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DATE: 09 JUN 78

FOR ACTION:

INFO ONLY: JIM MCINTYRE

CHARLES SCHULTZE

SUBJECT: EIZENSTAT MEMO RE: FY 1980 YOUTH BUDGET

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: +

+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE
WASHINGTON
June 12, 1978

Frank Moore

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

Rick Hutcheson

cc: The Vice President
Hamilton Jordan
Stu Eizenstat
Anne Wexler
Jim McIntyre
Jerry Rafshoon

ADMINISTRATIVELY CONFIDENTIAL

STRATEGY ON VARIOUS APPROPRIATIONS BILLS
AND OTHER TROUBLESOME LEGISLATION

THE WHITE HOUSE
WASHINGTON
June 10, 1978

Frank -
"7" means I don't
yet understand issue
J

ADMINISTRATIVELY CONFIDENTIAL -- NOT FOR CIRCULATION

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F.M./BR*
LES FRANCIS *Les Francis*

SUBJECT: Strategy on Various Appropriations Bills
and Other Troublesome Legislation

As a result of events and discussions over the past several days, it is essential that we have a comprehensive and consistent strategy to deal with those bills which are causing -- or are likely to cause -- the most difficulty for the Administration.

At our request, OMB has prepared a list of especially objectionable bills, both major and minor; the list includes in excess of 30 items, all of which are termed "Candidates for Vetoes." Some bills are on the list because they are too costly; others because they represent unacceptable public policy. In some cases, bills suffer defects in both areas -- budget impact and policy.

No serious strategy to combat these or other measures, however, should take place without considering each within a broader political context. Any recommendations on strategy that we suggest, therefore, are based upon our view of Congressional and public perceptions.

Among too many Members of Congress, runs a quietly-spoken but nonetheless dangerous theme that: "Jimmy Carter isn't tough enough to be President; he is inconsistent; he doesn't have a grasp on the Presidency." It is this underlying current which concerns us most.

We believe, as do others within the Administration, that this feeling is at the root of our continuing problems with Congress. Quite frankly, we believe our biggest problem with Congress -- one which has a tremendous "spin-off" effect with the public -- is that we are not taken seriously; you simply do not enjoy the level of respect to which you legitimately are entitled.

Several significant steps have been taken in an effort to strengthen support for you and your programs among the public. You have stepped up your domestic travel. Under Jerry Rafshoon,

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a coordinated "PR" effort will be instituted. Tim Kraft will be intensifying our political efforts, while Anne Wexler will be organizing constituent group support for priority initiatives. In addition, Anne Wexler, OMB, CL, and DPS are meeting with Cabinet members and agency heads to discuss budget matters and encourage them to take a strong lead in holding the line in their own departments. All of these changes are good and necessary. However, we do not think they will do much in the short run to correct the basic problem with Congress -- that we are not taken seriously.

We believe it would be politically dangerous and tactically counter-productive for you to veto -- or to consider vetoing -- 35 or 40 pieces of legislation between now and the end of this session. Such an activity would draw unfavorable comparisons to Jerry Ford, whose exercise of the veto did not strengthen his position either with Congress or with the public. Instead, we should identify ten or so especially bad, expensive and/or symbolic bills and begin now to orchestrate a veto campaign.

If we move aggressively -- and publicly -- toward a veto or series of vetoes, we can accomplish three goals simultaneously:

1. We can force a lid on spending, thus holding the deficit down and relieving inflationary pressures.
2. We can demonstrate to the Congress that you can -- and will -- play hardball politics if you have to.
3. We can show the public that you are strong and very much in charge of the government.

In reviewing the list provided by OMB, the items that strike us as being logical "veto candidates" on a short list include:

- * Labor/HEW Appropriations
- * Defense Department Authorization and Appropriations
- * Tuition Tax Credits
- * ESEA Extension/Impact Aid
- * Surface and Mass Transit Acts
- * Public Works Appropriations
- * Agriculture Appropriations
- * Meat Import Quotas
- * Small Business Act Amendments

While OMB and DPS can provide more extensive and articulate arguments in opposition to the measures listed

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above, and while there may be better candidates, below are a few points regarding some of the major ones we have identified:

- * Labor/HEW Appropriations is foremost in everyone's mind today and clearly presents us with perhaps the most delicate situation of all.

The Labor/HEW bill contains money for virtually every Democratic program and constituent group. It is the Democrats' bill. The problem is compounded by the fact that Nixon and Ford vetoed five such bills and were denounced by Democrats and Democratic allies as being "cold-hearted, anti-education, anti-people, penny-pinchers" (three of the five vetoes were overridden). A veto of this bill will offend the Democratic Congressional leadership and major constituent groups. It would be an especially expensive veto, politically speaking.

On the other hand, we cannot allow the Congress to keep pushing you around on spending issues, especially when we're trying to increase our credibility on the anti-inflation front. Secondly, our original budget request was a generous one; it was one for which no apologies are required. Third, while we have tried to reduce the amounts by appealing to the committee and to the full House, our pleas have been ignored to date.

Therefore, despite the risks and short-term political costs, we think we should put the Labor/HEW bill on a veto list now; let that fact be known; and then fight very hard to make a veto unnecessary. (However, should we fail to achieve an acceptable compromise we will join in a veto recommendation).

While details of a strategy for the Senate need to be worked out, it would be based upon: (1) an attempt to hold the line in the full Senate Committee; (2) a floor fight; and (3) working with the Conference Committee.

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In addition, we need to put interest groups on notice that they have been too greedy, and that we're ready to go after their pet programs. And, we need to prepare the public for the confrontation. In short, if we are going to have a fight with Congress, let's do it right.

- * The Defense Department authorization and appropriations bills present another tough situation, given the increasing pitch of our rhetoric regarding national security and the increasingly sensitive international picture. However, we do not see how we can move against a major "people" bill like Labor/HEW without a commensurate swipe at the defense establishment. In order to make sure our base of support among Congressional "liberals" (the group which has supported you most consistently across the board) is not completely jeopardized by a veto - or threatened veto - of the HEW monies, we must also look at the DOD bills with an equally hostile eye.

And, our reasoning is not only political, there are sufficient substantive grounds to deny enactment as well. For example, on authorizations:

- the House bill is \$2.4 billion above our request.
- the Senate bill is \$600 + million above our request.
- the House and Senate add \$2 billion for a nuclear carrier we don't want, as well as a House proposal for a strike cruiser (cost = \$1 billion).
- several new aircraft we don't want.
- restrictions on Korean troop withdrawals.

