Congregate Services program while authorizing a "Revised" Congregate Services program. The bill authorizes overlapping activities, such as the formation of a new Asset-Recycling Housing Funds Grant program to create homeownership opportunities in vacant properties, activities covered in other parts of the bill, in this case, as authorized in HOPE Subtitles B and C.

-- The bill creates a new program to convert State and local government in rem properties for permanent affordable housing. Such activities are already eligible under the current CDBG program.

-- The bill creates an Energy Efficiency program, an unnecessary categorical program to improve the energy efficiency of existing housing.

-- The bill authorizes significant improvements to existing preservation requirements, but would be overly generous in providing monetary incentives to landlords and developers for not prepaying their mortgages. Such incentives should be reduced.

-- The bill authorizes PHAs to project-base a separate 15 percent of Section 8 certificates to State mortgage programs threatened with prepayment. Such a provision disregards existing waiting lists and preferences for obtaining rental housing assistance, reduces tenant choice as to where to live, and substitutes Federal subsidies for those already provided by states to carry out their existing low-income housing programs.

-- The bill's emphasis on new housing construction, namely the creation of six new housing production programs, fails to provide necessary flexibility or appropriate matching incentives. Under each program, including the Community Housing Partnership Block Grant program, States and localities are prohibited from using funds for tenant-based rental assistance. In addition, there is no distinction between using matching resources for light or substantial rehabilitation, or outright new construction. In most communities, new construction and substantial rehabilitation are the least efficient uses of Federal funds -- and the most prone to scandals. These program uses should be required to meet a more stringent State and local match.

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

(FINAL -- sent to House floor)

April 3, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 1236 - Price Fixing Prevention Act
(Brooks (D) Texas and 71 others)

If H.R. 1236 were presented to the President in its current form, the President's senior advisers would recommend that the bill be vetoed.

The Administration opposes H.R. 1236 because it would inhibit manufacturers and distributors from entering into pro-competitive distribution agreements for products in a wide variety of markets.

Under existing antitrust law, and notwithstanding the short title of the bill, distribution agreements that set resale prices are already per se illegal. H.R. 1236 would reduce the level of evidence needed to proceed to trial by creating an inference of unlawful conspiracy in certain cases. The inference would be based on evidence that is equally consistent with lawful, unilateral decisions by manufacturers regarding who will distribute their products. The result is that juries could misinterpret lawful business decisions as price fixing conspiracies. Because of the availability of treble damages, H.R. 1236 could invite a substantial increase in complex antitrust litigation.

H.R. 1236 could also render certain nonprice distribution agreements per se illegal, even though such agreements should be considered, instead, under the antitrust "rule of reason." Consideration under the "rule of reason" provides for the evaluation of pro-competitive effects.

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

March 27, 1990
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 1463 - National Capital Transportation Amendments
(Dellums (D) California and 12 others)

If H.R. 1463 were presented to the President for signature in its current form, the Secretary of Transportation and the Director of OMB would recommend that the bill be vetoed.

By the end of its current authorization, Washington Metrorail will have benefitted from $7.7 billion in Federal appropriations from general revenues for completion of the 89.5-mile system. If additional Federal funding is to be provided for Metrorail, it should be provided as part of the national mass transit assistance program, competing with other mass transit projects. No other jurisdiction has a separate and discrete Federal fund for construction of a mass transit system, and no other system is financed from general taxpayer revenues.

The Administration further objects to the new authorization for reasons of equity:

-- H.R. 1463 would allow Washington area jurisdictions to pay for only 20 percent of the construction costs of the Metrorail system. Other communities with comparable systems are paying a substantially higher proportion of the costs of their projects -- in most cases over 50 percent.

-- H.R. 1463 would authorize $2.16 billion in appropriations for an additional 13.5 miles for the Metrorail system. This equates to an average Federal construction cost of $160 million per mile. It would make the extension the most expensive transit project in the country on a Federal cost-per-mile basis.

-- Upon completion of the 89.5 miles of the Metrorail system in 1993, the Metrorail system will have received far more Federal construction assistance than any other new transit system -- and more than all other new systems combined. Since 1968, Washington Metrorail has received 60 percent of the $12.9 billion Federal investment nationwide for construction of new systems.

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

March 30, 1990
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2015 - Public Works and Economic Development Act
(Savage (D) Illinois and 43 others)

If H.R. 2015 were presented to the President in its current form, the Secretary of Commerce and the Federal Co-chairman of the Appalachian Regional Commission (ARC) would recommend that the bill be disapproved.

H.R. 2015 is highly objectionable because it would authorize appropriations totaling $828 million during FYs 1991-1993 for the Economic Development Administration (EDA). The President's 1991 Budget proposes to terminate EDA. H.R. 2015 also authorizes appropriations totaling $555 million during FYs 1991-1993 for ARC, compared to the $155 million proposed by the Administration for those years.

EDA programs have been ineffective in stimulating economic development. Decisions to undertake economic development projects with only local benefits are more appropriately made and financed by private investors or State and local governments. The goals of EDA programs can be better met at the Federal level through the Administration's national policies of fostering economic expansion and job creation. In the case of highly distressed areas, incentives such as those in the Administration's Enterprise Zone proposal would be more effective than the EDA programs.

The Administration would not object to the enactment of H.R. 2015 if it were amended substantially to:

-- Delete the appropriations authorizations for EDA and retain only those provisions that would improve EDA program management in the event funds are appropriated for EDA.

-- Limit the appropriations authorizations for the ARC to $50 million in FY 1991, $52 million in 1992, and $53 million in 1993.

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

February 23, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2544 - Public Service Education Assistance Act of 1989
(Gilman (R) NY, Ford (D) MI, and Sikorski (D) MN)

The Administration strongly opposes section 3 of H.R. 2544, and objects to House passage of the bill. Pursuant to section 3, agencies would be authorized to repay up to $6,000 a year (and $40,000 in total) of amounts owed by an employee for Federal educational loans. This loan repayment would be in exchange for a minimum three years of Federal Government service by these employees. If H.R. 2544 were presented to the President with section 3, the Secretary of Education would recommend disapproval of the bill.

Section 3 is extremely objectionable because:

-- as the Congressional Budget Office has reported, there is no evidence to indicate that the offer of loan repayment will result in better quality applicants for Federal service.

-- Federal costs in the first year alone could range from $19 million to $96 million, depending on whether agencies repay employee obligations each month or in a lump sum. Over five years, Federal cumulative costs could range from $225 million to $499 million (if agencies choose to pay the full obligation within three years).

-- it would allow, for the first time, cancellation of Guaranteed Student Loans (GSLs), setting a costly precedent. Because of the size of the GSL program (over $10 billion in new loans guaranteed each year, with $52 billion in guaranteed loans outstanding), the potential cost to the Government is substantial.

-- it is likely to provide a windfall for some employees, because of the generous agency repayment amounts combined with the short period of service required. This would be true especially for those who complete the minimum three years and then leave Federal service.

The Administration urges that H.R. 2544 not be considered under suspension of the rules, and that the bill be amended to delete section 3.

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

DRAFT

July 13, 1990 Sent
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 3193 - Energy Policy and Conservation Act Amendments of 1990
(Sharp (D) Indiana)

The Administration supports the provisions of H.R. 3193 which would extend authority needed to manage the Strategic Petroleum Reserve (SPR) and to participate in the International Energy Agency. In addition, the Administration strongly supports the decision, implicit in this bill, not to mandate expansion of the SPR beyond the 750 million barrel Administration goal. The Administration believes that its recent interagency study clearly demonstrated that a 750 million barrel SPR provides substantial protection against a range of worst-case disruptions and ample deterrence against embargoes. The additional 250 million barrels would cost the taxpayer $12 billion.

The Administration, however, opposes enactment of H.R. 3193 because the bill would mandate the establishment of regional refined petroleum product reserves. Such regional reserves are unlikely to benefit consumers because private product stocks would merely be replaced by federally-financed product storage. Moreover, Federal attempts to stabilize petroleum products would interfere with the efficient functioning of energy markets, and significantly alter the strategic nature of the SPR. The establishment of regional product reserves could also increase budgetary cost by as much as $500 million. As a result, regional reserves are likely to have a negative net effect on the U.S. economy.

The Administration is also disappointed that the bill does not provide adequate authority to pursue alternative cost-cutting methods of financing the SPR, such as oil "leasing." H.R. 3193 requires that any contract to acquire oil for the SPR not owned by the United States must be "approved specifically by law." Such a cumbersome procedure would nullify the effectiveness of the limited leasing authority provided and preclude potentially cost-saving means of filling the SPR.

If legislation were presented to the President that included an expansion of the reserve to one billion barrels and the establishment of regional refined petroleum product reserves, the President's senior advisers would recommend that it be vetoed.

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

(FINAL)
March 26, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 3847 - Department of Environmental Protection Act
(Conyers (D) Michigan and 22 others)

The Administration strongly supports House passage of the Hastert Substitute which would provide for the straight-forward elevation of EPA to cabinet status.

The Administration is strongly opposed to certain provisions of H.R. 3847 because they would interfere unacceptably with the President's authority to manage the Executive branch and with the functioning of the new Department of Environmental Protection. As stated in the Statement of Administration Policy (attached) sent to the House Rules Committee, the President's senior advisers, including the EPA Administrator and the Attorney General, would recommend a veto of H.R. 3847 in its current form.

The following is a summary of the objectionable provisions in H.R. 3847:

-- Mandatory delegation of all information collection, analysis, and dissemination from the Secretary to the Bureau of Environmental Statistics.

-- Prohibitions on (1) departmental review and approval of Bureau data collection, analysis, or dissemination activities, and (2) any Executive branch official review and approval of the substance of any Bureau reports.

-- A limitation on the removal of the Bureau Director from office -- i.e., only for malfeasance in office, maladministration, or neglect of duty.

-- A limitation on the number of Deputy Assistant Secretaries and Senior Executive Service positions to be filled by political appointees.

-- Miscellaneous provisions concerning the confidentiality of statistical data, advisory panel disclosure and membership requirements, restrictions on the hiring of contractors, and conflict-of-interest requirements.

A further explanation of the basis for the veto recommendation on H.R. 3847, as well as the Administration's objections to other provisions in the bill, are summarized in the Attachment.

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

June 14, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 3859 - Financial Assistance for the Washington Center for Internships and Academic Seminars
(Ford (D) MI and 10 others)

The Administration opposes H.R. 3859. If H.R. 3859 were presented to the President, the Secretary of Education would recommend that it be vetoed.

H.R. 3859 would authorize the Secretary of Education to grant up to $12 million to the Washington Center for Internships and Academic Seminars. The funds would be for construction and related costs of a student residence and classroom building in Washington, D.C. Financing for construction of these private facilities is not an appropriate role for the Federal Government. Furthermore, it is inequitable to earmark funds for the Washington Center on a non-competitive basis.

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

This draft of a position was developed by LRD (Jeffrey Weinberg/Suzanne Duval) in consultation with LVE (Bernie Martin, Barry White, and Lisa Fairhall). The Department of Education (per Jack Kristy, Office of the General Counsel) concurs.

We have not seen the Committee report on H.R. 3859. Department of Education staff advise that the bill was reported as introduced.

Administration Position to Date

The draft position is the same as the one taken in a letter of March 8, 1990, from Secretary Cavazos to Chairman Hawkins of the House Education and Labor Committee.

Description of H.R. 3859

H.R. 3859 would authorize appropriations for FYs 1991 through 1993 totaling $12 million for construction of facilities for the Washington Center. During each of those years a grant could be made by the Secretary of Education to match the amount of private contributions for the project received in cash or in kind.

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

Sent House floor 7/23

July 18, 1990
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 3950 - Food and Agricultural Resources Act of 1990
(de la Garza (D) Texas and Madigan (R) Illinois)

If H.R. 3950 were sent to the President prior to the conclusion of the budget summit and does not achieve substantial, multi-year savings from the current (Mid-Session) estimate of program costs; and if price and income supports are not made more market-oriented than the Committee version, which is a retrogression from the 1985 Act; then the Secretary of Agriculture and the President's other senior advisers would recommend that he veto the bill.

From a budget perspective, the bill is both premature and inadequate. The Administration expects the budget summit to achieve substantial, multi-year savings from our Mid-Session Review baseline. Thus, it would be a mistake for Congress to complete action on a bill that gives producers the wrong impression by sending them inaccurate signals about likely program parameters.

From a policy perspective, H.R. 3950 includes provisions for commodity subsidies that would reverse the strides toward market orientation made in the 1985 Food Security Act.

- Raising loan rates (which act as price floors) threatens to undermine U.S. farmers' hard-won gains in recapturing a competitive position in world markets. Congress raised loan rates in the 1981 Farm bill, and the results were devastating. Our exports collapsed and so did U.S. farm income. We must not risk a repeat of that experience.

- Freezing most program crop target prices at 1990 levels and effectively raising others fails to achieve savings. Additional costs of $1 billion will be incurred by the bill's requirement that target prices be raised if the portion of land to be idled by acreage reduction programs (ARPs) is increased above the levels projected by the Mid-Session Review.

- A new marketing loan subsidy is established for soybeans and at least six other oilseeds. The program would do little to increase U.S. production and world market share and would likely cost the taxpayers about $2 billion over the next five years. Increased competitiveness could be accomplished more effectively and at less cost by the Administration's planting flexibility proposal. The creation of a substantial new subsidy for an entire category of crops is indefensible in a time of serious fiscal constraints.

- The provisions for dairy support establish a program that is much less market-oriented and more onerous to the consumer and taxpayer than the existing one. The bill prohibits the Secretary from reducing the support price below its current level, regardless of the stocks which accumulate in Federal inventories. Inflexible price supports encourage farmers to continue to generate surplus milk, which must then be purchased and stored at Federal expense, at absolutely no risk to the producers. Discriminatory two-price schemes envisioned by the bill necessitate production quotas that further insulate the dairy sector from market forces.

- Failure to enact true planting flexibility for program participants would perpetuate the market distortions that arise when government incentives, not the market, dictate production decisions. In addition, the substantial cost-effective environmental benefits of increased crop rotation would be largely foregone under the partial base protection provisions.

- The bill fails to reform the wool and mohair, peanut, and honey programs. These programs are all archaic constructions, no longer suited to modern market and budget realities.

- By maintaining the sugar price support at its current level, the bill perpetuates the inequity between the treatment of sugar and other program commodities. As a result of the current sugar program, American consumers have paid close to double the world market price for sugar for the last five years, at an annual cost of over $1.5 billion. In order to begin to relieve this

burden, the Administration recommends an immediate ten percent reduction in the sugar price support. Moreover, it is doubtful that the sugar program envisioned in the bill could comply with the no-net cost provision of existing legislation. We estimate that the program would result in outlays of close to $200 million over five years. In addition, the bill necessitates a marketing control program for domestic sugar and crystalline fructose. A new sugar re-export program is a preferential program that could violate our international obligations and would induce additional production thereby depressing raw sugar prices.

The commodity provisions of H.R. 3950 would cost $55 billion over the next five years, $1 billion over current law baseline, and $19 billion over the Administration's budget proposal. Equally important is the fact that the bill would greatly increase the likelihood of budget outlays beyond $55 billion.

- This enormous potential for costs far above the current forecast arises mainly from the lack of adequate Secretarial discretion to adjust loan rates and set-asides when market conditions warrant.

- The bill is also written so that only slight, and quite plausible, changes in market prices could trigger substantial outlays. This is particularly true for the oilseed marketing loan provision. Only a slight drop in prices would trigger major Federal expenditures.

The Administration strongly opposes the nutrition title of H.R. 3950 as currently drafted. The program expansions are estimated to exceed the current law baseline by $543 million in FY 1991 and almost $5.4 billion over five years. These costs are in addition to the current law baseline growth of 16 percent or $2.5 billion, from FY 1990 to FY 1991.

Such an expansion is totally inconsistent with the deficit reduction being sought in the ongoing budget summit and is an example of the type of mandatory cost expansion that has fostered the current crisis. The bill should reauthorize nutrition programs consistent with the Administration's proposals and any subsequent bipartisan budget agreement.

The bill authorizes another $25 billion for programs in foreign food assistance, science and education, conservation, forestry, and marketing and inspection. Spending at this level would exceed the five-year current law baseline by $3 billion.

Considering these authorizations along with direct spending on commodity and food assistance programs, the bill would add $9.4 billion to the current law baseline over the next five years.

While we generally support the Agriculture Committee's actions with respect to foreign food aid programs, the Administration has concerns with a number of provisions of the trade title proposed by the Foreign Affairs Committee.

- The Administration objects to the attempt to bypass Presidential authority by dictating the Executive branch structure for implementing the program. The P.L. 480 program serves multiple legislative objectives and affects a wide variety of domestic and international interests. Therefore, it is imperative that the President maintain the authority to direct and delegate responsibilities for the program.

- The Administration strongly objects to the 15-day advance congressional notification requirement before signing agreements. This is inconsistent with efforts to expedite the food aid decision-making process, and could cause unnecessary and potentially harmful delays in providing food assistance to needy countries.

- Although the intent of the Latin America debt-for-nature swap language parallels part of the President's "Enterprise for the Americas" initiative, we believe debt reduction and the environment need to be considered in the context of a comprehensive strategy for trade, investment, and economic growth.

With respect to the export assistance program provisions of the Foreign Affairs Committee version, the Administration believes funding for the newly established Market Promotion Program should be reduced from $325 million annually to $200 million annually, the level contained in the Agriculture Committee version. The Administration also opposes reporting requirements under the Long-Term Trade Strategy Report which duplicate existing reports. Finally, the Administration opposes the Market Development Task Force because it duplicates the activities of the recently established Trade Promotion Coordination Committee (TPCC). The TPCC is an interagency working group which will coordinate and streamline trade promotion assistance for all types of goods and services, including agriculture.

The Administration also has serious objections to provisions in H.R. 3950 apart from the commodity, food assistance, and trade titles.

