2/11/93

MEMORANDUM FOR THOMAS MCLARTY
ANTHONY LAKE
IRA MAGAZINER
HOWARD PASTER
CAROL RASCO
ROBERT RUBIN

ORIGINAL SIGNED BY
LEON E. PANETTA

FROM: Leon E. Panetta
Director

SUBJECT: Statements of Administration Policy

Statements of Administration Policy (SAPs) are documents sent to Congress by the Administration indicating the Administration's position on legislation. I thought it would be helpful to describe briefly the process of preparing and reviewing them since your offices will often be involved.

SAPs are normally prepared by OMB for virtually all major and many routine bills scheduled for House floor action for the coming week, including those to be considered by the House Rules Committee. When the Senate schedule is available, SAPs are also prepared for Senate floor action on major bills and certain other bills. The volume is considerable -- 551 SAPs were sent to the 102nd Congress by the Bush Administration.

SAPs are generally concise (less than 1 page) and focus on policy positions and reasons why a bill is being supported or opposed. Some examples of SAPs are attached. Note that the portion of the SAP below the asterisks on the first page is only distributed within the Executive Office of the President (EOP). It contains a brief factual description of the bill and other relevant background information. The agencies and the Hill receive only the statement of the Administration's position above the asterisks.

The process that is normally followed is:

-- On Thursday morning, OMB receives the House Majority Whip's tentative schedule for House floor action for the coming week. Information on the Senate schedule is usually obtained informally.

-- OMB staff prepare SAPs in draft for the bills on the schedule (e.g., The Administration supports/opposes/seeks amendments to H.R. X) and sends them for review to other affected Federal agencies and to interested EOP offices. Comments are requested in a few hours.

-- If possible the SAP is finished by Thursday and reviewed by OMB policy officials on Friday. Where appropriate, SAPs are then sent to senior White House policy officials for review.

-- The final approved SAP is distributed to the Hill by the end of the day on Friday. The text is frequently published by the Democratic Study Group and others.

This is obviously an extremely tight schedule and requires very fast action by OMB and affected EOP and agency staff. On complex or controversial bills, of course, more time may be necessary to complete the needed review. SAPs can also be required at any time depending on congressional action that cannot be anticipated.

If you wish more information about this process, please call Martha Foley (x4884) of my staff. My staff would also be happy to meet with your staff to describe the process and establish appropriate contacts.

Attachments

file

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

JUL 28 REC'D

July 27, 1993
(House Rules)

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 President will oppose any amendment on the House floor further reducing intelligence spending.

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

July 20, 1993
(Senate)

STATEMENT OF ADMINISTRATION POLICY

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

JUL 21 REC'D

S. 919 - National Service Trust Act of 1993
(Kennedy (D) MA and 19 others)

The Administration strongly supports S. 919. The bill establishes an innovative Corporation for National Service to offer Americans educational awards in return for service to their country. In addition, the bill provides for a variety of other programs to develop citizenship among Americans of all ages, ranging from elementary school "service learning" projects to the National Senior Volunteer Corps. Enactment of this legislation will encourage service by all citizens and reaffirm an American community that transcends race, region, or religion.

The Administration has concerns with a number of amendments to be considered on the floor. The Administration opposes amendments to S. 919 that would: (1) require means-testing, (2) impose a "trigger" to limit availability of funds, (3) reduce educational awards, (4) weaken provisions regarding labor unions, or (5) otherwise weaken the bill.

Pay-As-You-Go Scoring

S. 919 would affect direct spending and receipts; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990 (OBRA). The bill does not contain provisions to offset the increased direct spending. Therefore, if this bill were enacted, its deficit effects could contribute to a sequester of mandatory programs.

OMB's preliminary scoring estimates for this bill are presented in the table below. Final scoring of this legislation may deviate from these estimates. If S. 919 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
($ in thousands)

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

* - less than $500,000

* * * * * * * *

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

The position to strongly support the bill was developed by LRD (Mustain) in consultation with HR (Van Wie), BASD (Stigile), GM (Johnson), OFFM (Green), IA (Sandy), and OIRA (Semenuk). The Departments of **Education** (Heindel), Labor (Morin), Health and Human Services (White), Justice (Taylor), the Interior (Harris), and the Treasury (Dorsey), and the **Office of Personnel Management** (Woodruff), the **Office of National Service** (Lew, Gordon), ACTION (Fleming), and the Peace Corps (Martin) agree with this position.

The discussion of objectionable amendments was provided by the Office of National Service (Lew). HR (Van Wie) and White House Legislative Affairs (Brophy) concur.

S. 919 is substantially the same as the draft bill transmitted by the President on May 6, 1993. The Senate Labor and Human Resources Committee reported the bill on June 29, 1993.

Major Provisions of S. 919

Structure. S. 919 would establish a Corporation for National Service. The Corporation would provide: (1) grants to organizations to carry out national service programs and (2) educational awards to participants in the programs. Eligible organizations would include nonprofit organizations, institutions of higher education, school districts, local governments, States, and Federal agencies. The Federal share of assistance to operate a national service program would be 75 percent, exclusive of living allowances, health insurance, or child care assistance. The Corporation may waive the 75 percent limit under certain conditions. The Corporation also has authority to make a variety of grants to encourage the establishment of State Commissions for National Service and for other purposes.

Organizations wishing to administer a national service program must apply either through their State Commission or directly to the Corporation. Proposed programs must meet unmet human, educational, environmental, or public safety needs. The Corporation would distribute available funds for programs and educational awards in three equal parts: (1) by formula to States, (2) competitively to States, and (3) competitively to organizations (including States) applying directly to the Corporation.

Educational Benefits. The Corporation would pay educational awards of $5,000 to participants in national service programs. Participants, generally age 17 and up, would be allowed to earn up to two awards, one for each term of service (1,700 hours). Individuals may use educational awards to repay student loans, to pay for attendance at an institution of higher education, or to pay for expenses in an approved school-to-work program.

Funds available for educational awards would be held in an National Service Trust account. The Trust would consist of: amounts appropriated by Congress, gifts and bequests, and interest and proceeds generated from the sale or redemption of obligations held by the Trust.

Other Benefits. Participants would also receive a living allowance that may be no less than the Volunteers In Service To America (VISTA) average annual subsistence allowance. The Corporation would pay 85 percent of the allowances; organizations administering the national service program would pay the remaining 15 percent.

Participants would also receive basic health insurance if they are not otherwise covered by a health insurance policy. The Corporation would pay for 85 percent of the insurance; organizations administering the program would pay the remainder. Finally, the Corporation would provide a child care allowance to full-time participants who require such services. The Corporation would establish guidelines for the availability of child care.

Miscellaneous. S. 919 would also amend the National and Community Service Act to improve school and community-based service learning programs.

The programs administered by ACTION would be transferred to the Corporation and the Chairperson of the Corporation would assume the duties of the Director of ACTION. In addition, the functions of the Commission on National and Community Service would be transferred to the Corporation.

S. 919 would also reauthorize the Domestic Volunteer Service Act of 1973 and the National and Community Service Act of 1990.

Authorization of Appropriations. S. 919 would authorize total appropriations of $687 million in FY 1994 and such sums as may be necessary in FYs 1995 and 1996. The largest authorization of appropriations is a combined amount for the National Service Trust programs and Service learning programs, totalling $434 million in FY 1994 and such sums as may be necessary in FYs 1995 and 1996. Approximately 89 percent of the $434 million would be designated for the National Service Trust programs.

Differences between the Administration's Draft Bill and S. 919

The majority of the differences between the Administration's bill and S. 919 are technical in nature. The most significant differences relate to (1) the civil service status of ACTION employees transferred to the Corporation for National Service and (2) the retirement credit provided to certain former ACTION volunteers.

Pay-As-You-Go Scoring

Per GM (Johnson), S. 919 is subject to the pay-as-you-go requirement of OBRA because it affects direct spending and receipts. The bill contains several provisions that would increase receipts by authorizing Federal entities to receive gifts and bequests. OMB assumes that such receipts would be spent, and therefore estimates the pay-as-you-go effect to be zero. In addition, the retirement provisions regarding ACTION volunteers would affect direct spending and receipts, with a net increase in direct spending estimated at less than $500,000 in each fiscal year.

In its final estimate, CBO is unable to estimate the deficit effect of gift and bequest authority and concurs with OMB regarding the pension provisions.

LEGISLATIVE REFERENCE DIVISION
July 20, 1993 - 1:00 p.m.

Sent to
BG

7-26 Ric

File: SAP

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

July 22, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2683 - Migrant Student Record Transfer System
(Ford (D) MI and Goodling (R) PA)

The Administration supports H.R. 2683, which would provide the necessary legal authority to extend temporarily the current migrant student record transfer system. This would allow time to evaluate issues surrounding continued Federal support for this system as part of the reauthorization of the Elementary and Secondary Education Act.

* * * * * * *

(Do Not Distribute Outside Executive Office of the President)

This draft position was developed by LRD (Connie Bowers) in consultation with HRD (Barry White). The Department of Education (Riddle), OIRA (Chenok), GC (Damus), and White House Legislative Affairs (Fernandez) agree with this position.

Background

The Elementary and Secondary Education Act (ESEA) will expire September 30, 1994, and reauthorization legislation is now being prepared. The ESEA established the Migrant Education Program (MEP) within the Department of Education (ED) to address the unique educational needs of children of migrant farmworkers. Under the program, ED contracts with private organizations to assist migrant students to earn a high school equivalency certificate or to complete their first year of college. To provide information on children who are identified as eligible to receive services provided by the MEP, ED enters into contracts for the migrant student record transfer system (MSRTS). The MSRTS is a national computerized database that stores educational and health record information on migrant children and transfers it to the MEP in the new area when the child moves. The current contract for the MSRTS will expire on September 30, 1993.

ED and Members of Congress have been concerned about the high cost of the MSRTS and are considering proposals to redesign or discontinue Federal support for the system. This matter is under consideration in the context of the ESEA reauthorization proposal. However, since such an evaluation is currently underway, there is a need to extend contract authority for a short period so that the function may continue.

Summary of H.R. 2683

H.R. 2683 was introduced on July 21. It would extend the MSRTS contract authority through June 30, 1995. The bill also states that major modifications of the MSRTS may be made only after consultation with the House Education and Labor and Senate Labor and Human Resources Committees.

