

1 MARKUP SESSION - FISCAL YEAR 1983 FINANCE COMMITTEE REPORT
2 TO THE SENATE BUDGET COMMITTEE

3 TUESDAY, MARCH 2, 1982

4 U.S. Senate

5 Senate Finance Committee

6 Washington, D.C.

7 The committee met, pursuant to notice, at 10:36 a.m.
8 in room 2221, Dirksen Senate Office Building, Hon.
9 Robert Dole (chairman) presiding.

10 Present: Senators Dole, Packwood, Roth, Danforth,
11 Chafee, Durenberger, Grassley, Long, Byrd, Bentsen,
12 Moynihan, Baucus, Boren and Bradley.

13 Also present: Hon. John E. Chapoton, Assistant
14 Secretary for Tax Policy; Mr. Robert E. Lighthizer, Chief
15 Counsel; Mr. Roderick DeArment, Deputy Chief Counsel;
16 Mr. J. Michael Stern, Minority Staff Director; Ms. Sydney
17 Olson, Professional Staff Member; Ms. Carolyn Weaver,
18 Professional Staff Member; Mr. Joseph R. Humphreys,
19 Professional Staff Member.

20 (The press release announcing the session; background
21 material relating to the Committee Report to the Budget
22 Committee; and the Fiscal Year 1983 Finance Committee Report
23 follow:)

24

25

1 The Chairman. This is a markup to consider the
2 Finance Committee's recommendations to the Fiscal 1983
3 Budget. I guess the blue books have been distributed.

4 Mr. Lighthizer, will you please proceed?

5 Mr. Lighthizer. Mr. Chairman, may I suggest that the
6 committee take the packet of charts -- this is the way we
7 have done it in the past -- and run through the charts,
8 which will give you some idea of what the President is
9 recommending that the Finance Committee do, affecting the
10 FY 1983 Budget. These are the same charts you have in the
11 blue book, but they are just put together in one packet so
12 they are a little easier to handle.

13 The purpose of this markup is to draw up a Finance
14 Committee Report to the Budget Committee, which is due on
15 the 8th of March. The purpose of the report is to give the
16 views and estimates of the Finance Committee on expenditures,
17 revenues, tax expenditures and the public debt. And then
18 the Budget Committee uses this material to draw the first
19 budget resolution.

20 Chart Number One just gives what we are supposed to
21 provide in our letter. Chart Number Two gives the economic
22 assumptions that are contained in the President's report.

23 Senator Danforth. Mr. Chairman, could I ask what we
24 are looking at? Is this called "Report to Budget
25 Committee"?

1 Mr. Lighthizer. Yes, sir. And those are the same
2 charts as occur in the blue book, Senator.

3 senator Dantorth. Right.

4 Mr. Lighthizer. Chart Number Two gives the economic
5 assumptions that the President contained in his budget
6 through 1986. I should say that the copy of last year's
7 letter, and indeed the same form that we followed I guess
8 in every year since 1976 when we first did this, is in the
9 back of the blue book also. That is significant, because
10 the first paragraph says, while the committee adopts the
11 President's economic assumptions, it cautions the Budget
12 Committee that it may want to use other economic
13 assumptions, in which case all of its estimates will have
14 to be changed to reflect new economic assumptions.

15 Chart Number Three is a list of the major spending
16 programs in the Finance Committee's jurisdiction, and it
17 serves really as a table of contents. It cites all the
18 other charts.

19 Chart Number Four, Mr. Chairman, is a chart which gives
20 the President's estimates of the Social Security Cash
21 Benefit trust funds, and it gives the income and outgo of
22 the trust funds over the years using the President's
23 economic assumptions.

24 The Chairman. There are no suggested changes in that
25 area?

1 Mr. Lighthizer. No, sir. This is just the status of
2 the trust funds, provided by the actuaries.

3 The Chairman. Right.

4 Mr. Lighthizer. Chart Number Five identifies the
5 Social Security Cash Benefit Program proposed legislation.

6 Carolyn, do you want to run briefly through the
7 proposed changes in Social Security Cash Benefit Programs?

8 Ms. Weaver. Referring to Chart Five, the Administration
9 has made five proposals that would affect Social Security,
10 one involving the coverage of railroad retirement workers
11 under Social Security, and then four changes in the
12 administration of the disability insurance program.

13 Under covering railroad workers, what the
14 Administration proposes is to defederalize the railroad
15 retirement system. The Social Security-related segment of
16 railroad retirement benefits would then be directly paid by
17 the Social Security Administration rather than by the
18 Railroad Retirement Board, which would be eliminated as a
19 Federal agency beginning in September 1982.

20 The deficit effect is shown in Chart Five as a
21 reduction in the Federal deficit of \$300 million in FY 1983.

22 As far as the Social Security trust funds are
23 concerned, the proposal would increase Social Security
24 revenues from the railroad workers, increase direct benefit
25 payments to railroad workers, and speed up the financial

1 interchange from Social Security to the Railroad Retirement
2 Board in an amount of \$2.1 billion in 1982.

3 The net trust fund effect would be a \$1.7 billion cost
4 to the Social Security trust funds in 1982 and no effect in
5 1983.

6 As far as the four disability proposals go, they total
7 \$59 million of outlay reductions in FY 83.

8 Senator Long. Mr. Chairman, might I ask a question at
9 this point?

10 The Chairman. Sure.

11 Senator Long. Does the Chair assume that we are going
12 to have a reconciliation bill this year, or do these changes
13 that are being suggested have to be achieved in the ordinary
14 legislative process?

15 The Chairman. Well, I assume there will be no
16 reconciliation bill this year. I don't want to upset the
17 Budget Committee, but they've got problems. We all have,
18 but they have them first.

19 Senator Long. Because the thought that occurs to me is
20 that some of these changes would be a lot easier to do if
21 we had a reconciliation bill than if we had to carry the
22 burden of passing it in ordinary legislative process. In
23 other words, I am just thinking in terms of reality as to
24 how you do these things. It is easier to make some major
25 changes on a reconciliation bill than it is to carry it

1 through both houses.

2 The Chairman. We have at least one member on our side
3 of the Budget Committee. I don't want to speak for the
4 Budget Committee, but do you predict you will have a
5 reconciliation this year, Senator Grassley?

6 Senator Grassley. My prediction is we would not have
7 that.

8 Senator Long. Well, that helps with my thinking,
9 because it would be more difficult to do some of these
10 things if you are going to have to do it in the ordinary
11 legislative process.

