

Celebration + Remarks
3:45 PM, Oval Office

APPROVED
DEC 22 1987



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

DEC 24 1987

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.J. Res. 395 -- Full-Year
Continuing Resolution for 1988
Sponsor: Rep. Whitten (D), Mississippi

Last Day for Action

January 1, 1988

Signature as soon as possible is recommended in order to avoid additional disruption of governmental activities. Current appropriations for affected agencies expired on Monday, December 21.

Purpose

Provides continuing appropriations for the remainder of fiscal year 1988 for all thirteen regular appropriations bills. In addition, the resolution provides for certain other appropriations and authorities.

Agency Recommendations

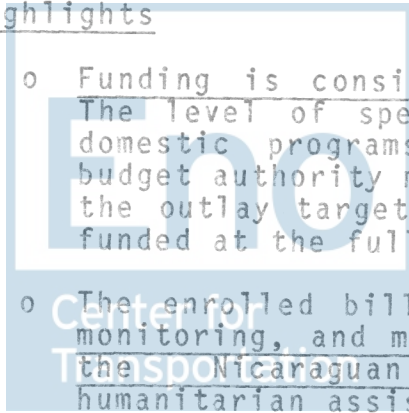
Office of Management and Budget Approval

Other affected agencies Approval assumed

(Agencies have not been able to review the final version of the bill but have been consulted extensively.)

Highlights

- o Funding is consistent with the Budget Summit agreement. The level of spending provided in the enrolled bill for domestic programs exceeds the savings in discretionary budget authority mandated in the Summit agreement and meets the outlay target. Defense and international programs are funded at the full amounts in the agreement.
- o The enrolled bill provides \$8.1 million for the support, monitoring, and management of the program of assistance to the Nicaraguan Democratic Resistance, including humanitarian assistance.



- o The highly objectionable Fairness Doctrine was deleted in conference.
- o Numerous restrictive provisions regarding our national security programs, particularly arms control limitations, were deleted in conference.
- o Many other seriously objectionable provisions that were in the House or Senate versions of the continuing resolution were either deleted or modified in an acceptable manner in the conference, including: (1) abrogation of the Moscow embassy agreement; (2) requirement of a "cold shutdown" of the N Reactor in Hanford, Washington; (3) prohibition on changes to Title X family planning regulations; and (4) requirement to reimburse Federal agencies for all detailees to Executive Branch agencies.

Summary of Congressional Action on Discretionary Spending

(in billions of dollars)

	<u>Summit Agreement</u>	<u>Enrolled Bill</u>	<u>Cong. Change</u>
Domestic:			
Budget Authority.....	145.1	142.9	-2.2
Outlays.....	160.3	160.4	+0.1
International:			
Budget Authority.....	17.8	17.8	-0.1
Outlays.....	16.5	16.5	*
Defense:			
Budget Authority.....	292.0	291.5	-0.5
Outlays.....	285.4	285.4	*

* \$50 million or less.

Discussion

Domestic Appropriations Bills

The enrolled bill provides funding for all ten domestic appropriations bills. Funding for these bills totals \$142.9 billion in budget authority and \$160.4 in outlays -- levels consistent with the Budget Summit.

During the extended negotiations on the continuing resolution, the Administration identified several seriously objectionable provisions that, if included in the enrolled bill, would justify a veto recommendation. The majority of these provisions, identified in the discussion on individual bills below, have been deleted or modified in an acceptable manner.

Commerce/Justice/State -- Domestic. The enrolled bill provides \$10.0 billion in budget authority and \$7.9 billion in outlays for domestic programs. These totals are consistent with the Budget Summit agreement. Although funding is provided for several programs you proposed to terminate, such as the Economic Development Administration (EDA) and the Legal Services Corporation, and we would have preferred higher funding for drug and law enforcement programs in Justice, it is consistent with the agreement. Funds are provided for the Commission on Civil Rights. Some objectionable language remains that puts undesirable restrictions on the sale of loans held by the Small Business Administration (SBA) and the Economic Development Administration, prohibits SBA from imposing new or increased user fees, and prohibits SBA from promulgating new regulations for the Small Business Development Center program.