Pay-As-You-Go Scoring

Per HRD (Barry White), H.R. 2683 does not affect direct spending or receipts. Therefore, it is not subject to the pay-as-you-go provisions of the Omnibus Budget Reconciliation Act of 1990. Since the bill was just introduced on July 21st, CBO has not made available informal outlay estimates.

LEGISLATIVE REFERENCE
July 26, 1993 -- 12:56pm

Sent to cc:

Mike
Schmidt

7-26 — Ric

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

July 23, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 1758 - Revision of Title 49, United States Code, "Transportation"
(Brooks (D) Texas)

The Administration supports House passage of H.R. 1758.

* * * * *

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

This Statement of Administration Policy was developed by the Legislative Reference Division (Brown), in consultation with the Departments of Transportation (Herlihy), Energy (Raben), and Justice (Jones and Taylor), and TCJ (Adkins).

The Department of Justice has identified two technical problems with H.R. 1758. The Department of Transportation advises that the House Office of Law Revision Counsel is agreeable to making the necessary corrections as part of the motion to suspend the rules and act on the bill.

H.R. 1758 was reported on July 15th, pursuant to an earlier voice vote by the House Judiciary Committee.

Description of H.R. 1758

H.R. 1758 would recodify several laws related to Transportation as subtitles of title 49 of the U.S. Code. The Departments of Transportation and Justice agree that (with the technical amendments to be accomplished on the House floor) H.R. 1758 makes no substantive changes to any of the affected statutes.

Administration Position To Date

In a June 23rd letter to the House Judiciary Committee, the Department of Energy stated that it has no objection to H.R. 1758.

Pay-As-You-Go Scoring

Per TCJ (Adkins), H.R. 1758 is not subject to pay-as-you-go. CBO agrees (final).

Legislative Reference Division
7/23/93 -- 3:30 P.M.

File

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

July 26, 1993
(Senate Floor)

STATEMENT OF ADMINISTRATION POLICY

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

H.R 2493 -- DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1994

(Sponsors: Byrd (D), West Virginia; Bumpers (D), Arkansas)

This Statement of Administration Policy expresses the Administration's views on H.R. 2493, the Department of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill, FY 1994, as reported by the Senate Appropriations Committee. The Administration supports Senate passage of H.R. 2493 and will work with Congress to address the concerns described below and in the attachment.

President's Investment Program

The Administration is pleased that the Committee has agreed with the House and has fully funded the food safety and Food and Drug Administration proposals. The Committee bill also would fund the President's other investment proposals above the levels provided by the House. The Administration commends the Committee for its support of the Special Supplemental Food Program for Women, Infants, and Children (WIC) and for adopting the President's goal to fund the WIC program fully by the end of FY 1996. We urge the Senate to approve the Administration's FY 1994 proposal.

Wetlands Reserve Program

The Administration urges the Senate not to alter current law by again restricting sign-ups for the Wetlands Reserve Program (WRP). The 1990 farm bill establishes a target of one million acres to be enrolled in the WRP by the end of FY 1995. The Administration has proposed to fund 450,000 acres in FY 1994 toward this target, but the Committee bill would allow only 25,000 acres to be enrolled. This restriction is particularly troublesome since FY 1993 sign-ups were blocked by the FY 1993 appropriations act.

Sent to
Bill Galston
— A.L.
7-26

The WRP is a crucial part of the Administration's wetlands restoration and preservation plans, and the Administration believes that full funding for this mandatory program should be restored. At a minimum, appropriations action should be consistent with both the House and Senate versions of the 1993 reconciliation bill, which prescribe that a minimum of 330,000 wetlands acres be enrolled by the end of calendar year 1995. The Administration is aware of the Committee's concern with WRP's high per-acre costs, and will work with the Committee to contain per-acre costs.

Research Grants

The Committee has chosen to fund earmarked special research grants at the expense of Agriculture's National Research Initiative, a competitively awarded grant program. These earmarked special grants would address primarily local and parochial research issues, rather than problems of national significance facing the nation's food, agricultural, and environmental sectors. The Administration believes that the most appropriate way to allocate scarce research funds is through a competitive process based on merit in which any research institution can apply.

FTE Floors

The President has established a goal of reducing Federal employment (FTE) cumulatively from the FY 1993 enacted levels by 2.5 percent in FY 1994 and four percent in FY 1995 (a total of 100,000 FTE). Reducing Federal employment, combined with other initiatives to reinvent and streamline the Federal government, should not be constrained by restrictions such as section 712 of the Committee bill. This section would impose employment floors for the Food and Drug Administration, the Farmers Home Administration, the Agricultural Stabilization and Conservation Service, the Rural Electrification Administration, and the Soil Conservation Service. The Administration urges the Senate to delete this provision.

FDA User Fees

The Committee bill includes a provision that would permit the Food and Drug Administration to collect and use $175 million in user fees requested in the President's budget, as well as $54 million in prescription drug user fees authorized by the Prescription Drug User Fee Act. The Administration strongly supports this action by the Committee and urges the Senate to approve it.

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

Attachment

Attachment
(Senate Floor)

ADDITIONAL CONCERNS
H.R. 2493 -- AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1994
(AS REPORTED BY THE SENATE APPROPRIATIONS COMMITTEE)

The Administration looks forward to working with the Senate to address the following concerns:

FUNDING ISSUES

- Rural Development Administration (RDA). The Administration is pleased that the Committee has funded the RDA. The Administration is also pleased that the Committee has deleted section 722 of the House bill, which would prohibit funding the operation of the seven regional offices of the RDA after April 1, 1994. The Secretary is currently reviewing the structure of the RDA, and it would be premature to limit his options for restructuring.

- Rural Electrification Administration (REA). The Administration commends the Committee for reducing REA subsidies and hardship telephone loans, relative to the House-passed level. However, the Committee bill would continue to provide excessive levels of hardship telephone loans made at five-percent interest to telephone borrowers, even though there are far fewer telephone borrowers deserving of this deep subsidy. The Administration believes that the level of telephone loans made at hardship interest rates should be reduced to $50 million, and the current pro-rata allocation of hardship loans between electric and telephone borrowers should be retained.

- Federal Crop Insurance Corporation. The Committee bill includes a provision that would help eliminate the issuance of poor crop insurance policies. The Administration commends the Committee for its attention to the need to reform the Crop Insurance Program. As a result of the Midwest floods, the President has instructed the Secretary of Agriculture to develop a comprehensive proposal for the reform of the Crop Insurance Program. The Administration is in the process of developing this proposal and looks forward to working with all of the congressional committees with jurisdiction in the crop insurance area to develop a meaningful reform of this program. The Administration urges the Senate to approve this needed reform.

- Farm Service Agency. The Committee has not funded the Administration's proposal to create a Farm Service Agency, which would combine the Agricultural Stabilization and Conservation Service, the Farmers Home Administration, and the Soil Conservation Service. This proposal is a key element of the Administration's initiative to streamline government while improving service to clients.

- Salaries and Expense funding from mandatory accounts. The President's budget proposes to eliminate the transfers of funds for administrative equipment and computers from the mandatory Commodity Credit Corporation account, and, instead, to fund these purchases through appropriations. Because discretionary savings would be scored for eliminating the mandatory funding, no net outlays would be scored to the bill if this proposal were enacted. Continued mandatory funding does not foster the necessary careful consideration of equipment purchases, nor does it adequately reflect the true discretionary nature of these costs.

- Foreign Agricultural Service (FAS). The Administration has proposed a $10 million reduction in the Cooperator program of FAS, which the Committee bill does not include. FAS can achieve its export promotion objectives within the budget's proposed levels. FAS can increase the cost-share amount it currently requires, target funding to areas where the greatest export opportunities exist (rather than continue funding in the same established locations), and reduce the funds used to pay rent and administrative expenses of the participating private sector cooperators.

- Rental Payments to GSA. The Committee bill earmarks $65.5 million for non-rental purposes ($50.5 million to the Department of Agriculture and $15.0 million to the Food and Drug Administration) out of the amounts appropriated for the payment of rent to GSA. Reservation of these funds for other uses would result in insufficient funds being available for making rental payments to GSA. Therefore, OMB has scored the Committee bill for these additional costs.

- Special Supplemental Food Program for Women, Infants, and Children (WIC): Interest on rebate funds. A provision included in the Committee bill would exempt rebate funds received by States as part of a WIC cost containment initiative from the interest provisions of the Cash Management Improvement Act of 1990. This provision would allow States to deposit in the State general fund any interest earned on WIC formula rebates. The Administration believes that the provision is flawed because it does not require that the interest be credited as income to the State WIC program and used to expand WIC participation. The Senate is urged to modify this provision.

- Market Promotion Program. The Committee has reduced funding for the Market Promotion Program to $75 million, approximately one-half of the level proposed in the budget. This reduced funding would impair the achievement of the Administration's objectives for export promotion and growth. The Administration urges the Senate to fund the program at the requested level.

GENERAL PROVISIONS

- Collection of delinquent payments from FmHA borrowers. Section 716 of the Committee bill would prohibit the use of private debt collection agencies to collect delinquent payments from Farmers Home Administration (FmHA) borrowers. At the end of FY 1992, FmHA had nearly $50 billion in outstanding loans. Almost $14 billion of these loans represented expected losses, net of recoveries and fees.

  The use of debt collection agencies for seriously delinquent debt is a proven debt collection tool. Federal agencies received authority to use this tool in the Debt Collection Act of 1982. Several Federal agencies have successfully used these collection services for housing, student, and business loans. The Administration believes that there is no reason to exempt the rural sector of the country from a technique that is applied to problem debts in other Federal loan programs. The Administration urges the Senate to delete section 716.

- Evaluations, studies, and surveys: Food and Nutrition Service FNS) and Human Nutrition Information Service (HNIS). Section 729 of the Committee bill would provide contract authority for the FNS and HNIS to commit the government to funding multi-year projects for which subsequent year appropriations would be needed to complete the projects and liquidate the obligations. The use of this authority would be permanent and not subject to limitation.

  The Administration opposes open-ended funding of these projects, which should be subject to the same appropriations limitations as similar projects throughout the government. The Administration urges the Senate to delete section 729 from the bill.

