

**NLWJC - KAGAN**

**EMAILS RECEIVED**

**ARMS - BOX 017 - FOLDER -011**

**[10/13/1997 - 10/14/1997]**

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Lawrence J. Haas ( CN=Lawrence J. Haas/OU=OMB/O=EOP [ OMB ] )

CREATION DATE/TIME:13-OCT-1997 18:03:15.00

SUBJECT: IMPORTANT -- Heads up on line-item veto

TO: Karen E. Skelton ( CN=Karen E. Skelton/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Craig T. Smith ( CN=Craig T. Smith/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Bruce N. Reed ( CN=Bruce N. Reed/OU=OPD/O=EOP@EOP [ OPD ] )  
READ:UNKNOWN

TO: Thurgood Marshall Jr ( CN=Thurgood Marshall Jr/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: FOLEY\_M@A1@CD@LNGTWY ( FOLEY\_M@A1@CD@LNGTWY [ UNKNOWN ] ) (WHO)  
READ:UNKNOWN

TO: Doris O. Matsui ( CN=Doris O. Matsui/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Maria Echaveste ( CN=Maria Echaveste/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Emily Bromberg ( CN=Emily Bromberg/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Mickey Ibarra ( CN=Mickey Ibarra/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Ann F. Lewis ( CN=Ann F. Lewis/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Michele Jolin ( CN=Michele Jolin/OU=CEA/O=EOP@EOP [ CEA ] )  
READ:UNKNOWN

TO: Ron Klain ( CN=Ron Klain/O=OVP@OVP [ UNKNOWN ] )  
READ:UNKNOWN

TO: Barry J. Toiv ( CN=Barry J. Toiv/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Gene B. Sperling ( CN=Gene B. Sperling/OU=OPD/O=EOP@EOP [ OPD ] )  
READ:UNKNOWN

TO: Rahm I. Emanuel ( CN=Rahm I. Emanuel/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Sylvia M. Mathews ( CN=Sylvia M. Mathews/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Minyon Moore ( CN=Minyon Moore/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Elena Kagan ( CN=Elena Kagan/OU=OPD/O=EOP@EOP [ OPD ] )

READ:UNKNOWN

TO: Stephen B. Silverman ( CN=Stephen B. Silverman/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Barbara Chow ( CN=Barbara Chow/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: John L. Hilley ( CN=John L. Hilley/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Robert B. Johnson ( CN=Robert B. Johnson/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Lynn G. Cutler ( CN=Lynn G. Cutler/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Fred DuVal ( CN=Fred DuVal/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Sidney Blumenthal ( CN=Sidney Blumenthal/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Michael Waldman ( CN=Michael Waldman/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Janet L. Yellen ( CN=Janet L. Yellen/OU=CEA/O=EOP@EOP [ CEA ] )  
READ:UNKNOWN

TO: Joseph P. Lockhart ( CN=Joseph P. Lockhart/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Michael D. McCurry ( CN=Michael D. McCurry/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Paul E. Begala ( CN=Paul E. Begala/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Robert S. Bell ( CN=Robert S. Bell/OU=OMB/O=EOP@EOP [ OMB ] )  
READ:UNKNOWN

TO: John Podesta ( CN=John Podesta/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Marjorie Tarmey ( CN=Marjorie Tarmey/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: David S. Beaubaire ( CN=David S. Beaubaire/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Kris M Balderston ( CN=Kris M Balderston/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Elisa Millsap ( CN=Elisa Millsap/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Kevin S. Moran ( CN=Kevin S. Moran/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Jordan Tamagni ( CN=Jordan Tamagni/OU=WHO/O=EOP@EOP [ UNKNOWN ] )

READ:UNKNOWN

CC: Elizabeth R. Newman ( CN=Elizabeth R. Newman/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Russell W. Horwitz ( CN=Russell W. Horwitz/OU=OPD/O=EOP@EOP [ OPD ] )  
READ:UNKNOWN

CC: June G. Turner ( CN=June G. Turner/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Carole A. Parmelee ( CN=Carole A. Parmelee/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Angelique Pirozzi ( CN=Angelique Pirozzi/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Anne E. McGuire ( CN=Anne E. McGuire/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Stacey L. Rubin ( CN=Stacey L. Rubin/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Suzanne Dale ( CN=Suzanne Dale/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Laura K. Capps ( CN=Laura K. Capps/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Debbie B Bengtson ( CN=Debbie B Bengtson/O=OVP@OVP [ UNKNOWN ] )  
READ:UNKNOWN

CC: Lori L. Anderson ( CN=Lori L. Anderson/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Michelle Crisci ( CN=Michelle Crisci/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Sara M. Latham ( CN=Sara M. Latham/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Jason S. Goldberg ( CN=Jason S. Goldberg/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

Franklin D. Raines ( CN=Franklin D. Raines/OU=OMB/O=EOP [ OMB ] )  
READ:UNKNOWN

Jacob J. Lew ( CN=Jacob J. Lew/OU=OMB/O=EOP [ OMB ] )  
READ:UNKNOWN

Gordon Adams ( CN=Gordon Adams/OU=OMB/O=EOP [ OMB ] )  
READ:UNKNOWN

Jill M. Blickstein ( CN=Jill M. Blickstein/OU=OMB/O=EOP [ OMB ] )  
READ:UNKNOWN

TEXT:

Although this is NOT yet public information, the White House plans to announce on Tuesday, October 14, that the President has used his line-item veto authority on the Defense appropriations bill.

To help you explain the President's decision to your constituencies, OMB's Jack Lew and Gordon Adams will hold a briefing on Tuesday morning, 9 a.m., in the Roosevelt Room, to outline the particulars.