Again, a public and Congressional strategy must be developed to fight this all the way and DOD has to be out front with us, and not on the sidelines.

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- * The case against tuition tax credits has been made sufficiently and the veto die is cast; an override is probably not a viable threat. No intense or extensive effort is required in our judgment, although a reiteration of your opposition is probably in order.
- * ESEA extension is a tough one to argue against, except for the fact that the impact aid language is excessive and we really have been betrayed by Congress in view of the agreement reached last year. Frankly, we need to really put it to the education lobby and its Congressional allies for being too greedy and somewhat irresponsible.
- * The faults of the highway and mass transit bills speak for themselves. We would only say that a classic anti "pork barrel" campaign shouldn't be hard to design. However, D.O.T. advises us that the highway lobby is already very active and is really putting the heat on individual members.
- * The Agriculture appropriations bill presents us with an interesting "good government -- efficient government" veto-able issue. The \$250 million increase in FY 79 outlays for USDA is bad enough, but the real problem is language which requires certain employment levels in various bureaus, thus restricting the President's legitimate right to manage through the allocation of staff resources.

While details on the legislative, public and press strategies need to be worked out quickly, we think this presents a reasonable starting point for more extensive work. One final point: if we move in the direction of an organized, cohesive veto strategy, there can be no internal splits; for example, we cannot afford to have OMB, CEA and Strauss pushing for a veto and the affected agency, DPS, and CL arguing against or caught in the middle. For instance, on the DOD bill, the Defense people absolutely must be with us. While they will resist doing so, they are going to have to be in the position of recommending a veto, no matter how uncomfortable that might be. The same goes for HEW.

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In short, there can be no liberal-conservative split on this strategy . . . either everyone buys into it or we will be eaten alive on the Hill and in the press.

Because these issues are so ticklish -- and ultimately so very important -- we will have working groups established to devise and implement a separate strategy on each bill; they have already started meeting in some cases. The groups will consist of personnel from OMB, DPS, Congressional Liaison, White House Press and other offices. Agency personnel will be assigned to relevant bills.

Early this week, if you approve, Stu, Jim McIntyre and Frank will meet with the House leadership and inform them of the bills that concern us most and what our "bottom line" is. We will ask their assistance on each and should it be denied, will let them know that we will have no choice but to recommend veto(es). We will stress our desire to avoid confrontation with Congress, but we will also be very clear that if cooperation is not forthcoming, confrontation will be our only choice.

We suggest, therefore, that you hold off sending any letter on this subject until after that meeting and discussion.

We have attached the entire OMB "veto candidates" list and supporting data for your information and study. If you agree with this general approach we will begin immediately to work out the details and begin implementation. Hamilton, Stu, Anne Wexler and Bo Cutter have seen and concur with this memo.

APPROVE _____ ✓

DISAPPROVE _____

DISCUSS _____



LIST OF VETO CANDIDATES

June 12, 1978

Mr. President:

This list of "veto candidates" is approximately two weeks old. Should you approve of this general strategy, we will update the list of bills -- and background material on each -- as is necessary.

CANDIDATES FOR VETOES
(Category #1) -

- S. 2571 & H.R. 10929 - Defense Department Authorization (Stennis (D) Miss. & Price (D) Ill.) - page 3
- H.R. 12050 - Tuition Tax Credit Act of 1978 (Ullman (D) Ore.) and *sure*
H.R. 3946 - Tuition Tax Relief Act of 1978 (Moynihan (D) N.Y.) - page 4
- H.R. 15 - Elementary and Secondary Education Act (Perkins (D) Ky.) &
S. 1753 - Education Amendments of 1977 (Pell (D) R.I.) - page 5
- H.R. 12163 - Department of Energy's Civilian R&D Authorization
(Teague (D) Tex.) - page 7
- S. 3076 & H.R. 12598 - Foreign Relations Authorization (Sparkman (D) Ala. & Fascell (D) Fla.) - page 12
- H.R. 6536, S. 2316 - District of Columbia Retirement Reform Act
(Mazzoli (D) Ky. and 20 others; Eagleton (D) Mo.) - page 25
- H.R. 7700 - Postal Service Act of 1978 (Hanley (D) N.Y. and
Wilson (D) Calif.) - page 26
- H.R. 11445 - Amendments to the Small Business Act and the Small
Business Investment Act of 1958 (Smith (D) Iowa and 17 others - page 27
- H.R. 8309, as Amended by the Senate - Waterway User Charge Authorization
(Johnson (D) Calif.) - page 30 *sure*
- H.R. 11733 - Surface Transportation Assistance Act of 1978 (Howard (D)
N.J. and 24 others) and
S. 2441 - Federal Public Transportation Act of 1978 (Williams (D) N.J.) -
page 31
- H.R. 11891 - Increase in Veterans Aid and Attendance Compensation
Benefits (Montgomery (D) Miss.) - page 32
- H.R. 10173 & S. 2384 - Veterans Pensions (Montgomery (D) Miss. &
Cranston (D) Calif.) - page 33
- H.R. 7200 - Public Assistance Amendments of 1977 (Corman (D) Calif. &
Vander Jagt (R) Mich.) - page 34
- Appropriation for Agriculture and Related Agencies, 1979 - page 35
- Appropriation for Labor-HEW, 1978 - page 36
- Public Works Appropriation Bill - page 38 *sure, pending deletion
of 8 projects, etc*

CANDIDATES FOR VETOES
(Category #2)

- S. 419 - Oil Shale Commercialization (Haskell (D) Colo.) - page 8
- S. 2733 & H.R. 11713 - SBA Renewable Energy Resources Loan Program (McIntyre (D) N.H.; Bedell (D) Iowa) - page 9
- S. 9 & H.R. 1614 - Outer Continental Shelf Lands Act Amendments (Jackson (D) Wash. & Murphy (D) N.Y.) - page 10
- H.R. 11686 - Department of Energy's National Security Programs Authorization (Price (D) Ill.) - page 11
- H.R. 12303 & S. 2416 - Nurse Training Amendments of 1978 (Javits (R) N.Y.; Rogers (D) Fla.) - page 14
- S. 1633 & H.R. 6612 - Federal Recognition of the Pascua Yaqui Indians (Abourezk (D) S.D.; Udall (D) Arz.) - page 16
- S. 1582 & H.R. 8099 - Ak-Chin Indian Water Supply (DeConcini (D) Arz. & Udall (D) Arz.) - page 17
- S. 1215/H.R. 9158 - Tribally Controlled Community College Assistance Act (Abourezk (D) S.D.; Blouin (D); & Quie (R) Minn.) - page 18
- S. 1140 & H.R. 10255 - Nongame Wildlife Grants (Hart (D) Colo. & Forsythe (R) N.J.) - page 19
- H.R. 12536 & S. 2876 - National Parks Omnibus Legislation (Burton (D) Calif. & Abourezk (D) N.D.) - page 20
- S. 2820 & H.R. 11153 - Interior Dam Safety Program (Jackson (D) Wash. and Meeds (D) Wash.) - page 22
- H.R. 3161 - Federal Firefighters' Workweek (Harris (D) Va.) - page 24
- Appropriation for Interior and Related Agencies, 1979 - page 37

