

NLWJC - KAGAN

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[02/27/1998 - 03/02/1998]

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Karen Tramontano to Elena Kagan et al. Subject: Governor's Appointment. (1 page)	02/28/1999	P2
002. email	Stacie Spector to Michelle Crisci et al re: Open Container [partial] (1 page)	03/02/1998	P6/b(6)

COLLECTION:

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

FOLDER TITLE:

[02/27/1998 - 03/02/1998]

2009-1006-F

eh210

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

CREATION DATE/TIME:27-FEB-1998 19:42:37.00

SUBJECT: Tobacco farmers update

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

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:

Mary, Cynthia and I had the meeting with Rob Mangus (Ford) and Ridge Schuyler (Robb) today along with Gotbaum and OMB staff, HHS, Jerry, and USDA. They are closer to an agreement than they have been: Mangus puts it at 80%, but are stuck on a couple of smaller problems. On the crucial issue of cost they agree it shouldn't go above \$2.1 billion a year. Ford is very strong on this and Robb agrees although they admit their proposal may currently go high. Timing-wise they are hoping to be ready to talk publicly by 3/12 and want to approach R tobacco senators soon. The current version of the compromise is based on treating flue and burley slightly differently -- both sides are ok with that. The problem comes from Robb's idea of dropping the level of subsidy. We will work with USDA and the senators to find some new option on this. The overall goal still looks feasible to them, a proposal the farmers groups and all 12 senators could be behind that is not offensive to the health community. Gotbaum agreed after the meeting that a proposal that came in at \$2 billion was worth supporting, despite the fact that it will likely offend his efficiency sensibilities. We will get back with Ford and Robb early next week.

Medicare Commission Meeting. Next Friday, the Medicare Commission will hold its first meeting. Because of the media's preoccupation with entitlement reform, just the fact that the process is starting is likely to generate a good deal of attention. To help illustrate your commitment to addressing long-term financing challenges facing the Medicare program, you are scheduled to meet with the Commission to thank them for their willingness to serve the day before the first meeting (Thursday). During that meeting, you may want to also discuss how this effort builds on your commitment recent commitment to develop consensus on needed Social Security reforms. You may also want to ask the Commission to work together in the same bipartisan fashion that produced the unprecedented Medicare reforms in the balanced budget agreement. To date, Senator Breaux and Congressman Thomas are still working out a somewhat uneasy leadership collaboration for the Commission. They have solicited suggestions from all Commission members as to how best to structure the process and set the agenda. Their first meeting will likely be devoted to approving the structure and laws that govern the process as well as setting the desired goals and outcomes. As a result, little news, other than the fact that commission is meeting, is likely (or desired) to come out at the beginning of the process.

Patients' Bill of Rights Legislation. Next week, the Democratic Leadership is expected to unveil its version of the patients' bill of rights. The legislation will go beyond the consumer bill of rights recommended by your Quality Commission and is likely to include several provisions that are extremely controversial, particularly with the business community. These include an enforcement provision that allows remedies through state courts as well as new benefits requirements which would direct all health plans to cover all clinical trials, all services associated with mastectomies, and breast reconstructive surgery. The business community will no doubt argue that these provisions will lead to uncontrollable litigation, higher premiums, and more uninsured Americans. These claims are overblown and there will be studies to counter these charges, it is highly likely that the well-financed business efforts will have an impact on the perception of this view in Congress. Because this version of the bill of rights stands little to no chance of passing this Congress, our challenge is to indicate support for the legislation without offering a complete endorsement. We will be meeting with the Democratic Leadership to construct a communications and legislative strategy before the bill is unveiled. In addition, Senator D'Amato is expected to introduce legislation as an amendment on the Senate floor that will require health plans to cover a number of new benefits, including requiring medically necessary services following a mastectomy, breast reconstructive surgery, and requiring patients to be able to get a second opinion on cancer. Although elite validators and the business community despise these benefits, we expect they will likely pass the Senate.

Conversation with Bill Thomas. Next week, Larry Stein and Chris Jennings are scheduled to meet with Congressman Thomas on a range of health issues, including the Medicare Commission, the patients' bill of rights, and other health reform initiatives. In a conversation this week with Chris, Mr. Thomas indicated his desire to set up a meeting (along with Dennis Hastert, who has been asked by the Speaker to coordinate the Republican House consumer protections' strategy). Notably, Mr. Thomas said that the current Republican "go slow" strategy on the patients' bill of rights is not serving the interests of either the House Republicans or the Administration. He believes that the House Republicans need to move quickly to develop an alternative to the Dingell/Kennedy and Norwood legislation. Although his vision of consumer protections may be problematic, we view this as positive news. However, bipartisan efforts in this regard will be made more difficult by the fact that some House Democrats, particular Mr. Gephardt, continue to be more interested in using this as a political issue rather than passing legislation.

Mr. Thomas also indicated his desire to work closely with the Administration on the Medicare Commission. In particular, he will work with us to assure that various communications about the Commission do not catch the other side off guard. He also indicated that he would work with Republicans to encourage good behavior in the upcoming White House meeting, but wanted a commitment that we were not planning any surprise announcements. Finally, Mr. Thomas indicated his desire to open discussions on a range of major health reforms in the upcoming months. He is particularly interested in: (1) considering capping the tax deductions for health care plans and using the savings to help provide coverage to low-income workers; (2) designing significant insurance reforms including community rating; and (3) mandating that individuals buy health insurance. He recognizes that these aggressive options will not be well received, particularly coming from a high ranking Republican. However, he wanted us to be aware of his interest in this area and says he is seriously willing to push this agenda (and all of the ensuing controversy) if we are willing to engage on this front as well. It is clearly premature to take any action on this front, but the fact that Mr. Thomas is moving in this direction is well worth noting.

