

Monday, July 13, 1981

Daily Digest

Senate

Chamber Action

Routine Proceedings, pages S7515-S7553

Bills Introduced: Five bills and two resolutions were introduced, as follows: S. 1463-1467, S.J. Res. 97, and S. Con. Res. 24.

Pages S7535, S7538-S7539

Measure Passed:

Budget Reconciliation: Senate passed H.R. 3982, providing for reconciliation pursuant to section 301 of the first concurrent resolution on the budget for fiscal year 1982, after striking all after the enacting clause and inserting in lieu thereof the text of S. 1377, Senate companion measure. Senate insisted on its amendment, requested a conference with the House thereon, and the Chair was authorized to appoint conferees on the part of the Senate.

Pages S7517-S7519

Department of Justice Authorizations, 1982: Senate continued consideration of S. 951, authorizing funds for fiscal year 1982 for the Department of Justice, with committee amendments, and additional amendments proposed thereto, as follows:

(1) Helms Amendment No. 69, to the first committee amendment, forbidding the Department of Justice from bringing or maintaining any action to require, directly or indirectly, the mandatory busing of schoolchildren; and

(2) Helms modified Amendment No. 96 (to Amendment No. 69, in the nature of a substitute), prohibiting the Department of Justice from maintaining suits involving, directly or indirectly, the mandatory busing of schoolchildren and to establish reasonable limits on the power of courts to impose injunctive relief involving the transportation of students.

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By 54 yeas to 32 nays, two-thirds of those Senators duly chosen and sworn not having voted in the affirmative, Senate failed to agree to a motion to close further debate on modified Amendment No. 96.

Page S7523

A second motion was filed to bring to a close debate on modified Amendment No. 96, with a vote to occur thereon on Wednesday, July 15.

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Pages S7519-S7530

Confirmations: Senate confirmed the following nominations:

William H. Draper III, of California, to be President of the Export-Import Bank.

Donna Pope, of Ohio, to be Director of the Mint.

Warren T. Lindquist, of New York, to be a member of the Board of Directors of the New Community Development Corporation.

Carol E. Dinkins, as Assistant Attorney General, William G. Leshner, an Assistant Secretary of Agriculture, Roger W. Mehle, Jr., an Assistant Secretary of the Treasury, Darrell M. Trent, Deputy Secretary of Transportation, Philip D. Winn, an Assistant Secretary of Housing and Urban Development, Joseph Wright, Jr., Deputy Secretary of Commerce, and Albert Angrisani, and Assistant Secretary of Labor, each to be a Member of the Board of Directors of the National Consumer Cooperative Bank.

Pages S7553-S7554

Nominations: Senate received the following nominations:

Abraham Katz, of Florida, to be the Representative to the Organization for Economic Cooperation and Development, with the rank of Ambassador.

A. Melvin McDonald, to be U.S. Attorney for the District of Arizona.

R. Lawrence Steele, Jr., to be U.S. Attorney for the Northern District of Indiana.

Thomas E. Dittmeier, to be U.S. Attorney for the Eastern District of Missouri.

Richard A. Stacy, to be U.S. Attorney for the District of Wyoming.

Nancy H. Steorts, of Maryland, to be a Member and Chairman of the Consumer Product Safety Commission.

Albert E. Eckes, Jr., of Virginia, and Eugene J. Frank, of Pennsylvania, each to be a Member of the U.S. International Trade Commission.

Three Army nominations in the rank of General.

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Messages from the President:

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Communications:

Pages S7533-S7534

Statements on Introduced Bills:

Pages S7535-S7538

Amendments Submitted for Printing:

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SBS will not, of course, offer anything more than transmission service. How the service will be used, and who will use it, is not yet known, and won't be for a while, because until just a few days ago most in industry believed that there would be no available Ku-band video services until middle of decade, when Ku-band satellites are to be launched by GTE and Southern Pacific Communications. Clues to those interested in SBS service may be detected, however, when SBS holds demonstration of its FM-TV service July 22 at its control center in Clarksburg, Md. Many TV industry representatives — from both cable & broadcast sides — are expected to attend.

