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SUPREME COURT OF THE UNITED STATES

No. 97–1374

WILLIAM J. CLINTON, PRESIDENT OF THE UNITED STATES, ET AL., APPELLANTS *v.* CITY OF NEW YORK ET AL.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

[June 25, 1998]

JUSTICE STEVENS delivered the opinion of the Court.

The Line Item Veto Act (Act), 110 Stat. 1200, 2 U. S. C. §691 *et seq.* (1994 ed., Supp. II), was enacted in April 1996 and became effective on January 1, 1997. The following day, six Members of Congress who had voted against the Act brought suit in the District Court for the District of Columbia challenging its constitutionality. On April 10, 1997, the District Court entered an order holding that the Act is unconstitutional. *Byrd* v. *Raines,* 956 F. Supp. 25. In obedience to the statutory direction to allow a direct, expedited appeal to this Court, see §§692(b)–(c), we promptly noted probable jurisdiction and expedited review, 520 U. S. ___ (1997). We determined, however, that the Members of Congress did not have standing to sue because they had not "alleged a sufficiently concrete injury to have established Article III standing," *Raines* v. *Byrd,* 521 U. S. ___, ___ (1997) (slip op., at 18); thus, "in . . . light of [the] overriding and time-honored concern about keeping the Judiciary's power within its proper constitutional

sphere," *id.*, at ___ (slip op., at 8), we remanded the case to the District Court with instructions to dismiss the complaint for lack of jurisdiction.

Less than two months after our decision in that case, the President exercised his authority to cancel one provision in the Balanced Budget Act of 1997, Pub. L. 105–33, 111 Stat. 251, 515, and two provisions in the Taxpayer Relief Act of 1997, Pub. L. 105–34, 111 Stat. 788, 895–896, 990–993. Appellees, claiming that they had been injured by two of those cancellations, filed these cases in the District Court. That Court again held the statute invalid, 985 F. Supp. 168, 177–182 (1998), and we again expedited our review, 522 U. S. ___ (1998). We now hold that these appellees have standing to challenge the constitutionality of the Act and, reaching the merits, we agree that the cancellation procedures set forth in the Act violate the Presentment Clause, Art. I, §7, cl. 2, of the Constitution.

I

We begin by reviewing the canceled items that are at issue in these cases.

Section 4722(c) of the Balanced Budget Act

Title XIX of the Social Security Act, 79 Stat. 343, as amended, authorizes the Federal Government to transfer huge sums of money to the States to help finance medical care for the indigent. See 42 U. S. C. §1396d(b). In 1991, Congress directed that those federal subsidies be reduced by the amount of certain taxes levied by the States on health care providers.[1] In 1994, the Department of Health and Human Services (HHS) notified the State of New York that 15 of its taxes were covered by the 1991 Act, and that

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[1] Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Pub. L. 102–234, 105 Stat. 1793, 42 U. S. C. §1396b(w).

as of June 30, 1994, the statute therefore required New York to return $955 million to the United States. The notice advised the State that it could apply for a waiver on certain statutory grounds. New York did request a waiver for those tax programs, as well as for a number of others, but HHS has not formally acted on any of those waiver requests. New York has estimated that the amount at issue for the period from October 1992 through March 1997 is as high as $2.6 billion.

Because HHS had not taken any action on the waiver requests, New York turned to Congress for relief. On August 5, 1997, Congress enacted a law that resolved the issue in New York's favor. Section 4722(c) of the Balanced Budget Act of 1997 identifies the disputed taxes and provides that they "are deemed to be permissible health care related taxes and in compliance with the requirements" of the relevant provisions of the 1991 statute.[2]

On August 11, 1997, the President sent identical notices to the Senate and to the House of Representatives canceling "one item of new direct spending," specifying §4722(c) as that item, and stating that he had determined that "this cancellation will reduce the Federal budget deficit."

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[2] Section 4722(c) provides:

"(c) WAIVER OF CERTAIN PROVIDER TAX PROVISIONS.– Notwithstanding any other provision of law, taxes, fees, or assessments, as defined in section 1903(w)(3)(A) of the Social Security Act (42 U. S. C. 1396b(w)(3)(A)), that were collected by the State of New York from a health care provider before June 1, 1997, and for which a waiver of the provisions of subparagraph (B) or (C) of section 1903(w)(3) of such Act has been applied for, or that would, but for this subsection require that such a waiver be applied for, in accordance with subparagraph (E) of such section, and, (if so applied for) upon which action by the Secretary of Health and Human Services (including any judicial review of any such proceeding) has not been completed as of July 23, 1997, are deemed to be permissible health care related taxes and in compliance with the requirements of subparagraphs (B) and (C) of section 1903(w)(3) of such Act." 111 Stat. 515.

He explained that §4722(c) would have permitted New York "to continue relying upon impermissible provider taxes to finance its Medicaid program" and that "[t]his preferential treatment would have increased Medicaid costs, would have treated New York differently from all other States, and would have established a costly precedent for other States to request comparable treatment."[3]

Section 968 of the Taxpayer Relief Act

A person who realizes a profit from the sale of securities is generally subject to a capital gains tax. Under existing law, however, an ordinary business corporation can acquire a corporation, including a food processing or refining company, in a merger or stock-for-stock transaction in which no gain is recognized to the seller, see 26 U. S. C. §§354(a), 368(a); the seller's tax payment, therefore, is deferred. If, however, the purchaser is a farmers' cooperative, the parties cannot structure such a transaction because the stock of the cooperative may be held only by its members, see 26 U. S. C. §521(b)(2); thus, a seller dealing with a farmers' cooperative cannot obtain the benefits of tax deferral.

In §968 of the Taxpayer Relief Act of 1997, Congress amended §1042 of the Internal Revenue Code to permit owners of certain food refiners and processors to defer the recognition of gain if they sell their stock to eligible farmers' cooperatives.[4] The purpose of the amendment, as

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[3] App. to Juris. Statement 63a–64a (Cancellation No. 97–3). The quoted text is an excerpt from the statement of reasons for the cancellation, which is required by the Line Item Veto Act. See 2 U. S. C. §691a (1994 ed., Supp. II).

