

Statement on Signing the Dayton Aviation Heritage Preservation Act of 1992

October 16, 1992

I am signing into law H.R. 2321, the "Dayton Aviation Heritage Preservation Act of 1992," which establishes the Dayton Aviation National Historic Park in Ohio as an addition to the National Park System. The park will preserve certain historic sites in the Dayton, Ohio, area that are associated with the Wright brothers and the early development of aviation. The Act will recognize the national significance of these sites and the achievements of the Wright brothers, two of our most distinguished Americans.

The Act also establishes the Dayton Aviation Heritage Commission to assist Federal, State, and local authorities in preserving and managing historic resources related to aviation in the Dayton area. The commission is composed of 13 members, most of whom are appointed by the Secretary of the Interior from recommendations of various State and local officials. The majority of members are effectively selected by various nonfederal officials and thus are not

appointed in conformity with the Appointments Clause of the Constitution, Article II, section 2, clause 2. Therefore, I sign this bill on the understanding that the commission will serve only in an advisory capacity and will not exercise Government power.

It should also be noted that the FY 1993 Interior Appropriations Act (Public Law 102-381) reduces the funds available for National Park Service management by approximately \$42 million from my budget request. I question the wisdom of establishing new units of the National Park System that fail to meet the criteria established by the National Park Service when the Congress is not providing the existing system with adequate funding.

GEORGE BUSH

The White House,
October 16, 1992.

Note: H.R. 2321, approved October 16, was assigned Public Law No. 102-419.

White House Fact Sheet: Consumer Choice in Auto Insurance

October 16, 1992

President Bush announced a proposal today that would allow consumers to save 20 to 30 percent on their auto insurance premiums, for a potential nationwide savings of \$20 to \$30 billion annually. These savings would be achieved by giving consumers the opportunity to waive their right to sue for pain and suffering damages (thereby also insulating themselves against lawsuits for such damages) and to elect insurance coverage payable by their own insurer regardless of fault.

The Problem

The current auto insurance system is a source of consumer outrage. Insurance premiums, now more than \$1,000 per car in

many areas, grew at almost 3 times the rate of inflation in the 1980's, forcing many lower income Americans to drive uninsured.

A root cause for escalating rates is the pain and suffering component of tort awards. Nationwide, coverage for pain and suffering awards constitute 15 percent of insurance costs, while litigation costs (which are driven largely by the prospect of pain and suffering awards) account for another 10 percent.

There are other wasteful costs as well under the current system, such as incentives to inflate medical costs. In particular, a recent study by the Insurance Research Council showed that people involved in

auto accidents obtain more expensive medical treatment if they file a claim against the other driver than if they collect from their own insurer, regardless of fault.

If there were fewer lawsuits for pain and suffering, overall auto insurance rates could drop sharply. Under current law, however, consumers cannot purchase auto insurance that omits coverage for pain and suffering.

The Solution

The President stated that on the first day of the next session of Congress, he will submit legislation proposing a Federal statute to permit purchasers of automobile insurance to opt out of pain and suffering claims.

Under the President's proposal:

- Consumers would be allowed to waive their right to sue for noneconomic (i.e., pain and suffering) damages. In return, they would be insulated from noneconomic damage claims by other motorists.
- Those electing to waive the right to sue for noneconomic damages would purchase personal insurance protection coverage, under which they would collect economic damages without regard to fault from their own insurer instead of suing other motorists. This would largely eliminate litigation costs and avoid the lengthy payment delays (usually 18 months or more) that are common under the current system.

- Those motorists not waiving this right would retain their coverage under the tort liability system. They would purchase coverage from their own insurer to cover all damages (for both economic and noneconomic losses) negligently caused by drivers who elect the personal insurance protection plan.
- All motorists would retain the right to sue for pain and suffering caused by intoxicated or criminally negligent drivers.
- All motorists would also be able to sue for all economic damages based on fault in excess of their own insurance coverage.

The Benefits of the President's Proposal

Although the proposal would benefit all motorists, the greatest cost benefits would go to consumers in high-premium areas, and especially to poor inner-city residents, many of whom now drive illegally without insurance. This proposal presents a sharp contrast to the nonmarket approaches preferred by the Democrats, such as mandatory rollbacks, surcharges on insurers, and rigid rate regulation, which try to force businesses to engage in losing ventures. This proposal also reinforces the President's call for legal reform and makes clear that consumer empowerment and choice is the key to better insurance.

Statement on Signing the Community Environmental Response Facilitation Act

October 19, 1992

I am signing into law H.R. 4016, the "Community Environmental Response Facilitation Act," which requires Federal agencies that intend to terminate operations on real property to identify those portions of the property that are not contaminated by hazardous waste or petroleum products.

The Act would, among other things, require agencies to obtain the concurrence of the appropriate State official in order to complete identification of certain prop-

erty as uncontaminated. If this requirement were understood to allow the State official to prevent a Federal agency from disposing of property, then the Act would, in effect, be granting Federal Executive power to a person who has not been appointed in conformity with the Appointments Clause of the Constitution, Article II, section 2, clause 2.

In order to avoid this constitutional diffi-