



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

May 17, 1993  
 (House)

# STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2034 - Veterans' Health Programs Amendments of 1993  
 (Rowland (D) GA and three others)

The Administration supports House passage of H.R. 2034, but will seek amendments in the Senate to make certain changes in the bill.

Pay-As-You-Go Scoring

H.R. 2034 would decrease receipts; therefore, H.R. 2034 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 reduction in receipts. 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. 2034 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  
(receipts in millions)

<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994-1998</u>
*	*	*	*	*	*

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

\* \* \* \* \*

(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy was prepared by LRD (Pellicci) in consultation with HRD (Selfridge/Grams), GM (Lidbury/McQuaid), and BASD (Stigile). VA (per Bob Coy, Acting General Counsel), OPM (per Jim Woodruff), GSA (per William Ratchford), and Treasury (per Karen Dorsey) concur in the position.

H.R. 2034 was marked up by the House Committee on Veterans' Affairs on May 11th. Neither the Committee nor the CBO report on H.R. 2034 have been filed. The position is based on information provided by House Veterans' Affairs Committee staff (Ralph Ibson) and VA staff (Richard Robinson).

To date, the Administration has not taken a position on H.R. 2034.

#### Description of H.R. 2034

As ordered reported, H.R. 2034 would, among other things:

- Establish in statute a number of currently existing advisory committees (referred to as Merit Review Boards) that are associated with VA's research programs. The bill would permit VA to terminate the advisory committees if unneeded, but only after notifying the Congress of the reasons for such actions.
- Give VA enhanced authority to provide child care services for its employees. VA would be permitted, in certain circumstances, to subsidize the cost of staff who provide child care services.
- Authorize funding for those major medical construction projects and leases proposed in the President's FY 1994 Budget, with the exception of a nursing home project in Baltimore. In addition to those projects included in the President's Budget, H.R. 2034 authorizes appropriations for (1) the design of an outpatient addition in San Juan, PR, (2) a spinal cord injury unit and energy center in Tampa, FL, and (3) an ambulatory care addition in West Haven, CT.
- Authorize VA, beginning in FY 1994, to pay States \$16.50 per day for veterans who receive adult day health care in a State Veterans Home. In addition, H.R. 2034 would authorize VA to make construction grants to States to use in developing such facilities.
- Extend through September 30, 1997, VA's Pilot Program for Noninstitutional Alternatives to Nursing Home Care and expand its scope.
- Require VA to give priority to projects intended to expand extended care and ambulatory care programs when deciding upon major construction projects.
- Permit VA to relocate or close a VA facility in an emergency situation without having to provide the Congress first with advance notice.

- Direct VA to organize its health-care facilities into geographic networks. In addition, it would require the Department to undertake a comprehensive review of the missions and clinical programs of each VA health care facility and establish a new mission statement for each of them.
- Authorize VA to share any health care resources that are not used to maximum effective capacity with State veterans' homes, subject to reimbursement.
- Require VA to conduct an assessment of the need for nursing home beds in Baltimore, MD; Fort Howard, MD; Martinsburg, WV; Perry Point, MD; and Washington, D.C.
- Provide that VA could not require a veteran to pay a copayment associated with the provision of health care unless the Department sends the veteran a bill for the copayment within two years following the date the care was provided.

#### Senate Amendments

The Administration will seek Senate amendments to delete provisions of H.R. 2034 that would: (1) establish in statute a number of existing advisory committees, (2) expand the scope of the Noninstitutional Alternatives to Nursing Home Care pilot program, and (3) authorize funding of construction projects not included in the President's FY 1994 Budget.

In addition, discussions are still ongoing among OMB, VA, and OPM regarding amendments to delete the bill's child care and adult day health care in State homes provisions.

#### Pay-As-You-Go Scoring

According to HRD (Selfridge/Grams), H.R. 2034 would decrease receipts by limiting VA's ability to collect health care copayments. Therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. CBO preliminarily agrees and its preliminary cost estimate is less than \$500,000 over five years. OMB agrees with the preliminary CBO estimate.

#### Congressional Reaction to Position

According to House Veterans' Affairs Subcommittee on Hospitals and Health Care staff (Majority Counsel Ralph Ibson), the Committee would have no objection to the position cited above.

The bill's two Democratic cosponsors are Reps. Kennedy (D-MA) and Bishop (D-GA).

file



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

May 12, 1993  
(Senate)

# STATEMENT OF ADMINISTRATION POLICY

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

## S. 714 - Thrift Depositor Protection Act (Riegle (D) Michigan)

The Administration supports S. 714.

The Administration believes that it is essential to the stability of our financial system that the Government fulfill its promise to the millions of depositors who have placed their savings in insured institutions. The managers' amendment to S. 714 will provide responsible funding for the Resolution Trust Corporation (RTC) and the Savings Association Insurance Fund. The funds will protect depositors in failed federally insured savings and loans.

The best way to reduce the cost of the savings and loan cleanup is to provide prompt funding to fulfill the Government's promise to insured depositors. The Administration believes it is important for S. 714 to remain a narrowly focused bill, with only the managers' amendment which strengthens the requirements for improved operations at the RTC.

\* \* \* \* \*

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

This Statement of Administration Policy was developed by the Legislative Reference Division (Steiger), in consultation with the Departments of the Treasury (Dorsey) and Justice (Jones), Resolution Trust Corporation (Knight), NEC (Seidman), CEA (Lucas), HTF (Kuhn), GC (Damus), OFFM (Stack/Zenker) and BASD (Stigile).

S. 714 was approved by the Senate Banking Committee on March 25th by a vote of 16-3.

The following description of S. 714 is of a managers' amendment that, according to Treasury (Dorsey), is expected to be the substitute for the reported bill.

### Description of S. 714 (Managers' Amendment)

Funding Provisions. The managers' amendment provides \$18.3 billion to the RTC to resolve failed thrifts by repealing the April 1, 1992, expiration date of the RTC's previous appropriation. It also makes available \$8.5 billion to the

Savings Association Insurance Fund (SAIF), and allows unused RTC funds to be transferred to the SAIF. Funds transferred from the RTC to the SAIF could only be used to resolve thrifts identified as problem institutions as of October 1, 1993. Under current law, after September 30, 1993, the authority of the RTC to accept failed thrifts for resolution is transferred to the SAIF, which is part of the Federal Deposit Insurance Corporation (FDIC). In general, the SAIF is otherwise supported by deposit insurance premiums. (The reported version of S. 714 provided \$28 billion for the RTC and \$17 billion for the SAIF.)

Conditions of Funding Availability. S. 714 requires the Secretary of the Treasury to make certain certifications before the RTC receives the last \$8.3 billion appropriated by the bill. The Secretary of the Treasury must certify (in his role as Chairperson of the Thrift Depositor Protection Oversight Board) that certain RTC management reforms have been made. These reforms include:

- Strengthening internal controls against waste, fraud, and abuse.
- Responding to problems identified by auditors (such as the GAO).
- Preparing a comprehensive business plan for the RTC.
- Expanding opportunities for minorities and women.
- Improving the RTC's Professional Liability Section.
- Improving management information systems.
- Strengthening contractor systems and contractor oversight.
- Appointing a Chief Financial Officer.
- Appointing an audit committee.

The \$8.5 billion appropriated to the SAIF is also conditioned on specified certifications by the Secretary of the Treasury in consultation with the Chairperson of the FDIC. The Secretary must certify that the appropriated funds will be used to meet the deposit insurance commitment and minimum SAIF net worth requirements. In addition, the FDIC Chairperson must certify: (a) the inability of thrifts to afford higher deposit insurance premiums without "substantial risk" of additional failures; (b) efficient operations of the SAIF; and (c) other conditions similar to those listed above for the RTC. Before funds beyond

the \$8.5 billion can be appropriated to the SAIF, the certifications are to be made again. In general, SAIF is otherwise supported by deposit insurance premiums.

Either of the Banking Committees may request that the Secretary of the Treasury testify during the 30 days after a certification with respect to the RTC or the SAIF is made.

Other Provisions. The managers' amendment also contains a number of other reform measures. These include:

- Banning, in most cases, the RTC and FDIC from including real properties in bulk asset sales for the first 90 days after they acquire title to them.
- Requiring the establishment of a process for business and commercial borrowers to appeal RTC decisions to terminate credit when the RTC is acting as a conservator.
- Limiting cash bonuses by FDIC executives on assignment to the RTC or responsible for the SAIF to the maximum amount available to those in the Senior Executive Service.
- Elevating the Inspector General of the FDIC to a presidential appointee.
- Requiring the RTC and SAIF to appoint chief financial officers with no other operating responsibilities.
- Requiring the appointment of senior attorneys at the RTC and SAIF to be responsible for professional liability cases.
- Moving the sunset date of the RTC from December 31, 1996 to December 31, 1995. (After September 30, 1993, the RTC's remaining function is to liquidate the assets acquired from the thrifts it had previously resolved.)
- Requiring that only warranted contracting officers appointed by the RTC or managing agents of thrifts in RTC conservatorship have the authority to execute contracts on behalf of the RTC.

#### House Bill

The House Banking Committee approved an RTC funding bill (H.R. 1340) on May 6, 1993. The bill provides \$18.3 billion to the RTC, the same as the managers' amendment to S. 714. However,

it does not provide any appropriations for SAIF. It authorizes appropriations of \$16 billion for the SAIF and imposes a number of conditions SAIF must meet before any appropriated funds can be made available. (HTF staff generally prefer this mechanism for funding SAIF through annual appropriations. However, the House bill requires SAIF to illustrate that the FDIC's \$30 billion line of credit with the Treasury could not be used as an alternative to appropriating loss funds for SAIF. HTF staff is concerned that the need for forecasting losses from failed thrifts 15 years into the future implied by this requirement could be impractical or even highly imprudent.)

#### Pay-As-You-Go Scoring

Per HTF (Kuhn), S. 714 is not subject to pay-as-you-go because of the exception for the deposit insurance commitment contained in the Omnibus Budget Reconciliation Act of 1990. There is no CBO estimate of the managers' amendment available; however, CBO's final estimate of the bill reported by the Banking Committee was that it was not subject to pay-as-you-go for the same reason.

#### Administration Position to Date

In a May 10th letter to Senator Riegle, Treasury Secretary Bentsen supported S. 714 as reported by the Senate Banking Committee.

Legislative Reference Division  
5/12/93 - 6:00 p.m.



