

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

S. 210—A bill to amend the Organic Act of Guam, the Revised Organic Act of the Virgin Islands, and the Compact of Free Association Act, and for other purposes

Summary: S. 210 would make several changes to existing laws governing the relationship between the United States and the insular areas, which include Guam, the Virgin Islands, the Republic of the Marshall Islands, and others. In addition, the bill would establish the Commission on the Economic Future of the Virgin Islands and the Commission on the Economic Future of American Samoa to recommend policies and programs to assist the Virgin Islands and American Samoa in developing secure and self-sustaining economies.

Subject to appropriation of the necessary funds, CBO estimates that implementing S. 210 would cost the federal government about \$6 million over the 1997–2002 period. In addition, the Joint Committee on Taxation (JCT) estimates that this bill would decrease federal revenues by about \$14 million over the 2003–2007 period. Enacting this legislation also could affect direct spending by reducing the amount of offsetting receipts from the sale of federal property. Hence, pay-as-you-go procedures would apply to the bill. CBO estimates, however, that any potential loss of such receipts would not be significant.

S. 210 contains no private-sector or intergovernmental mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA) and would impose no costs on state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of S. 210 is shown in the following table. Assuming appropriation of the amounts specified in the bill for the costs of the proposed commissions and amounts estimated for other costs, CBO estimates that implementing S. 210 would cost about \$6 million over the 1997–2002 period.

	By fiscal years, in millions of dollars					
	1997	1998	1999	2000	2001	2002
SPENDING SUBJECT TO APPROPRIATION						
Estimated authorization level	1	2	2	1	1	(1)
Estimated outlays	(1)	2	2	1	1	(1)

¹ Less than \$500,000.

The costs of this legislation fall within budget function 800 (general government).

Basis of estimate

Spending subject to appropriation

S. 210 would extend the Department of Agriculture's (USDA's) authority to continue shipping excess food commodities to the Marshall Islands through fiscal year 2001. According to the department, \$581,000 was appropriated in fiscal year 1997 for the program. Of that amount, about \$525,000 is for food commodities and about \$55,000 is for administrative expenses. In addition, the bill would require that the amount of commodities provided to the Marshall Islands reflect changes in its population that have occurred since the enactment of the Compact of Free Association in fiscal year 1986. The amount provided to the program has varied since it began in fiscal year 1987. According to USDA, the program received about \$1.6 million in 1987. Between 1988 and 1992, the program received, on average, about \$465,000 a year. Since fiscal year 1993, \$581,000 has been appropriated each year for the program. S. 210 only specifies a base year from which to calculate changes in the islands' population but not a base level of funding. The estimate adjusts the level of funding received in fiscal year 1988—\$501,000—for changes in the price level and for changes in the population since

fiscal year 1986. (CBO estimates that the population will have increased by about 60 percent between fiscal years 1986 and 1998.) Under these assumptions, extending the program would cost about \$5 million over the 1998–2001 period.

The bill also would establish the Commission on the Economic Future of the Virgin Islands and the Commission on the Economic Future of American Samoa to recommend policies and programs to assist the Virgin Islands and American Samoa in developing secure and self-sustaining economies. Both commissions would have six members, and the bill would require that each commission file its report by June 30, 1999. The bill would authorize an average of \$300,000 a year for fiscal years 1997 through 1999 for the costs of each commission. Assuming the bill would not be enacted until later this year, CBO estimates that outlays for the two commissions would total about \$1.2 million over fiscal years 1998 and 1999.

S. 210 also would require, subject to availability of appropriated funds, that the Department of the Interior (DOI) take a census of Micronesia within five years of the decennial census of the United States population. A census of Micronesia would thus be required by fiscal year 2005. The bill would limit expenditures on the census to no more than \$300,000. In addition, the bill would repeal a requirement that the Administration report annually to the Congress on the impact of the Compact of Free Association on the territories and the state of Hawaii. According to DOI, it has prepared three such reports since 1986. CBO estimates that savings from repealing this requirement would not be significant.