12 Senator Grassley. On the other hand, I think we ought
13 to make clear that that hasn't precluded the opportunities
14 of other routes to take. By other routes, I mean putting
15 together packages and adding them on on the floor or
16 someplace along the line. It might have the same end
17 result of a reconciliation.

18 The Chairman. Right. It would be somewhat more
19 difficult. We wouldn't have the reconciliation mandate of
20 what we do. As I recall last year we had very little
21 difficulty anywhere. This year, of course, it would be
22 different. But there are efforts being made, I assume, now
23 to come up with some compromise. I can't speak for the
24 White House.

25 Ms. Weaver. The Administration also proposes four

1 legislative changes in the administration of the disability
2 insurance program. These would, first of all, repeal the
3 provisions of the 1980 amendments which authorizes the
4 Secretary to reimburse physicians and other sources for
5 furnishing existing medical evidence related to the
6 condition of DI claimants. This provision was added to the
7 1980 amendments to improve the information and speed up the
8 provision of information on request to SSA. According to
9 the Administration now, this provision has not proved cost
10 effective, and they request that no further funds be
11 appropriated for it. FY 83 savings would be \$11.4 million.

12 Secondly, they recommend repealing the provision of
13 the 1980 amendments requiring Federal review of 65 percent
14 of state disability allowances and continuances and maintain
15 the rate at 35 percent as currently done in Fiscal Year 82.
16 The 1980 amendments had authorized or had set minimum
17 requirements on the rate at which the Federal Government
18 was to review state disability allowances to obtain more
19 accuracy and/or more uniformity in state disability
20 allowances. The review was to step up from 15 percent in
21 Fiscal Year 81 to 35 percent in Fiscal 82 to 65 percent in
22 1983. By maintaining that rate of review at 35 percent
23 rather than stepping up, the Administration expects to
24 reduce outlays by \$9.5 million.

25 Thirdly, the Administration proposes repealing the

1 provision of the 1980 amendments, disability amendments,
2 requiring persons denied disability benefits to be given
3 personalized denial notices. Current law from the 1980
4 amendments requires that denial notices be expressed in
5 understandable language and explain the reasons and the
6 evidence for denying disability benefits. According to the
7 Administration, this has proved extremely costly,
8 administratively, because of the huge volume of initial
9 disability claims, something on the order of 1 or 1.2
10 million applicants a year. With the high rate of denials,
11 which is somewhere around 700,000 a year, the personalized
12 denial notices is very expensive. Savings would be
13 \$31 million.

14 Senator Chafee. Let me ask a question on that, if I
15 might, Mr. Chairman. Is this something we enacted last
16 year? 1980?

17 Ms. Weaver. Yes. The 1980 Disability Amendment.

18 Senator Chafee. And now we are amending it again?

19 Ms. Weaver. That's what the Administration --

20 Senator Chafee. Oh, that's the proposal?

21 Ms. Weaver. Yes.

22 Senator Chafee. And the prior language was we had to
23 explain it to them in clear language. And now we are going
24 to revert to explaining it to them in unclear language?
25 Or not explain it to them?

1 Ms. Weaver. No; not giving every individual a
2 personalized denial notice. Reverting to prior law would
3 send out one of ten or twelve different basic letters, but
4 not an individual one.

5 Senator Chafee. I must say, Mr. Chairman, it kind of
6 shatters one's confidence in an organization, when they come
7 up with a proposal that is going to make things simpler and
8 clearer and we pass it, dutifully, and then a year later or
9 two years later they are back here asking us to change it
10 again.

11 On its face, I think, giving someone a denial notice
12 in clear English seems somewhat laudatory. But, you know,
13 we went through these hearings; I can remember. And
14 everybody said -- we had people testify, and what's gone
15 wrong? Why have they changed their minds? Or maybe you
16 don't want to go into the details.

17 The Chairman. I would rather not. We are just trying
18 to get something off to the Budget Committee. I think there
19 are probably several hundred here, if we want to start
20 extensive discussions. But I think these are Administration
21 proposals. Some will be adopted, some will not, and some
22 will never be heard from again. This may be one of those;
23 I don't know.

24 (Laughter)

25 The Chairman. But we'll put it in fair language.

1 (Laughter)

2 Senator Danforth. Mr. Chairman, yesterday we were told
3 by the chairman of R.J. Reynolds Tobacco Company that his
4 company was able to advertise cigarettes in Japan providing
5 that the language in each of the ads that appeared in Japan
6 was English. And perhaps we could resolve this by
7 providing for denial letters to be sent to everybody, but in
8 the language of Japanese. I'm just throwing out that idea
9 to save a little.

10 (Laughter)

11 The Chairman. We'll have a staff study done on that
12 immediately.

13 (Laughter)

14 The Chairman. These are all staff. We've got enough
15 to do it, I'm certain.

16 Ms. Weaver. The final Administration proposal for
17 DI is to alter practices relating to the fixing and
18 certifying for payment of attorney fees. Under current
19 law, attorneys may be compensated out of past-due disability
20 benefits, and the secretary engages in setting reasonable
21 fees and certifying for payment out of those disability
22 benefits. The Administration proposes to continue setting
23 maximum limits on those fees but no longer to review and
24 certify for payment of those fees. The savings associated
25 with that the Administration estimates at \$7 million.

1 Mr. Lighthizer. Mr. Chairman, Chart Number Six gives
2 the Unemployment Compensation spending under present law and
3 proposed legislation, which Rod can run through.

4 The Chairman. Let's only touch on the proposed
5 legislation.

6 Mr. DeArment. Yes. There are three items of proposed
7 legislation: One is to cut back further the UC-X Program,
8 which is the Unemployment Compensation Program for
9 ex-servicemen. It would limit the benefits under this
10 program to only those who have been involuntarily discharged
11 under honorable conditions because of demobilization,
12 reduction in force, and disability while in the service.

13 The second proposal would be to require the states to
14 round Unemployment Compensation benefits to the lower
15 dollar beginning on July 1st, 1983.

16 The final proposal is to eliminate Trade Adjustment
17 Allowances after July 1, 1982, except for recipients who are
18 entitled in approved training.

19 The Chairman. Next?

20 Senator Bradley. Mr. Chairman, we are just hearing the
21 explanations now; we are not going to discuss it. Is that
22 the idea? It's fine with me; I just wanted to know the
23 procedure.