[4] Section 968 of the Taxpayer Relief Act of 1997 amended 26 U. S. C. §1042 by adding a new subsection (g), which defined the sellers eligible for the exemption as follows:

"(2) QUALIFIED REFINER OR PROCESSOR.– For purposes of this subsection, the term 'qualified refiner or processor' means a domestic

repeatedly explained by its sponsors, was "to facilitate the transfer of refiners and processors to farmers' cooperatives."[5] The amendment to §1042 was one of the 79 "limited tax benefits" authorized by the Taxpayer Relief Act of 1997 and specifically identified in Title XVII of that Act as "subject to [the] line item veto."[6]

On the same date that he canceled the "item of new direct spending" involving New York's health care pro-

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corporation–

"(A) substantially all of the activities of which consist of the active conduct of the trade or business of refining or processing agricultural or horticultural products, and

"(B) which, during the 1-year period ending on the date of the sale, purchases more than one-half of such products to be refined or processed from–

"(i) farmers who make up the eligible farmers' cooperative which is purchasing stock in the corporation in a transaction to which this subsection is to apply, or

"(ii) such cooperative." 111 Stat. 896.

[5] H. R. Rep. No. 105–148, p. 420 (1997); see also 141 Cong. Rec. S18739 (Dec. 15, 1995) (Senator Hatch, introducing a previous version of the bill, stating that it "would provide farmers who form farmers cooperatives the opportunity for an ownership interest in the processing and marketing of their products"); *ibid.* (Senator Craig, cosponsor of a previous bill, stating that "[c]urrently, farmers cannot compete with other business entities . . . in buying such [processing] businesses because of the advantages inherent in the tax deferrals available in transactions with these other purchases"; bill "would be helpful to farmers cooperatives"); App. 116–117 (Letter from Congresspersons Roberts and Stenholm (Dec. 1, 1995)) (congressional sponsors stating that a previous version of the bill was intended to "provide American farmers a more firm economic footing and more control over their economic destiny. We believe this proposal will help farmers, through their cooperatives, purchase facilities to refine and process their raw commodities into value-added products. . . . It will encourage farmers to help themselves in a more market-oriented environment by vertically integrating. If this legislation is passed, we are confident that, 10 years from now, we will look on this bill as one of the most beneficial actions Congress took for U. S. farmers").

[6] §1701, 111 Stat. 1101.

grams, the President also canceled this limited tax benefit. In his explanation of that action, the President endorsed the objective of encouraging "value-added farming through the purchase by farmers' cooperatives of refiners or processors of agricultural goods,"[7] but concluded that the provision lacked safeguards and also "failed to target its benefits to small-and-medium-size cooperatives."[8]

II

Appellees filed two separate actions against the President[9] and other federal officials challenging these two cancellations. The plaintiffs in the first case are the City of New York, two hospital associations, one hospital, and two unions representing health care employees. The plaintiffs in the second are a farmers' cooperative consisting of about 30 potato growers in Idaho and an individual farmer who is a member and officer of the cooperative. The District Court consolidated the two cases and determined that at least one of the plaintiffs in each had standing under Article III of the Constitution.

Appellee New York City Health and Hospitals Corporation (NYCHHC) is responsible for the operation of public health care facilities throughout the City of New York. If HHS ultimately denies the State's waiver requests, New

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[7] App. to Juris. Statement 71a (Cancellation No. 97–2). On the day the President canceled §968, he stated: "Because I strongly support family farmers, farm cooperatives, and the acquisition of production facilities by co-ops, this was a very difficult decision for me." App. 125. He added that creating incentives so that farmers' cooperatives can obtain processing facilities is a "very worthy goal." *Id.*, at 130.

[8] App. to Juris. Statement 71a (Cancellation No. 97–2). Section 968 was one of the two limited tax benefits in the Taxpayer Relief Act of 1997 that the President canceled.

[9] In both actions, the plaintiffs sought a declaratory judgment that the Line Item Veto Act is unconstitutional and that the particular cancellation was invalid; neither set of plaintiffs sought injunctive relief against the President.

York law will automatically require[10] NYCHHC to make retroactive tax payments to the State of about $4 million for each of the years at issue. 985 F. Supp., at 172. This contingent liability for NYCHHC, and comparable potential liabilities for the other appellee health care providers, were eliminated by §4722(c) of the Balanced Budget Act of 1997 and revived by the President's cancellation of that provision. The District Court held that the cancellation of the statutory protection against these liabilities constituted sufficient injury to give these providers Article III standing.

Appellee Snake River Potato Growers, Inc. (Snake River) was formed in May 1997 to assist Idaho potato farmers in marketing their crops and stabilizing prices, in part through a strategy of acquiring potato processing facilities that will allow the members of the cooperative to retain revenues otherwise payable to third-party processors. At that time, Congress was considering the amendment to the capital gains tax that was expressly intended to aid farmers' cooperatives in the purchase of processing facilities, and Snake River had concrete plans to take advantage of the amendment if passed. Indeed, appellee Mike Cranney, acting on behalf of Snake River, was engaged in negotiations with the owner of an Idaho potato processor that would have qualified for the tax benefit under the pending legislation, but these negotiations terminated when the President canceled §968. Snake River is

[10] See, *e.g.*, N. Y. Pub. Health Law §2807–c(18)(e) (Supp. 1997–1998) ("In the event the secretary of the department of health and human services determines that the assessments do not . . . qualify based on any such exclusion, then the exclusion shall be deemed to have been null and void . . . and the commissioner shall collect any retroactive amount due as a result . . . . Interest and penalties shall be measured from the due date of ninety days following notice from the commissioner"); §2807–d(12) (1993) (same); §2807–j(11) (Supp. 1997–1998) (same); §2807–s(8) (same).

currently considering the possible purchase of other processing facilities in Idaho if the President's cancellation is reversed. Based on these facts, the District Court concluded that the Snake River plaintiffs were injured by the President's cancellation of §968, as they "lost the benefit of being on equal footing with their competitors and will likely have to pay more to purchase processing facilities now that the sellers will not [be] able to take advantage of section 968's tax breaks." *Id.*, at 177.

On the merits, the District Court held that the cancellations did not conform to the constitutionally mandated procedures for the enactment or repeal of laws in two respects. First, the laws that resulted after the cancellations "were different from those consented to by both Houses of Congress." *Id.,* at 178.[11] Moreover, the President violated Article I "when he unilaterally canceled provisions of duly enacted statutes." *Id.*, at 179.[12] As a separate basis for its decision, the District Court also held that the Act "impermissibly disrupts the balance of powers among the three branches of government." *Ibid.*

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[11] As the District Court explained: "These laws reflected the best judgment of both Houses. The laws that resulted after the President's line item veto were different from those consented to by both Houses of Congress. There is no way of knowing whether these laws, in their truncated form, would have received the requisite support from both the House and the Senate. Because the laws that emerged after the Line Item Veto are not the same laws that proceeded through the legislative process, as required, the resulting laws are not valid." 985 F. Supp., at 178–179.

