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[07/29/1997 - 07/30/1997]

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001. email	Cynthia Rice to Elena Kagan et al. re: Friday afternoon (1 page)	07/30/1997	Personal Misfile

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RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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RR. Document will be reviewed upon request.

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:29-JUL-1997 12:27:09.00

SUBJECT: Draft agenda for weekly welfare strategy meeting (if we have it)

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Cathy R. Mays (CN=Cathy R. Mays/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Weekly Welfare Strategy Meeting

7/29/97

I. Budget:

A. Review of outcome (WTW, FLSA, anti-displacement, privatization, legal immigrants, food stamps, etc.)

B. Strategy for outreach/message

II. NGA Speech post-mortem

III. St. Louis event

IV. August 22nd

V. Status/timing of work regulation?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:29-JUL-1997 17:22:34.00

SUBJECT: Lorenzen has question on spin on Texas

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Ed Lorenzen says the Texas and the Republicans have officially pulled the plug on Texas. He would like to spin it that Texas and the Republican leadership pulled the plug without approaching us about any specific concerns, and that the White House was willing to try to work out details, and wants to make sure this is accurate. What do you think?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:29-JUL-1997 14:07:23.00

SUBJECT: I'm back

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Barry White (CN=Barry White/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Cathy R. Mays (CN=Cathy R. Mays/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:29-JUL-1997 10:54:39.00

SUBJECT: Can you quickly take a look at these?

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

I am trying to write up FLSA and anti-displacement for a very general audience, to put into the NEC "budget wins" document that is now circulating. Here's what I have; it's pretty sketchy, but I'm not sure how to embellish without making it sound too left. NEC says they want all comments this a.m. Can you let me know what you think?

Preserves the minimum wage and other labor protections for welfare recipients moving from welfare to work. Does not include the House-passed provision to leave workfare participants unprotected by the Fair Labor Standards Act and other employment laws. Protects workers from displacement by those leaving the welfare rolls, and establishes a process for workers to raise grievances.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Andrew J. Mayock (CN=Andrew J. Mayock/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:29-JUL-1997 11:56:34.00

SUBJECT: HUD 2020 Forum Tonight

TO: David S. Beaubaire (CN=David S. Beaubaire/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Emil E. Parker (CN=Emil E. Parker/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Katherine Hubbard (CN=Katherine Hubbard/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: James T. Edmonds (CN=James T. Edmonds/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Robert B. Johnson (CN=Robert B. Johnson/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Mickey Ibarra (CN=Mickey Ibarra/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Richard Socarides (CN=Richard Socarides/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Ann F. Walker (CN=Ann F. Walker/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Ellen M. Lovell (CN=Ellen M. Lovell/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Thurgood Marshall Jr (CN=Thurgood Marshall Jr/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Robert N. Weiner (CN=Robert N. Weiner/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Richard L. Hayes (CN=Richard L. Hayes/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Bob J. Nash (CN=Bob J. Nash/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Kevin S. Moran (CN=Kevin S. Moran/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Judith_Winston (Judith_Winston @ ed.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Angus S. King (CN=Angus S. King/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Ananias Blocker III (CN=Ananias Blocker III/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Joseph P. Lockhart (CN=Joseph P. Lockhart/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Carolyn Curiel (CN=Carolyn Curiel/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Beverly J. Barnes (CN=Beverly J. Barnes/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Lynn G. Cutler (CN=Lynn G. Cutler/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Doris O. Matsui (CN=Doris O. Matsui/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Betty W. Currie (CN=Betty W. Currie/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Cheryl D. Mills (CN=Cheryl D. Mills/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Ann F. Lewis (CN=Ann F. Lewis/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Jose Cerda III (CN=Jose Cerda III/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Minyon Moore (CN=Minyon Moore/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Tracey E. Thornton (CN=Tracey E. Thornton/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Janet Murguia (CN=Janet Murguia/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Dawn M. Chirwa (CN=Dawn M. Chirwa/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Susan M. Liss (CN=Susan M. Liss/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Rob_wexler (Rob_wexler @ ed.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Sylvia M. Mathews (CN=Sylvia M. Mathews/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

Tonight is the HUD 2020 forum on race featuring the Vice President and Assistant Secretary Cuomo, as well as a distinguished panel. It will take place at the HUD cafeteria at 6:30 pm.

HUD has called to offer the distinguished members of the race initiative working group special seating for tonight. The show starts promptly at

6:30 pm, because it will be televised live on CSPAN. Therefore, special seating will be reserved only until 6:20 pm.

Please let me know ASAP if you want a seat reserved.

(Already sitting in this section are such notable working group members as Judy Winston, Minyon Moore and Lynn Cutler.)

There will be plenty of seating for those who cannot make it at 6:20 pm and there is no need to inform me if you plan to go later.

Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Leanne A. Shimabukuro (CN=Leanne A. Shimabukuro/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:29-JUL-1997 13:03:57.00

SUBJECT: Brady follow up meeting

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Jose Cerda III (CN=Jose Cerda III/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Cathy R. Mays (CN=Cathy R. Mays/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Karen A. Popp (CN=Karen A. Popp/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Michelle Crisci (CN=Michelle Crisci/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

The meeting is now scheduled for 11:00am this Friday in room 211.

Justice attendees: Kent Markus, Eldie Acheson, Andy Fois, Matt Levine,
Mark Greenberg

Treasury attendees: David Medina, Steve McHale, Marc Goodman

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cathy R. Mays (CN=Cathy R. Mays/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:29-JUL-1997 10:54:50.00

SUBJECT: Aug/Sept Schedule Meeting Day Change

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

And more changes . . .

----- Forwarded by Cathy R. Mays/OPD/EOP on 07/29/97
10:54 AM -----

Mary Morrison

07/29/97 10:51:57 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: Aug/Sept Schedule Meeting Day Change

Due to the good news on the budget today, we realize that many people are involved on getting this message out. We really need everyone's full thoughts and attention to be focused on the strategy and goals for September. Therefore, we are re-scheduling the Presidential Scheduling Meeting that was scheduled for tomorrow, for early next week. We are also re-scheduling the September Planning / Scheduling Meeting, for tomorrow at 10:00am in the Roosevelt Room.

Please make every effort to attend this very important meeting. Thank you.

Message Sent

To:

Bruce N. Reed/OPD/EOP
Craig T. Smith/WHO/EOP
Gene B. Sperling/OPD/EOP
Ann F. Lewis/WHO/EOP
Donald A. Baer/WHO/EOP
Douglas B. Sosnik/WHO/EOP
Eli G. Attie/WHO/EOP
Lorraine L. Wytkind/WHO/EOP
Maria Echaveste/WHO/EOP
Jennifer M. Palmieri/WHO/EOP
Stephanie S. Streett/WHO/EOP
Rahm I. Emanuel/WHO/EOP
Emily Bromberg/WHO/EOP
Kathryn O. Higgins/WHO/EOP
John L. Hilley/WHO/EOP

Susan A. Brophy/WHO/EOP
Ellen M. Lovell/WHO/EOP
Patricia Solis-Doyle/WHO/EOP
Kathleen A. McGinty/CEQ/EOP
Michael Waldman/WHO/EOP
Mickey Ibarra/WHO/EOP
Kimberly H Tilley/OVP @ OVP
Ron Klain/OVP @ OVP
HILLIARD_B @ A1 @ CD @ LINGTWY
Victoria Radd/WHO/EOP
Cathy R. Mays/OPD/EOP
Christopher J. Lavery/WHO/EOP
Melissa Green/OPD/EOP
Kevin S. Moran/WHO/EOP
Darby E. Stott/WHO/EOP
Marjorie Tarmey/WHO/EOP
Terri J. Tingen/WHO/EOP
Elizabeth M. Toohey/WHO/EOP
Raymond E. Donnelly III/WHO/EOP
Kim B. Widdess/WHO/EOP
Jason S. Goldberg/WHO/EOP
Katharine Button/WHO/EOP
Laura K. Capps/WHO/EOP
Debbie B Bengtson/OVP @ OVP
Suzanne Dale/WHO/EOP
June G. Turner/WHO/EOP
Sara M. Latham/WHO/EOP
Michelle Crisci/WHO/EOP
Robert S. Kapla/CEQ/EOP
Elisabeth S. Steele/OVP @ OVP
Stephanie S. Streett/WHO/EOP
Thurgood Marshall Jr/WHO/EOP
Todd Stern/WHO/EOP
Ruby Shamir/WHO/EOP

The Tobacco Settlement and Incentives to Develop Reduced-Risk Tobacco Products
July 29, 1997

I. Background

In the past, the tobacco industry has not developed many innovative, reduced risk products -- in large measure because to develop and promote safer products would have been to acknowledge the harm done by existing products. But some innovations, like filters and reduced-tar cigarettes, do appear to have followed the release of adverse health news about smoking. In the current environment, in which companies are admitting that their products are harmful and consumer awareness of smoking's risks is heightened, individual companies may be more likely to view the development of reduced risk products as a profitable endeavor.

The Settlement includes provisions intended to speed the introduction of reduced risk products. According to the Settlement, the goal of these provisions "is to guarantee that a mechanism exists to ensure that products which appear to hold out the hope of reducing risk are actually tested and made available in the marketplace and not held back." The types of innovations expected to be introduced include the removal of toxic constituents from cigarettes, a reduction in the nicotine content in cigarettes, and alternative delivery devices for nicotine that remain attractive to consumers.

II. Provisions of the Settlement

Provisions relating to reduced risk products are in Title I, Section E, Part 4 of the Settlement. Manufacturers will be required to:

- Notify FDA of any technology that they develop or acquire and that reduces the risk from tobacco products, and
- For a "commercially reasonable" fee, cross license all such technology to those companies also covered by the same obligations. Procedural protections will be built in to resolve license fee disputes.

Other provisions include:

- If the technology is in early development stages, manufacturers will be provided confidentiality during the development process.
- The FDA will have the authority to mandate the introduction of less hazardous products that are technologically feasible by requiring the manufacturer who owns the technology to introduce the product or to license the technology to another producer. If no manufacturer or licensee brings such products to market in a reasonable time frame set by FDA, the U.S. Public Health Service may produce the product, either itself or through a

licensing arrangement.