We hope you find the briefing useful. We are trying to respond to the concerns that many of you raised about having a sufficient heads-up and understanding beforehand, so you can better do your own thing.

Please let me know whether you think we've left anyone off this list.



## Education Week Strategy

### Events

1. **Friday 10/17: VPOTUS attacks Republican extremists for blocking efforts to improve early reading.**
  2. **Saturday 10/18: POTUS Radio Address endorses charter schools bill, broader theme of improving public education** [make sure we have good examples of charter schools we can point to]
  3. **Sunday 10/19: POTUS and Riley release algebra report during return flight on AF1; link to importance of national math test** [I'm not quite sure how this will work]
- [Monday 10/20: Climate Change Announcement]
4. **Tuesday 10/21: POTUS Reading tutors event**
  5. **Wednesday 10/22: Business leaders event, if we can get the CEO's on that day**
- [Thursday 10/23: Childcare event--should push after-school programs]
6. **Friday 10/24: National Board for Professional Teaching Standards event, announce \$24 million teacher quality R&D Center (or something close) to U of MD.**

### Other Issues As We Proceed

1. **Message for all events has to tie back to broader strategy for improving public education: standards, accountability and choice**
2. **Still need to sharpen specific anti-voucher message/voucher strategy for POTUS** [I think we need to give him something that backs up the "shut down failing schools" message; could conceivably be Obey/Porter, or could tie to charter schools.
3. **Possible announcement that we are dropping NYC single-sex school "negotiations"**

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cynthia A. Rice ( CN=Cynthia A. Rice/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:13-OCT-1997 11:17:51.00

SUBJECT: Speaking Invitation from the YMCA of the USA

TO: Elena Kagan ( CN=Elena Kagan/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

TO: Bruce N. Reed ( CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

CC: Diana Fortuna ( CN=Diana Fortuna/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

CC: Cathy R. Mays ( CN=Cathy R. Mays/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

TEXT:

The YMCA of the USA has invited me to speak at their National Symposium of their 150 CEOs on Friday evening November 21st in Milwaukee. While I generally loath travel, I think this could be worthwhile since I could combine it with a visit to a Wisconsin welfare to work site. On Wednesday of that week we're tentatively planning to have the Welfare to Work Partnership event here, so I would leave sometime after that.

Unless any of you object. I'll send Cathy a copy of the invitation to begin the process with White House counsel.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cynthia A. Rice ( CN=Cynthia A. Rice/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:13-OCT-1997 15:44:27.00

SUBJECT: Welfare to Work Planning Guidance

TO: Diana Fortuna ( CN=Diana Fortuna/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

TO: Elena Kagan ( CN=Elena Kagan/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

TO: Sky Gallegos ( CN=Sky Gallegos/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

TO: Emily Bromberg ( CN=Emily Bromberg/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

TO: Bruce N. Reed ( CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

Cynthia A. Rice ( CN=Cynthia A. Rice/OU=OPD/O=EOP [ OPD ] )  
READ:UNKNOWN

TEXT:

Planning Guidance

We reviewed the revised planning guidance on Friday; it will go out on Tuesday. Since DOL made all our changes and since we agreed to allow up to one-half of the match be in-kind, the mayors should be quite happy. (We also clarified that private sector match is treated like government provided match -- i.e., no limits on cash, in-kind capped at half the match.)

The guidance clarifies the role of the PICs through statements such as the following:

"PICs shall determine on which individuals and activities listed in the statute to expend the WtW funds they receive."

"Consistent with statutory provisions, the State may not restrict PICs from exercising their authority to expend funds on the statutorily eligible populations. PICs, therefore, have authority to determine the individuals to be served in the service delivery areas."

"Consistent with statutory provisions, the State may not restrict PICs from exercising their authority to expend funds on the statutorily prescribed activities. PICs, therefore, have authority to determine the services to be provided in the service delivery area."

"The PIC for an SDA [service delivery area] has sole authority, in coordination with the CEO of the area [the chief elected official, i.e., the mayor], to expend the 85 percent formula funds passed through to the local level, in accordance with the requirements of the statute."

Next Steps

On Wednesday, DOL will send us their proposed regs. By statute, we must publish them by Nov. 4th. We are shooting for Oct. 31st.

Although we won the battle re: the guidance, the regulations will be the true war. DOL plans to spell out in the draft regulation something glossed over in the guidance: what it means for the statute to say the governors shall assure that these funds are coordinated with TANF and what sort of fiduciary oversight states have. As you can tell from the quotes above, the guidance laid out two things the governors cannot do (tell the PICs which individuals to serve and which activities to provide) but it did not define what they can do.

I will examine the draft regs when they arrive. If we have something to fight about, I will talk to Elena about what counter-arguments we can make and we will probably need to bring the Dept. of Labor lawyers over here to discuss. I'll keep you posted.

RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: William R. Kincaid@EOP@LNKTWY@EOPMRX

CREATION DATE/TIME:14-OCT-1997 13:19:00.00

SUBJECT: document to review quickly

TO: Elena Kagan ( Elena Kagan@EOP@LNKTWY@EOPMRX )  
READ:NOT READ

CC: BALDERSTON\_A ( BALDERSTON\_A@A1@CD ) (OPD)  
READ:14-OCT-1997 13:26:47.98

CC: Laura Emmett ( Laura Emmett@EOP@LNKTWY@EOPMRX )  
READ:NOT READ

CC: Michael Cohen ( Michael Cohen@EOP@LNKTWY@EOPMRX )  
READ:NOT READ

TEXT:

Message Creation Date was at 14-OCT-1997 13:16:00

Dawn Chirwa is sending us a document that the Department of Education wants to release at ACE's conference on diversity in higher education tomorrow; the document has been cleared by the civil rights division, and is currently being ok'd by OLC. My understanding is that the document is something along the lines of guidelines for higher ed institutions to use in assessing their practices in admissions, financial aid, etc. As soon as we get a copy from the counsel's office we will forward a copy to you.

Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Thomas L. Freedman ( CN=Thomas L. Freedman/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:14-OCT-1997 20:13:22.00

SUBJECT: EEOC appointment

TO: Elena Kagan ( CN=Elena Kagan/OU=OPD/O=EOP @ EOP [ OPD ] )

READ:UNKNOWN

CC: Laura Emmett ( CN=Laura Emmett/OU=WHO/O=EOP @ EOP [ WHO ] )

READ:UNKNOWN

CC: Mary L. Smith ( CN=Mary L. Smith/OU=OPD/O=EOP @ EOP [ OPD ] )

READ:UNKNOWN

TEXT:

The EEOC opening caused by the Chairman's resignation is a great opportunity if we can get a high-profile, high-quality person. It could fit in nicely with our other announcements centered on reform. We should give coming up with a list of good names some thought, yes?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Thomas L. Freedman ( CN=Thomas L. Freedman/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:14-OCT-1997 13:23:14.00

SUBJECT: Re: Draft Decision Memo on the Office of Consumer Affairs

TO: Elena Kagan ( CN=Elena Kagan/OU=OPD/O=EOP @ EOP [ OPD ] )

READ:UNKNOWN

TO: Paul J. Weinstein Jr. ( CN=Paul J. Weinstein Jr./OU=OPD/O=EOP @ EOP [ OPD ] )

READ:UNKNOWN

TO: Bruce N. Reed ( CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [ OPD ] )

READ:UNKNOWN

TEXT:

Given the choice between losing OCA and keeping it, I prefer keeping it. I think it has some potential for doing useful work, and it is the wrong time to abolish the consumer affairs office.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cynthia A. Rice ( CN=Cynthia A. Rice/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:14-OCT-1997 15:47:03.00

SUBJECT: Women's Office Meeting this morning

TO: Laura Emmett ( CN=Laura Emmett/OU=WHO/O=EOP @ EOP [ WHO ] )

READ:UNKNOWN

TO: Elena Kagan ( CN=Elena Kagan/OU=OPD/O=EOP @ EOP [ OPD ] )

READ:UNKNOWN

TEXT:

Ann Rosewater tells me thinks went fine this morning with the meeting with domestic violence advocates, which was organized by the Women's office.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Thomas L. Freedman ( CN=Thomas L. Freedman/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:14-OCT-1997 10:26:43.00

SUBJECT: Hi-tech university

TO: Elena Kagan ( CN=Elena Kagan/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

TO: Michael Cohen ( CN=Michael Cohen/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

TO: Bruce N. Reed ( CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

TEXT:

Bruce, if you talk to Roemer you can mention that there is a working group (includes DOL, ED, OSTP, VP) on the virtual university idea ("Learning on Demand) and that when he/Levitt are in town it would be helpful for either/both of them to sit in and discuss what would help these kind of schools.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Diana Fortuna ( CN=Diana Fortuna/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:14-OCT-1997 14:13:28.00

SUBJECT: Boston Globe bad story on service summit

TO: Elena Kagan ( CN=Elena Kagan/OU=OPD/O=EOP @ EOP [ OPD ] )

READ:UNKNOWN

TO: Bruce N. Reed ( CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [ OPD ] )

READ:UNKNOWN

TEXT:

I just faxed you a negative story on the service summit from Sunday's Boston Globe. It says there has been no surge in volunteering since April, and the President has done little to make this high-profile since the summit. It also criticizes America's Promise, but the General comes off well.

In the next few weeks Jonathan Alter will do a 6-month update that will be influential. He has two pet ideas: the President should make a crusade out of the 5 goals for kids (legacy stuff), and he should make 1/2 or all work-study into community service, and let welfare recipients do today's work-study jobs. He thinks we wimped out because college presidents opposed this. (On the first idea, the President scribbled in the margins of memos right after the summit that he would like to do events organized around the 5 goals.)

Steve Silverman and I owe you a 6-month strategy memo and will get it to you shortly. It might make sense for our offensive strategy to stress AmeriCorps and note how it gets the most out of volunteers. But not sure what news to point to there -- reauthorization will still be held up over approps, and it's not too exciting.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Lawrence J. Haas ( CN=Lawrence J. Haas/OU=OMB/O=EOP [ OMB ] )

CREATION DATE/TIME:14-OCT-1997 12:25:15.00

SUBJECT: URGENT -- update on line-item veto

TO: Karen E. Skelton ( CN=Karen E. Skelton/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Craig T. Smith ( CN=Craig T. Smith/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Bruce N. Reed ( CN=Bruce N. Reed/OU=OPD/O=EOP@EOP [ OPD ] )  
READ:UNKNOWN

TO: Thurgood Marshall Jr ( CN=Thurgood Marshall Jr/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: FOLEY\_M@A1@CD@LNGTWY ( FOLEY\_M@A1@CD@LNGTWY [ UNKNOWN ] ) (WHO)  
READ:UNKNOWN

TO: Doris O. Matsui ( CN=Doris O. Matsui/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Maria Echaveste ( CN=Maria Echaveste/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Emily Bromberg ( CN=Emily Bromberg/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Mickey Ibarra ( CN=Mickey Ibarra/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Ann F. Lewis ( CN=Ann F. Lewis/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Michele Jolin ( CN=Michele Jolin/OU=CEA/O=EOP@EOP [ CEA ] )  
READ:UNKNOWN