District of Columbia. The resolution provides \$550 million in both budget authority and outlays for the Federal payment to the District of Columbia. These totals are consistent with the Budget Summit agreement, and are \$5 million and \$15 million below the House and Senate bills, respectively. A provision allowing the District to use local funds for abortions, and allowing Federal funds to be used in instances other than where the life of the mother would be endangered if the fetus were carried to term, remains in the bill. In addition, the bill erodes Presidential authority by permanently exempting Federal payments to the District from apportionment authority and requiring that the President include in his budget the Mayor's request for water and sewer payments.

Energy and Water. The enrolled bill provides \$9.2 billion in budget authority and \$6.0 billion in outlays for non-defense programs and \$7.8 billion in budget authority and \$5.0 billion in outlays for defense programs. Budget authority is consistent with the Budget Summit agreement. Non-defense outlays exceed slightly the agreement by \$0.1 billion. Funding for atomic energy defense activities is increased by \$267 million over the FY 1987 enacted level. Although below the budget request, this funding level will preserve essential activities of the program. The bill also contains add-ons for university and medical school projects, including an earmarking of \$126 million in the Department of Energy for 14 buildings. This practice directs scarce budgetary resources from more appropriate Federal responsibilities such as basic scientific research to pork-barrel projects.

Provisions prohibiting the restart of N Reactor in Hanford, Washington and blocking the Bureau of Reclamation from moving to Denver or reorganizing to which we earlier objected have been modified in an acceptable manner in conference. The bill still includes language that restricts the Administration's ability to study or propose initiatives to privatize the uranium enrichment programs and includes over 50 unbudgeted construction starts and

other add-ons for Army Corps of Engineers water projects, several of which the Administration identified as objectionable.

HUD/Independent Agencies. The enrolled bill provides \$40.9 billion in budget authority and \$18.6 billion in outlays for non-defense discretionary programs, and \$0.4 billion in budget authority and \$0.3 billion in outlays for defense programs. These amounts are generally consistent with the agreement. Major funding includes: \$7.6 billion for subsidized housing programs; \$8.9 billion for NASA, including a program level of \$525 million for development of the Space Station; \$5.0 billion for EPA; and \$11.7 billion for discretionary Veterans Administration programs. Objectionable provisions that remain in the bill would: prohibit the sale of HUD section 312 direct loans made to rehabilitate single and multi-family units; link housing vouchers to the rental rehabilitation grant program rather than retaining "free-standing" vouchers; and extend the Clean Air Act deadline for eight months.

Interior. The enrolled bill provides \$9.3 billion in budget authority and \$6.5 billion in outlays for discretionary programs. These levels are consistent with the Budget Summit agreement. An objectionable House provision requiring that structures on the Outer Continental Shelf contain at least 50 percent U.S. materials was deleted in conference.

Labor/HHS/Education. The enrolled bill provides \$37.7 billion in budget authority and \$19.4 billion in outlays for non-defense discretionary programs. These totals are consistent with Budget Summit agreement and are \$1.6 billion in budget authority and \$1.1 billion in outlays below the House bill, and \$1.3 billion in budget authority and \$0.5 billion in outlays below the Senate bill. Major funding includes \$15.7 billion in budget authority for the Department of Health and Human Services, \$5.2 billion for the Department of Labor, \$16.0 billion for the Department of Education, and \$0.8 billion for other agencies. The one objectionable provision that would have prompted a veto recommendation, language prohibiting Administration-proposed changes to Title X family planning regulations, was deleted in conference.

Rural Development/Agriculture. The enrolled bill provides \$14.7 billion in budget authority and \$6.2 billion in outlays for discretionary domestic programs, and \$1.1 billion in budget authority and \$1.3 billion in outlays for international programs. These totals are consistent with the Budget Summit agreement.

Major funding actions including mandatory amounts not covered by the agreement include: \$21.1 billion for the Commodity Credit Corporation (CCC); \$7.4 billion to fund the Farmers Home Administration's prior year losses; \$20.2 billion for the Food and Nutrition Service including \$1.8 billion for the WIC program; and a new \$1.1 billion appropriation for the Conservation Reserve Program. The Congress did not accept our

user fee proposals and ignored Administration cost-saving proposals concerning direct loan programs.