III. The economic tradeoff between dissemination and incentives for R&D

One concern with these provisions is that they effectively eliminate the patent system for tobacco products. Economists have long struggled with the optimal design of a patent system. If new innovation occurred spontaneously -- without the need to invest in R&D -- society's interest would be best served by requiring immediate, full disclosure and licensing of new products and technologies without fee. But innovation generally does require investment -- and full disclosure coupled with free adoption by other firms provides little or no incentive for such investment to be undertaken. The patent system therefore grants a property right to the inventor "to exclude others from making, using or selling the invention."¹ The fundamental tradeoff in the patent system -- inherent in designing the length and comprehensiveness of the patent protection -- is to balance the need to encourage R&D with the desire to disseminate new discoveries as quickly as possible.

IV. The Settlement and incentives

The Settlement's provisions, especially the cross-licensing requirement, are near one extreme of possible patent systems. They ensure rapid dissemination of new discoveries, but provide little incentive for firms to invest further in the processes that could lead to such discoveries. **A crucial question to answer is how much of the total possible R&D has been undertaken, and how much remains to be done. In the area of removing toxins from cigarettes, much -- though not all -- is apparently already technologically feasible. Some analysts believe that current knowledge would also allow a reduction of the nicotine content in commercially viable cigarettes within a relatively short period (e.g., 6 months); others believe that such products are a decade away. A critical technical question for FDA and others to answer is to give a best guess as to how much research remains to be undertaken, and in what specific areas.**

To the extent that most of the relevant R&D has already been undertaken, the incentive problems are not significant. *Enforcing full and even free cross-licensing of extant R&D may not pose the same incentive problems as enforcing cross-licensing of future R&D.* Two potential dangers with cross-licensing existing R&D are (1) it may damage the government's credibility that such a requirement will not be repeated in the future, thus reducing incentives for future R&D; and (2) **it may be difficult to define an "existing" innovation (how would a prototype be classified, where the bulk of the costs are bringing it to market?).** Despite these potential problems, it may be useful to draw a distinction between cross-licensing of existing R&D and future R&D.

Another important incentive question is to what extent the firms will be allowed to

¹ Patents are granted for a term of 17 years (14 years for design patents), which may be extended only by a special act of Congress (except for certain pharmaceutical patents). After expiration of the term, the patentee loses rights to the invention.

market their innovations. The FDA and others raise legitimate concerns about allowing marketing of reduced risk tobacco products: by providing a government imprimatur of reduced health risks, allowing such advertising may induce more smoking (either by non-smokers or by those who had intended to reduce their smoking levels). So even if each cigarette is "safer," the public health risk may be expanded because of the increase in total smoking relative to the baseline. *To the extent that advertising of reduced risk products is not allowed, however, firms will have little interest in developing such products.*

One possibility -- which may not be technically feasible -- would be to allow firms to publish "health hazard ratings." For example, cigarette packages could carry health hazard ratings of 90, 95, or 100 depending on the risks profile of the product.² It seems unlikely that a product carrying a health hazard rating of "90" would be much more attractive to a non-smoker than one carrying a rating of "100." Such a system could provide firms with some incentives to develop safer products -- because extant smokers would pay attention to the health hazard rating -- while minimizing the potential for perverse results. The system would also facilitate a CAFE-like regulation that cigarette sales by each individual producer could have a mean health hazard rating of no more than some level.

V. Options

The above discussion suggests several possible options:

1. *Maintain current provisions.* The current provisions provide limited incentives for innovation, but strong incentives for diffusion. This solution is acceptable if we believe that most of the knowledge about developing safer products already exists -- and there is therefore more to be gained from disseminating what is known than from trying to develop new knowledge and new products and technology.
2. *Require full (and perhaps free) cross-licensing of existing knowledge but not future discoveries.* As noted above, this option would efficiently diffuse the existing stock of knowledge without affecting firms' incentives for future investments in R&D. Future R&D efforts could be governed by the regular patent system, or one of the options below. One important detail in such a system would be the delineation of existing R&D from future R&D.
3. *Grant patents for a limited period.* The Settlement effectively eliminates the patent period. An intermediate position, which would provide more balance between incentives and dissemination, would shorten the patent period from 17 years to perhaps a few years. At the end of the patent period, other firms would have free access to the knowledge.
4. *Grant patents for a limited period and then have the tobacco fund buy out the patent holder (could be combined with #2).* One solution to the tradeoff between dissemination and incentives

² Given the difficulty of distinguishing real health benefits, the scale should only include a few discrete levels -- perhaps 90, 95, and 100 -- instead of being continuous.

is to have the government buy out the patent holder and then license the knowledge to other producers (perhaps for a nominal fee). For example, we could grant a 2-year patent for tobacco products. At the end of the 2-year period, the tobacco fund would compensate the patent holder for some multiple (e.g., 3) of profits from the patent over that period -- a proxy for the present value of the profits from the patent itself. The patent will then expire, and the knowledge could be distributed to other firms for free or for a nominal fee, ensuring relatively rapid dissemination.

This structure would maintain incentives for future R&D, encourage patent holders to market their innovations aggressively during the patent period, and ensure dissemination after the end of the patent period.

5. *Eliminate cross-licensing requirements.* Eliminating the cross-licensing provisions would allow companies to profit from innovation as they would in any other industry, thus encouraging future R&D. Concerns about strategic withholding of innovations and the related lack of diffusion could be alleviated by the settlement's provision allowing the FDA to set performance standards. In that way, a minimum level of safety could be set for the entire industry and adjusted as major innovations occurred.

VI. Summary of key points and questions

- Innovation generally requires investment -- and full disclosure coupled with free adoption by other firms provides little or no incentive for such investment to be undertaken.
- Enforcing full and even free cross-licensing of extant R&D may not pose the same incentive problems as enforcing cross-licensing of future R&D. But the government's credibility may suffer, and it may be difficult to define "existing" R&D.
- To the extent that the FDA does not allow advertising of reduced risk products, firms will have little interest in developing such products. To counter the potential risk to public health from allowing advertising of "safer" cigarettes, one possibility -- which may not be technically feasible -- would be to allow firms to publish "health hazard ratings."
- The cross-licensing requirements embodied in the Settlement are near one extreme of possible patent systems. Modifications could include limiting cross-licensing to existing R&D, allowing a shorter-than-usual but non-zero patent period, or simply eliminating the cross-licensing requirements and relying on FDA regulations to encourage dissemination.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Kyle M. Baker (CN=Kyle M. Baker/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:29-JUL-1997 14:59:12.00

SUBJECT: Letter clearance

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Any word on this email I sent 7/8....Thanks.

----- Forwarded by Kyle M. Baker/WHO/EOP on 07/29/97

02:58 PM -----

Kyle M. Baker

07/08/97 02:26:01 PM

Record Type: Record

To: Elena Kagan/OPD/EOP

cc:

Subject: Letter clearance

Here's my proposed draft for the Anthony Pilla letter we emailed about previously:

Thank you for your most recent letter regarding the issue of late term abortion. While I continue to opposed late-term abortions except, as the Supreme Court requires, where necessary to protect the life or health of the mother, I believe the procedure should be permitted as a last resort when doctors judge it necessary to save a woman's life or to avert serious consequences to her health.

I am aware of the recent statements by the American Medical Association, and I respect their expertise and knowledge. However, members of the medical community with whom I consulted during my struggle with this issue advised me that, in those rare cases where a woman's serious health interests are at stake, the decision regarding whether to use the procedure should be left to the best exercise of a physician's medical judgment. For that reason, I remain opposed to H.R. 1122.

I appreciate your continuing counsel on this complex and sensitive issue.

This was taken from a letter signed by the President to Joe Bennett, an old friend from Arkansas, in 10/96.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Wm G. White (CN=Wm G. White/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:29-JUL-1997 10:36:54.00

SUBJECT: URGENT: Review of L/HHS SAP on Family Planning and Hyde Amendments

TO: Jennifer L. Klein (CN=Jennifer L. Klein/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Mark E. Miller (CN=Mark E. Miller/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

CC: Lois E. Altoft (CN=Lois E. Altoft/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

CC: Barbara E. Washington (CN=Barbara E. Washington/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

CC: Richard J. Turman (CN=Richard J. Turman/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

CC: Joshua Gotbaum (CN=Joshua Gotbaum/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TEXT:

Josh Gotbaum asked that we coordinate with you how the House Rules SAP for the L/HHS appropriations bill should read with regard to family planning and "Hyde" abortion issues. We need your response by noon today. Please call me (Greg White) at 5-7791 or Richard Turman 5-4926 with questions and or your response.

We understand that the House Rules Committee met last night and adopted a rule that makes the amendments below in order. We wanted to check with you to see if you would like to modify the current draft SAP text given the House Rules Committee action regarding the Amendments below. The FY 1998 Labor/HHS/Ed Appropriations bill is scheduled for debate on the House Floor TOMORROW.

Amendments In Order for House Floor L/HHS Debate

A Hyde amendment that expands the existing Hyde limitation on abortion funding to prohibit HMO financing of abortion. The language appears to also prohibit State or private financing of abortions by HMOs participating in the Medicaid program.

A Lowey substitute that clarifies the existing Hyde limitation on abortion financing by prohibiting the use of federal funds by HMOs for abortion services.

An Istook amendment that requires written consent or proof of actual notice from a parent or guardian (five days in advance) before a minor could receive contraceptive drugs or devices at a Title X clinic. Provides for the alternative of court consent if parent's consent cannot be obtained. Limitations do not apply to family planning counseling. Requires that staff at Title X clinics comply with State and local

reporting requirements on evidence of child abuse, molestation, sexual abuse, rape, or incest.

A Porter substitute that essentially restates current law while clarifying that Title X grantees encourage family involvement and counsel minors on how to resist coercive sexual activity.

The draft SAP that was sent around yesterday had the text below for Family Planning and Hyde issues. Please let us know how/if you would like to modify the draft language below. (We will obviously update the letter to reflect that House Rules has now made these amendments in order.)

