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

February 2, 1994
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 3759 -- MAKING EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR DISASTER ASSISTANCE BECAUSE OF THE LOS ANGELES EARTHQUAKE AND FOR OTHER PURPOSES, FY 1994

(Sponsor: Natcher (D), Kentucky)

The Administration commends the House Appropriations Committee for its expeditious handling of the bill to provide emergency appropriations for relief efforts to those affected by the southern California earthquake. Its efforts will ensure that there is no interruption in providing immediate housing, food, and medical assistance to hundreds of thousands of victims of this natural disaster. These funds will also be used to restore essential traffic systems to millions of citizens in the Los Angeles area.

The Administration supports House passage of H.R. 3759, as reported by the Committee.

The southern California earthquake is the largest disaster ever handled by the Federal Emergency Management Agency (FEMA). As a result of the earthquake, 57 people died, 6,500 were injured, about 16,000 homes and apartments were rendered uninhabitable, and over 45,000 residential structures were damaged. As physical inspections of these damaged housing are completed, increased numbers are being declared uninhabitable.

FEMA has already accepted over 250,000 applications for disaster assistance. Agency staff are working 24 hours a day to process these applications. In only two weeks, FEMA has accepted more applications in southern California than the total applications accepted for either the Midwest floods or Hurricane Andrew.

Approximately 100 public schools were severely damaged. While many reopened with emergency facilities and repairs provided with FEMA assistance, as of Monday, eight schools remain closed. Damage to public buildings was severe. Inspections completed this past weekend of the University of Southern California hospital identified over $400 million in damage. Eleven buildings were destroyed and another 10 damaged.

The Department of Housing and Urban Development has already distributed over 10,000 Section 8 emergency housing certificates, the total available through the Secretary's existing emergency funds. This compares with 7,000 vouchers issued in the first year after Hurricane Andrew.

The Small Business Administration has issued a larger than expected number of disaster assistance applications. Since January 26th, the number of applications has more than doubled, increasing from 88,000 to 177,000 on Monday.

Over 38 miles of roadways were closed in either one or both directions in the Los Angeles area. This includes 4.7 miles of the Santa Monica freeway, the most heavily travelled highway in the nation. Interstate 5, which runs north and south and serves the whole Pacific coast, was seriously damaged as well. In addition, over 200 bridge structures are known to be damaged.

Severe aftershocks continue to cause damage in the region. For example, last Saturday morning's 5.0 aftershock added to the over $200 million in existing damage to California State University-Northridge and further damaged State Highway 101 in North Hollywood.

The Administration urges the House to take swift action on this emergency appropriations request.

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

February 2, 1994
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 3425 - Department of Environmental Protection Act
(Conyers (D) Michigan and 41 others)

The Administration strongly supports H.R. 3425. Elevation of the Environmental Protection Agency (EPA) to Cabinet status will ensure that environmental issues are an integral part of the domestic policy process. The consideration of environmental concerns is imperative for the sustained success of our Nation's economic, social and trade policy.

The Administration strongly opposes amendments to H.R. 3425 affecting environmental policy, such as placing new "risk assessment" requirements on the promulgation of environmental regulations. The purpose of H.R. 3425 is to provide for the structural elevation of the EPA to Cabinet status and improve the management of EPA consistent with the recommendations of the Vice President's National Performance Review. It is an inappropriate vehicle for consideration of broader environmental policy issues.

We urge the Congress to reject efforts to provide for such amendments to this bill, to oppose a weakening amendment in the nature of a substitute, and to move quickly to enact this critical legislation.

Pay-As-You-Go Scoring

H.R. 3425 would affect receipts; therefore it is subject to the pay-as-you-go requirements of the Omnibus Budget Reconciliation Act (OBRA) of 1990. This Office estimates the pay-as-you-go effect is zero.

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FEB 2— REC'D

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

January 31, 1994
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 1150 - Goals 2000: The Educate America Act
(Sen. Kennedy (D) MA)

The Administration strongly supports Senate passage of S. 1150. The bill would: (1) improve learning and teaching by providing a national framework for education reform so that all students can reach internationally competitive standards, (2) enable our Nation to reach the National Education Goals, and (3) establish a national board to promote the development and adoption of a voluntary national system of occupational skill standards.

* * * * * * * *

(Do Not Distribute Outside Executive Office of the President)

This draft position was developed by LRD (Connie Bowers) in consultation with HR (Barry White/Bayla White). The Departments of Education (Hansen), Labor (Morin), Justice (Taylor), and the Treasury (Dorsey), the Domestic Policy Council (Galston), the Council of Economic Advisers (Dickens), the General Services Administration (Ratchford), the National Science Foundation (Chester), the Small Business Administration (Hontz), the National Endowment for the Arts (Woodruff), the National Commission on Libraries and Information Services (Williams), the Office of White House Counsel (Sloan), and OIRA (Chenok) agree with this position.

Background

On April 21, 1993, President Clinton transmitted to Congress "Goals 2000: The Educate America Act," major legislation to provide the framework for comprehensive reform of elementary and secondary education programs. On July 13, 1993, the Senate Labor and Human Resources Committee reported S. 1150, an amended version of S. 846, the Administration's bill. In December 1993, the Committee issued a substitute version of S. 1150 that the full Senate is expected to consider.

Summary of S. 1150

Major provisions of S. 1150 would:

- Statutorily establish, with slight modifications, the six National Education Goals (that were established by the Executive branch and the Governors in 1990) to be achieved by the year 2000, and add a new goal on parental participation. (Title I)

- Statutorily establish, in the Executive branch, the bipartisan National Education Goals Panel (NEGP) to report on progress toward achieving the National Education Goals. (Title II, Part A)

- Establish in the Executive branch, the National Education Standards and Improvement Council (NESIC). NESIC would certify voluntary national content and student performance standards, and voluntarily submitted State standards would be certified to the extent they are comparable to the national standards. States would develop voluntary education standards to establish what children should know at different stages of their education and ways to assess what students have learned. In addition, States would develop strategies for providing all students with an "opportunity to learn" (i.e., the conditions of teaching and learning necessary for all students to have a fair opportunity to learn, such as competent teachers and a safe environment). (Title II, Part B)

- Promote "systemic reform" in the Nation's education system to meet the National Education Goals. S. 1150 would authorize formula grants to States to develop and implement (1) comprehensive reform plans built around high standards for all students, (2) strategies for improving teaching and learning to achieve those standards, and (3) new methods of assessing student achievement of the standards. The States would award the grants to school districts, and school districts would award grants to individual schools for updating curricula and instruction materials and providing for staff development. (Title III)

- Authorize the appropriation of $400 million in FY 1994, and "such sums" as may be necessary in each of the next 4 years for Title III (systemic reform). This funding would provide grants to States to improve secondary and elementary schools. The bill would also authorize the appropriation in FY 1994 of: $3 million for the National Goals Panel, $3 million for NESIC, and $1 million for opportunity-to-learn grants. (Title III and Title II, Part D)

- Create a National Skill Standards Board (NSSB) to oversee development of voluntary national occupational skill standards that signify mastery of specific occupations. It would be composed of representatives of business, labor, education and training providers, community organizations, and government. The Board would identify broad clusters of major occupations involving one or more than one industry for which common sets of skill standards could be developed. Voluntary partnerships to develop skill standards systems for each identified cluster would be encouraged. The bill would authorize the appropriation of $15 million in FY 1994 and "such sums" in each of the next 4 years. (Title V)

- Establish an Office of Educational Technology in the Department of Education (to be authorized at $5 million in FY 1994) to coordinate educational technology activities among Federal and State governments and the private sector. (Title II, Part C)

- Authorize the appropriation of $10 million in FY 1994 and "such sums" for FY 1995 for the Secretary of ED to award grants to State educational agencies to increase the use of state-of-the-art technologies in the curriculum. (Title III)

S. 1150 differs from the Administration's bill in that it would:

- Generally authorize appropriations for 5 years, through FY 1998, rather than 10 years as proposed by the Administration.

- Add a 7th National Education Goal to promote increased parental participation in child growth.

- Amend the existing National Education Goals by adding civics, government, and economics to the list of subjects in which students must demonstrate competency in fourth, eighth, and twelfth grades, and add language reflecting the importance of physical and health education to the goal promoting school achievement. (The Administration had previously added arts and foreign language to those subjects enumerated in the 1990 Goals.)

- Require States to have "opportunity to learn 'strategies'" not "standards") to stipulate what a school needs to meet the National Education Goals, and eliminate language requiring States to have timetables for students to achieve skill levels to meet content and performance standards.

- Require State and local educational agencies to (a) provide private schools, on request, with information about goals, standards, materials, and assessments developed with program funds, and (b) include private school teachers and administrators in training carried out with program funds "proportionate to the number of children" who attend private schools. Except for this provision, the bill as amended would prohibit use of Title III (systemic reform) funds from directly or indirectly benefiting any private school.

- Require that the Secretary be satisfied that the "underlying purposes" of an affected program or statute will continue to be met before a waiver of law or regulation may be granted.

- Delete the requirement that local school improvement plans be "consistent with the State's improvement plan."

- Reduce by one the membership on the NESIC in order to avoid tie votes and open eligibility to representatives of tribal governments.
- Stipulate conflict of interest provisions and "post-employment" restrictions for NESIC members to guard against members' having a financial stake in the Council's duties to develop and certify standards or assessments.
- Give NESIC responsibility for periodically reviewing the National Education Goals and objectives and recommending needed adjustments.
- Eliminate gift authority for the NESIC and NEGP, thereby providing such authority only for the NSSB.

Pay-As-You-Go Scoring

Per HR (Barry White/Bayla White) and BASD (Stigile), S. 1150 is not subject to the pay-as-you-go provisions of the Omnibus Budget Reconciliation Act of 1990 because it would not affect direct spending or receipts. CBO, however, scores the bill as PAYGO. According to CBO, the gift authority in the bill could affect direct spending and receipts, but estimates that the net effect would be zero. OMB (BASD) indicates that the new entities in the bill that would be authorized to accept gifts could not do so until they are funded by appropriations.

LEGISLATIVE REFERENCE
January 31, 1994 -- 11:30am

file
SEP - 9 REC'D

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

September 8, 1993
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S. 1298 - National Defense Authorization Act for Fiscal Year 1994
(Nunn (D) GA)

The Administration supports S. 1298, as reported by the Committee on Armed Services. The funding authorized in the bill is critical to maintaining our Nation's defense capabilities. The Administration is pleased that the bill supports many of the President's high priority programs, including: (1) readiness; (2) selected acquisition programs such as the D-5 missile, B-2 bomber, F-22 Advanced Tactical Fighter, and certain navy ships; (3) funding for Cooperative Threat Reduction; and (4) the Administration's policy regarding homosexuals in the military. The Administration is also pleased that the bill supports the scorekeeping procedures of the Office of Management and Budget and the Administration's program to continue to provide for the safety and reliability of the nuclear weapons stockpile.

The Administration, however, is concerned with several of the bill's provisions and urges the Senate to amend these provisions to make them consistent with the President's request. These provisions would:

-- Reduce funding for intelligence programs. The Administration would strongly oppose any amendment that would further cut funding for intelligence activities.

-- Allow for concurrent payment of veterans disability compensation and military retirement pay starting in FY 1995 to those retirees who are totally disabled from a service-connected disability. The Administration strongly opposes this provision, which would result in paying military retirees for both their service and their disability, instead of the higher of the two.

-- Authorize $3 million more than requested for the Defense Nuclear Facilities Safety Board and require the Board to submit budgetary and legislative information, including the Board's budget request, to Congress when this information is submitted to the President or the Office of Management and Budget. The Administration opposes this addition of funds and the budgetary and legislative submission requirements. There are no circumstances that justify the submission of the Board's budget and legislative program to Congress prior to its review by the President.

-- Authorize unrequested funds for AH-64 helicopters, TOW missiles, and tank engine production. The Administration opposes the addition of these and other unrequested funds at the expense of the higher priority programs requested in the President's Budget.

-- Authorize $635 million for unrequested Guard and Reserve equipment, and personnel levels for the Naval Reserve, Air National Guard, and Coast Guard Reserve that are 18,360 higher than those requested by the Administration.

-- Authorize a 2.2 percent pay raise for military personnel beginning January 1, 1994. The President's budget proposed that there be no Federal employee pay raises in FY 1994.

Moreover, the Administration opposes any amendments that would:

-- Reduce funding for the Ballistic Missile Defense below the level of $3.45 billion authorized in the bill.

-- Limit the President's flexibility to complete the mission to Somalia.

-- Accelerate the withdrawal of U.S. troops from Europe or lead to a troop strength of less than 100,000. As the orderly withdrawal of forces from Europe continues, the Administration will proceed to negotiate vigorously arrangements with U.S. allies that seek to be more beneficial to the United States.

-- Preclude any option for plutonium disposition at this time.

Further, the Administration urges the Senate to resist amendments that would transfer previously appropriated defense funds to non-defense related programs of other agencies.

Finally, the Administration has proposed legislation authorizing Global Cooperative Initiatives that reflects a coordinated Administration position and recommends its adoption in lieu of those provisions of the bill pertaining to Global Cooperative Initiatives.

During further congressional action on this legislation, the Administration will work with the Senate towards resolution of these and other issues identified as the Administration continues its review of S. 1298.

Pay-As-You-Go Scoring

S. 1298 would increase direct spending; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act (OBRA) of 1990. The bill does not contain provisions to offset the increased direct spending. Therefore, if the bill were enacted, its deficit effects could contribute to a sequester of mandatory programs.

OMB's preliminary scoring estimates of this bill are presented in the table below. Final scoring of this legislation may deviate from these estimates. If S. 1298 were enacted, final OMB scoring estimates would be published within 5 days of enactment, as required by OBRA. The cumulative effects of all enacted legislation on direct spending and receipts will be reported to Congress at the end of the congressional session, as required by OBRA.

Pay-As-You-Go Estimates
($ millions)

	1994	1995	1996	1997	1998	1994-1998
Outlays	$450	$450	$450	$450	$450	$2,250

* * * * *

(Do not Distribute Outside the Executive Office of the President)

This Statement of Administration Policy (SAP) was developed by LRD (Goad) in consultation with NSD (Gessaman/Schuhart/Dotson/Stanners/Donahue), BASD (Chellaraj), ESD (Civiak), GM (Habermann/Rideout/Kogut/Childs), IAD (Sasser/Ashford/Zuza), LVED (Kocpa/Grew), NRES/SS (Glozer), OFFM (Seferin), OFPP (Coleman/Vallina), TCJ (Beebe), the Departments of Commerce (Levitt/Dalmut), Defense (Brick), Education (Heindel), Energy (Connolly), Health and Human Services (Spiegel), the Interior (West), Labor (Schmidt), State (Raether), Transportation (DeCell), the Treasury (Levy), and VA (Coy), ACDA (Thompson), AID (Leece), CEQ (Miller), CIA (Pearline), FEMA (Miller), GSA (Smart), NASA (Stehmer), NSC (Andricos/Hahn), ONDCP (Siminescu), OPM (Woodruff), OSTP (Johansen), SBA (Hontz), and the Office of the Vice President (Simon).