24 The Chairman. Right. We are hearing the explanations
25 now. What we are trying to do is send the Budget Committee

1 a letter, as we have done in the past, indicating that we,
2 hopefully -- that would depend on the votes -- adopt the
3 spending and revenue increased numbers in the President's
4 budget, with no commitment for adopting any of the
5 suggestions on the revenue side or the spending side, that
6 we may be above it or below it in either case. But we don't
7 intend, at this point, to have an extensive discussion of
8 every provision. If there is some question you would like
9 to ask, this would be a good time to ask it. But we are not
10 going to vote on individual Unemployment Comp matters.

11 Senator Bradley. Well, I am prepared to do anything
12 that you would like to do in the procedure on this.

13 The Chairman. I would like to do it right now if we
14 could, but I do want to run through the numbers. And then,
15 as I understand, there may be questions on the revenue side.
16 I know Mr. Chapoton has another commitment later on, so if
17 we don't move rapidly enough we may want to go to the
18 revenue side and then come back to this. Would that be
19 all right?

20 Mr. Chapoton. Yes, sir.

21 Senator Long. But maybe we could, at this point, just
22 get clear what the Chairman had in mind, because that may
23 help all of us to go at the procedure.

24 Looking at some of these proposed savings that the
25 Administration had, there are some of them, I think, that

1 would be counterproductive. Although I really believe that
2 the objectives that the Administration is recommending in
3 terms of the amount of dollars that we would spend can be
4 met, for example, looking at the welfare area, it is my
5 thought that we would do a lot better in the national
6 interest and in the interest of all concerned to say that,
7 with regard to let's say 85 or 90 percent of the states, we
8 would limit them to a given amount of money and simply close
9 off the open end, and that way you would know how much money
10 you are talking about, and you could limit it to whatever
11 figure you would want to. I would leave the open end open
12 for a few at the bottom of the list who had the greatest
13 difficulty, where they might have a very severe problem;
14 but for those in the average situation, it seems to me we
15 ought to limit them by the amount of money that is
16 available, give them more flexibility to use it the way
17 that they think they can use it the most effectively, and
18 that by doing that we could achieve the same objective the
19 Administration has in terms of dollars but, I think, have a
20 better program with more flexibility, more discretion on
21 the part of those who are supposed to administer it at the
22 state level. And that is completely in keeping with the
23 theory of the Reagan Administration, and it moves toward the
24 New Federalism the President is advocating.

25 Now, if we are simply going to have figures, that

1 leaves open the option that I am suggesting; that we could
2 do it that way rather than doing it the other way.

3 On the other hand, if we are going to go into detail,
4 one by one, on these proposals, there are some of them that
5 would require a lot of discussion and where we wouldn't be
6 able to agree because we would still have a difference of
7 opinion by the time they got through.

8 Do I understand the Chairman is hoping that we can
9 adopt certain maybe overall figures on both receipts and
10 expenditures and advise the Budget Committee that we expect
11 to make substantial changes, depending on the judgment of
12 the committee, within those figures?

13 The Chairman. Right. That's precisely what I propose
14 to do at the appropriate time. I just move we adopt the
15 President's numbers for the purpose of complying with the
16 Budget Act, and sending them the letter. That doesn't mean
17 that we might raise -- we could raise more revenue, we
18 could cut spending less, but at least we would be adopting
19 the President's numbers as we have in the past.

20 We would send a letter in I guess what you would call
21 the usual form of last year's letter, which is in the back
22 of the blue book. There is a sample there.

23 The Finance Committee may believe that it can reduce
24 the fiscal year deficit by at least as much as the
25 president's budget; it may raise more revenue than the

1 present, cut spending less, or may cut spending more and
2 increase revenue less.

3 Senator Long. Mr. Chairman, you are referring to what
4 page?

5 Mr. Lighthizer. That is page 95.

6 The Chairman. Page 95.

7 Senator Long. I'll take a look at that. That might
8 be helpful, if we know where we are headed, to come there or
9 in getting there expeditiously, I would think, because there
10 is nothing that we would do today that would bind this
11 committee in any way.

12 Senator Bradley. So, Mr. Chairman, as I understand it,
13 we would not be approving any specific spending cut; just the
14 combination of revenues and spending -- zero, 100 percent
15 or 50-50 -- would equal the number the President has
16 suggested. Is that correct?

17 The Chairman. That is correct.

18 Senator Bentsen. Do I understand, then, you are
19 talking about one net number to be decided on perhaps today?

20 The Chairman. Well, we sign on the revenue number and
21 the spending reduction number. You have got a net number --
22 what is it? in your first chart there, Bob.

23 Mr. Lighthizer. Well, the net number is, the President
24 on the revenue side would increase taxes by \$12.8 billion,
25 and on the spending side he would cut spending by about

1 \$6.6 billion. So that would be about \$18 and 1/2 billion.

2 I might say, Mr. Chairman, that we have traditionally,
3 although we have had similar situations in the past, broken
4 the recommendations down by functional category, as you can
5 see on page 95, the same as the current Administration
6 proposed, but then put language in it which says essentially
7 that we may want to do it more on the revenue side and not
8 necessarily adhere to every one of these functional totals
9 either. So we have traditionally just taken that budget,
10 put it down in terms of what our allocation is, and then
11 say we may not do it in precisely that form. And you may
12 even want to add something more.

13 Senator Baucus. Mr. Chairman?

14 The Chairman. Senator Baucus.

15 Senator Baucus. Mr. Chairman, frankly I don't like
16 delineating functional categories. I just don't think we
17 should get into that, frankly, because the Budget Committee
18 has too much direct if not indirect authority which I don't
19 think they should have.

20 Second, however, it makes sense -- if the Chairman
21 already has a letter, if we could see the draft of that
22 letter right now it would give us a better idea of what
23 we are driving at.

24 Senator Long. May I just read the paragraph that the
25 Chairman suggests adding to the letter that we had last

1 year? If you look at page 95 in the blue book you will see
2 a copy of the letter the Chairman sent to the Budget
3 Committee last year. He suggests adding these words, and
4 I will read them. This will be an additional paragraph:

5 "The Finance Committee believes that it can reduce the
6 Fiscal Year 1983 deficit by at least as much as the
7 President's budget. It may raise more revenue than the
8 President and cut spending less, or it may cut spending more
9 and increase revenue less. Alternatively, it may both cut
10 more spending than the President's budget and increase
11 revenue more than his budget." That leaves the other
12 alternative. Now, basically, the committee might go left,
13 right, or right up the middle.

14 In this letter we are merely stating that we hope to
15 report legislation that reduces the deficit by at least as
16 much as the President's budget.

