

1 EXECUTIVE COMMITTEE MEETING

2 MONDAY, FEBRUARY 1, 1993

3 U.S. Senate,

4 Committee on Finance,

5 Washington, DC.

ORIGINAL

6 The meeting was convened, pursuant to notice, at 11:15
7 a.m. in room SD-406, Dirksen Senate Office Building, Hon.
8 Daniel Patrick Moynihan (chairman of the committee)
9 presiding.

10 Also present: Senators Baucus, Bradley, Rockefeller,
11 Daschle, Breaux, Conrad, Packwood, Durenberger, Hatch, and
12 Wallop.

13 Also present: Lawrence O'Donnell, Jr., Staff Director;
14 Lindy Paull, Deputy Chief of Staff, Minority.

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1 The Chairman. Good morning, my dear colleagues. We are
2 10, which are more than ample for our purpose.

3 This is an organizational meeting, as you know. It can
4 proceed with some dispatch. We have an agenda of which there
5 is one change. Agenda Item 2 should be subcommittee chairmen,
6 not members. There is some question about choices that have
7 not quite yet been made.

8 If it is agreeable to the ranking member, I think the
9 first thing to say is, what we are doing here is we are not,
10 in fact, making anything more than internal decisions.

11 Senator Packwood and I for the committee will introduce
12 a resolution asking for our budget, which will then go to the
13 Rules Committee. And we will appear before the Rules
14 Committee and make our case.

15 And Senator Packwood, do you want to add to that?

16 Senator Packwood. Pat, no. I was especially intrigued
17 with the increase in the committee budget in the area of
18 trade. I think that is for all that we are going to do on
19 health and taxes, I have a feeling that trade is going to
20 involve us as much as anything in the North American and GATT
21 and everything else.

22 The Chairman. Does anybody have a feeling about
23 extending fast track?

24 For what it is worth, I am of the view that the more time
25 that we give those negotiators the better.

1 Senator Baucus. Do you mean extend it?

2 The Chairman. Yes.

3 Senator Packwood. I agree, and not only for those
4 negotiators.

5 Senator Baucus. Mr. Chairman, I just have a question.
6 When do we want the Uruguay Round to be concluded? I think
7 the world is run by deadlines anyway.

8 The Chairman. So you think the sooner the better?

9 Senator Baucus. I think it is particularly true in
10 trade.

11 The Chairman. Yes.

12 Senator Baucus. Whatever the date is that it is
13 extended, it is going to be an approximate date on which
14 negotiations are going to conclude anyway. It just works out
15 that way. But if I might say, it could be modified.

16 One thought I had is of a two-tiered fast track starter
17 for the Uruguay Round here. There is no way in the world why
18 negotiators cannot. If they are going to do it, they can do
19 it. It is Murphy's law when it comes to trade negotiations,
20 but maybe a longer period for some other pursuits, some other
21 things that do take a little longer because the preliminary
22 ground work has not been debated.

23 The Uruguay Round has been going on now for six years.
24 And everybody knows the issues. It is just a matter of getting
25 their heads together and getting their job done. The elections

1 have passed. This coming March, that is kind of a deadline.
2 There are always elections.

3 Because the United States is such a pivotal player, and
4 that is because we are not a parliamentary form of government
5 in the fast track negotiations, what really counts, the
6 deadline that really matters is the deadline of our fast
7 tracks.

8 I do not think it makes a lot of difference on how long
9 we spend. Whatever the extension, if it is extended, I think
10 we should be realistic and know that that is probably going
11 to be how the negotiations will be done.

12 Senator Packwood. Mr. Chairman, I am inclined to agree
13 with Max, although I have almost given up on the Uruguay
14 Round. I am not sure that short or long is going to make any
15 difference, but I am kind of hoping that we will be starting
16 some negotiations with some other Latin American countries.
17 And I would like to have the fast track held out for them as a
18 good possibility.