Sent to
Kathi
Way AV
7-26

File

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

July 22, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 1757 - National Information Infrastructure Act of 1993
(Boucher (D) Virginia and 21 others)

The Administration supports H.R. 1757. However, the Administration will seek improvements in the bill as it continues through the legislative process. For example, the Administration has concerns about the provision in section 5 which restricts the use of Federal experimental test bed networks when commercial networks are available. This provision would limit needed flexibility to develop advanced networking technologies.

* * * * *

(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 **Office of Science and Technology Policy** (Nelson), **National Science Foundation** (Leder), the Departments of Health and Human Services (Spiegel), Education (Heindel), Energy (Thomson), and Commerce (Barton), NASA (Stehmer), EPA (Rosing), GSA (Ratchford), ES (Isakowitz), HLTH (Clendenin), OIRA (Bernstein), and BRCD (Moran).

The House Committee on Science, Space and Technology ordered H.R. 1757 reported, as amended, by voice vote, on June 30, 1993. The report was filed on July 13, 1993. Democrat cosponsors include Reps. Brown and Valentine. H.R. 1757 is based on legislation introduced in the last Congress by then Senator Gore.

Status in Legislative Process

The Senate counterpart of H.R. 1757 is title VI of S. 4, the "National Competitiveness Act of 1993." According to OSTP staff, the intent is to substitute the provisions of H.R. 1757 for title VI when S. 4 and its counterpart H.R. 820 are in conference. H.R. 820 has passed the House and S. 4 has been ordered reported by the Senate Commerce Committee. H.R. 1757 was not included in H.R. 820 because of subcommittees' jurisdiction.

Description of H.R. 1757

H.R. 1757 amends the High Performance Computing Act of 1991 (which provides assistance for advanced computer hardware, software, and networking) to establish a program for the development of applications of computing and networking technologies for education, health care, libraries, and other fields. The bill would direct the Director of the Office of Science and Technology Policy (OSTP) to develop a Plan for the applications program. The program would involve cost sharing and partnerships among participating Federal agencies, State and local governments, and the private sector.

Plan: The Plan would contain specific steps to implement the program over a five year period. The Plan should: (1) establish the goals and priorities of the program; (2) define the specific responsibilities of each participating Federal agency; and (3) provide recommendations for Federal funding for each agency.

OSTP, through the Federal Coordinating Council for Science, Engineering, and Technology (FCCSET) would: (1) develop the Plan; (2) coordinate the activities of Federal agencies undertaken pursuant to the Plan; and (3) assess each agency budget estimate for consistency with the Plan and make the results available to OMB before the Budget is transmitted. OMB would review each budget request from the participating agencies.

Network Access: The Plan would develop network service in local communities to connect relevant institutions. Funds would be provided to purchase hardware, software, and training to establish connections to and train for the Internet. NSF would report to the Congress within one year describing the progress and barriers in expanding access to Internet, the costs, and possible collaborative projects.

Applications for Education: The Plan would provide computing and networking technologies for educational use from early childhood through higher education. The NSF in consultation with the Department of Education would implement and evaluate projects for teacher training, computing and networking for students and teachers, and educational software.

Applications for Health Care: The Plan would provide high-performance computing and high-speed networking technologies for the health care sector to improve the quality and enhance the cost-effectiveness of health care. HHS would implement projects to improve clinical information systems, health information to the public, health delivery systems, and population data sets.

For example, clinical information systems would include test bed networks to link hospitals, clinics, doctors' offices, medical schools, medical libraries, and universities.

Applications for Libraries: NSF would develop "digital libraries" of electronic information. Related technologies and projects would be developed such as data storage systems capable of storing hundreds of trillions of bits of data and giving thousands of users simultaneous and instantaneous access to that information. NASA would develop databases of software and remote-sensing images to be made available over computer networks.

Applications for Government Information: Technologies would be developed to provide improved public access to information generated by Federal, State, and local governments. A lead agency, designated by the President, would implement activities, such as fostering public and private sources for information products and services, and dissemination of government information to promote the usefulness of the information to the public.

Limitation on Development of Advanced Networks: As noted in the SAP, the bill would prohibit the development of Federal advanced test bed networks (high speed means of moving data for research) that could be provided using commercially available network services. The provision would interfere with government-industry collaboration in developing these networks. We understand that the provision was added during full Committee markup at the request of the telephone companies. OSTP (Nelson) has advised the Committee staff of the Administration's desire to eliminate or revise the provision.

Appropriations Authorizations: The bill's total appropriations authorizations are comparable to the amounts requested in the FY 1994 Budget. H.R. 1757 would authorize appropriations of \$57 million, \$180 million, \$250 million, \$250 million, and \$250 million for each of FYs 1994-1998, respectively.

The largest authorizations would be for NSF and HHS. Appropriations authorizations for NSF activities would total \$39 million, \$91 million, \$132 million, \$107 million, and \$107 million for FYs 1994-98, respectively. Appropriations authorizations for HHS would be \$22 million, \$54 million, \$72 million, \$90 million, and \$90 million for FYs 1994-98, respectively.

Administration Position To Date

According to a May 24, 1993, letter to the House Science Subcommittee from OSTP Director Gibbons, H.R. 1757 is largely consistent with the Administration's proposal for developing the Nation's information infrastructure.

Pay-As-You-Go Scoring

Per ES (Isakowitz) H.R. 1757 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 (final).

Legislative Reference Division
7/22/93 -- 5:00 p.m.

Sent to

Kathi Way

7-26 PV

File

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

July 22, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 1727 - Arson Prevention Act of 1993
(Boucher (D) Virginia and 23 others)

The Administration does not object to House passage of H.R. 1727.

* * * * *

(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 **Federal Emergency Management Agency** (Wall/Miller), the National Science Foundation (Leder), the Departments of Justice (Taylor) and Commerce (Clark), and HTF (Ryder, Redburn, and Heiser).

The House Committee on Science, Space and Technology ordered H.R. 1727 reported, as amended, by voice vote on June 30, 1993. The Committee report was filed on July 13, 1993. Democrat cosponsors of the bill include Reps. Bonior, Brown, and Hoyer.

Description of H.R. 1727

Arson Prevention Grants: H.R. 1727 would amend the Federal Fire Prevention and Control Act of 1974 to establish a grant program to States for arson research, prevention, and control.

The bill authorizes the Federal Emergency Management Agency (FEMA) to award 10 grants to States and consortiums of States for research, prevention, and control programs. The 2-year grants would be awarded on a competitive basis for projects which accomplish one or more of the following goals: (1) improve professional certification training of arson investigators; (2) support the creation of arson task forces or interagency coordination involving police and fire departments, State arson bureaus, State fire marshals' offices, and other relevant local agencies; (3) research the causes of arson; (4) support management of arson squads; (5) prevent arson in rural areas and public forests; and (6) expand training programs to identify and counter arson.

Responsibilities: FEMA would assist applicants to ensure that one grant is awarded for each goal of the program. The

Administrator could extend grants for longer periods, subject to the availability of appropriations.

FEMA would report to Congress within 18 months to describe the grants made and to assess the effectiveness of the program.

Qualification Criteria: Grants could only be made to a State or consortium that: (1) obtains at least 25 percent of the program cost from non-Federal sources; (2) does not decrease its prior level of spending from non-Federal funds as a result of receiving the grant; and (3) spends no more than 10 percent of the grant for administrative costs.

Authorizations: The bill authorizes appropriations to FEMA of: (1) $500,000 for FY 1994 to develop an advanced course on arson prevention; (2) $2,000,000 for FY 1995 to expand arson investigator training programs; (3) $4,000,000 per year for FYs 1994 and 1995 for the arson prevention grant program; and (4) 250,000 per year for FYs 1994 and 1995 for salaries and expenses for administering the grants program.

The FY 1994 Budget did not request funds for the new activities authorized by H.R. 1727. HTF staff do not intend to recommend funding for them in the FY 1995 Budget, because they are more appropriately undertaken by State and local governments.

Sunset: Authorizations of appropriations are terminated after FY 1995 for the grant program.

Administration Position To Date

The Administration has not previously taken a position on H.R. 1727.

Pay-As-You-Go Scoring

Per HTF (Heiser) H.R. 1727 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 (final).

Legislative Reference Division
7/22/93 -- 9:30 a.m.

Sent to 7-26
Mike Schmidt
-Al Fengolegen

File

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

July 22, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 1964 - Maritime Administration Authorization Act for Fiscal Year 1994
(Lipinski (D) Illinois and 4 others)

The Administration supports House passage of H.R. 1964.

The Administration will seek a Senate amendment to authorize the full $300 million requested in the FY 1994 Budget for the Ready Reserve Force (RRF). This is the minimum amount necessary to maintain this fleet of military useful cargo vessels at an acceptable rate of readiness. H.R. 1964 authorizes only $246 million for the RRF, reallocating $54 million to fund new Title XI loan guarantee commitments, a program for which the Administration is requesting no new funding for FY 1994.

* * * * *

(**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

H.R. 1964 was ordered reported, by voice vote, as amended by the House Merchant Marine and Fisheries Committee on May 26, 1993. The report was filed on July 19, 1993.

Description of H.R. 1964

Authorizations
The act would authorize appropriations of:
- any necessary amount to liquidate obligations under operating-differential subsidy contracts for the FY 1994 portion of the contract;
- $41,013,000 for manpower, education, and training expenses;
- $30,713,000 for operating programs;
- $254,000,000 for support capabilities related to national security;
- $4,000,000 for administrative costs of new loan guarantees;
- $50,000,000 for new loan guarantee commitments;
- $242,000 for the Massachusetts Center for Marine Environmental Protection, at the Massachusetts Maritime Academy.

The Secretary of Transportation would be allowed to use proceeds from the sale or disposal of National Defense Reserve Fleet

(NDRF) vessels for training expenses at the US Merchant Marine Academy and the State maritime academies.

National Shipbuilding Enhancement Institutes
The Secretary would designate National Shipbuilding Enhancement Institutes to: 1) develop technology, 2) enhance the competitiveness, 3) forecast trends, 4) support marketing, and 5) provide technical support for US ship construction and repair throughout the world. Institutes would be designated based on the applicants' research, education, training, and informational program. An institute must be a nonprofit institution of maritime or higher education.

