



ABC NATIONAL LEGISLATIVE CONFERENCE

**MERIT SHOP**  
*America's Choice*

July 9-10, 1990

Washington, D.C.

## **ABC NATIONAL GOVERNMENT AFFAIRS DIVISION**

### **LOBBYING TIPS**

### **THE 1991 BUDGET/DAVIS- BACON REFORM**

### **THE BALANCED BUDGET AMENDMENT**

### **CIVIL RIGHTS ACT OF 1990 KENNEDY/HAWKINS H.R. 4000/2104**

This legislation has been packaged as merely reversing a series of civil rights rulings handed down by the U.S. Supreme Court last summer. In reality it would do far more. It mandates the most sweeping changes in employment discrimination law since the 1972 amendments to Title VII of the Civil Rights Act.

## **CONFERENCE SCHEDULE**

### **CONSTRUCTION SAFETY/ OSHA EXPANSION**

### **GETTING AROUND CAPITOL HILL**

### **CONSTRUCTION CREDIT CRUNCH**

### **MANDATED PARENTAL AND MEDICAL LEAVE**

#### **PROVISIONS:**

- 12 Weeks Leave Per Year Per Employee
- Leave for New Child, Sick Child, Sick Parent or Personal Illness
- Employer Guarantees Same Job, Continues Health Benefits



## **ABC NATIONAL GOVERNMENT AFFAIRS DIVISION**

Charles E. Hawkins, III, CAE: Vice President,  
Government Affairs: Provides overall direction to  
Government Relations, PAC, and Legal Rights and  
Strategy activities

Administrative Assistant:  
Esperanza Gomez

### **Government Relations Staff**

Jeff Noah:  
Director, Government Relations: labor-management  
and employment issues

Jenifer W. Loon:  
Director, Federal Legislation: labor-employee/  
management relations issues, social policy  
affecting the workplace

Marc Freedman:  
Director, Federal Regulations: prevailing wage  
regulations, OSHA, Procurement/set-aside  
regulations and general regulatory issues

Michael J. Bolen:  
Assistant Director, Federal Legislation: tax/revenue,  
budget, insurance procurement and small business

William B. Spencer:  
Washington Representative: legal rights and strategy,  
paperwork reduction, union violence and intimidation  
and pension issues

Charlotte Herbert:  
Washington Representative: public works  
transportation and judiciary issues

Edward G. Marks:  
Legislative Grassroots Coordinator: legislative  
grassroots organizing

Paulasue Sawyers:  
State Legislative Coordinator: state legislative issues  
organizing

John H. Wells:  
Economist

Administrative Assistants: Reva L. Lovett, Gloria Minott  
and Marilyn Ramsey

## **Political Affairs Staff**

### **Marra Harris:**

Director, Political Affairs: promotes individual participation in  
the political process through  
ABC's Political Action Committee

### **Administrative Assistants:**

Marci Nadler and Marilyn Ramsey

### **ABC General Counsel**

Venable, Baetjer, Howard and Civiletti

A. Samuel Cook

Robert G. Ames

Maurice Baskin

## LOBBYING TIPS

Many citizens exercise their right to petition their government by visiting their Representative and Senators in Washington. Your involvement in ABC's National Legislative Conference is one of the most influential ways of working for Merit Shop construction. Here are several lobbying tips for making your Capitol Hill visits more effective.

- **State your Purpose** - When you begin your meeting with a legislator, state clearly the purpose of your visit and why you're concerned with the issues you want to discuss.
- **Build Your Case** - Your own experience with an issue, plus solid facts, are the best arguments for supporting your position. Explain briefly how the legislation (or the situation requiring legislation) affects you, your company, or your family. Be prepared to use the information in ABC's position papers and the Issue Summaries to back up your position.
- **Be Constructive** - Concentrate on explaining how the legislation you support is a positive solution to a problem. Instead of criticizing your opponents and their legislation, help your legislator understand the merits of your bill and explain why it is the best approach.
- **Be Realistic** - Communicate with legislators and their staffs as an individual or as a group of constituents. Don't give the impression you have political influence you don't have—false claims create doubts about your views and goals. Also, don't threaten to withhold your vote in an upcoming election—keep to the merits of your issues.
- **Get Feedback** - Ask legislators to explain their positions on the issues you raise during your visit. As a constituent, you're entitled to know where they stand and why; this information may help ABC on a key vote in the future.
- **Follow Up** - Let legislators know you appreciate meeting with them in Washington. If a legislator indicates support for the bill(s) that concern you, thank him or her for their commitment.