CANDIDATES FOR VETOES
Category #3)

H.R. 12505 - Solar Power Satellite (Flipppo (D) Ala.) - page 6

S. 2410 - Health Planning Amendments of 1978 (Kennedy (D) Mass.) and
H.R. 11488 - Health Planning and Resources Development Amendments of
1978 (Rogers (D) Fla.) - page 13

S. 1214 - Indian Child Welfare Act of 1977 (Abourezk (D) S.D.,
Humphrey (D) Minn., & McGovern (D) S.D.) - page 15

S. 2897 & H.R. 10882 - Sikes Act Extension (Culver (D) Iowa and
Murphy (D) N.Y.) - page 21

S. 975 - Transport to National Parks (Williams (D) N.J.) - page 23

S. 91 & H.R. 744 - Import Restrictions on Tomatoes (Chiles & Stone
(D) Fla. & Bafalis (R) Fla.) - page 28

H.R. 5052 - Meat Import Quotas (Covers provisions originally introduced
as S. 2895) (Bentsen (D) Tex.) - page 29

sure

S. 2571 and H.R. 10929, - Defense Department Authorization (Stennis (D)
Miss. & Price (D) Ill.)

Description: Provides authorization for FY 1979 appropriations for the Department of Defense in the amount of \$37.9 B. Provides for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons.

Objections:

- \$2 B add-on for a nuclear-powered aircraft carrier (House) (Senate);
- \$1 B for a strike cruiser (House);
- Funds for procurement of several new aircraft (House) (Senate);
- Deletion of funding for the cruise missile carrier (House);
- Certain restrictions on President's authority to withdraw troops from Korea (House);
- House authorizes \$2.4 B more than President's request;
- Senate authorizes \$613 M more than the President's request.

Status: Reported from House Armed Services Committee on May 6, 1978;
Reported from Senate Armed Services Committee on May 15, 1978.

good prospect

H.R. 12050 - Tuition Tax Credit Act of 1978 (Ullman (D) Ore.) and
H.R. 3946 - Tuition Tax Relief Act of 1978 (Moynihan (D) N.Y.)

Description: The House bill provides a Federal income tax credit of 25% of college tuition, up to \$250 for each eligible student. The Senate bill (H.R. 3946) provides tax credit of up to 50% of college tuition and fees (maximum \$250 per student), effective 8/1/78. Two years later, the maximum credit will increase to \$500, and will cover elementary and secondary students. Effective 8/1/81, it will be extended to cover graduate and part-time students.

Objections:

Tax credits are the least desirable way for the Federal Government to meet middle income families' needs:

- They have a very high cost (the postsecondary portion of H.R. 3946 will cost about \$4.4 billion).
- They indiscriminately provide assistance irrespective of either family income or the actual cost of a given college.
- Many families would rather spread education costs over time than receive a relatively small boost in the short term.
- Direct Federal aid and loan programs which already exist can more adequately meet the needs of middle income families.
- Justice has taken the position that tuition tax credits for students in church-related elementary and secondary private schools are unconstitutional.

Status: H.R. 3946 was reported by Senate Finance Committee on February 28, 1978. House floor action is scheduled for May 24.

Sure

H.R. 15 - Elementary and Secondary Education Act (Perkins (D) Ky.)

S. 1753 - Education Amendments of 1977 (Pell (D) R.I.)

Description: Both bills reauthorize elementary and secondary education programs through FY 1983.

Objections:

- Both House and Senate bills fail to provide needed reform of the Impact Aid program. They add over \$200 million to the current cost of the program by expanding coverage, increasing payments, and repealing reforms achieved in 1974.
- The bills establish new and unrequested programs, expand the scope of existing programs, and raise authorization levels.
- The bills erode Executive Branch administrative and managerial discretion by including in law provisions currently contained in regulations, designating offices, mandating surveys and studies, and creating clearinghouses. They also effectively take away from the Office of Management and Budget authority and responsibility for review and approval of collection of educational data.

Status: H.R. 15 was reported on May 11, and S. 1753 was reported on May 15.

?

H.R. 12505 - Solar Power Satellite (Flippo (D) Ala.)

Description: Establishes a solar power satellite research, development, and demonstration program and authorizes FY 1979 appropriations of \$25 million for DOE.

Objections: Prematurely commits the Federal Government to development and demonstration of a solar power satellite before the feasibility of such a system has been ascertained. To date, questions concerning cost and environmental issues have not been adequately addressed.

The bill authorizes DOE FY 1979 appropriations of \$25 million; however, the estimated out-year costs associated with such research and development range from \$40 billion to \$80 billion. This estimate does not include the cost of actually putting a satellite in space.

Status: Negotiations between OMB and sponsors of this legislation are currently underway to determine if the bill can be modified to make it acceptable to the Administration. House Science and Technology reported H.R. 12505 on 5/9/78.

sure

H.R. 12163 - Department of Energy's Civilian R&D Authorization (Teague (D)
Tex.)

Description: Authorizes appropriations of \$4,664,139,000 for DOE's civilian nuclear and non-nuclear research and development programs in FY 1979.

Objections: The Administration opposes H.R. 12163 because the bill authorizes (1) \$251,737,000 more than the President's budget request, (2) continuation of the Clinch River Breeder Reactor project, and (3) funding for the Barnwell, South Carolina, nuclear fuel reprocessing facility. The last two authorizations are contrary to the Administration's nuclear nonproliferation policies.

Status: House Science and Technology Committee reported H.R. 12163, and then referred bill to Interior and Insular Affairs and Interstate and Foreign Commerce on 4/20/78.

Sure

S. 419 - Oil Shale Commercialization (Haskell (D) Colo.)

Description: This legislation establishes a DOE program to test the commercial viability of three oil shale technologies, including provisions for impact assistance for communities affected by oil shale development.