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

file

May 10, 1993  
(House)

## STATEMENT OF ADMINISTRATION POLICY

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

### H.R. 194 - Fort Carson-Pinon Canyon Military Lands Withdrawal Act (Hefley (R) Colorado)

The Administration supports House passage of H.R. 194, but will seek an amendment in the Senate to provide a 25-year term for this land withdrawal as opposed to the 15-year term provided in subsection 8(a). Substantial lead time is required to comply with all statutory and administrative procedures applicable to military withdrawals. Thus, a 25-year term is more efficient and assures greater continuity of management.

#### Pay-As-You-Go Scoring

H.R. 240 could affect 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. OMB's preliminary PAYGO scoring estimate is zero.

\* \* \* \* \*

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

This Statement of Administration Policy (SAP) was prepared by LRD (Crutchfield) in consultation with NRD (McDivitt; Beard; Long), NSD (Schuhart), BRD (Stigile), Interior (Hill; Webb), Defense (Brick), Army (Pagano), Justice (Novak), Energy (Honick), EPA (Wood), OEP (McElwee) and White House Legislative Affairs (Miller).

The House Natural Resources Committee (HNRC) reported, by voice vote, H.R. 194 with amendments on April 19, 1993. This version of H.R. 194 was then ordered reported without further changes by the House Armed Services Committee on May 5, 1993. This SAP is consistent with testimony given by the Departments of the Army and the Interior before the HNRC on March 23, 1993.

#### Background

The Army has used the Fort Carson Reservation in southeastern Colorado since World War II for training and related purposes. In 1981 the Congress established the Pinon Canyon Maneuver Site, also in southeastern Colorado. Public lands administered by the Bureau of Land Management comprise only 5,650 acres of the

377,280 acres in Fort Carson and Pinon Canyon. The remaining Federal lands are administered by the Army. However, over 140,000 acres of Army lands are "split estates" in which the subsurface mineral estate remains open to the public for entry and location of minerals under current mining law.

#### Provisions of H.R. 194

H.R. 194 authorizes the withdrawal for 15 years, subject to valid existing rights, of all remaining public lands and subsurface estates within Fort Carson and Pinon Canyon. (Under a withdrawal, public lands are no longer open to mining activities under mining and mineral leasing laws. However, "subject to valid existing rights" means that a mining claimant or lessee with specific legal rights at the time of withdrawal may continue to exercise those rights after the withdrawal.) The withdrawal includes 3,133 acres of land and 11,415 acres of mineral estate in Fort Carson, and 2,517 acres of land and 130,139 acres of mineral estate in Pinon Canyon.

The Army may use these lands for maneuvers, training, and other defense-related purposes, including weapons firing in Fort Carson. The Army may also allow other Federal and State military units to use the lands. Within five years after the withdrawal, the Secretary of the Army, with the concurrence of the Secretary of the Interior, must develop a management plan that (a) provides for the protection of natural and cultural resources, and (b) identifies any lands that remain open to mining or mineral leasing.

At least three years before the withdrawal is terminated, the Secretary of the Army must advise Interior if the Army has a continuing need for the lands. If so, the Secretary must review the environmental effects of renewing the withdrawal. If not, the Secretary must file with Interior a notice of intention to relinquish the lands, including a written determination as to whether the lands are contaminated.

Interior may refuse relinquishment of the lands if it determines that the lands are not safe and decontamination is not practicable. In this case, the Army would have to discontinue use of the lands and warn the public of the lands' condition. If the lands are contaminated but cleanup is practicable, the Army must decontaminate the land to the extent that funds are appropriated. If Interior accepts uncontaminated or decontaminated lands, it must publish in the Federal Register an order that terminates the withdrawal and establishes Interior's jurisdiction over the lands.

Pay-As-You-Go Scoring

H.R. 194 would withdraw certain public lands from mining and mineral leasing laws. According to NRD (McDivitt) and BRD (Stigile), this could reduce fees and royalties 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, OMB's preliminary PAYGO estimate is zero. CBO concurs (final).

LEGISLATIVE REFERENCE DIVISION  
May 10, 1993 - 6:00 p.m.



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May 10, 1993  
(House)

## STATEMENT OF ADMINISTRATION POLICY

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H.R. 240 - Bodie Protection Act  
(Lehman (D) California and 2 others)

The Administration supports H.R. 240.

Pay-As-You-Go Scoring

H.R. 240 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. OMB's preliminary PAYGO scoring estimate is zero.

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(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy (SAP) was prepared by LRD (Crutchfield) in consultation with NRD (McDivitt, Beard, and Long), BRD (Stigile and Moran), Agriculture (Reese and Ray), Interior (Hill), Justice (Novak and Boling), Energy (Honick), EPA (Wood), and OEP (McElwee).

The House Natural Resources Committee (HNRC) ordered reported, by voice vote, H.R. 240 as an amendment in the nature of a substitute on May 5, 1993. The substitute incorporated technical changes to the bill as introduced. This SAP is consistent with Department of the Interior testimony on H.R. 240 before the HNRC on March 30, 1993. Democratic cosponsors of H.R. 240 are Miller (CA) and Woolsey (CA).

Background

California's Bodie State Historic Park was established in 1962 as a monument to the gold discoveries and prospectors of the 1870s. Located in the Sierra Mountains east of Yosemite National Park, the 450-acre State park includes one of the best preserved "ghost towns" in the country. The site was designated as a National Historic Landmark in 1961.

In addition to the State park, the Bodie basin (known as the "Bodie Bowl") encompasses 6,000 acres of public lands managed by the Bureau of Land Management (BLM) and about 800 acres of lands that have been patented, or sold, into private ownership. In

March 1993, the BLM completed its review of public lands in the Bodie Bowl and designated them as Areas of Critical Environmental Concern. To protect the State park and surrounding area, BLM recommended the withdrawal of all 6,000 acres of public land, subject to valid existing rights. (Under a withdrawal, public lands are no longer open to mining activities under mining or mineral leasing laws. However, "subject to valid existing rights" means that a mining claimant or lessee with specific legal rights at the time of withdrawal may continue to exercise those rights after the withdrawal.)

#### Provisions of H.R. 240

H.R. 240 withdraws from mining and mineral laws, subject to valid existing rights, approximately 6,000 acres of BLM lands in the Bodie Bowl. Within two years, the Secretary of the Interior must determine the validity of all unpatented mining claims in the area of withdrawal. Claims found invalid must be promptly declared to be null and void. Valid claims may be mined, but under new environmental and mining reclamation regulations, which the Secretary must issue within 180 days of enactment of this Act.

The bill prohibits the patenting of any existing mining claim unless a patent application had been filed and all requirements for its approval had been met by January 11, 1993. (Patenting allows a miner to purchase public land associated with a mining claim after a complete application has been approved by BLM.) The Department of Justice informally advises that this provision could have "takings" implications if a patent applicant, who has filed after January 11, 1993, has a reasonable "investment-backed" expectation of receiving a patent. This issue is currently under interagency review. Depending on the outcome of this review, the Administration may wish to propose an amendment on this subject in the Senate.

#### Pay-As-You-Go Scoring

H.R. 240 would withdraw certain public lands from mining and mineral leasing laws. According to NRD (McDivitt) and BRD (Stigile), this could reduce fees and royalties 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, OMB's preliminary PAYGO estimate is zero. CBO concurs (preliminary).

LEGISLATIVE REFERENCE DIVISION

May 10, 1993 - 12:30 p.m.



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

May 10, 1993  
(House)

## STATEMENT OF ADMINISTRATION POLICY

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

### H.R. 873 - Gallatin Range Consolidation and Protection Act (Williams (D) Montana)

The Administration supports H.R. 873.

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(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy (SAP) was prepared by LRD (Crutchfield) in consultation with NRD (Saunders, Weatherly and Cogswell), Agriculture (Reese), Interior (West), Energy (Honick), Justice (Novak), EPA (Wood), and White House (Miller).

The House Natural Resources Committee (HNRC) ordered reported, by voice vote, H.R. 873 as an amendment in the nature of a substitute on March 31, 1993. The substitute incorporated only technical amendments to the bill as introduced. This SAP is consistent with Department of Agriculture testimony on H.R. 873 before the HNRC on March 23, 1993.

#### Background

Federal landholdings in southern Montana are currently arranged in a "checkerboard" pattern, a legacy of 19th-century policies that granted millions of acres of Federal lands to railroads. Because this patchwork of ownership complicates land management, the Federal Government has sought since the 1920s to consolidate Federal land ownership. Most recently, the Forest Service (FS) has negotiated terms for a land exchange with the Plum Creek Timber Company. Language to authorize this land exchange was included in a 1988 Montana wilderness bill that was vetoed by President Reagan and in a 1992 Montana wilderness bill that nearly passed in the last days of the 102nd Congress.

The Montana delegation has decided to move the exchange proposal separately this year because the new landowner, Big Sky Timber Company (the Company), has contractual obligations to supply timber by June. The Company would use the lands it gains to satisfy these obligations. The FS would use the lands it gains

to consolidate ownership in the Gallatin National Forest (NF), just north of Yellowstone National Park.

### Provisions of H.R. 873

H.R. 873 directs the Secretary of Agriculture to acquire from the Company 37,752 acres of inholdings within the Gallatin NF. In exchange, the Secretary must offer 12,414 acres of FS land scattered throughout Montana and a \$3.4 million cash equalization payment from the Land and Water Conservation Fund (LWCF).

This exchange is contingent upon the Secretary acquiring other Company lands, totalling 19,250 acres, within the Gallatin NF boundaries. The exchange may also take place if these other lands are acquired by a not-for-profit corporation for later conveyance to the Secretary. The Secretary is directed to acquire these other lands by exchange or purchase with funds authorized to be appropriated from the LWCF.

In addition, H.R. 873 directs the Secretary to pursue acquisition of the remaining 24,000 acres of Company lands dispersed throughout the Gallatin NF. Such sums as may be necessary are authorized to be appropriated from the LWCF for this purpose. The Secretary must report to Congress annually for three years on the status of this acquisition effort.

Finally, the bill authorizes the Secretary, in consultation with the Secretary of the Interior, to negotiate an exchange of mineral rights with the Burlington Northern Company (BNC). This exchange involves BNC mineral rights underlying NF lands and U.S. mineral rights underlying BNC lands. This exchange would consolidate subsurface mineral rights with surface ownership, eliminating "split estates" and enhancing the management of both public and private lands. The value of mineral interests exchanged must be approximately equal based on available information.

### Pay-As-You-Go Scoring

According to Agriculture (Reese) and NRD (Saunders), H.R. 873 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. The CBO's preliminary scoring agrees with this estimate.



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May 10, 1993  
(House)

## STATEMENT OF ADMINISTRATION POLICY

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

H.R. 236 - Snake River Birds of Prey National Conservation Area  
(LaRocco (D) ID and Miller (D) CA)

The Administration supports H.R. 236.