- In the conservation and research titles, the water quality incentive programs and integrated farm management program are not likely to achieve sufficient environmental benefits while adding at least $500 million to costs. Moreover, pollution prevention should not be financed by the taxpayer. Such costs should be spread equitably across society instead of through special treatment for one sector of the economy. This policy, endorsed by the Administration, was recently reinforced in the Senate-passed Clean Air bill.

- In the research title, the Administration objects to the provision to establish an institute providing the private sector with financial incentives for commercialization of agricultural products. As with other technologies, the appropriate Federal role is support of research and development and rapid transfer of new technology through such mechanisms as cooperative research and licensing arrangements.

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

August 2, 1990 Sent
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 4000 - Civil Rights Act of 1990
(Hawkins (D) California and 183 others)

If H.R. 4000 were presented to the President in its current form, or with only the amendments under the rule relating to quotas and damages, the President's senior advisers would recommend a veto. If H.R. 4000 were presented to the President in the form of the LaFalce substitute, the President's senior advisers would recommend approval.

The remainder of this Statement is divided into two parts: (1) the reasons for the Administration's opposition to H.R. 4000; and (2) the reasons for the Administration's positions on the amendments.

H.R. 4000

On May 17, 1990, the President stated three principles that must guide any new civil rights legislation. The committee amendment in the nature of a substitute to H.R. 4000 meets none of them.

First, civil rights legislation must operate to obliterate consideration of factors such as race, color, religion, sex, or national origin from employment decisions. However, Section 4 as drafted would inevitably lead employers to adopt hiring and promotion quotas. This would result from the bill's unfair alteration of longstanding rules of civil litigation as they apply to "disparate impact" cases under Title VII of the Civil Rights Act. Unless an employer's bottom-line numbers are "correct," he or she will face the almost certain prospect of lawsuits in which a successful defense will be virtually impossible. Similarly, Section 6 would in certain circumstances insulate unlawful quotas from challenge in court.

Section 4 also violates the second principle stated by the President: any bill must reflect the fundamental principles of fairness that apply throughout our legal system. In addition, Section 6 would encourage the settlement of certain cases at the expense of innocent non-parties; close the courts to some individuals whose civil rights have been violated; and insulate some consent decrees that impose quotas from appropriate judicial review. Similarly, Section 13 would shield "affirmative action," "court-ordered remedies," and "conciliation agreements" from the neutral application of the bill's other provisions.

Third, a civil rights bill should contain a deterrent against workplace harassment, but it must do so in a manner that is reasonable and does not produce a windfall for lawyers. Section 8 would provide for jury trials and the award of compensatory and punitive damages in Title VII cases. This would radically transform the Civil Rights Act by undermining its carefully balanced system of mediation and conciliation.

The Administration also believes that the protections of any civil rights bill should be extended to employees of Congress in a meaningful way, which necessarily includes redress in the courts. It is fundamentally unfair to allow potential defendants to decide how complainants may present claims and to pass on their merits.

Other provisions are also objectionable, including: ill-advised rules on attorneys fees; an unclear provision affecting "mixed motive" discrimination cases; unconstitutional retroactivity provisions; unnecessarily open-ended and excessive "limitations periods;" and an improper rule of construction.

Amendments

The rule on H.R. 4000 makes three amendments in order.

Quotas. The first amendment would amend Section 4 of the bill in two respects. It would specify that the "mere existence of a statistical imbalance in the employer's workforce . . . is not alone sufficient to establish a disparate impact violation," and it would specify that nothing in the bill would "require an employer to adopt hiring or promotion quotas . . . ." These provisions are purportedly intended to address the Administration's stated objection that H.R. 4000 will coerce employers into adopting quotas. In fact, these provisions do nothing of substance.

As to the first provision, it is never the "mere existence of a statistical imbalance" that is alleged in a disparate impact case, but rather an imbalance caused, albeit unintentionally, by a challenged practice. Thus, the "exception" created by the first provision is really no exception at all. As to the second provision, it is the Administration's view that H.R. 4000 will result in quotas, not by requiring them directly, but by inducing employers to adopt surreptitious quotas in order to avoid the cost and trouble of disparate impact lawsuits -- which H.R. 4000 makes extremely difficult for employers to win. Finally, neither provision addresses those features of Section 6 of the bill which would insulate many illegal quota agreements from challenge.

Damages. The second amendment provides a limited "cap" to the compensatory and punitive damages provision in Section 8 of H.R. 4000. As the Administration has noted before, however, Section 8 discards the carefully balanced remedial framework of

Title VII of the Civil Rights Act of 1964 and replaces it with a radically different tort-style approach. In our view, Title VII has worked quite well for the last 26 years. Putting a cap only on punitive damages that is available only for companies of less than 100 employees -- and putting no cap at all on the award of compensatory damages, including payments for pain and suffering and emotional distress awarded by a jury -- is a minor change at best.

LaFalce Substitute. The third amendment -- the LaFalce substitute bill -- is not perfect, but it goes a long way toward correcting the objectionable provisions of H.R. 4000. If Congress passed the LaFalce substitute, the President's senior advisors would recommend that he sign it.

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

Sent 9/26

September 25, 1990
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sent 9/17

September 14, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 4309 - Smith River National Recreation Area Act
(Bosco (D) California)

H.R. 4309 would establish a 300,000-acre National Recreation Area in the Six Rivers National Forest in northern California, to be administered by the Secretary of Agriculture. While the Administration generally supports H.R. 4309 as introduced, the Administration opposes the bill as reported by the Interior and Insular Affairs Committee because this version would:

-- prohibit mining on valid existing claims. The Secretary of Agriculture would be required to compensate existing claimants for this taking of their private property rights. There are over 5,000 claims within the boundary of the proposed National Recreation Area. One firm alone has spent approximately $20 million just on mineral documentation. While the Department of Agriculture does not have an estimate of the value of these mining claims, such compensation would be very costly;

-- prohibit most timber harvest within the corridors of designated wild and scenic rivers. Under current law, the Wild and Scenic Rivers Act would allow harvesting on rivers classified as recreational and scenic. Without the prohibition, harvesting would be allowed on approximately 100 miles of the designated rivers. The prohibition would result in 11,500 acres of timbered land and 172,500,000 board feet of standing timber being unavailable for harvest; and

-- provide unjustified Federal payments to local counties at a cost totalling $10 million.

If H.R. 4309 is presented to the President in its current form, the Secretary of Agriculture would recommend a veto.

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

Sent to House Rules - 9/13
House - 9/14

September 12, 1990
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 4328 - Textile, Apparel, and Footwear Trade Act of 1990
(Hollings (D) South Carolina and 54 others)

The President's senior advisers would recommend that he veto H.R. 4328 if it is presented to him.

H.R. 4328 would provide permanent, rigid protection from imports to domestic producers of textiles, apparel, and footwear. The quotas set by the bill would cause harm to consumers and the economy, violate our international obligations, and virtually destroy any chance of a successful conclusion of the Uruguay Round of multilateral trade negotiations.

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

September 13, 1990 Sent
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 4330 - National Service Act of 1990
(Hawkins (D) CA and 26 others)

The President strongly supports the concept of community service. He has challenged all individuals and institutions to make service central to their lives and work.

The Administration, however, strongly opposes H.R. 4330 because it is incompatible with the President's concept of voluntary service. If H.R. 4330 were presented to the President in its current form, his senior advisers would recommend a veto.

H.R. 4330 would:

-- Provide unnecessary financial incentives for service. It includes unjustified deferment and cancellation of certain student loan payments for full-time professional staff in drug counseling, prevention and treatment programs and full-time volunteers. These costly provisions extend the concept of "volunteer" far beyond reasonable bounds.

-- Attempt to direct community service efforts from the Federal level rather than from the community.

-- Emphasize short-term volunteer participation and financial rewards, concepts inconsistent with a sustained commitment to volunteerism. The reward for voluntary service should never be seen as financial.

-- Authorize $212 million for FY 1991 for unwarranted new Federal programs and expansion of existing programs (excluding the costs of the loan deferment and cancellation provisions and the costs of administering the new programs).

-- Establish an American Conservation Corps that would substantially recreate outdated programs previously offered through the Youth Conservation Corps and Youth Adult Conservation Corps. Such programs are costly and based on the discredited approach to youth employment that relies on temporary public sector employment rather than preparing youth for long-term, private sector employment.

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

April 25, 1990
(Senate Floor)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 4404 -- DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS
(Whitten (D) Mississippi)
(Byrd (D) West Virginia)

The Administration urges expeditious Senate action on H.R. 4404 so that Congress can present the President with an acceptable bill promptly. Although the Administration has many concerns with the Senate Committee-reported bill, the foreign assistance provisions of the Senate bill go a long way toward meeting the President's request. The Administration's concerns are noted below.

Abortion Language

The Senate Appropriations Committee has used H.R. 4404 as a means to modify the abortion provisions in the FY 1990 District of Columbia Appropriations Act. The President vetoed H.R. 3610, the second D.C. appropriations bill, because of language identical to that contained in the Senate Committee-reported bill. The Administration strongly believes that "dire emergency" appropriations legislation should not be used to reconsider non-emergency issues that were resolved in the regular appropriations process. If Congress presents the President with a bill that contains the abortion language that was approved by the Senate Appropriations Committee in H.R. 4404, his senior advisors will recommend that he veto the bill, and it is virtually certain that he would do so. It would be highly regrettable if good work on this dire emergency supplemental were threatened by another struggle over this highly contentious issue.

Panama-Nicaragua and Other Foreign Assistance

The Senate Committee-reported bill fully funds the request for assistance to Nicaragua. However, the bill reduces the $500 million requested for Panama to $420 million. The Senate reallocates $75 million of the $80 million reduction from Panama for assistance to Namibia ($10 million), for assistance to the Caribbean ($15 million), for a development fund for Africa ($20 million), and for funding for refugees ($30 million) in addition to the $70 million requested. The bill fully offsets this funding by savings from the Department of Defense. While the foreign aid provisions in the Committee bill are not in full agreement with the President's proposals, the Administration finds these provisions acceptable.

The Senate Committee bill makes modifications to the provisions contained in the House version regarding housing guarantees to Israel. These modifications would appear to limit seriously U.S. flexibility in discussions with Israel over use of these funds. The Administration will work in Conference to assure that adequate flexibility is available.

The Senate Committee has added to the bill a provision making $10 million available for expenses related to "the establishment of an American embassy in the independent Republic of Lithuania." The Administration's position continues to be that the United States does not recognize the forcible incorporation of the Baltic States into the Soviet Union. Nevertheless, at this juncture, the Administration finds this provision unhelpful and unnecessary. The Administration also opposes a provision that makes mandatory the interest equalization program of the Export-Import Bank.

DoD Provisions

The Administration is fully committed to ensuring that the members of the Armed Forces receive the pay and benefits to which they are entitled by law, notwithstanding the failure of Congress to provide sufficient appropriations for that purpose for FY 1990. The Administration identified to Congress in January 1990 sources of previously-appropriated Defense appropriations that would correct this military personnel funding shortfall in a manner consistent with an effective overall defense program. The Administration strongly opposes the provision to cut Defense appropriations accounts across-the-board to cure the shortfall. The Senate Appropriations Committee's proposal would unnecessarily create disruption in virtually all on-going Defense programs and operations.

The Administration supports repeal of the proviso in the RDT&E, Air Force chapter of the FY 1990 DoD Appropriations Act (P.L. 101-165) that would require obligation of $50 million for cruise missile testing on the B-1B bomber. The House-passed bill repeals the proviso, but the Senate Committee bill does not. Repeal of the proviso is essential to avoid needlessly complicating the resolution of cruise missile issues in strategic arms negotiations. Moreover, an effective stand-off weapons capability for manned, penetrating bombers does not require such testing at this time.

A Committee amendment appears to impact a classified program which is not addressed in the report. Absent receiving an explanation of the proposed action, the Administration cannot comment on this amendment.

Section 614

The Administration supports the Hollings amendment to repeal Section 614 of the Commerce, Justice, State Appropriations Act for FY 1990.

Domestic Discretionary Additions

The Senate Committee-reported bill contains several unrequested provisions that increase domestic discretionary spending. The Administration is concerned that some of the additional domestic discretionary spending is neither necessary nor a response to a dire emergency.

The Administration is particularly concerned about provisions to provide advanced funding to fight fires that may never occur. These can hardly be deemed a "dire emergency" at this point. The Administration believes that funding for firefighting above the $77 million mandated in the bill for Department of the Interior reimbursement should either be dropped or offset. However, since the Budget Committees classify all FY 1990 firefighting appropriations as mandatory, the Administration can understand Congress' decision not to offset these funds. In lieu of offsets, the Administration supports a provision that limits the availability of all firefighting funds to FY 1990 only. This provision should ensure that any funds not spent on emergency fire suppression activities in FY 1990 would not be available to fund discretionary programs in FY 1991.

Mandatory Program Increases

The Senate Committee-reported bill would provide increases for several mandatory programs, including $705 million for Food Stamps and $435 million for veterans' programs. These appropriations have recently been estimated to be necessary and, because they are mandatory, do not require offsets from savings in other areas.

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

Sent 9/21

September 20, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 4450 - Coastal Zone Management Act
Reauthorization Amendments
(Hertel (D) Michigan and 2 others)

The Administration supports reauthorization of the Coastal Zone Management Act (CZMA) and amendments to encourage States to improve management of the coastal zone. The Administration has submitted legislation (H.R. 4438) to reauthorize and amend the CZMA. H.R. 4438 would encourage States to meet specific high-priority national objectives to address more efficiently coastal and ocean environmental problems.

However, if H.R. 4450 is presented to the President in the form of the subtitute to be considered by the House, the Secretaries of the Interior, Defense, Agriculture, and Energy, and the Attorney General, would recommend a veto because it would be likely to be interpreted to:

-- subject Outer Continental Shelf (OCS) lease sales to review for consistency with State coastal zone management programs; and

-- broadly expand the application of the CZMA's "consistency" provisions to encompass a wide range of Federal activities undertaken beyond the traditionally defined area of the coastal zone and impose new restrictive standards on Federal agencies in conducting those authorized activities.

The Administration would also oppose enactment of H.R. 4450 unless it is amended consistent with H.R. 4438 to authorize appropriations at levels requested in the 1991 Budget, and to delete provisions that would:

-- Shift the focus of the CZMA from balanced management to coastal protection (amendments to sections 302(5)). The language proposed by the Administration reflects the proper balance in that it gives priority to environmental protection while also allowing for economic development.

-- Imply in its findings a new larger, but undefined, role for States "outside the coastal zone" (proposed new CZMA section 302(9)). This should be amended to conform with section 303(e)(7) of H.R. 4438. The

Administration's proposal would allow the Secretary of Commerce to respond to changing circumstances and emerging issues that affect the coastal zone.

-- Reestablish the Coastal Energy Impact Program.

The Administration prefers the approach contained in H.R. 4438, which offers incentives and technical assistance to States to encourage voluntary compliance with the CZMA program. The Administration's proposal, with its competitive grant proposal, would encourage States to assume a greater role than the formula grant approach in H.R. 4450.

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

April 26, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 4557 - Department of Veterans Affairs Health Professionals Compensation and Labor Relations Act
(Montgomery (D) MS and three others)

The Administration strongly opposes the enactment of H.R. 4557 because it would exempt the Veterans' Medical Care appropriation from sequestration under Gramm-Rudman-Hollings (GRH). The importance of veterans healthcare, and the need to cushion the effect of sequester, is already recognized under current law. Veterans' Medical Care, Medicare, and other health care programs are protected by a 2 percent cap on sequestration of certain activities. Exemption of Veterans' Medical Care is ill advised and could encourage program-by-program exemptions that circumvent the discipline of sequestration.

Unless H.R. 4557 is amended to delete the exemption from sequestration, the Secretary of Veterans Affairs and the President's other senior advisers will recommend that the bill be vetoed.

The Administration also opposes H.R. 4557 because:

-- The pay provisions for VA physicians and dentists would result in costs of $26 million in excess of those proposed in the FY 1991 Budget. If this proposal were enacted, it would permit VA's Chief Medical Director and Associate Chief Medical Director to receive salaries in excess of $200,000 annually. Other physicians could receive pay up to $160,000 annually.

-- Provisions for nurse pay would abolish the current grade structure in a manner that is not consistent with the Administration's nurse pay bill pending in Congress. The Administration's bill would retain the current grade structure while permitting higher pay under a locality based pay system.

-- It would extend premium pay currently reserved for registered nurses to licensed practical nurses, licensed vocational nurses, and nursing assistants. VA does not have a problem recruiting or retaining staff in these occupations, and already has the discretionary authority to offer such compensation.

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

FINAL

May 21, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 4636 - Supplemental Assistance for Emerging Democracies Act of 1990
(Fascell (D) Florida)

The Administration supports enactment of legislation to promote democracy in Nicaragua and Panama. Although H.R. 4636 authorizes programs and activities requested by the Administration, it also includes objectionable provisions that raise serious policy concerns and impinge significantly on the ability of the President to conduct foreign policy.

Without modifications to take into account the Administration's concerns regarding the bill's restrictions on military aid to El Salvador, the President's senior advisers would recommend that H.R. 4636 be vetoed. The Moakley amendment is very similar to the restrictions on El Salvador currently in H.R. 4636, and would also cause the President's senior advisers to recommend veto. Such restrictions would greatly hinder the Administration's ability to work towards peace in El Salvador. The Administration supports, as a substitute, the Broomfield-Byron amendment, which provides sufficient flexibility for providing assistance to El Salvador. Under the Broomfield-Byron amendment, the President shall withhold a portion of military assistance funds for El Salvador if he determines that the Government has not made demonstrated progress in the area of human rights, Jesuit murder investigation, administration of justice, and civilian control over the police.

H.R. 4636 also contains provisions that limit the President's flexibility to respond to changing conditions and to provide for an effective foreign assistance program. Accordingly, the Administration will seek to delete or modify those provisions that:

-- Impose numerous conditions, restrictions, and earmarks on regional assistance programs -- i.e., particularly the separate policy and program requirements for the Caribbean. These requirements would limit the flexibility needed by the Administration to implement development assistance programs, and are contrary to

the recommendations in the House Foreign Affairs Committee Task Force Report on Foreign Assistance.