State Medicaid Update. Following the NGA conference, the New Hampshire and Missouri Governors have indicated a strong interest in pushing a quick and positive resolution to their proposed Medicaid waivers. Both have requested waivers as part of their application under the new CHIP program, and both have proposed provider taxes as financing mechanisms that are holding up their final approval. Earlier this week, Governor Carnahan and his staff met with representatives from DPC, OMB, HHS, and Intergovernmental Affairs. The Governor expressed his frustration with HHS's lack of clarity about the problems with his proposal. He did, however, seem quite satisfied with the conclusion of the meeting which resulted in an agreement to have more formal and expedited discussions about the provider tax issue. Governor Shaheen and her staff have also been working on a children's health proposal that includes a creative financing mechanism to raise the Federal/state match through funds from a non-profit insurer (Blue Cross/Blue Shield). Although HHS's counsels office initially has indicated that this financing structure is unworkable, Nancy-Ann DeParle has indicated her desire to work with the state to see if there is any way to make this kind of an arrangement work. The Governor's office was quite pleased to see the commitment of the White House and the Department to do everything possible to be responsive.

Withdrawal/Redaction Marker Clinton Library

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

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-MAR-1998 14:33:13.00

SUBJECT: Unz/Bilingual ed

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: Jonathan H. Schnur (CN=Jonathan H. Schnur/O=OVP @ OVP [UNKNOWN])

READ:UNKNOWN

TEXT:

We are meeting on Wed, March 4 (4:30 in OEOB 211) to review where we are on Unz and, in particular, to discuss with Mike and Delia from Education options for possible changes to the bilingual education program. Over the past few days I've managed to talk to almost all of you. In order to bring everyone up to speed and help focus our discussion on Wednesday, I thought it would be helpful to try and capture where I think we are right now.

1. There is an emerging consensus among ourselves for a recommendation to the President to oppose Unz.

I think we have all concluded that Unz is bad policy, and that it is in the Administration's long-term political interest to come out against Unz. This is despite the fact that, with the exception of a number of advocacy groups in CA, just about everyone we have talked to believes that Unz will pass.

Assuming the President agrees with this recommendation, we have not yet come to agreement on who should announce the Administration's position, or when it should be announced. Over the past several weeks, our informal conversations have focused alternately on Secretary Riley or the Vice President or the President. With regard to timing, my latest conversations with Mickey and Karen focused on making our position known within the next 30-45 days (by mid-April).

2. There is also an emerging consensus that opposition to Unz must be combined with a "mend it don't end it" position on bilingual education, which stresses that helping LEP kids master English is a primary purpose

of bilingual education programs, and which proposes steps to increase the effectiveness of bilingual education programs.

When we meet on Wednesday we will review Education Department recommendations for strengthening bilingual education. The Department has been conducting an evaluation of bilingual education. I'm not certain when the results of this evaluation will be available, but, if we can get them soon enough they should help inform any changes we propose.

3. We are not getting intense pressure yet to take a position on Unz. While the California advocacy groups pressed us to help with the fight against Unz (by taking a public position and by helping with fund raising), the elected officials have not been pushing for the Administration to get involved in this battle. The initiative is still below the radar screen for the public and for most educators. Nonetheless, pressure is likely to build soon, so we shouldn't relax. Karen thinks we probably need to take a public position within the next 30-45 days, by mid-April.

4. We are mid-way through the consultation process we agreed we would undertake before an Administration position could be announced. We've talked with national advocacy groups, and with California elected officials and educators, researchers and advocates. We've talked with Unz and some of his supporters in the CA legislature. Mickey was in CA last week and had additional conversations with elected officials; Karen is staying on top of things as well, and has talked with a number of legislators in the past few days as well.

On Wednesday a number of us are meeting with Dems in the CA Congressional delegation. We also need to meet with members of the Hispanic Caucus (though I don't think this is scheduled yet.) Next week there is a meeting with the Hispanic Education Coalition.

5. There is some movement on the compromise legislation. Karen reports that the compromise legislation we discussed during our visit is picking up some momentum, and that Sen. Alpert may be on the verge of reaching agreement with members of the Hispanic Caucus on some amendments to her bill.

We still don't know if this legislation will draw Wilson's signature or veto, and even if enacted it is not likely to stop Unz. However, if this bill moves it would give opponents of Unz better ammunition and cover.

I think that covers the main points that have come up in conversations over the past few days. Let me--and everyone else--know if I've gotten anything wrong.

Questions and Answers on Illegitimacy Bonus
March 2, 1998

Q: What's the purpose of the "illegitimacy bonus" that's being released today?

A: HHS is publishing a proposed regulation in today's Federal Register defining how it will distribute \$100 million a year in illegitimacy bonuses to states that reduce the percentage of children born out of wedlock. The bonus, which was part of the 1996 welfare reform law, is designed to encourage and reward state efforts to develop effective solutions for this growing problem. **The proposed rule provides more specific guidance on how the bonus will be awarded and what data states need to submit in order to qualify.**

Q: Will the illegitimacy bonus encourage or discourage abortions?

A: The statutory language makes clear that the bonuses will go only to states that simultaneously reduce both out of wedlock births and abortions. Under this provision, HHS will first rank states on how much they've reduced the percentage of births that are out of wedlock, since reducing those births is the main purpose of the bonus. Then the top five qualifying states will be asked to provide abortion data, and only those that show a decrease in abortions will receive a bonus. Thus, unlike earlier versions of the bonus considered by Congress, the final version makes sure that we are not awarding bonuses to states that decrease their out of wedlock birth rate simply by increasing abortions. The regulation closely tracks the statute in this area.

Q: Will this bonus help prevent teen pregnancies?

A: Reducing teen births is a top priority for this Administration and we're proud that we've reduced the teen birth rate five years in a row. Because three-quarters of teen births are out of wedlock, state efforts to reduce out of wedlock births will help us do even more to prevent teen births. However, this bonus will be awarded to states not just on their success in reducing teen out of wedlock births, but on their success in reducing all out-of-wedlock childbearing -- regardless of age or welfare status. While teenagers are much more likely to have children out of wedlock than are older women, the majority of out-of-wedlock births are actually to women age 20 and above, since the adult female population is so much larger than the teen population.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-MAR-1998 16:04:16.00

SUBJECT: Re: FTC tobacco testimony

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

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

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

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

TEXT:

I left a voice mail message late Friday for the FTC head of congressional affairs, Lorraine Miller...is that her?