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(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy (SAP) was prepared by LRD (Crutchfield) in consultation with NRD (McDivitt; Beard; Long), Interior (Hill), Defense (Brick), Justice (Novak), EPA (Wood), Agriculture (Federighi), and White House Legislative Affairs (Miller).

The House Natural Resources Committee (HNRC) reported, by voice vote, H.R. 236 with minor amendments on May 6, 1993. An identical version of the bill was ordered reported, by voice vote, by the House Merchant Marine and Fisheries Committee on May 5, 1993. This SAP is consistent with Department of the Interior testimony on H.R. 236 before the HNRC on February 23, 1993.

### Background

The sheer basalt cliffs along the Snake River near Boise, Idaho, contain one of the most densely populated nesting concentrations of raptors in the world. These birds of prey include bald and golden eagles, peregrine falcons, and several species of hawks and owls. To protect the birds' habitat, Interior Secretary Cecil Andrus approved in 1980 a temporary administrative "withdrawal" of 482,457 acres of land administered by the Bureau of Land Management.

(Under a withdrawal, public lands are no longer open to activities under mining, mineral leasing, or other public lands laws. However, "subject to valid existing rights" means that a claimant, permit holder, or lessee with specific legal rights at the time of withdrawal may continue to exercise those rights after the withdrawal.)

### Provisions of H.R. 236

H.R. 236 grants permanent protection to this site by establishing the Snake River Birds of Prey National Conservation Area (the Area). The Area would be permanently withdrawn from public land laws, subject to valid existing rights.

Within one year after enactment of this Act, the Secretary must develop a management plan for the protection of the birds and their habitat. The plan must also identify public uses of the Area that are consistent with the purposes of this Act.

H.R. 236 specifically directs the Secretary to permit livestock grazing to the extent that it is compatible with protecting the birds' habitat. The Secretary must also permit continued military training in a portion of the Area unless the Secretary determines that such use conflicts with the purposes of the Act. (Since World War II, approximately 138,000 acres of the Area have been used as a training area for the Idaho Army National Guard, as well as National Guard units from other States.)

The Secretary is authorized to establish a visitors center and acquire lands by donation, purchase, exchange, or transfer from another Federal agency. State lands, however, may only be acquired by donation or exchange.

H.R. 236 contains an express denial of an expressed or implied reserved water right under this Act. (Interior advises that it has no objection to this provision because it would not affect a current Federal claim of rights to waters of the Snake River now pending State adjudication.)

The bill authorizes appropriation of such sums as may be necessary to carry out this Act.

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

H.R. 236 would permanently withdraw certain public lands from mining, mineral leasing, and other public lands laws. However, according to NRD (McDivitt) and BRD (Stigile), this would not affect offsetting collections because the Area has already been withdrawn administratively. Therefore, the bill is not subject to the PAYGO requirement of OBRA. CBO concurs (preliminary).



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May 10, 1993  
(House)

## STATEMENT OF ADMINISTRATION POLICY

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

H.R. 1308 - Religious Freedom Restoration Act of 1993  
(Schumer (D) New York and 168 others)

The Administration supports H.R. 1308, as legislation essential to restoring full legal protection from governmental interference in the free exercise of religion.

### Pay-As-You-Go Scoring

H.R. 1308 would increase spending; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. OMB's preliminary scoring estimate of this bill is that it would result in increased spending of less than \$500,000 annually.

\* \* \* \* \*

(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy was developed by the Legislative Reference Division (Ratliff), in consultation with the Departments of Justice (Novak/Jones) and Defense (Brick), the White House Offices of Counsel (Klain) and Legislative Affairs (Brophy), the Domestic Policy Council (Strong), and TCJ (Silas).

On March 24th, the House Judiciary Committee voted 35-0 to order H.R. 1308 reported without amendment. (As of May 7th, the report had not been filed.) The legislation has 121 Democratic cosponsors, including Hoyer (Maryland) and Fazio (California).

### Background

In 1990, the U.S. Supreme Court established a new test in Employment Division v. Smith for the constitutionality of State laws that restrict religious practices. Under this standard, such laws may restrict religious practices if the laws advance a valid State purpose and are not enacted to inhibit religious freedom.

### Provisions of H.R. 1308

H.R. 1308 in effect would reverse Smith, restoring the standard that applied before that decision. The legislation generally would provide that the Federal government, States, and subdivisions of States shall not burden a person's exercise of

religion. Such a burden would only be permissible if the government demonstrated that application of the burden to that person furthered a compelling governmental interest and was the least restrictive means of furthering that interest.

A person whose religious exercise had been burdened in violation of the legislation could obtain appropriate judicial or administrative relief against a government, including attorneys fees in actions against the United States.

#### Administration Position to Date

On March 11th, President Clinton sent a letter to Senator Kennedy on S. 578, the Senate companion bill, stating that he "looked forward to working with the Congress to secure speedy enactment of this important legislation." In an April 8th report to the Senate Judiciary Committee on S. 578, Attorney General Reno stated that she strongly supported speedy enactment of the legislation.

#### Pay-As-You-Go Scoring

Per TCJ (Silas), the provision authorizing the award of attorneys fees in cases under the legislation in which a plaintiff prevailed against the United States would result in direct spending of less than \$500,000 annually. CBO preliminarily agrees.

Legislative Reference Division

5/10/93 -- 6:00 p.m.



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## STATEMENT OF ADMINISTRATION POLICY

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

H.R. 843 - Cave Creek Canyon Protection Act of 1993  
(Kolbe (R) Arizona)

The Administration supports H.R. 843.

Pay-As-You-Go Scoring

H.R. 843 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. OMB's preliminary PAYGO scoring estimate is zero.

\* \* \* \* \*

(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy (SAP) was prepared by LRD (Crutchfield) in consultation with NRD (Saunders, Weatherly, and Long), BRD (Stigile and Moran), Agriculture (Reese and Ray), Interior (Hill), Justice (Novak and Boling), Energy (Honick), EPA (Wood), and OEP (McElwee).

The House Natural Resources Committee (HNRC) ordered reported, by voice vote, H.R. 843 with a technical amendment on May 5, 1993. This SAP is consistent with Department of Agriculture testimony on H.R. 843 before the HNRC on March 30, 1993.

Background

The Cave Creek Canyon within the Coronado National Forest in southeastern Arizona contains abundant and diverse populations of birds and other wildlife. In 1990, the Newmont Mining Corporation (NMC) received approval from the Forest Service (FS) to explore for gold in the Canyon. This decision was appealed by local groups, and in 1991 the FS filed for a temporary "withdrawal" of the lands, subject to valid existing rights. (Under a withdrawal, public lands are no longer open to mining activities under mining and mineral leasing laws. However, "subject to valid existing rights" means that a mining claimant or lessee with specific legal rights at the time of withdrawal may continue to exercise those rights after the withdrawal.)

Because of local opposition, the NMC has retracted its approved plan of operations and indicated that it would drop its mining claim if the lands were permanently withdrawn.

Provisions of H.R. 843

H.R. 843 withdraws, subject to valid existing rights, approximately 12,650 acres of National Forest System lands known as the Cave Creek Canyon Drainage.

This withdrawal also prohibits the patenting of any existing mining claim unless a patent application has been filed and all requirements for its approval have been met by the date of enactment of this Act. (Patenting allows a miner to purchase public land associated with a mining claim after a complete application has been approved by BLM.)

Pay-As-You-Go Scoring

H.R. 843 would withdraw certain public lands from mining and mineral leasing laws. According to NRD (Saunders) and BRD (Stigile), this could reduce fees and royalties 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, OMB's preliminary PAYGO estimate is zero. CBO concurs (preliminary).

LEGISLATIVE REFERENCE DIVISION  
May 10, 1993 - 12:30 p.m.



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

May 10, 1993  
(House)

## STATEMENT OF ADMINISTRATION POLICY

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

H.R. 1040 - Reserve Officer Personnel Management Act  
(Montgomery (D) MS)

The Administration supports H.R. 1040.

Pay-As-You-Go Scoring

H.R. 1040 would increase outlays; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990 (OBRA). OMB's preliminary scoring estimate of this bill for fiscal years 1994-1998 is less than \$500,000.

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

This position was developed by LRD (Mustain) in consultation with NS (Waites), TCJ (Bertram, Payne), HRD (Grams), HTF (Smalligan), HD (Clendenin), and BASD (Chellaraj). The Departments of Defense (Brick), Health and Human Services (Burnett), Veterans Affairs (Gallin), Commerce (Powell) and the Treasury (Dorsey) and the National Security Council (Hooker) agree with this position.

The House Armed Services Committee ordered H.R. 1040 reported on May 5, 1993. This SAP is based on information provided by the Department of Defense.

Major Provisions of H.R. 1040

The reserve components of the Armed Forces are managed under the Reserve Officer Personnel Act, which was enacted in 1954. Due to legislation enacted since that time, many anomalies exist between the active and reserve components of the Armed Services, and between the reserve components of each service. H.R. 1040 would revise current law to address these anomalies. Some of the major provisions would:

- o Create "promotion zones" for reserve officers, similar to those for active duty officers. Promotion zones consist of reserve officers on the active status list and on the same level who have met the requirements for promotion. The bill also changes the promotion standard from "fully" to "best" qualified.

- o Provide that for reserve members called to active duty in an emergency, promotion would be administered under the reserve promotion system for up to two years.
- o Permit reserve officers to delay accepting a promotion for up to three years. An officer may wish to delay promotion if his or her local unit does not have a position available at the higher grade. The delay would give officers time to look for positions in other units. During this time, an officer can transfer to inactive status and no longer be paid.
- o Authorize service secretaries to remove some reserve officers from the active status list if too many exist at a certain grade. Only officers with 30 years of total commissioned service or 20 years of satisfactory service could be removed.
- o Reduce the maximum age for active status for reserve officers from 62 to 60 years. The requirement would apply to those below the rank of colonel or captain in the Navy. Current reservists would be allowed to serve until age 62 to complete their 20 years of service.
- o Permit a reserve officer to be separated if he or she is not promoted after two chances at becoming a lieutenant in the Navy, or a captain in the Army, Air Force, or Marine Corps.
- o Authorize the service secretaries to create selective continuation boards. These boards could review cases and choose to retain officers who would otherwise be taken off the reserve active status list because he or she had twice failed to be promoted.

#### Pay-As-You-Go Scoring

Per NS (Waites) and BASD (Chellaraj), H.R. 1040 is subject to the pay-as-you-go requirement of OBRA because it increases outlays.