-- Require the President to negotiate certain agreements with the government of Panama or otherwise prescribe the conduct of foreign negotiations.

-- Require prior notification or certification to Congress before certain foreign assistance funds could be obligated or expended for specified purposes.

-- Earmark funds for the establishment of an Agency for International Development (AID) mission in Namibia, thereby encroaching on the President's authority to conduct diplomatic relations with foreign governments.

-- Earmark the Emergency Refugee and Migration Assistance Fund, especially the earmarks for domestic refugee/migrant assistance, thereby precluding the flexibility required to administer such emergency assistance effectively.

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

May 31, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 4653 - Export Facilitation Act of 1990
(Gejdenson (D) Connecticut and 28 others)

H.R. 4653 contains provisions that raise serious constitutional or policy concerns and impinge significantly on the President's flexibility to respond rapidly to evolving national security and foreign policy needs. If the bill were presented to the President in its current form, his senior advisers would recommend that he veto it.

The Administration shares the goal of modernizing the export control system in recognition of recent political and economic developments in Eastern Europe and the Soviet Union. However, H.R. 4653 is severely flawed because it:

-- constrains and impermissibly infringes upon the President's authority to negotiate effectively multilateral controls that would permit legitimate civil exports while safeguarding strategic security concerns;

-- is incompatible with policy decisions by the President and undermines critical negotiations with our allies beginning with the June High Level COCOM meeting;

-- requires disclosure of U.S. proposals to COCOM which is inconsistent with the secrecy with which the President may wish to conduct negotiations;

-- introduces administrative rigidities into the export control system;

-- dictates internal Executive branch procedures and decision processes, including setting a time limit on Presidential resolution of inter-agency disputes. Such provisions are inconsistent with the Constitution's grant of authority to the President to manage the internal operations of the Executive branch;

-- equates the U.S. Munitions List with the COCOM International Munitions List, thereby reducing Presidential discretion to determine what items should be considered "munitions" and whether certain items or technologies should be exported to unstable regions, such as the Middle East;

-- makes the provisions of the EAA self-executing which denies the responsible agencies the ability to implement the EAA in a balanced, effective, and integrated way. This limits the President's ability to balance competing national security and foreign affairs concerns; and

-- unnecessarily expands judicial review to all actions relating to the administration of the EAA. The courts can already consider actions relating to any illegal administration of the EAA. However, the bill inappropriately substitutes the courts for the Executive in resolving export control issues which require the evaluation and balancing of complex foreign affairs concerns.

The Administration urges Congress to enact only a simple one-year extension of the Export Administration Act.

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

September 10, 1990
(House)

Sent

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 4739 - National Defense Authorization Act
For Fiscal Year 1991
(Aspin D-Wisconsin and Dickinson R-Alabama)

The Administration submitted a fiscal year 1991 budget designed to ensure strong and capable military forces prepared to protect and advance American interests around the globe. That budget would maintain the U.S. capability to respond effectively to regional crises which threaten American interests, such as the current crisis in the Persian Gulf, and it takes account of the changes in the Soviet Union and eastern Europe.

In contrast, H.R. 4739 provides (1) insufficient funding for crucial strategic and conventional modernization programs; (2) insufficient funding and flexibility to pursue effectively the Strategic Defense Initiative (SDI); (3) insufficient troop levels to defend American interests; (4) insufficient flexibility for management of the reshaping of the armed forces, the defense civilian work force, and the defense base infrastructure; and (5) funding for items not needed for the national defense. The President's senior advisers would recommend that he veto the bill if it is presented to him in its current form.

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

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

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

-- Underfunds the A-12 Avenger carrier-based attack aircraft program that is essential to replacing the aging A-6 aircraft that provide the striking power for aircraft carrier battle groups.

-- Underfunds and over-restricts the C-17 cargo aircraft program that is crucial to maintaining the strategic airlift capability upon which America's ability to respond to regional crises substantially depends.

-- Underfunds and over-restricts the Advanced Tactical Fighter program that is essential to ensuring that the United States maintains air superiority in future conflicts.

The bill requires excessive cuts in military personnel. The Administration plans to carefully reshape the armed forces. However, the bill's single-year cut of 92,000 people, in addition to the Administration's reduction of 38,000, is inconsistent with the effective reshaping of the armed forces. So too is the arbitrary reduction of the number of general and flag officer positions. Moreover, the cut of 130,000 military personnel may create unforeseen risks during a period in which the United States has been forced to undertake substantial new overseas deployments to defend vital American interests in and around the Arabian Peninsula.

H.R. 4739 restricts the authority of the Secretary of Defense to reshape the armed forces, the Defense civilian work force and the defense base infrastructure. As the resources available for the national defense shrink, the Department of Defense's need for flexibility in administering the reduced resources becomes paramount. Enactment of the Administration's proposed "Defense Management Improvement Act," "Military Personnel Transition Assistance Act," and "Defense Base Consolidation Act" would provide that essential flexibility.

The Administration strongly opposes statutory micro-management of the Department's allocation of its scarce resources, such as the bill's certification and prior reporting requirements related to various procurement programs, and its restrictions on personnel and on the closure or realignment of unneeded bases. Congressional restrictions, such as the requirement to more than double the size of the Special Operations oversight staff, denies needed flexibility. As the reshaping of the force structure occurs, it is imperative that the Department of Defense has the flexibility to close or realign under-utilized or unneeded bases. H.R. 4739 would purport to require the Secretary of Defense to submit legislative proposals dealing with base closures. The Constitution confers on the President the power to submit such

legislative proposals as the President judges necessary and expedient. Thus, Congress may not require him to submit proposed bills.

It is critical that Congress not add low-priority or unneeded items to the defense budget. Thus, for example, the bill should not include funding for the V-22 Osprey aircraft program and for items which were not requested for National Guard and Reserve programs.

The bill would impose ill-advised, and in some cases constitutionally suspect, provisions that purport to limit the authority of the Executive Branch to deploy the armed forces. These include geographic and numerical restrictions on the deployment of personnel and equipment. Two provisions are of particular concern. First is the prohibition on fulfillment of the U.S. commitment to the NATO Alliance to base the 401st Tactical Fighter Wing at Crotone, Italy. Second is the requirement for "dual basing" of forces by assigning them within the United States and rotating them on a short-term basis through overseas deployments.

The Administration objects to sections 2811 through 2823 which grant the Department of Defense authorities for the disposition of Federally-owned real property. The provisions are at variance with existing law, particularly the Federal Property and Administrative Services Act of 1949, as amended. Of special concern is Section 2822 which would authorize the non-reimbursable transfer of property known as Barracks "K" in Arlington, Virginia. GSA's transfer of this property to the Navy was the subject of intense litigation. Changing the conditions of the transfer, as this section would, could be viewed as circumventing the underlying facts upon which the U.S. District Court based its decisions and could possibly result in additional litigation.

The Administration also objects to the provisions of H.R. 4739 which (1) require an unnecessary study of the safety of removing obsolete chemical weapons from the Aberdeen Proving Ground and Lexington Bluegrass Arsenal; (2) limit the discretion of the Director, Office of National Drug Control Policy, to direct programs with state and local law enforcement officials; and (3) limit the Secretary's ability to make resource allocations and contract policy decisions by transferring the decision whether or not to implement OMB Circular A-76 to local installation commanders.

Additionally, the Administration strongly objects to the following amendments:

-- The AuCoin-Machtley amendment which would require medical facilities of the uniformed

services outside the United States to perform abortions.

-- The Gilman amendment which includes the text of H.R. 2544 that allows Federal agencies to make Federal student loan payments on behalf of certain employees. The Department of Education has previously recommended that this provision be vetoed. Studies have indicated that forgiveness of loans has not been effective in inducing individuals to enter a particular profession. The Gilman amendment would set a dangerous and very costly precedent by allowing forgiveness for Federal civil servants in the Guaranteed Student Loan (GSL) programs, and it would lead to pressure for forgiveness for many other meritorious activities. Given the size of the GSL program, with $52 billion in loans outstanding, the potential cost to the Government is substantial. Also, the Federal Government should not be in a position of "rewarding" students who finance their education through student loans, and effectively penalizing students who choose work or savings to finance their post-secondary education.

-- The Bennett amendment which limits post-government employment opportunities. The amendment is unwarranted and inconsistent with the Ethics Reform Act principles of uniform treatment of employees in all agencies and is a prejudicial deterrent to the ability of the Administration to attract capable defense managers and administrators.

-- The Wyden amendment which would preclude the addition of any waste to single and double-shelled tanks at Hanford until two oversight boards certify that the risk of tank explosions is not credible. The Department of Energy (DOE) has already initiated detailed reviews related to tank safety. Use of certain double-shelled tanks is required for necessary waste processing. This provision is an improper use of the boards' statutorily-defined roles and functions, and it reduces their potential objectivity.

-- The second Wyden amendment under which the DOE would be required to reimburse local,

State and Federal environmental agencies for expenses related to the environmental oversight activities conducted pursuant to the Comprehensive Environmental Recovery, Conservation and Liability Act (CERCLA). Local governments do not have oversight authority under CERCLA, and under current law and Federal Facility Compliance Agreements, DOE provides for reimbursement of State oversight. The Administration believes that it would be inappropriate for another Federal agency to be required to augment Environmental Protection Agency (EPA) appropriations for EPA's activities; the authority already exists. The Administration is also opposed to similar requirements for EPA reimbursement in the Bustamante Amendment.

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

Sent 9/21/90 (House)
Sent 9/14

September 13, 1990
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 4793 - Small Business Reauthorization and Amendments Act of 1990
(LaFalce (D) New York and 42 others)

If H.R. 4793 is presented to the President containing Title II in its current form, the Secretary of the Treasury will recommend a veto. The Administration also opposes enactment of H.R. 4793 because it contains unrealistically high authorization levels and unnecessarily costly programs and requirements.

Title II of H.R. 4793 would permit certain SBA borrowers to prepay their borrowings from the Federal Financing Bank at substantially reduced premiums, and to finance up to $150 million per year of such prepayments with new loans fully guaranteed by the Government. The effect of Title II would be to allow a borrower to change the borrowing terms to which it had agreed when it is favorable to the borrower -- and therefore unfavorable to the Bank and American taxpayers -- to do so.

H.R. 4793 should be amended to authorize FY 1991 program levels consistent with the President's Budget. Specifically, the Administration recommends program levels of $5 million for 8(a) direct loans (with no authorization for other forms of direct loans); $3.83 billion for guaranteed loans; and $1.5 billion for surety bond guarantees. The FY 1991 authorization levels in H.R. 4793 exceed these amounts by $96 million, $440 million, and $300 million, respectively. H.R. 4793 also contains authorization levels for these programs for FYs 1992-94 at levels increasingly greater than those for FY 1991. The Administration recommends that these FY 1992-94 authorizations be deleted.

For the Small Business Development Center (SBDC) program, the Administration recommends authorization levels of $30 million for FY 1991 and $15 million for FY 1992. The Administration recommends deletion of section 103, which would extend the SBDC program beyond FY 1992. This program has attracted substantial funding from non-Federal sources and should be permitted to become independent of Federal funding at the end of FY 1992.

H.R. 4793 should also be amended to delete:

-- section 104, which would involve the Small Business Administration (SBA) in reforestation activities more

-- section 108, which would require that the Deputy SBA Administrator, currently appointed by the SBA Administrator, be appointed by the President;

-- sections 109 and 118, which would impose unnecessary delays on the Federal procurement process; and

-- Title III, which contains several costly and unnecessary mandates regarding small businesses in rural areas.

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

October 16, 1990 (SENT)
(House)

STATEMENT OF ADMINISTRATION POLICY

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

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

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

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

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

The United States cannot return to doing business as usual with China. The Administration will continue to press for the release of the estimated 300-400 political detainees resulting from the brutal suppression of the prodemocracy movement of June 1989. But a sound working relationship with China is still necessary so that issues of vital concern to us can be addressed.

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

October 22, 1990 (Sent)
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

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

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

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

-- implemented and faithfully executed measures that terminate specified repressive practices; and

-- adhered to the 1984 Joint Declaration on Hong Kong.

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

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

The United States cannot return to doing business as usual with China until a better human rights condition exists there. The

Administration will continue to press for the release of the estimated 300-400 political detainees resulting from the brutal suppression of the prodemocracy movement of June 1989. But a sound working relationship with China is still necessary so that issues of vital concern to us can be addressed.

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

October 1, 1990 Sent
(House)

STATEMENT OF ADMINISTRATION POLICY

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

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

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

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

Legal and Precedential Concerns

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

Unjustified Federal Contribution

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

Extinguishment of Claims

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

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

Fil (F)

STATEMENT OF ADMINISTRATION POLICY

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

October 12, 1990
(Senate Floor)

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

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

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

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

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

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

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

Attachment

(Senate Floor)

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

MAJOR PROVISIONS OPPOSED BY THE ADMINISTRATION

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

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

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

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

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

El Salvador

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

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

Reductions in the Economic Support Fund (ESF)

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

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

Unwarranted Increases in Other Programs

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

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

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

Provision Relating to U.N. Sanction Against Iraq

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

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

International Development Association (IDA) Lending to China

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

Aid to Cambodia

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

EBRD: Reduced Funding and Withholding of Obligations

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

Export-Import Bank

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

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

Operating Expenses for AID

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

Administrative Charges for Military Sales

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

Assistance to Eastern Europe

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

Human Rights Reporting

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

Assistance for Latvia, Lithuania, and Estonia

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

Proposed Language Regarding Sections 522, 555, and Other Provisions

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

Proposed Language Regarding Leveraging

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

Montreal Protocol

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

Restrictions on Assistance to Zaire

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

Excess Defense Articles

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

Inter-American Investment Corporation (IIC)

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

Conditioning Aid to Kenya

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

Military Aid Limited to Democratic Governments

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

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

STATEMENT OF ADMINISTRATION POLICY

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

(House Rules)
June 26, 1990

H.R. 5114 - FOREIGN OPERATIONS, EXPORT FINANCING AND RELATED PROGRAMS APPROPRIATIONS BILL, FY 1991
(Sponsors: Whitten (D), Mississippi; Obey (D), Wisconsin)

At this stage of the process, the Administration supports passage of H.R. 5114, the Foreign Operations, Export Financing, and Related Programs Appropriations Bill, FY 1991, as reported out of the full Appropriations Committee, provided that amendments designed to change current United States policy regarding overseas family planning activities are not added to the bill. Any amendment that would weaken or circumvent the current Kemp-Kasten provision or the Mexico City policy would result in the President's senior advisors recommending veto. The President vetoed last year's bill because it contained an unacceptable provision relating to the United Nations Population Fund (UNFPA).

H.R. 5114 contains a number of provisions that reflect a solid bipartisan approach to foreign policy. Some of these provisions support emerging democracies in Eastern Europe, Latin America and elsewhere. The bill also provides key assistance for the Andean countries engaged in fighting narco-traffickers. The Administration is also pleased by the much-reduced level of earmarking in the security assistance appropriations.

Further, compromises were reached in Committee that provide some additional funding over subcommittee levels for the World Bank and Foreign Military Financing. The Administration will continue to work with Congress to achieve funding levels for these programs and for others that more accurately reflect Administration priorities.

With regard to El Salvador, the House Leadership and the Administration are discussing this matter in an effort to reach a bipartisan U.S. policy that will support a cease-fire and a negotiated solution by the parties in the civil war. The Administration is encouraged by this effort to fashion a unified policy approach. However, should the final bill contain the provision on El Salvador, Section 531 as reported from the Committee, when it is presented to the President, his senior advisors would have to recommend veto.

Finally, there are a number of other provisions in the bill as reported by the Committee that are objectionable because they impair the President's ability to conduct foreign policy. These include the Notification to Congress on Debt Relief Agreements and the restrictions on assistance to the Cambodian Non-Communist Resistance. On these issues, the Administration would support modifications of the bill to make it more in accord with current U.S. policy.

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

July 13, 1990
(House Floor)

STATEMENT OF ADMINISTRATION POLICY

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

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

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

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

-- Fail to authorize the President's Magnet Schools of Excellence proposal. Magnet Schools are an effective way to improve the quality of education and increase parental choice.

-- Authorize a Presidential Schools of Distinction program (in place of the Administration's Merit Schools) that restricts participation to schools participating in Chapter 1 programs. This would exclude thousands of schools that could benefit from these initiatives.

-- Establish a number of new, cumbersome and unjustified requirements for adult literacy programs. Some of these new requirements -- establishment of an Interagency Task Force on Adult Literacy and a National Institute for Literacy -- raise constitutional concerns. They also duplicate existing activities or authorized programs. For example, the requirements for "Gateway Grants" and State advisory boards on literacy are totally unnecessary for the improvement of literacy. The creation of a new grant program solely for commercial driver adult education is also unnecessary.

-- Authorize a number of poorly designed mechanisms to recruit and retain teachers. The proposal to provide a separate Perkins loan cancellation program for students who plan to

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

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

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

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

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

The Administration reserves comment on the other proposed amendments.

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

STATEMENT OF ADMINISTRATION POLICY

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

(Senate Floor)
October 3, 1990

H.R. 5158 -- DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, FY 1991

(Sponsors: Byrd (D), West Virginia; Mikulski (D), Maryland)

The Administration supports the timely passage of appropriations bills under the terms of the Budget Summit Agreement. However, the President's senior advisers will recommend that the President veto any appropriations bill that is not fully consistent with the Agreement. This statement provides views on the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Bill, FY 1991, as reported by the Senate Committee.

The Administration opposes in the strongest possible terms the provisions in the Senate Committee bill that do not support the President's housing goals and severely limit the exercise of executive authority by the Secretary of Housing and Urban Development. The President's senior advisers will recommend a veto of the bill unless these and the other issues discussed below are addressed.