19 The Chairman. On that note --

20 Senator Bradley. Mr. Chairman.

21 The Chairman. Yes.

22 Senator Bradley. I do not want to belabor this point,
23 but I think that we should not write off the Uruguay Round.
24 And I think that the positions of the respective players, EC,
25 Japan, and the United States, are sufficiently well known,

1 that there is a closing position both on market access, both
2 on unilateral actions, and the other issues that are on the
3 table.

4 It cannot be done by March 1st. That is when it would
5 have to be done in order for it to lay over for 90 days
6 before the fast track expires. So I think it has to be
7 extended. And I think that Max's suggestion is pretty good.
8 I would go for a little shorter than that, but I like the
9 two track idea.

10 The Chairman. All right.

11 Then, in order to be able to address those things
12 properly, we need a budget. And we have a resolution which
13 the former chairman and I will introduce which asks for --
14 I do not know if everybody knows this. We are on a different
15 fiscal year, the Congressional appropriations, than the rest
16 of the government.

17 We are still in the 1992 fiscal year. Fiscal year 1993
18 begins March 1. We are asking for \$4.185 million for that
19 year, and then for the year that follows, \$4.289 million.
20 That would be an increase from our present \$3.560 million

21 The Finance Committee is going to have more to do, more
22 heavy lifting than any committee in this Congress, in this
23 body this year. We are sixth in our finances.

24 The Labor Committee is almost twice of what we are, as is
25 Government Affairs, Judiciary and Appropriations, which is a

1 big committee. We are right down there very modestly. We
2 will go on with our committee and do our best.

3 The appointments of the subcommittee chairmen are just as

4 (Continued on page 6)

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1 they are now, with the exception of Senator Breaux who chairs
2 the Subcommittee on Social Security and Family Policy.

3 The Committee's Rules of Procedure. It is proposed that
4 they be exactly what they have been, which is more or less
5 what they were in 1816 when we were established.

6 What little historical interest it may be, for five days
7 we were the Committee on Ways and Means, whereupon, the
8 Senate asserted and came forward. And we became Finance, not
9 like the House.

10 I will just go through these.

11 On the designation of the committee members to serve on
12 the Joint Committee on Taxation, it is by seniority. And,
13 finally, the designation of Congressional advisors on trade
14 policy and negotiations.

15 And just so that it will be specific, they would be
16 yourself, sir, and Senator Dole, and on our side, Mr. Baucus
17 and Mr. Boren.

18 And there are also many staffers. We will ask
19 Secretary Christopher to give them access and to give them a
20 letter to make them welcome at meetings.

21 On the committee staff, we will continue the two-thirds,
22 one-third arrangement. And it would be my hope as in the
23 past that that is kind of a nominal thing because we are all
24 working on the same issues.

25 And the staffers, you are all the same back there and

1 work very well together.

2 That is our short and simple business.

3 Senator Packwood. I might say, Mr. Chairman, the
4 minority is not quite done yet with appointing some of our
5 people on the subcommittees.

6 The Chairman. Yes. That is right. I asked that that
7 be changed, the appointment of subcommittee chairmen. Then,
8 the subcommittee members will tell us one day who they are.

9 Senator Wallop. Mr. Chairman.

10 The Chairman. Yes, sir. Welcome, Mr. Wallop.

11 Senator Wallop. Thank you, sir.

12 I would ask, not that I think it would have any effect
13 on me, but I would ask Senator Packwood if he might see fit
14 to change one or two of the subcommittee chairmen.

15 Senator Dole has two subcommittees and some others have
16 none. I do not mind it being that way. I just would like
17 for him to have the flexibility.

18 Senator Packwood. There will only be one ranking of
19 each of us on the subcommittees.

20 Senator Wallop. I meant ranking.

21 Senator Packwood. No. I realize that.

22 Senator Wallop. I am day dreaming again.

23 Senator Packwood. There will only be --

24 The Chairman. When we get through with Social Security.

25 Senator Packwood. There will only be one ranking on

1 each of the subcommittees.

2 Senator Wallop. Thank you.

3 The Chairman. May I note that the subcommittee that
4 Senator Bradley has been chairing has been extended to the
5 Subcommittee on Deficit, Debt Management and Long-term
6 Economic Growth, long-term economic growth being a special
7 interest of his and of Senator Hatch and Senator Riegle.
8 And that extends, of course, to this increasingly
9 interesting and salient issue of pension funds and how they
10 are dispensed.