HYDE LANGUAGE IN CURRENT DRAFT SAP

"We understand that an amendment may be made in order that would expand the current

Hyde Amendment's prohibition on Medicaid payment for abortion services to include a prohibition on the purchase of health benefit coverage that includes abortion. The President believes that abortion should be safe, legal, and rare. We believe that the amendment could curtail the availability of State-only and privately funded abortion services. Most States purchase health coverage for Medicaid beneficiaries from managed care organizations (MCOs). Under this amendment, States may be prohibited from contracting with MCOs that offer abortion services to any woman, even using private or State funds. This provision could limit States' ability to negotiate contracts with providers, limiting access to quality care for Medicaid beneficiaries. This prohibition could also limit States' flexibility to purchase abortion services with their own funds and may even have the effect of causing MCOs to drop all coverage of abortion services for women with private health insurance so the MCO may continue to participate in the Medicaid program. The Administration opposes this attempt to constrain further the availability of abortion services and strongly urges House not to adopt this amendment."

FAMILY PLANNING LANGUAGE IN CURRENT DRAFT SAP

"The Administration supports efforts to encourage minors to discuss their health care needs with their families. However, it would oppose a potential amendment on the House floor requiring parental consent for minors to receive reproductive health services in Title X Family Planning clinics. Mandating parental consent could discourage sexually active minors from seeking health care and reproductive counseling services and thus lead to more unwarranted pregnancies, more abortions and more sexually transmitted diseases, including HIV, among our nation's youth. As an alternative, the Administration supports the amendment adopted in Committee that requires clinics to certify that they encourage family participation in the decision of minors to seek family planning services and provide counseling to minors

on resisting attempts to coerce minors into engaging in sexual activities."

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elizabeth Drye (CN=Elizabeth Drye/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:29-JUL-1997 15:39:06.00

SUBJECT: McCain hearing

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Jerold R. Mande (CN=Jerold R. Mande/OU=OSTP/O=EOP @ EOP [OSTP])

READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Hima went to the hearing and is typing up a summary. I can give you a several minute overview if you need it in short order. Kessler's remarks are running on Headline News.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Christa Robinson (CN=Christa Robinson/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:29-JUL-1997 10:35:51.00

SUBJECT:

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Elizabeth Drye (CN=Elizabeth Drye/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

The Tobacco Event has now been moved to Tuesday, August 5 around 10:00 am

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:29-JUL-1997 11:14:53.00

SUBJECT: DRAFT Budget Paper

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Attached is the whole huge thing NEC is circulating around. It includes language on immigrants, \$3 billion, etc. It mostly focuses on tax and health. I am providing them with comments. I am about to send them a beefed up version of the \$3 billion bullet, with more of our lingo added. Let me know if you want to see that before I send it in.

The immigrant stuff looks OK so far. OMB is reviewing it as well. I have already told them to add a bullet on our win on grandfathering Medicaid for children losing SSI.

----- Forwarded by Diana Fortuna/OPD/EOP on 07/29/97
11:12 AM -----

Russell W. Horwitz

07/28/97 11:49:41 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: DRAFT Budget Paper

This will, I hope, be the last e-mail on this draft document. Please review as soon as you can. I think folks will want to get paper out by late morning. The first document is the long document; the second is a 1-page talking points.

Thanks for your help.

Message Sent

To:

Charles R. Marr/OPD/EOP

Jake Siewert/OPD/EOP

Robert M. Shireman/OPD/EOP

Emil E. Parker/OPD/EOP

Diana Fortuna/OPD/EOP

Sarah A. Bianchi/OMB/EOP

WEINSTEIN_P @ A1 @ CD @ LNGTWY

Jill M. Blickstein/OMB/EOP

Jeanne Lambrew/OPD/EOP

PRESIDENT CLINTON DELIVERS THE FIRST BALANCED BUDGET IN A GENERATION AND A MAINSTREAM TAX CUT

DRAFT

DRAFT

DRAFT

- **\$900 Billion in Net 10 Year Deficit Savings.**
- **First Balanced Budget since 1969.**
- **Single Largest Investment in Health Care for Children Since 1965.**
- **A \$500 Per Child Tax Credit for Approximately 27 Million Families.**
- **Largest Investment in Higher Education Since the G.I. Bill in 1945:**
 - **\$1,500 HOPE Scholarship to Make Two Years of College Universally Available**
 - **20% Tuition Tax Credit for College Juniors, Seniors, Graduate Students and for Working Americans pursuing Lifelong Learning to upgrade their skills**
- **Critical Long-Term Entitlement Reforms -- Extends Solvency of Medicare Trust Fund for at Least a Decade.**
- **Brownfields and Empowerment Zones Tax Incentives to Revitalize Our Nation's Distressed Areas.**
- **A \$ 3 Billion Welfare-to-Work Jobs Initiative Targeted to High Poverty Areas.**
- **Treats Legal Immigrants Fairly -- Restores Health and Disability Benefits**

THE FIRST BALANCED BUDGET IN A GENERATION

FIRST BALANCED BUDGET SINCE 1969

- Net savings of over \$900 billion over ten years.
- 1993 Economic Plan has cut the deficit 77% from \$290 billion in 1992 to \$67 billion or lower in 1996. This agreement finishes the job -- balances the budget in 2002 and puts the budget in surplus in each of the second five years of the budget.

SINGLE LARGEST INVESTMENT IN HEALTH CARE FOR CHILDREN SINCE THE PASSAGE OF MEDICAID IN 1965

- **An unprecedented \$24 billion for children's health care.**
- **Guarantee of meaningful health coverage including full range of benefits to as many as 5 million uninsured children.**
- Provisions to ensure that states use this investment to provide health care coverage to children who do not currently have health insurance and that there

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CRITICAL LONG-TERM ENTITLEMENT REFORMS

- **\$434 billion in ten-year Medicare savings.**
- **This extends the life of the Medicare Trust Fund for at least a decade.**
- **Prepares Medicare for the 21st century -- more choice is provided, competition is injected, and payment systems are revamped.**
- **\$4 billion in preventive benefits to fight diseases like breast cancer, diabetes & colon cancer.**

MOVES PEOPLE FROM WELFARE TO WORK & TREATS LEGAL IMMIGRANTS FAIRLY

- **\$3 billion to help states and local communities move people from welfare to work.**
- **\$12 billion to restore both disability and health benefits for legal immigrants who are currently receiving assistance or become disabled, ensuring that they will not be turned out of their apartments or nursing homes or otherwise left to an uncertain fate.**

A MAINSTREAM TAX CUT

On December 15, 1994, President Clinton put forth the Middle Class Bill of Rights which included a \$500 Child Tax Credit, an expanded IRA that allows people to withdraw money tax-free and without penalty for education and a tax deduction for post-high school education expenses. Each of the President's proposals are included in this budget:

A CHILD TAX CREDIT FOR APPROXIMATELY 27 MILLION FAMILIES.

- **\$500 Per-Child Tax Credit for approximately 27 million families with 45 million children under 17.** The credit begins to phase-out for couples with incomes above \$110,000.
- **Up to 4.8 million working families will now receive the child tax credit** who would not have under the Congressional plans. At the President's insistence, **more than \$10 billion over 5 years** was added to provide a Child Tax Credit for people making under \$30,000 like young teachers, police officers, farmers, and nurses who work hard and play by the rules.

A VICTORY FOR MIDDLE CLASS PARENTS TRYING TO PAY FOR THEIR CHILDREN'S COLLEGE AND FOR WORKING PEOPLE TRYING TO UPGRADE THEIR SKILLS.

- **\$1,500 HOPE Scholarship to make the first two years of college universally available.** The final agreement includes the President's initiative to advance the goal of making the 13th and 14th grades as universal as a high school diploma is today. Students would be provided a scholarship of 100% on the first \$1,000 of tuition and fees and 50% on the second \$1,000.
- **20% Tuition Tax Credit for college juniors, seniors, graduate students and for working Americans pursuing lifelong learning to upgrade their skills.** The 20% credit will be applied to the first \$5,000 of qualified education expenses through 2002, and to the first \$10,000 thereafter. A major deficiency of the congressional tax bills has been that they did little to help students in their third and fourth years of college and they were missing a commitment to lifelong learning. The President has long understood that the economy is changing and that people must have the opportunity to enhance their skills throughout their lives. This is why the President insisted on the 20% tuition tax credit that is in the final bill.

TAX INCENTIVES TO REVITALIZE OUR NATION'S DISTRESSED URBAN AREAS.

A key component of the President's tax cutting agenda has been to spur economic activity in distressed areas of our nation's cities. This budget reflects the President's agenda:

- **A New Tax Cut Plan Helps to Clean Up and Redevelop Brownfields.** The 3-year Brownfields tax incentive will reduce the cost of cleaning up thousands of contaminated, abandoned sites in economically distressed areas by permitting clean-up costs to be immediately deducted for tax purposes, rather than requiring this spending to be written off over time. This would, in turn, encourage redevelopment of these areas.
- **New Empowerment Zones.** The budget includes a second-round of EZs -- 15 urban and 5 rural EZs. The new EZs will benefit from a different blend of tax credits than the first-round communities. For example, the EZs will be eligible for the Brownfields tax incentive, special expensing of business assets, and qualification for private-activity bonds.

HELPING MOVE PEOPLE FROM WELFARE TO WORK

- **A Welfare to Work Tax Credit.** This provision will give employers an added incentive to hire long-term welfare recipients by providing a credit equal to 35% of the first \$10,000 in annual wages in the first year, and 50% of the first \$10,000 in the second year of employment, paid to new hires who have received welfare for an extended period. The credit is for two years per worker to encourage not only hiring but retention.
- **\$3 Billion to Help People in Distressed Areas Move from Welfare to Work.** Adds \$3 billion to help localities move the most disadvantaged welfare recipients into jobs; the funding is targeted to high-poverty areas, including inner cities. These funds can be used for job creation, job placement and job retention efforts, including wage subsidies to private employers, transportation and other critical post-employment supportive services.

PRESIDENT CLINTON DELIVERS THE LARGEST SINGLE INVESTMENT IN CHILDREN'S HEALTH CARE SINCE THE PASSAGE OF MEDICAID IN 1965

The President fought hard to ensure that the Budget Agreement includes \$24 billion to provide meaningful health care coverage to as many as five million of our nation's ten million uninsured children. This investment includes a meaningful benefits package, ensures that states use this money to cover uninsured children and not replace existing public or private spending, and guarantees adequate cost-sharing protections for families.