The Department of Justice (Novak) and the Export-Import Bank (Thompson) take no position on the SAP.

GSA (Smart) requested that OMB include in the SAP the following in the list of provisions with which Administration has concerns:

"Provisions for the disposition of Federal property in ways that would be at variance with provisions in the Federal Property and Administrative Services Act of 1949, as amended."

OMB has informed GSA that, while the provision is not of such magnitude to be included in the SAP, the Administration will work during further congressional consideration to address the agency's concerns.

The Department of Veterans Affairs informally advises that, while the Department has no comment on the SAP, it would not oppose concurrent payments of veterans disability compensation and military retirement pay for veterans who are totally disabled from a service-connected disability.

The Office of the Vice President (Simon) requests to be notified before OMB releases this SAP, in order to ensure proper coordination in the Senate regarding the issue associated with S. 473.

On July 23, 1993, the Senate Armed Services Committee (SASC) ordered reported S. 1298 as an original bill.

Authorization of Appropriations

S. 1298 would authorize FY 1994 appropriations of $261.6 billion for national defense programs, $1.8 billion less than requested by the Administration.

Budget Authority
($ in billions)*

	Request	FY 94 SASC	Net Change
Military Personnel	$ 70.1	$ 70.7	$ +0.6
O&M	89.5	89.5	---
Procurement	45.5	42.5	-3.0
RDT&E	38.6	35.9	-2.7
Construction	7.0	7.4	+0.4
Military Family Housing	3.8	3.8	---
Revolving Funds	-1.5	0.8	+2.3
Other	-2.3	-1.2	+1.1
DOD - Military	$ 250.7	$ 249.1	$ -1.6

* May not add due to rounding.

Budget Authority (Continued)
($ in billions)*

	Request	FY 94 SASC	Net Change
DOE	$ 11.5	$ 11.3	$ -0.2
Other	1.1	1.1	---
Total	$ 263.4	$ 261.6	$ -1.8

Strategic and Conventional System Investment Programs

Strategic Investment Programs
($ in millions)

	Request	FY 94 SASC	Net Change
Ballistic Missile Defense R&D	$3,637	$3,084	$ -553**
B-2 Bomber Procurement	604	604	0
Trident D-5 Missile Procurement	983	983	0

S. 1298 would direct the Secretary of Defense to review a number of ballistic missile defense systems for compliance with the Anti-Ballistic Missile Treaty.

Conventional Investment Programs
($ in millions)

	Request	FY 94 SASC	Net Change
DDG-51 Procurement	$2,643	$2,613	$ -30
C-17 Procurement	2,073	---	---***
F-22 ATF R&D	2,251	2,251	0
F/A-18 C/D Procurement	1,493	1,493	0
F/A-18 R&D	1,486	1,486	0
A/F-X R&D	399	0	-399
F-16 Procurement	725	0	-725
MILSTAR R&D	973	951	-22
V-22 R&D	82	10	-72
E-8A Joint STARS Procurement	281	477	+196

* May not add due to rounding.
** Reflects transfer of the $253 million request for Brilliant Eyes to new surveillance and warning account.
*** Reflects transfer to National Defense Strategic Lift Fund.

Tactical Aviation Modernization

S. 1298 would:

-- terminate the Navy A/F-X and Air Force multi-role fighter programs;

-- direct the Navy and Air Force to pursue two joint strike/ fighter programs: one to be based on Air Force and Navy variants of the F-22, and the other to be based on common purchase of the F/A-18 E/F;

-- initiate a program to upgrade the Navy F-14 aircraft by giving it bombing capability; and

-- terminate the F-16 program, because the Air Force has surplus F-16 aircraft.

S. 1298 would create a National Defense Strategic Lift Fund to implement improvements in strategic sealift and airlift. The bill would authorize appropriations of $2.7 billion (including the C-17 request of $2.4 billion and the sealift request of $0.3 billion) for the Fund, which would be used to meet U.S. strategic lift requirements in the most cost-effective manner by forcing competition between strategic airlift and sealift alternatives.

Indirect Cost Charges at Universities

The bill would remove the 26 percent cap on indirect costs that university-affiliated organizations are allowed to charge the Department of Defense on R&D contracts. (The cap was imposed by OMB Circular A-21.) If implemented, this provision could expose universities and the Federal Government to claims of excessive overhead charges on Department of Defense (DOD) R&D contracts.

Personnel-Related Provisions

Active Duty End Strength

S. 1298 would provide active duty end strengths of 1,622,200 for FY 1994, 1,600 more than requested in the President's budget. The bill would increase the Marine Corps end strength by 2,900, reflecting the Committee's intent to stabilize the Marine Corps end strength at 177,000 for FY 1994 and future years. The Committee, however, cut the Air Force end strength by 1,300, reflecting the Committee's recommendation to transfer the tactical airlift force structure to the Reserves.

Guard and Reserve End Strength

The President's budget proposed reductions in the FY 1994 Selected Reserve end strengths and full-time active duty reserve personnel, which are consistent with planned force structure drawdowns. S. 1298, however, would increase these end strengths.

	FY 94 Request	FY 94 SASC
Guard and Reserve (Including Coast Guard)	1,027,500	1,050,960
Reduction from FY 93 Strength	52,400	28,940
Reserve Full-time Support Strength	68,247	69,587
Reduction from FY 93 Strength	2,643	1,303

Other Significant Personnel Provisions

S. 1298 would:

- -- Pay Raise. Approve a pay raise of 2.2 percent for military personnel, effective January 1, 1994. A pay raise was not requested.
- -- Homosexuals in the Military. Establish a legal basis for the Department of Defense policy on homosexuality in the armed forces that is consistent with the Administration's July 19th proposal.

Defense Conversion Assistance

S. 1298 would authorize appropriations of $605 million -- $281 million more than requested -- for the industry and technology portion of the Defense Reinvestment and Conversion Program. In addition, the bill would authorize appropriations of $250.4 million -- $150.4 million more than requested -- for civilian personnel transition benefits.

Operation and Maintenance

S. 1298 would authorize appropriations of $89.4 billion -- $0.3 billion more than requested -- for operation and maintenance funding, including:

- -- $6.3 billion for depot maintenance programs to reduce the backlog of equipment overdue for repair and to prevent future degradation in equipment readiness; and
- -- $4 billion for repair and maintenance of real property to slow the growth in the backlog of real property maintenance on Department of Defense installations.

S. 1298 would authorize the Department of Defense to purchase, from operation and maintenance funds, items not to exceed $100,000 in value. The current value threshold is $25,000.

Base Closure Enhancements

S. 1298 would amend current law to assist DOD and other Federal agencies in implementing the President's five point plan to assist base closure communities. The bill would:

-- establish property disposal and reuse teams at each base to provide improved transition assistance;

-- authorize the Secretary of Defense to transfer or lease, at no or reduced cost, portions of properties for economic development;

-- expedite the Federal property screening process so that communities can begin economic redevelopment plans earlier;

-- authorize the lease, at less than fair market value, of portions of a facility, while other portions are being cleaned up for final transfer or sale;

-- direct DOD to work with Federal and State regulators to speed the environmental cleanup process and focus on those parcels that are of greatest value for economic development; and

-- provide increased planning grants to local communities to prepare and implement economic development plans.

The bill would authorize appropriations of $33.8 million -- $5 million more than requested -- for the Office of Economic Adjustment to allow it to meet the increased requirements for community adjustment assistance due to the latest round of base realignments and closures.

Uniformed Service Treatment Facility (USTF)

S. 1298 would extend, for 5 years, the statutory requirement that DOD subsidize USTFs, by ensuring a certain volume of business. The USTFs are former Public Health Service Hospitals that are not cost competitive and may limit DOD's flexibility to implement the President's health care reforms.

Other Provisions

-- Cooperative Threat Reduction (Nunn-Lugar). S. 1298 would authorize appropriations of $400 million, as requested, to assist in the demilitarization of the countries of the former Soviet Union. The bill would vest all authority with the President.

-- Global Cooperative Initiatives. The bill would authorize $448.0 million for a Global Cooperative Initiatives Fund to support DOD activities in international disaster relief, peacekeeping, humanitarian assistance, and promotion of democracy.

-- Intelligence Programs. S. 1298 would authorize appropriations at levels consistent with the Senate's Intelligence Authorization bill, which contained a reduction of approximately $700 million from the President's request for the National Foreign Intelligence Program.

-- Department of Energy National Competitiveness Technology Partnership Act. S. 1298 would incorporate provisions of S. 473, the "Department of Energy National Competitiveness Technology Partnership Act of 1993." These provisions would assign the following four broad missions to the Department of Energy labs: (1) national security; (2) energy-related science and technology; (3) industrial infrastructure; and (4) technology transfer. The bill amends the 1980 Stevenson-Wydler Technology Innovation Act to: (1) reduce the time available for the Energy Department to review joint work statements and research and development (R&D) agreements, and (2) allow weapon production facilities to carry out cooperative R&D agreements. In addition, the bill would add two assistant secretaries to the Department's senior management staff.

-- Office of the Secretary of Defense Reorganization. The SASC deferred until conference consideration of the Administration's request to create two new Executive Schedule III positions and reduce, from 11 to nine, the number of Executive Schedule IV positions. The SASC cited lack of detail and convincing rationale for the deferral.

-- Funding for Historically Black Colleges and Universities. The bill would authorize $15 million for aid to Historically Black Colleges and Universities to increase their capacity to educate scientists and engineers. This funding would duplicate certain Department of Education programs, such as the Strengthening Historically Black Colleges and Universities Program, the Strengthening Historically Black Graduate Institutions Program, and the

Minority Science Improvement Program. The President's FY 1994 Budget requested $119 million for these programs.

-- Advanced Liquid Metal Reactors (ALMRs). The Department of Energy informally advises that an amendment, which would prohibit the study of using ALMRs to burn excess plutonium from nuclear weapons, will be offered. Energy is currently studying several methods of disposing of excess plutonium, including ALMRs, and does not want to limit its options at this time.

Scoring for the Purpose of Pay-As-You-Go and the Caps

NSD (Schuhart) and BASD (Chellaraj) advise that, because S. 1298 would increase direct spending (principally, the concurrent payment of veterans disability compensation and military retirement pay), the bill would be subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990.

OMB Pay-As-You-Go Estimates
($ in millions)

	1994	1995	1996	1997	1998	1994-1998
Outlays	$450	$450	$450	$450	$450	$2,250

CBO's final estimates are not in the same range as the preliminary OMB estimates. CBO notes that, because it has used dated assumptions and did not have all the necessary data, its estimates would be significantly lower than OMB's estimates.

CBO Pay-As-You-Go Estimates
($ millions)

	1994	1995	1996	1997	1998	1994-1998
Outlays	$31	$61	$63	$65	$73	$ 293

LEGISLATIVE REFERENCE DIVISION
September 8, 1993 - 8:30 A.M.

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

file

September 24, 1993
(Senate Floor)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2518 -- DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1994

(Sponsors: Byrd (D), West Virginia; Harkin (D), Iowa)

This Statement of Administration Policy provides the Administration's views on H.R. 2518, the Departments of Labor, Health and Human Services, Education, and Related Agencies Appropriations Bill, FY 1994, as reported by the Senate Appropriations Committee. The Administration supports Senate passage of H.R. 2518 as reported by the Committee and will work with Congress to address the concerns described below.

President's Investment Program

The Administration appreciates the Committee's funding of high-priority investment proposals within the Departments of Labor, Health and Human Services, and Education. Although we requested additional funds for Head Start, Immunization, Goals 2000 and School to Work, we understand the constraints facing the Committee. These programs remain a high priority and the Administration will work with the conferees in support of these programs.

The Administration is pleased that the Committee has fully funded most of the President's investment proposals for the National Institutes of Health (NIH) and for the Social Security Administration's disability payments. The Administration is also pleased that the Committee has provided a large increase in funding for programs authorized under the Ryan White CARE Act.

FTE Floors

The Administration appreciates the decision to strike from the Committee bill provisions that would have mandated specific FTE levels for the Departments of Labor, Health and Human Services, and Education. This action is consistent with the intent of the President's Executive Order on FTE reductions and the recommendations for reduction of the Federal workforce contained in the report of the National Performance Review.

Funding for Abortions

The Administration is pleased that the Committee has not included a provision that would prohibit the use of Federal funds to pay for abortions for eligible low-income recipients.

Social Security Administration

The Administration is concerned about the provision of the Committee bill dealing with the Social Security Administration's Limitation on Administrative Expenses. The provision would reduce funding from the HI and SMI trust funds for Social Security Administration work on behalf of Medicare beneficiaries by $200 million and increase OASDI payments by the same amount.

The intent of this provision is unclear. Its effect would be to use OASDI funds for FY 1994 costs attributable to Medicare administrative activities. This one-time subsidy would not be reversed in the future absent legislative language to restore the funds to the OASDI trust funds.

File SEP 20 REC'D

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

September 17, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 3019 - Performance Management and Recognition System Termination Act
(Norton (D) DC and Morella (R) MD)

The Administration supports H.R. 3019.

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(Do Not Distribute Outside Executive Office of the President)

This position was developed by the Legislative Reference Division (Cook) in consultation with GM (McCormick). The Office of Personnel Management (Woodruff) concurs with this position.

H.R. 3019 was ordered reported by the House Post Office and Civil Service Committee on September 14, 1993. The Committee report is not yet available. The description of this bill is based on information provided by the Committee. Representative Connie Morella (R-MD) is the only co-sponsor of the bill.

Administration Position to Date

On June 24, 1993, OPM testified in support of eliminating the Performance Management and Recognition System (PMRS) as part of the reinventing Government effort.

Background

The PMRS was established in 1984. It compensates managers and supervisors in grades GS-13 through GS-15 on the basis of their performance.

Under this program, employees receive both general pay increases and merit increases. The general pay increases, which are received by all Federal General Schedule employees, provide pay schedule adjustments for PMRS employees based on wage increases in the private sector. The merit increases, which are in lieu of step increases, are designed to allow PMRS employees to advance within their grades based on the employees' performance ratings. In addition, if PMRS employees obtain fully successful performance ratings, they are eligible for one-time, lump-sum "bonus" payments called performance awards. Agencies are required to spend at least 1.15 percent, but not more than 1.5 percent, of their PMRS payrolls on these awards.

Major Provisions of H.R. 3019

H.R. 3019 would:

-- Extend PMRS for one month until October 31, 1993. After this date, the program would expire. The one-month extension would allow employees in the PMRS program to receive both their merit pay increases and performance awards for FY 1993 performance ratings.

-- Convert PMRS employees to the General Schedule (GS) as of November 1, 1993.

