PRESIDENTIAL TRANSITION ENHANCEMENT ACT OF 2019

REPORT

OF THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

UNITED STATES SENATE

TO ACCOMPANY

S. 394

TO AMEND THE PRESIDENTIAL TRANSITION ACT OF 1963 TO IMPROVE THE ORDERLY TRANSFER OF THE EXECUTIVE POWER DURING PRESIDENTIAL TRANSITIONS

MARCH 25, 2019.—Ordered to be printed

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Mr. JOHNSON, from the Committee on Homeland Security and Governmental Affairs, submitted the following

R E P O R T

[To accompany S. 394]

[Including cost estimate of the Congressional Budget Office]

The Committee on Homeland Security and Governmental Affairs, to which was referred the bill (S. 394), to amend the Presidential Transition Act of 1963 to improve the orderly transfer of the executive power during Presidential transitions, having considered the same, reports favorably thereon with amendments and recommends that the bill, as amended, do pass.

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I. PURPOSE AND SUMMARY

The purpose of S. 394, the Presidential Transition Enhancement Act of 2019, is to strengthen the presidential transition process by clarifying responsibilities of the General Services Administration (GSA) and other agencies during a transition and by requiring a contractual relationship between GSA and a transition team to
guide the transition process. The bill also codifies ethics requirements during the presidential transition process by requiring presidential candidates to develop and publicly release ethics plans for their transition teams prior to the election, requires a set of minimum requirements for these ethics plans, and requires transition team members to sign an ethical code of conduct.

II. BACKGROUND AND NEED FOR THE LEGISLATION

To “promote the orderly transfer of the executive power,” Congress passed the Presidential Transition Act of 1963. This law and its successor statutes require the GSA to provide the President-elect and the Vice-President-elect with office space, equipment, staff, and communications services to prepare for the assumption of their official duties as President and Vice President. The Edward ‘Ted’ Kaufman and Michael Leavitt Presidential Transitions Improvements Act of 2015 established the White House Transition Coordinating Council and the agency transition directors council to ensure efficient coordination between Federal agencies and transition teams when conducting transition activities.

Trump for America, Inc. (TFA) was the organization designated to carry out pre-election and post-election transition activities for then-candidate Donald J. Trump. In December 2017, the Committee received an allegation from TFA that GSA had unlawfully disclosed its privileged communications. Since the allegation raised concerns about whether future presidential transition teams would trust GSA to safeguard their confidential material, and as the committee tasked by the Standing Rules of the Senate to oversee presidential transitions, the Committee opened an examination of the GSA’s actions. The Committee received 6,400 of pages of documents produced by GSA and conducted an interview with a GSA attorney.

The information provided to the Committee demonstrated that both GSA and transition teams need additional guidance and protections in the event of third-party interest in the activities and records of a transition team. Specifically, there is no statutory requirement for GSA and transition teams to enter into a Memo-
randum of Understanding (MOU) to lay out the terms and responsibilities for each party regarding transition services. There also is no statutory language to ensure GSA is fully transparent with a transition team regarding its maintenance and distribution of transition team records. This bill will address those deficiencies by requiring GSA and transition teams to enter into a MOU that agrees upon the terms and conditions by which GSA will provide, and the transition team will receive, transition-related services. In addition, the MOU must designate a transition representative in the transition team to whom GSA must direct all third-party inquiries for transition team records. The bill also requires GSA and transition teams to provide advance notice if any deviation from the terms of MOU is anticipated.

In addition to the issue regarding transition team records, the Partnership for Public Service (Partnership) learned of other statutory obstacles transition teams faced during the 2016 presidential transition through interviews with transition officials. A main concern included differing interpretations of the services GSA could provide a transition team after inauguration day. According to the Partnership, despite the Presidential Transitions Improvements Act authorizing GSA to continue providing services and facilities for up to 180 days after inauguration day, GSA and the Trump transition team negotiated an agreement whereby the transition team paid a lease to remain in GSA building space through February 2017.