17 The Chairman. It's very honorable, what we are doing
18 here.

19 Senator Boren. Mr. Chairman, is that all the letter
20 would say?

21 Senator Long. Well, read the first three paragraphs.

22 The Chairman. We have got a long letter there.

23 Mr. Lighthizer. The proposal, Senator, is that that
24 be a final paragraph, added on to the letter which begins
25 on page 95 of the blue book.

1 Senator Boren. But if we went by that letter, it talks
2 category by category. It says such things as: "The
3 Finance Committee recommends the Congressional Budget for
4 Fiscal Year 1982 assume the net outlays totalling \$2 billion
5 under Health," and so on and so forth. Then it talks about
6 the President's budget assumptions, and all that.

7 I agree we should adopt the President's deficit
8 reduction by at least as much as he has reduced it, and I
9 hope a lot more; but I would certainly like to find some
10 way of sending him a message that we think he ought to
11 start over on his budget. I wouldn't want to vote for a
12 letter that sets out all these categories and assumptions.
13 I would vote for the paragraph.

14 (Laughter)

15 Senator Boren. But I wouldn't vote for the rest of
16 it.

17 Mr. Lighthizer. Senator, we are required by the
18 Budget Act to lay it out by functional category. That is
19 why Senator Dole proposed to do it that way and then add
20 a paragraph which essentially says they may not do it
21 exactly as it is indicated here.

22 (Laughter)

23 Mr. Lighthizer. In this letter, which is on '95 and
24 which is the same one we have used for at least the last
25 five or six years, and I presume every year, there are

1 built into that letter several similar kinds of statements.
2 There is a sentence which says, "The overall total is
3 consistent with that proposed...but the committee
4 anticipates that in many instances it may attempt to achieve
5 that goal in different programs or through proposals that
6 differ from those indicated by the President." That same
7 sort of theme runs through the form letter.

8 Senator Dole's proposal is that we even go a step
9 further and add a paragraph which makes it crystal clear
10 that we may want to do it all on the revenue side or all on
11 the spending side, or some other combination.

12 Senator Bentsen. Mr. Chairman, I think when you adopt
13 the number you adopt the highly significant principle there.
14 So I don't think this is anything really to be pushed aside.
15 You are talking about our taking a hard position and saying
16 we are going to do at least that good or better, but we
17 reserve the options within this particular committee to
18 decide which way we go to accomplish that.

19 The Chairman. That's right. So we may do it in
20 either way: we may do it more on the revenue side or on
21 the spending reduction side. We are not married to any
22 specific numbers.

23 Senator Boren. No. I think what you have done is a
24 highly significant thing, and I am supportive of it.

25 The Chairman. And I would hope that Senator Boren

1 indicates we can do more. I don't know whether we can
2 include in there that the President ought to send up another
3 budget, but if you want to write a separate letter, I would
4 be glad to hand it to Domenici.

5 (Laughter)

6 The Chairman. But I think, very honestly, that we can
7 do it one of two ways: we can go through each specific
8 request the President requests and discuss it at length,
9 which I don't know what it would gain us because we are not
10 making any decisions on those specifics, or we could go
11 through it by category very quickly and adopt the
12 recommendation which will be in the usual form with the
13 exception of this paragraph. It is significant in the sense
14 that it indicates that we are going to do what we can to
15 reduce deficits, and interest rates, hopefully. But I don't
16 want to indicate that it is just an exercise that we are
17 required by law to do.

18 And I would like to dispose of it as quickly as we
19 can, so whatever detail anybody wants -- I don't want to
20 shut anyone off, but I think we all have the figures, and it
21 seems to me that we could move rather rapidly. There may
22 be more questions on the revenue side than on the spending
23 side.

24 Senator Moynihan?

25 Senator Moynihan. Mr. Chairman, as you know, I

1 represent the minority of the Finance Committee on the
2 Budget Committee. And I have to report to you what I do
3 every year, which you know, but nonetheless needs to be
4 reported, that when we send up tables such as Table 1 on
5 page 95, that is taken as a specific legislative
6 recommendation from us by the Budget Committee, and they will
7 see not only the functional category numbers but they will
8 read into those categories the functions -- specific
9 legislative proposals of the President or whomsoever -- and
10 there is no way we can avoid the result that we will be
11 judged to have endorsed.

12 I don't want to make a long period of this, but we do
13 not avoid the judgment by hoping it won't be noticed. It
14 will be taken as that. And since we have specific
15 proposals -- you know, these are not random numbers; they
16 come out of the President's budget, I believe -- I really
17 do think we have to go them function-by-function and see
18 how they were put together.

19 The Chairman. But, again, the Budget Committee has
20 limited authority or jurisdiction on line items. They are
21 not a legislative committee.

22 Senator Moynihan. They are not, but they behave as if
23 they were and increasingly have the consequences of being.

24 The Chairman. But I think this year it may go the
25 other way.

1 Senator Moynihan. It might go straight up.

2 The Chairman. Or straight down.

3 Senator Moynihan. Or straight down; yes.

4 Senator Baucus. Mr. Chairman?

5 The Chairman. Senator Baucus.

6 Senator Baucus. As I said, I agree in principle with
7 Senator Boren and what was echoed by Senator Moynihan; that
8 is, I don't like sending these functional categories. But
9 apparently it is required by law to do so. I would like to
10 know what that specific reference is, but if it is required
11 by law perhaps in our letter we could make it even more
12 clear that we are not bound by these functional categories.

13 The Chairman. Well, I am very willing to do that.

14 Senator Baucus. Red letters, underline it, or just in
15 various ways make it very, very clear that we are not
16 bound by these, and maybe even go so far as to say these are
17 just figures for the sake of argument, that we are not
18 supporting them.

19 Senator Long. I am a little worried about that. Mr.
20 Stern, can you tell me, with regard to the items that we
21 were discussing -- for example, we were discussing the WIN
22 Program here -- we felt that we could live with the overall
23 total of funds available for the welfare program, but we
24 did not think the WIN Program should be abolished. We
25 thought that the states ought to have the latitude to pay

1 people to train and work rather than just pay them the money
2 in welfare assistance.

3 Now, can you tell me whether that particular proposal
4 would be precluded by sending over a letter of the type
5 we are discussing now? In other words, is the WIN Program
6 in a separate item, or is it all in the family item?

7 Mr. Stern. It is in the category called "Education,
8 Training, Employment and Social Services." So it is in one
9 of the categories that is listed on page 95, pretty much in
10 the training category, somewhat in the Social Services
11 Program.