-- Retain PMRS employees' salaries at their October 31, 1993, levels upon their conversion to the GS. Without this provision, PMRS employees would have automatically been "bumped up" to the next-highest step in their grade on November 1, 1993, at a cost of $80 million.

-- Provide that in future years PMRS employees would receive "step increases" that would be the dollar equivalent of step increases in the GS. The time interval between the step increases for PMRS employees would be comparable to that for GS employees.

Pay-As-You-Go Scoring

According to GM(McCormick), H.R. 3019 would not affect direct spending or receipts. Therefore, it is not subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. CBO agrees (preliminarily).

LEGISLATIVE REFERENCE DIVISION
September 17, 1993 - 5 p.m.

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

September 17, 1993
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

S.J.Res. 114 - Joint Resolution Disapproving the Recommendations of the Defense Base Closure and Realignment Commission
(Feinstein (D) CA and 6 others)

The Administration opposes S.J.Res. 114. Implementation of the Commission's recommendations, which the President approved, will reduce Federal costs and improve national defense through a more efficient military base structure.

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(Do Not Distribute Outside the Executive Office of President)

This Statement of Administration Policy (SAP) was developed by the Legislative Reference Division (Goad), in consultation with NSD (Gessaman/McLeod), BASD (Chellaraj), the Department of Defense (Brick), the National Security Council (Itoh), and the Office of Science and Technology Policy (Gillman).

Sens. Boxer (D-CA), D'Amato (R-NY), Hatch (R-UT), Hollings (D-SC), Moynihan (D-NY), and Thurmond (R-SC) are cosponsors of the bill.

On July 30, 1993, the Senate Committee on Armed Services ordered unfavorably reported S.J.Res. 114 by voice vote.

Administration Position to Date

The Administration has neither testified nor reported on S.J.Res. 114.

Background

The 1990 Defense Base Closure and Realignment Act established procedures by which U.S. military bases are recommended for closure or realignment by the independent Defense Base Closure and Realignment Commission. The Department of Defense implements the Commission's recommendations, unless Congress enacts a joint resolution disapproving the recommendations.

More specifically, the 1990 Act requires the Secretary of Defense to submit to the Commission his recommendations to close and realign bases. In turn, the Commission reviews the Secretary's recommendations and forwards its recommendations to the President for his approval or disapproval. If the President approves the Commission's recommendations, he then transmits the Commission's recommendations, along with certification of his approval, to Congress for consideration.

The 1990 Act also established expedited procedures for congressional consideration of the Commission's recommendations. Congress has 45 days to approve or reject the Commission's recommendations in their entirety. (Under the 1990 Act, Congress cannot amend the Commission's recommendations.) In addition, the 1990 Act prohibits the Secretary of Defense from closing or realigning any military installation if, during the 45-day congressional review period, a joint resolution is enacted disapproving the recommendations of the Commission. Such a resolution, if passed, is presented to the President for approval of disapproval.

On July 1st, the Commission submitted its recommendations to the President, who formally notified Congress of his approval of the Commission's recommendations on July 2nd. The Commission recommended that 130 military bases in the United States be closed and 45 bases realigned. The Commission estimated that, if the recommendations are implemented, the overall FYs 1994-99 net savings would be approximately $3.8 billion, with a recurring annual savings of approximately $2.3 billion.

Description of S.J.Res. 114

S.J.Res. 114 would disapprove the recommendations of the Commission.

Pay-As-You-Go Scoring

NSD (McLeod) and BASD (Chellaraj) advise that, because S.J.Res. 114 does not affect either direct spending or receipts, the bill is not subject to the pay-as-you-go requirements of the Omnibus Budget Reconciliation Act of 1990. CBO concurs in its final report.

LEGISLATIVE REFERENCE DIVISION
September 7, 1993 -- 12:30 P.M.

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

September 17, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2685 - Extension of Federal Physicians Comparability Allowance Act of 1978
(Norton (D) DC and Morella (R) MD)

The Administration supports H.R. 2685.

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(Do Not Distribute Outside Executive Office of the President)

This position was developed by the Legislative Reference Division (Cook) in consultation with HD (Min/Clendenin/Blend)and GM (McCormick). The Department of Justice (Jones) and the Office of Personnel Management (Woodruff) concur with this position. Department of Health and Human Services did not respond.

H.R. 2685 was ordered reported by the House Committee on Post Office and Civil Service on August 4, 1993. The Committee report is not yet available. The description of the bill is based on information provided by OPM. Representative Connie Morella (R-MD) is the only co-sponsor of the bill.

Administration Position to Date

On June 6, 1993, OPM testified in support of H.R. 1535, the predecessor to H.R. 2685.

Background

Under current law, agency heads have the authority to pay a Physician Comparability Allowance (PCA) to a physician who signs a service agreement. The physician must agree to serve the agency for at least one year. The comparability allowance is: (1) $14,000 per year for physicians who have already worked for the Government for 24 months or less, or (2) $20,000 per year for Government physicians who have already served for more than 24 months. The authority for agency heads to enter into service agreements and pay a PCA expires on September 30, 1993.

Major Provisions of H.R. 2685

H.R. 2685 would extend from September 30, 1993, to September 30, 1997, the authority for agency heads to pay PCAs and would extend possible coverage of the agreements from September 30, 1995, to September 30, 1999.

The bill would also require the President to submit a report to both Houses of Congress on June 30th of each year on the operation and effectiveness of the PCA program. The first report would be due on June 30, 1994. In addition, H.R. 2685 makes technical and conforming changes to the 1978 Act.

Pay-As-You-Go Scoring

According to HD (Blend), H.R. 2685 would not affect direct spending or receipts. Therefore, it is not subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. CBO agrees (preliminarily).

LEGISLATIVE REFERENCE DIVISION
September 17, 1993 - 5:15 p.m.

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

September 17, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2751 - Federal Employees Humanitarian Leave Act of 1993
(Ackerman (D) New York and 5 others)

While the Administration has no objection to H.R. 2751, the present leave system already provides benefits that adequately cover the off-duty time necessary for organ donations and adoption.

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(Do Not Distribute Outside Executive Office of the President)

This position was developed by the Legislative Reference Division (Cook) in consultation with GM (Kogut). The Office of Personnel Management (Woodruff) agrees with this position.

H.R. 2751 was ordered reported by the House Post Office and Civil Service Committee on September 14, 1993. This bill has one Democratic cosponsor: Hoyer (MD).

The Committee report is not yet available. The description of the bill is based on information provided by the Committee staff. The Administration has not previously taken a position on this bill.

Major Provisions of H.R. 2751

H.R. 2751 would:

-- Grant up to seven days per calendar year of excused absence without charge to leave to Federal employees who serve as bone-marrow or organ donors.

-- Allow Federal employees to use sick leave for purposes relating to the adoption of a child.

-- Allow Federal employees who used annual leave for adoption-related purposes after September 30, 1991, but before the date of enactment of H.R. 2751, to apply to have their annual and sick leave balances adjusted to reflect this bill's provisions.

Pay-As-You-Go Scoring

According to GM (Kogut), H.R. 2751 would not affect direct spending or receipts. Therefore, it is not subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. CBO agrees (preliminarily).

LEGISLATIVE REFERENCE DIVISION
September 17, 1993 - 5:15 p.m.

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

September 17, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 3049 - Extension of the Interim Exemption for Commercial Fisheries under the Marine Mammal Protection Act
(Studds (D) Massachusetts and 2 others)

The Administration supports H.R. 3049.

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(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy was developed by the Legislative Reference Division (Weinberg), in consultation with the Departments of Commerce (Dalmut), the Interior (Lyder), State (Norton), and the Treasury (Dorsey/Levy), Marine Mammal Commission (Twiss), and TCJ (Payne).

H.R. 3049 was introduced on September 13, 1993, and ordered reported by the House Merchant Marine and Fisheries Committee on September 15, 1993, by voice vote. The report is not available. The description of the bill is based on information provided by committee staff.

Description of H.R. 3049

The bill would amend the Marine Mammal Protection Act (MMPA) to extend from October 1, 1993, to April 1, 1994, an exemption in current law for commercial fisheries. Commercial fisheries are exempt from the law's prohibition on the incidental catching of marine mammals. The 6-month extension is intended to give the Congress and the Administration time to develop legislation to reauthorize the MMPA.

Administration Position To Date

The Administration has not previously taken a position on H.R. 3049.

Pay-As-You-Go Scoring

According to TCJ (Payne), H.R. 3049 is not subject to pay-as-you-go. CBO concurs (preliminarily).

Legislative Reference Division
9/17/93 -- 9:30 P.M.

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

September 17, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2961 - Walter B. Jones Center for the Sound Pocosin Lakes National Wildlife Refuge
(Lancaster (D) NC and 20 others)

The Administration supports H.R. 2961.

Pay-As-You-Go Scoring

H.R. 2961 would affect receipts; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act (OBRA) of 1990. OMB's preliminary scoring estimate of this bill is zero. Final scoring of this legislation may deviate from this estimate.

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(Do Not Distribute Outside the Executive Office of the President)

This draft Statement of Administration Policy was developed by the Legislative Reference Division (Goad), in consultation with NRD (Cogswell/Beard/Tuttle), BASD (Stigile/Kolaian), and the Department of the Interior (Hill).

There are 13 Democratic cosponsors: Barlow (D-KY), Hefner (D-NC), Hochbreuckner (D-NY), Lipinski (D-IL), Manton (D-NY), Neal (D-NC), Ortiz (D-TX), Pickett (D-VA), Rose (D-NC), Studds (D-MA), Stupak (D-MI), Tauzin (D-LA), and Valentine (D-NC); and seven Republican cosponsors: Bateman (R-VA), Bentley (R-MD), Fields (R-TX), Gilchrest (R-MD), Ravenel (R-SC), Torkkildsen (R-MA), Young (R-AK).

On September 15, 1993, the Committee on Merchant Marine and Fisheries ordered H.R. 2961 reported by voice vote.

The Administration has neither testified nor reported on H.R. 2961.

Major Provisions of H.R. 2961

H.R. 2961 would authorize the Secretary of the Interior to construct and operate an educational and interpretative facility at the Pocosin Lakes National Wildlife Refuge, North Carolina. In addition, the bill would:

-- authorize the Secretary to accept contributions of funds from non-Federal sources for facility operations and maintenance; and

-- require, no later than six months after enactment, the Secretary to report to Congress on: (1) the design and construction of the facility, and (2) the contributions pledged and made.

The facility would be dedicated as the "Walter B. Jones Center for the Sounds", in memory of Rep. Jones, former Chairman of the House Committee on Merchant Marine and Fisheries. The bill requires that the design, size, and location of the facility be consistent with the cultural and natural history of the area.

Pay-As-You-Go Scoring

NRD (Tuttle) and BASD (Stigile/Kolaian) advise that, because H.R. 2961 authorizes the Secretary to accept contributions of funds (receipts) from non-Federal sources, the bill is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. As the contributions cannot be estimated, the bill is scored zero. CBO concurs in its preliminary report.

LEGISLATIVE REFERENCE DIVISION
September 17, 1993 - 1:30 p.m.

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

September 17, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2604 - Brownsville Wetlands Policy Act
(Ortiz (D) TX)

The Administration has no objection to H.R. 2604, but will seek during further congressional consideration to amend the bill to make explicit that the Brownsville Wetlands Policy Center has no executive responsibilities under the laws of the United States.

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(Do Not Distribute Outside the Executive Office of the President)

This draft Statement of Administration Policy was developed by the Legislative Reference Division (Goad), in consultation with NRD (Cogswell/Beard/Tuttle), BASD (Kolaian), and the Departments of the Interior (Lyder/Anthony) and Justice (Coniglio).

There are no cosponsors.

On September 15, 1993, the Committee on Merchant Marine and Fisheries ordered H.R. 2604 reported by voice vote.

Major Provisions of H.R. 2604

H.R. 2604 would authorize the use of U.S. Fish and Wildlife (FWS) grants to establish the Brownsville Wetlands Policy Center at the Port of Brownsville, Texas. The Center's purpose would be to protect, restore, and maintain the Lagoon Ecosystem of the western Gulf of Mexico region.

The bill stipulates that: (1) the Port would operate and maintain the Center on property owned or held in trust by the Brownsville Navigation District; (2) the University of Texas at Brownsville would administer the Center's programs; and (3) a Board of Directors, consisting of three co-chairmen (designees of the Port, the University, and the FWS Director), would oversee the Center's management and financial affairs.

The bill would require: (1) the Board to report annually to Congress on the Center's operations, including a review of the Center's budget and funding sources; and (2) the Comptroller

General to submit periodically reports to Congress on the Center's operations.

H.R. 2604 would authorize appropriations of more than $13 million ($5 million for FY 1994, $4 million for FY 1995, $4 million for FY 1996, and such sums as necessary for FY 1997) for FWS grants to the Center. In addition, the bill would authorize the FWS Director to enter into leases with the Port for property to be used by the Center; the bill, however, would require that all leases be negotiated prior to expenditure of any Federal funds.

As a condition of receiving Federal assistance, H.R. 2604 would impose specified conditions on the University and the Port -- including the use of space, property, and other in-kind contributions -- and prohibit the use of appropriated funds to relocate certain FWS facilities to the Center.

Administration Position to Date

The Administration has neither testified nor reported on H.R. 2604. The Department of Justice informally advises that, to the extent that management of the Center involves regulatory, enforcement, or other executive responsibilities under the laws of the United States, the representation on the Center's Board violates the Constitution's Appointments Clause. Justice recommends that Congress amend the bill to make clear that the Center has no executive responsibilities under the laws of the United States.

Pay-As-You-Go-Scoring

NRD (Tuttle) and BASD (Kolaian) advise that, because H.R. 2604 does not affect direct spending or receipts, the bill is not subject to the pay-as-you-go requirement of the Omnibus Reconciliation Act of 1990. CBO concurs in its preliminary report.

LEGISLATIVE REFERENCE DIVISION
September 17, 1993 -- 1:30 p.m.

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

September 17, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2608 - Permanent Authority for the Secretary of Commerce to Conduct the Quarterly Financial Report Program (Sawyer (D) Ohio and Myers (R) Indiana)

The Administration supports H.R. 2608, which was proposed by the Department of Commerce.

* * * * *

(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy was developed by the Legislative Reference Division (Weinberg/Liu), in consultation with the Departments of Commerce (Bird) and the Treasury (Dorsey), the CEA (Shapiro), OIRA (Bugg), and TCJ (Koch).

On August 4, 1993, the House Committee on Post Office and Civil Service ordered H.R. 2608 reported. The report is not yet available.

Background

H.R. 2608 was transmitted to the Congress by the Department of Commerce as a draft bill on May 18, 1993.

Description of H.R. 2608

The bill would amend Public Law 97-454 (13 U.S.C. 91 note) to permanently authorize the Secretary of Commerce to conduct the Quarterly Financial Report (QFR) Program. The QFR Program provides financial data essential to calculating key Government measures of the national economy.