11 Senator Breaux.

12 Senator Breaux. I just want to add something perhaps
13 about scheduling, Mr. Chairman. I noted that the House Ways
14 and Means Committee was going to begin hearings on health care
15 this week. I am wondering whether our plan is to wait for a
16 proposal from the Administration or do we start on our own?

17 Do you have any thoughts or suggestions at this time?

18 The Chairman. We can do exactly what we want to do, of
19 course. And this is a good time. We have enough members
20 here to ask what do we want. We have two of our more
21 distinguished Senators interested in this subject.

22 Senator Durenberger and Senator Rockefeller, do you have
23 any feelings?

24 Senator Rockefeller. I think it is Rosty's view to let
25 anybody introduce anything they want, but nothing in the House

1 will move as far as he is concerned.

2 The Chairman. Yes.

3 Senator Rockefeller. Except what it is that the
4 President wants, period.

5 The Chairman. We can have --

6 Senator Rockefeller. That is his view. Now, that is --

7 Senator Packwood. Say that again. Nothing will move
8 except what the President wants?

9 Senator Rockefeller. That is correct.

10 Senator Packwood. That makes it a lot easier.

11 (Laughter)

12 The Chairman. You are talking about the House of
13 Representatives?

14 Senator Rockefeller. And they have the rules to do that,
15 of course. In our own case, Mr. Chairman--and I think it is
16 up to the chairman--they are just virtually beginning on
17 their option selections on the task force.

18 The Chairman. I do not think it is up to me. I think it
19 is up to all of us to decide what is helpful.

20 Do you want to have hearings, Senator Durenberger?

21 Senator Durenberger. Mr. Chairman, just an observation.
22 I am glad John raised the issue.

23 As you look at the titles that have been in the
24 subcommittees, you get, I think, the broader definition of
25 health and health policy that this country really needs.

1 This committee has more health policy on it than any
2 other committee in the Congress because it includes all of
3 the long-term care issues. It includes Social Security
4 issues. It includes pension issues that you just spoke of.
5 It is an incredibly broad agenda, if we want to do it right.

6 And I would certainly invite my colleagues to
7 encourage you, Mr. Chairman, to begin that broader agenda.

8 The Chairman. Fine.

9 Do you want to have a range of hearings in which any
10 member of the body -- there have been some. Senator Spector
11 has a bill that he would like to have heard, which we could
12 hear from Senators who have bills. And we could hear from
13 persons that we would like to be on record with and in touch
14 with. Those individual Senators could say that there is a
15 good sense of the rules.

16 Senator Rockefeller. And, Mr. Chairman, in addition,
17 there are several things that are fairly obvious no matter who
18 puts forth proposals, the concept of global budgeting, the
19 concept of managed competition --

20 The Chairman. Get on --

21 Senator Rockefeller. -- to get some of the concepts out
22 before us in discussion through hearings.

23 The Chairman. Start next week, as far as I am concerned.

24 Sir.

25 Senator Daschle. I share Jay's opinion that hearings on

1 concepts would really be helpful. We have not really
2 explored the managed competition concept to the degree that I
3 would like to see us address the issue. And I think that would
4 be very helpful.

5 I also think that one of the bigger unknowns about all
6 of the health care debate is the cost involved in the forms
7 measure as it relates to the cost that we are seeing today.

8 I think that a hearing on--for a lack of a better term--
9 fiscal clarity and better appreciation of how we pay for
10 health care today, what forms it takes, how it affects the
11 individual might be a good basis by which to compare other
12 reform measures. Something on the cost of health care today
13 and the various forms that it takes would be very helpful.

14 The Chairman. I think it makes perfect sense, Senator
15 Daschle, to have, as an example, Allan Entovin come down and
16 walk us through his calculations. There are others like him.

17 I have to tell Senator Wallop that Allan Entovin was in
18 my office about a week or so ago and showed me a large
19 demand curve which they have arrived at, which is shifting to
20 the left. Does anybody want to ponder that?