The bill fails to appropriate funds for the President's HOPE initiative, which would enable low-income persons to take control of their lives through homeownership. The HOPE homeownership program has been endorsed in both the Senate and House versions of the housing authorization bill; yet HOPE remains unfunded while other new and not yet authorized programs are funded.

While not funding the new HOPE program, the bill continues the failed public housing production programs of the past by funding 10,000 units of new public housing construction.

The bill codifies the program guidance in Committee and Conference Reports into law. Given the level of detail in the Reports, the effective result is that the Committee would unconscionably usurp Executive Branch management discretion. Furthermore, asking Members of Congress and the Administration to accept such codification of reports that are not even written, such as the Conference Report, is unacceptable.

The Administration opposes the overall funding level provided by the Committee for NASA. The Committee's action would reduce the President's request by $1.7 billion, to a level that would have a major adverse impact on a wide variety of NASA programs. Specifically, the Administration strongly opposes the reduction of nearly $864 million in funding for Space Station Freedom -- a reduction of 35 percent from the request of $2.5 billion. The Committee's proposed level is $164 million lower than the FY 1990 enacted amount of $1.7 billion. This reduction would force a major restructuring of the entire program with substantial delay -- perhaps years -- in the launch of the first Station elements, with large attendant cost increases. In addition, the Committee proposes to delete funding for critical Space Station facilities and for the development and support of Space Station experiments. The Committee's action is inconsistent with prior-year actions that have provided appropriations of $3.8 billion for development of the Space Station.

The Administration opposes the Committee's reduction of $361 million for the President's Space Exploration Initiative. This action would mean the elimination of all proposed new funding. It would also seriously erode ongoing efforts in critical technology areas essential to the nation's future competitiveness, such as advanced power, robotics, and the National Aerospace Plane program.

The Administration opposes the establishment of a new $100 million agency -- the Commission on National Service. The creation of the Commission institutes the provisions of S. 1430, the National and Community Service Act of 1989, which has not yet been authorized by Congress. The provisions of S. 1430 are fundamentally incompatible with the President's concept of volunteer service. Previous Statements of Administration Policy have indicated that if S. 1430 were presented to the President, his senior advisers would recommend that the bill be vetoed. The Senate is urged to delete this item from the bill.

The Administration opposes the $124 million reduction in the Environmental Protection Agency's Superfund program and the reallocation of an additional $45 million from critical site cleanup work to low-priority activities. These actions would undermine the Administration's efforts to accelerate cleanup of the nation's worst hazardous waste sites and would unnecessarily extend the risks posed by these sites to public health and the environment.

The Administration opposes the elimination of funding for the Federal Emergency Management Agency's Disaster Relief fund, which the Administration considers to be a budget gimmick. The President requested $270 million, which is the historical average, as well as a reasonable level, for disaster relief, given the highly unpredictable level of disaster relief necessary in any year. Although a carryover balance remains in the fund,

it is likely to be insufficient to meet the remaining needs associated with the 39 disasters occurring since Hurricane Hugo and to meet potential needs resulting from new disasters in FY 1991. If insufficient funds are provided, an emergency supplemental appropriation would be required. This process must be avoided if the Federal government is to provide a timely response to human needs in the event of disasters.

These reductions to the Administration's proposals are of particular concern in light of the Committee's additions to a variety of other programs. Many of these programs are low-priority and were not requested in the President's Budget.

The Administration strongly opposes the establishment of new Special Project Grants within the Department of Housing and Urban Development (HUD). These grants, totaling $50 million in FY 1991, would be made by the Appropriations Committees to specifically named projects throughout the nation. The Congress, in enacting the "Department of Housing and Urban Development Reform Act of 1989," has begun to restore the public's faith in the open and fair distribution of funds by HUD without "influence peddling." Congress' appropriating funds for particular projects is completely inconsistent with this law and undermines our joint efforts to restore public confidence in HUD.

The Administration opposes the $527 million increase over the President's request for Environmental Protection Agency construction grants for municipal wastewater treatment facilities. The President's request of $1.6 billion would provide capitalization for State revolving funds adequate to return responsibility for sewage treatment funding to States and localities in order to meet municipal compliance requirements. Additional funding is not needed.

The Administration opposes the restrictions on specific staff levels for the Department of Housing and Urban Development, the National Aeronautics and Space Administration, and the Environmental Protection Agency. These limiting provisions severely impinge on the flexibility of the affected agencies to allocate staff resources and carry out programs efficiently. The Senate is urged to delete these limitations.

The Committee proposes to fund Antarctic activities with a separate appropriation using National Defense (function 050) funds. National Science Foundation Antarctic operations are not defense-related and should be funded with resources allocated for domestic discretionary programs.

Attachment

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, FY 1991

MAJOR PROVISIONS OPPOSED BY THE ADMINISTRATION

A. Funding Levels

Federal Deposit Insurance Corporation:

FSLIC Resolution Fund. The Committee provided a $4.4 billion definite appropriation for the FSLIC Resolution Fund. The Administration supports the House version of this appropriation, which gives the FSLIC Resolution Fund a current indefinite appropriation. Flexibility is required because of the substantial uncertainty about the timing and magnitude of payments on past FSLIC agreements and potential restructuring. The Administration is prepared to work with the Congress to maintain appropriate oversight of these expenditures without impeding the Federal Deposit Insurance Corporation's ability to minimize taxpayer costs for these Federal obligations.

National Science Foundation:

Science and Engineering Education Programs. The Senate would fund the National Science Foundation (NSF) at $2.3 billion -- $19 million below the President's request. The Senate has increased the Foundation's education programs at the expense of support to individual researchers. The level of funding proposed by the Senate for education programs represents a 58 percent increase over the FY 1990 level, at a time when there are some indications that the rate of research grant awards to individual investigators may be declining. Funds for individual investigators have always been the backbone of American science and the source of America's new knowledge. The Senate's cut in this area is regrettable and would only contribute to the decline in the rate of funded research grants. The Senate is urged to fund NSF at the President's request and to support individual researchers.

Department of Housing and Urban Development:

Public and Indian Housing. The Administration objects to the increase of $967 million for 13,000 new construction units of public and Indian housing. The President's budget provides no funding for such new construction because tenant-based housing vouchers and certificates, which utilize existing private rental housing, can provide housing at less cost and with more choice to tenants. For the same $967 million, the President's Budget proposal would fund over 33,000 housing vouchers -- assisting over two and one-half times as many families.

Nehemiah Grants. The Administration objects to the level of funding provided for Nehemiah grants. The goal of promoting more homeownership opportunities is better met by funding HOPE grants.

Public Housing Modernization. The Administration objects to the Senate's funding level of $2.8 billion for public housing modernization -- $0.9 billion more than the President's request and $0.8 billion over the FY 1990 funding level of $2.0 billion. With $3 billion in unspent funds available for modernization needs, a $0.9 billion increase above the request is excessive.

Payment for Operation of Low-Income Housing. The Administration objects to funding public housing operating subsidies at $2.0 billion, which is $0.2 billion more than the President's request. The Senate should fund public housing operating subsidies at the President's request, which would already provide 100 percent funding for this formula-driven discretionary account.

Subsidized Housing -- Prepayment Assistance/Section 8 Loan Management. The Senate bill does not provide a specific appropriation for preserving affordability for low-income tenants who may be affected by prepayment of HUD subsidized rental housing. The President proposed $412 million for a three-pronged approach. This would provide: 1) the opportunity for current residents to purchase their buildings and become homeowners; 2) limited financial incentives to owners to help keep rental housing affordable to lower-income families; and 3) vouchers or certificates to tenants who do not purchase their project and are adversely affected by prepayment. The Senate bill provides, instead, $441 million for Section 8 loan management assistance, four times more funding than

proposed by the President. The Senate report references this subsidy as the principal form of prepayment assistance. However, this assistance, which has traditionally been used for preventing defaults of FHA-insured rental housing, could not be given to resident groups to purchase their projects and become homeowners. Nor could this assistance be given to low-income tenants who live in projects that are prepaid, thereby requiring them to pay more in rent or be displaced from their homes. The Senate is urged to follow the President's three-pronged approach.

Section 202 Elderly and Handicapped Housing. The Senate bill provides over $1.3 billion for 12,000 units of new construction for elderly and handicapped housing -- $0.4 billion more than requested by the President. The Senate bill does not assume any funding for leasing of existing housing. The Administration proposed to fund approximately 3,000 of the total 6,967 units requested through leasing of existing housing. The Administration believes that leased housing provides greater flexibility at less cost than new construction in providing housing for the elderly and handicapped.

In addition, the bill prescribes a specific new set-aside within handicapped housing of $156 million for 500 units for persons disabled with the human immunodeficiency virus. Set-asides for specific diseases are undesirable and set a bad precedent for additional set-asides for other specific groups in the future, thus undermining the entire allocation process.

Subsidized Housing -- Section 8 Property Disposition. The Senate provides over $0.5 billion for costly, project-based, Section 8 property disposition subsidies, which are used for disposing of HUD-acquired multi-family properties. This is $0.2 billion more than requested in the President's Budget for assistance to sell acquired properties. Rather than seeking project-based Section 8 property disposition rental assistance, the President's Budget proposes to assist tenant groups to help them acquire properties from HUD and turn these properties into homeownership cooperatives.

Homeless Programs: HUD, VA, FEMA. The Administration supports the funding provided by the Senate for McKinney Act homeless programs in VA, HUD, and FEMA. Due to lack of authorization, the Senate bill does not

provide funds for HUD's new HOPE initiative to assist the homeless. The Administration asks for full support of this vital new program for the homeless as soon as it is authorized.

Community Development Block Grants. The Administration objects to the $3.2 billion funding level provided for Community Development Block Grants (CDBG) in the Senate bill. While the Administration recognizes the importance of the CDBG program to States and local communities, the $2.8 billion requested in the President's Budget is a fiscally responsible level given the need to constrain federal spending and reduce the deficit.

The Administration opposes the $250 million loan limitation for Section 108 loan guarantees. The President's Budget proposed termination of this program because it encourages risky loans. Local communities eligible for this program already have the ability to borrow funds on a tax-exempt basis. In contrast to loan guarantees, tax-exempt borrowing provides some market discipline (credit rating effects) on the risk local governments will accept.

Urban Homesteading. The Administration objects to the level of funding provided for the Urban Homesteading program. The $13 million Senate funding level falls $37 million short of the $50 million requested for this program. This program successfully provides low- and moderate-income families with homeownership opportunities while also reducing the inventory of Federally owned properties, both important goals of this Administration.

Policy Development and Research -- Research and Technology. The Senate level provides only $27 million of the $48 million requested by the Administration for research, evaluation, and monitoring of HUD programs. The increase requested by the Administration to support program evaluation and monitoring is an integral part of the Administration's commitment to reforming the Department.

Congregate Services. The Senate funding level assumes $12 million in continued funding for the Congregate Services program, which is double the 1990 enacted level. The President's Budget proposed to terminate this program. In its place, the President proposed a $44 million demonstration project that would link housing vouchers and supportive services for the frail elderly. The Senate is urged to fund the President's proposal.

Salaries and Expenses. The Senate increases staffing by over 400 FTE and funding by $22 million through two actions: a $6 million increase in directly appropriated funds and a $16 million increase in the transfer from FHA. The Senate also mandates specific resource levels for particular offices and activities. This action is objectionable because it would result in the unwarranted micromanagement of HUD programs.

Environmental Protection Agency:

Inspector General. The Administration opposes the $5 million reduction in the Inspector General account. This will greatly hamper the Inspector General's efforts to eliminate fraud, waste, and abuse which have historically recovered over $20 in costs for each audit dollar spent.

Operating Program. The President's request included a $230 million increase over FY 1990 for EPA's operating program (Salaries and Expenses, Abatement Control and Compliance, Research & Development, etc.) to fund Clean Air Act implementation and high-priority initiatives such as enhanced enforcement. The additional $71 million above the request provided by the Senate is not necessary to carry out EPA's statutory mandates and would fund activities that are primarily State and local responsibilities (e.g. implementation of the non-point source program). Particularly objectionable are the increases that would fund numerous low-priority and special-interest projects at a time when the Senate is reducing funds for Superfund cleanups. The Senate is urged not to fund special interests at the expense of the health and safety of Americans.

Federal Emergency Management Agency:

Flood Insurance Program. The Administration is fully willing to provide the Appropriations Committee with additional information to support the President's proposal to collect $57 million in administrative costs of the flood insurance program from policy holders. However, the Administration objects to the effort, through report language, to hamper FEMA's ability to set premium rates for this program. The flood insurance program benefits its policy holders directly, and it is reasonable that they should bear the administrative costs. This proposal would improve the financial soundness of the flood insurance fund

and help ensure that fund resources are adequate to meet future Federal obligations incurred by this program.

Department of Veterans Affairs:

Veterans Benefits Administration. The Administration supports the Committee's deletion of language earmarking staffing and funding levels in the Veterans Benefits Administration, within the Department of Veterans Affairs' General Operating Expenses account. However, the Administration objects to several reductions in that account and to corresponding increases in the Medical and Prosthetics Research account. The Administration believes that these increases are not necessary, because VA researchers have been increasingly successful in receiving research grants from the National Institutes of Health, other Federal agencies, and the private sector. The $28 million above the President's request ($10 million above the House mark) is simply not necessary to sustain the VA research program. By contrast, the $23 million reduction in automated data processing, general administration, and National Cemetery System operations, as well as an additional unspecified $12 million reduction, would hamper the Secretary's ability to update outdated benefit delivery systems and effectively deliver benefits.

Grants for Construction of State Extended Care Facilities. The Administration objects to the addition of $28 million to the President's request of $42 million for this program. While the Administration supports increasing the number of state veterans' nursing homes, the request will provide sufficient program expansion during FY 1991.

Minor Construction. The Administration objects to the $15 million reduction in the President's request for minor construction. This reduction will hamper VA's effort to maintain and modernize VA medical centers, regional offices and national cemeteries through smaller renovation and maintenance projects.

Major Construction. The Administration objects to the $14 million reduction for the Indianapolis VA Medical Center's Clinical Improvements project. This project was included in the President's Budget at a cost of $79 million, which would fully finance the complete cost of construction. The Committee's action would not provide full funding, thus understating the

Federal government's true obligation for this project. In addition, the Administration objects to the addition of $7 million in the bill for unrequested major construction projects. The addition of unrequested projects ignores VA's orderly system for setting priorities and planning for construction projects, particularly cemetery projects which are inconsistent with VA's regional cemetery policy.

B. Language Provisions

Environmental Protection Agency:

Hazardous Substance Superfund. The Committee bill proposes deriving $861 million of Superfund funding from general revenue instead of from the trust fund. General fund appropriations are not needed to finance the program in FY 1991, and their use for this purpose would be inconsistent with the principle that the polluter pays the cost of cleanup. The Superfund has already received a total of $1.1 billion in non-trust fund financing, including $734 million in borrowing from the general fund. If any additional general fund contribution is to be provided, it should be directed toward repayment of past borrowing, to ensure compliance with the statutory mandate to repay all borrowing by December 31, 1991.

The Administration objects to language in the Senate report that would earmark $5 million to the Koppers Texarkana (TX) Superfund site for relocation assistance that is currently unwarranted. Federal actions already taken at this site, including removal actions, have eliminated any immediate threat to public health. Provisions mandating site-specific cleanup remedies undermine comprehensive Federal government efforts to carry out an effective cleanup program.

Personnel Ceilings. The Administration objects to the inclusion in the Senate bill of specific staff levels for EPA headquarters offices. This kind of congressional micromanagement removes the necessary flexibility to allocate staff resources to the most pressing needs. The Senate should delete this language.

Department of Housing and Urban Development:

Departmental Management. The bill contains various provisions that would micro-manage the Department, severely impinging on the Secretary's management discretion. Language in the bill sets maximum ceilings of staff for the Secretary's immediate office and other offices as small as 15 people within the Department. The bill also sets a floor on the staff-years for multifamily insured mortgage programs. Other provisions limit the travel of the Secretary and his Departmental offices, abolish the Office of Public Affairs and prohibit the transfer of its functions to other parts of the Department, and prohibit staff details within the Department to the "Departmental Management" activity. These prescriptive and limiting provisions will hamper the efforts of the Secretary and his staff to manage the Department and to respond quickly and flexibly to emerging problems. The Administration strongly opposes these limitations.

Federal Housing Administration -- General and Special Risk Funds. The Senate has rejected an FHA budgetary reform, proposed by the President, to split the FHA into two separate funds. The purpose of the proposed separation is to present more accurately the costs and operating results of the various funds and to facilitate more informed decisionmaking concerning FHA programs. Continuing to present the FHA as one fund simply masks the agency's true financial condition and makes it more difficult to track the performance of FHA programs. The Senate should adopt this technical reform proposal.

Federal Housing Administration: Mutual Mortgage and Cooperative Housing Insurance Fund. The Senate bill includes language to continue the current loan limit in high-cost areas of $124,875 in FY 1991. Such a provision should be considered as part of housing and community development authorizing legislation, which is currently being considered by the House and Senate.

Section 202 -- Elderly and Handicapped Program. The Administration opposes the use of rental assistance funds to cover supportive services in these projects. The costs of these services can be funded through other sources, such as HHS programs.

Section 8 Fees for Certificates and Vouchers. The Administration opposes the provision in the bill that raises administrative fees paid to local housing authorities from 7.65 percent to 8.2 percent. Recent

research by GAO and HUD has determined that the current fee of 7.65 percent is sufficient to cover the costs of the local housing authorities.

Administrative Provisions. The Administration objects to nine HUD administrative provisions. One provision forgives one specific household for a section 312 loan. This and other provisions set a bad precedent of micromanaging HUD programs that could lead other communities to seek similar exceptions to HUD program requirements. The Senate should delete these administrative provisions.