CBO estimates that H.R. 1040 would increase outlays by less than \$500,000 in fiscal years 1994 and 1995 and by \$1 million in each of fiscal years 1996-1998. These final PAYGO estimates are higher than OMB's because CBO assumed that a larger percentage of reservists would retire at age 60 rather than 62. OMB used a more recent study of the relevant retiring population than CBO.

LEGISLATIVE REFERENCE DIVISION

May 10, 1993 - 12:00 PM.



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

May 10, 1993  
(House)

## STATEMENT OF ADMINISTRATION POLICY

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

H.R. 1378 - Qualification Requirements for Certain Defense  
Acquisition Positions  
(Sisisky (D) Virginia and Hansen (R) Utah)

The Administration supports H.R. 1378.

\* \* \* \* \*

(Do Not Distribute Outside Executive Office of the President)

LRD (Kerr) prepared this position in consultation with OFPP (Wittig, Vallina), GM (Kogut), NSD (Haber), and White House Legislative Affairs (Maldon, Miller). The Department of Defense (Perry) and the Office of Personnel Management (Woodruff) agree with this position.

The House Armed Services Committee reported H.R. 1378 on May 6, 1993. This SAP is consistent with a Department of Defense report submitted to the Committee on May 5, 1993.

### Background

During a reduction-in-force (RIF), current law (P.L. 101-510) entitles certain Defense acquisition employees to maintain eligibility for other positions of the same grade and level of responsibility.

### Provisions of H.R. 1378

H.R. 1378 would make a technical correction to address an unintended consequence of current law. The bill would allow certain Defense acquisition employees to maintain eligibility for positions of the same, similar, or lower grade and level of responsibility during a RIF.

### Pay-As-You-Go Scoring

Per GM (Kogut), H.R. 1378 should not be scored as PAYGO because it does not affect outlays or receipts. CBO has issued a final, signed letter stating that the bill is not PAYGO.

LEGISLATIVE REFERENCE DIVISION  
May 10, 1993 - 12:00 pm.



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

file

April 23, 1993  
(House)

## STATEMENT OF ADMINISTRATION POLICY

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

H.R. 798 - Veterans' Compensation Rates Codification Act of 1993  
Slattery (D) Kansas and 33 others

The Administration supports H.R. 798.

\* \* \* \* \*

(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy was prepared by LRD (Kerr/Pellicci) in consultation with HRD (Selfridge, Grams, Blanchon). White House Legislative Affairs (Lorraine Miller) and VA (per Jack Thompson, Office of the General Counsel) concur in the position.

Provisions of H.R. 798

H.R. 798 would make technical amendments to the rates of payment to veterans for service-connected disability compensation and dependency and indemnity compensation. H.R. 798 would codify the rates to reflect the 3.0 percent cost-of-living adjustment provided by Public Law 102-510, which became effective December 1, 1992.

Pay-As-You-Go Scoring

According to (Grams/Blanchon), H.R. 798 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 (OBRA).

We have been informally advised by CBO staff that H.R. 798 is not subject to the pay-as-you-go requirement of OBRA.

LEGISLATIVE REFERENCE DIVISION  
April 23, 1993 - 1 p.m.



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

file

May 25, 1993  
(Senate)

## STATEMENT OF ADMINISTRATION POLICY

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

S. 3 - Congressional Campaign Spending Limit  
and Election Reform Act of 1993  
(Boren (D) Oklahoma and 21 others)

The Administration strongly supports the leadership substitute for S. 3.

\* \* \* \* \*

(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy was developed by the Legislative Reference Division (Ratliff), in consultation with the Departments of Justice (Evans), Commerce (Bird), Labor (Taylor), and the Treasury (Dorsey/McGivern), OPM (Woodruff), OGE (Ley), FCC (Klitzman), FEC (Thomas), the White House Offices of Legislative Affairs (Ricchetti) and Communications (Waldman/Bernstein), DPC (Strong), GC (Damus), GM (Kogut), BAS (Balis), TCJ (Silas), and HTF (Parrish/Occomy). The U.S. Postal Service (Pagano) advises that it has no comment on the SAP, but is concerned that the reliance in S. 3 on the revenue forgone mechanism will result in inadequate reimbursement to the Service for the reduced postal rates to eligible candidates.

On March 18th, the Senate Rules Committee ordered S. 3 reported without amendment by 8-5. The report was filed on April 28th, and the legislation is pending on the Senate calendar. S. 3 has 17 Democratic cosponsors: Ford (Kentucky), Bryan (Nevada), Byrd (West Virginia), DeConcini (Arizona), Lautenberg (New Jersey), Leahy (Vermont), Mitchell (Maine), Riegle (Michigan), Pell (Rhode Island), Levin (Michigan), Harkin (Iowa), Moseley Braun (Illinois), Reid (Nevada), Dodd (Connecticut), Moynihan (New York), Bingaman (New Mexico), and Feingold (Wisconsin).

Both S. 3, as reported by the Senate Rules Committee, and the leadership substitute introduced today by Sen. Mitchell (on behalf of himself, Sen. Ford, and Sen. Boren), would amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending and contribution limits for Senate election campaigns. S. 3, as reported, also contains a voluntary system of spending and contribution limits for House of Representatives elections.

On May 12th, Sen. Boren introduced a substitute that would implement the President's campaign finance proposal. Senate

Rules staff (Sousa) advises that the current leadership substitute, the text of which is not yet available, is substantially identical to the May 12th substitute. The principal difference between the two substitutes is that the leadership substitute would ban contributions from political action committees (PACs). The President's proposal would limit, but not ban, such contributions.

### Provisions of the May 12th Boren Substitute for S. 3

#### -- Public Benefits for Senate Elections

The Boren substitute for S. 3 would establish a voluntary system of spending and contribution limits tied to public benefits for candidates to the U.S. Senate in general elections, beginning in the first election in 1995. To become eligible for these benefits, a candidate would have to agree to certain conditions. A candidate would have to have received contributions of no more than \$250 from individuals equal to the "qualifying threshold" (10 percent of the general election spending limit). A participating candidate's campaign expenditures generally would be limited to an amount determined by a formula tied to the State voting age population. This amount would be no less than \$1.2 million and no more than \$5.5 million.

A participating candidate would be entitled to receive: (1) 50 percent of the lowest unit rate for broadcast advertising; (2) communication vouchers in the amount of 12.5 percent of the overall spending limit for purchase of postage costs and television, radio, and newspaper advertising (candidates who raise the 10 percent threshold a second time could receive another 12.5 percent in vouchers); (3) additional communication vouchers in the amount of certain independent expenditures made in opposition to, or on behalf of an opponent of, the candidate; (4) lower postal rates for certain mailings, and (5) certain conditional payments if an opposing candidate exceeded the spending limits.

Candidates not accepting public benefits would not be subject to the bill's spending limitations, but would be required to file certain reports. Every candidate would have to declare whether he or she intends to abide by the spending limits. New reporting requirements would also apply to persons making independent expenditures in a Federal election.

#### -- Political Action Committees

The Boren substitute would limit the amount a Senate candidate could receive from PACs generally to a total of 20 percent of the candidate's overall spending limit. (The current leadership substitute would ban such contributions.) The maximum amount an

individual PAC could contribute to a Senate candidate would be reduced from \$5,000 to \$2,500 per election.

-- Restrictions on Lobbyists' Activities

Lobbyists generally would be prohibited from contributing funds to, or raising funds for, a Member of Congress, the President, or the Vice President if they had lobbied the Member or the Executive branch, respectively, in the preceding 12 months. In addition, lobbyists who contributed to, or raised funds for, a Member of Congress, the President, or the Vice President generally could not lobby the Member or the Executive branch, respectively, for 12 months.

-- Provisions Specifically Affecting Presidential Elections

The Boren substitute would require Presidential candidates to refund payments received from the Presidential Election Campaign Fund if they did not agree to participate in at least three debates. Candidates for Vice President would have to agree to participate in at least one debate. In addition, the maximum PAC contribution to Presidential campaigns would be reduced from \$5,000 to \$1,000.

-- Bundling and Independent Expenditures

The bill would prohibit most bundling (i.e., the collection of contributions by an intermediary or conduit, such as a PAC). Candidates and their representatives, commercial fundraisers, and volunteers holding house parties would be exempt from the prohibition. These exempted persons could continue to channel such donations to candidates without the bundled amounts counting against their contribution limits.

In addition, the bill would narrow the definition of "independent expenditures" to include only those made without the "participation or cooperation" of a candidate. ("Independent expenditures" are monies spent on direct communications with voters that contain express advocacy of Federal candidates without the candidates' consultation). The new definition would exclude certain expenditures currently considered independent that are made with some degree of consultation with the candidate. "Express advocacy" would be defined as "an expression of support for or opposition to" a candidate, or "a suggestion to take action with respect to an election, . . ."

-- Soft Money

The Boren substitute would prohibit political party committees from using "soft money" for any activities in connection with a Federal election. ("Soft money" refers to contributions not

regulated by Federal law and not reported to the FEC. Examples include contributions to State candidates or conventions.)

Federal officeholders and candidates would be prohibited from soliciting soft money contributions. State party committees would have to pay for grassroots activities with segregated funds raised and disclosed under Federal limits. These grassroots activities would include voter registration and generic campaign activities (i.e., activities that primarily promote a political party rather than a particular candidate).

National party committees would be required to report all receipts and disbursements. Other party committees only would have to report receipts and disbursements made in connection with a Federal election or activities funded through a grassroots fund. Reports would include itemization of receipts and disbursements over \$200.

#### -- Campaign Advertisements

Advertisements by nonparticipants would be required to carry a disclaimer indicating that the candidate was not abiding by the spending limits. All broadcast advertising would have to include an audio statement by the candidate identifying the candidate and stating that the candidate had approved the communication. In addition, a clear photograph or similar image of the candidate would be required to appear at the end of all candidates' television advertisements with a written statement that the advertisement was approved by the candidate. Political broadcasts paid for through independent expenditures would have to clearly state the name of the person responsible for the content of the broadcast.

#### -- Limitations on Use of the Congressional Frank

Senators who are candidates for re-election would be prohibited from using the congressional frank to conduct mass mailings during the election year.

#### -- Delayed Effectiveness

S. 3 would not apply to any election occurring before January 1, 1995. In addition, the bill would not become effective until its estimated costs have been offset by enactment of subsequent legislation. S. 3 states the sense of the Congress that the subsequent legislation shall not provide for general revenue increases, reduce expenditures for any existing Federal program, or increase the Federal budget deficit. Instead, the subsequent legislation should be funded by disallowing the Federal income tax deduction for lobbying the Federal Government.