INVESTS UNPRECEDENTED \$24 BILLION FOR UNINSURED CHILDREN. The President insisted on increasing the investment for children's health from \$16 billion to \$24 billion by including revenue from a new tobacco tax. Because of the President's leadership, this budget will contain the largest children's health care budget since the enactment of Medicaid in 1965. Including these additional revenues in the children's health initiative will not only further reduce the number of uninsured children, but it will serve as a financial barrier to help prevent our children from starting smoking in the first place.

ENSURES MEANINGFUL HEALTH CARE COVERAGE, WHILE ALLOWING STATES TO DESIGN THEIR OWN BENEFITS PACKAGE. The President fought hard to ensure that this investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. The President also worked to ensure that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

GIVES STATES THE FLEXIBILITY TO DESIGN BENEFITS THAT MEET THEIR NEEDS. States will be able to choose from any of four benefits packages: (1) the FEHPB model; (2) the benefits package of the most popular state HMO; (3) the state employee plan; and (4) the actuarial equivalent of any of the three stated benefit plans as long as prescription drugs, vision, hearing, and mental health services now offered in these plans are guaranteed to equal at least 75 percent of the value of these services.

SUPPLEMENTS NOT SUPPLANTS CURRENT HEALTH CARE COVERAGE. Includes provisions to ensure that states provide health care coverage to children who do not currently have health insurance. It requires that states maintain their current level of spending to access Federal dollars to help make sure that this investment is not used to replace public or private money that already covers children.

ENSURES ADEQUATE COST-SHARING PROTECTIONS. The President fought to ensure that families are not forced to shoulder excessive costs for their children. The Agreement guarantees that families under 150 percent of poverty will be protected against overly burdensome cost sharing.

PRESIDENT CLINTON DELIVERS A \$500 CHILD TAX CREDIT FOR APPROXIMATELY 27 MILLION FAMILIES

MAIN FEATURES OF THE CHILD TAX CREDIT:

- **Age.** Covers children under 17.
- **Amount per child.** \$400 in 1998. \$500 thereafter.
- **Income limits.** Begins to be phased out for couples making over \$110,000 and for one parent families making over \$75,000..
- **Stacking.** Child tax credit will be calculated or “stacked” before the EITC and will therefore be available for the up to 4.8 million working families who have incomes below \$30,000 and who were denied the child tax credit under the congressional bills.
- **For families with more than two kids – Refundability to cover out-of-pocket income and payroll taxes.** Because many large families have little income tax liability, but pay significant out of pocket payroll taxes, the child tax credit for these families is partially refundable. These families will receive a child credit for their income taxes plus the extent to which their out-of-pocket (employee share) payroll taxes exceed their EITC.
- **Savings Incentive Feature.** Taxpayers who are entitled to a child credit would be given the opportunity to contribute \$500 each year to an education IRA. Earnings would accumulate tax-free in the account and no taxes would be due upon withdrawal for an approved purpose.

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A CHILD TAX CREDIT FOR FAMILIES WHO WORK HARD AND PAY TAXES.

Both congressional plans failed a critical test of fairness by denying the child tax credit to up to 4.8 million hard-working families who pay taxes and earn less than \$30,000 a year. These are young teachers, police officers, farmers, and nurses who work hard and play by the rules.

President Clinton worked to ensure that under any final agreement, these young parents would receive a child tax credit to make it easier for them to raise their children.

Consider a family of four with two small children: the father is a rookie police officer making \$23,000, and the mother has chosen to stay at home. Both congressional bills would have denied this family, and millions of others, the child tax credit. The President said all along that this would be wrong and insisted they be included in any final tax cut. Under the final agreement, this family will receive a child tax credit of \$675.

	President Clinton's Proposal	Agreement	House Bill	Senate Bill
<i>Child Tax Credit for family of rookie police officer making \$23,000</i>	\$767	\$675	\$0	\$0

PRESIDENT CLINTON DELIVERS EDUCATION TAX CUTS TO HELP MIDDLE CLASS FAMILIES PAY FOR COLLEGE

THE PRESIDENT'S HOPE SCHOLARSHIP AND TUITION TAX CREDIT

From the beginning, promoting expanded educational opportunity has been the centerpiece of President Clinton's budget and his middle class tax cut proposal. Promoting education is the centerpiece of this final tax cut bill:

- **\$1,500 HOPE Scholarship to make the first two years of college universally available.** The final agreement includes the President's program to advance the goal of making the 13th and 14th grades as universally available as a high school diploma is today. Students would be provided a scholarship of 100% on the first \$1,000 of tuition and fees and 50% on the second \$1,000.

- **20% Tuition Tax Credit for College Juniors, Seniors, Graduate Students and for working Americans pursuing lifelong learning to upgrade their skills.** The 20% credit will be applied to the first \$5,000 of qualified education expenses through 2002, and to the first \$10,000 thereafter. A major deficiency of the congressional tax bills was that they did little to help students in their third and fourth years of college and they were missing a commitment to lifelong learning. The President has long understood that the economy is changing and that people must have the opportunity to enhance their skills throughout their lives. This is why the President insisted on the 20% tuition tax credit that is in the final bill.

A SUMMARY OF ADDITIONAL EDUCATION TAX CUTS

- ***Education and Retirement Savings Accounts.*** Allows penalty-free IRA withdrawals for undergraduate, post-secondary vocational, and graduate education expenses. Additionally, taxpayers eligible for the child tax credit are given the opportunity to deposit \$500 into an education IRA. Earnings would accumulate tax-free and no taxes would be due upon withdrawal for an approved purpose.

- ***Employer-Provided Education Benefits.*** Extends Section 127 of the tax code for three years, which allows people to exclude \$5,250 of employer-provided undergraduate education benefits from their taxable income.

- ***Student Loan Interest Deduction.*** Allows a deduction for up to \$2,500 per year of interest on education loans for expenses of students enrolled at an institution of higher education. This deduction would be available even if the taxpayer does not itemize deductions.

- ***Community Service Loan Forgiveness.*** In most circumstances, a loan that is forgiven is considered income and is therefore taxable. To encourage programs that offer loan forgiveness to borrowers who take lower-paying, community-service jobs, loan amounts forgiven through programs run by nonprofit tax-exempt charitable or educational institutions, would be excluded from income. Currently, the exclusion generally covers only certain forgiveness arrangements between students and government entities.

- ***Repeal Cap on Tax Exempt Bond Issuance by Colleges and Universities.*** Repeals the \$150 million bond cap that affects private higher education institutions and certain other charitable institutions.

The repeal would apply to tax-exempt bonds issued by these institutions to finance new capital expenditures.

PRESIDENT CLINTON DELIVERS A BUDGET THAT STRENGTHENS AND PRESERVES MEDICARE

The Budget Agreement preserves and strengthens the Medicare program, saving \$115 billion over five years and extending the life of the Medicare Trust Fund for at least ten years. It modernizes Medicare by including new market-oriented reforms that have proved successful in the private sector and \$4 billion in new preventive benefits. As this agreement strengthens and preserves the Medicare program, it also creates a Medicare Commission to examine the long-term needs of the program so that Medicare will be prepared for the retirement of the baby boomers.

— **SAVES \$115 BILLION OVER FIVE YEARS.** Includes \$115 billion in savings over five years and \$434 billion over ten years.

— **EXTENDS THE LIFE OF THE MEDICARE TRUST FUND FOR AT LEAST TEN YEARS.** This agreement will keep Medicare solvent until at least 2007.

— **IMPLEMENTS UNPRECEDENTED NEW MARKET-ORIENTED REFORMS INCLUDING:**

- (1) Empowering the Secretary of Health and Human Services to implement competitive market mechanisms;
- (2) Opening up new options that have proved effective in the private sector, including allowing Medicare to work with Preferred Provider Organizations (PPOs) and Provider Sponsored Organizations (PSOs);
- (3) Providing Americans with meaningful choices by reforming annual Medigap enrollment; and
- (4) Building on the success Medicare has had in controlling hospital costs, restructuring the entire payment system so that rates are set in advance through a prospective payment system.

— **INCLUDES \$4 BILLION OVER FIVE YEARS FOR NEW PREVENTIVE BENEFITS INCLUDING** expanding coverage for mammograms and colorectal screening and improving self-management of diseases like diabetes.

— **ENSURES NEW PREMIUM PROTECTIONS FOR LOW-INCOME MEDICARE BENEFICIARIES.** The budget agreement invests \$1.5 billion over five years to pay the premiums for beneficiaries up to 135 percent of poverty. Beneficiaries over 135 percent of poverty to as high as 185 percent of poverty will get assistance as well.

— **TAKES STEPS TO ENSURE THAT VULNERABLE HOSPITALS ARE PROTECTED.** The Agreement reduces the Medicare Disproportionate Share Hospitals cut from \$2.4 billion in the Senate-passed agreement to \$600 million over five years.

— **ESTABLISHES A MEDICARE COMMISSION.** The agreement creates a 17-member Medicare Commission which contains eight Democrats and eight Republicans and an additional member that will be selected jointly by the President and the Congressional leadership to chair the Commission. The Commission will release a report in 1999 and require a 11 of 17 majority to ensure that its recommendations are bipartisan.

PRESIDENT CLINTON DELIVERS TAX CUTS TO CLEANUP AND REVITALIZE URBAN AREAS...

THE BROWNFIELDS TAX INCENTIVE WILL REDUCE THE COST OF CLEANING UP THOUSANDS OF CONTAMINATED, ABANDONED SITES IN ECONOMICALLY DISTRESSED AREAS by permitting clean-up costs to be immediately deducted for tax purposes, rather than requiring this spending to be written off over time. This would, in turn, encourage redevelopment of these areas. The tax incentive will be available for three years.

THIS PROPOSAL IS A MAJOR PRIORITY FOR MANY OF AMERICA'S MAYORS.

Chicago Mayor Richard Daley, writing recently on behalf of the U.S. Conference of Mayors, urged Ways and Means Chairman Archer to include the President's Brownfields proposal in the tax bill: "This is a high priority for communities across the nation." [Letter to Chmn. Archer, 6/11/97]

CREATES NEW EMPOWERMENT ZONES. Under the President's 1993 Empowerment Zones and Enterprise Communities initiative, participating communities develop a strategic plan to spur economic development, and they receive Federal tax benefits, social service grants and flexibility in use of Federal funds in order to put these plans into effect. The EZs and ECs are urban or rural areas with high poverty and unemployment rates.