Pay-As-You-Go Scoring

Per TCJ (Koch), H.R. 2608 is not subject to the pay-as-you-go provisions of the Omnibus Budget Reconciliation Act of 1990 because it would not affect direct spending or receipts. CBO concurs (final).

Legislative Reference Division
9/17/93 -- 5:30 p.m.

SEP 21 REC'D

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

September 20, 1993
(Senate Floor)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2295 -- FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS BILL, FY 1994
(Sponsors: Byrd (D), West Virginia; Leahy (D), Vermont)

This Statement of Administration Policy expresses the Administration's views on H.R. 2295, the Foreign Operations, Export Financing, and Related Programs Appropriations Bill, FY 1994, as reported by the Senate Appropriations Committee.

The Administration supports Senate passage of H.R. 2295 as reported by the Committee. The Administration is pleased that the Committee has provided full funding for assistance to Russia, Ukraine, Armenia, and the other new independent states of the former Soviet Union. The transition of these states to democratic, free market countries represents a turning point in U.S. foreign relations. A free and democratic Russia will benefit generations of Americans to come, whether those benefits be in the form of new economic opportunities or a safer, more secure world. The United States must do all that is possible to send a strong signal of support during this historic transition. The funding appropriated in H.R. 2295 will provide such support.

The Administration would strongly oppose any efforts to reduce economic assistance to Russia and the other new independent states, or to place burdensome restrictions on the use of such assistance.

The Administration supports the Committee's efforts to honor our commitments to the Camp David countries by fully funding the Administration's request. With the dramatic events unfolding in that region, it is crucial that the United States' support for the countries involved in the peace process not waver.

The Administration appreciates the Committee's efforts to report a bill that is relatively free of earmarks. The Administration understands the funding constraints placed on other foreign assistance programs in order to accommodate the above-mentioned priorities. As a result, the constrained funding levels make it all the more important that the Administration have the maximum possible flexibility to use the remaining funds in accordance with ever-changing foreign policy priorities.

Therefore, the Administration could not support further earmarking or restrictions on the floor of the Senate and would work to see that such language be dropped in conference.

This bill could not have reached this stage in the legislative process without strong, bipartisan leadership. The Administration looks forward to continuing to work with Members of both parties to ensure that the United States remains an active and engaged leader in global affairs.

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

August 4, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

AUG 5 REC'D

H.R. 2401 - National Defense Authorization Act for Fiscal Year 1994
(Dellums (D) CA)

The Administration supports H.R. 2401, as reported by the Committee on Armed Services. The bill would support many of the Administration's key defense programs, including: (1) readiness; (2) selected acquisition programs such as the D-5 missile, B-2 bomber, F-22 Advanced Tactical Fighter, and certain navy ships; and (3) the Administration's policy regarding homosexuals in the military.

H.R. 2401, however, contains several provisions that either are not consistent with the President's request or would impose restrictions upon funding for major weapon systems. These provisions would:

-- Reduce funding for intelligence programs. The Administration would strongly oppose any amendment that would further cut funding for intelligence activities.

-- Increase funding for such programs as: (1) the AH-64 helicopter, (2) modifications to the C-135, (3) TOW missiles, (4) improvements for the Bradley Fighting Vehicle, (5) certain military construction projects, and (6) Guard and Reserve equipment.

-- Impose burdensome obligation restrictions on the Seawolf submarine, Centurion attack submarine, D-5 missile, and B-2 aircraft programs. In particular, the Administration objects to the restrictions placed on incorporating advanced conventional capability on bombers. The Administration urges the House to eliminate these restrictions.

-- Terminate, in April 1994, the Defense Business Operations Fund (DBOF) and impose an alternative that is unworkable and could ultimately threaten force readiness. In addition, H.R. 2401 would reduce Operations and Maintenance funding by $779 million, to be replaced with cash transfers from the DBOF. The Administration acknowledges the need to correct deficiencies with the DBOF and is preparing to implement the necessary reforms. The Administration strongly urges the House to defer action until Secretary Aspin can initiate his reforms.

-- Authorize a 2.2 percent pay raise for military personnel beginning January 1, 1994. The President's budget proposed that there be no Federal employee pay raises in FY 1994.

-- Transfer $200 million to the Maritime Administration for certain loans and loan guarantees. The Administration is currently evaluating several proposals for reforming the U.S. maritime industry. The Administration believes that it would be inappropriate to enact any legislation concerning maritime revitalization until this evaluation is completed.

In addition, the Administration strongly opposes the bill's provisions that would prohibit the Department of Defense from contracting-out to meet downsizing, base closure, and efficiency requirements. Moreover, the Administration opposes any amendment that would preclude any option for plutonium disposition at this time.

The Administration is pleased that the committee recognizes the importance of establishing a Stockpile Stewardship program to maintain the safety and reliability of the nuclear stockpile in the absence of underground testing. The minimum funding needed, however, to maintain both Stockpile Stewardship and testing readiness is $375 million, rather than the $322 million as provided in H.R. 2401. Additional information on funding requirements for these programs, in response to the President's decision to extend the moratorium on underground testing, will be provided to Congress shortly.

During further congressional action on this legislation, the Administration will work with the House towards resolution of these and other issues identified as the Administration continues its review of H.R. 2401.

<u>Pay-As-You-Go Scoring</u>

OMB is reviewing H.R. 2401 to determine if it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990.

* * * * *

(Do not Distribute Outside Executive Office of the President)

This Statement of Administration Policy was developed by LRD (Goad) in consultation with NSD (Gessaman/Schuhart/Dotson/Donahue), BASD (Chellaraj), ESD (Civiak), GMD (Rideout/Kogut/Childs/Seferian), HTFD (Heiser), HLTHD (Clendenin), IAD (Zuza), LVED (Matlack/Kopca), NRD (Fairweather), OFPP (Vallina), TCJD (Jones/Adkins), the Departments of Commerce (Dalmut), Defense (Maroni), Education (Heindel), Energy (Connolly), FEMA (Miller), Health and Human Services (White/Burnett), the Interior (West), Labor (Schmidt), State (Raether/Sherman), Transportation (DeCell), the Treasury (Levy), and Veterans Affairs (Lawson), ACDA (Thomspon), AID (Leece), CEQ (Miller), CIA (Pearline), EPA (Hassett), FEMA (Miller), NASA Costanzo), NSC (Andricos/Hahn), ONDCP (Siminescu), OSTP (Gillman), SBA (Hontz), and Office of Environmental Policy (McGinty).

The Department of Justice (Novak) took no position on the SAP.

SBA (Hontz) advises that it objects to the bill's provision that would change the small purchase threshold for the Department of Defense from $25,000 to $100,000. While SBA "strongly recommends" that language be included in the SAP opposing this provision, SBA agrees that this issue can be addressed during conference on the legislation.

On July 27, 1993, the House Armed Services Committee (HASC) ordered reported, 46-7, H.R. 2401.

Authorization of Appropriations

H.R. 2401 would authorize FY 1994 appropriations of $262.8 billion for national defense programs, $0.6 billion less than requested by the Administration.

Overall Budget Authority
($ in billions)*

	Request	FY 94 HASC	Net Change
Military Personnel	$ 70.1	$ 70.7	$ +0.6
O&M	89.5	89.1	-0.4
Procurement	45.5	45.3	-0.2
RDT&E	38.6	37.9	-0.7
Construction	7.0	6.6	-0.4
Military Family Housing	3.8	3.8	---
Revolving Funds	-1.5	-2.1	-0.6
Other	-2.3	-0.6	+1.7
DOD - Military	$ 250.7	$ 250.7	$ ---

* May not add due to rounding.

Overall Budget Authority - Continued
($ in billions)*

	Request	FY 94 HASC	Net Change
DOE	$ 11.5	$ 11.0	$ -0.5
Other	1.1	1.1	---
Total	$ 263.4	$ 262.8	$ -0.6

Strategic and Conventional System Investment Programs

Strategic Investment Programs
($ in millions)*

	Request	FY 94 HASC	Net Change
Ballistic Missile Defense (BMD) R&D BMD Procurement	$3,637	$2,872	$ - 765
B-2 Bomber Procurement	604	604	0
Trident D-5 Missile Procurement	983	983	0
MILSTAR Communications	973	973	- 0

H.R. 2401 would direct the Secretary of Defense to review a number of ballistic missile defense systems for compliance with the Anti-Ballistic Missile Treaty.

Conventional Investment Programs
($ in millions)*

	Request	FY 94 HASC	Net Change
DDG-51 Procurement	$2,643	$2,582	$ -61
C-17 Procurement**	2,318	1,858	-460
F-22 ATF R&D	2,252	2,252	0
F/A-18 C/D Procurement	1,493	1,493	0
F/A-18 R&D	1,486	1,486	0
AX R&D	399	0	-399
F-16 Procurement	725	725	0

* May not add due to rounding.
** Now in "Intertheater Airlift"

Defense Programs

Tactical Aviation Modernization

H.R. 2401 would: (1) terminate the Navy's AFX program; (2) upgrade the Navy F-14 aircraft; and (3) continue production of the F-16 and provide the $71 million request for advance procurement.

Airlift -- C-17

H.R. 2401 would establish an Intertheater Airlift account (with C-17 funds) and restrict obligations for the C-17, until the Secretary of Defense: (1) determines that certain airlift requirements for the post Cold War era; (2) conducts a cost and operational effectiveness analysis (COEA) of the C-17, C-5, C-141, and commercial wide-body aircraft; (3) conducts a Defense Advisory Board review of the COEA; and (4) provides the results and his recommendations to Congress.

Other Programs

H.R. 2401 would authorize appropriations of:

- -- $167 million -- $150 million more than requested -- for the AH-64 helicopter;
- -- $74 million -- as opposed to the Administration's $10 million request for program termination -- for MLRS rockets;
- -- $75 million -- $50 million more than requested -- for the TOW II B missile;
- -- $1.3 billion -- $0.14 billion less than requested -- for Federally Funded Research and Development Centers;
- -- $80 million -- $43 million more than requested -- for the National Aerospace Plane; and
- -- $75 million -- the Administration did not request funding -- for research and development of a single-stage-to-orbit space vehicle.

Personnel-Related Provisions

Active Duty End Strength

H.R. 2401 would authorize active duty end strengths of 1,620,600 for FY 1994, as requested in the President's Budget.

Guard and Reserve End Strength

The President's Budget proposed reductions in the FY 1994 Selected Reserve end strengths and full-time active duty reserve personnel, which are consistent with planned force structure drawdowns. H.R. 2401 would approve these reductions and reduce the Coast Guard Reserve by an additional 2,000.

	FY 94 Request	FY 94 HASC
Guard and Reserve (Including Coast Guard)	1,027,500	1,025,500
Reduction from FY 93 Strength	52,400	54,400
Reserve Full-time Support Strength	68,247	68,247
Reduction from FY 93 Strength	-2,643	-2,643

Other Significant Personnel Provisions

-- Pay Raise. H.R. 2401 would approve a pay raise of 2.2 percent for military personnel, effective January 1, 1994. A pay raise was not requested.

-- Homosexuals in the Military. The bill would codify the Administration's July 19th proposal.

Defense Conversion

The bill would authorize appropriations of $3.1 billion for defense conversion, reinvestment and transition assistance, including:

-- $2.2 billion for defense industry and technology programs;

-- $192 million to assist military and civilian personnel (including defense contractor personnel), along with $319 million in temporary early retirement benefits; and

-- $70 million -- $41.2 million more than requested -- for the Office of Economic Adjustment.

Operation and Maintenance

H.R. 2401 would:

-- establish a Department of Defense Depot Task Force to: (1) identify depot functions that should be done in-house or contracted-out, and (2) evaluate how rates and prices are determined;

-- authorize appropriations of $100 million less than requested for the Trident submarine;

-- authorize appropriations of $265 million -- $100 million more than requested -- for return of Army equipment from Europe; and

-- authorize appropriations of $1,091 million -- $70 million less than requested -- for commissaries and eliminate 1,500 military personnel from commissary administration.

Uniformed Service Treatment Facility (USTF)

S. 1298 would extend, for two years, the statutory requirement that the Department of Defense (DOD) subsidize USTFs, by ensuring a certain volume of business. The USTFs are former Public Health Service Hospitals that are not cost competitive and may limit DOD's flexibility to implement the President's health care reforms. Rep. Moakley is likely to offer an amendment to extend the subsidy requirement from five to seven years.

Other Provisions

-- Base Closure. H.R. 2401 would authorize the Administration's request of $3.0 billion for base closure and realignment.

-- NATO Infrastructure. H.R. 2401 would authorize the full request of $240 million for NATO infrastructure programs.

-- Nunn-Lugar. H.R. 2401 would authorize the Administration's request of $400 million to assist with the demilitarization of the countries of the former Soviet Union.

-- Russian Aid. H.R. 2401 would authorize the requested $979 million for aid to countries of the former Soviet Union.

-- Advanced Liquid Metal Reactors (ALMRs). The Department of Energy informally advises that an amendment, which would prohibit the study of using ALMRs to burn excess plutonium from nuclear weapons, will be offered. Energy is currently studying several methods of disposing of excess plutonium, including ALMRs, and does not want to limit its options at this time.

Scoring for the Purpose of Pay-As-You-Go

The text of H.R. 2401 was not available in the time for NSD to complete its scoring of the bill. Based on its preliminary review, NSD (Schuhart) advises that OMB concurs with the CBO final report.

CBO Pay-As-You-Go Estimates
($ millions)

	1994	1995	1996	1997	1998	1994-1998
Outlays	*	*	*	*	*	*

* -- Less than $500,000

LEGISLATIVE REFERENCE DIVISION
August 4, 1993 - 10:15 A.M.

CC: Reed
Weinstein

AUG - 3 REC'D

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

July 30, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2748 - Small Business Development Center Amendments
(La Falce (D) New York)

The Administration supports H.R. 2748.

* * * * *

(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy was developed by the Legislative Reference Division (Brown/Liu), in consultation with the Small Business Administration (Marselas), the Departments of Commerce (Bird) and the Treasury (Dorsey), BASD (Kolaian), and HTF (Rhinesmith and Criscitello).

Description of H.R. 2748

H.R. 2748 was introduced on July 27th and ordered reported by the House Small Business Committee on July 29th.

H.R. 2748 would authorize SBA to make grants or conclude agreements with Small Business Development Centers (SBDCs) to facilitate the operation of one or more information clearinghouses.

The bill would also authorize appropriations of $2 million in each of FYs 1993-1996 for the Central European Small Business Development Commission. This Commission promotes the development of technical assistance centers for small businesses in the Czech and Slovak Federal Republics, Poland and Hungary. (This replaces an $8 million authorization in current law for FY 1993 only.)

Finally, the bill would repeal a statutory provision prohibiting the SBA from publishing a comprehensive regulation governing the SBDC program in the Federal Register.

Administration Position To Date

The Administration has not previously taken a position on this bill. In July 20, 1993, testimony before the House Small Business Committee the SBA Administrator endorsed a similar provision in H.R. 2594, the "Miscellaneous Small Business Amendments of 1993."