Direct spending and receipts

By granting the government of Guam the right of first refusal on any federal property declared excess on Guam, S. 210 could reduce the amount of offsetting receipts from the sale of surplus federal property. However, according to the General Services Administration (GSA) and DOI, a sale of federal property has never occurred on Guam. Also, the bill would require Guam to pay fair market value for any property transferred for private use. Therefore, CBO estimates that the provision would have no significant impact on federal receipts. In most or all cases, CBO expects the federal government would transfer the property anyway to the government of Guam under one of its public purpose programs.

Under current law, the Virgin Islands is required to secure its bonds with a priority first lien claim on specified revenue streams, rather than being permitted to secure multiple bond issues on a parity basis with a common pool of revenues. JCT estimates that if the priority lien requirement is repealed, the Virgin Islands would issue more tax-exempt bonds beginning in fiscal year 2003 than under current law. (Fiscal year 2003 is the earliest that the Virgin Islands can refund outstanding revenue bonds issued on a priority basis.) The increase in tax-exempt bonds, which would lower federal revenues, would occur because the Virgin Islands could secure a greater volume of bonds with the same amount of revenues if a parity approach were permitted. JCT estimates that repealing the priority lien requirement for revenue bonds would decrease federal revenues by \$14 million over the 2003–2007 period.

If the Virgin Islands were also to receive the authority under separate legislation to refund the outstanding revenue bonds prior to their redemption date in fiscal year 2003, JCT estimates that this provision would decrease revenues by an additional \$21 million over the 1998–2002 period and by an additional \$2 million over the 2003–2007 period.

These estimates assume that the Virgin Islands would refund the priority bonds in fiscal year 1998 and thus increase the volume of outstanding tax-exempt bonds. Thus, if S. 210 were enacted after the enactment of separate legislation authorizing the additional advance refunding by the Virgin Islands, JCT estimates that federal receipts would decrease by about \$21 million over the 1998–2002 period and by about \$37 million over the 1998–2007 period.

Pay-as-you-go considerations: Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1998. While H.R. 210 could affect direct spending in fiscal year 1998 by reducing the amount of offsetting receipts from the sale of federal property, CBO estimates that any such effect would not be significant.

Estimated impact on State, local, and tribal governments: S. 210 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Some of the amendments included in this bill would benefit the affected governments—territories and freely associated states of the United States. Generally, the impact of these changes would be small. For example, the bill would give the government of Guam greater access to excess federal property. It would also give the government of the Virgin Islands additional options for issuing bonds and short-term notes.

Estimated impact on the private sector: This bill would impose no new private-sector mandates as defined in UMRA.

Estimate prepared by: Federal Costs: John R. Righter; Impact on State, Local, and Tribal Governments: Marjorie Miller.

Estimate approved by: Robert A. Sunshine, Deputy Assistant Director for Budget Analysis. •

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST— S. 419

Mr. LOTT. Mr. President, I ask unanimous consent that the Labor Committee now be discharged from further consideration of S. 419, a bill to prevent birth defects by developing and implementing new prevention and surveillance strategies and the Senate now proceed to its immediate consideration under the following limitation: One substitute amendment in order to be offered by Senator BOND, no other amendments be in order to the bill, and there be 30 minutes equally divided for debate with Senator BOND in control of 15 minutes, and the ranking member in control of 15 minutes, and further, following the disposition of the amendment, and the expiration or yielding back of time, the bill be read a third

time and the Senate proceed to a vote on passage of the bill as amended with no intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. DASCHLE. Reserving the right to object, Mr. President, I am a cosponsor of that particular legislation and I appreciate having the chance to debate it on the Senate floor. I think there is probably broad bipartisan support for it. But I have indicated to the majority leader on a number of occasions now our strong desire to delay the consideration of any other legislation until we have the opportunity to consider again the disaster bill.

There are people out there that have birth defects. There are people out there that do not have homes. There are people out there that do not have their farms, their businesses. There are people out there that do not have the opportunity to conduct their lives in a normal way that are waiting day by day for us to respond in a meaningful way to their circumstances.