Technical details: SBS plans to make 6 transponders available for TV service, but only through 1985, when alternative Ku-band (11/14-GHz) facilities will become available. Tariff is to be filed soon, and we hear it will include options for both full-period and occasional use services. All TV leased service will be preemptible to restore SBS's data services, but transponders won't be affected by traffic growth of other SBS services. Prices haven't been disclosed. SBS said advantages of its service include:

(1) Ability to use small earth stations for both uplinking and receive-only, with extremely high quality transmission. (2) Easy frequency clearance authorizations for special-event uplinking at temporary locations. (3) Immunity from interference problems caused by congestion at C-band. SBS satellite transponders offer 43-MHz of bandwidth, with radiated power of 20 watts — highest power now available or planned for any U.S. domestic satellite. At demonstration next week, SBS will use both 2.4-m & 3-m dishes for up- and downlinking, but earth stations as small as 1.8 m are likely to be useful for receive-only, we understand.

SBS said its TV service will be available on SBS-1, already in service at 100 degrees west, and SBS-2 (set for launch Aug. 20) at 97 degrees west. Four transponders are to be removed from leased service in late 1984, remaining 2 in June 1985. SBS said timing is to assure that users will have alternative Ku-band satellites available to maintain services (on GTE and Southern Pacific Communications satellites). Each SBS transponder has nominal ability to handle single TV channel. But SBS said that with digitizing, operators could derive 2 or more channels per transponder. SBS said equipment manufacturers may obtain further information by calling Joseph Freitag, 703-442-5331. Potential users wishing to attend demonstration can register by calling same number.

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With NAB protesting down to wire, FCC late last week was sticking to its July 16 cutoff date for first round of interim DBS applications — and there may be quite a few. We expect both Western Union Telegraph and RCA to throw filings into FCC hopper — although both still are agonizing over costs involved.

Late Fri., NAB filed emergency application for review of FCC's cutoff date. No action had been taken at press time. Other DBS developments during week: (1) NAB satellite task force commissioned study to determine feasibility of using 12-GHz DBS spectrum for terrestrial high-definition broadcasting. (2) Electrohome Ltd. and Microdesign Ltd. formed joint venture called Gensat Communications for production of home satellite receivers. So far, 50-50 deal reports \$6 million order for 5,000 units from National Microtech, Grenada, Miss.

SENATE EYES TV-RADIO ACTION: Quick congressional action on broadcast deregulation still is possible this week, as House & Senate prepare for massive conference on budget bills. Deregulation package is included in Senate budget bill. Senate leadership decided late last week to go ahead with conference, which is to broadcasters advantage, despite Administration request that it follow another procedure which would have removed broadcast measures from Senate budget bill.

Both houses have approved budget bills, but only Senate bill includes broadcast deregulation. It had been expected that deregulation would come up in massive joint conference to reconcile 2 budget versions. But OMB Dir. David Stockman urged Senate to accept House version of budget bill — eliminating need for conference, dimming hopes of broadcast lobbyists for quick deregulation action. Under that procedure, broadcast measures probably would have been turned into separate bill which would have to go through lengthy procedure of being approved in both houses.

Conference Highlights:

Summary of Differences In Reconciliation Measures

Following is a summary of major differences between the Senate and House reconciliation bills (S 1377, HR 3982) that will have to be resolved by conferees. The summary also highlights the significant differences between the reconciliation recommendations of House committees and the Gramm-Latta substitute adopted on the House floor June 26. (*Highlights of Senate and House committee bills, Weekly Report p. 1080*)

Complete texts of the Senate- and House-passed bills were not available at the time of publication. The following comparison is drawn from floor debate, texts of amendments as printed in the *Congressional Record*, bills and committee reports submitted by the Budget committees in each chamber and information supplied by congressional and executive branch staff aides.

Agriculture

Dairy Programs. The House reconciliation measure includes controversial changes in the dairy price support program that would aid farmers. The Senate bill does not.

The House, but not the Senate, also accepted an across-the-board percentage reduction in Agriculture Department (USDA) programs.

The Office of Management and Budget (OMB) had characterized both proposals as "false savings" and "counter-productive reductions."

The House set the minimum dairy price support at 75 percent of parity, with one adjustment in 1982 and semiannual adjustments thereafter. (*Weekly Report p. 1061*)

Technically, the provision is a cut from the 80 percent-of-parity minimum in existing law. In fact, it is about the same rate at which dairy-men now are being paid. Recent increases in the parity index account for the difference between the statutory level and actual payment rates.