The bill includes several language provisions identified as most objectionable by the Administration, including language that blocks Administration efforts to end the provision of subsidized irrigation water to grow subsidized crops, and eliminates a key Assistant Secretary position. A provision prohibiting the Secretary of the Treasury from restricting prepayment of REA-guaranteed direct loans was modified to authorize unrestricted prepayments of \$2.5 billion with additional prepayments subject to the Secretary's approval. It is our position that, consistent with reconciliation, premium-free prepayments of not more than \$2.0 billion would go to financially-troubled borrowers only.

Transportation. The enrolled bill provides \$10.2 billion in discretionary budget authority and \$9.1 billion in discretionary outlays. These totals are consistent with the Budget Summit agreement. The bill also provides \$14.5 billion in loan and obligation limitations. Included in the totals are \$12.0 billion for the Federal Highway Administration, \$3.2 billion for the Urban Mass Transportation Administration, \$1.3 billion for FAA Grants-in-aid for airports, and \$0.6 billion for Amtrak. While the bill provides less funding than requested for the Federal Aviation Administration and Coast Guard and more than requested for mass transit and Amtrak, funding for DOT is nonetheless acceptable when measured in its entirety.

In addition, the conferees deleted a seriously objectionable provision that prohibited an FAA rulemaking on foreign repair stations for aircraft. The Transportation provisions also include language that prohibits smoking on scheduled airline flights of two hours or less. One small reduction of \$2.6 million in Federal interest payments associated with Washington Metrorail construction bonds could lead to a default on bond repayments. We are discussing this issue further with DOT and the Washington Metropolitan Area Transit Authority.

Treasury, Postal Service and General Government. The enrolled bill provides \$8.6 billion in budget authority and \$7.1 billion in outlays for non-defense programs. These totals are consistent with the Budget Summit agreement. The Internal Revenue Service revenue initiative has been fully funded so that the revenue target included in the Budget Summit can be achieved. Major funding includes \$1.1 billion for the U.S. Customs Service, \$5.1 billion for the Internal Revenue Service, and \$0.6 billion for the Postal Service. Major objectionable provisions, including the earmarking of receipts for the acquisition of metals no longer needed for national security purposes and the requirement of reimbursement of the costs of detailing Federal employees to Executive Branch agencies, have been modified in an acceptable manner in conference. An undesirable provision directing GSA to acquire six buildings in four U.S. cities

through lease-purchase arrangements remains in the bill.

International Affairs

Foreign Operations. The Foreign Operations bill provides \$13.0 billion in discretionary budget authority and \$5.3 billion in new discretionary outlays. These totals are consistent with the Budget Summit agreement and represent a significant increase of \$400 million in budget authority over the House levels. Though this bill provides \$2.3 billion less in budget authority than requested, funding is equal to FY 1987 levels and will allow the U.S. to provide essential bilateral and multilateral assistance to our friends and allies. Of particular importance is the \$8.1 million for humanitarian and other assistance to the democratic resistance in Nicaragua.

The conferees were successful at modifying several highly objectionable provisions, including the House's \$64 million rescission of funds committed to Korea for a recent debt restructuring agreement; a House prohibition on the use of U.S.-supplied military equipment by Turkish troops on Cyprus; and the waiver of the Symington amendment for two years, allowing continued military and economic assistance to Pakistan. Further, a Senate Appropriations Committee prohibition on selling STINGER missiles to Bahrain was modified acceptably on the Senate floor.

Commerce/Justice/State -- Function 150. The enrolled bill provides \$3.7 billion in budget authority and \$2.7 billion in outlays for international programs. These totals slightly below the discretionary totals for budget authority and outlays, allocated to this bill for international affairs under the agreement. Although the conference levels are higher than those in the House and Senate bills and help to alleviate the cuts faced by the State Department and United States Information Agency, both agencies will still need to make reductions in their operations.