TO: Ron Klain ( CN=Ron Klain/O=OVP@OVP [ UNKNOWN ] )  
READ:UNKNOWN

TO: Barry J. Toiv ( CN=Barry J. Toiv/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TO: Gene B. Sperling ( CN=Gene B. Sperling/OU=OPD/O=EOP@EOP [ OPD ] )  
READ:UNKNOWN

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READ:UNKNOWN

TO: John Podesta ( CN=John Podesta/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Marjorie Tarmey ( CN=Marjorie Tarmey/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: David S. Beaubaire ( CN=David S. Beaubaire/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Kris M Balderston ( CN=Kris M Balderston/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Elisa Millsap ( CN=Elisa Millsap/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Kevin S. Moran ( CN=Kevin S. Moran/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Jordan Tamagni ( CN=Jordan Tamagni/OU=WHO/O=EOP@EOP [ UNKNOWN ] )

READ:UNKNOWN

CC: Elizabeth R. Newman ( CN=Elizabeth R. Newman/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Russell W. Horwitz ( CN=Russell W. Horwitz/OU=OPD/O=EOP@EOP [ OPD ] )  
READ:UNKNOWN

CC: June G. Turner ( CN=June G. Turner/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Carole A. Parmelee ( CN=Carole A. Parmelee/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

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READ:UNKNOWN

CC: Anne E. McGuire ( CN=Anne E. McGuire/OU=WHO/O=EOP@EOP [ WHO ] )  
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READ:UNKNOWN

CC: Debbie B Bengtson ( CN=Debbie B Bengtson/O=OVP@OVP [ UNKNOWN ] )  
READ:UNKNOWN

CC: Lori L. Anderson ( CN=Lori L. Anderson/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Michelle Crisci ( CN=Michelle Crisci/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Sara M. Latham ( CN=Sara M. Latham/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

CC: Jason S. Goldberg ( CN=Jason S. Goldberg/OU=WHO/O=EOP@EOP [ WHO ] )  
READ:UNKNOWN

TEXT:

Due to last-minute changes, the specific line-item veto details have changed a bit since Jack Lew briefed the senior White House staff this morning. The attached is the actual press paper that will go out later today. You can educate yourselves about where we are by referring to it. PLEASE DO NOT DISTRIBUTE this paper outside of the White House, however, until at least Raines, et. al., brief the press at 1:30 p.m.

Thank you.

===== ATTACHMENT 1 =====  
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS\_EXT:[ATTACH.D12]MAIL46707468M.216 to ASCII,



**PRESIDENT CLINTON USES LINE-ITEM VETO  
ON DEFENSE APPROPRIATIONS ACT OF 1998**

**October 14, 1997**

- President Clinton used the line-item veto today to cancel 13 projects in the Defense Appropriations Act of 1998.
- The President's action will save \$144 million in budget authority in 1998.
- The Defense Appropriations Act included funding for over 750 projects, costing about \$11 billion, that the President did not request in his 1998 budget.
  - The Administration carefully reviewed those unrequested projects and found that while most of them have merit, some do not.
- The Administration has chosen criteria that are appropriate to each appropriations bill under review.
- For the Defense Appropriations Act, the President considered such factors as:
  - **whether he requested the projects in his 1998 budget,**
  - **whether they contribute to our national security, and**
  - **whether they fit with our long-range defense plans.**
- The President's action will in no way adversely affect our military capability, the readiness of our forces, or their operations in defense of our Nation.
  - The Defense Department has determined there is no national security requirement for these projects.
- The President left thousands of projects in the bill, including the vast majority that Congress added, reflecting his commitment to the military readiness of American forces and Congress' role in shaping appropriations bills.
  - In fact, his actions mean that he has agreed to a net addition of about \$1 billion in Defense Department funding above the level in the Bipartisan Budget Agreement.

## THE LINE ITEM VETO ACT

- o **Scope of Authority.** President may cancel any item of discretionary or direct spending or any limited tax benefit, if he sends a special message to Congress identifying the item within 5 days (excluding Sundays) of signing the bill containing the item.
- o Cancellations transmitted to Congress are effective upon receipt by Congress, and remain effective unless overturned by a disapproval law.
- o The item veto may only be used on items in bills the President signs --he may not veto items that become law without his signature.
- o **Definition of Item.** The President may cancel (not reduce) whole individual "items" of discretionary spending --defined as any dollar amount in an appropriations bill or report, or any amount required to be allocated by a specific proviso in a bill or represented separately in explanatory text in a report.
- o President may cancel only the amount of spending --not conditions or restrictions on spending.
- o The President may also cancel any "item of new direct spending" --defined as a specific provision of law estimated to result in an increase in direct spending, relative to the baseline.
- o **Limited Tax Benefits.** "Limited tax benefits" that may be canceled include only revenue-losing provisions applying to 100 or fewer beneficiaries in a fiscal year (where the beneficiaries are not similarly treated), or transitional relief to 10 or fewer beneficiaries. Congress may specify in tax legislation whether the bill contains any provisions subject to cancellation authority.
- o **Lockbox.** Includes a "lockbox" mechanism: discretionary cancellations trigger automatic cap reductions, and paygo savings from cancellations are not put on paygo scorecard.
- o **Congressional procedure.** The Congress has 30 session days following a cancellation message to consider disapproval legislation, under expedited procedures.
- o Disapproval bills introduced in the House must disapprove all cancellations made with respect to a particular law. Bills introduced in the Senate may select particular cancellations. However, the bills may be amended in both chambers to alter the list of cancellations.