The Secretary may award grants on an equal or paritally matching basis to an institute beyond previous statuatory limits.

Fees and requirements at State maritime academies
A state maritime academy would reinburse each qualified student for any fee charged for the issuance of an entry level Coast Guard licence, document, application, or examination. $300,000 would be authorized to reimburse such individuals. Students of Federally funded State Maritime academies would be allowed to graduate without passing the Coast Guard exam.

NDRF
The Secretary would maintain a practicable amount of vessels in the RRF component of the NDRF in a reduced operating status. The Secretary would be prohibited from contracting routine maintenance work on NDRF vessels.

Pilot Programs
The Secretary of Transportation would conduct a pilot program to evaluate the feasibilty of using long-term contracts for the maintenance and repair of outported vessels in the RRF to enhance the readiness of those vessels. The Secretary would report to the Congress on the effectiveness of each contract in providing for economic and efficient maintenance of the vessel. The Secretary would report to the Congress within 60 days as to where the vessels in the RRF will be located in fiscal year 1994.

The Secretary would establish a 3-year pilot program for Sealift Training at the Massachusetts Maritime Academy.

Report
The Secretary would report to the Congress on the Department's 5-year policies to maintain and promote the: competitiveness, number of ships, shipyards, and mariners, civil maritime resources, military response capability, fair international agreements and practices, and efficient application of laws and regulations to support the US merchant marine to protect the nation's economic and security interests.

Vessel Construction Guarantees
The Secretary would guarantee 87.5 percent of the actual or depreciated cost of a vessel under construction unless special economic circumstances require a lesser amount of protection.

Pay-As-You-Go Scoring

Per ( )____, H.R. 1964 is not subject to pay-as-you-go provisions of the Omnibus Budget Reconciliation Act of 1990 since it does not affect direct spending or receipts. CBO concurs (final).

Legislative Reference Division
7/22/93 -- 3:00 p.m.

cc: DPC Prog. Staff

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

July 21, 1993
(House Floor)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2490 -- DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1994

(Sponsors: Natcher (D), Kentucky; Carr (D), Michigan)

This Statement of Administration Policy provides the Administration's views on H.R. 2490, the Department of Transportation and Related Agencies Appropriations Bill, FY 1994, as reported by the House Appropriations Committee. The Administration supports House passage of H.R. 2490 and will work with the House to address the concerns described below.

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

The Administration supports the Committee's action that funds a significant portion of the Federal-aid highways and mass transit investment proposals. The Administration objects, however, to the lack of funding for other investment proposals, in particular, high-speed rail.

The House is urged to reserve funding for unauthorized investment proposals, such as high-speed rail, so that these proposals can be funded upon authorization. The Administration continues to support full funding for the Federal-aid highway program at the levels authorized in the Intermodal Surface Transportation Efficiency Act.

Reductions in requested funding for investment proposals could be restored, in part, through a reallocation of funding from lower-priority, earmarked, or unrequested programs included in the Committee bill. For example, over $300 million is provided for place-specific highway projects.

<u>Investment Criteria</u>

The Administration commends the Committee for its effort to develop and apply a set of economically-based investment criteria for transportation projects.

Other

The Administration is pleased that the Committee has provided the Secretary of Transportation the discretion to allocate $100 million for transit new start projects based on the Department's assessment of needs and priorities.

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

Attachment

Attachment
(House Floor)

ADDITIONAL CONCERNS
H.R. 2490 -- DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1994
(AS REPORTED BY THE FULL COMMITTEE)

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

FUNDING ISSUES

Coast Guard. The $74 million reduction to operating expenses would reduce the level and quality of service the Coast Guard provides. For example, notwithstanding the Committee's funding reduction, flight pay for Coast Guard pilots remains a statutory requirement and would have to be absorbed. The $139 million reduction to the acquisition, construction, and improvement account would constrain the Coast Guard's ability to support its capital plant.

Federal Aviation Administration. The Administration objects to the continuation of the controller pay demonstration project at the expense of higher-priority operations activities, including safety workforce levels. The reduction to the facilities and equipment account could delay modernization projects, such as the Advanced Automation System and the Voice Switching and Control System.

Amtrak. The $65 million reduction for Amtrak capital would leave insufficient funds to continue purchase of new equipment and maintenance of stations, or to upgrade equipment repair and overhaul shops.

Office of the Inspector General. The Committee has expressed concerns about the implementation costs of the Chief Financial Officers Act (CFOs Act). Therefore, the bill includes a proviso restricting the total amount of funds that may be spent for this purpose. The Administration believes that this proviso could not only restrict the auditing of financial statements completed by the Department, but is written so broadly that it could restrict all other activities of the Office of the Inspector General authorized by the CFOs Act. The proviso should be deleted.

GENERAL PROVISIONS

Chicago O'Hare Slots. Section 336 of the Committee bill would prohibit the withdrawal of domestic slots for increased international operations at Chicago O'Hare International Airport. This would effectively cap the growth of international services at Chicago by foreign airlines unless they were willing, and able, to purchase slots for increased services.

The proposed prohibition could compromise the ability of the United States to secure access for U.S. air carriers to foreign airports where they are seeking to increase their services. The Administration has insisted, successfully, to our foreign trading partners, including Japan and the United Kingdom, that routes granted on paper must be backed up with the airport slots necessary to operate the services on a commercially viable basis. The inability of the United States to honor the bilateral entitlement of foreign airlines to serve Chicago could be expected to result in restrictions on U.S. carrier operations overseas.

The Administration recognizes that the impact of increasing international operations at O'Hare must be reviewed. However, the Administration believes that the regulatory process would be more effective than a statute in providing the flexibility needed to address legitimate concerns of all O'Hare users.

Collection of Passenger Facility Charges on Frequent Flyer Tickets. Section 337 would prohibit the awarding of airport improvement program funds to any airport that allows the collection of passenger facility charges (PFCs) on frequent flyer tickets. This provision would extend the current prohibition to PFCs that were grandfathered under a similar provision in last year's bill. The Administration objects to this extension. Retroactively restricting PFC collections may prevent an airport from fulfilling a bond covenant and could limit an airport's ability to use PFCs to back bonds in the future. Furthermore, this issue would be more appropriately addressed through the authorization process.

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

July 22, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2667, Midwest Flood Relief Emergency Supplemental Appropriations for FY 1993
(Sponsor: Natcher (D), Kentucky)

The Administration supports passage of H.R. 2667. The Administration commends the Committee for acting expeditiously to develop legislation that includes $3 billion in urgently needed assistance to the flood-stricken areas of the Midwest.

cc: DPC Prog. Staff

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

22 REC'D

July 21, 1993
(House Floor)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2490 -- DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1994
(Sponsors: Natcher (D), Kentucky; Carr (D), Michigan)

This Statement of Administration Policy provides the Administration's views on H.R. 2490, the Department of Transportation and Related Agencies Appropriations Bill, FY 1994, as reported by the House Appropriations Committee. The Administration supports House passage of H.R. 2490 and will work with the House to address the concerns described below.

President's Investment Program

The Administration supports the Committee's action that funds a significant portion of the Federal-aid highways and mass transit investment proposals. The Administration objects, however, to the lack of funding for other investment proposals, in particular, high-speed rail.

The House is urged to reserve funding for unauthorized investment proposals, such as high-speed rail, so that these proposals can be funded upon authorization. The Administration continues to support full funding for the Federal-aid highway program at the levels authorized in the Intermodal Surface Transportation Efficiency Act.

Reductions in requested funding for investment proposals could be restored, in part, through a reallocation of funding from lower-priority, earmarked, or unrequested programs included in the Committee bill. For example, over $300 million is provided for place-specific highway projects.

Investment Criteria

The Administration commends the Committee for its effort to develop and apply a set of economically-based investment criteria for transportation projects.

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The Administration is pleased that the Committee has provided the Secretary of Transportation the discretion to allocate $100 million for transit new start projects based on the Department's assessment of needs and priorities.

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Attachment

Attachment
(House Floor)

ADDITIONAL CONCERNS
H.R. 2490 -- DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES
APPROPRIATIONS BILL, FY 1994
(AS REPORTED BY THE FULL COMMITTEE)

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

FUNDING ISSUES

Coast Guard. The $74 million reduction to operating expenses would reduce the level and quality of service the Coast Guard provides. For example, notwithstanding the Committee's funding reduction, flight pay for Coast Guard pilots remains a statutory requirement and would have to be absorbed. The $139 million reduction to the acquisition, construction, and improvement account would constrain the Coast Guard's ability to support its capital plant.

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The Administration recognizes that the impact of increasing international operations at O'Hare must be reviewed. However, the Administration believes that the regulatory process would be more effective than a statute in providing the flexibility needed to address legitimate concerns of all O'Hare users.

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

July 22, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2667, Midwest Flood Relief Emergency Supplemental Appropriations for FY 1993
(Sponsor: Natcher (D), Kentucky)

The Administration supports passage of H.R. 2667. The Administration commends the Committee for acting expeditiously to develop legislation that includes $3 billion in urgently needed assistance to the flood-stricken areas of the Midwest.

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

July 19, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2010 - National Service Trust Act of 1993
(Martinez (D) CA and 215 others)

The Administration strongly supports H.R. 2010. The bill establishes an innovative Corporation for National Service to offer Americans educational awards in return for service to their country. In addition, the bill provides for a variety of other programs to develop citizenship among Americans of all ages, ranging from elementary school "service learning" projects to the National Senior Volunteer Corps. Enactment of this legislation will encourage service by all citizens and reaffirm an American community that transcends race, region, or religion.

The Administration has concerns with a number of amendments to be considered on the floor. The Administration opposes amendments to H.R. 2010 that would: (1) require means-testing, (2) impose a "trigger" to limit availability of funds, (3) reduce educational awards, (4) weaken provisions regarding labor unions, or (5) otherwise weaken the bill.

Pay-As-You-Go Scoring

H.R. 2010 would affect direct spending and receipts; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990 (OBRA). The bill does not contain provisions to offset the increased direct spending. Therefore, if this bill were enacted, its deficit effects could contribute to a sequester of mandatory programs.