Objections: The Administration opposes the establishment of the government-owned contractor operated (GOCO) test facilities which would be created by S. 419. After a review of the energy supply initiatives, the Administration believes the GOCO approach is the least favorable of the alternatives for oil shale development. Oil shale development programs currently underway on public lands are being largely financed by private enterprise. In addition, the Administration favors incentives such as tax credits for oil shale development.

It is estimated that the capital expenditures associated with these three GOCO's would total at least \$275 to \$400 million or more. In addition, annual operating costs would range from \$30 to \$40 million. All of these costs would be Federal outlays.

Status: Senate Energy and Natural Resources reported S. 419, as amended, on 5/10/78.

S. 2733 and H.R. 11713, - SBA Renewable Energy Resources Loan Program
(McIntyre (D) N.H.; Bedell (D) Iowa)

Description: Creates (1) a new SBA loan and grant program for small businesses involved in the fields of solar energy, renewable energy resources, or energy conservation. The House and Senate bills increase SBA's FY 1979 appropriations authorization by \$36.75 million and \$39.75 million, respectively.

Objections: Authority to make loans for these purposes already exists under section 7(a) of the Small Business Act. Furthermore, the bill creates another special loan program which is in direct opposition to current SBA efforts to streamline and consolidate already numerous and varied loan authorities. The less stringent requirements for determining whether or not a loan can be reasonably repaid represent a substantial and inappropriate subsidy when combined with existing lower interest rates on SBA direct loans.

Status: H.R. 11713 passed House on 5/2/78; Senate Select Committee on Small Business reported H.R. 11713, amended, on 5/15/78.

likely

S. 9, and H.R. 1614 - Outer Continental Shelf Lands Act Amendments
(Jackson (D) Wash. & Murphy (D) N.Y.)

Description: Substantially reforms the current Federal offshore oil and gas leasing program to enhance environmental protection and to encourage increased industry competition.

Objections: While the Administration strongly supports enactment of this legislation, several provisions are seriously objectionable. First, the Administration strongly objects to the increased authorization level for Coastal Energy Impact Fund grants to coastal States contained in the House bill. The current authorization level is \$50 M per year. By linking the grant authorization to a fixed percentage of Federal OCS receipts (20%--up to \$200M per year) the provision is tantamount to revenue sharing. Second, both the House and Senate bills contain several legislative encroachments. Two of these--authority for either House to block any rule or regulation promulgated under the Act by simple resolution and authority to withdraw OCS lands from the leasing program by concurrent resolution--are particularly objectionable in that they will tend to further politicize (and delay) the leasing process.

Last April, the President elected not to authorize a veto threat based on these provisions, but did direct Administration officials to "lobby hard" for their deletion.

Status: Conference in progress.

likely

H.R. 11686 - Department of Energy's National Security Programs
Authorization (Price (D) Ill.)

Description: Authorizes FY 1979 appropriations of \$2,897,090,000 for the Department of Energy's national security programs. This amount is \$123,194,000 less than the President's budget request.

Objections: The Administration opposes the restriction in H.R. 11686 which prohibits the use of funds for the testing, modernization, rebuilding, or replacement of any component of the B-43 bomb which the Administration considers more cost effective than other bomb options. The Administration also opposes various additions, involving projects and operating expenses, of \$71.1 M which has been added by committee action.

With respect to the committee's reduction of the authorization by \$123,194,000, the Administration does not object to \$50,000,000 of this reduction since the amount is for the nuclear waste management facility in the Savannah River which is no longer needed. However, the Administration strongly urges the restoration of the remaining \$73,194,000 reduction.

Status: House passed H.R. 11686 on 5/17/78.

7

S. 3076 and H.R. 12598 - Foreign Relations Authorization (Sparkman (D)
Ala. and Fascell (D) Fla.)

Description: Provides FY 1979 appropriation for State, ICA, and BIB.

Objections:

- "High-one" retirement for Foreign Service personnel;
- Additional increased benefits, (i.e. travel, retirement) for certain Federal employees;
- Restriction prohibiting without exception, the payment of overtime to Foreign Service Officers and Foreign Service Information Officers;
- Encroachment on the President's authority to make international agreements;
- Unnecessary establishment of a Peace Academy;
- Overly restrictive provision for coordinating international science and technology policy with foreign policy;
- House authorizes \$61.8 M more than President's request;
- Senate authorizes \$34 M more than President's request.

Status: Reported from the International Relations Committee on May 15, 1978; Reported from the Foreign Relations Committee on May 17, 1978.

l. Kelly

S. 2410 - Health Planning Amendments of 1978 (Kennedy (D) Mass.)

H.R. 11488 - Health Planning and Resources Development Amendments
of 1978 (Rogers (D) Fla.)

Description: The bills would extend for three years the National Health Planning and Resources Development Act of 1974. Both the health planning activities under Title XV of the PHS Act and the hospital construction authorities under Title XVI would be continued with the addition of a closure and conversion grant program for unneeded hospital services.

Objections:

- The Administration's proposed health planning reauthorization (S. 2551) would continue Title XV and establish a conversion/closure grant program, but does not request extension of the expiring hospital construction authorities. Under these bills, the Federal Government would simultaneously be subsidizing hospital expansion and closure.
- Budget: The bills would provide three-year authorization levels (\$705 million in S. 2410; \$410 million in H.R. 11488) for more hospital construction, and continue the medical facilities guarantee and loan fund. S. 2410 would authorize an additional \$450 million for Area Health Services Development Fund grants. Except for interest subsidies, none of the programs are included in the President's 1979 Budget.
- There is currently an excess of between 5 percent and 10 percent in acute care hospital beds. Rather than continue direct subsidization of hospital construction, private financial resources can meet the demand of financially sound projects. Moreover, Medicare, Medicaid, and other third party payers reimburse for depreciation and interest.

Status: S. 2410 was reported by the Senate Human Resources Committee on May 15, 1978. H.R. 11488 was reported by the House Interstate and Foreign Commerce Committee on May 16, 1978.

S. Kelly

H.R. 12303 and S. 2416 - Nurse Training Amendments of 1978 (Javits
(R) N.Y. and Rogers (D) Fla.)

Description: These bills would continue for two years the current array of institutional and student assistance programs authorized by the Nurse Training Act of 1975, excluding financial distress grants.

Objections:

- Budget: The proposed two-year authorization level is excessive, totaling \$412 million in S. 2416 and \$417 million in H.R. 12303. (Both figures include \$42 million for construction and interest subsidies.) The President's 1979 Budget proposes \$20.5 million to support nursing training. HEW in testimony opposed extension of all nurse training authorities except those for special projects and nurse practitioners.
- Federal support for nursing training has totaled nearly \$1.4 billion between 1956 and 1977 and has assisted in raising the supply of registered nurses to over 1 million.
- Nursing students are eligible to apply for Office of Education needs-based student assistance programs and are also eligible for National Health Service Corps scholarships.