The continuing resolution fails to provide a waiver of section 15(a) of the State Department Basic Authorities Act that prohibits the Department from obligating funds in the absence of annual authorizing legislation. In effect, the Department may not operate without an enacted authorization unless Congress specifically grants to it the authority. Congress declined to include this waiver in the continuing resolution because it has sent to you H.R. 1777, the Foreign Relations Authorization Act, 1988 and 1989 (authorizing constitutionally-questionable provisions which are serious enough to have warranted a veto threat). Clearly, Congress intends to force you to sign an objectionable authorization bill, one that encroaches on and circumscribes your exclusive authority to carry out foreign affairs, in order to avoid a shutdown of State Department operations.

Defense

Funding for the national defense function is \$291 billion in new budget authority and \$285.4 billion in outlays. These amounts are in accordance with the Budget Summit agreement.

The conferees also deleted or modified in an acceptable manner all but two of the objectionable defense provisions. The conferees deleted language that sought to:

- o prohibit the development, testing, and deployment of the ABM system under certain circumstances;
- o limit U.S. strategic nuclear forces to the numerical sublimits of the non-ratified SALT II agreement;
- o prohibit U.S. nuclear explosions exceeding one kiloton; and
- o impose a one-year moratorium on testing of the Space Defense System (ASAT) against objects in space.

The conferees modified in an acceptable form provisions that attempted to: eliminate A-76 studies or contracting-out activities for any reservoir administered by the Corps of Engineers; and prohibit engineering activities to proceed for the development of the Space-based Interceptor.

A prohibition on Defense purchases of foreign-made supercomputers unless the Secretary certifies that the capability is not available from U.S. manufacturers remains in the bill. The conferees also agreed to continue the prohibition on certain machine tool procurement outside the United States and Canada.

Other Language Provisions

Gramm-Rudman-Hollings (G-R-H) Sequester. The enrolled bill includes language that eliminates the FY 1988 G-R-H sequester that was put into effect on November 20, 1987.

Pay Raise. A pay raise of 2 percent for Federal civilian and military personnel, consistent with the Budget Summit, is provided in the enrolled bill, except for positions at Executive Level V and above. The pay raise will take effect in January, 1988.

Recommendation

This enrolled bill resolution is the culmination of months of continued work with the Congress on fiscal year 1988 appropriations bills -- and represents a significant accomplishment. By a concerted effort on the part of the

conferees, the funding levels for all thirteen appropriations bills are consistent with the Budget Summit negotiations and achieve the deficit savings in discretionary spending that were mandated by the Summit agreement. The few deviations noted above are very small and it is clear that the Congress took their responsibility seriously.

In addition, the enrolled bill includes an acceptable compromise for permitting continued funding for the Nicaraguan Democratic Resistance.

This continuing resolution, by the nature of its being a full-year omnibus appropriations bill for the entire government, does contain some objectionable provisions that warrant continued efforts to obtain line item veto authority. However, most of the most seriously troublesome, such as the Fairness Doctrine and severe restrictions on our national security programs, have been removed. On balance, this bill is a serious and successful attempt to implement the Budget Summit agreement for fiscal year 1988.

I recommend you sign this enrolled bill.

Attached is a table summarizing the dollar amounts approved for budget authority and outlays.


James C. Miller III
Director

Attachment



December 22, 1987

FY 1988 APPROPRIATIONS BILLS
COMPARISON OF CONFERENCE ACTION TO THE BUDGET SUMMIT
(in billions of dollars)