Pay-As-You-Go Scoring

According to HTF (Criscitello) and BASD (Kolaian), H.R. 2748 is not subject to pay-as-you-go. CBO concurs (preliminarily).

Legislative Reference Division
7/30/93 -- 1:00 P.M.

CC: Heenan
Margherio
Magaziner [illegible] REC'D

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

July 30, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2535 - Priority VA Health Care for Persian Gulf Veterans
(Rowland (D) GA and 31 others)

The Administration supports H.R. 2535.

Pay-As-You-Go Scoring

H.R. 2535 would increase direct spending; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act (OBRA) of 1990. The bill does not contain provisions to offset the increased direct spending. Therefore, if the bill were enacted, its deficit effects could contribute to a sequester of mandatory programs.

OMB's preliminary scoring estimates of this bill are presented in the table below. Final scoring of this legislation may deviate from these estimates. If H.R. 2535 were enacted, final OMB scoring estimates would be published within five days of enactment, as required by OBRA. The cumulative effects of all enacted legislation on direct spending and receipts will be reported to Congress at the end of the Congressional session, as required by OBRA.

PAY-AS-YOU-GO ESTIMATES
(outlays in millions)

1993	1994	1995	1996	1997	1993-1998
*	*	*	*	*	*

* OMB's preliminary scoring estimate of this bill is that it would cost less than $500,000 over five years.

* * * * * * *

(Do Not Distribute Outside the Executive Office of President)

This Statement of Administration Policy was prepared by LRD (Pellicci) in consultation with HRD (Selfridge/Signori) and BASD (Balis). The Department of Veterans Affairs (per Walt Hall, Office of the General Counsel) and the White House Office of Legislative Affairs (Maldon) concur in the position.

To date, the Administration has not taken a position on H.R. 2535. VA did support priority mandatory health care for veterans who served in the Persian Gulf in a letter to Sen. Murkowski on July 15, 1993, on S. 1030, the Senate companion bill.

H.R. 2535 was ordered reported by the House Committee on Veterans' Affairs on July 27th; the Committee report is not yet available. VA staff (Hall) has advised this Office that the Committee did not make any substantive changes to the bill as introduced. Among the bill's 20 Democratic cosponsors are: Montgomery (MS), Kennedy (MA), Clement (TN), Evans (IL), and Brown (FL).

Description of H.R. 2535

H.R. 2535 would codify current VA policy regarding medical care for veterans who served in the Persian Gulf.

H.R. 2535 would authorize priority mandatory inpatient (including nursing home care) and outpatient care for veterans who served in the Persian Gulf and have a condition that may be associated with that service (as determined by the Secretary of VA). H.R. 2535 would authorize the Department to render medical care for any disability that becomes manifest before October 1, 1996. VA's authority to provide priority care to Persian Gulf veterans would expire on October 1, 1998.

Under current law, most veterans who served in the Persian Gulf are not entitled to free outpatient care nor are they guaranteed inpatient medical care at VA facilities. (Only those veterans that have been approved by VA for service-connected disability benefits are guaranteed inpatient care and free outpatient care.) However, since August 1992, VA has been providing priority mandatory care to veterans who served in the Persian Gulf, even though it did not have legal authority to do so.

This bill, which is retroactive to August 2, 1990 (the start of Operation Desert Storm), would provide VA the authority to continue its current policy.

Pay-As-You-Go Scoring

According to HRD (Signori), H.R. 2535 would increase direct spending; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. The bill would permit reimbursement of veterans who served in the Persian Gulf and paid a copayment to VA for medical care between the period of August 2, 1990, to August 1992. CBO concurs (preliminary).

LEGISLATIVE REFERENCE DIVISION
. . . . JULY 30, 1993 - 11 am

cc: Weinstein
Schmidt

AUG - 3 REC'D

AUG - 3 1993

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

July 30, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2134 - Atlantic Coastal Fisheries Cooperative Management Act of 1993
(Studds (D) Massachusetts and 11 others)

The Administration supports House passage of H.R. 2134. However, the Administration will seek certain improvements in the bill as it continues through the legislative process. These include clarifications to avoid potential constitutional questions about amending an existing interstate compact and requiring enforcement action by the Secretary of Commerce based on a determination made by an entity that is not part of the Federal Government.

Pay-As-You-Go Scoring

H.R. 2134 would affect receipts; therefore, it is subject to the pay-as-you-go requirements of the Omnibus Budget Reconciliation Act of 1990. OMB's preliminary scoring estimate of this bill is that the pay-as-you-go effect would be less than $500,000 over FYs 1994-1998.

* * * * *

(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy was developed by the Legislative Reference Division (Weinberg/Liu), in consultation with the Departments of Commerce (Dalmut), the Interior (Anthony), Justice (Novak), State (Norton), Transportation (DeCell), the Treasury (Levy), TCJ (Payne), NR (Cameron), and BASD (Chellaraj).

On June 30, 1993, the Committee on Merchant Marine and Fisheries ordered H.R. 2134 reported, with minor amendments, by voice vote. The report is not yet available. The text of the reported bill was supplied by the Department of Commerce. Democrat cosponsors are Representatives Ackerman, Frank, Hughes, Maloney, Moulon, and Towns.

Background and Administration Position to Date

The constitutional concerns cited in the SAP were raised by the Department of Commerce at a hearing before the House Subcommittee on Fisheries Management on May 19, 1993. Commerce advises that these concerns have not been addressed in the reported version of the bill. The concerns are that:

I. Since the Atlantic States Marine Fisheries Commission (ASMFC) was formed by an interstate compact of 16 States, those States should be allowed to amend the compact rather than having responsibilities imposed on the Commission by H.R. 2134. Commerce bases this argument on Article I, Section 10 of the Constitution, which requires Congress to approve all interstate compacts. Therefore, Commerce believes that the States should have an opportunity to amend the compact and present it to Congress for approval.

II. Because the ASMFC is not composed of Federal officials, the provisions effectively empowering it to impose a moratorium on fishing raise a constitutional question under the Appointments Clause.

Description of H.R. 2134

The stated purpose of H.R. 2134 is to improve the conservation and management of fisheries that cross State lines along the Atlantic coast by promoting cooperation among the States.

Program: The Secretaries of Commerce and the Interior would establish a program to support the fisheries management activities of the ASMFC. The program would promote data analysis, law enforcement, habitat conservation, research, and management planning. Fishery management plans would be developed by the ASMFC to assess the coastal fishery resources, specify necessary State actions, and recommend actions to the Commerce Secretary regarding the exclusive economic zone (waters off the U.S. coast). The Commerce Secretary would enforce new regulations to govern fishing in the exclusive economic zone. The Commission would annually review the plan, monitor State compliance, and report to the Secretaries.

Noncompliance: If the ASMFC determines that a State is not complying with an interstate fishery management plan, the Commerce Secretary would have to declare a moratorium on fishing for the designated species within that State. Violations of the moratorium are subject to civil money penalties and criminal penalties.

Authorizations: The bill would authorize appropriations to Commerce and Interior of a total of $2 million per year for FYs 1994-96.

Pay-As-You-Go Scoring

Per BASD (Chellaraj) and TCJ (Payne) H.R. 2134 is subject to the pay-as-you-go provisions of the Omnibus Budget Reconciliation Act of 1990 because it would affect receipts. The bill would establish civil money penalties for violation of a fishing moratorium. CBO is still reviewing H.R. 2134 and has not decided whether or not to classify it as paygo.

Legislative Reference Division
7/30/93 -- 1:00 p.m.

cc: Weinstein
Schmidt

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

AUG - 3 REC'D

July 30, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2495 - Convey the Senecaville National Fish Hatchery to the State of Ohio
(Applegate (D) Ohio)

The Administration supports H.R. 2495.

* * * * *

(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy (SAP) was prepared by LRD (Crutchfield) in consultation with NRD (Cameron/McDivitt), GM (Swain), White House Legislative Affairs (Fernandez), Interior (Anthony), and GSA (Smart). **Although GSA does not object to the SAP, it advises that the conveyance should be accomplished under the 1949 Federal Property and Administrative Services Act.**

The House Merchant Marine and Fisheries Committee, without holding hearings, ordered H.R. 2495 reported without amendment by voice vote on July 27, 1993. This SAP represents the first Administration position on the bill. Interior informally advises that an identical provision was recently dropped from H.R. 2520, the Interior appropriations bill, in response to congressional arguments that such a provision should be considered by an authorization committee.

Provisions of H.R. 2495

H.R. 2495 directs the Secretary of the Interior to convey the Senecaville National Fish Hatchery to the State of Ohio. Located in eastern Ohio, the Hatchery is currently operated by the State under a memorandum of agreement with the U.S. Fish and Wildlife Service. The property, including all easements, water rights, and improvements, must be used by the Ohio Department of Natural Resources for the State's fishery resources management program. The property reverts back to the United States if it is used for any other purpose.

Pay-As-You-Go Scoring

According to NRD (Cameron) and Interior (Anthony), H.R. 2495 would not affect direct spending or receipts. Therefore, it is not subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. CBO concurs (final).

LEGISLATIVE REFERENCE DIVISION
July 30, 1993 - 11:00 a.m.

cc: P. Weinstein

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

AUG - 3 REC'D

July 30, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2747 - SBA Development Company Loan and Debenture Guarantee Program Amendments
(La Falce (D) New York)

The Administration supports H.R. 2747.

* * * * *

(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy was developed by the Legislative Reference Division (Brown/Liu), in consultation with the Small Business Administration (Marselas), the Departments of Commerce (Bird) and the Treasury (Dorsey), BASD (Kolaian), and HTF (Rhinesmith and Criscitello).

Description of H.R. 2747

H.R. 2747 was introduced on July 27th and ordered reported by the House Small Business Committee on July 29th.

The bill would increase authorizations for SBA's Certified Development Company (CDC) Loan Program for small businesses from $775 million to $900 million in FY 1993 and from $825 million to $1.2 billion in FY 1994. It would also make conforming changes to the total levels of general business loans the SBA is authorized to guarantee in those years (from $7.03 billion to $7.155 billion in FY 1993; and from $8.08 billion to $8.458 billion in FY 1994).

Administration Position To Date

The Administration has not previously taken a position on this bill. In July 20, 1993, testimony before the House Small Business Committee, the SBA Administrator endorsed a similar provision in H.R. 2594, the "Miscellaneous Small Business Amendments of 1993."

Pay-As-You-Go Scoring

According to HTF (Criscitello) and BASD (Kolaian), H.R. 2747 is not subject to pay-as-you-go. CBO concurs (preliminarily).

Legislative Reference Division
7/30/93 -- 1:00 P.M.

cc: P. Weinstein

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

AUG -3 RECD

July 30, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2746 - White House Conference on Small Business Amendments
(La Falce (D) New York and Meyers (R) Kansas)

The Administration supports H.R. 2746.

* * * * *

(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy was developed by the Legislative Reference Division (Brown/Liu), in consultation with the Small Business Administration (Marselas), the Departments of Commerce (Bird), Justice (Jones), and the Treasury (Dorsey), BASD (Kolaian), and HTF (Rhinesmith and Criscitello).

Description of H.R. 2746

H.R. 2746 was introduced on July 27th and ordered reported by the House Small Business Committee on July 29th. It would amend the "White House Conference on Small Business Authorization Act of 1990" (P.L. 101-409).

The Conference is currently required to be held no earlier than January 1, 1994, and no later than April 1, 1994. In addition, at least one conference in each State was required to have been completed by December 1, 1992. H.R. 2746 would change the required time period for holding the conference to May 1 - September 30, 1995, and extend the deadline for holding State conferences until March 1, 1994. In addition, the bill would increase the total amount authorized to be appropriated for the conference from $5 million to $7 million.

Finally, the bill would require the President to appoint, within 30 days of enactment, 11 members to a Commission to coordinate the Conference. (P.L. 101-409 provided for the appointment of an 11-member Commission by the President, but no members were ever appointed.)

Administration Position To Date

The Administration has not previously taken a position on H.R. 2746. In July 20, 1993, testimony before the House Small Business Committee, however, the SBA Administrator endorsed a similar provision in H.R. 2594, the "Miscellaneous Small Business Amendments Act of 1993."

Pay-As-You-Go Scoring

According to HTF (Criscitello) and BASD (Kolaian), H.R. 2746 is not subject to pay-as-you-go. CBO concurs (preliminarily).

Legislative Reference Division
7/30/93 -- 1:00 P.M.

CC: Galston
Sagawa
AUG - 3 REC'D

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

August 2, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 454 - Full Faith and Credit for Child Support Orders Act
(Frank (D) Massachusetts and 3 others)

The Administration supports H.R. 454.

* * * * *

(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy was developed by the Legislative Reference Division (Ratliff/Liu), in consultation with the Department of Justice (Evans), White House Office of Legislative Affairs (Miller), HR (Ruffner) and TCJ (Silas). HHS did not respond officially to our request for views, but staff advises unofficially that the Department has no objection to the SAP.

On July 27, 1993, the House Judiciary Committee ordered H.R. 454 reported as amended by the Administrative Law Subcommittee. As of the morning of August 2nd, the report had not yet been filed. The bill has three Democrat cosponsors: Woolsey (California), Meehan (Massachusetts), and Kleczka (Wisconsin).

Provisions of H.R. 454

H.R. 454 would require States to enforce certain child support orders made by a court of another State. A State could modify such an order only if: (1) the State had jurisdiction to make the order and (2) the court of the other State no longer had continuing, exclusive jurisdiction of the order.

Administration Position to Date

The Administration has not previously taken a position on H.R. 454.

Pay-As-You-Go Scoring

Per TCJ (Silas) H.R. 454 is not subject to the pay-as-you-go provisions of the Omnibus Budget Reconciliation Act of 1990 because it does not affect direct spending or receipts. CBO agrees (preliminary).

Legislative Reference Division
8/2/93 -- 12:00 noon

CC: Galston

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

AUG - 3 REC'D

July 30, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

S. 184 - Utah Schools and Lands Improvement Act of 1993
(Hatch (R) UT and Bennett (R) UT)

The Administration supports S. 184.

Pay-As-You-Go Scoring

S. 184 would reduce receipts; therefore, it is subject to the pay-as-you-go (PAYGO) requirements of the Omnibus Budget Reconciliation Act (OBRA) of 1990. The bill does not contain provisions to offset the reduction in receipts. Therefore, if the bill were enacted, its deficit effects could contribute to a sequester of mandatory programs.

The preliminary OMB scoring estimates of this bill are presented in the table below. Final scoring of this legislation may deviate from these estimates. If S. 184 were enacted, final OMB scoring estimates would be published within 5 days of enactment, as required by OBRA. The cumulative effects of all enacted legislation on direct spending and receipts will be reported to Congress at the end of the congressional session, as required by OBRA.