Status: S. 2416 was reported by the Senate Human Resources Committee on May 15, 1978. H.R. 12303 was reported by the House Interstate and Foreign Commerce Committee on May 16, 1978.

Likely

S. 1214 - Indian Child Welfare Act of 1977 (Abourezk (D) S.D.,
Humphrey (D) Minn., & McGovern (D) S. Dak.)

Description: Major provisions of S. 1214 would

- Establish placement preferences and procedures and standards for State courts to follow in adjudicating the placement of an Indian child.
- Authorize the Secretary of Interior to make grants to Indian tribes and organizations for Indian child and family service programs, for facilities for counseling or treatment of Indians and the temporary custody of Indian children, and for service programs for off-reservation Indians.
- Authorize \$26 million for fiscal year 1980 and "such sums" for each subsequent fiscal year.
- Authorize the use of funds as the non-Federal share in connection with Titles XX (social services) and IV-B (child welfare services) of the Social Security Act, and other similar Federal programs.

Objections: The Administration is sympathetic to the needs of Indian children, but objects to S. 1214 as an inappropriate means of addressing those needs. The bill would duplicate existing authorities and provide a new separate funding authorization, contains provisions which may be unconstitutional, and raises significant policy and programmatic issues.

Among the policy and programmatic issues are the Federal role and responsibility for Indian child welfare compared with the Indian tribes and the States, the need for special legislation for Indian children in light of the Administration's general proposal related to child adoption and foster care, the protection of the rights of the child versus the rights of the parents, and the role of Indian tribal courts and the imposition of special standards and procedures on State courts.

Status: Passed the Senate by voice vote on 11/4/77. Markup by the House Interior and Insular Affairs Committee is scheduled for 5/24/78.

S. 1633 and H.R. 6612 - Federal Recognition of the Pascua Yaqui
Indians (Abourézk (D) S.D.; Udall (D) Arz.)

Description: Extends Federal recognition to the Pascua Yaqui
Indians of Arizona in order to make the group eligible for Federal
benefits and assistance.

Objections: This extension of recognition is being given despite
the fact that this group may not meet the criteria for Federal
recognition currently being developed by the Department of the
Interior. This special recognition legislation is contrary to
the even-handed approach that is envisioned for the extension
of Federal services and benefits to eligible Indian groups.

Status: House Interior Committee reported on H.R. 6612, amended,
3/30/78; S. 1633, as reported, passed Senate 4/5/78.

likely

S. 1582 and H.R. 8099 - Ak-Chin Indian Water Supply (DeConcini (D)
Arz. and Udall (D) Arz.)

Description: Obligates the United States to deliver, through construction of a water supply and delivery system, an established number of acre-feet of water from Federal lands to the Ak-chin Indian community in Arizona.

Objections: Critical questions concerning the engineering, environmental, and cost aspects of the proposed water supply and delivery system should be addressed before construction of a water project of this magnitude is authorized. The question of the specific water rights involved should also be more thoroughly investigated and ascertained before committing the United States to deliver a specified level of water annually.

This legislation authorizes \$500,000 in FY 1979, and the aggregate sum of \$42,500,000 to be appropriated prior to the end of FY 1983.

Status: S. 1582 passed Senate 10/11/77; H.R. 8099 failed at passage under suspension of the rules in the House.

likely

S. 1215/H.R. 9158 - Tribally Controlled Community College Assistance Act (Abourezk (D) S.D.; Blouin (D) Iowa; and Quie (R) Minn.)

Description: These bills would authorize \$125,000 annual operational support grants to tribally controlled community colleges plus \$5,850 (\$3,500 in H.R. 9158) for each Indian full-time equivalent student.

In addition, both bills amend the Navajo Community College Act of 1971 to authorize further appropriations for construction grants to the college (\$52.5 million over 5 years in S. 1215 and \$60 million over 3 years in H.R. 9158), and appropriations for operation and maintenance based on the number of Indian students in attendance (\$5,850 per student in S. 1215 and \$125,000 plus \$3,500 for each student in H.R. 9158).

Objections:

- Interior already has authorization to support Indian community colleges if they are identified as high priority items, and Indian community colleges already receive some subsidization through existing programs in HEW and the BIA scholarship program.
- Developing a network of Indian community colleges will do little to raise the educational level of Indians if students continue to get poor primary and secondary training--the colleges will likely lower standards to the level of the students.
- Federal education policy, in general, is to subsidize students through scholarships, rather than institutions. These bills provide institutional support primarily based on capitation and make no provision for the quality of institutions.
- The initial budget impact, although modest, could lead to long-term and increasingly large Federal liabilities. It is unlikely that these schools will ever become financially self-supporting.
- HEW is gearing up for reauthorization of postsecondary education legislation next year. The Administration's proposals at that time should be comprehensive and include Indian education.

Status: S. 1215 passed the Senate on November 4, 1977, by voice vote. Hearings are scheduled on H.R. 9158 for May 17, 1978, by the House Postsecondary Education Subcommittee.

?

S. 1140 and H.R. 10255 - Nongame Wildlife Grants (Hart (D) Colo. & Forsythe (R) N.J.)

Description: Establishes a grant program to assist States in developing and implementing comprehensive resource management plans for non-game species of fish and wildlife.

Objections: The Administration opposes the enactment of another wildlife categorical grant, preferring that existing available funds be directed towards the management of nongame as well as game species. The growing public interest in nongame species should result in the balanced application of existing available wildlife management funds both from State revenues as well as from Federal wildlife grants to States. In addition, despite the general awareness of the need to manage non-game as well as game species, there has been insufficient problem definition and analysis to indicate what impact and effect various bills would have.

Authorizations Under the Bills are as Follows:

	<u>1979</u>	<u>1980</u>	<u>1981</u>
H.R. 10255 (Planning)	\$10 M	\$10 M	\$10 M
H.R. 10255 (Implementation)	\$30 M	\$30 M	\$30 M
S. 1140	\$20 M	\$30 M	\$40 M

Status: H.R. 10255 reported by House Merchant Marine and Fisheries Committee on 4/4/78; S. 1140 reported by Senate Environment and Public Works Committee on 5/15/78.

7

H.R. 12536 and S. 2876 - National Parks Omnibus Legislation (Burton (D)
Calif. & Abourezk (D) N. Dak.)