Elena Kagan
03/01/98 03:56:38 PM
Record Type: Record

To: Jerold R. Mande/OSTP/EOP
cc: Bruce N. Reed/OPD/EOP, Cynthia A. Rice/OPD/EOP, Thomas L. Freedman/OPD/EOP
Subject: Re: FTC tobacco testimony

yes. call the leg affs person that tom and i met with -- she told us to call her whenever we had any questions about anything. i forget her name, but perhaps tom doesn't.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-MAR-1998 17:41:26.00

SUBJECT: Re: Tradeable Work Opportunity Tax Credits

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

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

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

TEXT:

Treasury has been looking into this. We'll try to get an update from them this week. Thanks, Mary

Elena Kagan
03/01/98 05:37:30 PM
Record Type: Record

To: Thomas L. Freedman/OPD/EOP
cc: Cynthia A. Rice/OPD/EOP, Mary L. Smith/OPD/EOP
bcc:
Subject: Re: Tradeable Work Opportunity Tax Credits

whatever happened to this?

Thomas L. Freedman
01/12/98 08:44:52 PM
Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP,
Mary L. Smith/OPD/EOP
cc:
Subject: Re: Tradeable Work Opportunity Tax Credits

You asked what the business would get for trading the credit to the intermediary: Essentially, it would give the hiring business the ability to increase the amount it would pay the intermediary for the finding and training of the new employee. If Company A would have been willing to hire WTW employee Ralph who had been through Intermediary B's training and placement but would have paid B only \$2,000, this would supplement the amount A would be able to pay B, making it more likely B would take a chance on Ralph in the first place because B can get more \$'s from A. Company A would pay B only after Ralph has stayed at Company A for 6 months.

It encourages intermediaries to train WTW employees. An economist would say except for lowering the transaction costs, this probably has no different effect than the employer tax credit, but I bet in the real world intermediaries would figure out the paperwork and be more efficient at using this tax credit.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-MAR-1998 11:46:14.00

SUBJECT: Re: Scheduling request for disability executive order signing

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

READ:UNKNOWN

CC: William H. White Jr. (CN=William H. White Jr./OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Let's both push. maybe our combined "influence" will have some effect.

Elena Kagan

02/27/98 01:31:46 PM

Record Type: Record

To: Maria Echaveste/WHO/EOP

cc:

Subject: Scheduling request for disability executive order signing

i will if you will.

----- Forwarded by Elena Kagan/OPD/EOP on 02/27/98 01:31 PM -----

Diana Fortuna

02/27/98 11:43:48 AM

Record Type: Record

To: Elena Kagan/OPD/EOP, Christa Robinson/OPD/EOP

cc: Laura Emmett/WHO/EOP

Subject: Scheduling request for disability executive order signing

Bill White of public liaison says that the scheduling request for the President to sign the executive order on people with disabilities has been tentatively OK'd for March 13, which is great. However, he was told it was to be a very short Oval Office signing with no remarks, no more than 10 people, and no press. We are a bit concerned that this will prompt complaints from the disability community that we aren't serious about it. Being able to do it in the Roosevelt with a few press present for 5 minutes of remarks by him would convey a much better message. Bill will push on this, but it would be good if we could too.

Tobacco Q&A
March 2, 1998

Q: What's the point of the letter that Bruce Reed sent to Senator McCain?

A: The letter is an example of how the Administration is reaching across party lines to help Congress enact comprehensive legislation to dramatically reduce teen smoking. The letter provides detailed responses to 74 questions posed by Senator McCain, and reiterates the President's strong view that a piecemeal approach will not meet our overriding goal of dramatically reducing teen smoking. As you know, the President has called upon Congress to enact comprehensive, bipartisan legislation which raises the price of cigarettes by up to \$1.50 a pack over the next ten years, expressly confirms the FDA authority to regulate tobacco products, gets tobacco companies out of the business of marketing to children, furthers public health research and goals, and protects tobacco farmers and their communities. Because of the particular questions posed by Senator McCain, the letter focuses to a great extent on the importance of restricting the advertising and marketing of tobacco products to young people.

Q: I understand that in your response to Senator McCain, you said that there are constitutional concerns with imposing certain advertising restrictions on the tobacco industry. Does that mean you need the consent of the industry to impose advertising restrictions?

A: It is absolutely clear that certain advertising restrictions can be put in place with or without the agreement of the industry. We strongly believe, as the Department of Justice has explained at length in the FDA litigation, that the FDA's regulations restricting the advertising of tobacco products are consistent with the First Amendment. As our response to Senator McCain notes, there may be constitutional issues with more far-reaching provisions. We have not concluded that these provisions clearly are unconstitutional, but we would like to work with Senator McCain and others to minimize constitutional difficulties. We do believe that legislation which imposes tough financial penalties against companies if reductions in teen tobacco use are not met will encourage the industry to impose these stronger advertising limits voluntarily. But in any event, we will not seek -- and do not need -- the industry's permission to enact a strong bill that addresses youth smoking through a substantial price increase, limits on access, and certain advertising restrictions.

Q: Why aren't you more specific in your answers about the constitutionality of certain provisions?

A: We addressed each of the speech restrictions that Senator McCain asked us about, and informed him whether or not it raised serious constitutional issues. For those that we believe do raise constitutional issues, we offered the full assistance of the Administration in working with his staff to draft specific legislative provisions. The precise degree to which a provision would raise constitutional issues is related to specific legislative language and such detailed drafting issues couldn't be addressed in a letter like this.

Q: What does the letter say about the Administration's views of anti-trust exemptions?