A budget accounting quirk permitted the House Agriculture panel to claim \$450 million worth of savings in 1982 from this change.

The biggest change in agriculture

programs came in food stamp spending. (*Details below, in welfare section*)

Loans and Fees. President Reagan proposed rewriting the terms of many loans provided by the Farmers Home Administration (FmHA) to raise interest rates, eliminate some types of loans and restrict eligibility for others.

Both the House and Senate agreed to end interest-free loans on 1980 and 1981 crops in the farmer-held reserve. Both also went beyond the Reagan request by mandating interest-free loans during any future trade embargo on agricultural commodities. (*Weekly Report p. 1061*)

Reagan wanted to end physical disaster loans except for borrowers without other sources of credit.

The Senate raised interest rates for those borrowers, with still higher increases for borrowers with alternative credit sources. The House canceled administrative restrictions on eligibility and the size of the loans.

Both chambers raised interest rates for rural water and waste and community facilities, and capped total lending for those projects at the levels Reagan sought.

Both also decided to shift to the private sector the entire cost of grading and inspecting cotton, tobacco and grain.

Land Grant Colleges. The House bill scratched certain funding for land-grant colleges for the next three years. The funding, running at about \$11.5 million annually, was for faculty salaries, laboratory costs or other expenses. Those changes were not included in the Senate bill.

Commerce

Consumer Product Safety Commission (CPSC). The Consumer Product Safety Commission (CPSC), which regulates product safety, was reauthorized as an independent agency for three years by the House. The Senate bill did not include a CPSC authorization.

The House bill would authorize

\$33 million for fiscal 1982, \$35 million for fiscal 1983 and \$37 million for fiscal 1984. The agency was authorized to receive \$65 million in fiscal 1981 but received about \$44 million.

The bill also would set guidelines for cost analyses of regulations and encourage industries to establish voluntary product standards.

Those are the same provisions approved by the House Energy and Commerce Subcommittee on Health and the Environment in separate legislation.

Subcommittee Chairman Henry A. Waxman, D-Calif., has hesitated to bring the authorization to the full committee because of fears that opponents might have the votes to transfer CPSC to the Commerce Department. Critics contend that the transfer effectively would bury the agency. (*Weekly Report p. 846*)

Communications

Federal Communications Commission (FCC). The Senate bill authorized \$76.9 million annually for fiscal 1982-1984 and established fees for FCC services, the same as provided in a separate bill (S 821 — S Rept 97-73). The administration supported the Senate funding level.

The House did not include similar provisions in the reconciliation bill, but it passed separate legislation (HR 3239 — H Rept 97-84) June 9 authorizing \$77.4 million for fiscal 1982 and requiring FCC fees. (*Vote 60, Weekly Report p. 1068*)

House Energy and Commerce Committee Democrats included HR 3239 in their reconciliation recommendations but took it out before the package reached the Budget Committee. A committee aide said that was done to enhance the House negotiating position on other communications measures in conference with the Senate.

New Jersey Television. The Senate bill required the FCC to allocate the next available VHF commercial channel, if technically possible, to New Jersey or Delaware, the only states without a VHF television channel. The provision was a floor amendment offered by Bill Bradley, D-N.J., who said New Jersey news is not broadcast adequately by New York and Philadelphia stations.

The House reconciliation bill had no similar language.

Public Broadcasting. The Senate substantially reduced public broadcasting funding by authorizing \$110 million in fiscal 1984 for the Corporation for Public Broadcasting (CPB) and \$100 million annually for fiscal 1985 and 1986. The fiscal 1981 authorization is \$180 million, compared to \$200 million and \$220 million respectively in fiscal 1982 and 1983.

The bill also included provisions reported separately by the Commerce Committee (S 720 — S Rept 97-98) to require CPB to pass at least 60 percent of the federal aid to public stations, which is a larger percentage than required by current law. It would direct the FCC to consider eliminating rules restricting on-air credit to sponsors. (*Weekly Report pp. 1144, 931*)

No similar provisions were included in the House reconciliation bill. But a separate measure passed by the House June 24 (HR 3238 — H Rept 97-82) provided \$160 million in fiscal 1984, \$145 million in fiscal 1985 and \$130 million in fiscal 1986. Reagan supported the Senate amounts.

