Office of Management and Budget, Jacob Lew, has confirmed that enactment of the LaTourette-Kanjorski, Credit Union Membership Access Act (H.R. 1151) would have, ''no net budget impact'' and ''no PAYGO cost.''

This finding by OMB, which applies to both the House-passed, and Senate Committee-reported versions of H.R. 1151, verifies what most of us have intuitively known for some time. Expanding access to credit unions will give consumers additional choices but will not negatively affect the federal budget. Nor will it violate the Balanced and Emergency Control Act. Claims to the contrary are merely efforts by opponents of consumer choice to throw obstacles in the way of this important pro-consumer legislation.

The Office of Management and Budget has had an excellent record in recent years for accurately projecting the budget impact of legislation. OMB's analyses are prepared by dedicated professionals who take their responsibilities seriously. We should be thankful for their conclusions and should all work to ensure that a final version of the LaTourette-Kanjorski Credit Union Membership Access Act is presented to the President for his signature as soon as possible.

The full text of OMB Director Lew's letter follows:

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, July 15, 1998.

Hon. PAUL E. KANJORSKI,
U.S. House of Representatives, Washington, DC.

DEAR REPRESENTATIVE KANJORSKI: Thank you for your letter inquiring about the budget impact of H.R. 1151, the Credit Union Membership Access Act. OMB estimates that there would be no net budget impact from either the House or Senate versions of H.R. 1151 under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985's Pay-As-You-Go budget scoring rules (known as ''PAYGO'').

Sections 101 and 102 of H.R. 1151 (as passed by the House and as reported by the Senate Banking Committee) redefine the circumstances under which a credit union may expand its field of membership. By increasing credit union membership beyond what was permissible after the recent Supreme Court decision, the new field of membership rules may allow consumers to shift funds from tax-paying financial institutions to tax-exempt credit unions, resulting in reduced revenues. By longstanding convention, OMB only scores revenue changes resulting directly from modification of tax law; it does not score indirect changes resulting from modification of consumer behavior. This is consistent with OMB's interpretation of the Budget Enforcement Act requirement to score costs resulting from legislation. Because Sections 101 and 102 do not change tax law, OMB estimates that these sections would have no PAYGO costs.

The new definition also would lead credit unions to acquire more insured shares (deposits), thus increasing deposit insurance assessments received by the National Credit Union Share Insurance Fund (NCUSIF). The Balanced Budget and Emergency Deficit Control Act of 1985, section 252(d)(4)(A), exempts provisions that provide for the full funding and continuation of the government's deposit insurance commitment from the PAYGO scoring rules (known as the ''deposit insurance exemption''). The additional deposit insurance assessments that NCUSIF would receive as a result of this provision come under the deposit insurance exemption and are, therefore, PAYGO exempt. OMB estimates no PAYGO cost from expansion of the common bond authority.

H.R. 1151 would prevent the National Credit Union Administration (NCUA) from issuing a rebate of NCUSIF funds to insured credit unions until the fund's reserve ratio exceeds 1.5% of insured shares. Currently the NCUA pays rebates whenever the fund reserve ratio exceeds 1.3%. This provision would decrease NCUSIF outlays until the fund reaches 1.5% currently estimated to happen in 2003. As above, this provision contributes to the full funding and continuation of deposit insurance, and is therefore exempt from PAYGO.

Finally, H.R. 1151 increases NCUA's administrative expenses. The NCUA's policy, however, calls for charging member credit unions fees sufficient to offset all administrative costs. Thus, these additional expenses would be PAYGO neutral.

Thank you for your interest in OMB's analysis of H.R. 1151.

Sincerely,

JACOB J. LEW,
Acting Director.

NEW LEAKS OF INFORMATION FROM KEN STARR'S INVESTIGATION IMPUGN INTEGRITY OF DEDICATED SECRET SERVICE PROFESSIONALS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. CONYERS. Mr. Speaker, leaks of confidential information regarding Ken Starr's investigation of the President have become intolerable. Yesterday, the media was filled with reports that were attributed to congressional sources close to Mr. Starr's investigation. According to those sources, Mr. Starr subpoenaed Larry Cockell, the head of the President's Secret Service protection team, in order to learn whether the Secret Service ''facilitated'' meetings between the President and unnamed women.

The suggestion that the Secret Service would do that kind of thing is an outrage. And to share those sinister and unfounded suspicions with unnamed congressional sources is even worse. Why should the Secret Service have to endure this slander from people who claim to represent the United States of America?

Secret Service agents put their lives on the line day-in and day-out. Whenever, the President is in public, they are in the line of fire. Who can forget the searing image of John Hinckley's cowardly attack on President Reagan. And who can forget the fact that Tim McCarthy, the President's Secret Service agent, took a bullet to save the President's life.

The agents who protect the President are the best of the best. It is an insult to the integrity and professionalism of these dedicated men and women to think that they would participate in these kinds of activities. In fact, Lewis Merletti, the Director of the Secret Service, and the former head of the President security team, said last night that he would have resigned before he would have tolerated improper activity by a person he as assigned to protect.

Mr. Starr denies that he leaked information about the Secret Service matter to Congress. Unfortunately, he has little credibility on that issue. In the past, Mr. Starr said that he made ''the prohibition of leaks a principal priority'' of his Office. He also said that he considered leaks ''a firing offense.''

Only later did we learn that Mr. Starr and his chief deputy routinely talk to reporters off-the-record. When that fact was exposed, Mr. Starr tried to argue that as long as he did not reveal what a witness said in the grand jury room, there was no law or ethical rule that prevented him from talking to reporters. Of course, Mr. Starr's position is contrary to a recent decision by the D.C. Circuit Court of Appeals that makes it illegal to reveal ''not only what has occurred and what is occurring, but also what is likely to occur. Encompassed within the rule of secrecy are the identities of witnesses of jurors, the substance of testimony as well as actual transcripts, the strategy or direction of the investigation, the deliberations or questions of the jurors, and the like.''

Over and over again, Mr. Starr either pushes or exceeds the limits of propriety. His dealings with the Secret Service are a good example. Although Mr. Staff won the right in the district court and court of appeals to serve his subpoenas, the matter is still under litigation. With the issue heading for a showdown in the Supreme Court, why did Mr. Starr try to get the agents into the grand jury today? One explanation, and one that I hope is not true, is that he wanted to get the testimony before the Supreme Court could rule on the issue.

Mr. Starr's insistence that the agents testify today has thrown the legal process into disarray. Our legal system is built on the orderly movement of a case from the trial court, to appeal, to the Supreme Court.

This process ensures that judges have enough time to consider the arguments for and against each side of a dispute. Here, where the safety and health of the President of the United States are at issue, it is particularly disturbing that Mr. Starr has engaged in legal strong-arm tactics.

WASHINGTON ELEMENTARY SCHOOL: A MODEL FOR EDUCATIONAL SUCCESS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1998

Mr. MILLER of California. Mr. Speaker, over the last several months I have had the distinct pleasure of working with an incredible group of young people on the development of a Congressional ''Kids's Page'' web site. These aspiring web designers were students from the 4th, 5th and 6th grade classes at Washington Elementary School in Richmond, California.

Washington Elementary is an ethnically diverse neighborhood school situated between an affluent bayshore community and the inner-city streets. The oldest school in the West Contra Costa Unified School District, it was slated for closure in 1991 because of falling enrollment and poor academic achievement. Yet the Washington School of today is a thriving learning environment, full of energy and life. Its enrollment has more than doubled, test scores are quickly rising and it has been recognized by the Bay Area School Reform Collaborative as a Leadership School.