12 Senator Long. Do I understand that in our case, along
13 the line that we were thinking, we would need more money
14 in that program and we would be willing to settle for less
15 money in the direct grant program? Would that be correct?
16 In the income supplement?

17 Mr. Stern. Well, my personal view is that the
18 Administration has not taken into account the impact of
19 eliminating the Work Incentive Program and the additional
20 costs that would result in Aid to Families with Dependent
21 Children. So they really don't have the money in either
22 place. They have taken it out of the Work Incentive Program,
23 but they haven't put any offsetting factor on the welfare
24 side.

25 Senator Long. Well, then, I don't see how we can

1 avoid that issue. I don't see how we can avoid that here.
2 It seems to me we have to go one way or the other;
3 otherwise, we would be bound to that figure, I would take it.
4 Is that correct?

5 Mr. Stern. You are not bound in a parliamentary sense.

6 Senator Long. What do you mean, "not bound in a
7 parliamentary sense"?

8 Mr. Stern. Well, there are actual parliamentary
9 controls in the Budget Act once you adopt a second budget
10 resolution, where points of order can be raised and
11 legislation might not be able to be taken up, and so on.
12 That isn't the case after the first resolution.

13 Senator Moynihan. This begins the progress toward the
14 second budget resolution.

15 Senator Long. It puts us in a position, though, from
16 which we are going to have to extricate ourselves later on.
17 Otherwise, we will be nailed into it; isn't that correct?

18 Mr. Stern. You can wind up with a situation, if you
19 endorse a spending total that is lower than you wind up with
20 and a revenue total that is lower than you wind up with, that
21 you may want ultimately to raise taxes more than cut
22 spending. But if you get locked in in a second budget
23 resolution, you will find that the two are totally separate,
24 and even though you have raised revenues by \$10 billion more
25 you still can't spend \$10 billion more.

1 The Chairman. : Could I just have Mr. DeArment, to make
2 certain that there is no misunderstanding about the
3 requirement, just briefly quote the two sections that apply?
4 And if there is any disagreement, we can discuss that.
5 Because I don't have any desire to add all these things to
6 the letter, but I think it is fairly clear in the statute.

7 Rod, would you read it?

8 Mr. DeArment. Yes. This is on page 102 and 103 of the
9 blue book, if you want to look there. There is a requirement
10 in Section 301 (a), and specifically looking at (2), and this
11 is what the Budget Committee is required to submit in terms
12 of the first concurrent resolution.

13 The Chairman. Now, wait a minute; they are just
14 turning their page. Now, start over there.

15 Mr. DeArment. Okay. Page 102 of the blue book. And
16 I am looking halfway down the page at Section 301 (a), which
17 spells out what is to be in the first concurrent
18 resolution. And I am looking at subparagraph (a) (2).

19 It says: "an estimate of budget outlays and an
20 appropriate level of new budget authority for each major
21 functional category, for contingencies, and for
22 undistributed intragovernmental transactions," et cetera.

23 Now, if you look on the next page, page 103 under
24 subpart (c), where it describes the views and estimates of
25 other committees, it provides that "On or before March 15

1 of each year," and in this particular year, by prior
2 agreement, it is March 8, "each standing committee... shall
3 submit to the Committees of the Budget of both houses (1)
4 its views and estimates with respect to all matters set forth
5 in subsection (a) which relate to matters within the
6 respective jurisdiction or functions of such committees or
7 joint committees." Now, that refers you back to (a), which
8 I just read you before.

9 So by that statutory authority we seem to be required
10 to list each major functional category within our
11 jurisdiction. And I believe that is the origin of why we
12 include Table 1 in our letter, which is on page 95.

13 Senator Long. Well, the thought that occurs to me is
14 that as long as you have got these two items, as you have
15 got the WIN Program under category 500 and Income Security
16 under 600, you have got \$194 billion in this 600 category,
17 and you have got only 3.6 which would include the
18 elimination or the abolition of the WIN Program under 500,
19 it would be my thought that if you have got to take a cut,
20 you are in a better position, you would be better off to
21 keep your money that is available for the Work Incentive
22 Program even if you have got to make it up by reducing
23 money in Income Security. Because, otherwise, what percent
24 cut would that make in this Item 500, to abolish the
25 WIN Program?

1 Mr. Stern. It's about a \$4 billion program, isn't it?
2 Maybe something between 5 and 10 percent.

3 senator Long. About a 10 percent cut there.

4 Mr. Stern. The numbers on page 95 are last year's
5 numbers, so they would be somewhat different this year.

6 Senator Long. But all I am saying is it would amount
7 to maybe a 10-percent cut on 500, but the same amount of
8 money would amount to less than a 1-percent cut in Item
9 600. Isn't that about the size of it?

10 Mr. Stern. Yes, sir.

11 Mr. Lighthizer. Senator Long, there is one thing I
12 would like to point out: The functional totals are in no
13 way binding. I mean, there is no procedure in the Budget
14 Act for binding functional totals. There is an overall
15 spending total on which there is a procedural requirement
16 after the second budget resolution, but there is no
17 procedure by which if you come to the floor with
18 legislation in one function the Budget Committee or anyone
19 else can raise a point of order saying you are exceeding
20 that function, as long as you are under the cap. So the
21 functional totals under the Budget Act are not binding in
22 any event.

23 Senator Long. Is that the way you understand it,
24 Mr. Stern?

25 Mr. Stern. That is correct. The problem that I was

1 relating to you before related to the difference between
2 spending and revenues. There the distinction is absolute
3 under the Budget Act, but not within functions.

4 The Chairman. Senator Bradley?

5 Senator Bradley. Mr. Chairman, would there be any
6 possibility of us just sending to the Budget Committee your
7 last paragraph? Because it seems to me that if we are
8 listing all of the budget cuts and we are listing some of
9 the revenue increases, and then in the last paragraph we
10 take it all back -- because that is the net effect of the
11 letter, as you have stated -- why don't we just say the
12 last paragraph? Saying, "We agree to cut the deficit at
13 least," whatever the total is, "and we reserve the right
14 to do that by any combination of spending cuts or revenue
15 increases." That is the same effect.

16 The Chairman. If we could first outline what the totals
17 are; there is no penalty if we don't list every function, is
18 there? Would I go to jail? Or what would happen?

19 (Laughter)

20 The Chairman. That's been the precedent we have
21 followed, as I understand, since the first time around. Is
22 that right, Mike?