Department of Veterans Affairs:

Medical Care. The Administration supports the Committee's deletion of the restrictive House language that would have earmarked $7.9 billion for personnel compensation and benefits in the Medical Care program. However, we continue to object to the restriction delaying the availability of equipment funds until August 1991. This restriction would infringe upon executive management of the medical care system and would delay the purchase of medical equipment needed to maintain high quality health care for our nation's veterans.

National Aeronautics and Space Administration:

Administrative Provisions. The Administration strongly opposes the restrictions on the number of staff years allocated for individual offices within NASA and particularly opposes the restriction on the detailing of NASA employees to other offices within NASA. This action does not recognize the necessity for flexibility in the assignment of personnel during the year, and would severely and unacceptably restrict the agency's ability to carry out its programs efficiently. The Senate is strongly urged to delete this provision.

Federal Emergency Management Agency:

National Fire Academy. The Administration objects to the bill language transferring direction of the National Fire Academy to the U.S. Fire Administration. This provision constitutes an unwarranted intrusion into the prerogatives of the Executive Branch to manage and administer programs as it determines is most appropriate.

National Science Foundation:

Program Development and Management. The Administration opposes the Senate Committee provision that prohibits the National Science Foundation from relocating from its current location. Efforts have been under way for several years, with the approval of the Committee on Public Works, to move NSF. It would be inappropriate to stop the move at this time since arrangements for relocation of the headquarters are almost completed.

General Provisions:

Section 509. The Administration opposes the provision that would restrict funds appropriated for personnel compensation and benefits from being used for otherwise authorized purposes. This Congressional micromanagement would infringe upon the authority of the Executive Branch to operate government programs and hamper efforts to manage funds efficiently. The Senate should delete this provision.

Section 518. The Administration objects to the language found in section 518 of the appropriations bill, which prohibits VA from entering into lease arrangements above $50,000 unless specifically provided for in Appropriation Acts. This language would restrict the Secretary's ability to manage the Department's programs and activities in the most efficient and effective manner.

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

Pulled

September 20, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 5178 - Providing Federal Oil and Gas Receipts to the State of California
(Lagomarsino (R) CA, Thomas (R) CA, and Matsui (D) CA)

The Administration opposes enactment of H.R. 5178. The bill would mandate the unjustified payment of as much as $45 million in 1990 and $400 million over the next decade to California from funds generated by the United States' Elk Hills Naval Petroleum Reserve. These funds are intended to compensate the State for certain school land grants which did not vest with the State as a result of the creation of the Elk Hills Reserve. The State has refused the Federal Government's offer, made under applicable law, of substitute lands of equal acreage -- the same right afforded all other States awarded school land grants.

The Administration opposes H.R. 5178 because:

-- the State's right to compensation is questionable at best. Federal courts have twice ruled against the State's claim to the disputed lands;

-- the bill would settle a matter currently in litigation in a manner which is detrimental to the Federal Government;

-- the bill would establish an undesirable precedent for settling State school land grant claims; and

-- the bill would adversely affect the President's proposal to lease the Reserve and use the resulting revenues to create and fund a Defense Petroleum Inventory.

The Administration is willing to resolve this issue in the context of the proposal to lease the Reserve.

For these reasons, if H.R. 5178 is presented to the President in its present form, the Secretaries of Energy and Defense would recommend that he veto the bill.

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

September 24, 1990 (Sent)
(House)

STATEMENT OF ADMINISTRATION POLICY

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

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

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

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

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

STATEMENT OF ADMINISTRATION POLICY

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

August 2, 1990
(Senate Floor)

H.R. 5229 - DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1991
(Sponsors: Byrd (D), West Virginia; Lautenberg (D), New Jersey)

The Administration continues to oppose Congressional action on appropriations bills in advance of a budget summit agreement. Such action could unnecessarily and perhaps harmfully complicate implementation of a final budget resolution that reflects the agreement. However, inasmuch as Congress is apparently going to take action, the Administration will express its views on these bills. This statement expresses the Administration's views on the Department of Transportation and Related Agencies Appropriations Bill, as reported by the Senate Appropriations Committee.

Consistent with the Administration's concern that appropriations action could complicate implementation of the Budget Summit Agreement, the President's senior advisors would recommend that he veto any appropriations bill that exceeds the President's request for either budget authority or outlays if that bill is presented to him before the completion of the Summit.

The Senate Committee bill would increase total budgetary resources (including limitations on obligations) by over $4 billion above those requested by the President in the fiscal year 1991 Budget. The FY 1991 outlay effect of this significant increase is over $1 billion. Furthermore, this large increase in budgetary resources would increase outlays significantly in FY 1992 and thereafter. In particular, the $2.5 billion in additional budgetary resources provided for the highway program would increase outlays in FY 1992 by over $1.3 billion.

The Committee continues to add special funding, outside the regular Federal-aid highways program, for highway demonstration projects. In this bill alone, the funding for these projects is $300 million. This $300 million is in addition to the $178 million authorized in FY 1991 for special projects designated in

section 149 of the 1987 Surface Transportation Act, making a total of $478 million. Should the final appropriations act contain all of the Senate and House demonstration projects, the total cost in FY 1991 alone would be over $717 million. Continued Congressional earmarking would further erode the ability of State transportation planners to make sound transportation decisions, would distort the apportionment formulas, and would reduce equity among the States.

The Administration objects to the $165 million provided by the Committee to initiate a new rail electrification project on the Northeast Corridor that would require a multi-year program and up to $600 million to complete. The Northeast Corridor Improvement Program has fulfilled its original mandate to renovate the Corridor. New projects on the Corridor should be justified and financed as are other Amtrak capital projects -- evaluated and authorized by Amtrak's Board of Directors and financed through available corporate funds. Finally, the Senate Committee has used a budget gimmick to shift outlays associated with the new program from FY 1991 to FY 1992.

The Senate assumes the use of $300 million of Department of Defense appropriations to fund services for the Coast Guard. The Administration strongly opposes the practice of diverting funds from needed Department of Defense programs to augment inadequate appropriations for the Coast Guard.

Although the Senate Committee provides $101 million more than the House to fund FAA's modernization of air traffic control equipment, the Committee bill reduces funding for facilities and equipment by a net $260 million below the President's request. The Senate is urged to fund fully the FAA facilities and equipment account.

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

Attachment

(Senate Floor)

H.R. 5229 - TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1991

MAJOR PROVISIONS OPPOSED BY THE ADMINISTRATION

A. Funding Levels

Coast Guard

Use of Department of Defense Appropriations to Fund the Coast Guard. The Senate assumes that $300 million of Department of Defense appropriations would be used to fund Coast Guard programs. The Administration strongly opposes the practice of diverting funds from needed Department of Defense programs to augment inadequate appropriations for the Coast Guard.

Federal Aviation Administration (FAA)

Facilities and Equipment. The Senate Committee bill reduces funding for Facilities and Equipment by a net $260 million below the President's request. This reduced level of funding would delay modernization of the air traffic control computer system. The cuts for the Advanced Automation System, as well as other projects, would cause contract delays that would result in increases in future project costs.

Federal Highway Administration (FHWA)

Federal-aid Highways Obligation Limitation. The Administration strongly opposes the Federal-aid highway obligation limitation of $13.8 billion, which is 15 percent higher than in FY 1990 and the highest level in the history of the program. This limitation, together with exempt obligations, would increase outlays over the President's request by $400 million in FY 1991.

Section 105(f) Bonus Provision. The Administration objects to language included by the Senate Committee for the Section 105(e) and (f) bonus provision because it would provide additional obligations of $179 million over the obligation limitation set for the given year. The bonus provision would permit fast-spending States to obligate up to five percent of their unobligated balances.

Highway Demonstration Projects. Funding for demonstration projects has reached an all time high of $300 million in the Committee reported bill. This is a fifteen fold increase from the 1987 Senate appropriations bill. Should the final appropriations bill contain the combined House and Senate earmarkings, the total bill will be almost $540 million, more than double the amount for demonstration projects in last year's appropriations act.

Urban Mass Transportation Administration (UMTA)

Formula Grants. Formula operating subsidies are funded at $504 million above the President's request and are available to all urban areas regardless of population. The additional funding would be made available to cities of over one million in population. The Administration has proposed eliminating operating subsidies for these cities since Federal subsidies constitute, on the average, less than six percent of their total operating budgets.

Washington Metro. The Senate Committee provides $64 million for the Washington Metro. Although the Administration agrees with the Senate's decision not to appropriate funds beyond the current authorization, the Senate funding level is still $26 million above the President's request. The President's request of $38 million is consistent with the 1986 full funding agreement and is sufficient to meet the FY 1991 cost associated with construction of the 89.5 mile system.

Federal Railroad Administration (FRA)

Amtrak. The Senate Committee provides $620 million for Amtrak. The President's budget requested that Federal subsidies to Amtrak be terminated. Given competing demands for higher-priority programs, Amtrak must move toward self-sufficiency. The Administration also opposes the Committee's action to split Federal support to Amtrak into two appropriations. Separate appropriations are unnecessary and would mask the total cost to the taxpayer of intercity rail operations.

Northeast Corridor Improvement Program, and Local Rail Freight Assistance. The Administration objects to the $165 million provided for the Northeast Corridor Improvement Program and the $12 million provided for the Local Rail Freight Assistance Program in the Senate bill. These programs are unnecessary, and no funding was requested in the President's budget. There is no national need for or interest in the projects supported by these programs.

Section 511 Loan Guarantees. The Senate Committee provides $100 million in section 511 loan guarantee authority. Given the availability of private financing, providing new guarantees under this program is unnecessary. Past Department of Transportation appropriations acts have expressly prohibited new loan guarantees.

Office of the Secretary

Rent Payments. The Senate Committee bill provides a separate appropriation, funded at $107.7 million, to finance the Department of Transportation's rent payments. This is $11.8 million below the FY 1991 estimate of rent payments due to the General Services Administration. Funding rent payments through the modal administrations is preferable to funding in one appropriation, as provided by the Committee. The combination of the underfunding and the separate appropriation would prevent the Department from paying its Standard Level User Charge bill in 1991.

B. Language Provisions

Urban Mass Transportation Administration (UMTA)

Sec. 338: Phoenix, Arizona. Section 338 is a substantive provision which seeks to modify the Urban Mass Transportation Act (UMT Act) by allowing the City of Phoenix to enter into a labor agreement that could require future mass transit contractors to retain the labor force employed by previous contractors with the same rights and benefits that the labor force had previously acquired. This arrangement would inhibit private-sector participation in the provision of services and constrain free and open competition. Finally, this provision would extend transit employee protection safeguards beyond their original intent.

Limits on competition and private-sector participation would be in violation of the UMT Act competitive procurement and private sector requirements. The Act mandates compliance with these requirements before recipients are eligible for Federal operating and capital assistance.

Micromanagement Provisions

Federal Aviation Administration

Increase in Pay Demonstration Areas. The Senate Committee bill proposes increasing the number of areas included in FAA's pay demonstration project. This

action is inappropriate and contrary to good management, and it would set a precedent for statutory designation of facilities for special pay treatment.

Upgrade of Facilities. The Senate Committee bill proposes upgrading the level of certain facilities in the New York area. FAA has established procedures for determining the appropriate level of air traffic facilities. The Senate Committee action impedes FAA administrative and managerial control and adversely affects recruitment efforts at the New York Terminal Radar Approach Control facility (TRACON).

Letter of Intent Approval. The Administration is concerned about a general provision requiring that all airport grant letters of intent greater than $10 million be submitted for approval to four Congressional Committees. In granting authority and making appropriations, the Congress, by law, may not reserve to its committees veto power over appropriations (See INS v. Chadha, 462 U.S. 919 (1983)). The Constitution provides that the President shall take care that the laws are faithfully executed. The Executive Branch routinely provides committee notification and the consultation that interbranch comity requires in matters in which Congress has indicated a special interest.

Urban Mass Transportation Administration (UMTA)

"Major Capital Investment Projects" Notice of Proposed Rulemaking (NPRM). The Administration objects to the prohibition on using UMTA funds to implement or enforce the "Major Capital Investment Projects" NPRM. Any concerns regarding the effects of the NPRM should be addressed through the regulatory process and not by blocking its implementation.

Office of the Secretary

The Senate limits to 120 the number of political and Presidential appointees in the Department of Transportation. The Administration objects to such limitations since they interfere with Executive Branch management discretion.

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

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STATEMENT OF ADMINISTRATION POLICY

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

(Senate Floor)
August 3, 1990

H.R. - 5241 DEPARTMENT OF THE TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS BILL, FY 1991
(Sponsors: Byrd (D), West Virginia; DeConcini (D), Arizona)

The Administration continues to oppose Congressional action on appropriations bills in advance of a budget summit agreement. Such action could unnecessarily and perhaps harmfully complicate implementation of a final budget resolution that reflects the agreement. However, inasmuch as the Senate is apparently going to take action, the Administration will express its views on these bills. The purpose of this Statement is to express views on the Department of the Treasury, Postal Service, and General Government Appropriations Bill, FY 1991, as reported by the Committee.

Consistent with the Administration's concern that appropriations action could complicate implementation of a budget summit agreement, the President's senior advisors would recommend that he veto any appropriations bill that exceeds the President's request for either budget authority or outlays if that bill is presented to him before the completion of the Summit. Upon careful review of the Committee bill, we find that the bill is slightly below the President's request in both budget authority and outlays.

However, the Administration has strong concerns about several specific provisions in the bill.

The Senate bill includes language that would prohibit the use of funds appropriated, or made available in any Act, for issuing accounting standards that are inconsistent with standards issued under section 3511 of title 31, United States Code. The Administration strongly objects to this language. Negotiations are under way between the Office of Management and Budget and the General Accounting Office to resolve the matter, which is one that should be resolved through the authorization process. The Administration hopes that these discussions will result in the Committee deleting the provision. In the event that the provision remains in the bill, the President's senior advisors would have no alternative but to recommend that he veto the bill.

The Committee funded the Internal Revenue Service (IRS) at $250 million below the President's request for the Tax law enforcement account. The Senate Committee's action would require the IRS to curtail and delay crucial revenue-producing activities, such as the revenue initiative proposed in the President's Budget. This would result in a loss of $537 million in receipts. About 1,300 staff years in base enforcement programs would also have to be cut, resulting in further revenue loss.

In order to fund the IRS at the level requested by the President, the Senate is urged to consider the Postal Service Revenue Foregone reforms identified in a Postal Rate Commission study and included in the President's request. Taxpayers are unknowingly subsidizing the mailings of prestigious professional trade organizations, very profitable business seminar companies, and advertisers (travel agents, insurance companies, etc.) who "piggy back" onto reduced rate mail sent by universities and other non-profit organizations. The Senate is urged to pass a bill consistent with the Postal Rate Commission's proposals.

These and other Administration concerns about this bill are outlined in the attachment.

Attachment

(Senate Floor)
August 3, 1990

H.R. - 5241 DEPARTMENT OF THE TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS BILL, FY 1991

MAJOR PROVISIONS OPPOSED BY THE ADMINISTRATION

A. Funding Levels

Department of the Treasury:

Internal Revenue Service (IRS). The Senate Committee has funded the IRS at $250 million below the President's Budget request for the Tax law enforcement account. The Senate Committee action will require the IRS to curtail crucial revenue-producing activities, such as the revenue initiative proposed in the President's Budget. This would result in a loss of $537 million in receipts. About 1,300 staff years in base enforcement programs would have to be cut, resulting in further revenue loss.

The Administration supports the deletion of House language that would postpone the IRS Systems Modernization Project. However, the Senate Committee has reduced the President's Budget for Information Systems by $61 million. This would adversely affect the ability of IRS to provide automation support to programs such as taxpayer service and collection of accounts receivable.

The Senate is urged to restore the IRS accounts to levels proposed in the President's Budget to permit the realization of important revenues and a proper balance among appropriations.

Federal Law Enforcement Training Center. The President's request of $18.7 million for the construction account is a measured approach to Master Plan construction. The request addresses the sixteen highest priority projects. Additional projects beyond those proposed for funding in FY 1991 should be considered in future budget requests as the Agency progresses through the Master Plan and assesses workload demands.

Bureau of Alcohol, Tobacco and Firearms (BATF). The Committee provided $30.4 million to the BATF Salaries and expenses account above the President's request, a 16 percent increase over FY 1990 enacted levels. The Administration requested adequate funding for BATF

initiatives in the FY 1991 budget, and additional funding above those levels would not be prudent at this time.

U.S. Customs Service -- Salaries and Expenses. The Committee provided a $21.6 million increase over the President's request for the Customs Service Salaries and expenses account and provided a separate appropriation for the Financial Crimes Enforcement Network (FinCEN) of $16.7 million. FinCEN was previously funded in the S&E account. By removing FinCEN funding from the Customs budget without concurrently reducing the President's request by the same amount, the Committee's appropriation for the Customs Salaries and expenses account is effectively $38.3 million above the President's request. This additional funding is unnecessary and undesirable in a time of fiscal constraint.

U.S. Customs Service -- Operations and Maintenance. The Administration opposes the transfer of the U.S. Customs aerostat program to the Department of Defense and the use of Department of Defense funds to operate the program. The Secretary of Defense believes that the U.S. Customs Service should continue to have operating and funding responsibility for the aerostat program. The Senate is urged to delete this provision.

The Committee includes $8 million to initiate the procurement of a fourth P-3 Airborne Early Warning (AEW) airplace in FY 1991. The report indicates that this action is necessary to implement fully the National Drug Air Interdiction Strategy. This document was prepared by Customs in 1987-88 and has since been superseded by the existing National Drug Strategy prepared by the Office of National Drug Control Policy (ONDCP). The current National Drug Strategy does not call for a fourth P-3 AEW.

U.S. Secret Service. The Committee provided $16.7 million above the President's request for FY 1991, taking into account a movement of $1.6 million in the request to GSA. In light of the substantial nine percent increase incorporated in the President's request, further funding increases are unwarranted.