PAY-AS-YOU-GO ESTIMATES
(dollars in millions)

	1994	1995	1996	1997	1998	1994-1998
Receipts	--	--	-10	-10	-5	-25

* * * * *

(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy (SAP) was prepared by LRD (Crutchfield) in consultation with NRD (McDivitt/Beard/Cogswell), BASD (Kolaian), White House Legislative Affairs (Fernandez), Office of Environmental Policy (McGinty), Interior (West), Agriculture (Reese), Justice (Novak), Energy (Honick), EPA (Wood), Treasury (Dorsey), Transportation (DeCell), and GSA (Smart).

S. 184 passed the Senate by voice vote on June 25, 1993. The House Natural Resources Committee (HNRC) ordered S. 184 reported, with amendments, by voice vote on July 28, 1993. Rep. Shepherd (D-UT) is a cosponsor of H.R. 677, a companion bill to S. 184.

Administration Position

The Departments of Agriculture and the Interior supported the concept of H.R. 677 in testimony before a HNRC subcommittee on May 4, 1993. They also stated that they would like to work with the Committee to address the bill's PAYGO costs. The HNRC amendment to S. 184 reduced the PAYGO estimate from $37.5 million to $25 million.

Background

The 1896 Utah Statehood Act reserved one-ninth of Utah for the State to use to generate revenues for schools. Much of this land, however, consists of small parcels that are surrounded by larger tracts of Federal land. Such inholdings create management problems for both State and Federal land agencies. Furthermore, this complex land ownership pattern has made it nearly impossible for the State to generate revenues. The problem is further complicated by split estates in which either the Federal or State government owns the surface estate, while the other one owns the subsurface estate, or mineral interests underneath.

Provisions of S. 184

S. 184 authorizes the Secretary of the Interior to accept title to approximately 200,000 acres of State lands or interest in lands in exchange for an equal value of Federal lands or interests in lands. State lands include approximately:

-- 76,000 acres of land within units of the National Forest System;

-- 68,400 acres of land and 12,800 acres of mineral interests within units of the National Park System;

-- 38,500 acres of land and 9,500 acres of mineral interests within the Navajo Indian Reservation; and

-- 980 acres of land and 480 acres of mineral interests within the Goshute Indian Reservation.

The lands acquired by the United States are to become part of the reservation, park, or national forest in which the lands are located.

Within 60 days after enactment of this Act, the Secretary must transmit to the State a list of Federal lands or interest in lands, as identified in S. 184, that are available for exchange. In addition, the Secretary must offer up to $25 million in royalties from current mineral leases on Federal lands in Utah. The State may choose any combination of the above, up to the assessed value of the land received by the Federal Government. If within 2 years the parties have not agreed on the values of lands or interest in lands involved in this exchange, the U.S. District Court shall have jurisdiction to render a final judgement.

The HNRC made three amendments to S. 184 as passed by the Senate:

-- lower the cap on royalties that may be offered to the State from $12.5 million annually to $25 million total;

-- expand the jurisdiction to resolve valuation disputes from the U.S. District Court for the District of Utah, Central Division, to any appropriate U.S. District Court; and

-- prohibit strip mining of the coal mineral interests that are to be transferred to the State under this exchange.

Pay-As-You-Go Scoring

S. 184 directs the Secretary to offer the State a portion of royalties from mineral leasing of Federal lands in Utah. According to NRD (McDivitt) and BASD (Kolaian), this would reduce receipts that would otherwise be available to offset direct spending. Therefore, the bill is subject to the PAYGO requirement of OBRA. Since the total amount of royalties that may be offered is limited to $25 million, with the first payments not likely to occur before FY 1996, the preliminary OMB PAYGO estimate is $25 million. CBO concurs (final).

LEGISLATIVE REFERENCE DIVISION
July 30, 1993 - 11:00 a.m.

CC: Galston
Sagawa
AUG - 3 REC'D

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

July 30, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 856 - Educational Research, Development, and Dissemination Excellence Act
(Reps. Owens (D) NY and Ford (D) MI)

The Administration supports reauthorization of the Department of Education's Office of Educational Research and Improvement this year, but has concerns about several provisions in H.R. 856. The Administration will continue to work expeditiously with the Congress to resolve those concerns.

* * * * * * *

(Do Not Distribute Outside Executive Office of the President)

This draft position was developed by LRD (Connie Bowers) in consultation with LVE (Barbara Selfridge/Barry White). The Departments of Education (Hansen), Justice (Taylor), and the Treasury (Dorsey), the Office of Science and Technology Policy (Fitzsimmons), the Office of Government Ethics (Clery), the Office of Personnel Management (Woodruff), the National Endowment for the Arts (Klink), the Domestic Policy Council (Galston), White House Legislative Affairs (Paster, per secretary), OIRA (Chenok), and GM (Kogut). The Departments of Health and Human Services, the Interior, Defense, Commerce, and Labor and the National Commission on Libraries and Information Services did not respond.

Background

The Department of Education's (ED) educational research functions are authorized in its Office of Educational Research and Improvement (OERI). The National Center for Education Statistics, the National Assessment of Educational Progress, and various programs to improve the quality of education are authorized within OERI. Appropriations authorizations for OERI expired on September 30, 1992.

Summary of H.R. 856

H.R. 856 was ordered reported by the House Education and Labor Committee on July 28. It would authorize appropriations totalling $156 million for OERI in FY 1994. In addition, it would:

- Establish within OERI a National Educational Research and Priorities Board responsible for certain functions. It would: (1) develop a research priorities plan and program for the investment of OERI resources for the next 15 years; (2) develop standards, including peer review, for conducting all OERI activities; and (3) advise Congress concerning the Office.

- Restructure OERI research and development activities by establishing five National Research Institutes that would focus on five research priorities: (1) education of at-risk students; (2) innovation in educational governance; (3) early childhood; (4) student achievement in elementary and secondary grades; and (5) postsecondary education, libraries, and lifelong education. (Currently, OERI is organized according to how research is conducted, rather than according to the topics studied.)

- Direct the Secretary of Education to promote comprehensive coordinated research programs and development activities among the institutes on cross-cutting topics such as assessment, teaching and teacher education, and educational technology.

- Establish within OERI an Office of Reform Assistance and Dissemination to carry out a national education dissemination system for school improvement. The Office would: (1) identify exemplary programs; (2) create information clearinghouses; (3) establish various electronic networks to link information sources about teaching and learning in order to improve nationwide education; (4) establish a Goals 2000 Community Partnerships Program providing school improvement grants to help the most impoverished communities to achieve education goals; and (5) create the Teacher Research Dissemination Network -- i.e., a corps of liaisons between teachers and education research organizations.

- Establish within OERI a National Library of Education to centralize within the Federal Government information about education and promote public access to such information.

Administration Views

The Department of Education is drafting an Administration proposal for the reauthorization of OERI. ED has developed a list of principles that it believes should govern OERI reauthorization and has shared these informally with the Hill. H.R. 856 is inconsistent with those principles in several respects. The major areas of difference are as follows:

Management Issues. The bill is a considerable improvement over the original House version, but still includes some constraints on ED's management prerogatives. The procedures for nominating members of the National Educational Research and Priorities Board require the Secretary to appoint nominees submitted by two named groups, but permit the Secretary to reject the slate if the names are not satisfactory. The Board would be required to set standards, which would become binding on OERI programs. The provisions concerning Presidential appointment of the Assistant Secretary for Educational Research and Improvement, with required pre-consultation and stated qualifications, limit the President's discretion in appointments.

Structural Issues. H.R. 856 would structure OERI's functions into five research institutes that would be statutorily established, hindering the Department's flexibility. The bill would also unnecessarily authorize establishment of several new programs.

Cost Issues. The bill would authorize appropriations totalling $156 million for FY 1994, and such sums as may be necessary for each of FYs 1995-1997, compared to the FY 1994 Budget total of $90.750 million for OERI. Most of the difference is due to authorizations in H.R. 856 of $30 million each for a teacher research dissemination network and a Goals 2000 Community Partnerships program. H.R. 856 would also authorize appropriations totalling $100 million for FY 1995, and such sums as may be necessary for each of FYs 1996 and 1997, for the five research institutes that would be established.

Pay-As-You-Go Scoring

Per HRD (Barry White), H.R. 856 does not affect direct spending or receipts and therefore is not subject to the pay-as-you-go provisions of the Omnibus Budget Reconciliation Act of 1990. According to BASD (Kolaian), this is consistent with CBO's preliminary scoring of the bill.

LEGISLATIVE REFERENCE
August 3, 1993 -- 12:11pm

cc: Galston
Sagawa

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

AUG - 3 REC'D

July 30, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

S. 1295 - Rehabilitation Act and Education of the Deaf Act Technical Amendments
(Rep. Harkin (D) IA and 2 others)

The Administration supports S. 1295.

* * * * * * *

(Do Not Distribute Outside Executive Office of the President)

This position was developed by LRD (Connie Bowers) in consultation with HRD (Barbara Selfridge/Barry White). The Departments of Education (Hansen), Health and Human Services (Maples), and Justice (Taylor), the National Council on Disability (Burke), the Architectural and Transportation Barriers Compliance Board (Johnson), White House Legislative Affairs (Paster, per secretary), OIRA (Chenok), and HRD (Popper) agree with this position. The White House Domestic Policy Council (Galston) had no objection.

The Rehabilitation Act authorizes Federal assistance to States and public and nonprofit entities for the vocational rehabilitation of individuals with disabilities. It also authorizes research and demonstration programs as well as independent living services to assist individuals with severe disabilities. These programs are administered by the Department of Education (ED). In addition, it authorizes appropriations for other rehabilitation programs administered by ED, the Helen Keller National Center, the National Council on Disability (NCD), the Architectural and Transportation Barriers Control Board (ATBCB), and the President's Committee on Employment of People with Disabilities. The Education of the Deaf Act (EDA) authorizes Federal funding for Gallaudet University and other institutions that provide postsecondary education and training to individuals who are deaf or hard of hearing.

In 1992, Congress enacted laws to reauthorize and amend substantially the Rehabilitation Act and the EDA: (1) the Rehabilitation Act Amendments of 1992 (P.L. 102-569) and (2) Education of the Deaf Act Amendments of 1992 (P.L. 102-421).

S. 1295 makes mostly technical, clarifying, or conforming amendments to the Rehabilitation Act and the EDA as amended last year. In addition, it makes technical amendments to the Individuals with Disabilities Education Act and the Wagner-O'Day

Act, which authorizes the Committee for Purchase from People Who are Blind or Severely Disabled. Some of the more significant provisions of the bill would:

-- Authorize "such sums" appropriations for FYs 1993 through 1997 for the training authority in Title III of the Rehabilitation Act. These authorizations were inadvertently omitted in the 1992 amendments to the Act.

-- Increase from seven to eight the maximum number of technical and professional staff the NCD executive director may hire.

-- Clarify the allocation of funding for centers for independent living.

-- Require ED to conduct a review of the current system of collecting and reporting data on clients of programs carried out under the Rehabilitation Act.

<u>Pay-As-You-Go Scoring</u>

Per HRD (Barry White), S. 1295 is not subject to the pay-as-you-go provisions of the Omnibus Budget Reconciliation Act of 1990 because it does not affect direct spending or receipts. Per BASD (Kolaian), CBO has not yet scored the bill.

LEGISLATIVE REFERENCE DIVISION
7/30/93 - 3:45 p.m.

cc: Reed
Weinstein

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

AUG - 3 REC'D

August 2, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2668 - Community Investment Demonstration Act of 1993
(Gonzalez (D) TX and Roukema (R) NJ)

The Administration supports H.R. 2668. The Administration, however, has technical concerns with H.R. 2668 and will work with the Congress to resolve those concerns.

* * * * * * *

(Do Not Distribute Outside the Executive Office of the President)

This position was developed by LRD (Mustain) in consultation with HTF (Firschein), HR (Arthur), and OIRA (Antonelli). The Departments of Housing and Urban Development (Lischer), and Labor (Morin) and the Domestic Policy Council (Strong) and the White House Office for Legislative Affairs (Carey) agree with this position.

H.R. 2668 was introduced on July 20, 1993. According to staff on the House Housing and Community Development Subcommittee, the bill was discharged from the House Banking, Finance and Urban Affairs Committee without a hearing or mark-up.

H.R. 2668 would authorize HUD to carry out a five-year demonstration program to provide project-based rental assistance under the Section 8 program for low-income residents of housing that is constructed, rehabilitated, or acquired with financing from an eligible pension fund. The bill would set aside $100 million from Section 8 rental assistance funds for this demonstration program.

The demonstration program authorized in H.R. 2668 was dropped from an earlier bill, H.R. 2517. The Administration informally informed staff of the House Housing and Community Development Subcommittee that it would support H.R. 2517, as long as the pension funds used to finance this demonstration project were required to meet their fiduciary responsibilities under the Employee Retirement Income Security Act (ERISA). After being dropped from H.R. 2517, this demonstration program was amended to address the ERISA concern and reintroduced as H.R. 2668.

The Department of Labor has technical concerns with the definition of an "eligible pension plan" under section 2(i) of the bill. In addition, OIRA supports deleting or amending section 2(j), which would require HUD to issue final regulations within 45 days from the date of enactment. OIRA believes that this is an unreasonable timeframe.

Pay-As-You-Go Scoring

Per HTF (Firschein), H.R. 2668 is not subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990 because it does not affect direct spending or receipts. CBO's preliminary estimate agrees with OMB.

LEGISLATIVE REFERENCE DIVISION
August 2, 1993 - 4:15 p.m.

cc: Schmidt

AUG - 3 REC'D

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

July 30, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2647 - Servicemen's Group Life Insurance Amendments of 1993
(Kreidler (D) WA and 19 others)

The Administration supports H.R. 2647.

Pay-As-You-Go Scoring

H.R. 2647 would increase direct spending; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act (OBRA) of 1990. The bill does not contain provisions to offset the increased direct spending. Therefore, if the bill were enacted, its deficit effects could contribute to a sequester of mandatory programs.

OMB's preliminary scoring estimates of this bill are presented in the table below. Final scoring of this legislation may deviate from these estimates. If H.R. 2647 were enacted, final OMB scoring estimates would be published within five days of enactment, as required by OBRA. The cumulative effects of all enacted legislation on direct spending and receipts will be reported to Congress at the end of the Congressional session, as required by OBRA.

PAY-AS-YOU-GO ESTIMATES
(outlays in millions)

1994	1995	1996	1997	1998	1994-1998
1.2	--	--	--	--	1.2

* * * * * * *

(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy was prepared by LRD (Pellicci) in consultation with HRD (Selfridge/Blanchon) and BASD (Lind/Balis). The Departments of Veterans Affairs (per Jack Thompson) and Defense (McLaughlin) and the White House Office of Legislative Affairs (Maldon) concur in the position.

The position is identical to that contained in a VA letter to the House Committee on Veterans' Affairs on July 19, 1993, on H.R. 2647.