A: The letter makes clear that we are extremely skeptical of antitrust exemptions. In particular, we would oppose any that would allow price fixing agreements. The letter does leave open the possibility, depending on the overall legislation, of allowing very limited anti-trust exemptions to facilitate efforts to restrict advertising to minors.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-MAR-1998 17:32:47.00

SUBJECT: Re: Workforce preparation

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

READ:UNKNOWN

TEXT:

Is Cecilia the new economics prof they lured away from academia?

Elena Kagan

03/01/98 05:32:38 PM

Record Type: Record

To: Andrea Kane/OPD/EOP

cc: Bruce N. Reed/OPD/EOP, Cynthia A. Rice/OPD/EOP, Diana Fortuna/OPD/EOP

Subject: Re: Workforce preparation

Sally Katzen told me on thursday that nec is putting together a working group on workforce development issues, to be run by their new person, Cecilia. I told sally we would want to participate. andrea -- do you want to do this?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 2-MAR-1998 19:50:10.00

SUBJECT: TIMSS for tomorrow morning

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

If it helps, here is a first cut at a meeting list:

Lou Gerstner, IBM

Ed Rust, State Farm (head of National Alliance of Business, Business Roundtable Education Task Force, and new member of ACHIEVE Board.

Gov. Engler or Gov. Voinavich (the political people here will go nuts over Engler, but he's the best R gov. if we want to use this to move our testing agenda forward.

Gov. Hunt, Gov. Romer or Gov. Carper

Diane Ravitch

Mayor Daley or another mayor into education (if Rahm really wants a mayor)

Bill Schmidt (head of TIMSS study)

Norma Paulus, Oregon state superintendent of education

Paul Kimmelman or another representative of Chicago-area 1st in world consortium

2 outstanding math/science teachers

Bob Corrigan, President of Cal. State U system, or Richard Atkinson, President of UC system (and former head of NSF in Carter Administration)

Hugh Price

a few scientists/mathematicians, and a few people who would add greater diversity to the list.

Bob Chase and Sandy Feldman if we want them

This list is too long--and will take some work to keep to a manageable size and still give us what we need.

A Wednesday announcement -- almost two weeks before the meeting--is a guarantee that we will spend considerable time between now and then dealing with people who are ticked off that they are not invited, or represented in some way.

President Clinton: Setting a Tough National Standard for Drunk Driving
March 3, 1998

Announcement

Today, President Clinton: (1) urged the Congress to pass legislation to set a nationwide limit for impaired driving at .08 blood alcohol content (BAC) for adult drivers; and (2) directed Transportation Secretary Slater to develop a plan in 45 days to promote the adoption of .08 BAC, including on federal property.

Setting Limits and Saving Lives

- **Drunk Driving Kills.** Every 30 minutes, someone dies because of a drunk driver. In 1996, of the 41,907 motor vehicle deaths, 41% -- or 17,126-- were alcohol-related. Nearly 3,000 of these fatalities were young people under age 21. Over 80% of drivers involved in fatal crashes with positive BACs had levels exceeding .08 BAC. Moreover, alcohol-related crashes cost society \$45 billion every year, not including the pain and suffering endured by its victims.
- **Setting a Nationwide .08 BAC Standard Can Save Lives.** A recent study of five states which lowered their limit to .08 BAC found drunk driver fatalities were reduced by an average of 16%. When all states lower their BAC limits to .08 BAC, alcohol-related deaths are expected to decrease by 600 each year.
- **Drivers are Impaired at .08 BAC.** Reaching .08 BAC is not just a couple of drinks after work. An average male weighing 170 pounds must have more than four drinks in an hour on an empty stomach to reach .08 BAC. The average 137-pound female would need to have three drinks in the same period. Moreover, at .08 BAC, drivers have difficulty with regard to critical driving tasks, such as braking, steering, lane changing and judgment and research indicates that the relative risk of being killed in a single vehicle crash at .08 BAC is estimated to be at least 11 times higher than it is for drivers with no alcohol in their system.

Calling for Action to Make .08 BAC the Nationwide Standard

- **Making .08 the Legal BAC Limit in All 50 States.** The President endorsed the "Safe and Sober Streets Act" proposed by Senator Lautenberg and Representative Lowey, which sets a national BAC limit of .08 percent for drivers age 21 and older. The bill would give states three years to enact laws to make .08 BAC the legal limit, or risk losing highway construction funds. Fifteen states have already adopted .08 BAC laws: Utah, Oregon, Maine, California, Vermont, Kansas, North Carolina, New Mexico, New Hampshire, Florida, Virginia, Hawaii, Alabama, Idaho and Illinois.
- **Taking Executive Action on .08 BAC.** The President signed a directive to Transportation Secretary Slater to work with Federal agencies, States, safety groups, and others, to develop a plan to promote the adoption of .08 BAC as a nationwide standard, starting with military bases, Federal parks and property. The directive also directs the Secretary to include in his plan an education campaign to help the public understand the risks associated with drinking and driving.

A Record of Leadership in the Fight Against Youth Drinking and Driving

- **"Zero Tolerance" Laws for Underage Drinking.** Calling for action to reduce the deaths and injuries brought about by alcohol use and driving by teens, the President signed a law requiring states to have "Zero Alcohol Tolerance" laws for youth by Oct. 1, 1998 or risk losing highway funds. To date, 46 states and the District of Columbia have enacted zero tolerance laws, which prohibit youths under age 21 to drive with any measurable amount of alcohol in their system.

DRAFT DRAFT DRAFT

March 3, 1998

MEMORANDUM FOR THE SECRETARY OF TRANSPORTATION

SUBJECT: Standards to Prevent Drinking and Driving

We have made progress in improving highway safety during our Administration. Our progress has been accomplished through a variety of innovative and aggressive initiatives, including our "Buckle Up America" Campaign to vastly increase safety belt usage and improve child passenger safety, and the formation of a ground-breaking public-private partnership on airbags. We have also taken important steps to reduce the deaths and injuries brought about by alcohol use and driving by signing a law to require states to adopt "Zero Alcohol Tolerance" laws for young people who operate motor vehicles by October 1998. To date, 46 states and the District of Columbia have enacted "zero tolerance" laws for youth.