## **THE 1991 BUDGET/DAVIS-BACON REFORM**

### **1) The 1991 Budget**

Congress is facing a mounting budget deficit crisis. The deficit may climb to over \$150 billion, while the Gramm-Rudman budget procedures require cutting it to \$64 billion in '91 and a balanced budget by 1993. Negotiators from the White House and Congress are most likely trying to work out a budget compromise which could include tax increases, spending cuts and extending the balanced budget target several more years.

The following points should be made on the 1991 Budget:

- **Congress can balance the budget by simply lowering the rate of growth in spending each year.**
- **Congress should not repeal Gramm-Rudman.** If there is a substitute, it must be without loopholes and require Congress to cut the deficit quickly.
- **Cut the capital gains rate.** This will fuel investment in the economy and provide much-needed revenues to help reduce the deficit.
- **Oppose increasing gasoline excise tax and other taxes.** They only go towards greater spending, not to their intended purpose — Highway Trust Fund or deficit reduction.

### **2) Davis-Bacon Reform**

- Including Davis-Bacon reform in the 1991 budget would:
  - **Save \$2.5 billion over 5 years and \$190 million in 1991 without having to raise taxes or cut spending.**
  - **Reduce federal construction costs by 3% annually.**

## **THE BALANCED BUDGET AMENDMENT**

The House and Senate are each considering resolutions calling for a balanced budget/tax limitation amendment to the constitution. The House is considering H.J. Res. 268, and the Senate H.J. Res. 183. Urge your Representatives and Senators to support the respective resolutions when they come to the floor for a vote.

### **Arguments For:**

- **Congress has only balanced the budget once in the last 30 years.** A constitutional amendment is necessary to restore discipline in the budget process and eliminate accounting gimmicks that mask the true size of the deficit.
- **The national debt is now over \$3 trillion** and will have to be raised to \$4 trillion by the fall of this year. How much more can we afford to mortgage our children's economic future?
- **Huge deficits hurt my business and our economy.** We pay higher interest rates as money for the economy is squeezed out to pay the interest on the national debt.
- **Sufficient nexibility is provided in Balanced Budget Amendment** for deficit spending when national emergencies occur.



## **CIVIL RIGHTS ACT OF 1990**

### **KENNEDY/HAWKINS H.R. 4000/2104**

This legislation has been packaged as merely reversing a series of civil rights rulings handed down by the U.S. Supreme Court last summer. In reality it would do far more. It mandates the most sweeping changes in employment discrimination law since the 1972 amendments to Title VII of the Civil Rights Act.

- Title VII has never provided jury trials. Kennedy-Hawkins would.
- Title VII has never provided for compensatory damages. Kennedy-Hawkins would.
- Title VII has never permitted million dollar awards plus punitive damages. Kennedy-Hawkins would.

This legislation would make it so easy to establish discrimination that a majority of the Supreme Court argues that employers will be forced to adopt strict hiring quotas to avoid being sued.

Urge your legislators to vote against these measures.



## CONFERENCE SCHEDULE

### Monday, July 9

### Event/Location

8:00 a.m. - 1:00 p.m.	Political Action Trustees Meeting <i>Bunker Hill</i>
8:00 a.m. - 5:00 p.m.	ABC Executive Committee Meeting <i>Olympic</i>
9:00 a.m. - 12:00 noon	Infrastructure Task Force Meeting <i>Bryce</i>
9:00 a.m. - 12:00 noon	Labor Task Force Meeting <i>Glacier</i>
10:00 a.m. - 4:00 p.m.	Contract Documents Committee Meeting / <i>Grand Canyon</i>
10:00 a.m. - 4:00 p.m.	Membership Growth Committee <i>Yellowstone</i>
12:00 noon - 4:00 p.m.	Legislative Committee Meeting <i>Yosemite</i>
1:00 p.m. - 5:00 p.m.	ABC PAC Finance Committee Seminar / <i>Columbia Foyer</i>
2:30 p.m. - 7:00 p.m.	ABC Legislative Conference Registration / <i>Regency Foyer</i>
3:00 p.m. - 5:00 p.m.	State Lobbyists Meeting <i>Columbia A</i>
5:00 p.m. - 6:30 p.m.	Legislative Issue Briefing <i>Regency A</i>
6:30 p.m. - 7:30 p.m.	ABC Legislative Reception <i>Ticonderoga</i>
7:45 p.m. - 10:00 p.m.	Caucus Event <i>Kennedy Center</i>