[12] "Unilateral action by any single participant in the law-making process is precisely what the Bicameralism and Presentment Clauses were designed to prevent. Once a bill becomes law, it can only be repealed or amended through another, independent legislative enactment, which itself must conform with the requirements of Article I. Any rescissions must be agreed upon by a majority of both Houses of Congress. The President cannot single-handedly revise the work of the other two participants in the lawmaking process, as he did here when he vetoed certain provisions of these statutes." *Ibid.*

III

As in the prior challenge to the Line Item Veto Act, we initially confront jurisdictional questions. The appellees invoked the jurisdiction of the District Court under the section of the Act entitled "Expedited Review." That section, 2 U. S. C. §692(a)(1), expressly authorizes "[a]ny Member of Congress or any individual adversely affected" by the Act to bring an action for declaratory judgment or injunctive relief on the ground that any provision of the Act is unconstitutional. Although the Government did not question the applicability of that section in the District Court, it now argues that, with the exception of Mike Cranney, the appellees are not "individuals" within the meaning of §692(a)(1). Because the argument poses a jurisdictional question (although not one of constitutional magnitude), it is not waived by the failure to raise it in the District Court. The fact that the argument did not previously occur to the able lawyers for the Government does, however, confirm our view that in the context of the entire section Congress undoubtedly intended the word "individual" to be construed as synonymous with the word "person."[13]

The special section authorizing expedited review evidences an unmistakable congressional interest in a prompt and authoritative judicial determination of the constitutionality of the Act. Subsection (a)(2) requires that copies of any complaint filed under subsection (a)(1) "shall be promptly delivered" to both Houses of Congress,

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[13] Although in ordinary usage both "individual" and "person" often refer to an individual human being, see, *e.g.*, Webster's Third New International Dictionary 1152, 1686 (1986) ("individual" defined as a "single human being"; "person" defined as "an individual human being"), "person" often has a broader meaning in the law, see, *e.g.*, 1 U. S. C. §1 ("person" includes "corporations, companies, associations, firms, partnerships, societies, and joint stock companies, as well as individuals").

and that each House shall have a right to intervene. Subsection (b) authorizes a direct appeal to this Court from any order of the District Court, and requires that the appeal be filed within 10 days. Subsection (c) imposes a duty on both the District Court and this Court "to advance on the docket and to expedite to the greatest possible extent the disposition of any matter brought under subsection (a)." There is no plausible reason why Congress would have intended to provide for such special treatment of actions filed by natural persons and to have precluded entirely jurisdiction over comparable cases brought by corporate persons. Acceptance of the Government's new-found reading of §692 "would produce an absurd and unjust result which Congress could not have intended." *Griffin* v. *Oceanic Contractors, Inc.,* 458 U. S. 564, 574 (1982).[14]

We are also unpersuaded by the Government's argument that appellees' challenge to the constitutionality of the Act is nonjusticiable. We agree, of course, that Article III of the Constitution confines the jurisdiction of the federal courts to actual "Cases" and "Controversies," and that "the doctrine of standing serves to identify those disputes which are appropriately resolved through the judicial process." *Whitmore* v. *Arkansas,* 495 U. S. 149, 155 (1990).[15] Our disposition of the first challenge to the consti-

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[14] JUSTICE SCALIA objects to our conclusion that the Government's reading of the statute would produce an absurd result. *Post*, at 2–3. Nonetheless, he states that " 'the case is of such imperative public importance as to justify deviation from normal appellate practice and to require immediate determination in this Court.' " *Post*, at 3–4 (quoting this Court's Rule 11). Unlike JUSTICE SCALIA, however, we need not rely on our *own* sense of the importance of the issue involved; instead, the structure of §692 makes it clear that *Congress* believed the issue warranted expedited review and, therefore, that Congress did not intend the result that the word "individual" would dictate in other contexts.

[15] To meet the standing requirements of Article III, "[a] plaintiff must allege personal injury fairly traceable to the defendant's allegedly

tutionality of this Act demonstrates our recognition of the importance of respecting the constitutional limits on our jurisdiction, even when Congress has manifested an interest in obtaining our views as promptly as possible. But these cases differ from *Raines*, not only because the President's exercise of his cancellation authority has removed any concern about the ripeness of the dispute, but more importantly because the parties have alleged a "personal stake" in having an actual injury redressed rather than an "institutional injury" that is "abstract and widely dispersed." 521 U. S., at ___ (slip op., at 18).

In both the New York and the Snake River cases, the Government argues that the appellees are not actually injured because the claims are too speculative and, in any event, the claims are advanced by the wrong parties. We find no merit in the suggestion that New York's injury is merely speculative because HHS has not yet acted on the State's waiver requests. The State now has a multibillion dollar contingent liability that had been eliminated by §4722(c) of the Balanced Budget Act of 1997. The District Court correctly concluded that the State, and the appellees, "suffered an immediate, concrete injury the moment that the President used the Line Item Veto to cancel section 4722(c) and deprived them of the benefits of that law." 985 F. Supp., at 174. The self-evident significance of the contingent liability is confirmed by the fact that New York lobbied Congress for this relief, that Congress decided that it warranted statutory attention, and that the President selected for cancellation only this one provision in an act that occupies 536 pages of the Statutes-at-Large. His action was comparable to the judgment of an appellate court setting aside a verdict for the defendant and remanding for a new trial of a multibillion dollar damages claim. Even if the

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unlawful conduct and likely to be redressed by the requested relief." *Allen* v. *Wright,* 468 U. S. 737, 751 (1984).

outcome of the second trial is speculative, the reversal, like the President's cancellation, causes a significant immediate injury by depriving the defendant of the benefit of a favorable final judgment. The revival of a substantial contingent liability immediately and directly affects the borrowing power, financial strength, and fiscal planning of the potential obligor.[16]

We also reject the Government's argument that New York's claim is advanced by the wrong parties because the claim belongs to the State of New York, and not appellees. Under New York statutes that are already in place, it is clear that both the City of New York[17] and the appellee health care providers[18] will be assessed by the State for substantial portions of any recoupment payments that the State may have to make to the Federal Government. To the extent of such assessments, they have the same potential liability as the State does.[19]

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[16] Because the cancellation of the legislative equivalent of a favorable final judgment causes immediate injury, the Government's reliance on *Anderson* v. *Green,* 513 U. S. 557 (1995) *(per curiam)*, is misplaced. That case involved a challenge to a California statute that would have imposed limits on welfare payments to new residents during their first year of residence in California. The statute could not become effective without a waiver from HHS. Although such a waiver had been in effect when the action was filed, it had been vacated in a separate proceeding and HHS had not sought review of that judgment. Accordingly, at the time the *Anderson* case reached this Court, the plaintiffs were receiving the same benefits as long term residents; they had suffered no injury. We held that the case was not ripe because, unless and until HHS issued a new waiver, any future injury was purely conjectural. 513 U. S., at 559 ("The parties [*i.e.* the plaintiffs and California, but not HHS] have no live dispute now, and whether one will arise in the future is conjectural"). Unlike New York in this case, they were not contingently liable for anything.