OMB's preliminary scoring estimates for this bill are presented in the table below. Final scoring of this legislation may deviate from these estimates. If H.R. 2010 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
($ in thousands)

	1994	1995	1996	1997	1998	1994-1998
Outlays	*	*	*	*	*	500-750

* - less than $500,000

* * * * * * *

<u>(Do Not Distribute Outside the Executive Office of the President)</u>

The position to strongly support the bill was developed by LRD (Mustain) in consultation with HR (Van Wie), BASD (Stigile), IA (Sandy), GM (Johnson), OFFM (Green), and OIRA (Semenuk). The Departments of **Education** (Heindel), Labor (Morin), Health and Human Services (White), Justice (Taylor), the Interior (Harris), and the Treasury (Dorsey), and the **Office of Personnel Management** (Woodruff), the **Office of National Service** (Lew, Gordon), ACTION (Fleming), and the Peace Corps (Martin) agree with this position.

The discussion of the objectionable amendments was provided by the Office of National Service (Lew). HR (Van Wie) and White House Legislative Affairs (Brophy) agree with this position.

H.R. 2010 is substantially the same as the draft bill transmitted by the President on May 6, 1993. The House Education and Labor Committee marked up H.R. 2010 on June 16, 1993, and reported the bill on June 24, 1993.

<u>Major Provisions of H.R. 2010</u>

<u>Structure</u>. H.R. 2010 would establish a Corporation for National Service. The Corporation would provide: (1) grants to organizations to carry out national service programs and (2) educational awards to participants in the programs. Eligible organizations would include nonprofit organizations, institutions of higher education, school districts, local governments, States, and Federal agencies. The Federal share of assistance to operate a national service program would be 75 percent, exclusive of living allowances, health insurance, or child care assistance. The Corporation may waive the 75 percent limit under certain conditions. The Corporation also has authority to make a variety of grants to encourage the establishment of State Commissions for National Service and for other purposes.

Organizations wishing to administer a national service program must apply either through their State Commission or directly to the Corporation. Proposed programs must meet unmet human, educational, environmental, or public safety needs. The Corporation would distribute available funds for programs and educational awards in three equal parts: (1) by formula to States, (2) competitively to States, and (3) competitively to organizations (including States) applying directly to the Corporation.

<u>Educational Benefits</u>. The Corporation would pay educational awards of $5,000 to participants in national service programs. Participants, generally age 17 and up, would be allowed to earn up to two awards, one for each term of service (1,700 hours). Individuals may use educational awards to repay student loans, to

pay for attendance at an institution of higher education, or to pay for expenses in an approved school-to-work program.

Funds available for educational awards would be held in an National Service Trust account. The Trust would consist of: amounts appropriated by Congress, gifts and bequests, and interest and proceeds generated from the sale or redemption of obligations held by the Trust.

Other Benefits. Participants would also receive a living allowance that may be no less than the Volunteers In Service To America (VISTA) average annual subsistence allowance. The Corporation would pay 85 percent of the allowances; organizations administering the national service program would pay the remaining 15 percent.

Participants would also receive basic health insurance if they are not otherwise covered by a health insurance policy. The Corporation would pay for 85 percent of the insurance; organizations administering the program would pay the remainder. Finally, the Corporation would provide a child care allowance to full-time participants who require such services. The Corporation would establish guidelines for the availability of child care.

Miscellaneous. H.R. 2010 would also amend the National and Community Service Act to improve school and community-based service learning programs. The bill would do the same for the Public Lands Corps under the Youth Conservation Corps Act.

The programs administered by ACTION would be transferred to the Corporation and the Chairperson of the Corporation would assume the duties of the Director of ACTION. In addition, the functions of the Commission on National and Community Service would be transferred to the Corporation.

H.R. 2010 would also reauthorize the Domestic Volunteer Service Act of 1973 and the National and Community Service Act of 1990.

Authorization of Appropriations. H.R. 2010 would authorize total appropriations of $687 million in FY 1994 and such sums as may be necessary in FYs 1995 and 1996. The largest authorization of appropriations is for the National Service Trust programs, totalling $389 million in FY 1994 and such sums as may be necessary in FYs 1995 and 1996.

Differences between the Administration's Draft Bill and H.R. 2010

The majority of the differences between the Administration's bill and H.R. 2010 are technical in nature. The most significant differences are:

- o H.R. 2010 would transfer all ACTION functions to the Corporation for National Service and all ACTION employees would retain their civil service status. Under the Administration's bill, only ACTION employees whose functions were transferred at the Corporation's determination retained their civil service status.

- o H.R. 2010 allows former ACTION and Peace Corps volunteers who are eligible for Social Security to receive both Civil Service Retirement System credit for their time as volunteers <u>and</u> Social Security benefits upon reaching age 62. The bill also would allow post-1988 ACTION and Peace Corps volunteers to receive Federal Employees Retirement System credit by making a deposit equal to 3 percent of their readjustment allowance. The Administration's bill only applied these provisions to ACTION volunteers.

- o H.R. 2010 would establish an Urban Youth Corps to rehabilitate urban public housing, recreational sites, youth and senior centers, public roads, and public works facilities. The Corps would be administered by the appropriate Federal agency and would be eligible to apply as a national service program. The Administration's bill had no such provision.

- o Under H.R. 2010, participants in national service programs would be ineligible to receive educational awards for specified periods if convicted under Federal or State law for the possession or sale of drugs. The Administration's bill had no such provision.

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

Per HR (Van Wie) and BASD (Stigile), H.R. 2010 is subject to the pay-as-you-go requirement of OBRA because it affects direct spending and receipts. The bill contains several provisions that would increase receipts by authorizing Federal entities to receive gifts and bequests. OMB assumes that such receipts would be spent, and therefore estimates the pay-as-you-go effect to be zero. In addition, the retirement provisions regarding ACTION and Peace Corps volunteers would affect direct spending and receipts, with a net increase in direct spending estimated at less than $500,000 in each fiscal year.

In its final estimate, CBO is unable to estimate the effect of gift and bequest authority and concurs with OMB estimates regarding the pension provisions.

LEGISLATIVE REFERENCE DIVISION
July 19, 1993 - 5:00 p.m.

file

JUL 19 REC'D

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

July 16, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 1631 - District of Columbia Justice Reform Act of 1993
(Norton (D) District of Columbia)

The Administration supports H.R. 1631.

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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 (Brown), in consultation with the Department of Justice (Taylor) and HTF (Occomy).

Provisions of H.R. 1631

H.R. 1631 was approved by the House District Committee by voice vote, and reported on July 13th.

H.R. 1631 would increase the maximum amount in controversy for cases under the jurisdiction of the Small Claims and Conciliation Branch of the D.C. Superior Court from $2,000 to $5,000. This change would become effective on the date H.R. 1631 is enacted.

Pay-As-You-Go Scoring

According to HTF (Occomy), H.R. 1631 is not subject to pay-as-you-go. CBO has advised preliminarily that it agrees.

Administration Position to Date

The Administration has not previously expressed a position on this bill.

Legislative Reference Division
7/16/93 -- 4:00 P.M.

The People's Republic of China has received MFN status through the annual waiver process since 1980. On May 28, 1993, President Clinton notified Congress of his decision to waive the Jackson-Vanik freedom of emigration requirements and extend MFN trade treatment to products from China for an additional year, beginning July 3, 1993. In extending MFN status to China, the President issued an Executive order that conditions renewal of MFN after July 1994 on China's progress in the human rights area, particularly its compliance with the 1992 bilateral agreement on exports of goods produced using prison labor.

The Trade Act also includes congressional procedures for disapproving a Presidential extension of MFN. These procedures require Congressional adoption of a joint disapproval resolution, without amendment, within 60 days of the beginning of the period for which MFN is being granted. Such resolutions are highly privileged and are to be voted on within the 60-day period.

Provisions of H.J.Res. 208

H.J.Res. 208 disapproves the extension of MFN status to China recommended by the President to Congress on May 28, 1993.

Pay-As-You-Go Scoring

In 1991 and 1992, SAP's released by the Bush Administration regarding disapproval of MFN for China did not provide paygo estimates because the positive paygo effect could undercut arguments for extending MFN status to China.

According to IAD (Witt), H.J.Res. 208 is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. If MFN status is terminated significantly higher duties would be imposed on China imports. The CBO final estimate is an increase in revenue of $615 million and no effect in the outyears. IAD recommends using the CBO estimate for this SAP; however, IAD believes the CBO methodology overstates the revenue effect.

LEGISLATIVE REFERENCE DIVISION
7/16/93 - 6:15 p.m.

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

JUL 19 REC'D

July 16, 1993
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2530 - Bureau of Land Management Reauthorization for Fiscal Years 1994 and 1995
(Vento (D) MN)

The Administration supports H.R. 2530.

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(Do Not Distribute Outside Executive Office of the President)

This Statement of Administrative Policy (SAP) was developed by LRD (Cartwright), in consultation with NRD (McDivitt, Beard, Cogswell), GM (McQuaid and Kogut), Interior (Hill), USDA (Stewart), Energy (Honick), Justice (Novak), Transportation (Donelan), EPA (Wood), Office of Domestic Policy (Burke), and Office of Environmental Policy (McGinty). Defense was also consulted but did not respond before the deadline.

On June 30, 1993, H.R. 2530 was ordered reported with minor amendments by the House Natural Resources Committee (HNRC) by voice vote. The bill is scheduled for House floor consideration, subject to a rule. **According to HNRC staff, Rep. Vento (D-MN) will request an open rule, thus allowing consideration of an amendment to reform the management of grazing on the public range lands and raise grazing fees. Such an amendment will likely be offered by Rep. Synar (D-OK). The Department of the Interior has been consulted by the HNRC staff about this action. Interior informally advises this Office that the Administration should not take a position on the grazing amendment in a SAP.**

Administration Position to Date

On May 18, 1993, the Department of the Interior testified before the House Committee on Natural Resources on a related bill (H.R. 1603). H.R. 1603 contains several substantive amendments to the Federal Land Policy and Management Act of 1976 (FLPMA), which sets forth the basic statutory authority and mission of the Department of the Interior's Bureau of Land Management (BLM). It also authorizes appropriations for BLM activities for FYs 1994 through 1997. Interior recommended a simple, short-term BLM appropriation authorization.