Transition officials also told the Partnership that 60 days, rather than the 180 days authorized under current statute, is a sufficient amount of time to allow transition officials “to focus on recruiting and filling key positions while also transitioning incoming White House personnel officials into their new physical quarters within the Executive Office of the President.” Current statute also caused delays for transition teams onboarding detailed Congressional staff because statute requires an agency head to approve the detail.

The Partnership also identified areas of improved transition activities within agencies during a presidential transition. According to the Partnership, transition officials viewed the agency transition directors council, established under the Presidential Transitions Improvements Act, “as helping to build trust with the incoming administration because almost all [council] members were the senior career officials responsible for their agencies’ transitions.” However, a few agencies sent an official to the council who was not the person responsible for their agency’s transition responsibilities, raising “a risk of undermining the cohesiveness of the transition strategy.” The Partnership also learned of confusion among agencies regarding the statutory requirement to designate career officials to serve in an acting role for vacant senior political positions to be appointed by the incoming administration.
In a review of the Trump-Pence transition, the Government Accountability Office (GAO) reported that, although transition team members who are not Federal employees, Members of Congress, or subject to post-Federal employment restrictions “are not subject to the laws and rules governing ethics,” both the Trump-Pence and Obama-Biden transition teams “asked their members to sign an ethical code of conduct prepared by the [t]ransition [t]eam as a condition of service” which “prohibited [t]ransition [t]eam members from having any conflicts of interest that would preclude them from working on the matters assigned to them.”16 Further, “[e]stablishing an ethical code of conduct was a requirement identified in the MOU between the Trump-Pence Transition Team and the White House and the Obama-Biden Transition Team and the White House.”17 GAO did note “the ethical code of conduct for the Trump-Pence Transition Team did not identify any officials or entities to provide oversight” for compliance with the code.18

This bill will codify the existing practice of requiring transition team members to sign an ethical code of conduct, as part of an ethics plan to be developed by a transition team. Specifically, presidential candidates will be required to develop and publicly release ethics plans for their transition teams prior to the election. The ethics plans include a set of minimum requirements, including the identification of the individuals on a transition team that are responsible for ensuring compliance by transition team members with the ethical code of conduct. The ethics plans will also include information on how eligible presidential candidates will address their own conflicts of interest during a Presidential term if the Presidential candidate becomes the President-elect.

This bill also addresses the concerns identified by the Partnership by clarifying that GSA can provide a transition team with services and facilities for up to 60 days after inauguration. This bill will reduce delays in detailing congressional staff to transition teams by having the Member of Congress for whom the staff works approve the detail rather than an agency head. The agency transition directors council will be required to be an agency employee whose job responsibilities include implementing presidential transition activities in order to prevent different individuals from leading transition activities of each agency and clarifies the requirement for agencies to establish a succession plan for each outgoing senior political position.

III. LEGISLATIVE HISTORY

S. 394 was introduced on February 7, 2019, by Senators Ron Johnson (R–WI), Tom Carper (D–DE), and Maggie Hassan (D–NH). The bill was referred to the Committee on Homeland Security and Governmental Affairs on February 7, 2019.

The Committee considered S. 394 at a business meeting on February 13, 2019. The legislation was passed by voice vote en bloc with Senators Johnson, Portman, Paul, Lankford, Romney, Enzi, Hawley, Peters, Carper, Hassan, Harris, Sinema and Rosen present.

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17 Id. at 8.
18 Id.
Consistent with Committee rules, the Committee reports the bill with a technical and conforming amendment.

IV. SECTION-BY-SECTION ANALYSIS OF THE BILL, AS REPORTED

Section 1. Short title

This section gives the bill the short title of the “Presidential Transition Enhancement Act of 2019.”

Section 2. Presidential transition enhancements

This section improves the operation of presidential transitions for GSA and presidential transition teams.

Subsection (a) allows GSA to provide transition services to a transition team for up to 60 days after the inauguration of the President-elect and Vice-President-elect. This subsection clarifies that congressional employees may be detailed to a transition team and replaces the term “computers” with “information technology.” Under this subsection, transition teams and GSA will be required to enter into a MOU that will include the conditions by which transition teams will access GSA staff, facilities, and agency documents. The MOU also requires the transition team to designate a transition representative to whom GSA will direct any inquiries or legal instruments for transition team records. This designation ends either upon the request of the transition team or 180 days after the inauguration of the President-elect and Vice-President-elect. GSA will be required to notify a transition team at least three days in advance of taking any action that deviates from the terms and conditions of the MOU.