- ***A Strong Start since 1994.*** The 105 communities selected as EZ/ECs in 1994 amassed over \$8 billion in public-private commitments. In the six urban Empowerment Zones, the private sector has made or pledged \$2 billion in new investments.
- ***A Second Round to Build on Our Successes.*** In response, the President proposed, and the bill includes, a second-round of EZs-- 15 urban and 5 rural EZs. The new EZs will benefit from a different blend of tax credits than first-round EZs. They will be eligible for the Brownfields tax incentive, special expensing of business assets, and qualification for private-activity bonds.

...AND TO MOVE PEOPLE FROM WELFARE TO WORK

A WELFARE-TO-WORK TAX CREDIT. This provision will give employers an added incentive to hire long-term welfare recipients by providing a credit equal to 35% of the first \$10,000 in annual wages in the first year, and 50% of the first \$10,000 in wages in the second year of employment, paid to new hires who have received welfare for an extended period. The credit is for two years per worker to encourage not only hiring but retention.

\$3 BILLION TO HELP THE MOST DISADVANTAGED MOVE FROM WELFARE TO WORK. Adds \$3 billion to help localities move the most disadvantaged welfare recipients into jobs; the funding is targeted to high-poverty areas, including inner cities. These funds can be used for job creation, job placement and job retention efforts, including wage subsidies to private employers, transportation and other critical post-employment supportive services. The Labor Department will provide oversight but the dollars will be placed in the hands of the localities who are on the front lines of the welfare reform effort.

PRESIDENT CLINTON FOUGHT TO PROTECT OUR MOST VULNERABLE PEOPLE

Several provisions in last year's welfare reform bill had nothing to do with the goals of welfare reform. The President said so at the time and promised to work to correct these provisions. That's why he fought to ensure that any agreement protects the most vulnerable in our society. The President fought to better protect:

CHILDREN

- **KEEPING THE GUARANTEE TO MEDICAID.** Preserves the Federal guarantee of Medicaid coverage for the vulnerable populations who depend on it and contains additional investments to extend coverage to uninsured children.

LEGAL IMMIGRANTS

- **CURRENT RECIPIENTS.** Restores both SSI and Medicaid benefits for immigrants now receiving assistance, ensuring that they will not be turned out of their apartments or nursing homes or otherwise left to an uncertain fate.
- **CURRENT RESIDENT NONRECIPIENTS.** Does not change the rules retroactively. Immigrants in the country as of August 22, 1996 but not receiving benefits at that point who subsequently become disabled will also be fully eligible for SSI and Medicaid benefits.
- **REFUGEES AND ASYLEES.** Extends the SSI and Medicaid eligibility period for refugees and asylees from 5 years after entry (the limit in the welfare bill) to 7 years, in order to give these residents more time to naturalize.

The budget legislation also, pursuant to Administration suggestions, treats Cuban and Haitian entrants and Amerasians immigrants as refugees for purposes of SSI, Medicaid and other means-tested benefits, ensuring that they can receive the assistance needed as a result of the extraordinary hardship many have endured.

POOR ELDERLY AND DISABLED, INCLUDING CITIZENS

- **RECIPIENTS OF STATE SSI SUPPLEMENTS.** Does not include the House-passed provision that would have repealed the maintenance of effort requirement applying to State supplementation of SSI benefits, permitting States to reduce or eliminate benefits to almost 3 million poor blind, elderly and disabled individuals.

PEOPLE WHO WANT TO WORK BUT CAN'T FIND A JOB

- **CHILDLESS ADULTS.** Last year's welfare reform bill restricted food stamps for able-bodied childless adults to only 3 out of every 36 months, unless they are working. This move ignored the fact that finding a job often takes time. The budget bill provides \$1.5 billion to create 235,000 work slots and provide food stamp benefits to those who are willing to work but, through no fault of their own, have not yet found employment.
- **ALLOWS STATES TO EXEMPT UP TO 15 PERCENT OF THE FOOD STAMP RECIPIENTS WHO WOULD OTHERWISE BE DENIED BENEFITS AS A RESULT OF THE "3 IN 36" LIMIT.**

President Clinton's Historic Balanced Budget Agreement: Building on His Strong Record of Deficit Reduction and Growth

President Clinton has achieved a balanced budget agreement that includes critical investments in education, health care, and the environment while strengthening and modernizing Medicare and Medicaid -- just as he promised last year. This achievement finishes the job of balancing the budget, a key priority for the President since he took office.

ONLY FOUR YEARS AGO. In 1993, the President inherited a budget deficit of \$290 billion that was expected to explode to over one-half trillion dollars in 2002. A decade of large deficits had weakened the foundation of our economy and sapped our power and prestige abroad. Unemployment was 7.5% in 1992, and job growth was sluggish.

THE PRESIDENT PASSES HIS 1993 ECONOMIC PLAN. President Clinton addressed this problem of fiscal instability immediately on a pledge to cut the deficit in half. Working with Democrats in Congress, he implemented an economic program designed to reduce the deficit and to invest in critical priorities, such as education and training. **The 1993 economic plan has exceeded all expectations: the deficit has fallen by 77%, dropping for a likely fifth year in a row to an expected \$67 billion in 1997; equipment investment has been the strongest since Kennedy was President; the economy has produced over 12.5 million new jobs; and the unemployment rate this year is the lowest in 24 years.**

THE PRESIDENT ACHIEVES BIPARTISAN AGREEMENT TO FINISH THE JOB. The President began his second term determined to fulfill his goal of balancing the budget. As we head into the next century, this bipartisan agreement protects our priorities, solidifies the nation's economic foundation, restores faith in our ability to govern ourselves, and bolsters America's preeminent position in the world economy. The balanced budget agreement includes \$900 billion in 10 year net deficit savings and delivers the first balanced budget in a generation.

President Clinton Delivers the First Balanced Budget in a Generation		
Year	1993 Deficit	Current Deficit
1993	\$290	\$290
1994	\$270	\$270
1995	\$250	\$250
1996	\$230	\$230
1997	\$210	\$210
1998	\$190	\$190
1999	\$170	\$170
2000	\$150	\$150
2001	\$130	\$130
2002	\$110	\$110
2003	\$90	\$90
2004	\$70	\$70
2005	\$50	\$50
2006	\$30	\$30
2007	\$10	\$10

BUDGET STAYS IN BALANCE. In addition to delivering a balanced budget in 2002, the budget agreement delivers budget surpluses for each of the second five years of the budget window, 2003-2007, putting the nation on a solid fiscal path at a critical time as the baby boom generation edges toward retirement.

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President Clinton Delivers a Mainstream, Middle Class Tax Cut

How Typical American Families Will Benefit

Example #1

Consider a family of four who makes \$75,000 a year. The father is a civil engineer and makes \$50,000 and the mother is a secretary and makes \$25,000. They have two kids, a son who is 14 and a freshman in high school and a daughter enrolled full-time in her first year at a state university. Her tuition is \$5,000 a year.

This family benefit from the tax cut in at least two ways. They will receive a child tax credit of \$500 for their son, plus a HOPE Scholarship of \$1,500 for their daughter. In total, they will receive a \$2,000 tax cut.

Tax Cut

Family of four with two children
aged 14 and 18 and \$75,000 income:

Child Tax Credit for 14 year old	\$500
HOPE Scholarship for 18 year old	<u>\$1,500</u>

Total tax cut: \$2,000

Example #2

Consider a family of three making \$55,000 a year. The father has a degree in accounting and works for a local business in the accounting department. The mother works part-time at the local library. They have one daughter aged 7. The father would like to return to school to prepare for his CPA examination. He is going to attend the local liberal arts college. He has signed up for two courses with total tuition of \$4,000.

This family will receive a \$500 tax child tax credit for their daughter and a \$800 tuition tax credit to help pay for the father's course work.

Tax Cut

Family of three with one child
aged 7 and \$55,000 income:

Child Tax Credit for 7 year old	\$500
Tuition tax credit	<u>\$800</u>

Total tax cut: \$1,300

Example #3

Consider a family of three making \$80,000 combined. The mother is a nurse and the father is an architect. They have a daughter who is 17 years old and is trying to decide where to go to college. She is leaning towards a private liberal arts school and thinks she'll go to law school after that. Her parents are staring at tuition payments in excess of \$10,000 a year for seven school years and wondering how they will pay for it.

This tax cut will help. Their daughter will be eligible for a \$1,500 HOPE Scholarship in each of her first two years in college. During her junior and senior years, she will be eligible for a tuition tax credit of \$1,000. Additionally, she will be eligible for a tuition tax credit of \$1,000 in each of her three years of law school (because seven school years fall across eight tax years she will be eligible for another \$1,000 in the eighth year).

<u>Year</u>	<u>Tuition Tax Credits</u>
1998	\$1,500 Hope Scholarship
1999	\$1,500 Hope Scholarship
2000	\$1,000 Tuition Tax Credit
2001	\$1,000 Tuition Tax Credit
2002	\$1,000 Tuition Tax Credit
2003	\$2,000 Tuition Tax Credit
2004	\$2,000 Tuition Tax Credit
2005	\$1,000 Tuition Tax Credit

Cumulative Tax Cut to Help Pay for Daughter's Education	\$11,000

Example #4

A single mother lives with her six year old daughter in California. She's been working as a bank teller for several years and her pay is now up to \$20,000 a year. Working towards becoming a loan officer, she is taking one course a semester towards a bachelor's degree. Her tuition runs about \$1,000. This family will receive a \$500 child tax credit for the daughter and a \$200 tuition tax credit.

Tax Cut

Family of two with one child
aged 6 and \$20,000 income:

Child Tax Credit for 6 year old	\$500
Tuition Tax Credit	<u>\$200</u>
Total tax cut:	\$700

PRESIDENT CLINTON DELIVERS THE FIRST BALANCED BUDGET IN A GENERATION AND A MAINSTREAM TAX CUT

President Clinton has achieved an historic balanced budget that promotes our values, providing critical investments for education, health care, and the environment while strengthening and modernizing Medicare and Medicaid. It also provides middle-class families a tax cut to help raise their kids and send them to college. We have cut the deficit by 77%, from \$290 billion in 1992 to \$67 billion or less this year. This historic budget finishes the job, while meeting our goals.