Bureau of Public Debt -- Administering the Public Debt. The Administration opposes Senate action that would require the Federal Reserve to absorb $80 million for services provided to the Bureau of Public Debt. The Senate action would distort the business-like relationship that should exist between the Bureau and the Federal Reserve to preserve quality service

necessary for program operations. This action would also mask the full cost of public debt operations by forcing the Federal Reserve to absorb the cost of providing the service off-budget. The Administration favors the House treatment that provides direct reimbursement to the Federal Reserve beginning in 1992.

U.S. Postal Service:

Revenue Foregone. While the Administration supports the Committee's proposal for restricting the use of subsidized postage for affinity credit cards, the Administration continues to support adoption of all the Postal Rate Commission's Revenue Foregone proposals. These proposals would terminate special reduced rates for certain types of mailers and reduce budget authority and outlays by $112 million, based on current rates. Currently, taxpayers are unintentionally subsidizing prestigious professional trade organizations, profitable business seminar companies, political advocacy mail, and advertisers (e.g., travel agents, insurance companies, etc.), who "piggy back" onto mail sent at reduced rates by universities and other nonprofit organizations. The Senate is urged to report a bill consistent with the Commission's proposals.

Office of National Drug Control Policy (ONDCP):

ONDCP Earmarks. The Administration opposes the earmarking of the entire Special Forfeiture Fund (SFF) and the $32 million increase for the High Intensity Drug Trafficking Areas (HIDTA) program. This action would result in no resources being available for the National Drug Intelligence Center and ADP initiatives for law enforcement agencies, which are critical components of the National Drug Control Strategy.

General Services Administration:

Federal Buildings Fund. The Senate Committee bill contains grants that are not authorized and that are not appropriate expenditures from the Federal Buildings Fund. These projects would cost $39.1 million and represent unnecessary expenditures in a time of budgetary constraint. The Administration urges the Senate to eliminate these grants and stop this totally inappropriate use of the Federal Buildings Fund.

The Senate bill funds a number of unneeded Federal building construction projects, including $184 million for a Courthouse in Boston, $80 million for a Federal Building/Courthouse in Charleston, West Virginia, $87 million for a building for the Corps of Engineers, $88 million for the Southeast Federal Center, and $211 million for Southwest Border Stations, all of which would be paid for by deleting funding proposed for a headquarters building for the Department of the Navy in Northern Virginia.

National Critical Materials Council (NCMC):

NCMC Funding. The bill includes $400 thousand in funding for the NCMC. This is far in excess of the $235 thousand requested in the President's budget. The President's budget request is adequate for the NCMC to carry out its priority functions, including its coordinating role with agencies that have materials related programs. An increase over the President's budget is unnecessary and would result in the duplication of ongoing work of other agencies.

B. Language Provisions

Department of the Treasury:

Employment Floors. The Senate Committee bill mandates minimum employment floors for the Bureau of Alcohol, Tobacco and Firearms and the United States Customs Service. These agencies have not been able to meet legislatively imposed FTE floors several times in recent years due to sequester, pay raise, and other unbudgeted cost absorptions and constraints on their ability to hire and train qualified personnel. The Administration objects to these mandated minimum employment levels. FTE floors are difficult to implement and needlessly restrict an agency's ability to manage its resources.

Office of Personnel Management:

Executive Seminar Centers. Section 516 of the Senate Committee bill would prohibit the Office of Personnel Management (OPM) from closing or consolidating executive seminar centers. The Administration objects to this provision because it prevents OPM from exercising its managerial discretion over how best to use its training resources.

Blue Collar Employee Pay Raises. The Administration objects to section 612 of the Senate Committee bill which would limit the pay raises of only certain blue collar workers to no more than that received by white collar government employees. As presently written, the provision does not contain this limitation on pay raises for blue collar workers whose wages are set through negotiation rather than by wage survey. The Administration urges the Senate to amend this provision to limit the pay increases of all blue collar workers.

Restrictions on the Office of Management and Budget's (OMB) Review Authority. The Administration continues to be concerned about various restrictions on OMB's authority to study and review certain areas.

National Security Employee Non-Disclosure Agreements. The Administration strongly objects to section 617 of the bill, a provision that may be construed to restrict the President's ability to implement and enforce non-disclosure agreements, for the reasons stated by the President in signing the FY 1990 Treasury, Postal Service, and General Government Appropriations Bill, which contained an identical provision.

Section 617 raises significant constitutional concerns insofar as it may be interpreted to intrude on the President's authority to control national security information within the Executive Branch. The President possesses the constitutional authority to require Federal employees who voluntarily assume positions of high trust, and who have access to the Nation's most sensitive secrets, to agree to keep those secrets. Such non-disclosure agreements are essential safeguards in protecting the national security.

White House Staffing. The Administration is concerned about the unnecessarily burdensome certification requirement established by section 626 of the bill. Section 626 would require the head of a Federal department or agency employing a Schedule C appointee to certify that the position was not created solely or primarily in order to detail the employee to the White House. Agencies are already required to certify that each appointee to a Schedule C position is of confidential or policy determining character. The White House is also required to report on all use of detailees. Adding to these controls complicates the staffing process without any corresponding benefit.

MAJOR CHANGES
TREASURY/POSTAL SERVICE AND GENERAL GOVERNMENT
DOMESTIC DISCRETIONARY SPENDING
(in millions of dollars)

02-Aug-90

Major Changes	1990 Mid-Session		1991 Mid-Session Request		Senate Committee Action		Senate difference from: Enacted		Senate difference from: Request	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
DOMESTIC DISCRETIONARY:										
Legislative Branch	28	29	32	32	32	32	3	2	0	0
Executive Office of the President:										
Office of Management and Budget	47	47	52	52	51	51	4	4	-1	-1
Office of National Drug Control Policy	146	35	195	161	145	132	-1	97	-50	-29
Other	70	70	82	81	83	81	12	11	1	0
Total, Executive Office of the President	263	152	329	294	278	264	15	113	-50	-30
Department of the Treasury:										
Federal Law Enforcement Training Center	50	66	55	53	70	63	20	-4	15	9
Bureau of Alcohol, Tobacco, and Firearms	264	264	275	274	306	302	42	38	30	27
U.S. Customs Service	1,312	1,268	1,280	1,331	1,273	1,334	-39	66	-7	3
Internal Revenue Service	5,500	5,492	6,135	5,929	5,907	5,718	407	227	-228	-210
Other	993	1,042	955	1,013	990	1,043	-3	1	35	30
Total, Department of the Treasury	8,120	8,132	8,701	8,601	8,546	8,460	426	328	-155	-141
General Services Administration:										
Real Property Activities	402 1/	220	1,365	801 2/	1,577	771	1,176	552	212	-30
Other	263	321	235	282	236	279	-27	-42	1	-3
Total, General Services Administration	665	540	1,600	1,083	1,813	1,050	1,149	510	213	-33
Office of Personnel Management	114	207	119	202	119	201	5	-5	0	-1
Postal Service	453	453	485 3/	485 3/	471	471	17	17	-14	-14
Other	193	219	203	306	206	308	13	89	3	3
TOTAL, DISCRETIONARY SPENDING	9,836	9,733	11,468	1/ 11,002	1/ 11,465	10,786	1,629	1,054	-4	-216

Detail may not add to totals due to rounding.

1/ Excludes borrowing authority from prior years for lease purchases.

2/ President's Request adjusted to reflect outlay estimates consistent with G-R-H outlay estimates.

3/ Excludes a legislative proposal to reduce the Revenue Foregone appropriation by $112 million.

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

September 10, 1990 SENT
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 5267 - Cable Television Consumer Protection and Competition Act of 1990
(Markey (D) Massachusetts and Rinaldo (R) New Jersey)

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

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

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

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

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

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

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

Sent - House 10/3

October 1, 1990
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

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

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

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

The President supports anti-crime legislation along the lines of the "Comprehensive Violent Crime Control Act of 1989" that he transmitted to Congress last year. Major provisions of that measure (H.R. 2709) would: (1) establish the procedures necessary to institute the death penalty for certain Federal offenses; (2) restore an appropriate degree of finality to State and Federal criminal convictions by curtailing abuses of the writ of habeas corpus; and (3) reform the "exclusionary rule" by making admissible evidence obtained as a result of a search or seizure undertaken in objectively reasonable good faith in cases where warrants are not required.

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

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

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

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

- Excessively increase authorization levels beyond those provided in the President's 1991 Budget for Federal grants for State and local law enforcement and criminal justice systems. The President's Budget already provides for a 21 percent increase in State and local drug assistance, which will expand funding 161 percent since FY 1989.

The Administration urges the Rules Committee to report a rule that would allow the House to consider the following amendments:

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

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

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

- The Gekas amendment to establish effective death penalty procedures. Based on the Administration's proposals, this amendment would provide fair and effective procedures and adequate authorizations for using the death penalty against the most heinous Federal crimes. In contrast, the current death penalty provisions of H.R. 5269 (title II) and the Hughes amendments arbitrarily exclude numerous offenses for which the death penalty may be warranted, and incorporate procedures that would thwart the death penalty.

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

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

October 3, 1990 Sent
(House)

STATEMENT OF ADMINISTRATION POLICY

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

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

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

The President supports anti-crime legislation along the lines of the "Comprehensive Violent Crime Control Act of 1989" that he transmitted to Congress last year. Major provisions of that measure (H.R. 2709) would: (1) establish the procedures necessary to institute the death penalty for certain Federal offenses; (2) restore an appropriate degree of finality to State and Federal criminal convictions by curtailing abuses of the writ of habeas corpus; and (3) reform the "exclusionary rule" by making admissible evidence obtained as a result of a search or seizure undertaken in objectively reasonable good faith in cases where warrants are not required.

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

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

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

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

- Excessively increase authorization levels beyond those provided in the President's 1991 Budget for Federal grants for State and local law enforcement and criminal justice systems. The President's Budget already provides for a 21 percent increase in State and local drug assistance, which will expand funding 161 percent since FY 1989.

The Administration urges the House to adopt the following amendments:

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

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

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

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

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

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

Sent to House Rules 9/19
and House 9/21
September 19, 1990
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

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

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

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

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

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

-- 18 projects which have not undergone environmental and economic feasibility studies, and five conditionally authorized projects;

-- numerous provisions which would require the Federal Government to assume various non-federal responsibilities. These responsibilities include the development of recreation facilities, replacement of a U.S. highway bridge, levee beautification, and agricultural land improvements, and;

-- numerous provisions which would weaken established cost-sharing reforms. These provisions include waivers of WRDA cost sharing requirements for specified projects and studies, and an unwarranted expansion of the "ability to pay" policy, which

ensures that appropriate State and local resources are considered when calculating beneficiary financial means.

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

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

August 3, 1990 SeM
(House)

STATEMENT OF ADMINISTRATION POLICY

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

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

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

The Administration recognizes the need for a comprehensive reform package that confronts the twin evils of the current system -- (1) practices which give incumbents unfair advantages, and (2) the role played by special interest "PACs" subsidized by corporations, labor unions, and trade associations. H.R. 5400, however, would aggravate many of the worst features of the existing financing system which heavily favors incumbents.

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

A public financing amendment to be offered by Representatives Obey and Synar would intensify this unconstitutional coercion by adding matching payments to the basic package, and by providing an additional round of matching payments (in addition to all of the other benefits already provided by H.R. 5400) when a nonparticipating candidates exceed the 36 percent threshold.

The effect, if not the purpose, of these provisions would be to coerce challengers to limit their efforts against incumbents. In doing so, H.R. 5400 would place unconstitutional burdens on the rights of individual candidates to make campaign expenditures as well as on the rights of contributors. In addition, by attempting to equalize campaign financial resources, the proposed program would stack the deck even more heavily in favor of incumbents, who enjoy substantial name recognition at the start of a campaign. In a time of significant fiscal constraints, there is no justification for spending taxpayer dollars on an incumbent protection system.

Moreover, an amendment to be offered by Representative Swift would expressly authorize the transfer of unexpended campaign funds for use in future elections. This provision would reinforce one of the worst incumbent-protection features of the current system -- the amassing of "war chests" so large that they deter challengers from even considering contesting the incumbent's seat. This provision would take us in exactly the wrong direction, and it has no place in a campaign reform package.

Section 203(c) of H.R. 5400, which would require broadcast licensees to provide additional free broadcast time to participating candidates who have purchased a certain amount of time, would violate the First Amendment rights of broadcasters and would raise difficult issues under the Takings Clause of the Fifth Amendment. Moreover, section 203(c)'s attempt to require third parties to subsidize the speech of only <u>certain specified candidates</u> raises additional serious constitutional questions.

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

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

STATEMENT OF ADMINISTRATION POLICY

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

October 11, 1990
(House Floor)

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

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

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

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

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

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

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

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

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

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

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

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

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

Attachment

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

MAJOR PROVISIONS OPPOSED BY THE ADMINISTRATION

A. Funding Levels

Department of the Interior

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

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

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

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

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

Indian Health Service

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

Commission of Fine Arts

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

Various Agencies

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

B. Language Provisions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

October 16, 1990 (Sent)
House Floor

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 5835 OMNIBUS RECONCILIATION ACT OF 1990

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

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

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

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

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

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

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

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

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

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

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

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

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

February 21, 1990
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S.J.Res. 212 - National Day of Remembrance of the Seventy-Fifth Anniversary of the Armenian Genocide of 1915-1923
(Dole (R) Kansas and 47 others)

The Administration is deeply aware of the tragedy suffered by the Armenian people during the period of 1915-1923 when hundreds of thousands of Armenians lost their lives. Their suffering must never be forgotten or repeated.

The Administration supports commemorating the victims of that tragic period. Such a commemorative resolution must be balanced, however, in recognition of the differing views of how the terrible events of 1915-1923 should be characterized. During the period, Armenians and Muslims lost their lives. In commemorating this tragedy, we also must be sensitive to the close relationship the United States has with Turkey, our friend and ally.

Because the language of S.J.Res. 212 lacks balance, it is unacceptable to the Administration. If presented to the President in its current form, his senior advisers would recommend that S.J.Res. 212 be disapproved.

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

September 12, 1990 Sent
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 110 - Family Planning Amendments of 1989
(Kennedy (D) MA and 41 others)

The Administration strongly opposes enactment of S. 110. If this bill were presented to the President in its current form, his senior advisers would recommend its disapproval.

The Administration supports a Federal role in providing family planning services. However, S. 110 is designed to erode the integrity of the Federal family planning program by promoting its involvement in abortion. Title X is a preventive family planning program designed to reduce the incidence of abortion. It should not be involved in abortion-related activities in any way.

The Administration supports family planning programs that are not abortion related. The President's 1991 Budget includes a proposal that would provide for maximum State and local control over sensitive issues surrounding the delivery of family planning services. Specifically, the Administration has proposed that the current Title X categorical family planning program be changed to a program of direct grants to States. State-administered family planning programs are the best means available for delivery of family planning services to low-income persons. This important change would have the added benefit of better integrating family planning with the delivery of maternal and child health services. Further, this proposal does not use taxpayer dollars to promote abortion.

S. 110 would not convert the current Title X program into a direct grant program to States. In addition, it would not prevent the potential diversion of funds from the primary focus of the program -- prevention of unintended pregnancies and facilitation of wanted pregnancies. The bill's total FYs 1990-92 authorizations are also excessive -- exceeding the President's budget request by $172 million. Finally, the provisions of S. 110 that would provide duplicative authority for contraceptive research, as well as information and education activities, are unnecessary. Current authorities are broad enough to encompass such activities.

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

April 30, 1990
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 135 - Hatch Act Reform Amendments
(Glenn (D) OH and 51 others)

The Administration opposes the enactment of S. 135. If this bill were presented to the President, his senior advisers would recommend its disapproval.

S. 135 repeals virtually all of the Hatch Act's restrictions on partisan political activity by Federal employees. This bill would allow unrestricted, off-duty partisan electioneering and political activity by all Federal employees. Such activity would undermine the integrity and independence of the traditionally non-partisan civil service.

Under S. 135, Federal employees would be vulnerable to both direct and subtle political pressures. They could be pressed to "volunteer" help in campaigns and to make financial contributions in order to curry favor with one political party or another. The bill's proposed safeguards against abuse are inadequate and largely unenforceable.

The Administration believes the Hatch Act, which has served to protect the public interest for half a century, is a valuable safeguard of governmental integrity and should be preserved.

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

July 31, 1990 Sen+
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 137 - Senatorial Election Campaign Act - Mitchell Substitute
(Mitchell (D) Maine)

Although the Administration agrees that the current campaign finance system suffers from a number of serious defects and that there is a need for real reform, the Administration strongly opposes enactment of the Mitchell substitute to S. 137. While the following statement details several of the Administration's most serious objections to the bill, it does not represent an exhaustive list. If the substitute is passed in its current form, the President's senior advisors will recommend that it be vetoed.

The Administration urges the Congress to enact the President's campaign finance proposal (S. 1727). S. 1727 contains several far-reaching and much-needed reforms, and is fully consistent with the requirements of the First Amendment. The Administration's bill directly confronts the twin evils of the current system -- practices which give incumbents unfair advantages and the role played by special interest "PACs" subsidized by corporations, labor unions, and trade associations.

By contrast, the Mitchell substitute would aggravate many of the worst features of the existing financing system which heavily favors incumbents. The substitute's reliance on tax dollars would weaken the role of individual contributors, and its coerced expenditure limitations would create even greater biases in favor of incumbents. In a time of significant fiscal constraints, there is no justification for wasting millions of taxpayer dollars on an incumbent protection scheme.

The substitute's financing scheme is also constitutionally flawed. The substitute would unconstitutionally coerce Senate candidates into agreeing to a new public financing program and its accompanying spending limits. Under this program, if a challenger raises or spends even $1 over the "voluntary" limit, taxpayers would be forced to subsidize a participating incumbent in sums mounting into the millions for a single State. If the challenger raises one-third over the limit, the incumbent's subsidies would increase further.