### Administration Position to Date

On May 7th, President Clinton announced his campaign finance reform proposal, which the Boren substitute would implement with respect to Senate spending limits and benefits.

### Comparison of May 12th Substitute to Reported Bill

S. 3, as reported, is very similar to the Boren substitute of May 12th (and, Senate Rules staff advises, the May 24th leadership substitute). The principal differences between the reported version of S. 3 and the substitutes are that under S. 3, as reported:

- The limit on a participating Senate candidate's campaign expenditures generally would be no less than \$950,000. (The minimum limit under the Boren substitute would be \$1.2 million.)
- Participating Senate candidates would receive vouchers equal to 20 percent of the general election limit for purchase of television advertising. (Under the Boren substitute, participating candidates could receive communication vouchers in the total amount of 25 percent of the overall spending limit for purchase of postage costs and television, radio, and newspaper advertising.)
- Participating Senate candidates would receive direct payments in the amount of the total independent expenditures made in opposition to, or on behalf of an opponent of, the candidate, if that amount exceeded \$10,000. (Under the Boren substitute, a participating candidate would receive additional communication vouchers worth this amount.)
- The two-year election cycle limits for House candidates would be \$600,000. The spending limit for a participating House candidate with a nonparticipating opponent would be removed, if the opponent spent more than \$400,000. (The Boren substitute does not address spending limits or benefits for House elections.)
- The maximum allowable PAC contribution to a Presidential campaign would remain \$5,000, the amount currently allowed. (Under the Boren substitute, this amount would be reduced to \$1,000.)
- Lobbyists would have no special restrictions on campaign contributions to, or fundraising for, Federal elections. In addition, lobbyists who contributed to, or raised funds for, Federal elections would have no

resulting restrictions on their lobbying activities. (Under the Boren substitute, lobbyists would face new lobbying, contribution, and fundraising restrictions.)

- National, State and local party committee spending on grassroots activities would be limited to a formula tied to the State's voting age population. (Under the Boren substitute, State party committees would have to pay for grassroots activities with segregated funds raised and disclosed under Federal limits.)
- The sense of Congress statement does not suggest a source of funding for the legislation. (The Boren substitute suggests the disallowance of the Federal income tax deduction for lobbying the Federal Government.)

#### Pay-As-You-Go Scoring

According to HTF (Parrish/Occomy) and BAS (Balis), both S. 3, as reported, and the May 12th Boren substitute, would not be subject to pay-as-you-go because neither would affect direct spending or receipts until subsequent legislation was enacted that provided funding for the bill. CBO agrees (final with respect to S. 3; as reported, and preliminary with respect to the Boren substitute).

The following estimates of the pay-as-you-go costs of S. 3, if it were fully funded, were prepared by CBO. The estimates are of S. 3, as reported, and a prior draft substitute for S. 3. (CBO's estimates of the May 12th Boren substitute and the leadership substitute are not yet available. However, the prior draft substitute is substantially identical to the Boren substitute, except the prior draft includes spending limits and benefits for House elections.) HTF agrees with the CBO assumptions underlying the estimates. These estimates reflect the low and high end of the likely range of BA and outlay effects of the bill if it were fully funded. A point estimate is not provided due to the difficulty of precisely predicting the number of candidates who would participate in the voluntary campaign finance system.

S. 3 (as reported; the prior draft substitute; the May 12th Boren substitute; and apparently, the leadership substitute) would become effective in 1995 if it were funded by subsequent legislation. Since there are no Senate elections in FY 1995, the pay-as-you-go estimate would be \$0. The 1996 Senate election would be the first election covered by S. 3 (all four versions).

**Possible PAY-AS-YOU-GO Estimate**  
(\$ in millions)

**1996 Election (2-year cycle, House and Senate)**

	<b>S. 3, as Reported</b>		<b>Prior Draft Substitute</b>	
	<u>Low end of range</u>	<u>High end of range</u>	<u>Low end of range</u>	<u>High end of range</u>
BA	74	158	94	168
Outlays	74	158	94	168

**1998 Election (2-year cycle, House and Senate)**

	<b>S.3, as Reported</b>		<b>Prior Draft Substitute</b>	
	<u>Low end of range</u>	<u>High end of range</u>	<u>Low end of range</u>	<u>High end of range</u>
BA	75	171	100	181
Outlays	75	171	100	181

**Additional Authorized Spending**

Both S. 3, as reported, and the May 12th Boren substitute (and, apparently, the leadership substitute), would authorize additional spending from the Postal Service revenue forgone appropriation and impose requirements on the FEC that would require additional appropriations, as follows:

	<u>Outlays</u> (\$ in millions)					
	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Postal Service	--	--	--	12	--	14
FEC	--	--	5	5	5	5

The Postal Service estimates represent the upper boundary of CBO estimates of added costs associated with the mail-related provisions of S. 3. The estimates reflected above assume all mail will be posted third class.

Repeal of the Lobbying Deduction

The President's Budget proposed to repeal the income tax deduction for lobbying expenses. The Budget estimated that this provision would result in savings of \$557 million between FYs 1993-98.

Legislative Reference Division  
May 25, 1993 -- 6:00 p.m.



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

May 3, 1993  
(House)

## STATEMENT OF ADMINISTRATION POLICY

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

H.R. 995 - Uniformed Services Employment and  
Reemployment Rights Act of 1993  
(Montgomery (D) Mississippi and 15 others)

The Administration supports H.R. 995, as reported by the House Veterans' Affairs Committee. The Administration may seek certain improvements to the legislation as it continues through the legislative process.

Pay-As-You-Go Scoring

H.R. 995 would affect receipts; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. OMB's preliminary estimate is that the pay-as-you-go cost of H.R. 995 is zero.

\* \* \* \* \*

(Do Not Distribute Outside Executive Office of the President)

This position was developed by LRD (Kerr, Mustain) in consultation with HRD (Grams), TCJ (DiBari), BASD (Balis), GM (Johnson), HD (Johnson), and OIRA (Lackey). The Departments of Labor (Schmidt), Defense (McLaughlin), Health and Human Services (White), Justice (Novak), Transportation (DeCell), Veterans Affairs (Gurland), and the Treasury (Dorsey), and the Office of Personnel Management (Woodruff), the Office of the Special Counsel (Murphy), and the Merit Systems Protection Board (Williams) agree with this position.

The House Veterans Affairs Committee reported H.R. 995 on April 28, 1993. The Committee report is not yet available. This SAP is based on information supplied by the Department of Labor and House Veterans' Affairs Committee staff.

Democratic cosponsors are: Clyburn (SC), Penny (MN), Slattery (KS), Hefner (NC), Parker (MS), Payne (VA), Richardson (NM), Stenholm (TX), Brown (FL), Waters (CA), and Bishop (GA).

### Background

Since 1940, the Veterans Reemployment Rights (VRR) law has protected employees who leave civilian positions for voluntary or involuntary military service, including enlistments, reservist call-ups, and the draft. Upon completion of active military duty, the law entitles veterans to return to their civilian positions with the seniority, status, and pay they would have obtained if continuously employed in those positions. The law is uniform for voluntary and involuntary service and for employers of all sizes.

Congressional amendments, judicial interpretations, and changing practices concerning health benefits and pension plans have made current VRR law difficult to interpret. In 1987, a Task Force was formed of representatives from the Departments of Defense, Labor, Justice, Veterans Affairs, and the Office of Personnel Management to review existing VRR law. The recommendations of the task force were the basis of legislation proposed by the Bush Administration in the 102nd Congress and are generally incorporated in H.R. 995.

### Provisions of H.R. 995, As Reported

H.R. 995 would continue to prohibit discrimination against an employee or job applicant because of a past, current, or future military obligation. It reaffirms a veteran's right to return to his or her pre-service position as if continuously employed. The bill retains the principle of universal coverage and does not distinguish between voluntary and involuntary service or make distinctions among different size employers. As reported, H.R. 995 would:

- Base entitlements solely on duration of service. Current law makes distinctions among categories of military service, such as "active duty," "active duty for training," and "initial active duty," in determining entitlements.
- Require employees to give their employers advance notice of an absence for military service. Current law contains no general requirement for advance notice except in the cases of active or inactive training duty.
- Establish time limits for veterans to report back to their employers after military leave based on the length of time in uniformed service rather than on the type of service.

- Allow a veteran to be eligible for reemployment rights if the cumulative length of his or her uniformed service did not exceed five years. The current limit is four years, or five years if the additional year is for the convenience of the Government.
- Entitle veterans to all pension rights and earnings as if they had remained continuously employed. At their own expense, employees would have the right to continue health insurance coverage for up to 18 months of military leave. Employees who serve fewer than 31 days could only be required to pay the employee share of insurance cost. Current law generally protects veterans' defined benefit pensions, but is unclear with respect to defined contribution pensions. There are no provisions to require employers to continue health insurance for employees on military leave unless they do so for employees on other types of leave.
- Allow the Attorney General to represent State or private sector employees in enforcing reemployment rights. Federal employees could be represented by the Office of Special Counsel before the Merit Systems Protection Board. Under current law, State and private sector employees, but not Federal employees, have a right to representation by a United States attorney for violations.

The Administration will seek amendments in the Senate to certain provisions of the bill. These include provisions regarding: (1) requiring employers, including the Federal Government, to continue contributions into defined contribution plans for periods of time when an employee is on active military duty; (2) coverage of Native American tribes, merchant mariners, and members of the National Oceanic and Atmospheric Administration; and (3) legal representation for Federal employees claiming reemployment rights.

#### Position To Date

DOL submitted a bill report to the House Committee on Veterans' Affairs supporting H.R. 995. The report, however, stated that it was still reviewing the pension-related provisions of the bill and suggested amendments to clarify and improve certain other provisions. In addition, OPM and DOD have submitted reports for clearance that support the bill, but recommend amendments.

Pay-As-You-Go-Scoring

Per GM (Johnson) and BASD (Balis), H.R. 995 is subject to the pay-as-you-go requirement of OBRA because it affects receipts.

CBO's final estimate of the pay-as-you-go cost of H.R. 995 is approximately \$2 million (less than \$500 thousand in FY 1993 and \$1 million in each of FYs 1994 and 1995). CBO is scoring as PAYGO a provision of H.R. 995 that OMB does not recognize as having PAYGO implications. The provision would retroactively increase discretionary spending. In these cases, OMB only scores amounts as PAYGO that cannot be absorbed within existing appropriations. Given the small cost involved, OMB believes that the amount CBO scored can be absorbed.

Due to another provision which would affect receipts, OMB scores H.R. 995 as PAYGO, but PAYGO zero. CBO did not score this provision.