Subsection (b) requires that an agency employee serving as a senior representative in the agency transition directors council must be serving in a career position at the agency. Each agency must also develop a succession plan for each senior non-career position in the agency by September 15 of a Presidential election year. This subsection also changes the required date of completion for a MOU between transition teams and the President of the United States from November 1 of an election year to October 1. This MOU must also include an agreement that the transition team will develop and enforce an ethics plan for all transition team members. Under this ethics plan, all transition team members must sign and be subject to a Code of Ethical Conduct, and the transition team must designate and identify the individuals responsible for enforcing the terms of the ethics plan. The ethics plan must also describe how covered eligible presidential candidates will address their own conflicts of interest during a Presidential term if the candidate becomes the President-elect. The ethics plan must be made publicly available on GSA’s website by the earlier of the completion of the MOU or October 1 of an election year.

V. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirements of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this bill and determined that the bill will have no regulatory impact within the meaning of the rules. The Committee agrees with the Congressional Budget Office’s statement that the bill contains no intergovernmental or private-sector
mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

VI. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 1, 2019.

Hon. RON JOHNSON, Chairman,
Committee on Homeland Security and Governmental Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 394, the Presidential Transition Enhancement Act of 2019.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is David Hughes.

Sincerely,

KEITH HALL,
Director.

Enclosure.

### S. 394, Presidential Transition Enhancement Act of 2019

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Pay-as-you-go procedures apply? No

Mandate Effects
- Contains intergovernmental mandate? No
- Contains private-sector mandate? No

n.a. = not applicable; * = between zero and -$500,000.

S. 394 would limit the period during which services and facilities are provided to Presidential transition teams by the General Services Administration (GSA). The bill also would set a timeline for GSA to enter into memorandums of understanding with Presidential campaigns to prepare for potential transitions. Finally, S. 394 would authorize the executive branch to pay legislative branch employees to work for the President-elect or Vice President-elect during transition periods.

Using information from GSA, CBO expects that most of the bill's provisions would not have a significant effect on the cost of a Presidential transition. However, one provision would reduce the period during which a transition team may use government services and facilities following an inauguration from 180 days to 60 days. CBO estimates that condensing the time frame during which government services and facilities may be used would reduce federal costs...
for staffing and office space by less than $500,000 annually in the years of Presidential inaugurations.

The CBO staff contact for this estimate is David Hughes. This estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

VII. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows: (existing law proposed to be omitted is enclosed in brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

**UNITED STATES CODE**

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**TITLE 3—THE PRESIDENT**

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**CHAPTER 2—OFFICE AND COMPENSATION OF PRESIDENT**

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**SECTION 102—COMPENSATION OF THE PRESIDENT**

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**NOTES**

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**PRESIDENTIAL TRANSITION ACT OF 1963**

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**SEC. 3. SERVICES AND FACILITIES AUTHORIZED TO BE PROVIDED TO PRESIDENTS-ELECT AND VICE-PRESIDENTS-ELECT.**

(a) The Administrator of General Services, referred to hereafter in this Act as “the Administrator,” is authorized to provide, upon request, to each President-elect and each Vice-President-elect, for use in connection with his preparations for the assumption of official duties as President or Vice President necessary services and facilities, including: upon request, to each President-elect, each Vice-President-elect, and for up to 60 days after the date of the inauguration of the President-elect and Vice-President-elect, each President and Vice President, for use in connection with the preparations for the assumption of official duties as President or Vice President necessary services and facilities, including the following:

1. Payment of the compensation of members of office staffs designated by the President-elect or Vice-President-elect at rates determined by them not to exceed the rate provided by the Classification Act of 1949, as amended [chapter 51 and subchapter III of chapter 53 of title 5], for grade GS–18: Provided, That any employee of any agency of any branch of the
Government, or an employee of a committee of either House of Congress, a joint committee of the Congress, or an individual Member of Congress, may be detailed to such staffs on a reimbursable basis with the consent of the head of the agency, or in the case of an employee in a position in the legislative branch, with the consent of the supervising Member of Congress; and while so detailed such employee shall be responsible only to the employment without interruption. Notwithstanding any other law, persons receiving compensation as members of office staffs under this subsection, other than those detailed from agencies, shall not be held or considered to be employees of the Federal Government except for purposes of the Civil Service Reform Act [section 8301 et seq. of title 5], the Federal Employees' Compensation Act [section 8501 et seq. of title 5], the Federal Employees' Group Life Insurance Act of 1954 [section 8701 et seq. of title 5], and the Federal Employees Health Benefits Act of 1959 [section 8901 et seq. of title 5].

[(b) The Administrator may not expend funds for the provision of services and facilities under this section in connection with any obligations incurred by the President-elect or Vice-President-elect—

(1) before the day following the date of the general elections held to determine the electors of President and Vice President under section 1 or 2 of title 3, United States Code; or

(2) after 180 days after the date of the inauguration of the President-elect as President and the inauguration of the Vice-President-elect as Vice President.]

(b) The Administrator shall expend funds for the provision of services and facilities under this section—

(1) in connection with any obligation incurred by the President-elect or Vice-President-elect, or after the inauguration of the President-elect as President and the inauguration of the Vice-President-elect as Vice President incurred by the President or Vice President, during the period—

(A) beginning on the day after the date of the general elections held to determine the electors of President and Vice President under section 1 or 2 of title 3, United States Code; and

(B) ending on the date that is 60 days after the date of such inauguration; and

(2) without regard to whether the President-elect, Vice-President-elect, President, or Vice President submits to the Administrator a request for payment regarding services or facilities before the end of such period.

[(h) * * *

(1) * * *

(2) * * *

(A) * * *

(B) * * *

(i) * * *

(ii) shall, as appropriate, ensure that any [computers] information technology or communications
services provided to an eligible candidate under this subsection are secure;

* * * * * * *

(i) Memoranda of Understanding.—

(1) In General.—Not later than September 1 of a year during which a Presidential election occurs, the Administrator shall, to the maximum extent practicable, enter into a memorandum of understanding with each eligible candidate, which shall include, at a minimum, the conditions of access to employees, facilities, and documents of agencies by transition staff.

(2) Existing Resources.—To the maximum extent practicable, a memorandum of understanding entered into under paragraph (1) shall be based on memorandums of understanding relating to previous Presidential transitions.

(3) Transition Representative.—

(A) Designation of Representative for Inquiries.—Each memorandum of understanding entered into under this subsection shall designate a representative of the eligible candidate to whom the Administrator shall direct any inquiries or legal instruments regarding the records of the eligible candidate that are in the custody of the Administrator.

(B) Change in Transition Representative.—The designation of a new individual as the transition representative of an eligible candidate shall not require the execution of a new memorandum of understanding under this subsection.

(C) Termination of Designation.—The designation of a transition representative under a memorandum of understanding shall terminate—

(i) not later than 180 days after the date of the inauguration of the President-elect as President and the inauguration of the Vice-President-elect as Vice President; or

(ii) before the date described in clause (i), upon the request of the President-elect or Vice-President-elect, or after such inauguration upon request of the President or Vice President.

(4) Amendments.—Any amendment to a memorandum of understanding entered into under this subsection shall be agreed to in writing.

(5) Prior Notification of Deviation.—Each party to a memorandum of understanding entered into under this subsection shall provide written notice, except to the extent prohibited under another provision of law, not later than 3 days before taking any action that deviates from the terms and conditions agreed to in the memorandum of understanding.

(6) Definition.—In this subsection, the term "eligible candidate" has the meaning given that term in subsection (h)(4).

SEC. 4. Transition Services and Activities Before Election.