Description: H.R. 12536 authorizes acquisition and development ceiling increases, as well as boundary changes, for a number of units of the National Park System; designates new units of the National Park, National Trails, and Wild and Scenic Rivers Systems; designates new wilderness areas in the National Park System; and provides numerous other miscellaneous authorities and amendments to existing law. The estimated cost of authorizations in the bill is \$1.8 billion.

S. 2876 addresses only acquisition and development ceiling increases and boundary changes.

Objections: Although differing from Administration recommendations in some respects, S. 2876 is not sufficiently objectionable to warrant veto consideration. However, H.R. 12536 contains a number of new park and other authorities which either differ from Administration recommendations or were not referred for Administration comments. A prioritized listing of the most objectionable features of H.R. 12536 has been prepared by OMB. Recommendations would reduce thd cost of the bill by \$500 M.

Status: S. 2876 reported by Senate Energy and Natural Resources Committee on 5/12/78; H.R. 12536 reported by House Interior Committee on 5/16/78.

likely

S. 2987 and H.R. 10882 - Sikes Act Extension (Culver (D) Iowa and
Murphy (D) N.Y.)

Description: Extends authorities for carrying out conservation programs on military, national forest, and other public lands for three years in the case of H.R. 10882 and for two years in the case of S. 2987. S. 2987 also increases the authorization ceilings for (a) Interior Department cooperative activities on military lands from \$2 M per year to \$4.5 M per year; (b) Agriculture Department fish and wildlife programs on national forest lands from \$10 M per year to \$35 M in 1979 and \$40 M in 1980; and (c) Interior Department activities on BLM lands from \$10 M per year to \$15 M in 1980.

Objections: In the past, the Executive Branch has not sought specific appropriations under the Sikes Act, but has funded fish and wildlife conservation programs under general authorities (including the Fish and Wildlife Act). Accordingly, the Administration opposes enactment of S. 2987 insofar as it:

- Increases authorization ceilings for a program for which we will not seek appropriations, and
- Requires the Administration to expressly justify to the Congress appropriation requests below the authorized ceiling.

H.R. 10882 would not be objectionable.

Status: H.R. 10882 passed House on 4/10/78; S. 2987 reported by Senate Environment and Public Works Committee on 5/15/78.

likely

S. 2820 and H.R. 11153 - Interior Dam Safety Program (Jackson (D) Wash.
and Meeds (D) Wash.)

Description: Authorizes the Secretary of the Interior to construct, restore, operate, and maintain new or modified features at existing Federal reclamation dams for dam safety purposes. The bill authorizes appropriations of \$100 million for these purposes and further provides that such costs shall be nonreimbursable under reclamation law.

Objections: This legislation, before it was amended in committee, was an Administration proposal. The Administration objects to the committee amendments which (1) make such costs nonreimbursable instead of allocating the costs to project beneficiaries as provided by existing reclamation law, and (2) authorize \$100 million instead of such sums as may be necessary.

Status: House Interior reported H.R. 11153, amended, on 5/10/78; Senate Energy reported S. 2820, amended, on 5/12/78.

likely

S. 975 - Transport to National Parks (Williams (D) N.J.)

Description: Establishes a 3-year pilot program for the development of transportation facilities to units of the National Park System.

Objections: The Administration opposes enactment of this legislation on several grounds:

- The Federal Government should not assume responsibility for transporting citizens to Federal facilities -- although S. 975 authorized only \$6 M through 1981, the budget costs of expanding the program later or extending the principle to other Federal programs could be substantial.
- New programs to aid lower income groups through direct provision of certain services should be created only where general income maintenance programs are clearly inadequate.
- Certain actions by the Secretary of the Interior are subject to Congressional veto by concurrent resolution.
- Pilot projects as envisioned by this legislation may be carried out under existing Transportation Department authorities.

Status: S. 975 passed Senate on May 19, 1978.

veto sure

H.R. 3161 - Federal Firefighters' Workweek (Harris (D) Va.)

Description: Reduces workweek of Federal firefighters from an administratively established tour of 72 hours to statutory 56 hours with no reduction in their current annual premium of 25 percent of base salary that is specifically designed to compensate for longer stand-by hours.

Objections:

- Grants a pay increase of approximately 30 percent, in addition to the upcoming October adjustment, for fewer hours of stand-by and same level of work, contra the President's anti-inflation policy to hold pay increases to 5.5 percent.
- Improperly reduces the stand-by time, which comprises about two-thirds of the 72-hour workweek, without reducing the special premium and regular overtime pay which are geared to the longer stand-by schedule.
- Provides discriminatory pay adjustment for one group, not warranted either by recruitment or retention factors, and makes an invalid comparison of the Federal firefighter environment with that of municipal firefighters (the principal source of applicants for these Federal jobs).
- Budget: DOD, largest employer of Federal firefighters, would encounter budgetary and staff problems under H.R. 3161. A reduction in workweek of civilian firefighters might require commensurate reduction in military firefighting workhours to avoid morale problems. DOD would have to employ an additional 2,900 firefighters and incur additional cost of about \$25.4 million, to meet shift requirements under the bill.

Status: H.R. 3161 passed House April 12, 241-129; the bill was favorably reported by the Senate Governmental Affairs Committee on May 15.

likely

H.R. 6536, S. 2316 - District of Columbia Retirement Reform Act
(Mazzoli (D) Ky. and 20 others; Eagleton (D) Mo.)

Description: As passed by the House, H.R. 6536 would establish separate retirement funds for firemen and policemen, teachers and judges of the District of Columbia and require the Federal Government to pay a total of \$770 million in outlays beginning with \$48 million in 1978. S. 2316 would authorize some needed reforms in the operations of the D.C. pension systems but would cost the Federal Government a total of \$1.8 billion.

Objections: Budget: The Administration opposes a Federal payment of 100 percent of the transition costs in going from the current "pay-as-you-go" retirement system for D.C. policemen, firemen, teachers, and judges to an actuarially sound system in H.R. 6536. While supporting the pension reforms in S. 2316, the Administration opposes its proposed method of funding the retirement system because of the excessive cost.

Status: H.R. 6536 passed the House on 9/26/77 by a vote of 348-21. S. 2316 was reported out of the Senate Government Operations Committee on 5/15/78.

1/1/78

H.R. 7700 - Postal Service Act of 1978 (Hanley (D) N.Y. and
Charles Wilson (D) Calif.)