### Tuesday, July 10

7:00 a.m. - 7:00 p.m.	ABC Legislative Conference Registration / <i>Regency Foyer</i>
7:30 a.m. - 9:00 a.m.	Legislative Breakfast <i>Regency A</i>
9:00 a.m. - 4:00 p.m.	Congressional Office Visits <i>House &amp; Senate Office Buildings</i>
9:00 a.m. - 4:00 p.m.	ABC Hospitality Suite Continental Breakfast 9-11 a.m. Luncheon 11:30-1:30 p.m. Refreshments 1:30-4:00 p.m. <i>Florida House, #1 Second St., NE</i>
12:30 p.m. - 6:00 p.m.	Structure Committee <i>Lexington</i>
5:00 p.m. - 7:30 p.m.	ABC Congressional Reception Registration / <i>Hall of Battles</i>
5:30 p.m. - 7:30 p.m.	ABC Congressional Reception <i>Yorktown/Ticonderoga</i>

*continued on back*

<b>Wednesday, July 11</b>	<b>Event/Location</b>
7:00 a.m. - 2:30 p.m.	Registration for ABC Board of Directors / <i>Outside Regency A</i>
7:30 a.m. - 8:50 a.m.	National Board of Directors General Session / <i>Regency A</i>
8:50 a.m. - 10:20 p.m.	ABC Board Regional Breakouts <i>TBA</i>
10:30 a.m. - 12:30 p.m.	ABC Board Meeting General Session / <i>Regency A</i>
12:30 p.m. - 2:20 p.m.	ABC Board Regional Breakouts & Lunch / <i>TBA</i>
2:20 p.m. - 2:30 p.m.	ABC Board Meeting General Session / <i>Regency A</i>
6:00 p.m. - 11:00 p.m.	Construction Legal Rights Foundation Board of Trustees Meeting
<b>Thursday, July 12</b>	
8:00 a.m. - 5:00 p.m.	Merit Shop Foundation Board of Trustees Meeting / <i>Columbia A</i>
9:00 a.m. - 4:00 p.m.	Education Committee Meeting <i>Concord</i>

## **CONSTRUCTION SAFETY/ OSHA EXPANSION**

There are several OSHA EXPANSION bills:  
H.R. 4652, H.R. 2254, S. 930

### **All of these bills would:**

- Create new office within OSHA for construction;
- Create additional paperwork by requiring;  
additional reporting procedures, establishment  
of on-site and off-site health and safety plans,  
increased record keeping,
- Mandate the hiring of a Construction Safety  
Specialist;
- Increase penalties;  
S. 930/H.R. 2254-up to 20 years and/or fine,  
for second offense  
H.R. 4652 - for serious injury \$25,000; for  
death \$50,000
- Urge legislators to vote AGAINST these  
OSHA EXPANSION bills.

**OSHA Criminal Penalty Reform Act,  
S. 2154/H.R. 4050**

### **PROVISIONS:**

- Dramatically Expands Criminal Sanctions for  
OSHA Violations
- Applies Criminal Penalties to Violations  
Resulting in the Serious Injury of  
Employee or "Reckless Endangerment" of Human  
Life (Currently applies only for death of worker).
- Increases Prison Sentences from 6 mos. to 10  
years for First Offense.

### **MESSAGE:**

- ABC OPPOSES ALL THESE BILLS FOR TWO  
MAIN REASONS:  
(1) NO EMPLOYEE ACCOUNTABILITY  
PROVISIONS  
(2) NO DRUG-TESTING PROVISIONS

# GETTING AROUND CAPITOL HILL

## Abbreviation of Congressional Office Buildings

- Senate:

SDOB-Dirksen Office Building

SHOB-Hart Office Building

SROB-Russell Office Building

- House of Representatives:

CHOB-Cannon Office Building

(3 digit room numbers; first digit is floor number)

LHOB-Longworth Office Building

(4-digit room numbers beginning with 1; second digit is the floor number)

RHOB-Rayburn Office Building

(4-digit number beginning with 2; second digit is the floor number)

## Where To Call For:

Senators, Representatives, Committees

224-3121 (Capitol Switchboard)

What's Happening on the Senate Floor

224-8541 (Democratic Cloakroom)

224-8601 (Republican Cloakroom)

What's Happening on the House Floor

225-7400 (Democratic Cloakroom)

225-7430 (Republican Cloakroom)

Legislative Conference Information

737-1234 (Hyatt Regency-Ask for  
ABC Conference Desk)

546-1555 (Florida House Hospitality Suite;  
Tuesday, July 10, 9:00 a.m.  
until 4:00 p.m.)