- o **Effective dates.** Item veto authority became effective on January 1, 1997 and will sunset on January 1, 2005.

**CANCELLATION OF  
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY  
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

**Bill Citation:** "Department of Defense Appropriations Act, 1998" (H.R. 2266)

**1(A). Dollar Amount of Discretionary Budget Authority:** \$30,000 thousand for Operation and Maintenance, Air Force project "SR-71" on page 75 of House Report 105-265 dated September 23, 1997.

**1(B). Determinations:** This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

**1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs:** This project would provide manning, operations and support to sustain SR-71 training requirements during fiscal year 1998 and provide for a 30-day operational deployment capability. The SR-71 is a high-speed, high-altitude, long-range, multi-sensor, all-weather, wide-area surveillance aircraft. **There is no military requirement to continue to operate the SR-71. The project is being canceled because it was not requested in the President's FY 1998 Budget and the Department of Defense has determined that it would not make a significant contribution to US military capability.**

**1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation:** As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

Outlay Changes (in thousands of dollars)					
FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
-\$21,870	-\$6,480	-\$900	-\$270	-\$120	\$30,000

**1(F). Adjustments to Defense Discretionary Spending Limits**  
**Budget Authority:** -\$30,000 thousand in FY 1998  
**Outlays:** The estimated outlay effect for each year is shown above.

**Evaluation of Effects of These Adjustments upon Sequestration Procedures:**  
**If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.**

**2(A). Agency: Department of Defense**

**2(A). Bureau: Operation and Maintenance**

**2(A). Governmental Function/Project (Account): SR-71 (Operation and Maintenance, Air Force)**

**2(B). States and Congressional Districts Affected: California, 21st Congressional District**

**2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: California: five; 21st District: one**

**Cancellation No. 97-43**

**CANCELLATION OF  
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY  
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

**Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)**

**1(A). Dollar Amount of Discretionary Budget Authority: \$9,000 thousand for Aircraft Procurement, Air Force, project "SR-71 Mods" on page 103 of House Report 105-265 dated September 23, 1997.**

**1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.**

**1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: This project would modify cameras, enhance radar processing, install a Global Positioning System navigation system, and improve electronic intelligence for the SR-71 reconnaissance aircraft. The SR-71 is a high-speed, high-altitude, long-range, multi-sensor, all-weather, wide-area surveillance aircraft. There is no military requirement to continue to operate the SR-71. The project is being canceled because it was not requested in the President's FY 1998 Budget and the Department of Defense has determined that it would not make a significant contribution to US military capability.**

**1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.**

<u>Outlay Changes (in thousands of</u>					
<u>dollars)</u>					
<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>Total</u>
<u>-\$711</u>	<u>-\$2,169</u>	<u>-\$2,961</u>	<u>-\$1,782</u>	<u>-\$765</u>	<u>-\$9,000</u>

**1(F). Adjustments to Defense Discretionary Spending Limits**  
**Budget Authority:** -\$9,000 thousand in FY 1998  
**Outlays:** The estimated outlay effect for each year is shown above.

**Evaluation of Effects of These Adjustments upon Sequestration Procedures:**  
If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

**2(A). Agency:** Department of Defense

**2(A). Bureau:** Aircraft Procurement

**2(A). Governmental Function/Project (Account):** SR-71 Modifications (Aircraft Procurement, Air Force)

**2(B). States and Congressional Districts Affected:** California, 25th Congressional District.

**2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above:** California: six; 25th District: one

**CANCELLATION OF  
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY  
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

**Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)**

**1(A). Dollar Amount of Discretionary Budget Authority: \$4,000 thousand for the Research, Development Test and Evaluation, Army project titled "Gallo Center" on page 112 of House Report 105-265 dated September 23, 1997, and page 166 of House Report 105-206 dated July 25, 1997.**

**1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.**

**1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: The President's FY 1998 Budget supports ongoing work to demonstrate and export new environmentally acceptable technology to the industrial base and to train the industrial base on the use of new technology. The appropriated increase would support life-cycle environmental and manufacturing technologies research specifically related to weapons systems and munitions technology assessment and analysis. The Army does not believe this additional research merits funding at this time.**

**1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.**

**Outlay Changes (in thousands of dollars)**

<b>FY 1998</b>	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>Total</b>
<b>-\$2,320</b>	<b>-\$1,320</b>	<b>-\$212</b>	<b>-\$72</b>	<b>-\$32</b>	<b>-\$4,000</b>

**1(F). Adjustments to Defense Discretionary Spending Limits**

**Budget Authority: -\$4,000 thousand in FY 1998**

**Outlays: The estimated outlay effect for each year is shown above.**

**Evaluation of Effects of These Adjustments upon Sequestration Procedures: If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.**

**2(A). Agency: Department of Defense**

**2(A). Bureau: Research, Development, Test and Evaluation**

**2(A). Governmental Function/Project (Account): Gallo Center (Research, Development, Test and Evaluation, Army)**

**2(B). States and Congressional Districts Affected: New Jersey, 11th Congressional District**

**2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: New Jersey: one; 11th District: one**

Cancellation No. 97-45

**CANCELLATION OF  
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY  
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

**Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)**

**1(A). Dollar Amount of Discretionary Budget Authority: \$6,000 thousand for the Research, Development Test and Evaluation, Army project "Molten Carbonate Fuel Cells Technology" on page 113 of House Report 105-265 dated September 23, 1997.**