[17] App. 106–107.

[18] See n. 10, *supra*.

[19] The Government relies on *Warth* v. *Seldin,* 422 U. S. 490 (1975), to support its argument that the State, and not appellees, should be

The Snake River farmers' cooperative also suffered an immediate injury when the President canceled the limited tax benefit that Congress had enacted to facilitate the acquisition of processing plants. Three critical facts identify the specificity and the importance of that injury. First, Congress enacted §968 for the specific purpose of providing a benefit to a defined category of potential purchasers of a defined category of assets.[20] The members of that statutorily defined class received the equivalent of a statutory "bargaining chip" to use in carrying out the congressional plan to facilitate their purchase of such assets. Second, the President selected §968 as one of only two tax benefits in the Taxpayer Relief Act of 1997 that should be canceled. The cancellation rested on his determination that the use of those bargaining chips would have a significant impact on the Federal budget deficit. Third, the Snake River cooperative was organized for the very purpose of acquiring processing facilities, it had concrete plans to utilize the benefits of §968, and it was engaged in ongoing negotiations with the owner of a processing plant who had expressed an interest in structuring a tax-deferred sale when the President canceled §968. Moreover, it is actively searching for other processing facilities for possible future purchase if the President's cancellation

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bringing this claim. In *Warth* we held, *inter alia*, that citizens of Rochester did not have standing to challenge the exclusionary zoning practices of another community because their claimed injury of increased taxation turned on the prospective actions of Rochester officials. *Id.*, at 509. Appellees' injury in this case, however, does not turn on the independent actions of third parties, as existing New York law will automatically require that appellees reimburse the State.

Because both the City of New York and the health care appellees have standing, we need not consider whether the appellee unions also have standing to sue. See, *e.g., Bowsher* v. *Synar,* 478 U. S. 714, 721 (1986).

[20] See n. 5, *supra*.

is reversed; and there are ample processing facilities in the State that Snake River may be able to purchase.[21] By depriving them of their statutory bargaining chip, the cancellation inflicted a sufficient likelihood of economic injury to establish standing under our precedents. See, *e.g.*, *Investment Company Institute* v. *Camp,* 401 U. S. 617, 620 (1971); 3 K. Davis & R. Pierce, Administrative Law Treatise 13–14 (3d ed. 1994) ("The Court routinely recognizes probable economic injury resulting from [governmental actions] that alter competitive conditions as sufficient to satisfy the [Article III 'injury-in-fact' requirement]. . . . It follows logically that any . . . petitioner who is likely to suffer economic injury as a result of [governmental action] that changes market conditions satisfies this part of the standing test").

Appellees' injury in this regard is at least as concrete as the injury suffered by the respondents in *Bryant* v. *Yellen,* 447 U. S. 352 (1980). In that case, we considered whether a rule that generally limited water deliveries from reclamation projects to 160 acres applied to the much larger tracts of the Imperial Irrigation District in southeastern California; application of that limitation would have given large landowners an incentive to sell excess lands at prices below the prevailing market price for irrigated land. The District Court had held that the 160-acre limitation did not apply, and farmers who had hoped to purchase the excess land sought to appeal. We acknowledged that the farmers had not presented "detailed information about [their] financial resources," and noted that "the prospect of windfall profits could attract a large number of potential purchasers" besides the farmers. *Id.*, at 367, n. 17. Nonetheless, "even though they could not with certainty establish that they would be able to purchase excess lands" if

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[21] App. 111–115 (Declaration of Mike Cranney).

the judgment were reversed, *id.*, at 367, we found standing because it was "likely that excess lands would become available at less than market prices," *id.*, at 368. The Snake River appellees have alleged an injury that is as specific and immediate as that in *Yellen*. See also *Duke Power Co.* v. *Carolina Environmental Study Group, Inc.*, 438 U. S. 59, 72–78 (1978).[22]

As with the New York case, the Government argues that the wrong parties are before the Court– that because the sellers of the processing facilities would have received the tax benefits, only they have standing to challenge the cancellation of §968. This argument not only ignores the fact that the cooperatives were the intended beneficiaries of §968, but also overlooks the self-evident proposition that more than one party may have standing to challenge a

[22] The Government argues that there can be an Article III injury only if Snake River would have actually obtained a facility on favorable terms. We have held, however, that a denial of a benefit in the bargaining process can itself create an Article III injury, irrespective of the end result. See *Northeastern Fla. Chapter, Associated Gen. Contractors of America* v. *Jacksonville*, 508 U. S. 656, 666 (1993). In that case an association of contractors challenged a city ordinance that accorded preferential treatment to certain minority-owned businesses in the award of city contracts. The Court of Appeals had held that the association lacked standing "because it failed to allege that one or more of its members would have been awarded a contract but for the challenged ordinance." *Id.,* at 664. We rejected the Court of Appeals' position, stating that it "cannot be reconciled with our precedents." *Ibid.* Even though the preference applied to only a small percentage of the city's business, and even though there was no showing that any party would have received a contract absent the ordinance, we held that the prospective bidders had standing; the "injury in fact" was the harm to the contractors in the negotiation process, "not the ultimate inability to obtain the benefit." *Id.*, at 666.

Having found that both the New York and Snake River appellees are actually injured, traceability and redressability are easily satisfied– each injury is traceable to the President's cancellation of §4722(c) or §968, and would be redressed by a declaratory judgment that the cancellations are invalid.

particular action or inaction.[23] Once it is determined that

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[23] *Allen* v. *Wright,* 468 U. S. 737 (1984), and *Simon* v. *Eastern Ky. Welfare Rights Organization,* 426 U. S. 26 (1976), are distinguishable, as each of those cases involved a speculative chain of causation quite different from the situation here. In *Allen*, parents of black public school children alleged that, even though it was the policy of the Internal Revenue Service (IRS) to deny tax-exempt status to racially discriminatory schools, the IRS had "not adopted sufficient standards and procedures" to enforce this policy. *Allen*, 468 U. S., at 739. The parents alleged that the lax enforcement caused white students to attend discriminatory *private* schools and, therefore, interfered with their children's opportunity to attend desegregated *public* schools. We held that the chain of causation between the challenged action and the alleged injury was too attenuated to confer standing:

"It is, first, uncertain how many racially discriminatory private schools are in fact receiving tax exemptions. Moreover, it is entirely speculative . . . whether withdrawal of a tax exemption from any particular school would lead the school to change its policies. . . . It is just as speculative whether any given parent of a child attending such a private school would decide to transfer the child to public school as a result of any changes in educational or financial policy made by the private school once it was threatened with loss of tax-exempt status. It is also pure speculation whether, in a particular community, a large enough number of the numerous relevant school officials and parents would reach decisions that collectively would have a significant impact on the racial composition of the public schools." *Id.*, at 758 (footnote omitted).