## CONSTRUCTION CREDIT CRUNCH

- Lenders are under pressure from regulators to diversify their loan portfolios; heavy reliance on real estate and construction during recent boom years lead to problems when market slumped.
- Real estate and other construction oriented loans are being looked at much more closely regardless of the borrower. In some cases financing is being denied or withheld although a project may be very sound or indeed already begun.
- **Congress needs to hear that viable projects and healthy companies are not getting adequate financing.** Ripple effect is widespread loss of jobs and tax revenues when construction employees are out of work and other businesses are unable to expand as well.
- Two legislative measures introduced to ease problems:
  - H.R. 4565 introduced by Rep. Peter Hoagland (D-NE) would phase-in over 2 years the requirement which restricts S&Ls to extending only 15% of their available credit to one borrower.
  - H.R. 4494 introduced by Sen. Jake Garn (R-UT) would exempt lenders from Superfund liability for the actions of their borrowers.

Urge your Senators and Representatives to support these bills and to keep credit flowing to construction for viable projects.

## **MANDATED PARENTAL AND MEDICAL LEAVE**

### **PROVISIONS:**

- 12 Weeks Leave Per Year Per Employee
- Leave for New Child, Sick Child, Sick Parent or Personal Illness
- Employer Guarantees Same Job, Continues Health Benefits

### **STATUS:**

- Passed House 237-187 on May 10, 1990
- Passed Senate June 14, 1990
- President Bush Will Veto

### **MESSAGE:**

- ENCOURAGE CONGRESSMEN TO SUSTAIN PRESIDENT'S VETO
- MANDATES DESTROY BENEFIT PROGRAM FLEXIBILITY/CREATIVITY
- YOUR EMPLOYEES MAY PREFER OTHER BENEFITS
- MOST EMPLOYERS DO ACCOMMODATE EMPLOYEES' FAMILY NEEDS
- ABC OPPOSES ALL FEDERAL MANDATES

M E M O R A N D U M

July 9, 1990

TO: SENATOR DOLE

FROM: JIM MCMILLAN

RE: ASSOCIATED BUILDERS AND CONTRACTORS ("ABC"): ANNUAL  
LEGISLATIVE CONFERENCE

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Background. You have been asked to address a group of approximately 300 members (unfortunately, only about one representative from Kansas will be there) of ABC on Tuesday, July 10, 1990, in the Regency A Room of the Hyatt Regency Hotel, 400 New Jersey Avenue, N.W. You will be introduced to speak at 8:30 a.m. and have been asked to speak for approximately 15 minutes and to take questions for up to an additional 15 minutes. Sen. Coats is scheduled to speak before you from 8:00 to 8:30 a.m. Jeff Noah, Director of Government Relations, ABC, will meet you in the lobby of the hotel between 8:25 and 8:30 a.m.

ABC is an 18,000 member corporate construction trade association representing the open shop in the construction industry. You have been asked to speak on general issues before the 101st Congress. Given the state of new housing starts, budget and deficit issues (which have been incorporated into your prepared statement) will be of particular interest to this group.

Issues. Some specific issues which you may get questions on include the following:

1. Civil Rights Act. The bill comes to the Senate floor tomorrow. As you know, the two big issues on the bill are revising the Kennedy-Danforth compromise language that each employment practice bear a "substantial and demonstrable relationship to effective job performance" so that business does not decide that imposing quotas is the best way to deal with the legislation and issues relating to crafting appropriate damage remedies for the various types of discrimination.

2. Americans with Disabilities Act. As you know, the Senate was not able to take action on the Conference Report prior to the July recess because of concern over the impact of the Grassley amendment (also the Chapman amendment). I have spoken to Hatch's staff who indicated that they are hopeful that all issues (including procedural problems with effecting any changes) will get resolved this week.

3. Parental and Medical Leave. This bill was vetoed by the President immediately before the July recess. The veto is expected to be sustained by the House (it is a House bill so the Senate will not have to deal with the issue).



4. Strike Replacement. A hearing was held on June 6th. The bill is a major revision of current law and would provide that it is an unfair labor practice for an employer to offer or grant (a) permanent replacement employee status during a labor dispute or (b) any employment preference to an individual who worked or indicated a willingness to work during a labor dispute over an employee who exercised specified rights during such dispute. While you hear a lot of people talking about this bill (including the unions which have made it their "Number 1" legislative priority), most believe that it won't be considered until next Congress (and even then, it will be a real uphill battle for the unions).

5. National Housing Act and Davis-Bacon Reform. Among other things, the Housing bill the Senate passed authorizes nearly \$60 billion over the next three years to expand the supply of affordable housing through new construction, rehabilitation of existing stock, and rental assistance. The House is scheduled to take up its version of the housing bill on July 12th.

There were two amendments to the Housing Act -- one by Nickles and one by Chafee -- which would have modified the Davis-Bacon Act. The Nickles amendment would have exempted public housing tenants from prevailing wage requirements of Davis-Bacon for work done on their own public housing projects. This amendment was tabled by a vote of 61-38. You voted against the motion to table.