LEGISLATIVE REFERENCE DIVISION

May 3, 1993 - 7:20 p.m.



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

May 3, 1993  
(House)

## STATEMENT OF ADMINISTRATION POLICY

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

H.R. 578 - Investment Adviser Regulatory Enhancement and  
Disclosure Act of 1993  
(Boucher (D) Virginia and 15 others)

The Administration supports H.R. 578.

\* \* \* \* \*

(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy was developed by the Legislative Reference Division (Ratliff), in consultation with the Departments of Commerce (Powell) and the Treasury (McGivern), SBA (Marselas), the SEC (Fulton), CEA (Lucas), White House Legislative Affairs (Maldon), the NEC (Seidman), HTF (Parker), EP (Rodriguez), and GC (Rettman).

On April 20th, the House Energy and Commerce Committee by voice vote ordered H.R. 578 reported as amended by the Telecommunications and Finance Subcommittee. The report was filed on April 29th. The legislation has 11 Democratic co-sponsors: Cooper, Dingell, Glickman, Hughes, Richard Lehman, Markey, Martinez, Meek, Studts, Synar, and Wyden.

HTF (Rhinesmith/Parker) and BRC (Moran) requested a technical amendment to clarify the treatment of the fees as governmental receipts, not offsetting collections, for budget scorekeeping purposes. HTF has not been able to confirm whether the amendment will be incorporated into a substitute that would be brought to the House floor.

Description of H.R. 578

H.R. 578 would establish annual formula-based registration fees to recover the costs of registration, supervision, and regulation of investment advisers and their activities. The fees (which would be paid to the Treasury) would range from \$300, if an adviser's assets under management were less than \$10 million, to \$7,000, if those assets were \$500 million or more. (Currently, investment advisers pay a one-time fee of \$150.) The fees only would be collected and available only to the extent provided in advance in appropriations Acts.

The bill would require the SEC to establish a schedule for the examination of advisers. Some advisers would have to be inspected more frequently than others, depending on factors such as frequency of customer complaints and the risks associated with newly registered advisers. The SEC could designate, within certain limitations, one or more self-regulatory organizations registered with the SEC to inspect its members and affiliates of members to determine compliance with H.R. 578. Within three years of enactment of H.R. 578 and periodically thereafter, the SEC would have to conduct a survey on the failure of persons to register as required by the legislation.

The SEC would have to require most advisers to obtain a fidelity bond against larceny and embezzlement. Advisers would be prohibited from defrauding or deceiving a client. In addition, advisers could not provide investment advice without determining that the advice is suitable for the client, in light of the client's financial situation, investment experience, and investment objectives. An adviser also would have to provide to each client or prospective client a brochure disclosing certain material information about the adviser, such as education and business background.

#### Administration Position to Date

The Administration has taken no position on H.R. 578 to date.

#### Pay-As-You-Go Scoring

Per HTF (Parker), H.R. 578 would have no pay-as-you-go implications because it would not affect direct spending or receipts. CBO preliminarily agrees.

Legislative Reference Division  
5/3/93 -- 7:00 p.m.



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

May 3, 1993  
(House)

## STATEMENT OF ADMINISTRATION POLICY

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

H.R. 616 - Managed Accounts Amendments  
(Markey (D) Massachusetts and 2 others)

The Administration supports H.R. 616.

\* \* \* \* \*

(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy was developed by the Legislative Reference Division (Ratliff), in consultation with the Department of the Treasury (McGivern), SBA (Anderson), the SEC (Fulton), CEA (Asito), White House Legislative Affairs (Maldon), NEC (Seidman), HTF (Parker), EP (Rodriguez), and GC (Rettman).

On April 20th, the House Energy and Commerce Committee by voice vote ordered H.R. 616 reported without amendment. The report was filed on April 29th. The legislation has no Democratic co-sponsors.

Background

Currently, section 11(a) of the Securities Exchange Act generally prohibits a member (e.g., a securities brokerage firm) of a national securities exchange (e.g., the New York Stock Exchange) from buying or selling securities on that exchange for its "managed accounts." Such accounts are the member's own accounts, accounts of its "associated persons" (e.g., a brokerage firm's employees), or accounts over which it or an associated person exercises investment discretion.

Description of H.R. 616

H.R. 616 would repeal the prohibition as applied to managed accounts owned by investment companies. In addition, the ban would be removed for accounts over which a member or associated person exercised investment discretion if the member or associated person expressly was authorized to buy or sell securities for the account prior to doing so. The member or associated person also would have to disclose at least annually the aggregate compensation the member received for buying and selling the securities for that account.

Administration Position to Date

The Administration has taken no position on H.R. 616 to date.

Pay-As-You-Go Scoring

Per HTF (Parker), H.R. 616 would have no pay-as-you-go implications because it would not affect either direct spending or receipts. CBO preliminarily agrees.

Legislative Reference Division  
5/3/93 -- 7:00 p.m.



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

May 3, 1993  
(House Rules)

## STATEMENT OF ADMINISTRATION POLICY

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

H.R. 820 - National Competitiveness Act of 1993  
(Valentine (D) North Carolina and 37 others)

The Administration strongly supports H.R. 820, as reported by the House Committee on Science, Space, and Technology. The Administration may seek certain improvements to the legislation as it continues through the legislative process.

Pay-As-You-Go Scoring

H.R. 820 would affect receipts; therefore, it is subject to the pay-as-you-go requirements of the Omnibus Budget Reconciliation Act of 1990. OMB's preliminary scoring estimate of this bill is that the pay-as-you-go effect is zero.

\* \* \* \* \*

(Do Not Distribute Outside Executive Office of the President)

This draft Statement of Administration Policy (SAP) was developed by the Legislative Reference Division (Weinberg), in consultation with the Departments of Commerce (Barton), Energy (Didisheim), Defense (Brick), SBA (Broadbent), NEC (Kalil), NSF (Leder), OSTP (Hawkins), TCJ (Schwartz, Beebe, and Koch), and NS (Henry). White House Legislative Affairs (Miller) concurs in the draft SAP.

Treasury (Ed Murphy for Assistant Secretary Munnell) opposes the bill's loan and financing provisions and thinks that the draft SAP is too supportive of the bill. Treasury thinks that the SAP should read: The Administration supports the general purpose of H.R. 820 but will seek certain improvements . . . .

The House Science, Space, and Technology Committee completed markup and ordered H.R. 820 reported, as amended, on April 28, 1993, by a vote of 20-10. Committee staff advise that as of Friday evening the report is still being written and that they are going to try to file it on Monday, May 3rd. The Rules Committee is expected to consider the bill on Tuesday, May 4th.

The bill is expected to be considered on the House floor as early as Wednesday, May 5th under an open rule. During the final markup session Ranking Minority Member Walker stated that he may offer amendments on the House floor. One or more Walker

amendments may deal with the minority set aside for technology loans that was adopted during the markup. Walker may offer an amendment clarifying that gays do not qualify as a disadvantaged minority.

#### Background and Position to Date

The Department of Commerce believes that the SAP should strongly support H.R. 820 and that it should not cite the specific changes that the Administration wants in the bill. Commerce is concerned that Rep. Walker might use any specific changes to argue on the House floor that the Administration wants the bill amended before House passage.

Commerce reports that committee Republicans used a Commerce letter of April 21, 1993, that supported the bill but recommended changes in it during markup to argue that the Administration did not support the bill. Some of the changes were made. The remaining concerns include the technology loan and financing provisions, a sunset of the programs authorized after 2 years, and the statutory establishment of a Civilian Technology Development Advisory Committee.

On April 27, 1993, Secretary Brown wrote Chairman Brown strongly supporting H.R. 820. That letter did not mention any concerns with the bill; it was intended to refute the charge that the Administration did not support the bill.

#### Description of H.R. 820

H.R. 820 would improve the competitiveness of American companies through technology development and commercialization by expanding current programs and establishing new programs for the Department of Commerce and the National Science Foundation (NSF). The reported bill would authorize appropriations of \$541 million for FY 1994 and \$1.0 billion for FY 1995. Higher authorizations were reduced during the final markup session to conform to the President's budget request.

Major provisions of the bill, as reported, would:

Commerce program expansions: Expand the programs of Commerce's National Institute of Standards and Technology (NIST) that provide assistance for technology and manufacturing including the Advanced Technology Program, and Manufacturing Technology Centers.

Commerce new program authorities: Establish new NIST authorities for a Technology Outreach Program, an Advanced Manufacturing Technology Development Program, a State Technology Extension Program, and American Workforce Quality Partnerships.

Commerce loan and financing authorities: Authorize Commerce to make loans and loan guarantees to small and medium-sized

businesses for financing of research, development, demonstration, or utilization of critical or advanced technologies. At least 10 percent of the loans would be to businesses controlled by socially and economically disadvantaged individuals, as defined in the Small Business Act, and including women.

A Commerce program would be established to improve the availability of long-term investment capital for the formation, development, and growth of businesses that are developing or applying a critical technology.

These loan and financing authorities would not be effective until FY 1995. Before they become effective, by November 1, 1993, Commerce would have to submit plans for their implementation or alternatives for achieving their goals.

NSF: Expand the NSF's Engineering Research Centers and Industry/University Cooperative Research Centers Program. Authorize the NSF to provide assistance for advanced degrees in manufacturing engineering, for experienced manufacturers to teach manufacturing, and to develop educational materials in total quality management.

#### Pay-As-You-Go Scoring

Per TCJ (Koch) and BASD (Stigile) H.R. 820 is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. The bill provides for the imposition of civil money penalties for violations of the technology financing provisions. The estimated PAYGO effect is zero. CBO staff have informally advised Louisa Koch that they do not consider the bill to be PAYGO. CBO's rationale is that the financing provisions will not be effective until after appropriations action.

Legislative Reference Division  
5/3/93 -- 7:35 p.m.



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

May 4, 1993  
(House)

## STATEMENT OF ADMINISTRATION POLICY

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

H.R. 820 - National Competitiveness Act of 1993  
(Valentine (D) North Carolina and 37 others)

The Administration strongly supports H.R. 820, as reported by the House Committee on Science, Space, and Technology. The Administration may seek certain improvements to the legislation as it continues through the legislative process.

Pay-As-You-Go Scoring

H.R. 820 would affect receipts; therefore, it is subject to the pay-as-you-go requirements of the Omnibus Budget Reconciliation Act of 1990. OMB's preliminary scoring estimate of this bill is that the pay-as-you-go effect is zero.