ONLY FOUR YEARS AGO. In 1993, the President inherited a budget deficit of \$290 billion that was expected to explode to over one-half trillion dollars in 2002. A decade of large deficits had weakened the foundation of our economy and sapped our power and prestige abroad. Unemployment was 7.5% in 1992, and job growth was sluggish.

THE PRESIDENT PASSES HIS 1993 ECONOMIC PLAN. President Clinton addressed this problem of fiscal instability immediately on a pledge to cut the deficit in half. Working with Democrats in Congress, he implemented an economic program designed to reduce the deficit and to invest in critical priorities, such as education and training. **The 1993 economic plan has exceeded all expectations: the deficit has fallen by 77%, dropping for a likely fifth year in a row to \$67 billion or less in 1997; equipment investment has been the strongest since Kennedy was President; the economy has produced over 12.5 million new jobs; and the unemployment rate this year is the lowest in 24 years.**

THE PRESIDENT ACHIEVES FIRST BALANCED BUDGET IN A GENERATION TO FINISH THE JOB. The President began his second term determined to fulfill his goal of balancing the budget. As we head into the next century, this bipartisan balanced budget protects our priorities, solidifies the nation's economic foundation, restores faith in our ability to govern ourselves, and bolsters America's preeminent position in the world economy.

- **\$900 Billion in Net Ten-Year Savings** to keep us on the path of fiscal responsibility and help prepare the nation for the retirement of the baby boom generation.
- **Single Largest Investment in Health Care for Children Since the Passage of Medicaid in 1965.** Today, ten million children have no health insurance. The balanced budget takes dramatic and concrete steps to right this wrong. Health care coverage will be extended to up to 5 million children
- **Critical Long-Term Entitlement Reforms** including \$434 billion in ten-year Medicare savings to keep the Medicare Trust Fund Solvent for at least a decade. Importantly, these savings are achieved in a way that prepares Medicare for the 21st century -- more choice is provided, competition is injected, and payment systems are revamped and preventive benefits are included.
- **Largest Increase in Higher Education Funding Since the G.I. Bill of 1945, including \$1,500 HOPE Scholarship** to make the first two years of college universally available and a 20% Tuition Tax Credit for college juniors, seniors, graduate students and for working Americans pursuing lifelong learning to upgrade their skills.
- **\$500 Per Child Tax Credit** to make it easier for approximately 27 million families to raise their children.
- **Helping Move People from Welfare to Work.** The budget adds \$3 billion, the full amount requested by the President for the Welfare-to-Work Jobs Challenge, to the TANF block grant to fund welfare-to-work efforts in high-poverty, high-unemployment areas.
- **Protects our Nation's Most Vulnerable People.** The budget includes \$12 billion to restore both disability and health benefits for legal immigrants who are or become disabled, ensuring that they will not be turned out of their apartments or nursing homes or otherwise left to an uncertain fate.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Christa Robinson (CN=Christa Robinson/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:29-JUL-1997 10:43:18.00

SUBJECT: Cabinet Memo 7-29-97

TO: Jennifer L. Klein (CN=Jennifer L. Klein/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: William R. Kincaid (CN=William R. Kincaid/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Elizabeth Drye (CN=Elizabeth Drye/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Jonathan Prince (CN=Jonathan Prince/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Christopher C. Jennings (CN=Christopher C. Jennings/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Thomas L. Freedman (CN=Thomas L. Freedman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Cathy R. Mays (CN=Cathy R. Mays/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Mary L. Smith (CN=Mary L. Smith/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Nicole R. Rabner (CN=Nicole R. Rabner/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Michael Cohen (CN=Michael Cohen/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Eric P. Goosby (CN=Eric P. Goosby/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Sarah A. Bianchi (CN=Sarah A. Bianchi/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Leanne A. Shimabukuro (CN=Leanne A. Shimabukuro/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: WEINSTEIN_P (WEINSTEIN_P @ A1 @ CD @ LNGTWY [UNKNOWN]) (OPD)
READ:UNKNOWN

TEXT:

AGRICULTURE

Today - the Secretary meets with US-South Africa bi-national committee

ONDCP

Today - the Director interviews with WTimes

Tomorrow - interviews with LATimes

EDUCATION

Today - the Secretary speaks in Las Vegas to NGA

ENERGY

Today - no public events

EPA

Today and tomorrow- no public events

HHS

Today - the Secretary meets with Bruce Reed: tobacco; addresses American Society for Public Administration in Philadelphia

JUSTICE

Today - the AG attends funeral; Freeh holds press conference on action against landlords

OPM

Today - no public events

TRANSPORTATION

Today - the Secretary is in Haiti following up on President's Caribbean Summit

VETERANS

Today - no public events

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Phillip Caplan (CN=Phillip Caplan/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:29-JUL-1997 19:17:04.00

SUBJECT: Re: TVA and IBEW

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Christa Robinson (CN=Christa Robinson/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:29-JUL-1997 18:12:46.00

SUBJECT: Scheduling update

TO: Jennifer L. Klein (CN=Jennifer L. Klein/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: William R. Kincaid (CN=William R. Kincaid/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Elizabeth Drye (CN=Elizabeth Drye/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Jonathan Prince (CN=Jonathan Prince/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Christopher C. Jennings (CN=Christopher C. Jennings/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Thomas L. Freedman (CN=Thomas L. Freedman/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Cathy R. Mays (CN=Cathy R. Mays/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Mary L. Smith (CN=Mary L. Smith/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Nicole R. Rabner (CN=Nicole R. Rabner/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Michael Cohen (CN=Michael Cohen/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Eric P. Goosby (CN=Eric P. Goosby/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Sarah A. Bianchi (CN=Sarah A. Bianchi/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

TO: Leanne A. Shimabukuro (CN=Leanne A. Shimabukuro/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: WEINSTEIN_P (WEINSTEIN_P @ A1 @ CD @ LNGTWY [UNKNOWN]) (OPD)
READ:UNKNOWN

TEXT:

8/4 National Urban League
8/5 Tobacco Executive Order (HHS)
8/6 Tape Video for the NAPO Annual Convention
8/8-10 Environmental Event (Block Island, RI)
8/11 Pediatric Labeling (D.C.)
8/12 Welfare to Work Event (St. Louis)
8/14 Religious Freedom Event
8/15 Back to School Event (tbd)
8/17-9/7 Martha's Vineyard

Videos are being taped on 8/6. Next videos will be taped on Sept. 12, so please send me any video requests you may have next week.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cathy R. Mays (CN=Cathy R. Mays/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:30-JUL-1997 14:42:29.00

SUBJECT: Next COS Scheduling Meeting

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Christa Robinson (CN=Christa Robinson/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Paul J. Weinstein Jr. (CN=Paul J. Weinstein Jr./OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

FYI

----- Forwarded by Cathy R. Mays/OPD/EOP on 07/30/97
02:41 PM -----

Jason S. Goldberg

07/30/97 02:38:57 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: Next COS Scheduling Meeting

The next Chief of Staff Scheduling Meeting will be this Friday, August 1,
at 2:00 p.m.

Message Sent

To:

Mary Morrison/WHO/EOP

Phillip Caplan/WHO/EOP

Craig T. Smith/WHO/EOP

Christopher J. Lavery/WHO/EOP

KERRICK_D @ A1 @ CD @ LNGTWY

Sylvia M. Mathews/WHO/EOP

John Podesta/WHO/EOP

Sara M. Latham/WHO/EOP

Victoria Radd/WHO/EOP

Angus S. King/WHO/EOP

Douglas B. Sosnik/WHO/EOP

Rahm I. Emanuel/WHO/EOP

SPERLING_G @ A1 @ CD @ LNGTWY

Bruce N. Reed/OPD/EOP

MCHUGH_L @ A1 @ CD @ LNGTWY

Michael D. McCurry/WHO/EOP

Stephanie S. Streett/WHO/EOP

Nancy V. Hernreich/WHO/EOP
John L. Hilley/WHO/EOP
Cheryl M. Carter/WHO/EOP
Michael Waldman/WHO/EOP
Maria Echaveste/WHO/EOP
June G. Turner/WHO/EOP
Kevin S. Moran/WHO/EOP
Michelle Crisci/WHO/EOP
Russell W. Horwitz/OPD/EOP
Cathy R. Mays/OPD/EOP
Lori L. Anderson/WHO/EOP
Melissa Green/OPD/EOP
Marjorie Tarmey/WHO/EOP
Ron Klain/OVP @ OVP
Debbie B Bengtson/OVP @ OVP
MILLISON_C @ A1 @ CD @ LNGTWY
Kimberly H Tilley/OVP @ OVP
Marjorie Tarmey/WHO/EOP
Jodie R. Torkelson/WHO/EOP
Teresa Wildman/WHO/EOP
Raymond E. Donnelly III/WHO/EOP
Elisa Millsap/WHO/EOP
Jeffrey A. Forbes/WHO/EOP
Suzanne Dale/WHO/EOP
Elisabeth S. Steele/OVP @ OVP
Laura K. Capps/WHO/EOP
Terri J. Tinggen/WHO/EOP
Dan K. Rosenthal/WHO/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:30-JUL-1997 17:59:28.00

SUBJECT: Re: What can we say re: FICA/EITC discussions

TO: Emily Bromberg (CN=Emily Bromberg/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

fyi

----- Forwarded by Cynthia A. Rice/OPD/EOP on 07/30/97
05:59 PM -----

Bruce N. Reed

07/30/97 05:31:19 PM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP

cc:

Subject: Re: What can we say re: FICA/EITC discussions

Let's go ahead and say that while we'll continue to stand firm on FLSA, we're planning to work together in a bipartisan manner to deal with FICA, FUTA, and EITC. (We shouldn't say for certain what the vehicle will be or when, but I assume it will be an approps bill.)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:30-JUL-1997 15:19:52.00

SUBJECT: Byrd rule update

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Joan Huffer/Sen. Daschle says she does not expect an organized Democratic effort in the Senate to Byrd out provisions, although Moseley-Braun may do Pennington.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: June G. Turner (CN=June G. Turner/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:30-JUL-1997 07:58:05.00

SUBJECT: Race Work Plan Meeting - New suggested time

TO: Minyon Moore (CN=Minyon Moore/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Andrew J. Mayock (CN=Andrew J. Mayock/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Maria Echaveste (CN=Maria Echaveste/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Cheryl D. Mills (CN=Cheryl D. Mills/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Angelique Pirozzi (CN=Angelique Pirozzi/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Maria Echaveste (CN=Maria Echaveste/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Edward F. Hughes (CN=Edward F. Hughes/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

I apologize for any inconvenience, however we are'nt going to have the 11:00 meeting today. We'll try for tomorrow.

