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DATE: November 23, 1998  
TO: NATIONAL COUNCIL SSMA OFFICERS AND EXECUTIVE COMMITTEE  
RE: Legislative Report #38

**Organizing for the 106th Congress:**

Rep. Bob Livingston (LA) handily won his bid for the Speakership and accepted the Speaker's gavel from departing Rep. Gingrich last Wednesday. Rep. Dick Armey (TX) won re-election as Majority Leader and Rep. Tom DeLay (TX) returns as Majority Whip. Rep. J.C. Watts (OK) took the fourth highest leadership post of Chairman of the Republican Conference. Rep. Watts is the only African American Republican in the House; he defeated John Boener of Ohio.

**Of special interest to federal employees is Rep. Tom Davis' (VA) win** (over John Linder of GA) to head the Republican Congressional Campaign Committee (the "R-triple-C"). Along with seven other leaders of the Republican party in Congress, he will help determine policy and agenda for the new Congress. As you know, Rep. Davis has pledged his continued support in moving legislation to correct the supervisory overtime inequity. His ascendancy into the leadership ranks is good news for all in the federal employee community.

House Democrats re-elected Rep. Gephardt of MO as Minority Leader; as far as I know, the rest of the Democratic leadership remains intact.

House committee chairmanships and assignments are still evolving; I will report on our key committee make-up and leadership as reliable, final information becomes available. Next week Senators will be in town to vote on leadership and organize their side of Capitol Hill. No problems are anticipated with the re-election of Sen. Trent Lott of Miss. as Majority Leader.

**House Ways and Means hearing on the future of Social Security:**

With the White House conference on Social Security reform only two weeks away, the scarcity of information continues here. (In fact, I learned more about the plans from your President, Ron Niesing, than I did from my office visits on the Hill last week.) I did not hear specific plans for that event illuminated at last Thursday's Ways and Means Hearings on the future of Social Security.

Rather, Chairman Archer and the attending Republican Members repeatedly questioned key witness Treasury Asst. Sec. for Economic Policy David Wilcox (who attended in place of Secretary Rubin) about the timing of a proposal from the Administration: "next month at the White House conference?, next spring when the Congressional budget deadline arrives?, next September at the end of the fiscal year? . . .when?" The response was consistently that the President's policy is to not come forward with a specific proposal because he does not want to close off any avenues yet or polarize the debate.

Wilcox reported on the forums sponsored by AARP and Concord Coalition, saying that they have revealed that young and old alike are concerned and want "to continue benefits for themselves and for their children and grandchildren." He reiterated the broad principles to which the Administration is committed: 1) strengthening and protecting SS for the 21st century; 2) maintaining fairness in the system; 3) providing benefits people can depend on; 4) providing financial security for the disabled and low income beneficiaries; and 5) fiscal discipline. He said the upcoming White House Conference was an outgrowth of the public discussions which would provide an opportunity for bi-partisan interchange between congressmen, the public, and experts in the field holding views across the spectrum. He concluded that as the process advances, the President will re-evaluate his current policy of not coming forward with a specific proposal.

"If President Clinton thinks we can get this job done without a specific proposal, he is dead wrong," stated Archer, adding that "broad outlines" are inadequate, as is holding a conference which does not "result in consensus" but just "bundles" all the proposals to send to the Hill. He suggested that the President's lack of a leadership role could result in the loss of an opportunity to fix Social Security before a crisis is reached. Outgoing Ranking Minority Member Kennelly responded by saying it is "easy to criticize" and "wait for a proposal to attack" rather than moving quickly into a bi-partisan effort. She maintained that the fact that the Sec. of the Treasury had been unable to attend (Archer had expressed dismay earlier) was not an indication that the Administration was not seriously addressing SS reform, and that "the President will be involved when the 106th Congress attacks this problem." The Republicans and Democrats in attendance pretty much followed in suit.

In response to questions, Wilcox said that the Administration did not have substantive comments to make on legislative proposals introduced in the 105th Congress, on the earlier proposals made by the Social Security advisory group, or on any other proposals under consideration. Wilcox responded that nothing at all is "off the table" yet (such as raising the retirement age, increasing SS taxes, etc.) as a result of public opinions expressed at the forums held around the country this year. However, he added that the President had already said he "hoped" a solution could be found that would not require those changes.

The only entertaining moments came when Chairman Archer spent considerable time trying to get Wilcox to confirm that investments in the SS trust fund cannot be cashed in for any other purpose than to pay SS benefits and operate the SS program. Archer clearly wanted to make the point that there is no relationship between the trust fund investments in government bonds and general revenue costs resulting from tax relief legislation which the Republicans might pursue. Archer tried hard to get Wilcox to say that anyone claiming that Republican efforts to reduce taxes represented "raiding the SS trust funds" was intentionally misleading the public. Wilcox repeatedly gave carefully worded, lawyer-like responses which finally drew laughter from the audience and exasperated Archer. (You wouldn't have wanted to be Wilcox that day.)

There was, of course, lots of related and rambling discussion of the unified budget surplus including the current SS surplus, confusion about what is meant by "saving the surplus" until Social Security is fixed, etc. When Wilcox said that the Administration was not coming forward with a specific reform proposal yet, the "relevant policy is to reserve surplus spending by bi-partisan agreement" until a solution is identified. Archer said that the portion of the general revenue surplus

The hearing concluded with a panel: John Cogan, Sr. Fellow at the Hoover Institute at Stanford;

Herbert Stein, Sr. Fellow at American Enterprise Institute (formerly on the Council of Economic Advisors; Robert Reischauer, Sr. Fellows of Brookings (former head of the Congressional Budget Office) and Stan Ross, Chairman of the Social Security Advisory Board (former SSA Commissioner). Although I did not remain at the (excessively long) hearing for their testimony, Committee staff tell me they reiterated statements each had previously presented before the House or Senate SS authorizing committees on the subject of SS reform.

There is dwindling hope here that the White House Conference will do more than provide yet another opportunity for the airing of the full range of proposals.

End

Author: WILLIAM BLOMBERG at ~KC726

Date: 11/24/98 2:07 PM

Priority: Normal

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Subject: Legislative report

Attached is Janet's latest report

Nancy