Provisions of H.R. 2530

As requested, H.R. 2530 amends FLPMA to authorize appropriation of such sums as necessary for FYs 1994 and 1995 for programs, functions, and activities of the BLM. The bill also changes the dates by which the Secretary of the Interior must periodically submit to Congress a request for authorization of appropriations for BLM's programs.

The BLM is responsible for the conservation, management, and development of 270 million acres of public land. BLM operates under the principles of multiple use and sustained yield which promote concurrent economic development and environmental protection. The Bureau also has full responsibility for mineral leasing and supervision of minerals operations on the public lands and on some 300 million acres of Federal mineral estate underlying other agency jurisdictions and ownerships.

Pay-As-You-Go Scoring

According to NRD (McDivitt), H.R. 2530 would 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. The CBO concurs in its final report.

LEGISLATIVE REFERENCE DIVISION
July 16, 1993 - 6:30 p.m.

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

JUL 19 REC'D

July 16, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 1305 - Minor Boundary Adjustments and Miscellaneous Park Amendments Act of 1993
(Vento (D) MN and Hansen (R) UT)

The Administration supports House passage of HR 1305. However, the Administration will urge the Senate to defer consideration of section 201, which re-authorizes two National Park Service advisory commissions. Under Executive Order 12838, a detailed review of the justification of all advisory commissions is underway. As a general policy, new statutory commissions should not be created pending completion of the review.

Pay-As-You-Go Scoring

H.R. 1305 would affect direct spending; therefore, it is subject to the pay-as-you-go (PAYGO) requirements of the Omnibus Budget Reconciliation Act (OBRA) of 1990. The preliminary OMB PAYGO estimate is zero.

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(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy (SAP) was developed by LRD (Crutchfield), in consultation with NRD (Tuttle, Beard, Cogswell), BASD (Stigile), GM (McQuaid, Swain), Office of Domestic Policy (Weinstein), Office of Environmental Policy (McElwee), White House Legislative Affairs (Fernandez), Interior (Harris), GSA (Smart), Smithsonian (Rodgers), Corps of Engineers (Doucette), Education (Heindel), EPA (Wood), Transportation (DeCell), Justice (Novak), and Defense (Brick).

The House Natural Resources Committee (HNRC) ordered H.R. 1305 reported, with minor amendments, by voice vote on March 31, 1993. This SAP is consistent with a Department of the Interior report on H.R. 1305 sent to the HNRC on March 24, 1993.

Major Provisions of H.R. 1305

H.R. 1305 makes minor boundary adjustments for several existing parks and provides other miscellaneous authorities to the National Park Service (NPS). In addition, the bill re-authorizes two Federal advisory commissions that have recently expired.

-- Federal Advisory Commissions

H.R. 1305 re-authorizes Federal advisory commissions for (1) the Kaloko-Honokohau National Historical Park (NHP) in Hawaii; and (2) the Women's Rights NHP in New York.

Interior informally advises that, due to delays in land acquisition, authorization for the Kaloko-Honokohau NHP Advisory Commission expired before the NPS established a presence. The NPS has now acquired 600 acres of land for the Park, and Interior suggests that establishing the Commission would be beneficial during the planning and development of the Park. H.R. 1305 extends the Commission's authority by 10 years to expire in 1998.

Interior also informally advises that the Advisory Commission for Women's Rights NHP has been beneficial during the development of the Park. With the Park's principal facilities scheduled to open in 1993, Interior suggests that retaining the Commission to advise on the future development of the Park would be useful. H.R. 1305 extends the Commission's authority by 15 years to expire in 2005.

-- Minor Boundary Adjustments

H.R. 1305 authorizes the acquisition of specified lands at the following NPS sites: Yucca House National Monument (CO); Zion National Park (UT); Pictured Rocks National Lakeshore (MI); Independence National Historical Park (PA); Craters of the Moon National Monument (ID); Hagerman Fossil Beds National Monument (ID); and Wupatki National Monument (AZ). In addition, the bill: (1) stipulates the manner in which lands at each site may be acquired -- either through donation, transfer, exchange, or purchase; (2) authorizes the necessary boundary modifications for each site; and (3) provides for the acquisition of water rights and other interests associated with the acquired lands.

-- Miscellaneous Authorizations and Repealers

H.R. 1305: (1) withdraws from use certain lands at the Fort Pulaski National Monument (GA); (2) repeals a 1918 prohibition on construction of NPS facilities in excess of $3,000 without express authority; (3) authorizes the use of appropriated funds for the transportation of children to and from NPS facilities; (4) clarifies NPS authority to use vehicles and aircraft in removing wild horses and burros from units of the National Park System; (5) authorizes the Secretary of the Interior to transfer, sell, or otherwise dispose of museum objects, collections,

> or property no longer needed for museum purposes; (6) increases funds for the NPS Volunteers in the Parks Program; and (7) clarifies NPS authority to establish cooperative research programs with colleges and other educational institutions.

The bill was amended to include the provisions of H.R. 936 (Moakley, D-MA), which authorizes the Secretary to allow the Boston Public Library to distribute materials relating to the Boston National Historical Park (MA). In testimony before the HNRC on March 16, 1993, Interior recommended that the Committee defer action on this bill until the NPS has completed a planned study on alternatives for visitor services in the Park.

<u>Administration Position to Date</u>

Interior's report on H.R. 1305 supported the bill, but raised concerns with provisions of the bill that re-authorize the two Federal advisory commissions. Interior stated that:

> On February 10, 1993, the President signed Executive Order 12838, "Termination and Limitation of Federal Advisory Committees," ordering each agency to prepare within 90 days a detailed review of all existing advisory commissions. As a general policy and pending completion of this review, the Administration does not support provisions that would establish or re-authorize advisory commissions.

Executive Order 12838 directs Federal agencies to submit to OMB by May 10, 1993, recommendations for the continuation or termination of "any advisory committee required by statute." Although not explicitly stated, the Order is generally meant to put on "hold" the creation or re-authorization of statutory advisory commissions during this review period. OMB is still awaiting submission of Interior's recommendations on advisory commissions.

Interior reiterated this concern on June 17, 1993, in testimony before the Senate Public Lands Subcommittee on S. 742, a bill to re-authorize the Kaloko-Honokohau NHP Advisory Commission. The Department requested the Committee to "defer action on S. 742 until we complete our review of advisory commissions."

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

H.R. 1305 authorizes the Secretary of the Interior to sell museum objects and then spend the proceeds. According to NRD (Tuttle) and BASD (Stigile), the increase in receipts would not be subject to PAYGO because section 257(e) of OBRA precludes the scoring of receipts from asset sales. The authority to expend these receipts, however, would be scored as an increase in direct spending. Because this increase in direct spending would be negligible, the preliminary OMB PAYGO estimate is zero. CBO concurs (final).

LEGISLATIVE REFERENCE DIVISION
July 16, 1993 - 10:35 a.m.

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

JUL 19 REC'D

July 16, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 631 - Colorado Wilderness Act of 1993
(Skaggs (D) CO and 2 others)

The Administration supports enactment of H.R. 631, but will seek clarifying amendments in the Senate to address constitutional concerns regarding the bill's approach to water rights issues.

Pay-As-You-Go Scoring

H.R. 631 could reduce collections that offset spending; therefore, it is subject to the pay-as-you-go (PAYGO) requirements of the Omnibus Budget Reconciliation Act (OBRA) of 1990. The preliminary OMB PAYGO estimate is zero.

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(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy was prepared by LRD (Crutchfield) in consultation with NRD (Saunders, Weatherly, Cogswell), BASD (Kolaian), GC (Reed), White House Counsel (Sloan), White House Legislative Affairs (Fernandez), Office of Domestic Policy (Burke), Office of Environmental Policy (McElwee), Agriculture (Reese, Houston), Interior (Harris), Justice (Novak), Energy (Honick), and EPA (Wood).

The House Natural Resources Committee (HNRC) ordered H.R. 631 reported, amended, by voice vote on June 30, 1993. This SAP is consistent with testimony given by the Departments of Agriculture and the Interior before a HNRC subcommittee on June 8, 1993. Cosponsors of H.R. 631 are Schroeder (D-CO) and McInnis (R-CO).

Background

For more than a decade, the question of water rights for wilderness areas has stalled attempts to pass legislation designating certain National Forest System (NFS) lands in Colorado as wilderness. Environmental groups contend that the Federal Government should reserve "in-stream" water rights to ensure the protection of wilderness areas. Others, such as Senator Hank Brown (R-CO), have fought against any Federal reservation of water rights outside of a State's system for adjudicating water rights.

In most cases, NFS lands are in "headwaters" areas, so a reservation of water rights is not necessary to prevent an upstream water diversion from affecting wilderness values. However, the water rights issue becomes important when designated areas are downstream from private lands, as is the case for three wilderness study areas in Colorado.

H.R. 631 represents a compromise between these groups. The bill remains silent on the question of Federal water rights and designates the three downstream wilderness study areas as "special management" areas. This designation provides a degree of protection similar to wilderness designation, while at the same time avoids the precedent of designating a downstream wilderness area without reserving water rights.

Provisions of H.R. 631

H.R. 631 designates as wilderness approximately 612,000 acres of NFS lands and 50,000 acres of Bureau of Land Management (BLM) lands in Colorado. (Some of the BLM lands adjacent to NFS wilderness areas will be transferred to Forest Service management.) The bill also designates approximately 155,000 acres of NFS lands for management under conservation plans that are slightly less restrictive than wilderness designations. All of the designated areas are withdrawn, subject to valid existing rights, from various public lands laws (i.e., they are no longer available for timber harvesting or mineral exploration and development). Finally, H.R. 631 releases for multiple-use management approximately 115,000 acres of NFS lands that are currently protected as wilderness study areas.

H.R. 631 prohibits the development of new water projects within the designated areas. However, in some headwater areas there are structures that divert water to other drainage areas; the bill specifies that these existing structures may remain but may not be expanded.

The bill also seeks to prohibit anyone from asserting in any court a claim for water rights based on this bill's designation of wilderness areas. In a report to the HNRC on June 15, 1993, the Department of Justice stated that "these restrictions are of doubtful constitutionality." Although Justice informally advises that it could probably defend these provisions against a constitutional challenge, the Department strongly recommends making a few clarifying amendments.