Radio, Television. The Senate attached controversial measures (S 270, S 601) on radio and television to its reconciliation bill. No similar provisions were approved by the House. (*Weekly Report p. 1066*)

The Senate bill would eliminate the current radio license renewal procedure of comparing the licenseholder with other applicants. It would establish a lottery to award new licenses and extend the current three-year life of a license to an indefinite period. Stations no longer would be required to determine audience concerns, and most FCC news and public affairs requirements would be lifted.

Although not so sweeping, the television provisions would extend licenses to five years from three years.

Western Union. Language allowing Western Union to compete internationally in the telegraph and telex business was withdrawn before the Senate voted on reconciliation. However, it had approved separate legislation (S 271) on June 22. (*Weekly Report pp. 1145, 999*)

No similar provision was included by the House.

Defense

Cost of Living Adjustments. The House and Senate Armed Ser-

vices committees had accepted the Budget committees' recommendation to save \$394 million in fiscal 1982 by giving military retirees a cost-of-living adjustment (COLA) annually rather than every six months. But the Armed Services recommendations were contingent on a corresponding change in the pension system for federal civilian employees.

Both houses adopted annual COLA provisions for all federal retirees during floor action on the reconciliation bills, thus removing the need for a contingent change in the military pension system.

Strategic Stockpile. Reconciliation conferees face a difference of \$37 million on the sale of items from the national strategic materials stockpile. The Senate bill incorporated the Budget Committee's recommendation of selling \$572 million worth of silver from the stockpile. The House bill called for receipts of \$535 million from selling quantities of 14 materials from the strategic stockpile, including about three-quarters of the amount of silver that would be sold under the Senate bill.

The House bill would make up for its \$37 million reduction in stockpile sales by an eligibility change in the benefits program for survivors of military retirees.

Education

Block Grants. House adoption of Gramm-Latta II brought its bill into line with the Senate-approved block grant program for education. The version reported by the Education and Labor Committee had not included an education block grant.

Both bills set up a block grant to state and local education agencies, combining a host of small categorical programs. But both excluded the key education programs, aid to disadvantaged and handicapped children. The Title I compensatory education program, authorized by the Elementary and Secondary Education Act (ESEA), would be maintained as a separate program but with reduced federal regulations and paperwork. (*Block grants, p. 1180*)

While there are some differences between the House- and Senate-passed measures, the two bills are basically similar and probably will not pose difficult problems when they go to conference.

Guaranteed Student Loans. Gramm-Latta II went beyond the Senate position in its efforts to tighten spending for the guaranteed student loan (GSL) program for college students.

The House-passed bill would establish a "needs test" for eligibility for loans under the program in an attempt to curb its use by higher-income families. The Gramm-Latta amendment required that loans be limited to the educational costs of each student, minus the family's expected contribution and other forms of assistance. Students who needed less than \$1,000, however, could get a minimum loan of \$1,000 for each year.

The Senate bill is more limited because it establishes a \$25,000 income threshold for the needs test. All students from families with incomes under \$25,000 could get loans; those with higher incomes would have to meet the needs test.

Impact Aid. The House and Senate bills would reduce funding for the impact aid program, which assists school districts that educate children whose parents are connected with the federal government, and focus the remaining money on children of the military. The Senate bill cut the program more deeply than the House. (*Background, Weekly Report p. 927*)

The Gramm-Latta substitute in the House sought to protect school districts with large numbers of "A" category children — those whose parents live and work on federal property, such as Indians and the military.

It established an elaborate "tier" system that would determine funding levels according to the percentage of children in various impact aid categories in each school district. The Education and Labor Committee version had reduced 1982 payments to almost all school districts.

The Senate bill continued funding at a reduced level for "A" children and children living in federally subsidized housing. It eliminated funding for other children. The House bill allowed \$401 million for the program in 1982, the Senate bill, \$200 million.

Environment

Barrier Islands. The House-passed reconciliation bill barred the sale of federal flood insurance for new construction on undeveloped barrier islands, which are susceptible to hurri-