Similarly, in *Simon*, the respondents challenged an IRS Revenue Ruling that granted favorable tax treatment to nonprofit hospitals that offered only emergency-room services to the poor. The respondents argued that the Revenue Ruling " 'encouraged' hospitals to deny services to indigents." *Simon*, 426 U. S., at 42. As in *Allen*, we held that the chain of causation was too attenuated:

"It is purely speculative whether the denials of service . . . fairly can be traced to [the IRS's] 'encouragement' or instead result from decisions made by the hospitals without regard to the tax implications.

"It is equally speculative whether the desired exercise of the court's remedial powers in this suit would result in the availability to respondents of such services. So far as the complaint sheds light, it is just as plausible that the hospitals to which respondents may apply for service would elect to forgo favorable tax treatment to avoid the undetermined financial drain of an increase in the level of uncompensated services."

a particular plaintiff is harmed by the defendant, and that the harm will likely be redressed by a favorable decision, that plaintiff has standing– regardless of whether there are others who would also have standing to sue. Thus, we are satisfied that both of these actions are Article III "Cases" that we have a duty to decide.

IV

The Line Item Veto Act gives the President the power to "cancel in whole" three types of provisions that have been signed into law: "(1) any dollar amount of discretionary budget authority; (2) any item of new direct spending; or (3) any limited tax benefit." 2 U. S. C. §691(a) (1994 ed., Supp. II). It is undisputed that the New York case involves an "item of new direct spending" and that the Snake River case involves a "limited tax benefit" as those terms are defined in the Act. It is also undisputed that each of those provisions had been signed into law pursuant to Article I, §7, of the Constitution before it was canceled.

The Act requires the President to adhere to precise procedures whenever he exercises his cancellation authority. In identifying items for cancellation he must consider the legislative history, the purposes, and other relevant information about the items. See 2 U. S. C. §691(b) (1994 ed., Supp. II). He must determine, with respect to each cancellation, that it will "(i) reduce the Federal budget deficit; (ii) not impair any essential Government functions; and (iii) not harm the national interest." §691(a)(A).

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426 U. S., at 42–43.

See also *id.*, at 45 ("Speculative inferences are necessary to connect [respondents'] injury to the challenged actions of petitioners").

The injury in the present case is comparable to the repeal of a law granting a subsidy to sellers of processing plants if, and only if, they sell to farmers' cooperatives. Every farmers' cooperative seeking to buy a processing plant is harmed by that repeal.

Moreover, he must transmit a special message to Congress notifying it of each cancellation within five calendar days (excluding Sundays) after the enactment of the canceled provision. See §691(a)(B). It is undisputed that the President meticulously followed these procedures in these cases.

A cancellation takes effect upon receipt by Congress of the special message from the President. See §691b(a). If, however, a "disapproval bill" pertaining to a special message is enacted into law, the cancellations set forth in that message become "null and void." *Ibid.* The Act sets forth a detailed expedited procedure for the consideration of a "disapproval bill," see §691d, but no such bill was passed for either of the cancellations involved in these cases.[24] A majority vote of both Houses is sufficient to enact a disapproval bill. The Act does not grant the President the authority to cancel a disapproval bill, see §691(c), but he does, of course, retain his constitutional authority to veto such a bill.[25]

The effect of a cancellation is plainly stated in §691e, which defines the principal terms used in the Act. With respect to both an item of new direct spending and a limited tax benefit, the cancellation prevents the item "from having legal force or effect." 2 U. S. C. §§691e(4)(B)–(C)

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[24] Congress failed to act upon proposed legislation to disapprove these cancellations. See S. 1157, H. R. 2444, S. 1144, and H. R. 2436, 105th Cong., 1st Sess. (1997). Indeed, despite the fact that the President has canceled at least 82 items since the Act was passed, see Statement of June E. O'Neill, Director, Congressional Budget Office, Line Item Veto Act After One Year, The Process and Its Implementation, before the Subcommittee on Legislative and Budget Process of the House Committee on Rules, 105th Cong., 2d Sess. (Mar. 11–12, 1998), Congress has enacted only one law, over a Presidential veto, disapproving *any* cancellation, see Pub. L. 105–159, 112 Stat. 19 (1998) (disapproving the cancellation of 38 military construction spending items).

[25] See n. 29, *infra*.

(1994 ed., Supp. II).[26] Thus, under the plain text of the statute, the two actions of the President that are challenged in these cases prevented one section of the Balanced Budget Act of 1997 and one section of the Taxpayer Relief Act of 1997 "from having legal force or effect." The remaining provisions of those statutes, with the exception of the second canceled item in the latter, continue to have the same force and effect as they had when signed into law.

In both legal and practical effect, the President has amended two Acts of Congress by repealing a portion of each. "[R]epeal of statutes, no less than enactment, must conform with Art. I." *INS* v. *Chadha,* 462 U. S. 919, 954 (1983). There is no provision in the Constitution that authorizes the President to enact, to amend, or to repeal statutes. Both Article I and Article II assign responsibilities to the President that directly relate to the lawmaking process, but neither addresses the issue presented by these cases. The President "shall from time to time give to the Congress Information on the State of the Union, and

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[26] The term "cancel," used in connection with any dollar amount of discretionary budget authority, means "to rescind." 2 U. S. C. §691e(4)(A). The entire definition reads as follows:

"The term 'cancel' or 'cancellation' means–

"(A) with respect to any dollar amount of discretionary budget authority, to rescind;

"(B) with respect to any item of new direct spending–

"(i) that is budget authority provided by law (other than an appropriation law), to prevent such budget authority from having legal force or effect;

"(ii) that is entitlement authority, to prevent the specific legal obligation of the United States from having legal force or effect; or

"(iii) through the food stamp program, to prevent the specific provision of law that results in an increase in budget authority or outlays for that program from having legal force or effect; and

"(C) with respect to a limited tax benefit, to prevent the specific provision of law that provides such benefit from having legal force or effect." 2 U. S. C. §691e(4) (1994 ed., Supp. II).

recommend to their Consideration such Measures as he shall judge necessary and expedient . . . ." Art. II, §3. Thus, he may initiate and influence legislative proposals.[27] Moreover, after a bill has passed both Houses of Congress, but "before it become[s] a Law," it must be presented to the President. If he approves it, "he shall sign it, but if not he shall return it, with his Objections to that House in which it shall have originated, who shall enter the Objections at large on their Journal, and proceed to reconsider it." Art. I, §7, cl. 2.[28] His "return" of a bill, which is usually described as a "veto,"[29] is subject to being overridden by a two-thirds vote in each House.