The effect, if not the purpose, of this scheme would be to coerce challengers to limit their efforts against incumbents. In doing so, the substitute would place unconstitutional burdens on the rights of individual candidates to make campaign expenditures as well as on the rights of contributors. In addition, by using taxpayer subsidies in an attempt to equalize campaign financial resources, the financing system would stack the deck even more heavily in favor of incumbents, who enjoy substantial name recognition at the start of a campaign.

The Administration also objects to several sections of the substitute that would unconstitutionally regulate the content of political advertisements. Section 308 would impermissibly require personal appearances by a candidate in television broadcast advertisements. Section 203 of the substitute would unconstitutionally require independent broadcasts to display continuously, over at least 25 percent of the television screen, certain prescribed information. Section 203 would also require independent print advertisements to carry a statement noting the fact that the cost of the advertisement is not subject to any campaign contribution limits. Section 105 similarly requires nonparticipating Senate candidates to disclose, in every advertisement, the fact that they have not agreed to abide by the Act's spending limits.

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

(Revised)

May 16, 1990
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 195 - Chemical and Biological Weapons Control Act of 1989
(Pell (D) Rhode Island and 18 others)

The Administration is working actively to secure international cooperation to stem the proliferation of chemical and biological weapons (CBW). The Administration supports discretionary authority for the President to sanction countries that use CBW in violation of international law and, accordingly, recommends enactment of H.R. 3033 in lieu of S. 195.

The Administration strongly opposes S. 195 because the bill would mandate the imposition of CBW sanctions, fail to provide necessary Presidential discretion, and impede Administration CBW non-proliferation objectives. Also several provisions in the bill unconstitutionally constrain the President's authority to conduct the Nation's foreign affairs or provide for the exercise of legislative power outside the constitutionally prescribed manner. For both of these reasons, if S. 195 were presented to the President in its current form, his senior advisers would recommend that it be vetoed.

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

June 8, 1990
(House)

STATEMENT OF ADMINISTRATION POLICY

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

S. 280 - Niobrara and Missouri Scenic River Designations
(Exon (D) Nebraska and Kerrey (D) Nebraska)

The Administration strongly opposes the enactment of S. 280. The bill would designate segments of the Niobrara and Missouri Rivers as components of the National Wild and Scenic Rivers System, to be managed by the Secretary of the Interior as part of the National Park System. The Administration believes that a formal new area study should be a prerequisite for the establishment of any new unit of the National Park System. No such study of the Niobrara or the Missouri river segments has been conducted. A study is especially important in this case because the lands along the banks of the river segments affected by the bill are largely in private ownership.

Unless S. 280 is amended to provide for a study of possible future designation of the Niobrara and Missouri river segments as part of the National Wild and Scenic River System as specified in the Smith amendment, the Secretary of the Interior would recommend that the President veto S. 280.

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

June 14, 1990
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 345 - Family and Medical Leave Act
(Dodd (D) CT and 20 others)

The Administration strongly opposes S. 345. This bill would require public and private employers with 20 or more employees, including the Federal Government, to provide their employees with mandatory leave. S. 345 would mandate up to 10 workweeks of family leave during any 24-month period, up to 13 workweeks of temporary medical leave in any 12-month period, and other employment protections. If this or any other mandated leave legislation, such as H.R. 770 as passed by the House, were presented to the President, his senior advisers would recommend that it be vetoed.

The Administration supports and encourages parental and medical leave policies designed to meet the specific needs of individual companies and their employees. This objective can be best achieved voluntarily through employee-employer negotiations or the normal collective bargaining process between management and labor, not by the Federal Government mandating employee benefits.

In addition, S. 345 would:

-- Reduce the flexibility necessary to meet the needs of a changing workforce and undermine the current trend toward flexible benefit policies.

-- Induce employers to reduce overall employee benefits by limiting voluntary benefits in order to afford new, mandatory parental and medical leave benefits.

-- Impose the costs of leave on employers regardless of their ability to absorb such costs, thus reducing their productivity and U.S. competitiveness. The impact on smaller businesses would be particularly substantial.

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

September 14, 1990
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 612 - National Capital Transportation Amendments Act of 1990
(Sarbanes (D) Maryland and 4 others)

If S. 612 were presented to the President in its current form, the Secretary of Transportation and the Director of OMB would recommend a veto.

By the end of its current authorization, Washington Metrorail will have benefitted from $7.7 billion in Federal appropriations from general revenues for completion of the 89.5-mile system. S. 612 would authorize up to $2.16 billion in appropriations for an additional 13.5 miles for the Metrorail system. If additional Federal funding is to be provided for Metrorail, it should be provided as part of the national mass transit assistance program, competing with other mass transit projects. No other jurisdiction has a separate and discrete Federal fund for construction of a mass transit system, and no other system is financed from general taxpayer revenues.

The Administration further objects to the new authorization for reasons of equity:

-- S. 612 would allow Washington area jurisdictions to pay for only 20 percent of the construction costs of the Metrorail system. Other communities with comparable systems are paying a substantially higher proportion of the costs of their projects -- in most cases over 50 percent.

-- The $2.16 billion S. 612 would authorize equates to an average Federal construction cost of $160 million per mile. It would make the extension the most expensive transit project in the country on a Federal cost-per-mile basis.

-- Upon completion of the 89.5 miles of the Metrorail system in 1993, the Metrorail system will have received far more Federal construction assistance than any other new transit system -- and more than all other new systems combined. Since 1968, Washington Metrorail has received 60 percent of the $12.9 billion Federal investment nationwide for construction of new systems.

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

September 28, 1990 Sent 10/4
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

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

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

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

Under existing antitrust law, and notwithstanding the short title of the bill, distribution agreements that set resale prices are already per se illegal. S. 865 would reduce the level of evidence needed to proceed to trial by creating a new evidentiary standard for a finding of unlawful conspiracy in certain cases. Such findings under the new standard would be based on evidence that is equally consistent with lawful, unilateral decisions by manufacturers. The result is that juries could misinterpret lawful business decisions as price fixing conspiracies. Because of the availability of treble damages, S. 865 could invite a substantial increase in complex antitrust litigation.

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

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

September 10, 1990
(Senate)

SENT

STATEMENT OF ADMINISTRATION POLICY

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

S. 1224 - Motor Vehicle Fuel Efficiency Act of 1990
(Bryan (D) Nevada and 14 others)

The Administration strongly opposes enactment of S. 1224. If S. 1224 were presented to the President, his senior advisors would recommend a veto.

S. 1224 would require each motor vehicle manufacturer to increase the Corporate Average Fuel Economy (CAFE) level it achieved in 1988 by 20 percent in model year (MY) 1995 and by 40 percent in MY 2001 for cars and light trucks. This would:

-- require major reductions in vehicle size and weight, which would increase the risks of deaths and injuries to drivers and passengers in automobile crashes. (Department of Transportation studies clearly demonstrate that significant weight and size reductions increase the risk of highway injuries and fatalities.);

-- impose costs on automobile owners which are not likely to be offset by fuel savings;

-- achieve fuel consumption reductions more slowly (since higher vehicle costs would cause some consumers to keep their older, less efficient vehicles) and less substantially (since purchasers of very fuel-efficient vehicles tend to drive them more than the vehicles they replace) than a simple projection of CAFE levels would suggest; and

-- be unattainable without significant and costly restrictions on consumer choice.

Approaches grounded in market incentives, rather than the rigid requirements S. 1224 would impose, would be more effective in addressing energy, environmental, and other concerns related to the levels of fuel use.

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

Sent 9/26

September 21, 1990
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 1379 - Defense Production Act Amendments of 1990
(Dixon (D) Illinois)

The Administration opposes S. 1379 and urges Congress to adopt the Administration's proposal, S. 2168, which would provide for permanent re-authorization of the Defense Production Act (DPA). If there is insufficient support for S. 2168, the Administration would support an extension of the existing DPA for two years rather than enactment of S. 1379. Such an extension could include several provisions of S. 2168 that are directly related to the energy aspects of the current situation in the Middle East.

The DPA vests the President with the authority to direct materials and facilities from civilian to Federal use to ensure adequate industrial production and supply for national security purposes. Additionally, it authorizes loans, loan guarantees, purchase guarantees, antitrust protection, and the use of the National Defense Executive Reserves (NDER). S. 1379, however, would change the DPA to a statute which undermines antitrust laws, infringes upon the constitutional authority of the President, encourages protectionism and establishes unneeded authorities and unwarranted reporting requirements.

The Administration strongly objects to section 137 of the bill. This section would create a prior government approval and antitrust immunity program for a wide range of industry consortia engaged in joint research, development, and manufacturing activities. Such a program would seriously undermine the appropriate role of the antitrust laws in the economy, thus raising substantial competitive concerns. Section 137 would vest government agencies with the ability to intervene in a regulatory manner in a wide range of commercial activities, and it would entail substantial costs in a time of budgetary constraint. Unwarranted antitrust uncertainty regarding joint production activities could be reduced, as the Administration has proposed, by expanding the National Cooperative Research Act of 1984 to cover joint ventures, between direct competitors, formed to engage in cooperative research and development. If S. 1379 is presented to the President in a form that includes section 137, the Attorney General would recommend that serious consideration be given to a veto.

Moreover, S. 1379 contains provisions which impinge upon the President's constitutional authority to control diplomatic initiatives and to maintain the confidentiality of the Executive branch deliberative process. The Administration objects to the following sections which infringe upon this authority:

-- Section 124, which requires that the Secretary of Defense lead an interagency team to consult with foreign governments on limiting the adverse effects of offsets in defense procurement.

-- Section 125, which requires the Secretary of Commerce to report on alternative findings or recommendations submitted to the Department of Commerce on international negotiations related to the DPA.

Furthermore, S. 1379 adds unnecessary new authorities or responsibilities and burdensome, duplicative reporting requirements to the DPA. Most objectionable are:

-- Section 123, which would establish an unnecessary revolving fund and increase the Government's liabilities under active purchase guarantees from less than $100 million since the current program's inception in 1985 to as much as an additional $450 million spread over the next three years.

-- Section 125, which would make the Secretary of Commerce responsible for preparation of offset reports and would require transactional reporting by businesses of all offset agreements exceeding $5 million.

-- Sections 123-126, which establish or amend reporting requirements to Congress on industrial and technological issues.

-- Section 138, which would establish reporting requirements which duplicate other requirements found in the draft Senate Intelligence Committee report on the Intelligence Authorization Act for FY 1991 and current reporting being done by the Executive branch.

-- Section 152(1), which would repeal the requirement for paying interest on the net amount of Federal capital used under sections 302 and 303 of the DPA.

The Administration opposes Title IV, which amends the International Banking Act and authorizes retaliatory measures against foreign governments found to be in violation of the Omnibus Trade and Competitiveness Act. The Administration consistently has opposed retaliatory measures which could close U.S. markets.

The Administration strongly supports those provisions which amend section 708 to enhance the utility of "voluntary agreements" in responding to serious national emergencies. The Administration also supports section 141 which clarifies contract priority authority. This authority would apply to "services" contracts, such as for standby pipeline repair services for the Strategic Petroleum Reserve. These provisions, which are based on the Administration's bill, S. 2168, are potentially relevant to the U.S. response to the current situation in the Persian Gulf.

Also, in light of the present Persian Gulf crisis, the Administration urges enactment of those provisions of S. 2168 which provide conflict of interest and antitrust protection for the NDER. This would facilitate the development and staffing of an NDER composed of representatives from the petroleum industry, which most oil companies have declined to support because of the lack of such protection.

As noted above, several provisions of S. 2168 are directly related to the energy aspects of the current situation in the Middle East. These include improved authority for the use of "voluntary agreements," the clarification that the DPA's priority contract rating authority applies to "services" contracts, and the bills' provisions concerning the NDER. The Administration urges that these provisions be enacted in the context of any bill that otherwise would extend the existing DPA.

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

September 21, 1990 (Sent)
(House)

STATEMENT OF ADMINISTRATION POLICY

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

S. 1413 - Aroostook Band of Micmac Settlement Act
(Cohen (R) Maine and Mitchell (D) Maine)

The Administration strongly opposes S. 1413 because it would provide statutory Federal recognition of the Aroostook Band of the Micmac Tribe (Maine). The Administration has consistently opposed legislation that provides Federal recognition of Indian tribes by Congress. If S. 1413 is presented to the President in its current form, the Secretary of the Interior would recommend that he veto the bill.

To accord the Aroostooks Federal recognition would circumvent the Department of the Interior's acknowledgement process that all other similarly situated groups are required to complete. This would be unfair to all other groups seeking recognition. In addition, it would further weaken Interior's administrative process that was designed, with the support of Congress, to eliminate the need for ad hoc determinations through legislation.

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

February 6, 1990
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 1430 - National and Community Service Act of 1989
(Kennedy (D) MA and 10 others)

The President has advocated community service throughout the country. Through his "Points of Light Initiative," he has challenged all individuals and institutions in America to make service central to their life and work.

The Administration opposes S. 1430 as reported by the Senate Labor and Human Resources Committee, because it is fundamentally incompatible with the President's concept of voluntary service. If S. 1430 were presented to the President, his senior advisers would recommend that the bill be vetoed.

S. 1430 would:

-- attempt to direct community service efforts from the Federal level rather than from the community;

-- authorize unwarranted new Federal programs costing hundreds of millions of dollars each year for the next five years;

-- emphasize short-term volunteer participation and financial rewards (particularly Federal incentives), concepts that are clearly inconsistent with the notion of a sustained commitment to volunteerism;

-- promote governments as providers of service opportunities, establishing new intermediaries between volunteers and local service providers;

-- create a disincentive for those who are currently not paid for community service; and

-- require cumbersome and unnecessary bureaucratic infrastructure and regulations.

In addition, the Justice Department advises that the restrictions in Title IV of the bill on the President's power to appoint the Board of Directors of the Corporation for National Service violate the Appointments Clause of the Constitution.

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

September 28, 1990 Sent
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 1880 - Cable Television Consumer Protection Act of 1990
(Danforth (R) MO and 15 others)

The Administration strongly opposes reregulation of the cable television industry. If S. 1880 were presented to the President in its current form, his senior advisers would recommend a veto.

The Administration opposes S. 1880 because it imposes a new regime of Federal regulation over the cable industry beyond that established in the Cable Act of 1984. Specifically, the Administration opposes provisions that would establish additional Federal regulation over cable rates. These provisions would hamper the development of new products and services for cable subscribers and slow the expansion of cable service to areas not now served.

The Administration also opposes provisions that restrict the discretion of cable programmers in distributing their product. These provisions ignore the reality that exclusive distribution arrangements are common in the entertainment industry and encourage the risk-taking needed to develop new programming. Requiring cable operators to make their programming available to competing distributors would establish a different standard for cable than exists for broadcast.

The Administration opposes section 8, which limits the number of channels on which a cable operator can carry its own programs. This provision raises most serious constitutional questions. Section 8 would also require limits on the number of subscribers a cable operator may serve nationwide. This provision is objectionable because current antitrust laws are adequate.

Section 15 of S. 1880 would require cable operators to carry the signals of certain television stations. This would be required regardless of whether the cable operator believes that the stations are appropriate for inclusion in its package of services, and regardless of whether such inclusion reflects the desires and tastes of cable subscribers. The Administration believes that "must carry" requirements would raise most serious constitutional questions under the First Amendment by infringing upon the editorial discretion exercised by cable operators in their selection of programming.

The Administration continues to believe that competition, rather than regulation, creates both the most substantial benefits for consumers and the greatest opportunities for American industry.

Consistent with this principle, the Administration supports removing barriers to entry by new competitors into the video services marketplace. Congress should consider removing the current legislative prohibitions on telephone company entry found in the 1984 Cable Act as an alternative to instituting a burdensome and unnecessary regulatory regime.

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

April 11, 1990
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 1970 - Omnibus Crime Bill
(Biden (D) Delaware)

If S. 1970 were presented to the President without addressing satisfactorily the Administration's concerns, the President's senior advisers would recommend that the bill be vetoed.

S. 1970 would undermine effective use of the death penalty, vitiate the habeas corpus reform proposals advanced by the Ad Hoc Committee on Federal Habeas Corpus in Capital Cases of the Judicial Conference (the Powell Committee), narrow an important existing exception to the exclusionary rule, and disrupt and damage the Justice Department's drug enforcement efforts. The Administration urges, instead, that Congress pass the President's violent crime control legislation incorporated in S. 1225 and S. 1971.

The Administration's principal objections to S. 1970 are addressed below.

-- Death Penalty. Title I would establish, in effect, an irrebuttable presumption of "discrimination" based on a failure to achieve specific numerical proportions in the imposition of the death penalty. The likely result would be the invalidation of every death sentence now in effect and preclusion of all future use of capital punishment at both the State and Federal levels. Title I also raises profound constitutional concerns because it would promote the consideration of race in capital cases on a systematic basis.

-- Habeas Corpus. Title II, relating to death penalty litigation, proposes procedures which would systematically overturn Supreme Court decisions that safeguard the finality of criminal judgments. It also would eviscerate the central recommendation of the Powell Committee -- appropriate limits on second and successive habeas corpus petitions in capital cases. The bill would broadly permit a capital defendant to raise claims in Federal habeas corpus proceedings that were not raised before the State courts. It would also permit a capital defendant to delay a full year before applying for Federal habeas corpus. Furthermore, S. 1970 does not contain the President's proposals addressing the abuse of habeas corpus in non-capital cases. Thus, convicts could continue to attack their convictions and sentences for years or even decades after the conclusion of normal State proceedings.

-- Exclusionary Rule. Title III fails to extend the "good faith" exception to the exclusionary rule to cases involving warrantless searches and seizures. Indeed, it takes a step backward by narrowing the existing "good faith" exception for searches under warrants, and presents serious interpretive problems as well. A fully general reasonableness ("good faith") exception, applicable to both warrant and non-warrant cases, was passed by the Senate in the 98th Congress. Comparable proposals are now included in the President's violent crime control bill and S. 1971.