Pay-As-You-Go Scoring

H.R. 631 withdraws certain public lands from mining and mineral leasing laws and access for timber harvesting. According to NRD (Saunders) and BASD (Kolaian), this could reduce receipts that might otherwise have been received. Such a reduction in offsetting collections would increase the deficit and be subject to the PAYGO requirement of OBRA. However, the loss of offsetting collections, if any, would be negligible. Therefore, the preliminary OMB PAYGO estimate is zero. CBO concurs (final).

LEGISLATIVE REFERENCE DIVISION
July 16, 1993 - 11:00 a.m.

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

July 16, 1993
(House)

JUL 19 RECD

STATEMENT OF ADMINISTRATION POLICY

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

H.J.Res. 208 - Disapproving the Extension of MFN to China
(Solomon (R) New York and 6 others)

The Administration strongly opposes H.J.Res. 208, which seeks to disapprove the renewal of most-favored-nation (MFN) trade status for China in 1993.

On May 28, the Administration announced a new U.S. policy toward China designed to promote change in Chinese practices on human rights, proliferation of weapons of mass destruction, and trade. This policy was crafted following extensive consultations with Congress and reflects a firm and renewed consensus on the core issues of concern to the United States

Recognizing the importance of American ties to China, the new policy more effectively utilizes U.S. leverage. Through an Executive order, the President has set forth human rights conditions on next year's extension of China's MFN status that are achievable and provide a real incentive for progress.

The Administration is also committed to act, under existing laws, to ensure China abides by international standards on trade and nonproliferation. If necessary, the United States will not hesitate to take strong steps.

For the first time since the tragedy at Tiananmen Square, American policy toward China speaks with one voice, with the support of the Administration, the Congress and the American people. Our balanced approach recognizes the importance of China to the United States, but firmly underscores our demand that China adopt international standards of responsible conduct on human rights, nonproliferation, and trade.

Our new approach stands to advance our national interests, which include China's continued progress toward democracy and promarket reform. It supports progressive forces in China, the continued stability and prosperity of Hong Kong and maintains our links to one of the world's fastest growing economies.

The Administration's decision to extend MFN status for one year, while working with China to achieve improvement is a firm, balanced and effective approach.

Pay-As-You-Go Scoring

H.J.Res. 208 would increase 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 an increase in revenue of $615 million for FY 1994. Final scoring of this legislation may deviate from this estimate. If H.J.Res. 208 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 at the end of the Congressional session, as required by OBRA.

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

This Statement of Administration Policy (SAP) was developed by LRD (Rooney), in consultation with IAD (DuSault/Witt), BASD (Chellaraj), State (Norton), USTR (Sands), Commerce (Dalmut), Treasury (Levy), NEC (Froman), NSC (Itoh), Justice (Novak), Labor (Greene), Agriculture (Stewart), and WH Legislative Affairs (Fernandez).

On June 15, 1993, the Ways and Means Trade Subcommittee ordered H.J.Res. 208 reported by voice vote with a recommendation that the joint resolution not pass. On June 30, 1993, the Ways and Means Committee reported H.J.Res. 208 by a vote of 35 to 2 with a recommendation that the joint resolution not pass. The resolution's three Democratic cosponsors are: Reps. Markey (MA), Applegate (OH), and Abercrombie (HI).

Administration Position to Date

This SAP is consistent with a June 15, 1993, State Department letter to the House Ways and Means Trade Subcommittee.

Background

Section 402 of the Trade Act of 1974 (the "Jackson-Vanik amendment") stipulates three objectives relating to freedom of emigration which must be met before a non-market economy country may be granted most-favored-nation (MFN) trade status. (MFN grants a country low tariffs on exports to the United States.) Section 402 authorizes the President to waive these freedom of emigration requirements annually, if he determines that so doing will substantially promote the objectives of freedom of emigration.

file

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

July 9, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2561 - Naval Vessels Transfer Act
(Hamilton (D) IN and Gilman (R) NY)

The Administration supports H.R. 2561.

Pay-As-You-Go Scoring

H.R. 2561 would increase 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 that it would increase receipts by $15.8 million over FYs 1994-1998.

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(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy (SAP) was developed by the Legislative Reference Division (Goad), in consultation with NSD (Gessaman, McClelland), BASD (Chellaraj), and the Department of Defense (McLaughlin).

Congressional Action

On June 30th, the Committee on Foreign Affairs ordered, by voice vote, H.R. 2561 reported without amendments.

Administration Position to Date

The Administration has neither testified nor reported on H.R. 2561. H.R. 2561, however, is nearly identical to an Administration-sponsored bill that the Department of Defense transmitted to Congress on May 21, 1993.

Major Provisions of H.R. 2561

H.R. 2561 would authorize the Secretary of the Navy to transfer:

- -- <u>by grant</u> (at no cost): (1) an auxiliary repair dry dock (ARD 23) to the government of Argentina, (2) the guided missile destroyer RICHARD E. BYRD (DDG 23) to the government of Greece, and (3) the frigate ELMER MONTGOMERY (FF 1082) to the government of Turkey;

- -- <u>by sale</u>: (1) the guided missile destroyer GOLDSBOROUGH (DDG 20) to the government of Australia, (2) an auxiliary repair dry dock (ARD 32) to the government of Chile, and (3) the auxiliary repair dry dock WINDSOR (ARD 22) to the Coordination Council for North American Affairs (an instrumentality of the government of Taiwan); and

- -- <u>by lease</u>: the frigates REASONER (FF 1063), FANNING (FF 1076), THOMAS C. HART (FF 1092), and CAPODANNO (FF 1093) to Turkey.

In addition, the bill would: (1) require that all transfers be made in accordance with the applicable provisions of either the Foreign Assistance Act, the Arms Export Control Act, or the Foreign Operations, Export Financing, and Related Programs Appropriations Act; (2) waive certain requisite reporting requirements; and (3) require that any expense of the United States in connection with the transfers be charged to the recipient.

The authority to transfer these vessels would expire two years after enactment, except that leases entered into during that period may be renewed.

<u>Background</u>

The Department of the Navy advises that those vessels to be transferred by either grant (excluding the MONTGOMERY) or sale are currently inactive and have been: (1) declared to be excess defense articles, (2) certified as not essential to the defense of the United States, and (3) stricken from the Naval Vessel Register. (The MONTGOMERY is currently in active service, but the Navy has found the vessel to be unfit for further service and will strike it from the Register upon decommissioning.)

The Navy also advises that those vessels to be leased are currently in active service and will be decommissioned between July 28th and September 30th. The vessels are fit for further service and, during the period of the lease, will be retained on the Register. (The United States may terminate the lease at any time and have the vessels returned immediately.)

Pay-As-You-Go Scoring

NSD (McClelland) and BASD (Chellaraj) advised that, because the lease of vessels would increase receipts by $15.8 million over FYs 1994-1998, H.R. 2561 is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. At the time that this SAP was prepared, CBO had not yet taken a position on the bill.

LEGISLATIVE REFERENCE DIVISION
July 9, 1993 - 3:45 P.M.

File

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

July 12, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 1916 - Marine Biotechnology Investment Act of 1993
(Studds (D) Massachusetts and 43 others)

The Administration supports H.R. 1916, but will seek clarifying improvements in the bill as it moves through the legislative process.

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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/Liu), in consultation with the Departments of **Commerce** (Brown), Justice (Novak), HHS (White), Interior (Hill), OSTP (Gabriel), CEA (Leathers), GSA (Ratchford), TCJ (Payne), NRD (Cameron), and GMD (McQuaid).

H.R. 1916 was marked up and ordered reported by the House Merchant Marine and Fisheries Committee on May 26, 1993. The report is not yet available. The SAP is based on text provided by the Committee.

Commerce staff have informally consulted with staff of the Committee about the SAP and they do not object.

Description of H.R. 1916:

Major provisions of H.R. 1916 would:

Program

-- Establish a marine biotechnology program within the Commerce Department's National Sea Grant College Program.

-- Authorize the Secretary of Commerce to make grants, enter into contracts, and engage in other activities to further research, development, education, and technology transfer in marine biotechnology.

Review Panel

-- Authorize Commerce to establish a Marine Biotechnology Review Panel consisting of no more than 15 individuals, reflecting a balance among areas of expertise and geographic location. The Panel could not include Federal employees or directors of sea grant colleges. The bill states that the Federal Advisory Committee Act does not apply to the Panel.

-- Authorize the Panel to review applications for grants and contracts and make recommendations to the Secretary on such awards. (The Justice Department has concerns about section 206A(d)(3) of the bill, since it could be interpreted to limit the discretion of the Secretary and provide decision-making authority to the Panel that would conflict with the Appointments Clause of the Constitution.) Applications would have to be submitted through sea grant colleges.

Authorizations

-- Authorize appropriations of $20 million per year for fiscal years 1994 and 1995 and $25 million per year for fiscal years 1996 and 1997 for grants and contracts.

-- Authorize appropriations of $200,000 per year for fiscal years 1994 and 1995 and $250,000 per year for fiscal years 1996 and 1997 for administrative costs.

(The President's FY 1994 Budget did not request any funds for these activities.)

Definition

-- Define "genetically modified organism" based on the process of alteration instead of the organism's characteristics.

Administration Position To Date

The Administration has not previously taken a position on H.R. 1916.

Pay-As-You-Go Scoring

Per TCJ (Payne) H.R. 1916 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
July 9, 1993 -- 4:30 p.m.

file

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

July 13, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 927 - Pittsburgh Aviary Designation
(Coyne (D) PA)

The Administration has no objection to H.R. 927.

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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 NRD (Long/Beard/Cameron), BASD (Nelms), and the Department of the Interior (Hill).

On March 5th, Sen. Wofford (D) PA introduced S. 524, the companion bill to H.R. 927; there are no co-sponsors. S. 524 was referred to the Committee on Energy and Natural Resources, and the Committee has taken no action.

Congressional Action

On June 30th, the House Committee on Merchant Marine and Fisheries approved, by voice vote, H.R. 927, without amendments.

Administration Position to Date

In a July 1st report to the Committee, Interior "[did] not oppose enactment" of H.R. 927, but noted that "passage of this bill could create a precedent for other privately or locally-owned entities to seek national designation . . . ." Interior informally advises that the Department does not wish to support this bill, because if the designation is made the United States may eventually have to assume responsibility for the facility. Therefore, the Department prefers the "no objection" position to "support".