23 Mr. Stern. That is correct. You have followed this
24 format since the first year you did it, which was Fiscal
25 Year 1975, I believe. But there is no penalty for not

1 doing it that way.

2 The Chairman. I am not certain that we would help or
3 what damage it might do the Budget Committee if we don't give
4 them any direction except to say that we adopt the
5 President's numbers, and then with the caveat that we may
6 raise additional spending or more revenue, or vice versa, to
7 reach those figures. That would seem to me to be enough,
8 but I am not certain that that gives the Budget Committee
9 sufficient direction.

10 I think it is significant, as Senator Bentsen says, but
11 in part it is an exercise to transmit to the Budget
12 Committee what they already have in front of them.

13 Senator Bentsen. Let me get a clarification from Bob.

14 On the functional totals, those get locked in after
15 the second concurrent resolution; don't they?

16 Mr. Lighthizer. Senator, they are never locked in.

17 Senator Bentsen. Never? That is what I wanted to
18 know.

19 Mr. Lighthizer. The Budget Act just says that if you
20 go to the floor after the second budget resolution with a
21 bill which would increase spending above the ceiling on
22 spending in the budget resolution, that there is a point of
23 order against it -- just one on the spending side and one
24 on the revenue side. If you go below the revenue floor or
25 above the spending ceiling, there is a point of order.

1 There are not other points of order. That is the
2 enforcement mechanism for the Budget Act.

3 Senator Bradley. My concern is, Mr. Chairman, and the
4 reason I suggested that more general paragraph instead of
5 listing the functional totals, that the debt-limit bill is
6 going to come over. And in the House, they send the
7 debt-limit bill over with the budget attached. That is my
8 understanding. And if we have locked ourselves in, even
9 though in a first budget resolution, to specific spending
10 cuts or recommendations, then I think that that hampers our
11 flexibility on the debt-limit bill as to whether we want to
12 include the budget totals in the debt-limit bill over here
13 or not. But we wouldn't be boxed in the corner if we
14 simply said what I think was the intent of your --

15 The Chairman. Could we agree that we adopt the
16 spending cut and revenue increase numbers in the President's
17 budget for the purpose of this report to the Budget
18 Committee? Is there any disagreement with that?

19 Senator Moynihan. Yes, sir.

20 Is this committee agreeing to eliminate Trade
21 Adjustment Assistance?

22 The Chairman. We haven't agreed on anything.

23 Senator Moynihan. Well, we will be taken to have done
24 that, sir. I feel we have some real commitments here. This
25 budget proposes to abolish Title IV of the Social Security

1 Act.

2 Senator Danforth. Mr. Chairman, could I address the
3 question of Trade Adjustment Assistance?

4 I share exactly the same concern as Senator Moynihan,
5 but it is my understanding that whatever we do here does
6 not commit us one way or another on Trade Adjustment
7 Assistance. The President has proposed abolition of it.
8 But it my understanding from your answer to Senator Long's
9 question that for the purpose of this exercise we make no
10 commitment one way or another.

11 Mr. Lighthizer. That is correct, Senator.

12 Senator Moynihan. Well, I have to tell my friend from
13 Missouri that you will be judged to have made a
14 commitment unless you specifically say about specific
15 things that we don't make a commitment. That's the way
16 they work up there.

17 The Chairman. I am talking about adopting the numbers
18 and not going through every specific program, if we can do
19 that without violating the law.

20 Senator Danforth. There is no reference to Trade
21 Adjustment Assistance in the letter, I don't think.

22 Mr. Lighthizer. No, there is not, Senator. There is
23 no mention of Trade Adjustment Assistance in the letter.
24 And, indeed, not only the paragraph which Senator Long read
25 but also the paragraph from the form letter that we follow

1 every year indicates that we are not agreeing to any
2 program cut, only that for purposes of this letter we think
3 these are the functional totals. Basically you have to give
4 the total spending in each function, and then a cut, and then
5 add language which says that we are not bound by that, we
6 may want to do it all on the revenue side.

7 The Chairman. Could I just ask the view of counsel and
8 Mr. Stern? Do you believe it would be adequate if we just
9 in effect adopt the numbers, the gross numbers, on the
10 revenue and spending side without specifications, and then
11 add the paragraph that we believe we can meet those numbers;
12 there may be more revenues, more spending cuts, or maybe
13 exceed those numbers. Would that satisfy the requirements
14 of the Budget Act, in your opinion?

15 Mr. Lighthizer. Mr. Chairman, I think we are required
16 to give spending and savings by functional totals.

17 The Chairman. Do you think the functional totals are --
18 Senator Moynihan. That's what it says.

19 Mr. Lighthizer. I don't think we are bound by them
20 once we do it, but I think that the statute is terribly
21 clear that we have to give that kind of a total.

22 The Chairman. Do you share that view, Mike?

23 Mr. Stern. I agree with that interpretation of the
24 statute. But if you don't do it, there is no penalty --
25 which is the point you raised.

1 The Chairman. But if we don't do it, what disservice
2 do we do to the Budget Committee? They have the President's
3 budget before them; haven't they?

4 Mr. Stern. In the past the Budget Committee has
5 prepared materials as though the Finance Committee had
6 endorsed a whole series of recommendations. So you might
7 want to make that as clear as possible in whatever you
8 send them, that in adapting these numbers you very
9 specifically are not endorsing any legislative
10 recommendations.

11 Senator Moynihan. Mr. Chairman, I don't want to be
12 tedious, but what Mr. Stern is saying is so. And it
13 oughtn't to be so, it was never anticipated it would be so,
14 but it is so.

15 The Chairman. I think that may be what we are looking
16 for. If in fact we did adopt the specifics but added that
17 paragraph -- the paragraph we are adding to the letter --
18 that we are not, by listing functional numbers, endorsing,
19 adopting, or in any way impacting on the changes therein,
20 or whatever.

21 Mr. Lighthizer. Mr. Chairman, besides your paragraph
22 there are three other places in the letter in the form
23 right now where it says basically that.

24 The Chairman. Now, we had this same question raised
25 last year and the year before and the year before. What does

1 the language say?

2 Mr. Lighthizer. Well, there are three different
3 places. On page 96 the last sentence of the second
4 paragraph says, and this is under Expenditure Programs, "The
5 overall total is consistent with that proposed by the
6 President, but the committee anticipates that in many
7 instances it may attempt to achieve the goal in different
8 programs or through proposals different from those indicated
9 in the President's budget." Now, we have done that every
10 year for the last 7 years.