-- Assault Weapons. Title IV provides a more burdensome, yet significantly less effective, firearms enforcement scheme than that proposed by the President. It involves only limitations on nine specified types of "assault weapons" and does not attempt to control the firepower of other similar firearms. It would also provide less certainty of punishment for the illegal use of weapons by violent felons and drug traffickers than would S. 1225.

-- Justice Department Reorganization. Title VI would establish an "Organized Crime and Dangerous Drug Division" in the Justice Department. Such a reorganization would disrupt the Department's operations and impair its ability to combat effectively violent crime and drug trafficking. New and duplicative bureaucracies are not the solution to drug crimes.

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

October 4, 1990 Sent
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 2782 - Coastal Zone Improvement Act of 1990
(Kerry (D) MA and 13 cosponsors)

The Administration supports reauthorization of the Coastal Zone Management Act (CZMA) and amendments to encourage States to improve management of the coastal zone. The Administration has submitted legislation to reauthorize and amend the CZMA. The Administration proposal would encourage States to meet specific high-priority national objectives to address more efficiently coastal and ocean environmental problems.

However, if S. 2782 is presented to the President in its present form, the Secretaries of the Interior, Defense, Agriculture, and Energy, and the Attorney General, would recommend a veto because it would be likely to be interpreted to:

-- subject Outer Continental Shelf (OCS) lease sales to review for consistency with State coastal zone management programs; and

-- broadly expand the application of the CZMA's "consistency" provisions to encompass a wide range of Federal activities undertaken beyond the traditionally defined area of the coastal zone and impose new restrictive standards on Federal agencies in conducting those authorized activities.

The Administration would also oppose enactment of S. 2782 unless it is amended consistent with the Administration proposal to authorize appropriations at levels requested in the 1991 Budget, and to delete provisions that would imply a new, larger, but undefined, role for States with respect to the Federal resources within the exclusive economic zone (proposed new CZMA section 302(m)).

The Administration prefers the approach contained in the Administration proposal, which offers incentives and technical assistance to States to encourage voluntary compliance with the CZMA program. The Administration's competitive grant proposal would encourage States to assume a greater role than the formula grant approach in S. 2782.

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

August 2, 1990 SENT
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 2884 - National Defense Authorization Act, Fiscal Year 1991
(Nunn (D) Georgia)

Although the Administration has several objections to S. 2884 as reported by the Senate Armed Services Committee, the bill would make a substantial positive contribution to our vital national defense needs within current fiscal constraints. The bill supports many of the Administration's initiatives to improve defense management and to provide for a smooth reduction in the size of our armed forces. The bill provides substantial resources for the B-2 stealth bomber, the Trident ballistic missile submarine, the Small Intercontinental Ballistic Missile, and the Peacekeeper/Rail Garrison Program.

If the final version of the bill that is presented to the President does not contain proper funding and flexibility to pursue the most promising technologies for the Strategic Defense Initiative (SDI), flexibility for the management of the drawdown of the armed forces, sufficient troop levels, proper funding of strategic modernization programs, and if it includes items not needed for the national defense, the Secretary of Defense would recommend that the President veto the bill.

The Administration urges the Senate to adopt the following amendments to correct the present shortcomings of the bill:

-- Restoration of funding requested by the Administration for the SDI, while refraining from earmarking how the funds must be spent within the program;

-- Restoration of funds for key programs necessary to keep critical military capabilities such as Milstar, the A-12 and C-17 aircraft, and the SSN-21 Seawolf submarine;

-- Elimination of programs that are either unneeded or unaffordable in light of more basic defense needs, including the costly V-22 Osprey aircraft, unnecessary National Guard and Reserve equipment, and M1 tank production and upgrades;

-- Deletion of provisions which legislate a large Reserve and National Guard infrastructure, even as the size of the total force and the national resources devoted to defense are reduced;

-- Deletion of the uniform strength reduction process which unduly restricts the Secretary of Defense's ability to manage the reductions effectively, and deletion of the end strength ceilings on the Department's civilian personnel;

-- Deletion of a provision expanding notification requirements for extremely sensitive programs;

-- Restoration of funding for the National Aerospace Plane;

-- Inclusion of alternative language proposed by the Administration regarding expansion of the Department of Labor's Transition Assistance Program, unemployment compensation of ex-service members, and continuation of health benefits for involuntarily separated personnel;

-- Deletion of provisions giving Defense authority to relinquish Federal interests in real property without regard to the provisions of the Federal Property and Administrative Services Act of 1949;

-- Deletion of a requirement which would return to Defense the full proceeds from sales of real property reported excess by the agency; the Administration has submitted a proposal accomplishing a similar objective, but returning only 50 percent of the sales proceeds to the agencies;

-- Inclusion of the Administration's Base Closure proposal to permit submission to Congress at any time of base closures and realignments notifications;

-- Deletion of a provision that transfers some $300 million from the Atomic Energy Defense Activities' nuclear weapons program to the Department of Energy's Environmental Restoration and Waste Management Program;

-- Deletion of a provision which repeals a Goldwater-Nichols provision and which may unintentionally reinstate reporting requirements which Goldwater-Nichols terminated; and

-- Deletion of required activities that are unnecessary or inappropriate missions for the Department of Defense. Such provisions would require establishment of a Critical Technologies Institute, and would require Defense to assume a lead role in a program for manufacturing technology improvements.

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

October 27, 1990
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 2904 - Emerging Telecommunications Technologies Act of 1990
(Inouye (D) Hawaii and Burns (R) Montana)

The Administration opposes S. 2904 in the form in which it is expected to be amended by Senator Inouye. The bill would require the transfer of substantial amounts of radio frequency spectrum from use by the Federal Government to the private sector in an inefficient and costly way. It would require this transfer without authorizing the Federal Government to obtain potentially billions of dollars for the Treasury through competitive bidding.

If S. 2904 were presented to the President in its current form, the Secretaries of State, Transportation, and the Interior, the Department of Justice, the Chairman of the Federal Communications Commission, and the Administrator of General Services would recommend a veto.

The Administration opposes S. 2904 because it does not authorize the use of competitive bidding in the assignment of these Government frequencies. In a time of increasing Federal budget constraints, it would be a serious mistake to transfer extremely valuable spectrum from public uses to private commercial purposes without compensating the American taxpayer for use of that spectrum. Under current regulatory procedures, once this Government spectrum was assigned to a private user it could generally be transferred to a third party, probably by sale or lease, at a substantial profit, creating a windfall for the original licensee.

By contrast, competitive bidding would lead to an efficient use of the Nation's valuable spectrum resources and would return a portion of the spectrum's economic value to the American taxpayer. Competitive bidding is particularly appropriate for spectrum to be newly released or shared by the Federal Government since there is no embedded investment by the private sector in such spectrum that could be jeopardized.

The Administration opposes the provisions of S. 2904 that would require the President to reallocate 200 megahertz of spectrum. These provisions improperly limit the discretion of the President or his designee to determine the amount of spectrum needed to meet essential Federal requirements. The bill contains no justification for a mandatory reallocation of 200 megahertz.

The Administration also opposes the bill because it does not provide for reimbursing the Federal Government for costs incurred by Federal agencies in reallocating frequencies for private use, including the costs of reestablishing spectrum-dependent systems. Such reimbursement is essential to avoid disruption of Federal operations, and could be provided by revenues from competitive bidding.

The Administration has consistently supported policies that would make additional spectrum available for commercial use in ways that promote spectrum efficiency, greater availability of services, and the development and use of new telecommunications technologies. S. 2904 does not meet these goals.

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

September 10, 1990 Sent
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

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

The Administration supports an expansion of the existing seafood inspection program in the Food and Drug Administration (FDA) and the National Oceanic and Atmospheric Administration (NOAA). The Administration, however, opposes S. 2924, which would move virtually the entire program to the Department of Agriculture for reasons unrelated to public health and safety. The Administration prefers S. 2228, which will be offered as an amendment in the form of a substitute. It would build on experience and scientific expertise in the FDA and NOAA to improve the inspection of all seafood products and aggressively address the primary health and safety concern -- shellfish contamination.

If any legislation is presented to the President that does not include the principal elements of the Administration proposal, his senior advisers would recommend a veto.

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

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

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

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

The clearest health risk from seafood involves the consumption of raw molluscan shellfish, although less than one percent of all seafood is consumed that way. This risk stems largely from human pollution of coastal waters. Monitoring the quality of local growing waters is the only viable recourse, and FDA and NOAA, working with the States, are uniquely qualified to address this public health problem. All State shellfish safety programs for monitoring growing waters are based on FDA training and rely on FDA technical assistance. S. 2228, the Commerce Committee substitute, constitutes a more thorough and effective response to this primary public health concern than does S. 2924.

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

October 10, 1990
(Senate)

Sent 10/11

STATEMENT OF ADMINISTRATION POLICY

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

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

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

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

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

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

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

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

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

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

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

June 18, 1990
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 2203 - Zuni Claims Settlement Act of 1990
(Domenici (R) NM, Bingaman (D) NM, and McCain (R) AZ)

The Administration opposes enactment of S. 2203. If S. 2203 were presented to the President, the Attorney General would recommend that the bill be vetoed.

S. 2203 would grant the Zuni Indian Tribe "recognized title" to 15 million acres of land in Arizona and New Mexico, retroactive to 1848, for the purpose of determining Federal compensation. This action would supersede a Claims Court ruling that the Tribe held "aboriginal title" to the land. Compensation for aboriginal lands is based on the value of the land when taken. Compensation for a "recognized title" is based on the value of the land plus interest from the date of taking. In this case, over 100 years of interest payments would be required on the majority of the land. Based on some estimates of the land's value, compensation could total as much as $280 million. There is no factual or legal basis for granting the Zuni Tribe special treatment by retroactively recognizing their land title. The bill would also potentially set a costly and far-reaching precedent for similar claims of other southwestern Indian tribes.

The Administration also objects to the bill's earmarking of $25 million in limited Federal resources to settle unproven and unjustified tribal claims against the United States related to damage to Zuni reservation lands. S. 2203 would interrupt the fair and orderly adjudication of these claims, which are currently pending in the Claims Court.

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

July 18, 1990 (FINAL/sent)
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 2830 - Food, Agriculture, Conservation and Trade Act of 1990
(Leahy (D) Vermont)

If S. 2830 were sent to the President prior to the conclusion of the budget summit and does not achieve substantial, multi-year savings from the current (Mid-session) estimate of program costs; and if price and income supports are not made more market-oriented than the Committee version, which is a retrogression from the 1985 Act; then the Secretary of Agriculture and the President's other senior advisers would recommend that he veto the bill.

From a budget perspective, the bill is both premature and inadequate. The Administration expects the budget summit to achieve substantial, multi-year savings from our Mid-session Review baseline. Thus, it would be a mistake for Congress to complete action on a bill that gives producers the wrong impression by sending them inaccurate signals about likely program parameters.

From a policy perspective, S. 2830 includes provisions for commodity subsidies that would reverse the strides toward market orientation made in the 1985 Food Security Act.

- Raising loan rates (which act as price floors) threatens to undermine U.S. farmers' hard-won gains in recapturing a competitive position in world markets. Congress raised loan rates in the 1981 Farm bill, and the results were devastating. Our exports collapsed and so did U.S. farm income. We must not risk a repeat of that experience.

- Freezing most program crop target prices at 1990 levels and even raising some others not only fails to achieve savings but also incurs additional costs. High target prices stimulate production and lead to wasteful acreage reduction programs.

- Mandating marketing loans for wheat and feedgrains represents a vain attempt to avoid market disruptions caused by higher price

supports. The Secretary is required to choose between two complicated and costly new loan programs. One would raise loan rates by 25 percent in the first year alone and, coupled with marketing loans, would increase outlays above the current law baseline over the next five years by about $1 billion. The other would allow the Secretary to adjust loan rates downwards. However, the Secretary would be compelled to compensate farmers for any reduction through increases in advance deficiency payments at a cost of about $3 billion over the life of the bill.

- A new marketing loan subsidy is established for soybeans and five other oilseeds. The program would do little to increase U.S. production and world market share, and would likely cost the taxpayer $2.4 billion over the next five years. These goals could be accomplished more effectively and at less cost by the Administration's planting flexibility proposal. The creation of a substantial new subsidy for an entire category of crops is indefensible in a time of serious fiscal constraints.

- The provisions for dairy support establish a program that is much less market-oriented and more onerous to the consumer and taxpayer than the existing one. The bill prohibits the Secretary from reducing the support price below its current level, regardless of the stocks which accumulate in Federal inventories. This encourages farmers to continue to generate surplus milk, which must then be purchased and stored at Federal expense, at absolutely no risk to the producers. Supply controls contained in the bill further insulate the dairy sector from market forces.

- Failure to enact true planting flexibility for program participants would perpetuate the market distortions that arise when government incentives, not the market, dictate production decisions. In addition, the substantial cost-effective environmental benefits of increased crop rotation would be largely foregone under the partial base protection provisions.

- The bill fails to reform the wool and mohair, peanut, and honey programs. These programs are

all archaic constructions, no longer suited to modern market and budget realities.

- By maintaining the sugar price support at its current level, the bill perpetuates the inequity between the treatment of sugar and other program commodities. In addition, the bill necessitates the continued reduction in the volume of sugar imported from Caribbean Basin Initiative (CBI) and less-developed countries. As a result of the current sugar program, American consumers have paid close to double the world market price for sugar for the last five years, at an annual cost of over $1.5 billion. In order to begin to relieve this burden, the Administration recommends an immediate ten percent reduction in the sugar price support.

- The bill would require the Secretary to give bonus payments to farmers if market prices turn out to be higher than forecast at the start of the crop year. This is an anomalous, convoluted "safety net" that could increase outlays by $1.5 billion in times of high market prices.

The commodity provisions of S. 2830 would cost $59 billion over the next five years. The bill authorizes another $25 billion for programs in science and education, conservation, forestry, marketing and inspection, and foreign food assistance. These spending levels exceed the Administration's proposal by $25 billion and the current law baseline by $8 billion. Equally important is the fact that the bill would greatly increase the likelihood of budget outlays beyond $59 billion.

- This enormous potential for costs far above the current forecast arises mainly from the lack of adequate Secretarial discretion to adjust loan rates and set-asides when market conditions warrant.

- The bill is also written so that only slight, and quite plausible, changes in market prices could trigger substantial outlays. This is particularly true for the oilseed marketing loan and high-price bonus provisions. Only a slight drop in prices would trigger major Federal expenditures.

Apparently the Committee is attempting to circumvent the discipline of the budget process by not including a nutrition title, with the expectation that a package similar to the House nutrition title will be accepted in conference. The House

expansions are estimated to cost $543 million in FY 91 and almost $5.4 billion over five years. This is in addition to the current baseline growth of 16 percent or $2.5 billion, from FY 90 to FY 91.

Such an expansion is totally inconsistent with the deficit reduction being sought in the ongoing budget summit, and is an example of the type of mandatory cost expansion that has fostered the current crisis. The bill should include a reauthorization of nutrition programs consistent with the Administration's proposals and financed within the parameters of the Senate budget resolution, and any subsequent bipartisan budget agreement.

The Administration also has concerns with a number of provisions in the trade title. With respect to food aid, we strongly object to the attempt to bypass Presidential authority by dictating the Executive branch structure for administering the program. The P.L. 480 program serves multiple legislative objectives and affects a wide variety of domestic and international interests. Therefore, we believe it is imperative that authority to direct, manage, and delegate responsibilities for food aid programs be maintained by the President. With regard to export assistance programs, the Administration opposes the provision allowing foreign agricultural commodities to be exported under Commodity Credit Corporation (CCC) guarantee programs, and the provision earmarking $50 million of CCC funds for promoting oilseed crops. The Administration also opposes the provision requiring spending levels in USDA's Long-Term Agricultural Strategy Reports to be treated as the President's annual budget submission. Finally, the Administration opposes the provision barring foreign financial institutions from receiving assignment of letters of credit issued by CCC.

The Administration also has serious objections to provisions in S. 2830 that are not related to the commodity and food assistance titles.

- In the conservation title, the water quality incentive and integrated crop management programs are not likely to achieve significant environmental benefits while adding at least $500 million to costs. Moreover, instituting new subsidies for farmers to reduce pollution would be inconsistent with the long-standing policy of allocating such costs equitably across society instead of providing special treatment for any sector of the economy. This policy was recently reinforced in the Senate-passed Clean Air Bill.

- In the research title, the Administration objects to the provision to establish an institute providing the private sector with financial

incentives for commercialization of agricultural products. As with other technologies, the appropriate Federal role is support of research and development and rapid transfer of new technology through such mechanisms as cooperative research and licensing arrangements.

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503 October 12, 1990 (Sent)
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

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

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

The Administration supports an expansion of the existing seafood inspection program in the Food and Drug Administration (FDA) and the National Oceanic and Atmospheric Administration (NOAA). The Administration, however, opposes S. 2924, which would move virtually the entire program to the Department of Agriculture for reasons unrelated to public health and safety. The Administration prefers to build on the experience and scientific expertise in the FDA and NOAA to improve the inspection of all seafood products and aggressively address the primary health and safety concern -- shellfish contamination.

If any legislation is presented to the President that does not include the principal elements of the Administration proposal, his senior advisers would recommend a veto.

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

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

NOAA is the only Federal agency authorized to control fishing activities of vessels in Federal waters and has closed those waters to harvesting when a FDA tolerance for a contaminant in shellfish has been exceeded. NOAA has an unsurpassed knowledge of fishing vessels and acceptability of catch. Like FDA, NOAA

has experience in inspecting seafood processors under its current voluntary program. This program, which complements FDA's mandatory program, includes grading and lot certification for export, features important for international trade. NOAA is also the lead Federal agency with respect to fisheries trade policy and strategy.

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

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

October 17, 1990 Sent
(House Floor)

STATEMENT OF ADMINISTRATION POLICY

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

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

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

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

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

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

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

October 17, 1990 (Sent)
(Senate Floor)

STATEMENT OF ADMINISTRATION POLICY

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

S. 3209 - OMNIBUS RECONCILIATION ACT OF 1990

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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