\* \* \* \* \*

(Do Not Distribute Outside Executive Office of the President)

This draft Statement of Administration Policy (SAP) was developed by the Legislative Reference Division (Weinberg), in consultation with the Departments of Commerce (Barton), Energy (Didisheim), Defense (Brick), SBA (Broadbent), NEC (Kalil), NSF (Leder), OSTP (Hawkins), TCJ (Schwartz, Beebe, and Koch), and NS (Henry). White House Legislative Affairs (Miller) concurs in the draft SAP.

Treasury (Ed Murphy for Assistant Secretary Munnell) opposes the bill's loan and financing provisions and thinks that the draft SAP is too supportive of the bill. Treasury thinks that the SAP should read: The Administration supports the general purpose of H.R. 820 but will seek certain improvements . . . .

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The bill is expected to be considered on the House floor as early as Wednesday, May 5th under an open rule. During the final markup session Ranking Minority Member Walker stated that he may offer amendments on the House floor. One or more Walker

amendments may deal with the minority set aside for technology loans that was adopted during the markup. Walker may offer an amendment clarifying that gays do not qualify as a disadvantaged minority.

#### Background and Position to Date

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Commerce reports that committee Republicans used a Commerce letter of April 21, 1993, that supported the bill but recommended changes in it during markup to argue that the Administration did not support the bill. Some of the changes were made. The remaining concerns include the technology loan and financing provisions, a sunset of the programs authorized after 2 years, and the statutory establishment of a Civilian Technology Development Advisory Committee.

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Major provisions of the bill, as reported, would:

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Commerce new program authorities: Establish new NIST authorities for a Technology Outreach Program, an Advanced Manufacturing Technology Development Program, a State Technology Extension Program, and American Workforce Quality Partnerships.

Commerce loan and financing authorities: Authorize Commerce to make loans and loan guarantees to small and medium-sized



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

May 4, 1993  
(Senate)

## STATEMENT OF ADMINISTRATION POLICY

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

S. 349 - Lobbying Disclosure Act of 1993  
(Levin (D) Michigan and 9 others)

The Administration supports S. 349.

Pay-As-You-Go Scoring

S. 349 would increase receipts; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. OMB's preliminary scoring estimate of this bill is that it would increase receipts by less than \$500,000 annually. Final scoring of this legislation may deviate from this estimate.

\* \* \* \* \*

(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy was developed by the Legislative Reference Division (Ratliff), in consultation with the Departments of Justice (Evans/Grapensberger), HHS (White), Transportation (Donelan), Education (Heindel), Agriculture (Imhof), Commerce (Powell), Defense (Brick), HUD (Moran), Labor (Taylor), State (Keppler), Transportation (Donelan), the Treasury (McGivern), VA (Lawson), and Energy (Honick), GSA (Simms), NASA (Costanza), OPM (Woodruff), SBA (Deane), OGE (Ley), the NEC (Seidman), the White House Offices of Legislative Affairs (Carey) and Communications (Waldman), DPC (Strong), BAS (Balis), OFPP (Burman), OIRA (Hill/Veeder/Weiss), and TCJ (Silas).

On April 1st, the Senate Governmental Affairs Committee reported S. 349 with one amendment and the legislation was placed on the Senate calendar. (The Committee ordered S. 349 reported by voice vote on February 25th.) The legislation has five Democratic co-sponsors: Glenn, Boren, Campbell, DeConcini, and Bryan.

WH DPC (Strong) advises that Sen. Levin will offer a "managers' amendment" to S. 349 on the Senate floor. The amendment is expected principally to address technical issues. In addition, DPC advises that the amendment will increase the threshold amount for triggering the registration requirement from \$1,000 to \$5,000. The amendment also could contain language to: (1) exempt from the registration and reporting requirements any lobbyist whose total income or expenses in connection with lobbying on behalf of all of its clients do not exceed \$5,000 in a semiannual

period; and (2) require lobbyists to identify third-party payers and coalition connections to covered officials, upon request.

Description of S. 349, as Reported

S. 349 would provide for the disclosure of lobbying activities to influence Federal Legislative or Executive branch officials. The term "lobbyist" would not include an individual whose lobbying activities are "only incidental to, and are not a significant part of," the services provided by the person to the client.

Lobbying contacts would include certain communications regarding: (1) the formulation, modification, or adoption of Federal legislation or regulations; or (2) the administration of Federal programs or policies, including the award and administration of contracts and grants. Lobbying contacts would not include communications such as those that are: (1) Congressional testimony, (2) required by subpoena, (3) made in response to a Federal Register notice, (4) made in compliance with agency administrative adjudicatory procedures, or (5) made on behalf of an individual regarding that individual's benefits or other personal matters.

Contacts with Executive agency officials would have to be reported specifically as to each agency. Covered Executive branch officials would include the President, Vice President, any nonclerical employee in the Executive Office of the President, and any Senior Executive Service employee. Contacts with specific members of Congress would have to be reported as a contact with the House, the Senate, or a Congressional committee. Covered Legislative branch officials would include Members of Congress and nonclerical Congressional employees on personal staffs, committees, or leadership staffs.

An Office of Lobbying Registration and Public Disclosure would be established within the Department of Justice. Lobbyists generally would be required to register with the Office within 30 days of first making, or agreeing to make, a lobbying contact. Registrants would have to report to the Office semiannually on their lobbying activities. These reports would contain the names of the registrant and the client, a list of the specific issues upon which the lobbyist engaged in significant lobbying, and a good faith estimate of the total amount of all income from the client during the semiannual period for lobbying activities.

Initially, the Office would have to attempt to resolve alleged noncompliance with the bill informally. If a person admitted that there was a noncompliance and corrected it, no further action would be taken on minor noncompliances and significant violations would be treated as minor. The penalty for minor compliances would be no more than \$10,000. For cases of significant violations, the penalty would be more than \$10,000.

but no more than \$100,000. A person could appeal a final determination of noncompliance to a Federal court of appeals.

#### Administration Position To Date

On February 4th, the Vice President stated that he supported S. 349. In his February 17th address to Congress, the President endorsed "the lobbying registration bill." In a March 31st letter to Congressman Bryant (the sponsor of H.R. 823, the House companion legislation), the President stated that he strongly supported the Lobbying Disclosure Act of 1993. The President also stated that the Administration looks forward to working with the House Judiciary Administrative Law subcommittee to "strengthen and clarify the bill."

A DOJ draft report on H.R. 823 currently is being circulated by LRD for comments. The draft report states that the Administration has four major concerns with the legislation: (1) the bill should cover all attempts, without regard to their frequency or magnitude, to influence any officer or employee of the Executive and Legislative branches; (2) more accurate and specific financial disclosure should be required; (3) violators of the Act should not profit from their wrongdoing; and (4) fees paid to lobbyists that are contingent on the success of any lobbying activities should be prohibited. Justice also notes other possible problems with provisions of the legislation including those regarding registration, enforcement, penalty-setting powers of the administrative law judges (which raise an Appointments Clause question), and the definition of "foreign principal".

#### Pay-As-You-Go Scoring

The scoring in this SAP was approved by TCJ (Silas) and BAS (Balis). CBO agrees (final).

Legislative Reference Division  
May 4, 1993 -- 1:30 p.m.



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

April 1, 1993  
(House)

# STATEMENT OF ADMINISTRATION POLICY

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

H.R. 1430 - To Provide for a Temporary Increase in the Public  
Debt Limit

(Rostenkowski (D) Illinois)

The Administration strongly supports H.R. 1430 and urges its prompt enactment.

Current estimates indicate that the Treasury will run out of cash and room under the existing \$4,145 billion debt limit on April 7th, absent extraordinary actions. Enactment of an expansion in the debt limit is necessary before then to avoid disruptions in Treasury borrowing and unnecessary uncertainty in the financial markets.

\* \* \* \* \*

(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy was developed by the Legislative Reference Division (Steiger), in consultation with the Departments of the Treasury (Dorsey) and Justice (Evans), the National Economic Council (Seidman), the Council of Economic Advisers (Berner), White House Counsel (Foster), GC (Damus), EP (Minarik), BASD (Kilpatrick/Balis), and BRCD (Moran).

Description of H.R. 1430

H.R. 1430, which was approved by the House Ways and Means Committee on March 24th by a vote of 23-14, increases the public debt limit from \$4.145 trillion to \$4.370 trillion. The increase is temporary, lasting through September 30, 1993. After that date, the limit would revert to \$4.145 trillion.

Treatment as a Reconciliation Bill

The conference report on the budget resolution contains reconciliation instructions to the Ways and Means and Finance Committees that require them to report by April 2nd legislation to increase the debt limit to \$4.370 trillion. An effect of these instructions is to give the short-term debt limit increase bill the procedural protections (e.g., limits on debate and amendments) that apply to reconciliation bills. This effectively

provides that there will be two reconciliation bills this year -- the short-term debt limit and the regular reconciliation bill.

The rule providing for consideration of H.R. 1430 states that the bill shall be considered to constitute reconciliation legislation pursuant to the conference report on the budget resolution.

#### Additional Debt Limit Measures

H.J. Res. \_\_\_\_\_ will be deemed passed by the House upon congressional approval of the conference report on the budget resolution. The measure will increase the debt limit to \$4.7319 trillion, the level specified for FY 1994 in the budget resolution conference report.

The conference report on the budget resolution also instructs the Ways and Means and Finance Committees to report (as part of the regular reconciliation bill) legislation to increase the statutory debt limit to not more than \$4.9 trillion.

#### Pay-As-You-Go Scoring

Per BASD (Stigile), H.R. 1430 is not subject to pay-as-you-go.

#### Administration Position to Date

Treasury Secretary Bentsen requested a temporary increase to \$4.370 trillion in a March 18th letter to the House Ways and Means Committee. The second paragraph of the SAP is essentially identical to language from that letter.

Legislative Reference Division  
4/1/93 -- 9:30 a.m.

*Immun. file*

American Cyanamid Company  
Lederle-Praxis Biologicals Division  
One Cyanamid Plaza  
Wayne, NJ 07470 USA

Telephone: (201) 831-4651  
Telefax: (201) 831-5681

Ronald J. Saldarini, Ph.D.  
President

March 31, 1993

Hand-Delivered

The Honorable Donna E. Shalala, Ph.D.  
Secretary  
Department of Health and Human Services  
200 Independence Avenue, S.W.  
Room 615-F - HHH Bldg.  
Washington, D.C. 20201

Dear Madame Secretary:

We understand that the Department still has under consideration a legislative proposal which incorporates the concept of purchase of all childhood vaccines by the federal government. As you know, Lederle-Praxis Biologicals and other vaccine manufacturers have expressed serious concerns that such a nationalized purchase system creates a significant deterrent effect on investment in research and development. Moreover, the available data demonstrate that centralized purchase of vaccines has not substantially improved immunization rates in those states where it has been pursued.