Can you e-mail me the best times for tomorrow between 3:00-6:00?

thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:30-JUL-1997 17:11:24.00

SUBJECT: NBC News/Story about White House Welfare Hires

TO: Elisabeth Stock (CN=Elisabeth Stock/O=OVP @ OVP [UNKNOWN])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Paul J. Weinstein Jr. (CN=Paul J. Weinstein Jr./OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

April Mellody from the press office said NBC News called today, interested in doing a story on the White House welfare hires. She wants to know what we think. As you know, we've discouraged this too date (although I understand why NBC is interested).

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Cynthia Rice to Elena Kagan et al. re: Friday afternoon (1 page)	07/30/1997	Personal Misfile

COLLECTION:

Clinton Presidential Records
Automated Records Management System [Email]
OPD ([Kagan])
OA/Box Number: 250000

FOLDER TITLE:

[07/29/1997-07/30/1997]

2009-1006-F

bm31

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Richard Socarides (CN=Richard Socarides/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:30-JUL-1997 18:48:54.00

SUBJECT: Human Rights Campaign Dinner on November 8th

TO: Ann F. Lewis (CN=Ann F. Lewis/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Maria, Craig and I have submitted a scheduling request for the President to attend and give the keynote speech at the National Dinner of the Human Rights Campaign in Washington on Saturday evening, November 8th.

It is my strong recommendation that we accept this invitation. All things considered, this is the best opportunity we will get this year to address a (extremely supportive) gay audience. And as you know, the Human Rights Campaign has been extremely supportive and we owe them.

Moreover, the President's remarks could preview the Hate Crimes Conference, which takes place the following Monday.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Julie O. Huffman (CN=Julie O. Huffman/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:30-JUL-1997 09:50:08.00

SUBJECT: Reminder of meeting today

TO: Katharine Button (CN=Katharine Button/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Jennifer L. Klein (CN=Jennifer L. Klein/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Nicole R. Rabner (CN=Nicole R. Rabner/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

Julie O. Huffman (CN=Julie O. Huffman/OU=WHO/O=EOP [WHO])

READ:UNKNOWN

TEXT:

Just a reminder of your 2:30 pm meeting today with HRC, David Hamburg, Joan Lombardi and Deborah Phillips on the Childcare Conference. The meeting will take place in the Map Room. HRC may be a few minutes late if she opts to do a photo-op at 2:30 pm on the South Portico.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: William R. Kincaid (CN=William R. Kincaid/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:30-JUL-1997 19:56:22.00

SUBJECT: Please call Bill K. 6-2857

TO: ELENA (Pager) #KAGAN (ELENA (Pager) #KAGAN [UNKNOWN])

READ:UNKNOWN

TEXT:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: June G. Turner (CN=June G. Turner/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:30-JUL-1997 12:19:16.00

SUBJECT: Race Work Plan Meeting - Thursday, July 31

TO: Minyon Moore (CN=Minyon Moore/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Andrew J. Mayock (CN=Andrew J. Mayock/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Maria Echaveste (CN=Maria Echaveste/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Cheryl D. Mills (CN=Cheryl D. Mills/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Angelique Pirozzi (CN=Angelique Pirozzi/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Maria Echaveste (CN=Maria Echaveste/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Edward F. Hughes (CN=Edward F. Hughes/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Sylvia will have her race work plan meeting tomorrow at 3:00 pm in her office. Please let me know if you have any questions.

Thanks.

thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:30-JUL-1997 14:18:13.00

SUBJECT: Re: waters

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

that's what I had thought, but Laura and I had some confusion. I'll tell her we want to reschedule.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:30-JUL-1997 10:12:30.00

SUBJECT: HHS Proposed Work Regs

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

We will get the detailed copy of HHS's proposed work regs late today or tomorrow.

HHS is sending their proposed regs in draft form to OMB today. They've decided to send the regs in draft form (without the Secretary's signature) because the pending reconciliation bill will require some changes (i.e., voc ed, the additional penalties on states not penalizing individuals for not working). HHS will send a formal copy once they've incorporated their proposed reaction. In the meantime, we can look in detail at the most important parts.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: William R. Kincaid (CN=William R. Kincaid/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:30-JUL-1997 11:17:12.00

SUBJECT: Coverdell Press Conference

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Michael Cohen (CN=Michael Cohen/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

ED heard from Kennedy's staff that Sen. Coverdell had a press conference this morning at which he passed out the President's veto threat letter. Don't have any details but I imagine this issue could come up at today's press briefing. Should we do a Q&A?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: June G. Turner (CN=June G. Turner/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 2-JUL-1997 09:04:23.00

SUBJECT: Note

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Per your note on my chair re: Race memo, Sylvia said that today was fine.

Thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Marjorie Tarmey (CN=Marjorie Tarmey/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 2-JUL-1997 17:26:28.00

SUBJECT: Census mtg

TO: Mickey Ibarra (CN=Mickey Ibarra/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Janet Murguia (CN=Janet Murguia/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Kris M Balderston (CN=Kris M Balderston/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: John Podesta (CN=John Podesta/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Sara M. Latham (CN=Sara M. Latham/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Virginia N. Rustique (CN=Virginia N. Rustique/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Suzanne Dale (CN=Suzanne Dale/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

We need to meet before Wednesday with outside Census stakeholders. Are you or a staff member available to do a mtg on Tuesday at 2:00? Please respond asap. Thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elizabeth Drye (CN=Elizabeth Drye/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 2-JUL-1997 19:19:32.00

SUBJECT: Corr on outreach strategy.

TO: Jerold R. Mande (CN=Jerold R. Mande/OU=OSTP/O=EOP @ EOP [OSTP])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Here's the (tentatively) good news: Corr will get back to us tomorrow a.m. early re. Koop-Kessler mtg. He thinks it will be o.k., but wants to clear with Donna and Kevin (will somebody please delegate some decision-making authority?!). Prefers Tuesday.

Here's the usual HHS news: Corr wants to work out the entire outreach process before we start any meetings. He's very concerned about such questions as: should the meetings be open to press? Which should Donna and Bruce do versus staff? How do we make sure we touch all affected groups, like retailers? Should we hold a public meeting? etc. etc. etc. etc. He thinks, at our first meeting, we need to be prepared to answer reporters' questions about exactly who else we will meet with.

I walked him back through the Erskine memo, reminded him we had already agreed that Bruce/Donna would do 6-8 public health meetings etc., and said we didn't need to solve everything about press/who/what/when before we started.

We agreed to the following schedule.

1. We get Koop-Kessler mtg. o.k. from HHS tomorrow and set up meeting for Tues (or Monday if White House insists and HHS relents).
2. Tomorrow HHS sends over its detailed written outreach proposal. (Elena -- you may need to call Bill tomorrow and reinforce that this deadline cannot slip).
3. Monday WH/HHS meet to close on specific outreach plan and begin scheduling additional meetings.

Does this work?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jennifer L. Klein (CN=Jennifer L. Klein/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 2-JUL-1997 13:53:27.00

SUBJECT: Immunization Partnership Between CDC and WIC

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

You had asked me to respond to the President's question from the Weekly Cabinet Report about whether we can expand the partnership between the CDC and WIC to increase immunization rates. The program has already been expanded to all states. The FY 1996 appropriation to CDC directed them to ensure that all states reserve at least 10% of their infrastructure funds for linkage with WIC, unless the state could document that a linkage was already occurring. In 1997, \$14.7 million is being spent on formal WIC/immunization linkages in all states.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:30-JUL-1997 17:17:33.00

SUBJECT: What can we say re: FICA/EITC discussions

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP @ EOP. [OPD])

READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP [OPD])

READ:UNKNOWN

TEXT:

As you probably know, word is floating around town that the FICA/EITC issue will be "renegotiated" in September. Haskins told a large group of House staffers, the Governors are blabbing, and the Post called ACF. What should we be saying in response to questions? Emily Bromberg, for example, wants to know.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:30-JUL-1997 09:51:42.00

SUBJECT: No FLSA, FICA, EITC, or work weaking language in filed bill. Cynthia 6-284

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: EMILY (Pager) #BROMBERG (EMILY (Pager) #BROMBERG [UNKNOWN])

READ:UNKNOWN

TO: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Press Guidance on the Coverdell Amendment

Background

The Coverdell Amendment would have allowed parents to withdraw funds from an IRA tax-free to pay for for tuition at public, private, or sectarian elementary and secondary schools. In addition to tuition, the amendment would have provided a tax subsidy for tutoring, books and supplies, equipment, transportation and supplementary expenses related to education.

The provision was removed from the budget package at the Administration's insistence, and last night the President wrote the Republican leadership indicating that he "would veto any tax package that would undermine public education by providing tax benefits for private and parochial school expenses."

Suggested Response

Q: Today Sen. Coverdell held a press conference denouncing the President's threat to veto his proposal to provide tax benefits for K-12 schooling, including private and parochial schools. Given how hard the President pushed for tax benefits for postsecondary education, how can you explain the President's position?

A:

- This is consistent with the President's long-standing position on private school vouchers. As the President's letter indicated, the Coverdell provision would have undermined public education.
- The Coverdell Amendment would have little practical benefit for families with students in public elementary and secondary schools, where the vast majority of students attend, and which do not charge tuition. Instead, these tax provisions would have primarily subsidized private school tuition.
- The revenue lost from the amendment could be much better spent on efforts to improve our public schools, such as repairing crumbling buildings.
- The amendment would have covered almost any expense even remotely connected to the costs of K-12 education, including high-priced running shoes, cellular phones, and camcorders. This would create a very real "loophole" for using funds in ways that were not intended and have opened the door to abuse.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Thomas L. Freedman (CN=Thomas L. Freedman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:30-JUL-1997 14:51:01.00

SUBJECT: Re: civil rights etc.

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

1. We will insert ourselves into the hate crimes stuff. Thanks. Mary has been talking to Socrates(sp.!) about it.

2. We should have a good background memo for you on the civil rights legal agencies Thursday: it will include a summary of what they do, how they do it, what has been said about the agencies, and a timetable/process for our meeting with them and when we expect stuff back from them.

