

LEGISLATIVE STRATEGY

AGENDA

(A) FEDERALIST/TAX TURN BACK INITIATIVE

The Problem(s):

- (1) Federalist (decentralist) initiatives have difficulty in Congress.
- (2) Excise and loophole-closing initiatives run the risk, in this environment, of re-opening broader tax issues.
- (3) We need some additional revenue contribution -- provided it does not adversely affect either the basic August tax reduction program or the basic economic recovery program.
- (4) We need some distractive/attractive initiative -- consistent with the President's philosophy -- for the State of the Union.

The Question(s):

- (1) Could an initiative that combines federalist initiatives (including blocs and role-sorting) with excise increases (and turn-backs to states) be structured and sold in a way that addresses the above problems satisfactorily? [See paper.]
 - (a) Reactions: States? Congress? Treasury?
 - (b) Does this also need an innovation set-aside?
 - (c) How can this be reconciled with work of Carlson work group?
 - (d) Next steps?

(B) OTHER

- (1) Farm
- (2) Emergency Petroleum Allocation
- (3) _____

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