However, drunk driving remains a serious highway safety problem. Over 40 percent of all motor vehicle deaths in 1996 -- 17,126-- were alcohol-related. More than 2,300 of these fatalities were youths. Moreover, alcohol-related crashes cost society \$45 billion every year, not including the pain and suffering endured by its victims.

We can do more to prevent the many tragic and unnecessary alcohol-related deaths and injuries which occur on the Nation's roads. That is why my Administration has called on Congress to set .08 blood alcohol content (BAC) as the illegal per se limit nationwide. Research shows that, at a BAC level of .08, drivers are impaired with regard to critical driving tasks, such as braking, steering, lane changing, and judgment. The risk of being involved in a crash increases substantially when drivers are at a BAC level of .08 or above. In fact, the relative risk of a driver being killed in a single vehicle crash at .08 BAC has been shown to be 11 times higher than it is with drivers who have no alcohol in their system.

Despite this elevated risk, in 33 states and the District of Columbia, their illegal impaired driving limit is still at the higher level of .10 BAC. It is estimated that, if all states were to lower their limits to .08 BAC, there could be 600 fewer alcohol-related traffic deaths every year.

I hope the Congress will enact this legislation as soon as possible to encourage state passage of .08 BAC laws. Even before the Congress acts, however, we can take action to promote .08 BAC as the appropriate standard across the country, including on federal property.

I therefore direct you, working with appropriate Federal agencies, Congress, the States, safety groups and other concerned Americans, to report back to me in 45 days with a plan to promote the adoption of a .08 BAC illegal per se limit. Among other things, the plan should consider:

- (1) setting a .08 BAC standard on federal property, including on national parks and Department of Defense installations, and working with local law enforcement in the enforcement of this standard;**
- (2) encouraging tribal governments to adopt and enforce a .08 BAC standard on highways in Indian Country that are subject to their jurisdiction; and**
- (3) developing an education campaign to help the public understand the risks associated with alcohol consumption and driving.**

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 2-MAR-1998 12:22:06.00

SUBJECT: Country of Origin Labeling

TO: Elena Kagan (CN=Elena Kagan/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: 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

TEXT:

I'm proceeding to try and get country of origin to be ready for the Wednesday event.

USDA is very concerned and Glickman says he would like to talk to Bruce today (720-3631). Their best arguments will be that it raises more foreign policy concerns (trade war, POTUS goes to South America in April) and that it will lose on the Hill/upset Daschle who wants to label meat. We are setting up a meeting with all relevant players (including USTR/State) for 5 pm today.

On the 90 day report -- We've talked to the VP staff about featuring the 90 day report Wednesday and that should be fine.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 2-MAR-1998 14:00:28.00

SUBJECT: Crime Miscellany

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Sorry, forgot to attach latest draft of crack letter...jc3

----- Forwarded by Jose Cerda III/OPD/EOP on 03/02/98
01:59 PM -----

Jose Cerda III

03/02/98 01:53:30 PM

Record Type: Record

To: Michelle Crisci/WHO/EOP

cc: Elena Kagan/OPD/EOP, Leanne A. Shimabukuro/OPD/EOP

Subject: Crime Miscellany

MC:

Can you share the following crime items for this week w/Rahm:

1. FDA Drug Testing Reg. I told HHS that Rahm thought Shalala should brief the day FDA releases its interim drug testing reg, but they don't want to. Instead, they prefer to have McCurry make a comment about the reg at the top of his brief tomorrow and leave it at that. I believe Lori McHugh (FDA Press) has talked to McCurry about this, and is forwarding a statement for him to read tomorrow. If Rahm still wants to push this, he'll need to speak to Lori (301-827-6250) or McCurry today. I'll drop off HHS's talking points/Q&A for your information.

2. Assaults Report. Treasury is hedging more than I would like on having the Assaults report ready by 3/14. I told them Friday about Rahm's insisting that it be ready on time, but they're waffling a bit. I've asked Elena to touch base w/Neal Wolin on timing, and I intend to touch base w/Mike Froman in the Secretary's Office. It might help if Rahm spoke to Ray Kelly and/or Neal, too.

3. Crack Letter. I'd like to get the President's response to the Lott/Hatch/Abraham letter out this week. Does Rahm have any comments. A slightly re-worked version is attached. (EK: Do you have an edits, comments?)

--- D R A F T ---

February X, 1998

Trent Lott
Majority Leader
United States Senate
Washington, DC

*Automated Records Management System
Hex-Dump Conversion*

Dear Mr. Leader:

Thank you for your letter regarding crack cocaine sentencing. I am pleased that you, Senator Hatch, and Senator Abraham all agree that the current differential between crack and powder cocaine penalties is too great and creates some unfairness. I also appreciate your willingness to support legislation to correct this unfairness.

As you know, Attorney General Reno and General McCaffrey have recommended to me that the current penalties for crack and powder cocaine trafficking should be revised by: (1) significantly reducing from 500 to 250 grams the amount of powder cocaine required to trigger tough mandatory sentences; and (2) slightly increasing from 5 to 25 grams the amount of crack cocaine required to trigger the same sentence. Such a revision would reduce the current sentencing differential by 90 percent, maintain stiff penalties for all cocaine traffickers, and target federal law enforcement resources to mid- and high-level traffickers. This is a sound recommendation, and I hope you will reconsider your concerns and work with Attorney General Reno and General McCaffrey on this issue.

If we are truly committed to building on the success we have had in fighting crime and drugs over the past 5 years, however, we need to do much more than revise federal cocaine sentences. We need to take the larger problem of gangs, guns and drugs head on. That is why I strongly urge you and your colleagues to enact the following proposals this year:

(1) Juvenile Gangs. Last year, I issued an Anti-Gang and Youth Violence Strategy calling for comprehensive juvenile crime legislation that would target gangs and violent juveniles by: helping communities hire new prosecutors and expand anti-gang task forces; establishing gun and drug courts to promote tough and appropriate punishment for juveniles; and expanding the use of federal racketeering statutes against gang members and curbing witness intimidation by gangs.