	BUDGET SUMMIT 302(b)		CONFERENCE ACTION		DIFFERENCE	
	BA	0	BA	0	BA	0
Domestic Bills:						
Commerce/Justice/State.	10.3	7.9	10.0	7.9	-0.3	0.0
D.C.....	0.6	0.6	0.6	0.6	0.0	0.0
Energy/Water.....	9.4	5.9	9.2	6.0	-0.2	0.0
HUD/Ind. Agencies.....	41.2	18.6	40.9	18.6	-0.3	0.0
Interior.....	9.5	6.5	9.3	6.5	-0.2	0.0
Labor/HHS/Education....	38.5	19.5	37.7	19.4	-0.9	0.0
Legislative.....	1.8	1.6	1.7	1.6	0.0	0.0
Rural Devp/Agriculture.	14.7	6.2	14.7	6.2	0.0	0.0
Transportation.....	10.4	9.1	10.2	9.1	-0.2	0.0
Treasury/Postal.....	8.6	7.1	8.6	7.1	0.0	0.0
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SUBTOTAL, DOMESTIC...	145.1	82.8	142.9	82.9	-2.2	0.1
Prior year outlays.....	0.0	77.4	0.0	77.4	0.0	0.0
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TOTAL, DOMESTIC.....	145.1	160.3	142.9	160.4	-2.2	0.1
	=====	=====	=====	=====	=====	=====
International:						
Foreign Assistance.....	13.0	5.3	13.0	5.3	0.0	0.0
Commerce/Justice/State.	3.7	2.8	3.7	2.7	-0.1	0.0
Rural Devp/Agriculture.	1.1	1.4	1.1	1.3	0.0	0.0
Labor/HHS/Education....	0.0	0.0	0.0	0.0	0.0	0.0
	-----	-----	-----	-----	-----	-----
SUBTOTAL, INTERNAT'L.	17.8	9.4	17.8	9.4	-0.1	0.0
Prior year outlays.....	0.0	7.1	0.0	7.1	0.0	0.0
	-----	-----	-----	-----	-----	-----
TOTAL, INTERNATIONAL.	17.8	16.6	17.8	16.5	-0.1	0.0
	=====	=====	=====	=====	=====	=====
TOTAL, DOMESTIC/INT'L.	162.9	176.8	160.7	176.9	-2.2	0.1
	=====	=====	=====	=====	=====	=====
Defense:						
Defense.....	276.1	162.4	275.6	162.4	-0.5	0.0
Military Construction..	8.5	2.4	8.5	2.4	0.0	0.0
Atomic Energy.....	7.8	5.0	7.7	5.0	0.0	0.0
HUD/Ind. Agencies.....	0.4	0.3	0.4	0.3	0.0	0.0
Treasury/Postal.....	0.0	0.0	0.0	0.0	0.0	0.0
	-----	-----	-----	-----	-----	-----
SUBTOTAL, DEFENSE....	292.7	170.1	292.2	170.1	-0.5	0.0
Prior year outlays.....	0.0	116.0	0.0	116.0	0.0	0.0
Other mandatory.....	-0.7	-0.7	-0.7	-0.7	0.0	0.0
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TOTAL, DEFENSE.....	292.0	285.4	291.5	285.4	-0.5	0.0
	=====	=====	=====	=====	=====	=====

Detail may not add to total due to rounding.

FOR THE RECORD:

Note that there were special printing problems with this bill.
See attached two files that tell the story.



Dan Marks
Deputy Executive Clerk

*A separate master file exists in
the President's file.*



THE WHITE HOUSE
WASHINGTON

Received S S

1988 APR -5 PM 4:55

April 5, 1988

MEMORANDUM FOR RHETT DAWSON

FROM: DAN MARKS, ^{Da} Deputy Executive Clerk

SUBJECT: Forwarding to the Archivist New Printed
Enrollments of H.J.Res. 395 and H.R. 3545

You will recall that the hand enrollments of H.J. Res. 395, the Continuing Resolution, and H.R. 3545, the Omnibus Budget Reconciliation Act, of last year were fraught with errors. In each of those laws there was unprecedented language prescribing how the slip and final statutes-at-large versions of the laws were to be printed -- by the use of second, but enrolled (printed), copies of the laws signed by the Speaker and the President of the Senate and forwarded to the President for his certification that these printed versions were true copies of the laws that he had signed on December 22, 1987. On January 27, 1988, the Clerk of the House forwarded signed, printed enrollments of these laws to the President, and by memorandum of January 28, 1988, the President delegated the certification function to the Archivist of the United States. The President's memo and the printed enrollments were forwarded to the Archivist on January 29, 1988.

During the proof-reading process at the National Archives, many more discrepancies were found between the hand-enrolled originals and the printed enrollments, which would have prevented the Archivist's certifications on the President's behalf. In meetings between the Archives and the Office of the Clerk of the House of Representatives, it was agreed that the House of Representatives would correct the discrepancies by printing revised enrollments.