**1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.**

**1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: This project would research and develop alternative fuel cell technology that converts chemical energy to electricity. It has primary applications for the Department of Energy which has responsibility for alternative energy research. The project is being canceled because it was not requested in the President's FY 1998 Budget and the Department of Defense has determined that it would not make a significant contribution to US military capability.**

**1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.**

**Outlay Changes (in thousands of dollars)**

<b>FY 1998</b>	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>Total</b>
<b>-\$3,480</b>	<b>-\$1,980</b>	<b>-\$318</b>	<b>-\$108</b>	<b>-\$48</b>	<b>-\$6,000</b>

**1(F). Adjustments to Defense Discretionary Spending Limits**

**Budget Authority: -\$6,000 thousand in FY 1998**

**Outlays: The estimated outlay effect for each year is shown above.**

**Evaluation of Effects of These Adjustments upon Sequestration Procedures: If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.**

**2(A). Agency: Department of Defense**

**2(A). Bureau: Research, Development, Test and Evaluation**

**2(A). Governmental Function/Project (Account): Molten Carbonate Fuel Cells  
Technology (Research, Development, Test and Evaluation, Army)**

**2(B). States and Congressional Districts Affected: Unknown**

**2(C). Total Number of Cancellations (inclusive) in Current Session in each State  
and District identified above: Unknown**

**CANCELLATION OF  
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY  
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

**Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)**

**1(A). Dollar Amount of Discretionary Budget Authority: \$3,000 thousand for the Research, Development Test and Evaluation, Army project "Periscopic Minimally-Invasive Surgery" on page 113 and 116 of House Report 105-265 dated September 23, 1997.**

**1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.**

**1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: This project would research less-invasive surgery techniques that could potentially result in faster healing, less hospital time, and reduced costs. However, the Department already funds microsurgery programs with specific military applications. The project is being canceled because it was not requested in the President's FY 1998 Budget and the Department of Defense has determined that it would not make a significant contribution to US military capability.**

**1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.**

**Outlay Changes (in thousands of dollars)**

<b>FY 1998</b>	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>Total</b>
<b>-\$1,740</b>	<b>-\$990</b>	<b>-\$159</b>	<b>-\$54</b>	<b>-\$24</b>	<b>-\$3,000</b>

**1(F). Adjustments to Defense Discretionary Spending Limits**

**Budget Authority: -\$3,000 thousand in FY 1998**

**Outlays: The estimated outlay effect for each year is shown above.**

**Evaluation of Effects of These Adjustments upon Sequestration Procedures: If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.**

**2(A). Agency: Department of Defense**

**2(A). Bureau: Research, Development, Test and Evaluation**

**2(A). Governmental Function/Project (Account): Periscopic Minimally-Invasive Surgery (Research, Development, Test and Evaluation, Army)**

**2(B). States and Congressional Districts Affected: Unknown**

**2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: Unknown**

**CANCELLATION OF  
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY  
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

**Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)**

**1(A). Dollar Amount of Discretionary Budget Authority: \$4,000 thousand for the Research, Development Test and Evaluation, Army project "Proton Beam" on page 113 of House Report 105-265 dated September 23, 1997.**

**1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.**

**1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: This project would research a new machine that delivers radiation therapy for cancer treatment. The appropriated funds constitute a grant to a private organization for medical research that should be funded through a peer review process. The project is being canceled because it was not requested in the President's FY 1998 Budget and the Department of Defense has determined that it would not make a significant contribution to US military capability.**

**1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.**

**Outlay Changes (in thousands of dollars)**

<b>FY 1998</b>	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>Total</b>
<b>-\$2,320</b>	<b>-\$1,320</b>	<b>-\$212</b>	<b>-\$72</b>	<b>-\$32</b>	<b>-\$4,000</b>

**1(F). Adjustments to Defense Discretionary Spending Limits**

**Budget Authority: -\$4,000 thousand in FY 1998**

**Outlays: The estimated outlay effect for each year is shown above.**

**Evaluation of Effects of These Adjustments upon Sequestration Procedures: If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.**

**2(A). Agency: Department of Defense**

**2(A). Bureau: Research, Development, Test and Evaluation**

**2(A). Governmental Function/Project (Account): Proton Beam (Research, Development, Test and Evaluation, Army)**

**2(B). States and Congressional Districts Affected: California, 40th Congressional District**

**2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: California: seven; 40th District: three**

**Cancellation No. 97-48**

**CANCELLATION OF  
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY  
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

**Bill Citation:** "Department of Defense Appropriations Act, 1998" (H.R. 2266)

**1(A). Dollar Amount of Discretionary Budget Authority:** \$3,000 thousand for a Research, Development, Test, and Evaluation, Navy project "Terfenol-D" on pages 119 and 122 of House Report 105-265 dated September 23, 1997.

**1(B). Determinations:** This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

**1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs:** This project is intended to enable the Navy to achieve further cost reductions in the application of a magnetostrictive, iron/terbium/dysprosium alloy for new high performance sonar systems. This effort is to be undertaken through a partnership between any entity which has made a financial commitment and has experience in the production of the alloy and the National Center of Excellence in Metal Working Technology. The Navy has no military requirement for this technology. This project is being canceled because it was not requested in the President's FY 1998 Budget and the Department of Defense has determined that it would not make a significant contribution to US military capability.