People in 35 States now have been affected by the disastrous circumstances that are addressed in this piece of legislation. We ought not do anything until we have had the opportunity once more to consider that legislation. So on behalf of the Democratic caucus, Mr. President, I object to the unanimous-consent request.

The PRESIDING OFFICER. Objection is heard. The unanimous consent request of the majority leader is not agreed to.

Mr. LOTT. I regret that the Democrats will not allow the Senate to consider this bipartisan legislation. I know there are a number of Democrats that are cosponsors of it. I presume we are going to find a way to consider this. This legislation would establish a national birth defects prevention research system. I point out that our bill is cosponsored not only by the Democratic leader, but Senator DORGAN, Senator HOLLINGS, Senator CAROL MOSELEY-BRAUN, just to name a few, and a number of Senators on this side of the aisle.

As I know the cosponsors are aware, an estimated 150,000 infants are born each year with serious birth defects, resulting in 1 out of every 5 infant deaths. The bill is designed to establish regional birth defects research programs, establishes the Centers for Disease Control as the coordinating agency for birth defects surveillance and prevention, and authorizes grants to public and nonprofit organizations to develop new public awareness to reduce the incidence of birth defects.

With regard to the supplemental bill, I presume that we are going to continue to work to try to find a resolution to this problem. I think I have proven over the past year that I always believe you can find a way to work through disagreements. Quite often here in the Senate, when we seem to be in an immovable position, when everyone is intractable, Senator DASCHLE

and I have found if we go to the Senators that say, "No deal ever," and ask them, "OK, what's the solution?" I think quite often they say, "Well, we can do it this way or that way."

What I have suggested to Senator DASCHLE and to the White House and to the House of Representatives and to the leadership in the Senate, including the chairman of the Appropriations Committee, is we can work together and see if we can come up with language that we can agree on with regard to this very important issue and with regard to preventing a Government shutdown at the end of the fiscal year and find a way to move the bill with some of the other language that is in there. Some of it may have to be removed; some of it may be compromised.

But, you know, compromise is not something where you work it out with yourself, on one side of the aisle or one side of the Capital. Now we have to work among ourselves, Republicans and Democrats, House and Senate and the administration. It involves engagement.

And I have asked several times along the last couple weeks, including last Friday and again yesterday, and including direct conversations with the President—"You know, can't we find a way to come up with some language that you can live with and that we can live with and move this issue beyond us and go on to other issues?"

I want to note also for one and all that this bill was originally requested to be \$4.1 billion. It is now at least \$8.6 billion. And it is not just funds for disasters around the country, it is also funds for the Department of Defense and a lot of other programs that were not originally requested.

I will just give you some idea what we are talking about. I hope I have the list here. It does include things like—and these are all good and fine programs, I guess—but \$33 million I think it is for the Botanical Gardens, not exactly emergency disaster funding; \$23 million for a parking garage in Cleveland, OH. I do not have the list here with me, but there is a long list of things that have been added along the way.

Barnacles have been picked up on this ship. So one of the things I have suggested is, while we continue to work to try to resolve the amount and the language—in fact yesterday I was asked by one of the administration officials—I do not want to put words in their mouth—"What is this objection that Attorney General Reno has to some money in the bill?" I said to this person, "Are you talking about the \$2 million for a law enforcement commission?" Would the President want to start talking about vetoing a bill because of \$2 million for a law enforcement commission? I do not think so, but I would like to hear what their argument is against it.

One of the things I have suggested, with all honesty, and I did it back be-

fore the Memorial Day recess, rather than trying to negotiate this thing down or to solve all the language right now, we should go ahead and do a smaller bill that will provide the real emergency disaster and the urgent salary for DOD. That will still leave a lot of money and a lot of language that we will continue to work on.