The following are some of the initiatives which Lederle-Praxis is voluntarily undertaking to address the real problem of low immunization rates, which is the woefully inadequate delivery, outreach and tracking system found in most states:

1. We have committed to have no price increases on any of our vaccine products in 1993, and price increases on individual vaccines will not exceed the consumer price index (CPI) rate of inflation in 1994.

The Honorable Donna E. Shalala, Ph.D.  
March 31, 1993  
Page 2

2. We are developing a software package, intended to be compatible with the system under development by the Centers for Disease Control, which Lederle-Praxis would distribute to private physicians free of charge to facilitate their participation in a nationwide tracking system.
3. Lederle-Praxis supports a reduction in the excise tax for acellular pertussis and whole-cell DTP vaccine, among others, in order to help reduce the cost to parents of immunization in private pediatricians' offices.
4. Like other manufacturers, Lederle-Praxis is initiating on a state-by-state basis a Medicaid replacement program to ensure that those children most in need are the recipients of low-cost vaccine under the federal contract.
5. Lederle-Praxis is committed to cooperating with the economic study commissioned by your Department to study the overall feasibility of a universal vaccine purchase program. (Frankly, one could question why the Department would consider proceeding with a universal purchase proposal when the matter is still under review by the study group funded with your Department's federal dollars.)

We regard these actions and commitments as compelling evidence of Lederle-Praxis' good faith effort to accommodate the Department's concerns regarding the effectiveness of ongoing immunization programs. Even stronger evidence, however, of the company's commitment to childhood immunization is the announcement this week that the Food and Drug Administration has approved a new four-antigen combination DTP/haemophilus b vaccine which will reduce by half the number of injections required to immunize against four major diseases of childhood. Lederle-Praxis undertook on a crash basis the additional clinical trials required for approval of this combination vaccine in order to meet the intense demand from pediatricians for new products to decrease the number of required injections. In an HHS press release, you called this development "great news." The bad news is that, under your Department's proposal, the race to develop and market such innovative, cost-effective products will be sidetracked because of uncertainty as to future payment for them.

The Honorable Donna E. Shalala, Ph.D.  
March 31, 1993  
Page 3

We hope that you will reconsider the need for a nationalized vaccine purchase program in light of the lack of demonstrated need for such an approach and the risk that it will deter continued innovation. Before any such legislative proposal is advanced, we urge that there be an opportunity for a more substantive discussion than has previously occurred regarding the problems leading to low immunization rates and the most rational, cost-effective means of addressing those problems.

Although we have met with Department officials, we do not believe that the issues have been explored sufficiently with either Department experts or congressional staff. I am personally committed to make available whatever time and resources are necessary to facilitate that critical interchange. I look forward to hearing from you or your staff as soon as possible.

Sincerely,

  
Ronald Saldarini

cc: The Honorable Edward M. Kennedy  
The Honorable Donald W. Riegle, Jr.  
Carol Rasco ✓



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

April 16, 1993  
(House)

## STATEMENT OF ADMINISTRATION POLICY

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

H.R. 873 - Gallatin Range Consolidation and Protection Act  
(Williams (D) Montana)

The Administration supports H.R. 873.

\* \* \* \* \*

(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy (SAP) was prepared by LRD (Crutchfield) in consultation with NRD (Saunders, Weatherly and Cogswell), Agriculture (Reese), Interior (West), Energy (Honick), Justice (Novak), EPA (Wood), and White House (Miller).

The House Natural Resources Committee (HNRC) ordered reported, by voice vote, H.R. 873 as an amendment in the nature of a substitute on March 31, 1993. The substitute incorporated only technical amendments to the bill as introduced. This SAP is consistent with Department of Agriculture testimony on H.R. 873 before the HNRC on March 23, 1993.

### Background

Federal landholdings in southern Montana are currently arranged in a "checkerboard" pattern, a legacy of 19th-century policies that granted millions of acres of Federal lands to railroads. Because this patchwork of ownership complicates land management, the Federal Government has sought since the 1920s to consolidate Federal land ownership. Most recently, the Forest Service (FS) has negotiated terms for a land exchange with the Plum Creek Timber Company. Language to authorize this land exchange was included in a 1988 Montana wilderness bill that was vetoed by President Reagan and in a 1992 Montana wilderness bill that nearly passed in the last days of the 102nd Congress.

The Montana delegation has decided to move the exchange proposal separately this year because the new landowner, Big Sky Timber Company (the Company), has contractual obligations to supply timber by June. The Company would use the lands it gains to satisfy these obligations. The FS would use the lands it gains

to consolidate ownership in the Gallatin National Forest (NF), just north of Yellowstone National Park.

#### Provisions of H.R. 873

H.R. 873 directs the Secretary of Agriculture to acquire from the Company 37,752 acres of inholdings within the Gallatin NF. In exchange, the Secretary must offer 12,414 acres of FS land scattered throughout Montana and a \$3.4 million cash equalization payment from the Land and Water Conservation Fund (LWCF).

This exchange is contingent upon the Secretary acquiring other Company lands, totalling 19,250 acres, within the Gallatin NF boundaries. The exchange may also take place if these other lands are acquired by a not-for-profit corporation for later conveyance to the Secretary. The Secretary is directed to acquire these other lands by exchange or purchase with funds authorized to be appropriated from the LWCF. ©

In addition, H.R. 873 directs the Secretary to pursue acquisition of the remaining 24,000 acres of Company lands dispersed throughout the Gallatin NF. Such sums as may be necessary are authorized to be appropriated from the LWCF for this purpose. The Secretary must report to Congress annually for three years on the status of this acquisition effort.

Finally, the bill authorizes the Secretary, in consultation with the Secretary of the Interior, to negotiate an exchange of mineral rights with the Burlington Northern Company (BNC). This exchange involves BNC mineral rights underlying NF lands and U.S. mineral rights underlying BNC lands. This exchange would consolidate subsurface mineral rights with surface ownership, eliminating "split estates" and enhancing the management of both public and private lands. The value of mineral interests exchanged must be approximately equal based on available information.

#### Pay-As-You-Go Scoring

According to Agriculture (Reese) and NRD (Saunders), H.R. 873 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. The CBO's preliminary scoring agrees with this estimate.



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

April 16, 1993  
(House)

## STATEMENT OF ADMINISTRATION POLICY

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

S. 326 - Washington Birthplace National Monument  
Boundary Adjustment  
(Warner (R) Virginia and Robb (D) Virginia)

The Administration supports S. 326.

\* \* \* \* \*

(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy (SAP) was prepared by LRD (Kerr/Crutchfield) in consultation with NRD (Tuttle, Beard, and Cogswell), Interior (Harris), and WH Congressional Affairs (Miller).

S. 326 was passed by the Senate on March 17, 1993. This SAP is consistent with Department of the Interior testimony on an identical bill, H.R. 819, before the House Subcommittee on Parks, Forests and Public Lands on March 16, 1993. S. 326 was ordered reported by the House Natural Resources Committee on March 31, 1993.

### Provisions of S. 326

The George Washington Birthplace National Monument in Virginia was established in 1930 to preserve the grounds and structures associated with Washington's birthplace. The National Park Service (NPS) manages the 538-acre monument as a working farm.

S. 326 would amend the 1930 law that authorized the monument by including an additional 12 acres within its boundaries and by authorizing acquisition of the land. Private landowners are offering the land for sale to the NPS. The estimated cost of acquisition, including administrative costs, is \$50,000. H.R. 819 would also require the Secretary of the Interior to preserve and interpret: (1) the history and resources associated with George Washington; (2) the generations of the Washington family who lived in the vicinity and their contemporaries; and (3) 18th-century plantation life and society.

Pay-As-You-Go Scoring

According to NRD (Tuttle), S. 326 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. The CBO agrees with this estimate.

LEGISLATIVE REFERENCE DIVISION DRAFT  
April 16, 1993 - 1:30 p.m.



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

April 16, 1993  
(House)

## STATEMENT OF ADMINISTRATION POLICY

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

### H.R. 63 - Spring Mountain National Recreation Area Act (Bilbray (D) Nevada)

The Administration supports H.R. 63.

\* \* \* \* \*

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

This Statement of Administration Policy (SAP) was prepared by LRD (Kerr/Crutchfield) in consultation with NRD (Saunders, Weatherly, and Cogswell), Agriculture (Rorapaugh), Interior (Hill), Energy (Honick), Justice (Atcherson), EPA (Wood), and White House Legislative Affairs (Miller).

H.R. 63 was ordered reported, with minor technical amendments, by the House Natural Resource Committee on March 31, 1993. This SAP is consistent with Department of Agriculture testimony on H.R. 63 given before the House subcommittee on National Parks, Forests and Public Lands on March 2, 1993.

#### Background

The Spring Mountains are located in the Toiyabe National Forest (NF), 30 miles west of Las Vegas, Nevada. The area receives heavy recreational use and is essential to supplying water to the Las Vegas valley.

#### Provisions of H.R. 63

H.R. 63 would create the 316,000-acre Spring Mountain National Recreation Area (NRA), including Charleston Peak, the third highest mountain in Nevada. The Forest Service would manage the NRA to preserve its scenic, scientific, historic, and cultural values; promote wildlife conservation; protect watersheds, free flowing streams, and water quality; and provide public outdoor-recreation uses.

The Secretary of Agriculture would have to develop a general management plan for the NRA within three years that would include

provisions for: (1) a continuing program of public education about the resources of the NRA; (2) public facilities, including at least one visitor center; (3) management of fish and wildlife; (4) management of wild horses and burros; (5) recreational management; (6) an inventory of all lands within the NRA not managed as NF lands to permit evaluation of possible future acquisitions; and (7) management of natural and cultural resources. Archeological aspects of the plan are to be prepared in consultation with the Advisory Council on Historic Preservation and the Nevada State Department of Conservation and Natural Resources. The plan would incorporate the recommendations of the Bureau of Land Management as to the suitability for preservation as wilderness of the 89,270-acre Mt. Stirling, La Madre Mountains, and Pine Creek Wilderness Areas.

Except for less than 1,000 acres currently subject to mining, H.R. 63 would withdraw all lands within the NRA from entry under the mining laws, mineral leasing and geothermal leasing laws. Similarly, the NRA would be withdrawn from all forms of entry, appropriation, or disposal under public land laws. The Secretary would permit hunting, trapping, and fishing but could exclude designated zones or periods.

#### Pay-As-You-Go Scoring

According to NRD (Saunders), H.R. 63 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's preliminary scoring agrees with this estimate.

LEGISLATIVE REFERENCE DIVISION DRAFT  
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