The new signed enrollments have been received at the White House. With your approval, I propose forwarding these new enrollments to the Archivist by means of the attached letter from the Executive Clerk, which strictly recites the facts. For your information I have attached a copy of the letter from the Clerk of the House to the President by which he submitted the new enrollments as well as a copy of the President's January 28 memo and supporting background material.

Center for
Transportation

THE WHITE HOUSE

WASHINGTON

April , 1988

Dear Dr. Wilson:

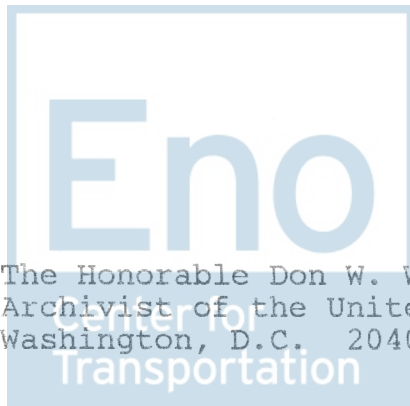
On January 28, 1988, the President signed a memorandum for the Archivist of the United States authorizing the Archivist to certify on the President's behalf that printed enrollments of H.J. Res. 395, Joint Resolution making further continuing appropriations for the fiscal year 1988 (Public Law 100-202), and H.R. 3545, the Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203), which were received at the White House on January 27, 1988, are correct printings of the hand enrollments of these laws, which were approved on December 22, 1987. The President's memorandum and the two printed enrollments were forwarded to the office of the Archivist on January 29, 1988. The President's memorandum was published in the Federal Register on February 1, 1988 (53 FR 2816).

On March 30, 1988, the Clerk of the House of Representatives transmitted to the President new printed enrollments of H.J. Res. 395 (Public Law 100-202) and H.R. 3545 (Public Law 100-203) for certification and requested the return of the earlier printed enrollments that had been received at the White House on January 27, 1988.

Consistent with the President's memorandum of January 28, 1988, I hereby forward the two new enrollments of H.J. Res. 395 and H.R. 3545 to you and request the return of the original printed enrollments, which were forwarded to you on January 29, 1988.

Sincerely,

Ronald Geisler
Executive Clerk



Donald K. Anderson
Clerk

Dallas I. Dendy, Jr.
Assistant to the Clerk

Office of the Clerk
U.S. House of Representatives
Washington, DC 20515-6601

March 30, 1988

The President
The White House
Washington, D. C.

Dear Mr. President:

I have the honor to transmit new printed enrollments of H.J. Res. 395, Public Law 100-202, and H.R. 3545, Public Law 100-203 for certification as required by Section 101(n) of H.J. Res. 395 and Section 8004 of H.R. 3545.

I am requesting the return of the printed enrollments of H.J. Res. 395 and H.R. 3545, received by the White House on January 27, 1988.

With great respect, I am

Sincerely yours,



DONNALD K. ANDERSON, Clerk
U. S. House of Representatives



THE WHITE HOUSE

WASHINGTON

1000 APR 15 1988

April 15, 1988

MEMORANDUM FOR RHETT B. DAWSON
ASSISTANT TO THE PRESIDENT FOR OPERATIONS

FROM: ARTHUR B. CULVAHOUSE, JR. *ABC*
COUNSEL TO THE PRESIDENT

SUBJECT: Forwarding to the Archivist of New Printed
Enrollments of H.J. Res. 395 and H.R. 3545

As requested, this Office has reviewed the memorandum to you from the Executive Clerk and the draft letter from the Executive Clerk to the Archivist of the United States concerning the Presidential certifications required by the above-referenced statutes. We agree with the analysis set forth in the memorandum and approve the draft letter in its entirety.

Though the matter is not free from doubt, it is our view that the transmission of new printed enrollments to the Executive Clerk is in conformity with the provisions of subsection (n)(1) of H.J. Res. 395 and Section 8004(a) and (b) of H.R. 3545, and accordingly that the President may through his delegate undertake the review and certification of these new printed enrollments mandated by these statutes. The method outlined in the Executive Clerk's memorandum to you for effecting this review and certification parallels the method earlier approved by this Office for the original printed enrollments, and we have no objection to its use on this occasion.



Rhett is OK on this approach.

Kathleen
4/18