I guess what I am saying here is that I would like to get this worked out. I would like for us to move on to the reconciliation bill. I would like for us to move on to appropriations bills. I had hoped we could do two or three appropriations bills before the Fourth of July recess, and I still hope we can put them in there tomorrow. I would like for us to take up some of the nominations that are pending. I would like for us to take up adoption legislation, legislation that passed the House with 465 votes, to make it easier to have adoptions in America. I did not bring it up last week because I found that we have a number of Senators on both sides of the aisle that have been working on that and have some good ideas, including Senator ROCKEFELLER, Senator DEWINE, Senator CRAIG, and Senator CHAFEE. They are working on it, and I think we may have a compromise adoption bill we could call up later on this week.

All I am saying here is let us go on and do some of these bills that we should be able to do in a relatively short period of time, including the birth defects research program, while we continue to see if we can work things out. I am ready. I am ready. Help me. I think we can find a way to get this thing done.

But it does not work this way. It does not work that the President says, "Send me down a full plate of money, \$8.6 billion—and, by the way, we do not want any of your language on it." I have gone back and I have looked at supplementals over the years, and there has hardly ever been a supplemental that did not have all kinds of extraneous language, all kinds of add-ons. If necessary, as the afternoon progresses, I will read the list. Many of the supplementals that went to President Reagan, President Carter, and President Bush had not one or two little pieces of language, lots of pieces. I will give you some idea of how on every supplemental, I believe without many exceptions, the Congress has expressed its will. We have input. We deserve some consideration. These are not insignificant issues.

I am not convinced, for instance, on census, that at some point, once we fully understand how the sampling might work, that we would not want to do that. I think I have real legitimate questions that I do not know the answers to yet. Rather than let the administration start on down the trail, and we will do this by sampling, I want to know for sure how that is going to be better than enumeration. I want to know who is going to do it, and how it will be done. I do not know the answers.

All I am saying is, take a time out on this issue, on census, until we have more time to work on it, and then we can resolve it this fall or even next year, but we should not get locked in now before we have had a chance to really look into it.

So, I yield to my colleague, Senator DASCHLE, and ask my colleague to answer this question: If the Senate cannot consider this bill today, would he be in a position, if we cannot do it today, to grant consent for the Senate's consideration during Wednesday's session of the birth defects research program bill?

Mr. DASCHLE. Mr. President, reserving the right to object, let me take the opportunity to respond to a number of points raised by the distinguished majority leader.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. DASCHLE. The majority leader says that all disaster bills, all supplemental bills have had extraneous legislation. I suppose that is probably true. But I have also gone back and looked at all these disaster bills and extraneous legislation added to supplemental bills, and there is one difference between all of those in the past and this one: All of those in the past have the agreement of the President; all of those in the past have been negotiated with the White House.

So, of course, you had supplemental legislation. Of course, you had extraneous legislation. But each and every time when that happened, the White House said, "Send it down. I will sign it." In this case, the President has said, "Look, these issues are so controversial and so far reaching and so problematic that I cannot agree." And the difference between this experience and all the others is the majority said, "We will do it anyway."

Now, I give great credit to the Senator from Minnesota, the junior Senator from Minnesota, who sent all of us a letter in the last couple of days. The Senator from Minnesota had a very practical, pragmatic way with which to address this problem. What he suggested is that we simply take those controversial pieces out, have a good debate, have a discussion, see if we can find a compromise. Let's do it. Let's agree right now without any filibusters, without any delay. We can commit to a time certain for legislation dealing with census, for legislation dealing with a continuing resolution, for anything else that may be extraneous and onerous to the White House. We can agree to that.

Now, I have suggested that to some of my Republican colleagues and the answer I get is, "Well, the President is going to veto those bills if they go in their current form and we don't want that." So, in a sense, what they are saying is, we will hold hostage our troops in Bosnia, all of the people detrimentally affected by the natural disasters, and every single other item in this legislation because we want our way. That is what we are being told.

Mr. President, there is no way to compromise with something like that.

Now, like the majority leader, I have tried to find ways, and I give him credit for trying to come up with innovative ways with which to address this problem, but I must say we are in a set of circumstances for which there can be no compromise when it comes to holding hostage victims of natural disasters, holding hostage people serving their country in Bosnia.