(2) Kids and Guns. Juvenile access to firearms is at the heart of our youth crime and drug problem. Teenage homicides by firearms tripled between 1984 and 1994, and the number of juveniles actually killing with guns quadrupled during the same period. That is why I have proposed banning violent juveniles from owning guns when they become adults, and that is why my budget includes \$28 million for the Bureau of Alcohol, Tobacco and Firearms (BATF) to crackdown on illegal gun traffickers.

(3) Drug Strategy. This month General McCaffrey and I released an unprecedented National Drug Control Strategy with the goal of cutting drug use and availability in half. Among other things, the Strategy includes more funds to: make sure that kids get the anti-drug message every time they turn on the television, surf the "net," or listen to the radio; expand and improve the Safe and Drug-Free Schools programs; hire 1,000 new border patrol agents and help close the door on drugs at the Southwest Border; hire new DEA agents to crackdown on methamphetamine and heroin; and help states demand that drug offenders remain drug-free through testing and treatment.

(4) After School Programs. Keeping schools open later to provide youth with adult supervision between the hours of 3 and 8 p.m. -- when most violent youth crimes are committed -- must also be a part of our effort to reduce juvenile crime and drug use. Just this past month, more than 170 police chiefs, sheriffs, and prosecutors called on the federal government to increase support for such efforts. That is why my budget proposes quadrupling funds for Department of Education-sponsored afterschool programs, as well as including afterschool initiatives as part of our juvenile crime legislation.

Again, thank you for your letter. I hope we will be able to work together on all of these issues before the 105th Session of Congress adjourns.

Sincerely,

*Automated Records Management System
Hex-Dump Conversion*

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Wendy A. Taylor (CN=Wendy A. Taylor/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME: 2-MAR-1998 19:30:31.00

SUBJECT: Update on Imported Foods

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

TEXT:

After a grueling two hour meeting this morning, FDA, USDA, State, and USTR resolved all of their differences and reworked both the Qs and As and Talking Points. I think the meeting was helpful to all parties and we're now in much better shape to promote the import legislation on the Hill (without raising trade concerns). Thanks for offering to step in if needed.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 2-MAR-1998 20:11:27.00

SUBJECT: FTC Testimony

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

READ:UNKNOWN

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: Thomas L. Freedman (CN=Thomas L. Freedman/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: kburkel (kburkel @ os.dhhs.gov @ inet [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

CC: Peter G. Jacoby (CN=Peter G. Jacoby/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Thanks to Tom, we have the FTC testimony. It lays out FTC's history of tobacco legislation, noting that in the FTC shares jurisdiction with FDA over regulation of food, over-the-counter drugs, medical devices, and cosmetics.

It then calls for a reaffirmation of the FDA's authority while saying the FTC is willing to do more, saying: "We believe the FDA's efforts have been valuable in promoting public health and that Congress should affirm FDA's authority to regulation tobacco products as it would any other drug or device. We also believe that the FTC can make a significant contribution to any post-settlement regulation of tobacco advertising."

The testimony goes on to say that:

1) At a minimum, legislation should not alter the FTC's current authority over unfair or deceptive acts and practices in the advertising or marketing of tobacco products.

2) Should Congress determine that FTC has a role to play in administering the advertising provisions of the settlement, it would do so "vigorously and competently."

The testimony then gives a strong statement against the anti-trust provisions of the settlement -- after a detailed discussion, it concludes "the Commission believes that the industry has not established a need for any antitrust exemption in order to implement the proposed settlement."

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Julie A. Fernandes (CN=Julie A. Fernandes/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 2-MAR-1998 20:10:47.00

SUBJECT: Puerto Rico

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

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

READ:UNKNOWN

TEXT:

Elena,

Mike and I both attended the meetings today with Maria re: Puerto Rico. To summarize: there is a bill going to the house floor on Wednesday that would authorize the citizens of Puerto Rico to vote on whether they want statehood, commonwealth status or Independence (the "status choice" bill). Congressman Soloman has proposed an amendment to this bill that would: (1) make English the official language of the U.S. as presently constituted; (2) require all communications between Puerto Rico (individual and govt.) to the U.S. to be in English; (3) require all federal activities in P.R. to be in English; and (4) provide that only English would be used in the public schools. All agree that this language is worse than that contained in the "English Only" bill that the President threatened to veto in 1996.

Some on the Hill supporting the Soloman amendment are doing so in order to kill the plebiscite. An alternative to the Soloman amendment is being drafted ("Soloman lite") that will hopefully give the pro-English/pro-plebiscite folks a place to go (i.e., they can vote for Soloman lite to express their support for English, while not voting for a pro-English amendment that would kill the bill).

Tomorrow, the Admin. will issue a SAP that endorses the "status choice" bill. We will then issue a separate SAP that states that if the President is presented with a bill that includes the Soloman amendment, he will veto it. We should be getting a draft of the latter soon.

Julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 2-MAR-1998 15:12:35.00

SUBJECT: Cloning update.

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

TO: Jeffrey M. Smith (CN=Jeffrey M. Smith/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

TO: Donald H. Gips (CN=Donald H. Gips/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Lucia A. Wyman (CN=Lucia A. Wyman/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Rachel E. Levinson (CN=Rachel E. Levinson/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

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

TEXT:

I spoke to an industry representative about recent cloning-related events, especially events on the Hill, and here is what I was told. There was a meeting between Republican leadership staff and representatives from the pharmaceutical and biotechnology industry. Republican staff complained loudly about the industry's efforts to defeat Republican sponsored cloning legislation. As a result of that meeting, and because industry staff had not yet had a chance to confer with their boards, industry staff were unusually quiet during sessions that had been previously scheduled with House and Senate Democratic staff. Industry staff did then meet with their boards and the bottom line was that there would be no sea change in their opposition to current cloning legislation. Industry staff were instructed to be more respectful in their opposition.