H.R. 2647 was ordered reported by the House Committee on Veterans' Affairs on July 27th; the Committee report is not yet available. VA staff (Thompson) has advised this Office that the Committee did not make any substantive changes to the bill as introduced. Among the bill's 15 Democratic cosponsors are: Montgomery (MS), Dicks (WA), Penny (MN), Richardson (NM), and Stenholm (TX).

Description of H.R. 2647

The Veterans' Benefits Act of 1992 increased coverage under the Servicemen's Group Life Insurance (SGLI) program to $100,000 effective December 1, 1992.

H.R. 2647 was prompted by two Air Force crashes which occurred in Montana and Texas on the evening of November 30, 1992. These crashes resulted in the deaths of 17 servicemembers. VA has determined that the deceased servicemembers were not entitled to the increased SGLI coverage. Under current law, the time for determining when a right accrues under any Federal statute is the United States standard time of the zone where the person entitled to the right is located. The servicemembers died prior to 12:00 a.m. on December 1, 1992, according to the standard time of the zone in which they were located.

Under H.R. 2647, any individual who had applied for the additional SGLI coverage and whose death occurred on or after December 1, 1992, as determined by the International Date Line, would be covered. This would provide coverage for all the victims of the two Air Force crashes (as well as other military deaths occurring on November 30, 1992).

We have been advised by VA staff that Secretary Brown was asked by White House Chief of Staff McLarty to propose legislation to cover the individuals from the crash. No legislation was forwarded to Congress because Rep. Kreidler introduced his bill the day before VA was ready to forward its proposal. VA's proposal would have been identical to H.R. 2647.

Pay-As-You-Go-Scoring

According to HRD (Blanchon) and BASD (Balis), H.R. 2647 would result in additional costs to the SGLI program of up to $100,000 for each servicemember who had applied for the increased SGLI coverage. Current analysis indicates that the pay-as-you-go effect of this legislation is $1.2 million for FY 1994. CBO estimates the cost to be $1 million for FY 1994 (preliminary).

LEGISLATIVE REFERENCE DIVISION
July 30, 1993 - 10:30 am

cc: Weinstein
Schmidt

AUG - 3 REC'D

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

July 30, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2684 - National Fish and Wildlife Foundation Reauthorization
(Studds (D) MA)

The Administration supports H.R. 2684.

* * * * *

(Do Not Circulate Outside the Executive Office of the President)

This Statement of Administration Policy (SAP) was developed by LRD (Cartwright), in consultation with NRD (Cameron/McDivitt/Cogswell), Commerce (Dorsey), Justice (Novak), Interior (Anthony), EPA (Wood), OPD (Burke), and OEP (McElwee), and TCJ (Young).

H.R. 2684 was ordered reported, as amended, by voice vote of the House Merchant Marine and Fisheries Committee on July 27, 1993.

Provisions of H.R. 2684

The National Fish and Wildlife Foundation serves as an adjunct to the U.S. Fish and Wildlife Service, funnelling grants to fish and wildlife enhancement projects backed by the government. Since its establishment in 1984, the Foundation has made more than 660 grants totaling more than $79 million. The Foundation is governed by a board comprised of representatives from environmental organizations and industry groups. H.R. 2684 increases the size of this board from nine to 15 members.

H.R. 2684 also sets conditions under which the Foundation can establish cooperative agreements with the National Oceanic and Atmospheric Administration (NOAA). NOAA is a Commerce Department agency that shares responsibility with the Fish and Wildlife Service for endangered species protection.

In addition, H.R. 2684 extends the existing annual appropriation of $25 million to the Foundation for 5 years (FY 94-98).

Administration Position to Date

On July 15, 1993, the Department of the Interior endorsed H.R. 2684 in testimony before the Subcommittee on Environment and Natural Resources. Donald Barry, Acting Deputy Assistant Secretary for Fish, Wildlife, and Parks, supported reauthorization of the FWS, stating that ". . . it has significant potential for providing greater assistance to this Administration in realizing our conservation objectives."

Pay-As-You-Go

According to NRD (Cameron), H.R. 2684 does not affect direct spending or receipts. Therefore, it is not subject to the pay-as-you-go requirement of the Omnibus Reconciliation Act of 1990. CBO concurs (preliminary).

Legislative Reference Division
July 30, 1993 -- 11:30 A.M.

CC: Galston
Burke

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

AUG - 3 REC'D

August 3, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2330 - Intelligence Authorization Act for Fiscal Year 1994
(Glickman (D) KS)

The Administration supports H.R. 2330. The Administration, however, will seek during further congressional action to have certain provisions modified. These provisions would abolish the National Security Education Trust Fund and modify the Foreign Language Proficiency Pay.

The Administration will seek to manage prudently reductions of the intelligence authorization contained in H.R. 2330; the Administration will oppose any amendment on the House floor further reducing intelligence spending.

The Administration opposes any change to H.R. 2330 that would disclose, or require the disclosure of, the aggregate amount of funds authorized for intelligence activities. The current procedure that provides for the authorization of appropriations in a classifies annex continues to be appropriate.

Pay-As-You-Go Scoring

H.R. 2330 would increase direct spending; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act (OBRA) of 1990. The bill does not contain provisions to offset the increased direct spending. Therefore, if the bill were enacted, its deficit effects could contribute to a sequester of mandatory programs.

OMB's preliminary scoring estimates of this bill are presented in the table below. Final scoring of this legislation may deviate from these estimates. If H.R. 2330 were enacted, final OMB scoring estimates would be published within 5 days of enactment, as required by OBRA. The cumulative effects of all enacted legislation on direct spending and receipts will be reported to Congress at the end of the Congressional session, as required by OBRA.

Pay-As-You-Go Estimates
($ in millions)

	1994	1995	1996	1997	1998	1994-1998
Outlays	$0	$4	$4	$5	$5	$18

* * * * *

(Do Not Distribute Outside the Executive Office of President)

This Statement of Administration Policy (SAP) was developed by the Legislative Reference Division (Goad), in consultation with NSD (Donahue), BASD (Chellaraj), GM (Kogut), the Departments of Defense (McLaughlin), Energy (Honick), Justice (Evans), State (Norton), and the Treasury (Levy), the Central Intelligence Agency (Pearline), the National Security Council (Tenat/Waguespack), and the Office of Personnel Management (Woodruff).

On June 29th, the House Select Committee on Intelligence ordered H.R. 2330 reported with amendments. On July 21st, the House Committee on Armed Services ordered H.R. 2330 reported.

Administration Position to Date

The Administration has neither testified nor reported on H.R. 2330. Certain provisions of the bill, however, are nearly identical to the Administration's proposal that, on May 27th, CIA transmitted to Congress. NSC informally advises that this SAP is consistent with a draft letter that the President may send to Chairman Glickman regarding the bill.

Major Provisions of H.R. 2330

-- Appropriations Authorization

H.R. 2330 would authorize FY 1994 appropriations of: (1) amounts listed in the classified Schedule of Authorizations ($1.1 billion less than requested), (2) approximately $110.8 million, $5 million more than requested, for the Community Management Staff (CMS), and (3) $183.2 million, as requested, for the Central Intelligence Agency Retirement and Disability System (CIARDS).

-- Personnel Authorization

H.R. 2330 would authorize: (1) full-time personnel as contained in the classified Schedule of

Authorizations; and (2) 222 full-time personnel for the CMS, as requested.

-- CIARDS

The bill would: (1) incorporate technical amendments to the Central Intelligence Agency Retirement Act, as proposed by the Administration; and (2) provide survivor and retirement annuities and health benefits for certain ex-spouses of CIARDS participants.

-- Central Intelligence Agency

As requested by the Administration, the bill would authorize the Director of Central Intelligence (DCI) to establish a program to award visits to the Central Intelligence Agency and modest cash prizes to students who participate in high school science fairs.

-- Department of Defense

H.R. 2330 would authorize an increase from $100 to $450 in the maximum monthly Foreign Language Proficiency Pay -- bonus pay for active duty personnel proficient in speaking and reading certain foreign languages -- for active and reserve personnel and modify proficiency criteria. The Administration proposal would extend the Foreign Language Proficiency Pay to reserve personnel, but would not change the maximum monthly amount.

-- General Provisions and Technical Amendments

The bill would: (1) repeal the National Security Education Act -- a $150 million fund that was established in 1991 for scholarships, fellowships, and research grants -- and transfer the unobligated balance in the National Security Education Trust Fund to the Treasury; (2) require the DCI to submit annually to Congress an unclassified report on the activities of the intelligence community; (3) exempt the National Reconnaissance Office from the disclosure of certain personnel information; and (4) make certain technical and conforming amendments to various acts.

Administration Proposal

H.R. 2330 does not incorporate several provisions, as proposed by the Administration, which would:

-- authorize the forfeiture of Thrift Savings contributions made by the United States for the benefit of an employee if the employee is convicted of espionage;

-- waive a requirement that, when outside the United States, Department of Defense intelligence personnel disclose their governmental affiliation to U.S. citizens during the initial assessment contact; and

-- authorize access by the Federal Bureau of Investigations to consumer credit records.

Pay-As-You-Go Scoring

NSD (Donahue) and BASD (Chellaraj) advise that, because H.R. 2330 would increase direct spending (provide annuities and health benefits for certain ex-spouses of CIARDS participants), the bill would be subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990.

Pay-As-You-Go Estimates
($ in millions)

1994	1995	1996	1997	1998	1994-1998
$0	$4	$4	$5	$5	$18

CBO concurs in its final report.

LEGISLATIVE REFERENCE DIVISION
July 27, 1993 - 8:00 A.M.

File

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

JUL 30 REC'D

July 29, 1993
(Senate Floor)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2403 -- TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS BILL, FY 1994
(Sponsors: Byrd (D), West Virginia; DeConcini (D), Arizona)

This Statement of Administration Policy provides the Administration's views on H.R. 2403, the Treasury, Postal Service, and General Government Appropriations Bill, FY 1994, as reported by the Senate Appropriations Committee. The Administration supports Senate passage of H.R. 2403 and will work with Congress to address the concerns described below and in the attachment.

President's Investment Program

The Administration commends the Senate Committee for fully funding the Administration's Tax System Modernization investment proposal and the requested Tax Law Enforcement initiatives. The investment in modernizing the Internal Revenue Service (IRS) will improve service to taxpayers, increase the productivity of IRS operations, and increase tax compliance. The tax law enforcement initiatives will provide IRS with resources to address serious tax compliance problems and increase revenue collections.

Federal Employees Health Benefits Program

The Administration strongly supports the Committee's decision to delete a provision of the Subcommittee bill that would have prohibited the use of funds to pay for abortions or for administrative expenses in connection with any health plan under the Federal Employees Health Benefits (FEHB) program that provides benefits or coverage for abortions. This provision has been used in the past to deny Federal employees and their dependents the ability to choose to spend their FEHB premiums on a health plan that provides coverage for abortions. The Administration would strongly object to any amendment that would attempt to reinstate this provision.

Treasury FTE Levels and Floors

The Committee bill would add funds to the Departmental Offices; the U.S. Customs Service; the Bureau of Alcohol, Tobacco and Firearms (BATF); and the United States Secret Service for the purpose of increasing FTE levels above those requested. In addition, the Committee has added bill language setting FTE floors for BATF, Customs, Departmental Offices, and the Office of Foreign Assets Control. To the extent that the additional funds would be used for staff increases, other Treasury bureaus would be required to reduce staff further in order to comply with the President's Executive Order mandating reductions in Federal civilian employment. The Executive Order is an important element in the Administration's effort to reduce Federal spending and bureaucracy.

FTS 2000

The Administration is concerned that the Committee has not included requested language on the use of the FTS 2000 program. Language mandating use of the FTS 2000 program has been enacted every year since FY 1988. Removal of the provision could weaken the effectiveness of the program.

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

Attachment

Attachment
(Senate Floor)

ADDITIONAL CONCERNS
H.R. 2403 -- TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT APPROPRIATIONS BILL, FY 1994
(AS REPORTED BY THE COMMITTEE)

The Administration looks forward to working with the Congress to address the following concerns as the appropriations process progresses.

Executive Office of the President

National Security Council (NSC). The Administration objects to the Committee's transfer of the Information Security Oversight Office (ISOO) from the General Services Administration (GSA) to the NSC. The NSC advises the President on the integration of domestic, foreign, and military policies relating to national security. Although ISOO has some limited policy integration functions, its primary mission is to monitor and oversee the information security programs of the Executive Branch. Transfer of the ISOO is inconsistent with both the President's prerogative to organize the White House staff and a recent Executive Order to reduce that staff.

Department of the Treasury

Customs Service/Federal Law Enforcement Training Center (FLETC). The Administration objects to the addition of $6 million for FLETC construction and $10 million for Customs Service air facilities construction. The FLETC funding is premature and possibly unnecessary. The Administration will review facility needs and the possible use of existing sites as part of a comprehensive plan. The Administration does not believe that there is a need for further Customs construction at this time.

Law Enforcement Pay. The Administration objects to a provision that would extend the law-enforcement pay differential for the Washington, D.C. metropolitan area to the entire Washington-Baltimore consolidated metropolitan statistical area (CMSA). When this differential was enacted, no premium was deemed necessary for those areas outside of Washington that now form part of the Washington-Baltimore CMSA. The Administration is not aware of any new circumstances that would justify the added costs of the extension.

Electronic Benefits Transfer (EBT). The Administration has launched an initiative to implement EBT nationwide and is pleased that the Committee supports EBT. Nevertheless, the Administration objects to report language that would appear to direct the Department of the Treasury to lead Executive Branch efforts to organize and implement the EBT program. The Administration does not plan to centralize authority for EBT in any one agency at this time.

General Services Administration (GSA)

Federal Buildings Fund. The Committee bill contains full and partial funding for a number of Federal building projects that were not included in the President's budget. Many of these projects were reviewed as part of the FY 1994 budget process and were not approved. Other projects added by the Senate were not included in GSA's FY 1994 capital plan.

Office of Personnel Management (OPM)

Federal Employees Health Benefits (FEHB). The Senate Committee report would direct OPM to continue the "Phantom Big Six" formula for calculating the employer share of FEHB premiums, but does not provide sufficient funds to carry out the directive. An additional $346 million would be needed to fund the payment for annuitants account fully. The House bill would direct OPM to continue the "Phantom Big Six" formula and would provide additional monies for the increased cost to the government.

Other Concerns

Administrative Conference of the United States (ACUS). The Committee bill would fund ACUS at $1.8 million, $500 thousand less than the President's request. The House bill would eliminate all funding for ACUS. The Administration supports the Committee's decision to continue funding ACUS. However, the reduced funding level would force reductions in critical activities, such as negotiated rule-making and alternative dispute resolution, that improve the efficiency and effectiveness of administrative processes.

Infringements on Executive Authority. There are several provisions in the bill that would require Congressional approval prior to Executive Branch execution of aspects of the bill. The Administration will interpret such provisos to require notification only, since any other interpretation would contradict the Supreme Court ruling in INS vs. Chadha.