There are important differences between the President's "return" of a bill pursuant to Article I, §7, and the exercise

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[27] See 3 J. Story, Commentaries on the Constitution of the United States §1555, p. 413 (1833) (Art. II, §3, enables the President "to point out the evil, and to suggest the remedy").

[28] The full text of the relevant paragraph of §7 provides:

"Every Bill which shall have passed the House of Representatives and the Senate, shall, before it become a Law, be presented to the President of the United States; If he approve he shall sign it, but if not he shall return it, with his Objections to that House in which it shall have originated, who shall enter the Objections at large on their Journal, and proceed to reconsider it. If after such Reconsideration two thirds of that House shall agree to pass the Bill, it shall be sent, together with the Objections, to the other House, by which it shall likewise be reconsidered, and if approved by two thirds of that House, it shall become a Law. But in all such Cases the Votes of both Houses shall be determined by Yeas and Nays, and the Names of the Persons voting for and against the Bill shall be entered on the Journal of each House respectively. If any Bill shall not be returned by the President within ten Days (Sundays excepted) after it shall have been presented to him, the Same shall be a Law, in like Manner as if he had signed it, unless the Congress by their Adjournment prevent its Return, in which Case it shall not be a Law."

[29] "In constitutional terms, 'veto' is used to describe the President's power under Art. I, §7, of the Constitution." *INS* v. *Chadha,* 462 U. S. 919, 925, n. 2 (1983) (citing Black's Law Dictionary 1403 (5th ed. 1979)).

of the President's cancellation authority pursuant to the Line Item Veto Act. The constitutional return takes place *before* the bill becomes law; the statutory cancellation occurs *after* the bill becomes law. The constitutional return is of the entire bill; the statutory cancellation is of only a part. Although the Constitution expressly authorizes the President to play a role in the process of enacting statutes, it is silent on the subject of unilateral Presidential action that either repeals or amends parts of duly enacted statutes.

There are powerful reasons for construing constitutional silence on this profoundly important issue as equivalent to an express prohibition. The procedures governing the enactment of statutes set forth in the text of Article I were the product of the great debates and compromises that produced the Constitution itself. Familiar historical materials provide abundant support for the conclusion that the power to enact statutes may only "be exercised in accord with a single, finely wrought and exhaustively considered, procedure." *Chadha,* 462 U. S., at 951. Our first President understood the text of the Presentment Clause as requiring that he either "approve all the parts of a Bill, or reject it in toto."[30] What has emerged in these cases from the President's exercise of his statutory cancellation powers, however, are truncated versions of two bills that passed both Houses of Congress. They are not the product of the "finely wrought" procedure that the Framers designed.

At oral argument, the Government suggested that the

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[30] 33 Writings of George Washington 96 (J. Fitzpatrick ed., 1940); see also W. Taft, The Presidency: Its Duties, Its Powers, Its Opportunities and Its Limitations 11 (1916) (stating that the President "has no power to veto part of a bill and let the rest become a law"); cf. 1 W. Blackstone, Commentaries *154 ("The crown cannot begin of itself any alterations in the present established law; but it may approve or disapprove of the alterations suggested and consented to by the two houses").

cancellations at issue in these cases do not effect a "repeal" of the canceled items because under the special "lockbox" provisions of the Act,[31] a canceled item "retain[s] real, legal budgetary effect" insofar as it prevents Congress and the President from spending the savings that result from the cancellation. Tr. of Oral Arg. 10.[32] The text of the Act

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[31] The lockbox procedure ensures that savings resulting from cancellations are used to reduce the deficit, rather than to offset deficit increases arising from other laws. See 2 U. S. C. §§691c(a)–(b); see also H. R. Conf. Rep. No. 104–491, pp. 23–24 (1996). The Office of Management and Budget (OMB) estimates the deficit reduction resulting from each cancellation of new direct spending or limited tax benefit items and presents its estimate as a separate entry in the "pay-as-you-go" report submitted to Congress pursuant to §252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985 (or "Gramm-Rudman-Hollings Act"), 2 U. S. C. §902(d). See §691c(a)(2)(A) (1994 ed., Supp. II); see also H. R. Conf. Rep. No. 104–491, at 23. The "pay-as-you-go" requirement acts as a self-imposed limitation on Congress' ability to increase spending and/or reduce revenue: if spending increases are not offset by revenue increases (or if revenue reductions are not offset by spending reductions), then a "sequester" of the excess budgeted funds is required. See 2 U. S. C. §§900(b), 901(a)(1), 902(b), 906(*l*). OMB does not include the estimated savings resulting from a cancellation in the report it must submit under §§252(b) and 254 of the Balanced Budget and Emergency Deficit Control Act of 1985, 2 U. S. C. §§902(b), 904. See §691c(a)(2)(B). By providing in this way that such savings "shall not be included in the pay-as-you-go balances," Congress ensures that "savings from the cancellation of new direct spending or limited tax benefits are devoted to deficit reduction and are not available to offset a deficit increase in another law." H. R. Conf. Rep. No. 104–491, at 23. Thus, the "pay-as-you-go" cap does not change upon cancellation because the canceled item is not treated as canceled. Moreover, if Congress enacts a disapproval bill, "OMB will not score this legislation as increasing the deficit under pay as you go." *Ibid.*

[32] The Snake River appellees have argued that the lockbox provisions have no such effect with respect to the canceled tax benefits at issue. Because we reject the Government's suggestion that the lockbox provisions alter our constitutional analysis, however, we find it unnecessary to resolve the dispute over the details of the lockbox procedure's applicability.

expressly provides, however, that a cancellation prevents a direct spending or tax benefit provision "from having legal force or effect." 2 U. S. C. §§691e(4)(B)–(C). That a canceled item may have "real, legal budgetary effect" as a result of the lockbox procedure does not change the fact that by canceling the items at issue in these cases, the President made them entirely inoperative as to appellees. Section 968 of the Taxpayer Relief Act no longer provides a tax benefit, and §4722(c) of the Balanced Budget Act of 1997 no longer relieves New York of its contingent liability.[33] Such significant changes do not lose their character simply because the canceled provisions may have some continuing financial effect on the Government.[34] The cancellation of one section of a statute may be the functional equivalent of a partial repeal even if a portion of the section is not canceled.