21 Sir.

22 Senator Rockefeller. Can we make submissions,
23 Mr. Chairman, of ideas to you?

24 The Chairman. Yes. Exactly so. And do you want to do
25 it by next week or do you want to wait? We can start next

1 week.

2 Senator Rockefeller. It takes a little bit to get --

3 The Chairman. It takes that to get the people you want
4 to have a chance at selection. You want to have fair
5 material ready for them and ready for us.

6 Senator Packwood. If we were to do it next week, do you
7 mean do it during the recess?

8 The Chairman. Not the recess. All right. The week
9 after next.

10 Senator Packwood. Good.

11 The Chairman. Good thinking.

12 Now, I guess we would like a statement from the
13 committee, if they agree with our request. I do not know
14 whether we will get this budget. We will certainly do our
15 best as a general proposal to cut budgets, not raise them.
16 We will make our case.

17 Senator Packwood. So moved, Mr. Chairman.

18 The Chairman. And is there a second?

19 Senator Rockefeller. I second it.

20 The Chairman. All in favor will say aye.

21 (Chorus of ayes.)

22 The Chairman. Those who wish us luck will say aye.

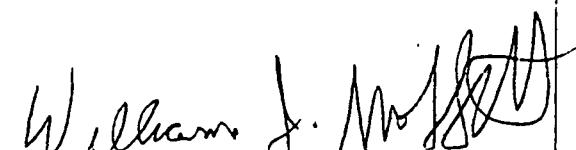
23 (Chorus of ayes.)

24 The Chairman. Thank you very much, gentlemen.

25 (Whereupon, at 11:30 a.m., the meeting was concluded.)

C E R T I F I C A T E

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2 This is to certify that the foregoing proceedings of an
3 Executive Committee meeting held before the Committee on
4 Finance on February 1, 1993 were transcribed as herein
5 appears and that this is the original transcript thereof.

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10 WILLIAM J. MOFFITT
11 Official Court Reporter

12 My Commission expires April 14, 1994.
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UNITED STATES SENATE
COMMITTEE ON FINANCE

Executive Session

Monday, February 1, 1993 - 11:00 AM
SD-406 Dirksen Senate Office Building

A G E N D A

1. Approve funding resolution for Committee Staff Budget.
2. Appointment of Subcommittee members.
3. Adopt Committee's Rules of Procedure.
4. Designation of Finance Committee Members to serve on the Joint Committee on Taxation.
5. Designation of Congressional Advisers on trade policy and negotiations.

1992 Committee Funding

(source: DPC Legislative Bulletin -- Committee Funding)

<u>Committee</u>	<u>1992 Funding</u>
Labor	\$5.47 million
Government Affairs	\$5.27 million
Judiciary	\$5.17 million
Appropriations	\$5.06 million
Commerce	\$3.93 million
<u>Finance</u>	<u>\$3.56 million</u>
Budget	\$3.53 million
Banking	\$3.37 million
Armed Services	\$2.92 million
Energy	\$2.84 million
Environment	\$2.80 million
Foreign Relations	\$2.53 million
Intelligence	\$2.45 million
Agriculture	\$2.05 million
Rules	\$1.52 million
Indian Affairs	\$1.28 million
Veterans' Affairs	\$1.25 million
Aging	\$1.24 million
Small Business	\$1.09 million

UNITED STATES SENATE
 COMMITTEE ON RULES AND ADMINISTRATION
 SENATE COMMITTEE BUDGET FORMS
 (Complete applicable items)