The Chafee amendment would have raised the threshold which triggers Davis-Bacon prevailing wage requirements for public housing to \$1 million (current law requires prevailing wages on all federal construction contracts over \$2,000). This amendment was tabled by a vote of 59-39. You voted against the motion to table.

While these and other attempts to reform Davis-Bacon have been unsuccessful, this is hardly the last we will see of this issue.

6. OSHA Criminal Penalty Reform Act. This bill was reported by the Senate Labor Committee on June 27, 1990 (an amendment in the form of a substitute). It is a real priority for Metzenbaum who at one point sought to attach it to the Crime Bill. The bill significantly increases penalties for various offenses, adds a definition of serious bodily harm, adds direct liability for corporate directors, officers and agents and provides that state and local law enforcement is not preempted by OSHA. DOL was opposed to the bill as originally introduced and as yet has no official position on the substitute as reported.

7. Construction Safety, Health & Education Improvement Act. This bill was introduced by Dodd and has six cosponsors (in response to the 1987 L'Ambiance Plaza disaster in CT which



claimed the lives of 28 construction workers). A hearing was held on November 16, 1989. It looked like this bill wasn't going to move anywhere since DOL Assistant Secretary Gerard Scannell has taken aggressive steps to address the issue of construction safety and to improve regulatory response to jobsite accidents, including establishing a new office of Construction and Engineering within OSHA (which occurred in February 1990).

While many believe that Scannell has addressed many of the issues that the bill does, Dodd, apparently in response to extreme union pressure, said last week that he is considering scheduling the bill for markup on July 18th. The bill would establish an Office of Construction Safety, Health, and Education, would require certain safety and health inspections, investigations, reporting, and recordkeeping in the construction industry, would require certain construction contractors to establish construction safety and health programs and onsite plans and to appoint construction safety specialists, and would increase criminal penalties.



Tuesday, July 10  
Hyatt Regency Hotel  
at breakfast  
at 8:00  
Labor issues

May 2, 1990

The Honorable Robert Dole  
United States Senate  
141 Hart Senate Office Building  
Washington, DC 20515

Dear Senator Dole:

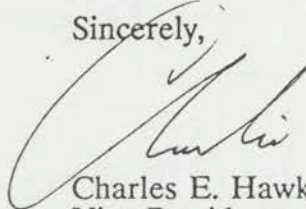
On July 9-10, 1990, Associated Builders and Contractors (ABC) is having its annual Legislative Conference at the Hyatt Regency Washington. As part of that conference we would like to extend an invitation to you to address our Legislative Issues Briefing, July 9 at 5:00 p.m. July 10 at breakfast

We are expecting several hundred ABC members from every state in the union to attend this briefing. Your speech would be ten to fifteen minutes on issues/politics in the 101st Congress with a ten to fifteen minute question and answer period to follow.

As you know, ABC is an 18,000 member corporate construction trade association representing the open shop in the construction industry. ABC is involved in issues ranging from Davis-Bacon reform to capital gains and this occasion gives our members the opportunity to meet first hand their representatives and express their views on a variety of these issues.

ABC looks forward to your participation in our conference and would gladly discuss with your staff the matter of an honorarium.

Sincerely,



Charles E. Hawkins, III, CAE  
Vice President of Government Affairs

5-4-90 Interview letter

6-5-90 Reva Lovett 637-8800

TALKING POINTS  
ASSOCIATED BUILDERS  
AND CONTRACTORS

JULY 10, 1990

INTRODUCTION

- O GOOD MORNING. IT'S A  
PLEASURE TO BE HERE.
- O THERE ARE A LOT OF YOU  
IN THE AUDIENCE FROM  
OUT—OF—TOWN WHO HAVE  
MADE THE TRIP TO



WASHINGTON TO SEE WHAT  
CONGRESS IS UP TO THIS  
SESSION. I HOPE YOU ARE  
NOT DISAPPOINTED AND  
PERHAPS EVEN A LITTLE  
ENCOURAGED. IF NOT, LET  
US KNOW —— THAT'S WHAT  
WE'RE HERE FOR.

THE BUDGET AND THE DEFICIT

O I DON'T HAVE TO REMIND  
ANY OF YOU THAT THE



ECONOMY COULD BE IN  
BETTER SHAPE.