(a) * * *

(1) * * *

(2) * * *
(3) the term “eligible candidate” has the meaning given that term in section 3(h)(4); [and]

(4) the term “nonpublic information”—
   (A) means information from the Federal Government that a member of a transition team obtains as part of the employment of the member and that such member knows or reasonably should know has not been made available to the public; and
   (B) includes information that a member of the transition team knows or reasonably should know—
      (i) is exempt from disclosure under section 552 of title 5, United States Code, or otherwise protected from disclosure by law; and
      (ii) is not authorized by the appropriate government agency or officials to be released to the public; and

(5) the term “Presidential election” means a general election held to determine the electors of President and Vice President under section 1 or 2 of title 3, United States Code.

(e) * * *

(1) * * *
(2) * * *
(3) * * *
   (A) * * *
   (B) * * *
   (C) a senior representative serving in a career position from each agency described in section 901(b)(1) of title 31, United States Code, the Office of Personnel Management, the Office of Government Ethics, and the National Archives and Records Administration whose responsibilities include leading Presidential transition efforts within the agency;
   (D) a senior representative serving in a career position from any other agency determined by the Co-Chairpersons to be an agency that has significant responsibilities relating to the Presidential transition process; and

(f) * * *

(1) * * *

(2) Acting Officers.—Not later than September 15 of a year during which a Presidential election occurs, and in accordance with subchapter III of chapter 33 of title 5, United States Code, for each noncareer position in an agency that the head of the agency determines is critical, the head of the agency shall designate a qualified career employee to serve in that position in an acting capacity if the position becomes vacant.

(2) Acting Officers.—Not later than September 15 of a year during which a Presidential election occurs, and in accordance with subchapter III of chapter 33 of title 5, United States Code, the head of each agency shall ensure that a succession plan is in place for each senior noncareer position in the agency.

(g) * * *

(1) In General.—Not later than [November 1] October 1 of a year during which a Presidential election occurs, the Presi-
dent (acting through the Federal Transition Coordinator) shall, to the maximum extent practicable, negotiate a memorandum of understanding with the transition representative of each eligible candidate, which shall include, at a minimum, the conditions of access to employees, facilities, and documents of agencies by transition staff.

(2) * * *

(3) ETHICS PLAN.—

(A) IN GENERAL.—Each memorandum of understanding under paragraph (1) shall include an agreement that the eligible candidate will implement and enforce an ethics plan to guide the conduct of the transition beginning on the date on which the eligible candidate becomes the President-elect.

(B) CONTENTS.—The ethics plan shall include, at a minimum—

(i) a description of the ethics requirements that will apply to all members of the transition team, including any specific requirement for transition team members who will have access to nonpublic or classified information;

(ii) a description of how the transition team will—

(I) address the role on the transition team of—

(aa) lobbyists registered under the Lobbying Disclosure Act of 1995 (2 U.S.C. 1601 et seq.) and individuals who were former lobbyists registered under that Act; and

(bb) persons registered under the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.), foreign nationals, and other foreign agents;

(II) prohibit a transition team member with conflicts of interest similar to those applicable to Federal employees under section 2635.402(a) and section 2635.502(a) of title 5, Code of Federal Regulations, related to current or former employment, affiliations, clients, or investments, from working on particular matters involving specific parties that affect the interests of such member; and

(III) address how the covered eligible candidate will address his or her own conflicts of interest during a Presidential term if the covered eligible candidate becomes the President-elect;

(iii) a Code of Ethical Conduct, which each member of the transition team will sign and be subject to, that reflects the content of the ethics plan under this paragraph and at a minimum requires transition team members to—

(I) seek authorization from transition team leaders or their designees before seeking, on behalf of the transition, access to any nonpublic information;

(II) keep confidential any nonpublic information provided in the course of the duties of the member
with the transition and exclusively use such information for the purposes of the transition; and

(III) not use any nonpublic information provided in the course of transition duties, in any manner, for personal or private gain for the member or any other party at any time during or after the transition; and

(iv) a description of how the transition team will enforce the Code of Ethical Conduct, including the names of the members of the transition team responsible for enforcement, oversight, and compliance.

(C) PUBLICLY AVAILABLE.—The transition team shall make the ethics plan described in this paragraph publicly available on the internet website of the General Services Administration the earlier of—

(i) the day on which the memorandum of understanding is completed; or

(ii) October 1.

* * * * * * *