Description: As passed by House, major provisions would provide for:

- Presidential appointment and Senate confirmation of the Postmaster General for a 4-year term to run concurrent with that of the President.
- Rate decisions of the Postal Rate Commission becoming final, instead of being recommendations to the Board of Governors as under current law.
- A public service subsidy for each of fiscal years 1979 through 1984 of \$920 million plus an additional amount equal to the sum by which proposed expenditures of public service funds exceeds \$920 million.
- One-house congressional veto of changes in the level of services.

Objections:

- Budget: The authorizations proposed provide no incentive for USPS to hold down costs, since the higher its operating budget for "public service costs," the more Federal subsidies it will receive. The Administration has proposed increasing the public service subsidy from \$920 million to \$1.0 billion in 1979, then increasing it by \$100 million each year through 1982, and continuing thereafter at \$1.3 billion.
- Constitutional: Provisions for one-house vetoes have been held by the Justice Department to be unconstitutional, since they do not provide for the President's role in the legislative process.

Status: Passed House on 4/6/78 by a vote of 371-6; pending in Senate Committee on Governmental Affairs.

sure

H.R. 11445 - Amendments to the Small Business Act and the Small Business Investment Act of 1958 (Smith (D) Iowa and 17 others)

Description: As passed by the House, H.R. 11445 would (a) provide for "backdoor financing" of SBA's disaster loan revolving fund; (b) provide several authorizations in excess of the President's budget; (c) create a National Planning Council on Small Business to provide guidance for a White House Conference on Small Business; and (d) require that copies of SBA's budget requests, and any legislative recommendations, testimony, or comments on legislation by the SBA, be transmitted to the Congress at the same time they are submitted to the President or the Office of Management and Budget.

As reported out of the Senate Small Business Committee, H.R. 11445 eliminates some of the more objectionable provisions in the House bill, but includes provisions that (a) establish SBA as a Cabinet agency, and (b) establish a Council of Small Business and Competition in the Executive Office of the President.

Objections:

- Budget: Excessive authorizations and "backdoor financing."
- Organizational: The creation of a National Conference Planning Council for the guidance and planning of the White House Conference is unwarranted because the Administration has adequate authority and resources under current law. Establishment of SBA as a Cabinet agency and a new White House unit is not consistent with Administration's reorganization plans.
- Constitutional -- The legislative and budgetary "bypass" provisions would seriously erode the President's authority and ability to manage the budget and to develop a coherent legislative program.

Status: Bill passed House on April 10, 1978, by a vote of 310-72; reported out of Senate Committee on May 15, 1978.

veto sure

S. 91 and H.R. 744 - Import Restrictions on Tomatoes (Chiles and Stone
(D) Fla. & Bafalis (R) Fla.)

Description: Requires imported tomatoes to conform with packing standards imposed on domestic tomatoes under domestic marketing orders.

Objections: Section 8e of the Agricultural Marketing Agreement Act of 1937, requires that imports of selected commodities meet the same minimum grade, size, quality and maturity standards imposed on domestic shipments under a marketing order. S. 91 extends this regulatory authority over imported tomatoes beyond quality-related factors to pack specifications. In effect, the bill requires other nations desiring to export tomatoes to the United States to comply with American domestic packing practices.

The Administration generally has opposed this type of special interest legislation as inconsistent with United States trade policies against imposition of non-tariff trade barriers. S. 91 is particularly undesirable insofar as it extends Section 8e authorities to pack specifications.

Status: Senate passed S. 91 by voice vote on 7/25/77.

7

H.R. 5052 - Meat Import Quotas (Covers provisions originally introduced as S. 2895) (Bentsen (D) Tex.)

Description: Proposes a countercyclical formula for determining the level of the import quota; expands coverage of the quota to include various processed meats; uses a semi-annual rather than an annual quota; and restricts the President's power to suspend quotas.

Objections: This bill is seen as seriously restricting Administrative discretion and running counter to our overall policy of liberalizing the trade of agricultural commodities in world markets. It would seriously impact the livestock economy of the major exporting countries (Australia and New Zealand) and would be of marginal benefit to the domestic livestock industry. Finally, enactment of this legislation would place the U.S. in violation of the General Agreement on Tariffs and Trade. Supplier nations might claim compensation for the resulting damage to their exports or retaliate against U.S. export interests.

Administration opposition to this legislation is being undertaken at the specific direction of the President.

Status: Passed Senate on 5/5/78; Ways and Means Hearings on similar bills on 5/22/78.

Sure

H.R. 8309, as Amended by the Senate - Waterway User Charge Authorization
(Johnson (D) Calif.)

Description: This legislation authorizes (1) a waterway user charge, (2) the reconstruction of Locks and Dam 26 on the Mississippi River at Alton, Illinois, and (3) numerous water resource projects.

Objections: The waterway user charge imposes a 12-cent per gallon tax on fuel as supported by the Administration, but delays implementation until 1982 instead of 1980--the full 12-cent tax would not be effective until 1991. Also, the bill does not provide for the recovery of capital expenses. The bill includes numerous water projects some of which are potentially very costly, and many of which have not been reviewed by the Administration.

Status: The Secretary of Transportation, on behalf of the President, has stated that the authorization for Lock and Dam 26 will be vetoed unless accompanied by a substantial waterway user charge. The Secretary has also advised the Congress that the addition of costly and unreviewed water resources projects would also jeopardize the changes for Presidential approval of the legislation.

H.R. 9309 passed House on 10/13/77; H.R. 8309 passed Senate, amended, on 5/4/78. A conference has been requested by Senate.

Sure

H.R. 11733 - Surface Transportation Assistance Act of 1978
(Howard (D) N.J. and 24 others)

S. 2441 - Federal Public Transportation Act of 1978 (Williams (D) N.J.)

Description: H.R. 11733 authorizes a total of \$66.5 billion of Federal aid to States and local transportation authorities for fiscal years 1979-1982 for highways and mass transit. A number of new categorical programs are added by the bill and rules and regulations issued by agencies to carry out certain provisions would be subject in some cases to a one-House veto.

S. 2441 authorizes \$4 billion in fiscal year 1979 and \$4.4 billion in fiscal year 1980. (Assumes \$675 million for interstate transfers per Administration request.) An operating subsidy provision encourages localities to increase transit deficits and shifts an increasing responsibility for financing deficits to the Federal Government.

Objections: Budget: H.R. 11733 exceeds the Administration's proposals for highway and transit funding by \$5.5 billion in 1979 and \$5.1 billion in 1980. Instead of reducing categorical programs as proposed by the Administration, the bill retains existing ones and adds new ones.