V

The Government advances two related arguments to support its position that despite the unambiguous provisions of the Act, cancellations do not amend or repeal properly enacted statutes in violation of the Presentment Clause. First, relying primarily on *Field* v. *Clark,* 143 U. S. 649 (1892), the Government contends that the cancellations were merely exercises of discretionary authority granted to the President by the Balanced Budget Act and the Taxpayer Relief Act read in light of the previously

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[33] Thus, although "Congress's use of infelicitous terminology cannot transform the cancellation into an unconstitutional amendment or repeal of an enacted law," Brief for Appellants 40–41 (citations omitted), the actual effect of a cancellation is entirely consistent with the language of the Act.

[34] Moreover, Congress always retains the option of statutorily amending or repealing the lockbox provisions and/or the Gramm-Rudman-Hollings Act, so as to eliminate any lingering financial effect of canceled items.

enacted Line Item Veto Act. Second, the Government submits that the substance of the authority to cancel tax and spending items "is, in practical effect, no more and no less than the power to 'decline to spend' specified sums of money, or to 'decline to implement' specified tax measures." Brief for Appellants 40. Neither argument is persuasive.

In *Field* v. *Clark*, the Court upheld the constitutionality of the Tariff Act of 1890. Act of Oct. 1, 1890, 26 Stat. 567. That statute contained a "free list" of almost 300 specific articles that were exempted from import duties "unless otherwise specially provided for in this act." 26 Stat. 602. Section 3 was a special provision that directed the President to suspend that exemption for sugar, molasses, coffee, tea, and hides "whenever, and so often" as he should be satisfied that any country producing and exporting those products imposed duties on the agricultural products of the United States that he deemed to be "reciprocally unequal and unreasonable. . . ." 26 Stat. 612, quoted in *Field*, 143 U. S., at 680. The section then specified the duties to be imposed on those products during any such suspension. The Court provided this explanation for its conclusion that §3 had not delegated legislative power to the President:

> "Nothing involving the expediency or the just operation of such legislation was left to the determination of the President. . . . [W]hen he ascertained the fact that duties and exactions, reciprocally unequal and unreasonable, were imposed upon the agricultural or other products of the United States by a country producing and exporting sugar, molasses, coffee, tea or hides, it became his duty to issue a proclamation declaring the suspension, as to that country, which Congress had determined should occur. He had no discretion in the premises except in respect to the duration of the suspension so ordered. But that related only to the enforcement of the policy established by Congress.

> As the suspension was absolutely required when the President ascertained the existence of a particular fact, it cannot be said that in ascertaining that fact and in issuing his proclamation, in obedience to the legislative will, he exercised the function of making laws. . . . It was a part of the law itself as it left the hands of Congress that the provisions, full and complete in themselves, permitting the free introduction of sugars, molasses, coffee, tea and hides, from particular countries, should be suspended, in a given contingency, and that in case of such suspensions certain duties should be imposed." *Id.*, at 693.

This passage identifies three critical differences between the power to suspend the exemption from import duties and the power to cancel portions of a duly enacted statute. First, the exercise of the suspension power was contingent upon a condition that did not exist when the Tariff Act was passed: the imposition of "reciprocally unequal and unreasonable" import duties by other countries. In contrast, the exercise of the cancellation power within five days after the enactment of the Balanced Budget and Tax Reform Acts necessarily was based on the same conditions that Congress evaluated when it passed those statutes. Second, under the Tariff Act, when the President determined that the contingency had arisen, he had a duty to suspend; in contrast, while it is true that the President was required by the Act to make three determinations before he canceled a provision, see 2 U. S. C. §691(a)(A) (1994 ed., Supp. II), those determinations did not qualify his discretion to cancel or not to cancel. Finally, whenever the President suspended an exemption under the Tariff Act, he was executing the policy that Congress had embodied in the statute. In contrast, whenever the President cancels an item of new direct spending or a limited tax

benefit he is rejecting the policy judgment made by Congress and relying on his own policy judgment.[35] Thus, the conclusion in *Field* v. *Clark* that the suspensions mandated by the Tariff Act were not exercises of legislative power does not undermine our opinion that cancellations pursuant to the Line Item Veto Act are the functional equivalent of partial repeals of Acts of Congress that fail to satisfy Article I, §7.

The Government's reliance upon other tariff and import statutes, discussed in *Field*, that contain provisions similar to the one challenged in *Field* is unavailing for the same reasons.[36] Some of those statutes authorized the President to "suspen[d] and discontinu[e]" statutory duties upon his determination that discriminatory duties imposed by other nations had been abolished. See 143 U. S., at 686–687 (discussing Act of Jan. 7, 1824, ch. 4, §4, 4 Stat. 3, and Act of May 24, 1828, ch. 111, 4 Stat. 308).[37] A slightly different statute, Act of May 31, 1830, ch. 219, §2, 4 Stat. 425, provided that certain statutory provisions imposing duties on foreign ships "shall be repealed" upon the same no-discrimination determination by the Presi-

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[35] For example, one reason that the President gave for canceling §968 of the Taxpayer Relief Act was his conclusion that "this provision failed to target its benefits to small-and-medium size cooperatives." App. to Juris. Statement 71a (Cancellation No. 97–2); see n. 8, *supra*. Because the Line Item Veto Act requires the President to act within five days, *every* exercise of the cancellation power will necessarily be based on the same facts and circumstances that Congress considered, and therefore constitute a rejection of the policy choice made by Congress.

[36] The Court did not, of course, expressly consider in *Field* whether those statutes comported with the requirements of the Presentment Clause.

[37] Cf. 143 U.S., at 688 (discussing Act of Mar. 6, 1866, ch. 12, §2, 14 Stat. 4, which permitted the President to "declare the provisions of this act to be inoperative" and lift import restrictions on foreign cattle and hides upon a showing that such importation would not endanger U. S. cattle).

dent. See 143 U. S., at 687; see also *id.*, at 686 (discussing similar tariff statute, Act of Mar. 3, 1815, ch. 77, 3 Stat. 224, which provided that duties "are hereby repealed," "[s]uch repeal to take effect . . . whenever the President" makes the required determination).

The cited statutes all relate to foreign trade, and this Court has recognized that in the foreign affairs arena, the President has "a degree of discretion and freedom from statutory restriction which would not be admissible were domestic affairs alone involved." *United States* v. *Curtiss-Wright Export Corp.,* 299 U. S. 304, 320 (1936). "Moreover, he, not Congress, has the better opportunity of knowing the conditions which prevail in foreign countries." *Ibid.*[38] More important, when enacting the statutes discussed in *Field*, Congress itself made the decision to suspend or repeal the particular provisions at issue upon the occurrence of particular events subsequent to enactment, and it left only the determination of whether such events occurred up to the President.[39] The Line Item Veto Act authorizes the President himself to effect the repeal of laws, for his own policy reasons, without observing the procedures set out in Article I, §7. The fact that Congress intended such a result is of no moment. Although Congress presumably anticipated that the President might cancel some of the items in the

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[38] Indeed, the Court in *Field* v. *Clark,* 143 U. S. 649 (1892), so limited its reasoning: "in the judgment of the legislative branch of the government, it is often desirable, if not essential for the protection of the interests of our people, against the unfriendly or discriminating regulations established by foreign governments, . . . to invest the President with large discretion in matters arising out of the execution of statutes relating to trade and commerce with other nations." *Id.,* at 691.