11 On page 97, the last sentence of the second paragraph
12 under Revenues, it says, "The committee has not endorsed
13 any particular tax reduction proposal and may enact a
14 smaller tax cut if spending reduction goals are not met."

15 And then on page 99, to make it crystal clear, the
16 third sentence under Five-year Budgetary Outlook we say,
17 "Moreover, the budgetary estimates presented in this letter
18 are not amounts which the committee may ultimately achieve
19 through a combination of legislative changes involving
20 both increased costs in some cases and cost reductions in
21 others," to make it crystal clear that we are not endorsing
22 any program change.

23 The Chairman. You could even clarify it more,
24 according to what Mr. Stern had to say in response to
25 Senator Moynihan.

1 Senator Danforth. Mr. Chairman?

2 The Chairman. Senator Danforth.

3 Senator Danforth. As I understand this -- and if I
4 am overstating it, I wish somebody would let me know -- if
5 we adopt this suggestion, the sole purpose of writing the
6 letter would be to comply technically with the requirements
7 of the Budget Act, but that the letter would not necessarily
8 reflect the thinking of the Finance Committee on anything.

9 The Chairman. On any issue.

10 Senator Danforth. And that, for example, it would not
11 be viewed and would not consist of a ratification of the
12 President's budget, and that we could vote for it and still,
13 for example, agree with the approach that has been taken by
14 Senator Domenici, that the deficit is far too high and that
15 we have to narrow it by a combination of steps as set
16 forth in Senator Domenici's recommendation. Is that
17 correct?

18 The Chairman. That is correct.

19 Senator Danforth. Therefore, it is an entirely
20 technical exercise, and it should not be viewed by anybody --
21 the public, the Administration, or anyone else -- as a
22 ratification or support for the budget which the President
23 has sent us. Is that correct?

24 The Chairman. That is the way it has been in the past,
25 and I know we have had the same questions -- maybe different

1 questions, but the same general question -- raised each time
2 we have considered the letter. But it's correct. That's
3 what it is. It is required by law to do it. We are not
4 committing ourselves to any specific cut, any specific
5 revenue increase. We are, in effect, indicating that we will
6 meet or surpass the budget.

7 Senator Roth?

8 Senator Roth. Well, that's a point. You are making
9 a commitment if you would meet the cuts in spending and/or
10 revenue. So you do have a commitment to that extent.

11 The Chairman. But I think we are willing to make that
12 commitment. But we are not willing today to decide whether
13 it is Trade Adjustment or the WIN Program or welfare.

14 Senator Roth. But I think, Mr. Chairman, it is an
15 important commitment to the public at large to say that we
16 will go that far. I don't think we should underestimate
17 that.

18 The Chairman. No.

19 Senator Bradley. Mr. Chairman, I would be reluctant
20 to commit to the spending cuts of this dimension. I would
21 not be reluctant to commit to reducing the deficit the
22 amount that is embodied by this combination. What is it?
23 Eighteen billion dollars.

24 The Chairman. And I provide that in the letter. Could
25 I read just one sentence?

1 This would be in addition to all the other places.

2 We would add this:

3 "The Finance Committee believes that it can reduce the
4 Fiscal Year 1983 deficit by at least as much as the
5 President's budget. It may raise more revenue than the
6 President and cut spending less, or it may cut spending more
7 and increase revenue less. Alternatively, it may both cut
8 more spending than the President's budget and increase
9 revenue more than his budget. In this letter we are merely
10 stating that we hope to report legislation and reduce the
11 deficit by at least as much as the President's budget."

12 Senator Bradley. Why don't we just send that letter?

13 The Chairman. I don't have it typed nicely.

14 (Laughter)

15 Senator Baucus. Mr. Chairman?

16 The Chairman. Senator Baucus.

17 Senator Baucus. Do those statements refer only to
18 matters within the jurisdiction of this committee? Is it
19 only spending reductions within the jurisdiction of this
20 committee?

21 The Chairman. The Finance Committee.

22 Senator Baucus. I have a slight problem, and I suppose
23 it is a technical problem. But I am more inclined to cut
24 spending in other programs not within the jurisdiction of
25 this committee, frankly, than those within the jurisdiction

1 of the committee at this point. If you would add something
2 to that effect it would certainly help me, but it is worded
3 so open-ended right now, I suppose they would have to be cut
4 out. But I am more concerned about the spending reductions
5 of other programs not within the jurisdiction of the
6 committee, particularly the defense budget.

7 The Chairman. I don't know what jurisdiction we would
8 have there.

9 Senator Baucus. None.

10 Mr. Lighthizer. I think the letter is designed to
11 reflect programs within our jurisdiction.

12 The Chairman. Right; I'm sure it is.

13 Senator Bradley. Mr. Chairman, one last thought. I
14 think what we were trying to shy away from is some of us
15 locking into any spending number and others into specific
16 spending numbers. What if we just said on page 95, where
17 Table 1 is, instead of saying, "Finance Committee
18 recommendations," what if we just said, "Finance Committee
19 forwarding recommendations of the President concerning
20 budget authority." We would have fulfilled our obligation
21 of putting out functional numbers, but we would clearly be
22 doing what it is the intent of the committee to do which is
23 simply not take responsibility for any specifics at this
24 stage, reserving the right to solve our problem in any
25 number of ways.

1 The Chairman. Now that may be possible. You would just
2 attach the charts. Yes, I think it may be a distinction
3 without much difference here. I don't see any problem unless
4 we really get legalistic.

5 Mr. Lighthizer. Do you want to change that heading,
6 as Senator Bradley said?

7 The Chairman. Well, say it again, Senator Bradley.

8 Senator Bradley. The Finance Committee forwarding
9 recommendations of the President concerning budget authority
10 and outlays under committee jurisdiction."

11 The Chairman. Then the paragraph that we have here.

12 Senator Bradley. Yes.

13 The Chairman. Could I just ask if that presents a
14 problem to the legal scholars here?

15 Mr. Lighthizer. I think not, Senator.

16 The Chairman. Senator Moynihan?

17 Senator Moynihan. Mr. Chairman, even so, it seems to
18 me that this committee will not have done its duty to itself
19 if we let pass without comment a proposal to abolish
20 Title IV of the Social Security Act -- that is the provision
21 that provides for dependent children, orphaned children,
22 children in foster care; the proposal to abolish the WIN
23 Program; the proposal to abolish the Trade Adjustment
24 Assistance, which is a kind of commitment this committee made
25 to the trade union movement in the course of the Tokyo

1 Round.

2 You cannot avoid, Mr. Chairman, the assertion that the
3 committee has endorsed these measures if we forward them
4 without comment.