**1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation:** As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

	<u>Outlay Changes (in thousands of dollars)</u>					
	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>Total</u>
	-\$1,603	-\$1,008	-\$253	-\$60	-\$33	
	-\$3,000					

**1(F). Adjustments to Defense Discretionary Spending Limits**

**Budget Authority:** -\$3,000 thousand in FY 1998

**Outlays:** The estimated outlay effect for each year is shown above.

**Evaluation of Effects of These Adjustments upon Sequestration Procedures:** If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

**2(A). Agency:** Department of Defense

**2(A). Bureau:** Research, Development, Test, and Evaluation

**2(A). Governmental Function/Project (Account):** Terfenol-D (Research, Development, Test, and Evaluation, Navy)

**2(B). States and Congressional Districts Affected:** Pennsylvania, 12th Congressional District

**2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above:** Pennsylvania: three; 12th District: two

**CANCELLATION OF  
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY  
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

**Bill Citation:** "Department of Defense Appropriations Act, 1998" (H.R. 2266)

**1(A). Dollar Amount of Discretionary Budget Authority:** \$3,000 thousand for a Research, Development, Test, and Evaluation, Navy project for "COTS airgun as an acoustic source" on page 120 of House Report 105-265 dated September 23, 1997.

**1(B). Determinations:** This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.

**1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs:** This project would continue development, testing, and calibration of components for a mobile, high power broadband acoustic surveillance source that is based upon the adaptation of commercial air-gun technology. Technical review in the Department of Defense has concluded that this technology will not be effective, except in shallow water regions where there are no current requirements. The project is being canceled because it was not requested in the President's FY 1998 Budget and the Department of Defense has determined that it would not make a significant contribution to US military capability.

**1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation:** As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.

Outlay Changes (in thousands of dollars)						
	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
-\$33	-\$3,000	-\$1,603	-\$1,008	-\$253	-\$60	

**1(F). Adjustments to Defense Discretionary Spending Limits**

**Budget Authority:** -\$3,000 thousand in FY 1998

**Outlays:** The estimated outlay effect for each year is shown above.

**Evaluation of Effects of These Adjustments upon Sequestration Procedures:** If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

**2(A). Agency:** Department of Defense

**2(A). Bureau:** Research, Development, Test, and Evaluation

**2(A). Governmental Function/Project (Account):** COTS airgun as an acoustic source  
(Research, Development, Test, and Evaluation, Navy)

**2(B). States and Congressional Districts Affected:** Unknown

**2(C). Total Number of Cancellations (inclusive) in Current Session in each State  
and District identified above:** Unknown



**2(A). Agency: Department of Defense**

**2(A). Bureau: Research, Development, Testing and Evaluation**

**2(A). Governmental Function/Project (Account): Military Spaceplane (Research, Development, Testing and Evaluation, Air Force)**

**2(B). States and Congressional Districts Affected: New Mexico, 1st Congressional District.**

**2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: New Mexico: three; 1st District: two**

**CANCELLATION OF  
 DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY  
 Report Pursuant to the Line Item Veto Act, P.L. 104-130**

**Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)**

**1(A). Dollar Amount of Discretionary Budget Authority: \$30,000 thousand for Research, Development, Test and Evaluation, Air Force project "Clementine" on page 125 of House Report 105-265 dated September 23, 1997.**

**1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.**

**1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: This project would test and demonstrate microelectronics for acquisition tracking and intercept of an asteroid in space using a mothership integrated with three microsattellites. The scientific objective of the mission is to obtain data on the asteroid. The project's key military application would be for space-based missile defense. The project is being canceled because it was not requested in the President's FY 1998 Budget; it was not in the Department of Defense Future Years Defense Plan; and its key military application is not part of the Department's national missile defense readiness plan.**

**1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.**

						Outlay Changes (in thousands of dollars)
	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
	-\$12,817	-\$12,820	-\$2,662	-\$1,071		
	-\$347					
	-\$30,000					

**1(F). Adjustments to Defense Discretionary Spending Limits  
 Budget Authority: -\$30,000 thousand in FY 1998  
 Outlays: The estimated outlay effect for each year is shown above.**

**Evaluation of Effects of These Adjustments upon Sequestration Procedures:  
 If a sequestration were required, such sequestration would occur at levels that are**

reduced by the amounts above.

**2(A). Agency: Department of Defense**

**2(A). Bureau: Research, Development, Testing and Evaluation**

**2(A). Governmental Function/Project (Account): Clementine** (Research, Development, Testing and Evaluation, Air Force)

**2(B). States and Congressional Districts Affected:** New Mexico, 1st Congressional District.

**2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above:** New Mexico: four; 1st District: three

**CANCELLATION OF  
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY  
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

**Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)**

**1(A). Dollar Amount of Discretionary Budget Authority: \$1,500 thousand for Research, Development, Test and Evaluation, Air Force project "Optical Correlator Technology" on page 125 of House Report 105-265 dated September 23, 1997.**

**1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.**

**1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: This project would conduct research and development to attempt to improve optical correlator technology. The project is being canceled because it was not requested in the President's FY 1998 Budget, and because the Department of Defense has determined that it would not make a significant contribution to US military capability.**

**1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.**

Outlay Changes (in thousands of dollars)

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
		-\$641	-\$641	-\$133	-\$54	-\$17

**1(F). Adjustments to Defense Discretionary Spending Limits**

**Budget Authority: -\$1,500 thousand in FY 1998**

**Outlays: The estimated outlay effect for each year is shown**

**above.**

**Evaluation of Effects of These Adjustments upon Sequestration Procedures: If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.**

**2(A). Agency: Department of Defense**

**2(A). Bureau: Research, Development, Testing and Evaluation**

**2(A). Governmental Function/Project (Account): Optical Correlator Technology**

(Research, Development, Testing and Evaluation, Air Force)

**2(B). States and Congressional Districts Affected: Unknown**

**CANCELLATION OF  
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY  
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

**Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)**

**1(A). Dollar Amount of Discretionary Budget Authority: \$37,500 thousand for Research, Development, Test and Evaluation, Defense-wide project "ASAT" on page 130 of House Report 105-265 dated September 23, 1997.**

**1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.**

**1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: This project would fund a technology demonstration experiment to prove the feasibility of launching a seeker that would smash into an enemy's satellite, thereby disabling it. However, alternative means exist for addressing a satellite threat, such as destroying ground stations or disrupting satellite communications links. This item is being canceled because it was not requested in the President's FY 1998 Budget; it was not in the Department of Defense Future Years Defense Plan; and there are alternative ways to disrupt enemy satellite capabilities.**

**1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.**

Outlay Changes (in thousands of dollars)					
FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Total
-\$16,313	-\$15,000	-\$4,500	-\$563	-\$563	-\$563
-\$37,500					

**1(F). Adjustments to Defense Discretionary Spending Limits**

**Budget Authority:** -\$37,500 thousand in FY 1998

**Outlays:** The estimated outlay effect for each year is shown above.

**Evaluation of Effects of These Adjustments upon Sequestration Procedures:**  
If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.

Automated Records Management System  
Hex-Dump Conversion

**2(A). Agency:** Department of Defense

**2(A). Bureau:** Research, Development, Testing and Evaluation

**2(A). Governmental Function/Project (Account):** ASAT (Research, Development, Testing and Evaluation, Defense-wide)

**2(B). States and Congressional Districts Affected:** California, 23rd and/or 24th Congressional Districts.

**2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above:** California: eight; 23rd District: one; 24th District: one

**CANCELLATION OF  
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY  
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

**Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)**

**1(A). Dollar Amount of Discretionary Budget Authority: \$2,000 thousand for Research, Development, Test and Evaluation, Defense-wide project "Risk-based toxic chemicals research" on page 133 of House Report 105-265 dated September 23, 1997.**

**1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.**

**1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: This project would address questions relating to establishment of cleanup criteria for toxic chemicals associated with base operations and for remediation of waste sites. It would duplicate ongoing research being conducted by the Department of Defense. The project is being canceled because it was not requested in the President's FY 1998 Budget and the Department of Defense has determined that it would not make a significant contribution to US military capability.**

**1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.**

<u>Outlay Changes (in thousands of dollars)</u>						
	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>Total</u>
	-\$870		-\$800	-\$240	-\$30	
-\$30	-\$2,000					

**1(F). Adjustments to Defense Discretionary Spending Limits  
Budget Authority: -\$2,000 thousand in FY 1998  
Outlays: The estimated outlay effect for each year is shown above.**

**Evaluation of Effects of These Adjustments upon Sequestration Procedures:  
If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.**

- 2(A). Agency: Department of Defense**
- 2(A). Bureau: Research, Development, Testing and Evaluation**
- 2(A). Governmental Function/Project (Account): Risk-based toxic chemicals research (Research, Development, Testing and Evaluation, Defense-wide)**
- 2(B). States and Congressional Districts Affected: Unknown.**
- 2(C). Total Number of Cancellations (inclusive) in Current Session in each State and District identified above: Unknown**

**CANCELLATION OF  
DOLLAR AMOUNT OF DISCRETIONARY BUDGET AUTHORITY  
Report Pursuant to the Line Item Veto Act, P.L. 104-130**

**Bill Citation: "Department of Defense Appropriations Act, 1998" (H.R. 2266)**

**1(A). Dollar Amount of Discretionary Budget Authority: \$1,000 thousand for Research, Development, Test and Evaluation, Defense-wide project "Defense Techlink rural technology transfer" on page 133 of House Report 105-265 dated September 23, 1997.**

**1(B). Determinations: This cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest.**

**1(C),(E). Reasons for Cancellation; Facts, Circumstances, and Considerations Relating to or Bearing upon the Cancellation; and Estimated Effect of Cancellation on Objects, Purposes, and Programs: This project would develop a rural technology model of a five state rural region of Montana, North Dakota, South Dakota, Wyoming and Idaho. The project is being canceled because it was not requested in the President's FY 1998 Budget and the Department of Defense has determined that it would not make a significant contribution to US military capability.**

**1(D). Estimated Fiscal, Economic, and Budgetary Effect of Cancellation: As a result of the cancellation, Federal outlays will not increase, as specified below. This will have a commensurate effect on the Federal budget deficit and, to that extent, will have a beneficial effect on the economy.**

						<u>Outlay Changes (in thousands of dollars)</u>
<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>Total</u>	
-\$15	-\$435	-\$400	-\$120	-\$15		
-\$1,000						

**1(F). Adjustments to Defense Discretionary Spending Limits**

**Budget Authority: -\$1,000 thousand in FY 1998**  
**Outlays: The estimated outlay effect for each year is shown above.**

**Evaluation of Effects of These Adjustments upon Sequestration Procedures: If a sequestration were required, such sequestration would occur at levels that are reduced by the amounts above.**

**2(A). Agency: Department of Defense**

**2(A). Bureau: Research, Development, Testing and Evaluation**

**2(A). Governmental Function/Project (Account): Defense Techlink rural  
technology transfer (Research, Development, Testing and Evaluation, Defense-wide)**

**2(B). States and Congressional Districts Affected: Idaho, Montana, North Dakota,  
South Dakota, Wyoming; Congressional Districts unknown.**

**2(C). Total Number of Cancellations (inclusive) in Current Session in each State  
and District identified above: Idaho: three; Montana: two; North Dakota: one; South  
Dakota: two; Wyoming: one**