- UNFORTUNATELY, JUST AT  
THE TIME THE TREASURY'S  
REVENUES ARE BELOW  
PROJECTIONS, THE COST OF  
RUNNING THE COUNTRY IS  
AHEAD OF PROJECTIONS.
- INTEREST ON OUR NATIONAL  
DEBT IS APPROACHING \$200  
BILLION A YEAR, TWICE AS

MUCH AS THE ENTIRE  
FEDERAL BUDGET WHEN I  
WAS FIRST ELECTED TO  
CONGRESS 29 YEARS AGO.  
AND SOMETIME TOWARDS  
THE END OF THIS MONTH,  
WE WILL HAVE TO PASS A  
BILL TO INCREASE THE DEBT  
LIMIT YET AGAIN — TO  
SOMETHING WELL OVER \$3  
TRILLION.

○ THE LATEST FIGURES FROM  
THE TREASURY INDICATE  
THAT IN 1991, WE WILL  
HAVE TO LOOK AT BUDGET  
CUTS TOTALING AROUND  
\$50 BILLION TO MEET  
GRAMM—RUDMAN TARGETS  
AND THAT'S TAKING THE  
SAVINGS & LOAN BAILOUT  
OFF THE BUDGET. EVEN  
FOR A WASTEFUL AND A

'SPECIAL—INTEREST—MINDED'

CONGRESS, \$50 BILLION IS  
NOT POCKET CHANGE.

AND OVER THE NEXT FIVE  
YEARS, WE ARE LOOKING  
AT A REDUCTION OF ABOUT  
\$500 BILLION.

- WHEN FACED WITH DEFICIT  
PROBLEMS LAST YEAR, THE  
SENATE SPENT 10 MONTHS  
AND DEVOTED OVER 60



PERCENT OF ITS ROLL CALL  
VOTES TO REDUCE THE  
DEFICIT BY ONLY \$16  
BILLION. AND TO DO THAT,  
THERE WERE SAVINGS THAT  
WERE HARDLY 'REAL'  
SAVINGS —— SUCH AS  
MOVING MILITARY PAY  
DATES INTO ANOTHER  
FISCAL YEAR AND  
COUNTING \$500 MILLION IN

SO—CALLED 'LOST' FOOD  
STAMPS.

THE SUMMIT

○ THIS YEAR WE CAN NOT  
AFFORD A REPEAT OF LAST  
YEAR'S GAMES. WE'VE  
GOT BIGGER PROBLEMS  
AND THAT IS WHY IT IS  
IMPORTANT THAT THE  
ADMINISTRATION AND  
CONGRESS GET TOGETHER

AND WORK OUT A BUDGET  
COMPROMISE. OF COURSE,  
THAT'S A LOT EASIER SAID  
THAN DONE.

COMPROMISE PACKAGE: NEW  
TAXES

- O FROM THE START, THE  
PRESIDENT MADE IT CLEAR  
THAT FUNDAMENTAL TO  
ANY SUMMIT NEGOTIATIONS  
IS THAT EVERYTHING IS ON

THE TABLE: SPENDING  
CUTS, ENTITLEMENT AND  
MANDATORY PROGRAM  
REFORM, GROWTH  
INCENTIVES, DISCRETIONARY  
SPENDING REDUCTIONS,  
DEFENSE CUTS, BUDGET  
REFORM, AND LAST BUT  
NOT LEAST — TAX  
REVENUE INCREASES.

○ THE PRESS HAS MADE A



LOT OF HYPE ABOUT THE  
PRESIDENT'S STATEMENT  
THAT TAX INCREASES ARE  
GOING TO BE NECESSARY.

- I CAN'T SAY THAT THIS  
REALLY SURPRISES ME. I  
HAVE ALWAYS FELT THAT  
SOME FORM OF TAX  
INCREASES WERE GOING TO  
BE NECESSARY AS PART OF  
THIS COUNTRY'S ONGOING

ECONOMIC POLICY AND  
THE SPIRALING DEFICIT JUST  
UNDERScores THAT NEED.

- WHILE THE PRESIDENT IS  
CONSIDERING A LOT OF  
DIFFERENT KINDS OF  
REVENUE RAISING TAXES, I  
THINK HE WOULD PREFER  
VARIOUS EXCISE TAX  
OPTIONS SUCH AS THE  
SO—CALLED "BTU" TAX

WHICH WOULD APPLY TO  
VARIOUS SOURCES OF  
ENERGY, A TAX ON  
ALCOHOL AND CIGARETTES,  
OR A SECURITIES TRADING  
TAX TO AN INCREASE IN  
INCOME TAX RATES.

- O IN ADDITION, AS PART OF  
ANY BUDGET PACKAGE, THE  
PRESIDENT IS COMMITTED  
TO CUTTING THE MAXIMUM



# CAPITAL GAINS TAX RATE AS A MEANS TO INCREASE REVENUES.

## BUDGET PROCESS REFORM

- BESIDES REDUCING OUR  
DEFICIT, WE ALSO NEED TO  
LOOK AT SOME PROPOSALS  
TO REFORM THE CURRENT  
BUDGET PROCESS WHICH  
BOTH DEMOCRATS AND  
REPUBLICANS WILL AGREE IS

FAR FROM PERFECT.