We cannot allow that to happen. So, let's take the suggestion made in good faith by the Senator from Minnesota. Let's take those pieces out, let's have a good debate on them, and maybe, in the process, we can find a compromise.

But until that happens, Mr. President, as I said a minute ago, we are going to object to any other piece of legislation coming to the floor. And I object.

THE SUPPLEMENTAL APPROPRIATIONS BILL

Mr. LOTT. Mr. President, I ask unanimous consent to have printed in the RECORD at this point the list of some of the extraneous items that have been added to this bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[In millions of dollars]

Highway trust fund	\$694
Title 1 grants (poor and disadvantaged schools)	101
VA compensation (mandatory)	932
WIC	58
Botanical Gardens	33
Law Enforcement Commission	2
Breast cancer research	15
Retired Coast Guard pay	9
Olympics counterterrorism fund	3
Indian health	3
California vineyards	9
Customs Service expenses	16
VA parking garage, Cleveland, OH	12

Mr. LOTT. I note the figure I used on the parking garage in Cleveland, OH, was not the accurate number. It is actually \$12 million. It also has other interesting things in here, including \$3 million for the Olympics counterterrorism fund, \$3 million for Indian health care, \$9 million for California vineyards.

These may all be good programs and all deserving, but I wonder how they found their way into this supplemental appropriations bill.

Also, I was here during the 1980's and early 1990's. I remember how supplementals worked. Unfortunately, I used to plead with President Reagan not to send supplemental requests up here because I knew it would become a freight train pulling all kinds of things through. I remember Presidents of both parties objecting to things that Congress added to the supplemental appropriations bills. The one we had June 30, 1989, I see one, two, three, four, five, six, seven, eight, nine add-ons. Some are not exactly insignificant, either, like East European refugee assistance, foreign aid to Haiti, funds for the

Washington Convention Center. The supplemental appropriations also had about nine add-ons, including renewing section 8 housing contracts.

Remember, supplementals are always alleged to be—while they may not all be natural disasters—they are always alleged to be somewhat emergency, or otherwise they would not be coming to the floor of the Congress saying, "Give us some more money." Most administrations and Congress always underfund food stamp programs, knowing full well we will come back next year and add more money to it.

Again, some of this is pretty significant legislation and pretty costly, also.

The same thing again in 1991 and 1994. There is always language that is added. There is always funding that is added to these bills beyond what was originally requested. So, to infer that this is really something new or different is not the case.

Now, what I maintain is different here, if I could make this point.

Mr. DORGAN. Will the Senator yield?

Mr. LOTT. I will be glad to respond if I could make this point.

When I have suggested, and others have suggested, let's work together to work this out, I give credit to the Democratic leader. He has always been willing to listen, and I think that some of the things we have suggested he has been willing to think about and discuss with his colleagues. And he, like I, we cannot always say it will be this way or that way. We have a conference we deal with and you have an administration that you have to deal with. I have asked the President and his chief of staff, "Please respond. Come back. Let's see if we cannot work this out." Basically, what they are saying is, "Give us the money and no language. We want it our way and no other way." It does not work that way.

However, in the realization and in recognition of the need for some of this to be done, I am advocating while we continue to work on that, that we do a smaller bill that would address some of the concerns that the Senator from South Dakota has.

I yield to the Senator from North Dakota, if I could.

Mr. DORGAN. I very much appreciate that.

Mr. LOTT. Only for a question.

The PRESIDING OFFICER. The majority leader yields for a question.

Mr. DORGAN. I appreciate the Senator from Mississippi yielding for a question.

I ask the Senator if it is not unusual when very controversial amendments are added to disaster bills. I have been around here for some while, as well, and it is clear there have been on the other side of the aisle disaster bills, but not in my memory have very controversial measures been added to disaster bills that attract a Presidential veto and thereby delay or derail the bill.

It seems there are two ways out of this. I ask the Senator from Mississippi