Several other points: 1) Industry representatives who have been working the Hill don't perceive a rush at this point by Republicans to bring up cloning legislation. In fact, House Republican's who are trying to craft legislation are struggling with what should be prohibited. 2) It would be helpful if we held a meeting with our allies to shore up our base (because of scheduling conflicts, we are now trying to set up a meeting for next week). 3) Genentech's CEO asked the President about cloning while the President was in SF. The President said he supported the Feinstein/Kennedy approach, but urged the industry to reach out to Frist (have we heard from our people what was said in this conversation?). 4) The industry is interested in the advisory committee approach to oversee research. This approach would be modeled after NIH's recombinant-DNA committee that oversees gene therapy research and it would be combined with FDA regulation.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Julie A. Fernandes (CN=Julie A. Fernandes/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 2-MAR-1998 13:48:19.00

SUBJECT: EEOC

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:

Elena,

According to Ellen Vargyas (legal counsel at EEOC), Gingrich will be testifying at the EEOC oversight hearing tomorrow. Her intelligence tells her that Gingrich will speak favorably of the President's package, but will make a strong statement about why EEOC testing programs should not be funded (EEOC now has one small program that has completed its "study" phase -- i.e., how they would do testing -- and is about to implement its first set of tests). Ellen wants to know how strong Igasaki's statement should be in favor of testing as a tool to identify discrimination in hiring. My instinct is that tomorrow's hearing is not the venue to take on Gingrich, but that Igasaki should not shy away (if asked) from stating the Administration's (as well as the EEOC's) strong support for testing as a tool. What do you think? Is there a leg. person that I should talk to? Thanks.

Julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Julie A. Fernandes (CN=Julie A. Fernandes/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 2-MAR-1998 17:40:48.00

SUBJECT: EEOC hearing

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:

Elena,

By "testing" I did mean the practice of sending in paired testers (each of a different racial or ethnic background, but matched as to other qualities and qualifications) to determine whether they receive equivalent treatment from the prospective employer. The hearing tomorrow is being held by the Employer-Employee relations subcommittee of the House Committee on Economic and Educational Opportunities. The chair of this subcommittee is Harris Fawell (R-Illinois). According to Ellen, Gingrich is to testify first, and then Igasaki (Acting EEOC Chair) and others will sit as a group and make opening statements and respond to questions. The others on the Igasaki panel will include two former EEOC Chairs (both Republicans) and someone who the Acting Chair knows from Chicago (Ellen was unsure who this was).

Julie

DRAFT 2/26/98

Automated Records Management System
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Date

MEMORANDUM FOR HEADS OF FEDERAL DEPARTMENTS AND AGENCIES

SUBJECT: Steps to Improve Federally-Sponsored Child Care

Now more than ever, America's working parents struggle to balance their obligations to be good workers -- and their more important obligations to be good parents. By choice or by financial necessity, millions of Americans rely on child care to care for their children for part of each day. Parents deserve to know that their children are safe and nurtured in child care.

One of my highest priorities is to make child care better, safer, and more affordable. That is why my balanced budget includes the largest single investment in child care in our nation's history, and proposes specific measures to improve child care quality.

As a supplier of child care and as an employer that must recruit and retain a strong workforce, the federal government should lead the way in improving child care. I am proud that our military has developed one of the finest child care delivery systems in the world, and that the Department of Defense, at my request, is sharing its expertise with the public and private sectors. Still, we need to do more. The executive branch of the federal government operates 1,030 child care centers -- 788 by the military, 109 by the General Services Administration, and 133 by other federal departments. In addition, the military sponsors nearly 10,000 professional family child care providers. In total, approximately 215,000 children are in our care.

Today, I am directing my Cabinet to take significant new steps to improve the quality of federally-sponsored child care in the executive branch by (I) ensuring proper background checks of workers in eligible, federally-sponsored child care; (II) achieving one hundred percent accreditation of federally-sponsored child care; (III) exploring partnerships among federal agencies and with the private sectors to improve child care quality and affordability; and (IV) ensuring that all federal workers have full information on child care benefits and options available to them.

First, I want to ensure that all child care workers in federally-sponsored centers undergo thorough background checks to make sure they are they are suitable for the job. The vast majority of child care providers are caring people who have dedicated their lives to teaching and nurturing children. But one tragedy in child care is too many, and criminal and civil background checks are important ways to know that the people caring for our children are fit for this responsibility. Background checks for federal child care workers are required under federal law, and I want to guarantee that they are being administered appropriately and in a timely fashion. In addition, I want to make sure that we know as much as we can about what is happening in

federally-sponsored child care by stepping up data collection and maintenance.

Therefore, today, I am directing Administrator of the General Services Administration David Barram to report to me within ninety days with a plan to ensure complete and timely background checks, to the fullest extent possible, for all child care workers in non-military, federally-sponsored child care settings. Administrator Barram will also report to me on plans to improve data collection and maintenance concerning non-military, federally-sponsored child care. Agencies with oversight of non-military child care settings will report to the Administrator within sixty days on this matter.

Second, I believe that all federally-sponsored child care should achieve nationally-recognized, independent accreditation to ensure and maintain quality. Currently, xx percent of eligible, federally-administered child care centers in the executive branch are accredited. By the year 2000, I want one hundred percent to be accredited.

Today, therefore, I am directing Secretary of Defense William Cohen and Administrator David Barram to report to me within ninety days with a plan to ensure, to the fullest extent possible, independent, nationally-recognized accreditation of all eligible, federally-sponsored child care by the year 2000. Agencies with oversight of non-military child care settings will report to the Administrator within sixty days on this matter.

Third, partnerships among federal agencies and with the private sector are an increasingly important way to maximize existing resources and improve child care.

Today, therefore, I am directing Administrator Barram to work with the heads of all federal departments and agencies to explore opportunities for collaboration both within government and with the private sector to leverage resources to improve child care quality and affordability in federally-sponsored settings.

Finally, I believe that employers have a responsibility to make sure that their workers have full information on child care and options available to them at the national, state, and local levels.