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

July 28, 1993
(Senate Floor)

CH
JUL 30 REC'D

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2519 -- DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1994

(Sponsors: Byrd (D), West Virginia; Hollings (D), South Carolina)

This Statement of Administration Policy provides the Administration's views on H.R. 2519, the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Bill, FY 1994, as reported by the Senate Appropriations Committee. The Administration supports Senate passage of H.R. 2519 and will work with Congress to address the concerns described below and in the attachment.

<u>President's Investment Program</u>

The Administration strongly supports the Committee's action that fully funds the investment proposals for the National Institute of Standards and Technology and the Economic Development Administration. These investments should markedly improve the competitive posture of the United States. The Administration also supports the Committee's action to fund a significant portion of the proposals for the National Oceanic and Atmospheric Administration and the National Telecommunications and Information Administration.

While agreeing with many of the decisions made by the Committee and understanding the difficult choices it faced, the Administration is concerned about the funding provided for the President's law enforcement investment initiatives. For example, the Committee would reduce the funding associated with the President's initiatives to assist localities in hiring additional police officers.

The Administration believes that reductions in requested funding for high-priority law enforcement investment proposals could be restored, in part, through a reallocation of funding included in the bill for lower priority, earmarked, or unrequested programs.

Department of State

The Administration commends the Committee for increasing funding levels for the Department of State and the United States Information Agency over those in the House-passed bill. The Administration is particularly pleased that the Committee bill provides adequate funding for the National Endowment for Democracy, broadcasting activities to Cuba, an Asian Democracy Radio service, and United Nations (UN) assessed funding. Committee funding for UN peacekeeping is higher than the House level, although it is still well short of the total assessed requirement.

Legal Services Corporation (LSC)

The Committee has included $349 million for LSC, $83 million below the amended request, and $8 million below the FY 1993 enacted level. The higher funding levels in the request would partially offset reduced funding levels from non-Federal sources, and would enable the Corporation to expand critical legal services to the poor.

The Administration opposes the retention of numerous prohibitions on the use of LSC funds. Prohibitions on funding should be examined by a new Board and dealt with in a reauthorization, not in appropriations language. In addition, Section 607(b) raises serious constitutional problems by restricting the authority of recess appointees to perform functions that could be performed by Senate-confirmed appointees. We are pleased, however, that two provisos restricting the activities of the Board would be removed upon nomination and confirmation of a new Board.

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

Attachment

Attachment
(Senate Floor)

ADDITIONAL CONCERNS
H.R. 2519 -- DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1994
(AS REPORTED BY THE SENATE APPROPRIATIONS COMMITTEE)

The Administration looks forward to working with the Congress to address the following concerns as the appropriations process progresses.

FUNDING ISSUES

Department of Commerce

Shortfall in Funding For Statistics. The Administration appreciates the substantial increase in funding over the House mark that the Committee has provided for the Census 2000 planning effort. However, the Committee has provided $17 million less than the President's request for Census Salaries and Expenses and Economic and Statistical Analysis. These funds are necessary to support improvements in measures of economic performance that are an essential tool for policy officials interested in monitoring the health of the U.S. economy. It should also be noted that the Census Bureau does not have the authority to conduct a census for Micronesia as requested in Senate report language.

National Oceanic and Atmospheric Administration Weather Service and Research. The Administration commends the Committee for its efforts to improve the standing of important ocean and coastal programs. The Administration believes that certain reductions in weather service modernization staffing, central computer facility upgrades, and climate and global change research could be restored, in part, through a reallocation of funding included in the Committee bill for lower priority, earmarked, or unrequested programs.

Department of Justice

Legal Resources. The Committee has provided $10 million in unrequested funds for the United States Attorneys. The purpose of these funds is to avoid any reduction in staff size and to continue the summer employment program. While these are worthwhile purposes, the need for additional funding is much more urgent in other programs, such as General Legal Activities, which will suffer a large staff reduction.

Support of U.S. Prisoners. The Committee has stated in the bill's report that if alternative sentencing practices were used, significant savings could be achieved in housing Federal prisoners. However, the Administration's request is for housing prisoners prior to sentencing, when alternatives to incarceration may be inadvisable. Partial restoration of the Administration's request is desirable to meet the growing costs of housing detainees prior to sentencing.

General Administration. The funding reduction recommended by the Committee would threaten the activities of the Executive Office of Immigration Review. Without adequate funding, the reduced activity level would result in slower case hearings and deportations, and would lead to higher detention costs for those aliens waiting for hearings.

Immigration and Naturalization Service (INS). The Administration is proposing an immigration reform initiative. This initiative includes an $85 million budget authority component. It is hoped that the Congress will be able to accommodate this change.

Equal Employment Opportunity Commission (EEOC)

The Committee has provided $227.3 million for the EEOC, $7.5 million below the request, but $5.3 million over FY 1993. However, the Committee has earmarked $3.5 million of the increase for payments to the State and local enforcement agencies to help them reduce their case backlog. This would reduce the increase available to fund EEOC staff to $1.8 million, only a one-percent increase over FY 1993. This small increase would force EEOC to reduce staffing just when it needs resources to handle the rapidly growing case backlog caused by the Americans with Disabilities Act and the Civil Rights Act of 1991. The Administration urges the Senate to reconsider the Committee's funding recommendations and to avoid staff reductions in EEOC.

OTHER ISSUES

Small Business Administration (SBA)

The Committee bill would fund the President's request for budget authority sufficient to meet the $67.6 million investment proposal for SBA Sec. 7(a) loan guarantees. However, the Committee has not provided the requested reforms needed to reduce subsidy costs of the program and support a higher loan level.

Absent these reforms, the subsidy level provided would likely result in a nearly $3 billion shortfall in loan guarantee authority, leading to a shutdown of the program for much of FY 1994. Therefore, the Administration believes that it is essential for the Congress to adopt the proposed reforms.

Arms Control and Disarmament Agency

The Administration commends the Committee for providing funding for the U.S. contribution to cover costs of the Preparatory Commission for the Organization on the Prohibition of Chemical Weapons.

Department of Transportation

Maritime Administration, Ready Reserve Force. The Administration supports Senate Committee action providing $300 million for the Ready Reserve Force, as requested. Specifically, the Administration supports the proposed mix of funding for operations and ship acquisition, which is consistent with national defense requirements.

EXECUTIVE OFFICE OF THE PRESIDENT JUL 30 REC'D
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

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July 29, 1993
(Senate Floor)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2403 -- TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS BILL, FY 1994
(Sponsors: Byrd (D), West Virginia; DeConcini (D), Arizona)

This Statement of Administration Policy provides the Administration's views on H.R. 2403, the Treasury, Postal Service, and General Government Appropriations Bill, FY 1994, as reported by the Senate Appropriations Committee. The Administration supports Senate passage of H.R. 2403 and will work with Congress to address the concerns described below and in the attachment.

President's Investment Program

The Administration commends the Senate Committee for fully funding the Administration's Tax System Modernization investment proposal and the requested Tax Law Enforcement initiatives. The investment in modernizing the Internal Revenue Service (IRS) will improve service to taxpayers, increase the productivity of IRS operations, and increase tax compliance. The tax law enforcement initiatives will provide IRS with resources to address serious tax compliance problems and increase revenue collections.

Federal Employees Health Benefits Program

The Administration strongly supports the Committee's decision to delete a provision of the Subcommittee bill that would have prohibited the use of funds to pay for abortions or for administrative expenses in connection with any health plan under the Federal Employees Health Benefits (FEHB) program that provides benefits or coverage for abortions. This provision has been used in the past to deny Federal employees and their dependents the ability to choose to spend their FEHB premiums on a health plan that provides coverage for abortions. The Administration would strongly object to any amendment that would attempt to reinstate this provision.

Treasury FTE Levels and Floors

The Committee bill would add funds to the Departmental Offices; the U.S. Customs Service; the Bureau of Alcohol, Tobacco and Firearms (BATF); and the United States Secret Service for the purpose of increasing FTE levels above those requested. In addition, the Committee has added bill language setting FTE floors for BATF, Customs, Departmental Offices, and the Office of Foreign Assets Control. To the extent that the additional funds would be used for staff increases, other Treasury bureaus would be required to reduce staff further in order to comply with the President's Executive Order mandating reductions in Federal civilian employment. The Executive Order is an important element in the Administration's effort to reduce Federal spending and bureaucracy.

FTS 2000

The Administration is concerned that the Committee has not included requested language on the use of the FTS 2000 program. Language mandating use of the FTS 2000 program has been enacted every year since FY 1988. Removal of the provision could weaken the effectiveness of the program.

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

Attachment

Attachment
(Senate Floor)

ADDITIONAL CONCERNS
H.R. 2403 -- TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT APPROPRIATIONS BILL, FY 1994
(AS REPORTED BY THE COMMITTEE)

The Administration looks forward to working with the Congress to address the following concerns as the appropriations process progresses.

Executive Office of the President

National Security Council (NSC). The Administration objects to the Committee's transfer of the Information Security Oversight Office (ISOO) from the General Services Administration (GSA) to the NSC. The NSC advises the President on the integration of domestic, foreign, and military policies relating to national security. Although ISOO has some limited policy integration functions, its primary mission is to monitor and oversee the information security programs of the Executive Branch. Transfer of the ISOO is inconsistent with both the President's prerogative to organize the White House staff and a recent Executive Order to reduce that staff.

Department of the Treasury

Customs Service/Federal Law Enforcement Training Center (FLETC). The Administration objects to the addition of $6 million for FLETC construction and $10 million for Customs Service air facilities construction. The FLETC funding is premature and possibly unnecessary. The Administration will review facility needs and the possible use of existing sites as part of a comprehensive plan. The Administration does not believe that there is a need for further Customs construction at this time.

Law Enforcement Pay. The Administration objects to a provision that would extend the law-enforcement pay differential for the Washington, D.C. metropolitan area to the entire Washington-Baltimore consolidated metropolitan statistical area (CMSA). When this differential was enacted, no premium was deemed necessary for those areas outside of Washington that now form part of the Washington-Baltimore CMSA. The Administration is not aware of any new circumstances that would justify the added costs of the extension.

Electronic Benefits Transfer (EBT). The Administration has launched an initiative to implement EBT nationwide and is pleased that the Committee supports EBT. Nevertheless, the Administration objects to report language that would appear to direct the Department of the Treasury to lead Executive Branch efforts to organize and implement the EBT program. The Administration does not plan to centralize authority for EBT in any one agency at this time.

General Services Administration (GSA)

Federal Buildings Fund. The Committee bill contains full and partial funding for a number of Federal building projects that were not included in the President's budget. Many of these projects were reviewed as part of the FY 1994 budget process and were not approved. Other projects added by the Senate were not included in GSA's FY 1994 capital plan.

Office of Personnel Management (OPM)

Federal Employees Health Benefits (FEHB). The Senate Committee report would direct OPM to continue the "Phantom Big Six" formula for calculating the employer share of FEHB premiums, but does not provide sufficient funds to carry out the directive. An additional $346 million would be needed to fund the payment for annuitants account fully. The House bill would direct OPM to continue the "Phantom Big Six" formula and would provide additional monies for the increased cost to the government.

Other Concerns

Administrative Conference of the United States (ACUS). The Committee bill would fund ACUS at $1.8 million, $500 thousand less than the President's request. The House bill would eliminate all funding for ACUS. The Administration supports the Committee's decision to continue funding ACUS. However, the reduced funding level would force reductions in critical activities, such as negotiated rule-making and alternative dispute resolution, that improve the efficiency and effectiveness of administrative processes.

Infringements on Executive Authority. There are several provisions in the bill that would require Congressional approval prior to Executive Branch execution of aspects of the bill. The Administration will interpret such provisos to require notification only, since any other interpretation would contradict the Supreme Court ruling in INS vs. Chadha.

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July 28, 1993
(Senate Floor)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2519 -- DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1994

(Sponsors: Byrd (D), West Virginia; Hollings (D), South Carolina)

This Statement of Administration Policy provides the Administration's views on H.R. 2519, the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Bill, FY 1994, as reported by the Senate Appropriations Committee. The Administration supports Senate passage of H.R. 2519 and will work with Congress to address the concerns described below and in the attachment.

President's Investment Program

The Administration strongly supports the Committee's action that fully funds the investment proposals for the National Institute of Standards and Technology and the Economic Development Administration. These investments should markedly improve the competitive posture of the United States. The Administration also supports the Committee's action to fund a significant portion of the proposals for the National Oceanic and Atmospheric Administration and the National Telecommunications and Information Administration.

While agreeing with many of the decisions made by the Committee and understanding the difficult choices it faced, the Administration is concerned about the funding provided for the President's law enforcement investment initiatives. For example, the Committee would reduce the funding associated with the President's initiatives to assist localities in hiring additional police officers.

The Administration believes that reductions in requested funding for high-priority law enforcement investment proposals could be restored, in part, through a reallocation of funding included in the bill for lower priority, earmarked, or unrequested programs.

Department of State

The Administration commends the Committee for increasing funding levels for the Department of State and the United States Information Agency over those in the House-passed bill. The Administration is particularly pleased that the Committee bill provides adequate funding for the National Endowment for Democracy, broadcasting activities to Cuba, an Asian Democracy Radio service, and United Nations (UN) assessed funding. Committee funding for UN peacekeeping is higher than the House level, although it is still well short of the total assessed requirement.

Legal Services Corporation (LSC)

The Committee has included $349 million for LSC, $83 million below the amended request, and $8 million below the FY 1993 enacted level. The higher funding levels in the request would partially offset reduced funding levels from non-Federal sources, and would enable the Corporation to expand critical legal services to the poor.

The Administration opposes the retention of numerous prohibitions on the use of LSC funds. Prohibitions on funding should be examined by a new Board and dealt with in a reauthorization, not in appropriations language. In addition, Section 607(b) raises serious constitutional problems by restricting the authority of recess appointees to perform functions that could be performed by Senate-confirmed appointees. We are pleased, however, that two provisos restricting the activities of the Board would be removed upon nomination and confirmation of a new Board.

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

Attachment

Attachment
(Senate Floor)

ADDITIONAL CONCERNS
H.R. 2519 -- DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1994
(AS REPORTED BY THE SENATE APPROPRIATIONS COMMITTEE)

The Administration looks forward to working with the Congress to address the following concerns as the appropriations process progresses.

FUNDING ISSUES

Department of Commerce

Shortfall in Funding For Statistics. The Administration appreciates the substantial increase in funding over the House mark that the Committee has provided for the Census 2000 planning effort. However, the Committee has provided $17 million less than the President's request for Census Salaries and Expenses and Economic and Statistical Analysis. These funds are necessary to support improvements in measures of economic performance that are an essential tool for policy officials interested in monitoring the health of the U.S. economy. It should also be noted that the Census Bureau does not have the authority to conduct a census for Micronesia as requested in Senate report language.

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