Constitutional: One-House veto provisions are opposed by the Administration as unconstitutional limitations on Presidential powers.

Budget: S. 2441 exceeds the Administration's request for transit funding by \$.7 billion in fiscal year 1979 and \$1.0 billion in fiscal year 1980. Over the period 1979-1982 the bill would authorize appropriations about \$4.3 billion over the Administration's request. The provision shifting deficit financing responsibility to the Federal Government is unacceptable.

Status: H.R. 11733 was reported out of the House Committee on Public Works and Transportation on 5/12/78; S. 2441 was reported out of the Senate Banking Committee on 5/15/78.

Sure

H.R. 11891 - Increase in Veterans Aid and Attendance Compensation Benefits (Montgomery (D) Miss.)

Description: H.R. 11891 would establish a two-tier payment system for veterans entitled to aid and attendance compensation benefits. The new tier would provide \$900 monthly for veterans in need of "constant" aid and attendance, in lieu of the \$563 monthly amount authorized for veterans identified as requiring "regular" aid and attendance.

Objections: The bill would have the practical effect of raising benefits by 60 percent for most veterans currently receiving aid and attendance benefits since approximately 7,100 of the 8,200 recipients would qualify for the new benefit. There is no programmatic justification for an increase of this magnitude. The 1979 Budget includes \$284 million for a cost-of-living increase in the veterans compensation program, including aid and attendance. H.R. 11891 would result in additional costs of \$28 million for FY 1979.

Status: H.R. 11891 ordered favorably reported by House Veterans Affairs Committee on 4/20/78.

7

H.R. 10173 and S. 2384 - Veterans Pensions (Montgomery (D) Miss.
and Cranston (D) Calif.)

Description: Provide for substantial increases in veterans pension benefits and a restructuring of the veterans pension program. In general, both bills would establish new, higher schedules of benefits for veterans and surviving spouses. The House bill provides for significantly higher benefits than the Senate bill. The bills also provide new income eligibility standards, automatic cost-of-living increases, and liberalized benefits for World War I pensioners.

Objections: Both bills address some major deficiencies and inequities of the current pension program. However, there are undesirable features in each bill, such as the high benefit levels in the House bill and major income exclusions for determining eligibility in the Senate bill. In addition, both bills continue to treat veterans and surviving spouses differently.

Budget: H.R. 10173 is much more liberal than S. 2384, and would add \$8.2 billion in five-year costs over current law compared to an increase of \$5.8 billion under S. 2384. Assuming continuation of the practice of providing cost-of-living increases annually, the Senate bill would add \$1.9 billion in five-year costs and the House bill would add \$4.2 billion. The projected long-range costs of H.R. 10173 are unacceptably high.

Status: H.R. 10173 was ordered favorably reported by the House Veterans Committee on March 13, 1978. S. 2384 was ordered favorably reported by the Senate Veterans Committee on March 23, 1978.

likely

H.R. 7200 - Public Assistance Amendments of 1977 (Corman (D) Calif.
and Vander Jagt (R) Mich.)

Description: H.R. 7200 contains various amendments to the Supplemental Security Income (SSI), Aid to Families with Dependent Children (AFDC), Child Welfare Services, and Social Services programs.

Objections: Budget: Provides fiscal relief to the States of approximately \$500 million each year for 1979 and 1980. The Administration is on record that it would only support additional fiscal relief to the States in the context of enactment of welfare reform.

Extends SSI to Puerto Rico, the Virgin Islands, and Guam which would add \$185 million in outlays and 1,500 new Federal employees in FY 1979. This extension appears unwise because (1) Puerto Rico and the other territories do not pay any Federal income tax and (2) providing large welfare benefits relative to average incomes for a large proportion of the residents of these territories could produce undesirable effects.

Authorizes a potentially oppressive program by which a State could require AFDC recipients to work for the State as a condition for receiving AFDC benefits.

Status: House passed H.R. 7200 (335-64) on June 14, 1977. Senate Finance Committee reported H.R. 7200, amended on November 1, 1977.

likely

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(APPROPRIATION)

Agriculture and Related Agencies, 1979

Objections:

- Increase 79 outlays by about \$250 M (USDA alone) infringe on Executive Branch perogatives by: mandating minimum employment ceilings for number of USDA bureaus; thwarting organization changes already made by USDA.

sure

1978 Labor-HEW Appropriations Bill

Description: The House Subcommittee held its markup session on Thursday, May 4, 1978. The subcommittee recommended a net increase of \$643.3 M over our request of \$57.3 B for the programs considered. However, subcommittee action reduced the requests for two uncontrollable entitlement programs--AFDC benefit payments and Medicaid--by \$244 M. Thus, this bill contains an increase of \$887 M for discretionary programs. The subcommittee deferred action on \$17.6 M of requests for programs still requiring authorization (e.g., CETA, certain HEW programs).

The subcommittee recommended inclusion of previous, controversial general provisions concerning busing and abortion. Concerning the latter, the Members supported the strict prohibition of Federal funding contained in the 1977 appropriation bill, rather than the liberalized version approved after several months of debate on the 1978 bills.

Objections: Secretary Califano has objected to the increases over the Budget as excessive and misdirected. Given past action, the Senate will probably add more increases to the bill, which HEW estimates will probably end up with \$1.2 B in B.A. over the Budget (+\$1 B in 1980 outlays).

Status: Action on this bill by the full House Appropriations Committee is scheduled for June 1. The Senate Subcommittee, however, marks up the bill on May 24 before full House committee action.

likely

Interior and Related Agencies, 1979

Objections: Increase Forest Service outlays by about \$200 M.

?

Public Works Appropriation Bill

Objections: Contains:

- Funds for Clinch River Breeder (\$144 M);
- Increases of over \$300 M above President's Budget in all energy R&D programs;
- \$13 M for continued activities in FY 1979 at Barnwell reprocessing plant
- Deletes funds for upgrading B-43 bomb (which would replace need for B-77 bomb which was deleted by President from 1979 Budget).

NOTE:

<u>FY 79 DOE Request</u>	<u>Subcommittee Mark</u>	<u>Change from Request:</u>
\$6,470 M	\$6,188 M	\$ -282 M

This reduction is very deceptive. The subcommittee gets its reduction by (1) applying proprietary receipts which have previously reverted to the Treasury, against the DOE total; (2) increasing the estimate of unobligated balances to be carried forward from FY 78; (3) changes in inventories and working capital; (4) shipping schedule for construction of Portsmouth Enrichment Facility; (5) increases in Enrichment revenues.

likely