Major Provisions of H.R. 927

H.R. 927 would designate the Pittsburgh Aviary -- an indoor walk-through bird exhibit located in Pittsburgh (PA) and operated as a local public-private venture -- as the "National Aviary in Pittsburgh".

Pay-As-You-Go Scoring

NRD (Cameron) and BASD (Nelms) advise that, because H.R. 927 would not affect direct spending or receipts, the bill is not subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. CBO concurs in its final report.

LEGISLATIVE REFERENCE DIVISION DRAFT
July 9, 1993 - 1:30 P.M.

file

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

JUL 15 1993

July 13, 1993
(House Floor)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2520 -- DEPARTMENT OF INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1994
(Sponsors: Natcher (D), Kentucky; Yates (D), Illinois)

This Statement of Administration Policy presents the Administration's views on H.R. 2520, the Department of the Interior and Related Agencies Appropriations Bill, FY 1994, as reported by the House Appropriations Committee. The Administration supports House passage of H.R. 2520 and will work with the Congress to address the concerns described below and in the attachment.

The Administration supports the Committee action that funds many of the President's investment proposals for the Departments of the Interior and Energy, the Forest Service, and the Indian Health Service.

The Administration commends the Committee for its support of the enhanced natural resource protection and environmental infrastructure investment initiative. These funds are critical to furthering the protection and rehabilitation of America's inventory of natural and cultural assets, including our national parks and forests. They are also crucial to formulating an appropriate, comprehensive response to the April 1993 forest conference on the Pacific Northwest.

When considering community stability for those areas affected by the spotted-owl issue, the Administration believes that full funding for investment initiatives affecting the Pacific Northwest is essential. These initiatives include Forest Stewardship, research, construction, maintenance, and funds for the Columbia River Gorge projects in the Forest Service; park operations in the National Park Service; and facilities maintenance in the Bureau of Land Management.

The Committee bill would lower the amount of receipts guaranteed to counties in the Pacific Northwest affected by reduction in timber production due to spotted-owl court injunctions. The Administration strongly supports continuing this guarantee at the current level for FY 1994. This "safety net" would provide affected counties in the Pacific Northwest with sufficient payments to offset lower timber harvest levels that are expected under the Administration's follow-up to the April 1993 forest conference.

The Administration is concerned that the Committee has reduced the President's request for the Department of Energy's Weatherization Assistance program by $25.8 million and has eliminated the State or utility matching-fund requirement. These are an important part of the President's investment initiatives in energy conservation. The Administration urges the Committee to consider revising priorities in the bill to fund the President's request for this program.

The Administration commends the Committee for providing funds for the new National Biological Survey. The new bureau will enable the Department of the Interior to improve the quality of biological research such that better informed decision-making will be available in the management of the nation's Federally managed lands.

The Committee bill would prohibit the establishment of any personnel ceiling for the Indian Health Service (IHS). This would prevent any IHS FTE reductions based on the President's Executive Order to reduce Federal staff. The Administration encourages the House to remove this provision and is committed to working with the Congress to resolve this issue.

The Administration would oppose an amendment expected to be offered to reduce requested National Park Service funding for its share of operations and maintenance costs of the Presidio of San Francisco. The Administration supports an orderly and cost-effective transition of the Presidio from an Army post to a national park.

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

Attachment

Attachment
(House Floor)

ADDITIONAL CONCERNS
H.R. 2520 -- INTERIOR AND RELATED AGENCIES
APPROPRIATIONS BILL, FY 1994
(AS REPORTED BY THE FULL COMMITTEE)

The Administration looks forward to working with the Congress later in the process in an effort to address the following concerns.

FUNDING ISSUES

Department of the Interior

Bureau of Land Management -- Land Acquisition. The Administration has requested funding for the Morris K. Udall Foundation to honor the unique service to his country provided by Mr. Udall and to ensure necessary support for the Foundation's objectives. The Committee has provided no funding for the Foundation in FY 1994.

Department of Energy

State Energy Conservation Program. The Committee has reduced the requested increase in ongoing State Energy Conservation Program grants by $10 million and has eliminated new grants for working with local utilities on demand-side management programs by $3.5 million. The Administration believes that these energy conservation grant programs are important, particularly if energy taxes are increased, and urges the Congress to restore the proposed funding for energy conservation.

Gas Turbine Program. The Administration requests that the $5 million reduction in the investment proposal for an advanced Gas Turbine Program be restored.

Fossil R&D. The Administration urges the Congress to eliminate increases in the Fossil R&D program.

LANGUAGE PROVISIONS

Indian Health Service (IHS). The Committee bill would prohibit the implementation of eligibility regulations for the IHS. This provision would interfere with the Executive Branch's ability to manage programs. The Administration encourages the Congress to remove this provision.

Infringements on Executive Authority. There are several provisions in the Committee bill that would mandate 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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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 13, 1993
(House Floor)

JUL 15 1993

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2520 -- DEPARTMENT OF INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1994
(Sponsors: Natcher (D), Kentucky; Yates (D), Illinois)

This Statement of Administration Policy presents the Administration's views on H.R. 2520, the Department of the Interior and Related Agencies Appropriations Bill, FY 1994, as reported by the House Appropriations Committee. The Administration supports House passage of H.R. 2520 and will work with the Congress to address the concerns described below and in the attachment.

The Administration supports the Committee action that funds many of the President's investment proposals for the Departments of the Interior and Energy, the Forest Service, and the Indian Health Service.

The Administration commends the Committee for its support of the enhanced natural resource protection and environmental infrastructure investment initiative. These funds are critical to furthering the protection and rehabilitation of America's inventory of natural and cultural assets, including our national parks and forests. They are also crucial to formulating an appropriate, comprehensive response to the April 1993 forest conference on the Pacific Northwest.

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Attachment

Attachment
(House Floor)

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(AS REPORTED BY THE FULL COMMITTEE)

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

May 20, 1993
(House)

STATEMENT OF ADMINISTRATION POLICY

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

S.J.Res. 45 - Authorizing the Use of U.S. Armed Forces in Somalia
(Mitchell (D) Maine and 32 others)

U.S. leadership in the humanitarian relief operations in Somalia has been the critical component of the international community's success in averting further tragedy in that war-torn country. Responsibility for the protection of humanitarian operations in Somalia has now been transferred from the U.S.-led Unified Task Force (UNITAF) to a United Nations peace-enforcement/peacekeeping operation, UNOSOM II. We welcome this transfer of responsibility to the United Nations and the broader international community.

The Administration takes great pride in the success of UNITAF and commends American troops for their performance during this humanitarian relief operation. We are confident that, under the leadership of the United Nations and with U.S. participation, UNOSOM II will accomplish its mission: assisting the Somali people in building functioning political institutions and a civil society, in addition to keeping the peace.

While we continue to believe that congressional authorization for the deployment of U.S. forces to Somalia is not necessary and would prefer that the Resolution not specify any time limit for U.S. activities in Somalia, the Administration welcomes Congressional support for U.S. activities in Somalia as expressed in S.J.Res. 45. We particularly welcome the Resolution's reference to United Nations Security Council Resolution 814 of March 26, 1993, which sets forth the U.N.'s mandate for UNOSOM II.

* * * * *

(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy (SAP) was developed by the Legislative Reference Division (Rooney), in consultation with IAD (DuSault/Sasser/Davis), NSD (Gessaman), the Departments of State (Sherman/Chapman), Defense (Broydrack/Brick), and Justice (Novak), the NSC (Clark/Rosner), White House Legislative Affairs (Waldon) and White House Counsel (Foster).

S.J.Res. 45 was introduced and considered in the Senate on February 4, 1993, where it passed by voice vote.

The African and the International Security, International Organizations, Human Rights subcommittees of the House Foreign Affairs Committee (HFAC) reported S.J.Res. 45 as an amendment in the nature of a substitute. The subcommittees reported the substitute resolution to the full committee by voice vote. HFAC ordered reported S.J.Res. 45 on May 5, 1993, by a 23-18 roll call vote. The HFAC substitute, which was developed under Chairman Hamilton's (D-IN) guidance in consultation with the Administration, differs from the Senate-enacted version as noted below.

Administration Position To Date

This SAP is consistent with an April 19, 1993, State Department letter to HFAC.

Major Provisions of S.J.Res. 45, as reported by HFAC

S.J.Res. 45 states congressional support for United Nations efforts in Somalia. It authorizes the use of U.S. Armed Forces to implement United Nations Security Council Resolutions 794 and 814, including their use for:

- carrying out U.S.-led operations until the transition to the U.N.-led force is complete;
- providing logistical support under the U.N.-led force; and
- serving as a quick reaction force to respond to requests for emergency assistance from the U.N. Force Commander in Somalia.

The resolution provides that the authorization for use of U.S. Armed Forces expires at the earlier of:

- 12 months after enactment, unless Congress finds that continued U.S. participation is necessary and extends the authorization period; or
- the expiration of the mandate of the UN-led force in Somalia.

The resolution includes a congressional declaration that this authorization constitutes specific statutory authorization under the War Powers Resolution to the extent that any U.S. Armed Forces are or become involved in hostilities.

S.J.Res. 45 expresses the sense of the Congress that the United States should seek reimbursement for incremental costs it has incurred in the U.S.- and UN-led operations.

In addition, S.J.Res. 45 requires several Presidential reports to Congress on U.S. Armed Forces participation in and support for the UN-led force in Somalia and on the costs of the U.S.- and UN-led forces in Somalia.

Differences from the Senate-Enacted Version

There are several key differences between the Senate and HFAC versions:

-- The Senate authorizes only the US-led operation, which effectively has ended, and makes no reference to the UN-led operation.

-- The Senate authorization is unlimited in time, while the HFAC version authorization is limited to 12 months from the date of enactment.

-- The Senate reporting requirement is more general, i.e., it requires a report on the introduction and commitment of U.S. Armed Forces into combat situations in Somalia and elsewhere, including descriptions of the factors and considerations for future commitment of U.S. Armed Forces.

Pay-As-You-Go Scoring

According to IAD (Ashford), S.J.Res. 45 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 DRAFT
5/20/93 - 8:00 a.m.