3. We will get the Hopwood meeting together. I'm still learning the stuff.

Regards, Tom

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Thomas L. Freedman (CN=Thomas L. Freedman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:30-JUL-1997 17:10:53.00

SUBJECT: Re: civil rights etc.

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Thank you. We've meet with Bill K. now and here are the steps I would propose on Hopwood/209.

The problem bifurcates between litigation (overturning the decision/law) and substance, ensuring actual diversity in higher education. The litigation peice is going forward. We set ourselves the task of figuring out ways to promote diversity in higher education-- no matter the strict legal requirement.

This issue seems to break down into parts: longer term-- preparing students to be ready for college and graduate school, and more immediate-- making sure they have access to those college/grad programs.

Thus, our urban/race agenda is very applicable to this problem as part of our long-term solution. Listing changes to make sure students get the preparation to be ready to take advantage, and compete in higher education. We break this down to programs for pre-K, K-8, and high school. (inner city teachers, head start, pell grants for 6th graders, etc.)

For the access issue we are creating a laundry list of possible reforms (reaching out to talented minority students, universities partnering with urban high schools, free AP tests, automatic admission if you are in the top 10% of your H.S. class, etc) we can start looking at.

We'll put together a memo we hope to get to you by Friday, it should include a very preliminary list of programs along the lines of above and a suggested process: who we invite to our first meeting, what we are looking for from them and by when.

This seems like a useful way to start the effort.

Regards, Tom

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:30-JUL-1997 09:02:02.00

SUBJECT: Anti-Displacement language

TO: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

My read of the anti-displacement language in the bill is that it is much stronger than the language now in TANF but it applies only to the \$3 billion program (it refers everywhere to "funds provided under this paragraph). Is this your understanding too?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Alice E. Shuffield (CN=Alice E. Shuffield/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:30-JUL-1997 10:09:29.00

SUBJECT: C/J/S Appropriations SAP

TO: Russell W. Horwitz (CN=Russell W. Horwitz/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Paul J. Weinstein Jr. (CN=Paul J. Weinstein Jr./OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Virginia N. Rustique (CN=Virginia N. Rustique/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Charles R. Marr (CN=Charles R. Marr/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Please disregard-toss-recycle the Commerce / Justice / State Appropriations draft SAP that I circulated to you last night. The Rules committee canceled their consideration of the bill this morning, and do not plan to take it up until September. We'll do another run then.

Thanks for being so consistently responsive in clearing our SAPs and letters! More to come in September...

Alice

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Michael Cohen (CN=Michael Cohen/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:30-JUL-1997 14:34:33.00

SUBJECT: letter

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Thanks for you changes-- they been made. Janet has signed off on the letter, and the final version is now in Chris Walker's and Phil Caplan's hands. I'll keep track of it.

Dear:

Thank you for your letter of July 21 regarding the educational needs of limited English proficient children in the context of my national standards and testing initiative. I believe strongly that we must have national standards and tests in the basic skills if we are to provide all of our students with the world-class education they deserve.

I know that you have met recently with Secretary of Education Riley to discuss the recommendations in your letter. As you know, members of my staff and officials of the Department of Education have been meeting with your staffs and with others in the Hispanic and education communities who share your concerns.

Thus, the issues you have raised have been the topic of ongoing discussions within the Administration. As a result, a number of the recommendations you have made are already being included in our plans for developing and implementing the national tests, while others are still under review. My Administration will continue to consult with you as this review proceeds, and before final decisions are made.

Let me share with you the steps we are taking in response to your recommendations.

Testing in native languages. The purpose of the 4th grade test is to test student proficiency in reading in English. I understand your concerns that the testing not be done in a fashion that excludes limited English proficient students who have not had sufficient time to learn English. I believe this is an important issue to address, and have asked the Department of Education to develop recommendations on how this can be done. My Administration will consult with you before any final determinations are made on this issue.

While this review is underway, it is useful to note that under Title 1 requirements, all students must be included in the required assessments, and students must be tested in the language that will best enable them to demonstrate subject matter mastery. Therefore, local school systems participating in Title 1, including those participating in the national testing initiative, must include LEP students in assessments, including in assessments of reading comprehension. While specific testing practices vary from school district to school district, many LEP students are already being tested in reading comprehension in their native language, and I fully expect this practice will continue.

Allowing appropriate accommodations. The Education Department and its test development contractor, in consultation with an advisory committee that is developing test specifications as well as with other testing and language experts, are developing a set of accommodations for testing LEP students taking the reading and math tests in English. Accommodations may include, for example, giving LEP students extra time for completing the test, or making the test an "untimed test" in which all students are given the time they need. When the set of accommodations are finalized, test publishers that market the tests will be required to incorporate them into test administration procedures.

Reporting to parents. I agree that we must make every effort communicate to the parents of limited English proficient students the purpose and use of the national tests. To a large extent, the effectiveness of these tests rests on the ability of parents to fully understand the standards their children are expected to meet, and to use the test results to secure extra help for their children, where it is needed, and as a catalyst for school improvement. Therefore, the test results and other appropriate information will be provided to parents in languages they understand. In addition, the Education Department's Office of Bilingual Education and Minority Languages Affairs will be working with a group of urban districts which enroll large numbers of LEP students to support these districts with strategies and materials to help inform parents about the purposes of the tests, and to help prepare students to meet the standards.

Monitoring the implementation of the tests. The Education Department will contract with the National Academy of Sciences to evaluate the implementation of the tests. This evaluation will include random spot checks to determine the extent to which test administration procedures (including with regard to the inclusion of students in the testing program and the use of appropriate accommodations) are being properly implemented.

In addition, my Administration strongly supports the use of school district and school report cards, which include the disaggregated reporting of test results. Because Title 1 requires that test results be disaggregated, a growing number of states and local school districts have already adopted this practice. I fully expect that this trend will continue, and that national test results will be reported in this fashion. The Education Department will continue to monitor and encourage this process at the state and local levels. If necessary, it will provide appropriate assistance to strengthen these trends.

Secretary Riley and I are committed to working with you, with key local education leaders, and with others who support raising academic standards in the basic skills for all students, to continue to find constructive ways of addressing the needs of limited English proficient students as we proceed with the development and implementation of national tests in the basic skills.

Sincerely

Bill Clinton

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elizabeth Drye (CN=Elizabeth Drye/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:30-JUL-1997 12:55:20.00

SUBJECT: Democratic tobacco farmer reps

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Cathy R. Mays (CN=Cathy R. Mays/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Jerold R. Mande (CN=Jerold R. Mande/OU=OSTP/O=EOP @ EOP [OSTP])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Glickman/Shalala now confirmed for 9:30 am Thursday mtg. with Congressman Baesler et al. Kevin Burke will fax list of participants to Cathy. We expect as many as 20 Congresspersons and several Senators' staff (including Ford). Room is 1539 Longworth. Donna will be 10minutes late.

DRAFT

July 30, 1997

Elton Gallegly
Member of Congress
2427 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Gallegly:

Thank you for your letter on July 10 requesting a White House signing ceremony for H.R. 173, which provides for the humane retirement of federal law enforcement canines. As you know, President Clinton promptly signed this legislation into law on July 18, 1997. While unfortunately, we were unable to accommodate your request for a signing ceremony for this important bill, I appreciate your writing to me about this matter. I hope you will feel free to contact me in the future on issues of concern to you.

Sincerely,

Erskine Bowles
White House Chief of Staff

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elizabeth Drye (CN=Elizabeth Drye/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:30-JUL-1997 19:58:40.00

SUBJECT: AMA Press Event - Tobacco

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

FYI

----- Forwarded by Elizabeth Drye/OPD/EOP on 07/30/97
07:58 PM -----

Barbara D. Woolley

07/30/97 07:05:01 PM

Record Type: Record

To: Jerold R. Mande/OSTP/EOP, Elizabeth Drye/OPD/EOP, Barry J. Toiv/WHO/EOP

cc: Mark Hunker/WHO/EOP

Subject: AMA Press Event - Tobacco

On Thursday, the AMA will hold a press conference to issue the release of their statement on the tobacco settlement. It is our understanding the AMA will be in favor of the tobacco settlement, will share concerns of the settlement including FDA regulation reform, see as a positive sign and big opportunity for public health advocates.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP { OPD })

CREATION DATE/TIME:30-JUL-1997 13:10:43.00

SUBJECT: waters

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

I just want to be clear so I don't drop the ball on the grandparents issue: you are not planning to reschedule the Waters meeting at this point, and there is nothing I should be doing to move this forward at this point. Let me know if I'm wrong on this.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:30-JUL-1997 12:25:14.00

SUBJECT: HHS goal for welfare success with NPR

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Paul J. Weinstein Jr. (CN=Paul J. Weinstein Jr./OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

For some weird reason, HHS has developed a preliminary NPR "reinvention" goal for successful welfare reform that differs from the President's goal of moving 1 million people from welfare to work by the year 2000. Instead, HHS's preliminary paper says that their goal is to move "1.25 million welfare recipients into new employment within the first two years of welfare reform." The VP is actually having a meeting on Monday with 15 agencies, including ACF, to go over these preliminary goals. Not clear what NPR's public release schedule is.

We are inclined to call Olivia and NPR leaders and tell them that this is not appropriate, and it's hard to envision any circumstance where we would want HHS to have a different goal than the President, but wanted to make sure you agree.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: William R. Kincaid (CN=William R. Kincaid/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:30-JUL-1997 20:44:41.00

SUBJECT: Title V

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Michael Cohen (CN=Michael Cohen/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

I took part in the end of tonight's ED-DOJ-WH Counsel's office call. DOJ's Adarand concerns, at this point, do not go to the heart of the legislation itself, but are based more on the strength of the findings and the way that rationale is described. All believe that these concerns can be addressed without too much trouble.

Depending on the composition of the ED/Senate staff meeting set for tomorrow, it was agreed that ED could take up a DRAFT-stamped copy and walk through the bill for staff in the morning. Simultaneously, DOJ is going to pull together a meeting to agree on suggested wording changes on a few portions of the bill, with the understanding that ED will be in a position to deliver an administration-cleared draft by tomorrow afternoon. Fallback approach is for ED to reschedule the meeting with staff for the afternoon.