- WHILE A LOT OF PEOPLE  
DON'T LIKE IT, I FIRMLY  
BELIEVE THAT WE SHOULD  
NOT REPEAL GRAMM—  
RUDMAN—HOLLINGS THAT  
IMPOSES MANDATORY  
SPENDING RESTRAINTS ON  
CONGRESS. WITHOUT IT,  
THERE WOULD NOT BE THAT  
"TAP ON THE SHOULDER"

REMINDING US THAT OUR  
BUDGET PROBLEMS CAN'T  
BE SWEEPED UNDER THE RUG  
AND THAT TOUGH  
DECISIONS NEED TO BE  
MADE.

- WE ALSO NEED TO INVOLVE  
THE PRESIDENT IN  
ELIMINATING WASTE IN  
CONGRESSIONAL  
PROGRAMS WITH A LINE



ITEM VETO OR ENHANCED  
RESCISSION AUTHORITY.

- FINALLY, WE NEED A TWO  
YEAR BUDGET CYCLE WHICH  
WOULD ADD SOME  
CONSISTENCY AND  
LONGER—RANGE PLANNING  
TO THE BUDGET PROCESS.  
ALSO WITH A TWO YEAR  
CYCLE, CONGRESS WOULD  
BE FREED UP IN OFF YEARS

TO DEVOTE MORE TIME TO  
OTHER NATIONAL PRIORITIES.

OTHER LEGISLATIVE INITIATIVES

O ALTHOUGH CONGRESS WILL  
BE PREOCCUPIED IN THE  
COMING MONTHS WITH  
BUDGET ISSUES AND  
APPROPRIATIONS BILLS,  
OTHER MAJOR PIECES OF  
LEGISLATION THAT HAVE OR  
WILL COME TO THE FLOOR

THAT YOU MAY BE  
INTERESTED IN INCLUDE THE  
FOLLOWING:

— AS YOU KNOW, THE  
CLEAN AIR ACT IS IN  
CONFERENCE AND I THINK YOU  
CAN EXPECT A BILL TO BE  
PASSED BEFORE THE END OF THE  
SESSION.

— A MAJOR HOUSING  
BILL WAS JUST PASSED IN THE



SENATE. UNFORTUNATELY,  
AMENDMENTS OFFERED BY  
SENATORS CHAFEE AND NICKLES  
WHICH WOULD HAVE  
IMPLEMENTED SOME REFORMS  
TO DAVIS—BACON AND WHICH  
I SUPPORTED DID NOT PASS.  
UNDER THE BILL, DAVIS—BACON  
WILL APPLY TO PROJECTS  
INVOLVING 12 OR MORE UNITS.  
THE BILL ALSO CALLS FOR A

STUDY OF THE EFFECT OF  
DAVIS—BACON ON FEDERAL  
HOUSING CONTRACTS. I KNOW  
THE ISSUE OF DAVIS—BACON  
REFORM IS A REAL PRIORITY  
FOR YOU, AND I THINK WE WILL  
CONTINUE TO SEE THE ISSUE  
SURFACING UNTIL SOME  
CHANGES ARE MADE.

— THE CIVIL RIGHTS ACT  
WILL BE ON THE SENATE FLOOR

TODAY. WHILE THE PRESIDENT  
HAS INDICATED THAT HE WANTS  
TO SIGN A CIVIL RIGHTS BILL  
AND WHILE THE ADMINISTRATION  
IS WORKING OVERTIME TO  
RESOLVE ITS ISSUES ON THE  
LEGISLATION, PROBLEMS STILL  
REMAIN ON MODIFYING  
LANGUAGE IN THE BILL TO  
MAKE SURE THAT ITS EFFECT ON  
THE BUSINESS COMMUNITY IS



NOT TO MANDATE QUOTAS AND  
IN CONNECTION WITH CRAFTING  
APPROPRIATE DAMAGE  
REMEDIES.

— THE SENATE IS ALSO  
SCHEDULED TO TAKE FINAL  
ACTION ON THE CONFERENCE  
REPORT ON THE AMERICAN WITH  
DISABILITIES ACT THIS WEEK  
WHICH RAN INTO A LAST  
MINUTE SNAG BEFORE THE

RECESS. WHILE I SUPPORT THIS  
BILL, I REMAIN CONCERNED  
ABOUT ITS IMPACT ON SMALL  
BUSINESS AND BELIEVE THAT THIS  
SITUATION SHOULD BE  
CAREFULLY MONITORED DOWN—  
THE—ROAD TO MAKE SURE THAT  
MODIFICATIONS IN THE LAW ARE  
NOT IN ORDER.

