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Ted Stevens, chairman, Senate Committee on Appropriations; Benjamin A. Gilman, chairman, House Committee on International Relations; and C.W. Bill Young, chairman, House Committee on Appropriations. An original was not available for verification of the content of this letter.

Letter to Congressional Leaders on Bipartisan Tax Cut Legislation
October 26, 2000

Dear Mr. Speaker: (Dear Mr. Leader:)

Thank you for your letter yesterday responding to my proposed consensus tax package. As I said yesterday, I believe we all have a responsibility to make every possible effort to come together on a bipartisan agreement on tax relief and Medicare/Medicaid that will maintain fiscal discipline and serve the interests of all the American people. That is why I put forward a good faith offer yesterday that sought to reflect our differing priorities in a balanced manner. I was disappointed, however, that, without any consultation with me or Congressional Democrats, you chose to put forward a partisan legislative package that ignores our key concerns on school construction, health care, and pensions policy. If this current tax and Medicare/Medicaid package is presented to me, I will have no choice but to veto it.

While we have already reached substantial agreement in important areas, such as replacement of the Foreign Sales Corporations regime, your legislation has substantial flaws in several key areas.

As I stated yesterday, I believe it is absolutely essential that we do as much as possible to meet America's need for safe and modern schools. It is estimated that there may be as much as a $125 billion dollar financing gap in meeting the school construction and modernization needs of our children. The bipartisan Rangel-Johnson proposal to finance $25 billion in bonds to construct and modernize 6,000 schools is, quite frankly, the very least we should do, given the magnitude of this problem and its importance to America's future. Unfortunately, your proposal falls far short of the mark. We should not sacrifice thousands of modernized schools to pay for inefficient tax incentives that help only a few. For example, the arbitrage provision encourages delay in urgently needed school construction and would disproportionately help wealthy school districts.

On health care, my offer sought to lay a path to common ground by coupling both of our priorities on health and long-term care. Unfortunately, your health care proposal completely ignores our proposal to cover millions of uninsured, working Americans. Instead you put forward a series of tax cuts that, particularly when standing alone, would be inequitable, inefficient, and even potentially counterproductive health care policy. For example, while our FamilyCare proposal would expand coverage to 4 million uninsured parents at a cost of slightly over $3,000 per person, your proposal would provide additional coverage to one-seventh the people at six times the cost per person. Moreover, your proposal would give the least assistance to moderate-income families that need help the most, while even raising concerns that those with employer-based coverage today could lose their insurance.

Similarly, on long-term care, I offered to embrace your proposed deduction for long-term care insurance in exchange for inclusion of my proposal to give families, who are burdened today by long-term care needs, a $3,000 tax credit. Unfortunately, your legislation ignores the bipartisan package I suggested and instead would provide half the benefits of my proposal for financially pressed families trying to provide long-term care for elderly and sick family members. Surely we can agree on this bipartisan compromise that has already been endorsed by a broad array of members of Congress, advocates for seniors and people with disabilities, and insurers. Similarly, I am perplexed that we cannot agree to include the bipartisan credit for vaccine research and purchases that is essential to save lives and advance public health.

I also am disappointed that you have made virtually no attempt to address the concerns my Administration has expressed to you about the pension provisions of your bill. By dropping the progressive savings incentives from the Senate

Finance Committee bill, you have failed to address the lack of pension coverage for over 70 million people. Moreover, employers may have new incentives to drop pension coverage for some of the low- and moderate-income workers lucky enough to have pension plans today.

Finally, I remain deeply concerned that your Medicare and Medicaid refinement proposal continues to fail to attach accountability provisions to excessive payment increases to health maintenance organizations (HMOs) while rejecting critical investments in beneficiaries and vulnerable health care providers. Specifically, you insist on an unjustifiable spending increase for HMOs at the same time as you exclude bipartisan policies such as health insurance options for children with disabilities, legal immigrant pregnant women and children, and enrolling uninsured children in schools, as well as needed payment increases to hospitals, academic health centers, home health agencies, and other vulnerable providers. Congress should not go home without responding to the urgent health needs of our seniors, people with disabilities, and children and the health care providers who serve them.

A far better path than the current one is for Congressional Republicans, Democrats, and my Administration to come together in a bipartisan process to find common ground on both tax relief and Medicare/Medicaid refinements.

Sincerely,

WILLIAM J. CLINTON

NOTE: Letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Trent Lott, majority leader of the Senate. An original was not available for verification of the content of this letter.

Letter to Congressional Leaders on Commerce, Justice, and State Appropriations Legislation

October 26, 2000

Dear Mr. Speaker: (Dear Mr. Leader:)

I am writing to raise my serious concerns with the FY 2001 Commerce, Justice, and State appropriations bill that was filed this morning as part of the FY 2001 District of Columbia conference report. Although neither my Administration nor virtually any Member of Congress has had an opportunity to review this bill, it is our understanding that it fails to adequately address a number of high-priority issues that the Administration has previously brought to your attention. Therefore, I have no choice but to veto this bill.

It is our understanding that this bill fails to redress several injustices in our immigration system as called for by the Latino and Immigrant Fairness Act. Those provisions would help normalize the immigration status of individuals and their families who have been living for many years in the United States, and, as such, would restore fairness and equity to our immigration laws. Current Republican proposals would not help most of the people who need relief and would perpetuate the current patchwork of contradictory and unfair immigration policies.

In addition, it is our understanding that this bill fails to provide the resources needed for the Department of Justice to let justice work its course by pursuing tobacco litigation to address the need for tobacco companies to bear responsibility for the staggering costs of tobacco-related illnesses. Congress should not block the judicial process, especially in a matter that is of supreme importance to the public health and the public interest.

This bill also fails to include hate crimes legislation that would cover crimes motivated by bias on the basis of a victim's gender, disability, or sexual orientation. Both the House and Senate have had bipartisan votes indicating their support for strong hate crimes legislation and it should become law this year.

The bill fails to address in any meaningful way the real privacy concerns about Social Security numbers raised by the Administration. Regrettably, it does not include needed protections against the inappropriate sale and display of individual citizens' social security numbers. Moreover, the bill creates loopholes that seriously undermine the goal of the legislation to protect