S. Res. _____ reported by Committee on Finance
 (Committee name)

	1992 (authorized)	1993 (request)	1994 (request)
RECURRING BUDGET AUTHORITY.....	\$ 3,583,868	\$ 4,185,586	\$ 4,290,739
STAFF SALARIES: (Itemize on pages 2 & 3)			
Dollar amount requested for staff.....	\$ 3,375,142	\$ 3,811,037	\$ 3,924,892
Number of full time employees.....	# 57	# 62	# 62
2 MONTH COLA (Guidance to follow).....	\$ _____	\$ 13,974	\$ 11,281
CONSULTANTS (appointments or contracts)			
	\$ 15,000	\$ 30,000	\$ 30,000
TRAINING OF PROFESSIONAL STAFF			
	\$ _____	\$ 10,000	\$ 10,000
ADMINISTRATIVE EXPENSES:			
Detailed employee (agency reimbursement)	\$ _____	\$ _____	\$ _____
Travel (interdepartmental, witness, detailee, and reporter expenses).....	\$ 4,000	\$ 40,000	\$ 45,000
Hearings (all expenses relating to).....	\$ 58,000	\$ 116,000	\$ 120,000
Stationery and other office supplies....	\$ 28,000	\$ 28,000	\$ 28,000
Communications equipment and services...	\$ 15,751	\$ 35,000	\$ 35,000
Publications, subscriptions to books, newspapers, magazines, clipping & other information services.....	\$ 80,000	\$ 90,000	\$ 100,000
Mailing, delivery or transmitting of matters relating to official business...	\$ 1,900	\$ 3,000	\$ 1,000
Non-standard computer hardware and software.....	\$ 5,000	\$ 5,000	\$ 5,000
Non-standard items of equipment (other than computing).....	\$ _____	\$ 1,000	\$ 1,000
Additional equipment above allocations..	\$ _____	\$ 1,000	\$ 1,000
Senate Services (photo and recording)...	\$ 500	\$ 1,000	\$ 1,000
Other (identify and explain).....	\$ 575	\$ 575	\$ 575
TOTAL ADMINISTRATIVE EXPENSES	\$ 195,726	\$ 320,575	\$ 340,575

Proposed New Subcommittee Assignments
COMMITTEE ON FINANCE
February 1, 1993

Subcommittee on Energy and Agricultural Taxation

Thomas A. Daschle, Chairman
David L. Boren
John B. Breaux
Robert Dole

Subcommittee on Deficits, Debt Management and Long Term
Economic Growth

Bill Bradley, Chairman
Donald W. Riegle, Jr.
Orrin G. Hatch

Subcommittee on Health for Families and the Uninsured

Donald W. Riegle, Jr., Chairman
Bill Bradley
George J. Mitchell
John D. Rockefeller
John H. Chafee
William V. Roth, Jr.
Dave Durenberger
Orrin G. Hatch

Subcommittee on International Trade

Max Baucus, Chairman
Daniel Patrick Moynihan
David L. Boren
Bill Bradley
George J. Mitchell
Donald W. Riegle, Jr.
John D. Rockefeller, IV
Thomas A. Daschle
John B. Breaux
Kent Conrad
John C. Danforth
Bob Packwood
William V. Roth, Jr.
John H. Chafee
Charles E. Grassley
Orrin G. Hatch

Subcommittee on Medicare and Long Term Care

John D. Rockefeller, IV, Chairman
Max Baucus
George J. Mitchell
David Pryor
Thomas A. Daschle
Kent Conrad
Dave Durenberger
Bob Packwood
Robert Dole
John H. Chafee
John C. Danforth
Charles E. Grassley

Subcommittee on Private Retirement Plans and Oversight of
the Internal Revenue Service

David H. Pryor, Chairman
Daniel Patrick Moynihan

Charles E. Grassley

Subcommittee on Social Security and Family Policy

John B. Breaux, Chairman
Daniel P. Moynihan

Robert Dole
Dave Durenberger

Subcommittee on Taxation

David Boren, Chairman
Max Baucus
David Pryor
Kent Conrad

William V. Roth, Jr.
Bob Packwood
John C. Danforth

February 1, 1993

JOINT COMMITTEE ON TAXATION

(Prepared by the Staff of the Committee on Finance)

Chapter 91 of the Internal Revenue Code establishes the Joint Committee on Taxation, composed of 10 members. Five members are to be chosen by the Committee on Finance, three from the Majority and two from the Minority party. In the past, these members have been chosen on the basis of seniority. (The other five members are chosen by the House committee on Ways and Means.)

Senators: Daniel Patrick Moynihan, Max Baucus, David Boren, Bob Packwood, Bob Dole)