— THE OSHA CRIMINAL  
PENALTY REFORM ACT WAS

REPORTED ON FAVORABLY THE  
WEEK BEFORE LAST BY THE  
SENATE LABOR COMMITTEE. I  
UNDERSTAND THAT SENATOR  
METZENBAUM AND THE  
DEPARTMENT OF LABOR ARE  
STILL TALKING ABOUT VARIOUS  
PROVISIONS OF THAT BILL  
WHICH MAY OR MAY NOT  
COME TO THE FLOOR IN THE  
NEAR FUTURE.



— THERE ALSO APPEARS  
TO BE RENEWED INTEREST BY  
SENATOR DODD IN THE  
CONSTRUCTION SAFETY, HEALTH  
& EDUCATION IMPROVEMENT  
ACT WHICH MAY GET  
SCHEDULED FOR MARKUP ON  
JULY 18TH.

— FINALLY, WHILE YOU  
HEAR LOTS OF PEOPLE TALKING  
ABOUT THE STRIKE REPLACEMENT

BILL, I THINK MOST OF WHAT IS  
GOING ON IS MORE IN  
ANTICIPATION OF ACTION BY  
THE NEXT CONGRESS RATHER  
THAN THIS ONE. THE BILL IS —  
— OF COURSE — A MAJOR  
REVISION OF STRIKE LAW AND  
ALTHOUGH THE UNIONS HAVE  
SET IT AS THEIR "NUMBER 1  
PRIORITY", I THINK THEY HAVE  
GOT A REAL UPHILL BATTLE ON

THEIR HANDS.

O THERE ARE A LOT OF  
OTHER ISSUES THAT THE  
SENATE MAY BE TAKING UP  
BUT YOU SHOULD KEEP IN  
MIND THAT BECAUSE THIS IS  
AN ELECTION YEAR, BI-  
PARTISAN COOPERATION IN  
THE CONGRESS MAY  
BECOME MORE AND MORE  
DIFFICULT — ESPECIALLY



SINCE THE POLLS ARE  
INDICATING THAT SOME  
RACES ARE A LOT CLOSER  
THAN WAS EXPECTED.

THE ELECTION

- UNLIKE RECENT SENATE  
CAMPAIGNS WHERE THE  
DEMOCRATS HAVE BEEN  
ABLE TO RECRUIT BETTER  
CANDIDATES, WE NOW  
HAVE 9 REPUBLICAN HOUSE

MEMBERS RUNNING FOR THE  
SENATE BEHIND A PRESIDENT  
WHOSE POPULARITY HAS  
BEEN OFF THE CHARTS.

- THERE IS NO DOUBT THAT  
THE REPUBLICANS ARE ——  
AND CONTINUE TO BE ——  
IN THE BEST POSITION TO  
MANAGE THE ECONOMY.  
WE ARE AT A CRITICAL  
JUNCTURE AND THOSE WITH

THE EXPERIENCE SHOULD BE  
IN THE DRIVER'S SEAT.

- THIS COUNTRY NEEDS  
GROWTH COUPLED WITH  
SPENDING CUTS. IF WE  
RETURN TO THE DAYS OF  
FREE SPENDING — OF  
BLOATED GOVERNMENT  
PROGRAMS THAT DO NOT  
JUSTIFY THEIR COST — WE  
WILL BE HURTING THE



ECONOMY AT A TIME WHEN  
IT NEEDS A BOOST.

- IF WE START MANDATING  
BENEFITS AND IMPOSING  
ADDITIONAL —— AND I  
MIGHT ADD ——  
EXPENSIVE —— BURDENS ON  
THE BUSINESS COMMUNITY,  
WE WILL BE ZAPPING  
BUSINESS OF THE STRENGTH  
AND FREEDOM IT NEEDS TO

STAY PROFITABLE AND  
COMPETITIVE.

- SO I AM OPTIMISTIC THAT  
THE REPUBLICANS ARE  
GOING TO MAKE SOME  
GAINS DURING THE FALL  
ELECTIONS, AND I HOPE  
YOU WILL AGREE WITH ME  
THAT THE DEMOCRATIC  
AGENDA IS JUST NOT  
COMPATIBLE WITH THIS

## COUNTRY'S ECONOMIC SITUATION.

### FLOOR QUESTIONS

○ IF TIME ALLOWS, YOU MAY  
WANT TO TALK ABOUT  
SOME OF THE ISSUES I  
HAVE RAISED — OR  
OTHERS — AND I'D BE  
HAPPY TO RESPOND TO  
YOUR QUESTIONS.