5 Senator Danforth. Well, except that I think it is
6 pretty clear that we have said in the meeting that we do
7 not endorse them, that there is no legal endorsement, and
8 that we have --

9 Senator Moynihan. Well, if you say so by name,
10 Senator. Because the general disclaimer will not get you
11 away from the specifics of these tables. I plead with
12 experience there.

13 Senator Danforth. We could add to the letter: "P.S.,
14 please disregard this letter."

15 (Laughter)

16 The Chairman. I missed that last part; I'm sorry. Was
17 it good?

18 (Laughter)

19 Senator Bradley. He will type it up.

20 (Laughter)

21 The Chairman. Well, I think we can work out this
22 arrangement that Senator Bradley suggests. I don't know
23 how we accommodate Senator Moynihan unless he wants to write
24 another letter.

25 But being a member of the Budget Committee, you will be

1 in a position to argue for those programs almost on a daily
2 basis in the next several weeks.

3 Senator Moynihan. Yes.

4 The Chairman. And in fact I am not certain I share the
5 views expressed by a couple of the programs you mentioned.
6 We are not locking ourselves into anything; we haven't in
7 the past. But I do believe there are other areas that we
8 can find enough spending reduction.

9 Senator Moynihan. Well, why don't we take a vote,
10 Mr. Chairman? I would be prepared to vote. Do we want this
11 committee in favor of abolishing Title IV of the Social
12 Security Act? I vote No.

13 (Laughter)

14 Senator Moynihan. Let's have a vote so I can go up
15 there and defend the interests of our committee. I am
16 very serious.

17 Senator Bentsen. Mr. Chairman, if we start that, then
18 we have to go down to each item. I hope we can avoid that.

19 I agree with Senator Moynihan; these assertions can be
20 made by the Budget Committee, and we will turn around and
21 make our assertions, and we will show the qualifications
22 that we put in that letter that we sent up there. And we
23 can't stop them from making the assertions nor can they stop
24 us. I think you just have that kind of a continuing
25 confrontation with the Budget Committee trying to invade the

1 authority of the Finance Committee.

2 The Chairman. I had hoped we might do that. Again, I
3 don't want to shut anyone off. I don't know how many
4 hundred there are to vote on, but we would let the record
5 show anybody who has opposition to any provision. But it
6 would seem to me we could just move to adopt the spending
7 cut and revenue increase numbers in the President's budget
8 and do as Senator Bradley suggests, add the paragraph that
9 I have, and send it over to the Budget Committee.

10 Is there any objection to that?

11 Senator Danforth. No. So moved.

12 Voice. Seconded.

13 The Chairman. I would move that that would proceed.

14 Senator Moynihan. We would have a vote? Can we
15 record ourselves on the matter?

16 The Chairman. Oh, yes. The clerk will call the roll.

17 Mr. Lighthizer. Mr. Packwood?

18 (No response)

19 Mr. Lighthizer. Mr. Roth?

20 Senator Roth. Aye.

21 Mr. Lighthizer. Mr. Danforth?

22 Senator Danforth. Aye.

23 Mr. Lighthizer. Mr. Chafee?

24 Senator Chafee. Aye.

25

1 Mr. Lighthizer. Mr. Heinz.
2 (No response)
3 Mr. Lighthizer. Mr. Wallop?
4 The Chairman. Aye.
5 Mr. Lighthizer. Mr. Durenberger?
6 Senator Durenberger. Aye.
7 Mr. Lighthizer. Mr. Armstrong?
8 The Chairman. Aye.
9 Mr. Lighthizer. Mr. Symms?
10 (No response)
11 Mr. Lighthizer. Mr. Grassley?
12 Senator Grassley. Aye.
13 Mr. Lighthizer. Mr. Long?
14 Senator Long. Yes.
15 Mr. Lighthizer. Mr. Byrd?
16 Senator Byrd. Aye.
17 Mr. Lighthizer. Mr. Bentsen?
18 Senator Bentsen. Aye.
19 Mr. Lighthizer. Mr. Matsunaga?
20 (No response)
21 Mr. Lighthizer. Mr. Moynihan?
22 Senator Moynihan. No.
23 Mr. Lighthizer. Mr. Baucus?
24 Senator Baucus. No.
25

1 Mr. Lighthizer. Mr. Boren?

2 (No response)

3 Mr. Lighthizer. Mr. Bradley?

4 Senator Bradley. Aye.

5 Mr. Lighthizer. Mr. Mitchell?

6 (No response)

7 Mr. Lighthizer. Mr. Chairman?

8 The Chairman. Aye. And Mr. Symms votes Aye.

9 The Ayes are 13, the Nays are 2, and the absentees, as
10 is customary, will be permitted to record themselves.

11 I understand now that the letter will get prepared.
12 We will check with Senator Bradley, Senator Long, and others
13 who have an interest, to make sure it meets their
14 recommendations.

15 Senator Bradley. Mr. Chairman, the text will reflect
16 the chart, right?

17 Mr. DeArment. That is correct. There are certain
18 places where in the past the letter says, "The committee
19 recommends," and we can --

20 Senator Bradley. Forward the President's.

21 Senator Chafee. Mr. Chairman?

22 The Chairman. Yes, Senator Chafee.

23 Senator Chafee. If we read a headline tomorrow:
24 "FINANCE COMMITTEE SUPPORTS PRESIDENT'S PROPOSALS," that
25

1 reporter will not get the Pulitzer Prize for accuracy, I
2 presume.

3 (Laughter)

4 The Chairman. No. If that's reported -- well, I can't
5 change the headline, but I think it is very clear that what
6 we have done is indicate that we will, under a number of
7 different combinations, either cut spending, increase
8 revenues, or in some combination meet the target. That's
9 about it. That's all we have done.

10 If there is any press here who would like to have
11 further discussion, we could discuss it after the meeting.

12 Is there anything else, Mr. Lighthizer?

13 Mr. Lighthizer. No, Mr. Chairman, there is nothing
14 else on the agenda.

15 The Chairman. Senator Boren, were you recorded?

16 Senator Boren. I would like to be recorded as Aye,
17 with the modifications that have been made.

18 The Chairman. I think that takes care of everything.

19 Mr. Lighthizer. No meeting tomorrow, Mr. Chairman?

20 The Chairman. No meeting tomorrow.

21 Thank you.

22 (Whereupon, at 11:36 a.m., the markup session was
23 concluded.)

24

25