[39] See also *J. W. Hampton, Jr., & Co.* v. *United States,* 276 U. S. 394, 407 (1928) ("Congress may feel itself unable conveniently to determine exactly when its exercise of the legislative power should become effective, because dependent on future conditions, and it may leave the determination of such time to the decision of an Executive").

Balanced Budget Act and in the Taxpayer Relief Act, Congress cannot alter the procedures set out in Article I, §7, without amending the Constitution.[40]

Neither are we persuaded by the Government's contention that the President's authority to cancel new direct spending and tax benefit items is no greater than his traditional authority to decline to spend appropriated funds. The Government has reviewed in some detail the series of statutes in which Congress has given the Executive broad discretion over the expenditure of appropriated funds. For example, the First Congress appropriated "sum[s] not exceeding" specified amounts to be spent on various Government operations. See, *e.g.*, Act of Sept. 29, 1789, ch. 23, §1, 1 Stat. 95; Act of Mar. 26, 1790, ch. 4, §1, 1 Stat. 104; Act of Feb. 11, 1791, ch. 6, 1 Stat. 190. In those statutes, as in later years, the President was given wide discretion with respect to both the amounts to be spent and how the money would be allocated among different functions. It is argued that the Line Item Veto Act merely confers comparable discretionary authority over the expenditure of appropriated funds. The critical difference between this

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[40] The Government argues that the Rules Enabling Act, 28 U. S. C. §2072(b), permits this Court to "repeal" prior laws without violating Article I, §7. Section 2072(b) provides that this Court may promulgate rules of procedure for the lower federal courts and that "[a]ll laws in conflict with such rules shall be of no further force or effect after such rules have taken effect." See *Sibbach* v. *Wilson & Co.,* 312 U. S. 1, 10 (1941) (stating that the procedural rules that this Court promulgates, "if they are within the authority granted by Congress, repeal" a prior inconsistent procedural statute); see also *Henderson* v. *United States*, 517 U. S. 654, 664 (1996) (citing §2072(b)). In enacting §2072(b), however, Congress expressly provided that laws inconsistent with the procedural rules promulgated by this Court would automatically be repealed upon the enactment of new rules in order to create a uniform system of rules for Article III courts. As in the tariff statutes, Congress itself made the decision to repeal prior rules upon the occurrence of a particular event– here, the promulgation of procedural rules by this Court.

statute and all of its predecessors, however, is that unlike any of them, this Act gives the President the unilateral power to change the text of duly enacted statutes. None of the Act's predecessors could even arguably have been construed to authorize such a change.

VI

Although they are implicit in what we have already written, the profound importance of these cases makes it appropriate to emphasize three points.

First, we express no opinion about the wisdom of the procedures authorized by the Line Item Veto Act. Many members of both major political parties who have served in the Legislative and the Executive Branches have long advocated the enactment of such procedures for the purpose of "ensur[ing] greater fiscal accountability in Washington." H. R. Conf. Rep. 104–491, p. 15 (1996).[41] The text of the Act was itself the product of much debate and deliberation in both Houses of Congress and that precise text was signed into law by the President. We do not lightly conclude that their action was unauthorized by the Constitution.[42] We have, however, twice had full argument and briefing on the question and have concluded that our duty is clear.

Second, although appellees challenge the validity of the Act on alternative grounds, the only issue we address con-

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[41] Cf. Taft, The Presidency, *supra* n. 30, at 21 ("A President with the power to veto items in appropriation bills might exercise a good restraining influence in cutting down the total annual expenses of the government. But this is not the right way").

[42] See *Bowsher,* 478 U. S., at 736 (STEVENS, J., concurring in judgment) ("When this Court is asked to invalidate a statutory provision that has been approved by both Houses of the Congress and signed by the President, particularly an Act of Congress that confronts a deeply vexing national problem, it should only do so for the most compelling constitutional reasons").

cerns the "finely wrought" procedure commanded by the Constitution. *Chadha*, 462 U. S., at 951. We have been favored with extensive debate about the scope of Congress' power to delegate law-making authority, or its functional equivalent, to the President. The excellent briefs filed by the parties and their *amici curiae* have provided us with valuable historical information that illuminates the delegation issue but does not really bear on the narrow issue that is dispositive of these cases. Thus, because we conclude that the Act's cancellation provisions violate Article I, §7, of the Constitution, we find it unnecessary to consider the District Court's alternative holding that the Act "impermissibly disrupts the balance of powers among the three branches of government." 985 F. Supp., at 179.[43]

Third, our decision rests on the narrow ground that the procedures authorized by the Line Item Veto Act are not authorized by the Constitution. The Balanced Budget Act of 1997 is a 500-page document that became "Public Law 105–33" after three procedural steps were taken: (1) a bill containing its exact text was approved by a majority of the Members of the House of Representatives; (2) the Senate approved precisely the same text; and (3) that text was signed into law by the President. The Constitution explicitly requires that each of those three steps be taken before a bill may "become a law." Art. I, §7. If one paragraph of that text had been omitted at any one of those three stages, Public Law 105–33 would not have been validly enacted. If the Line Item Veto Act were valid, it would authorize the President to create a different law–one whose text was not voted on by either House of Con-

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[43] We also find it unnecessary to consider whether the provisions of the Act relating to discretionary budget authority are severable from the Act's tax benefit and direct spending provisions. We note, however, that the Act contains no severability clause; a severability provision that had appeared in the Senate bill was dropped in conference without explanation. H. R. Conf. Rep. No. 104–491, at 17, 41.

gress or presented to the President for signature. Something that might be known as "Public Law 105–33 as modified by the President" may or may not be desirable, but it is surely not a document that may "become a law" pursuant to the procedures designed by the Framers of Article I, §7, of the Constitution.

If there is to be a new procedure in which the President will play a different role in determining the final text of what may "become a law," such change must come not by legislation but through the amendment procedures set forth in Article V of the Constitution. Cf. *U. S. Term Limits, Inc.* v. *Thornton,* 514 U. S. 779, 837 (1995).

The judgment of the District Court is affirmed.

It is so ordered.