Today, therefore, I am **directing** Director of the Office of Personnel Management Janice Lachance to ensure that to the fullest extent possible all federal workers receive full information about child care benefits available to them on the federal, state, and local levels, including information on resource and referral networks, available tax credits such as the Child and Dependent Care Tax Credits and Child Tax Credit, as well as public subsidies. Director Lachance will also host a nationwide summit designed to showcase model public and private sector solutions to child care needs.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. email	Stacie Spector to Michelle Crisci et al re: Open Container [partial] (1 page)	03/02/1998	P6/b(6)

COLLECTION:

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

FOLDER TITLE:

[02/27/1998 - 03/02/1998]

2009-1006-F
eh210

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: Stacie Spector (CN=Stacie Spector/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 2-MAR-1998 12:32:42.00

SUBJECT: open container

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

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

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

CC: Jeffrey A. Forbes (CN=Jeffrey A. Forbes/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

Apparently Dorgan is going to introduce an open container issue in the Senate and Leg Affairs is wondering if we should take a stand on this in the remarks tomorrow. They also think down the road this could be another event to highlight the Pres's work on this stuff.

Any thoughts or guidance for us? If you want to pursue this the contact is Greg Roddy P6(b)(6) Thanks.

[002]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 2-MAR-1998 20:54:09.00

SUBJECT: Updated List of Tobacco Hearings

TO: Joshua Gotbaum (CN=Joshua Gotbaum/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

TO: Toby Donenfeld (CN=Toby Donenfeld/O=OVP.@ OVP [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

TO: Donald H. Gips (CN=Donald H. Gips/O=OVP @ OVP [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: Donna L. Geisbert (CN=Donna L. Geisbert/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

CC: Jill M. Pizzuto (CN=Jill M. Pizzuto/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

TEXT:

Here is an updated list of tobacco hearings and markups. A Jeffords markup is still listed below; however, I have heard that maybe he has canceled it.

Tuesday, March 3

Comprehensive Tobacco Legislation

The Senate Commerce, Science and Transportation Committee (Chairman McCain (R-AZ)) will hold hearings on advertising, marketing, and labeling.

Witnesses

-Hon. Connie Mack - U.S. Senator, Florida

PANEL I

-Robert Pitofsky - Chairman, Federal Trade Commission
-Michael Eriksen - Director, Office on Smoking and Health, Centers for Disease Control

PANEL II

-Matt Meyers - Executive V.P. & General Counsel, National Center for Tobacco FreeKids
-Prof. Richard Daynard -Northeastern University School of Law
-David Versfelt, Esq. -Donovan, Leisure, Newton, & Irvine
-Prof. Martin Redish - Louis and Harriet Ancel Professor of Law and PublicPolicy, Northwestern University School of Law

Wednesday, March 4

Indian Provisions of Tobacco Legislation

The Senate Indian Affairs Committee (Chairman Campbell (R-CO)) will hold a full committee markup on the provisions of comprehensive tobacco-control legislation that affect Native American populations.

Agenda:

S1414 A bill to reform and restructure the processes by which tobacco products are manufactured, marketed, and distributed, to prevent the use of tobacco products by minors, to redress the adverse health effects of tobacco use, and for other purposes.

S1415 A bill to reform and restructure the processes by which tobacco products are manufactured, marketed, and distributed, to prevent the use of tobacco products by minors, to redress the adverse health effects of tobacco use, and for other purposes.

S1530 A bill to resolve ongoing tobacco litigation, to reform the civil justice system responsible for adjudicating tort claims against companies that manufacture tobacco products, and establish a national tobacco policy for the United States that will decrease youth tobacco use and reduce the marketing of tobacco products to young Americans.

FDA Authority

The Senate Labor and Human Resources Committee (Chairman Jeffords (R-VT)) will hold a full committee markup on tobacco legislation.

Agenda:

S1648-Amend the Public Health Service Act and the Food, Drug, and Cosmetic Act to provide for reductions in youth smoking for advancements in tobacco-related research, and the development of safer tobacco products.

Thursday, March 5

Comprehensive Tobacco Legislation

The Senate Commerce, Science and Transportation Committee (Chairman McCain (R-AZ)) will hold hearings on proposed comprehensive tobacco-control legislation.

Public Health

The Health and Environment Subcommittee (Chairman Bilirakis (R-FL)) of the House Commerce Committee will hold a hearing on the public health implications of the global tobacco settlement.

Thursday, March 12

Comprehensive Tobacco Legislation

The Senate Commerce, Science and Transportation Committee (Chairman McCain (R-AZ)) will hold a full committee markup on proposed comprehensive tobacco-control legislation.

Agenda:

S1415

Drunk Driving Event
Questions and Answers
March 3, 1998

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Q. What did the President announce today?

- A. Today, President Clinton: (1) urged Congress to pass the "Safe and Sober Streets Act" to set a nationwide limit for impaired driving at .08 blood alcohol content; and (2) directed Transportation Secretary Slater to develop a plan in 45 days to promote the adoption of .08 BAC on federal property.

Making .08 BAC the Limit in All 50 States. The President urged the Senate to pass an amendment to comprehensive transportation legislation (ISTEA reauthorization) to set a nationwide limit for impaired driving at .08 blood alcohol content (BAC) for adult drivers. The President endorsed the "Safe and Sober Streets Act," proposed by Senator Lautenberg and Representative Lowey, which sets a national BAC limit of .08 percent for drivers age 21 and older. The bill would give states three years to enact laws to make .08 BAC the legal limit, or risk losing highway construction funds. The Lautenberg/Lowey legislation would withhold 5 percent of highway construction funds from those states that do not pass a .08 BAC law within three years, and 10 percent in subsequent years.

Taking Executive Action on .08 BAC. The President signed a directive to Transportation Secretary Slater to work with Federal agencies, States, safety groups, and others to develop a plan to set a .08 BAC standard on federal property, such as national parks and military bases. The directive also instructs the Secretary to include in his plan other steps to promote the adoption of .08 BAC as the nationwide standard, including an education campaign to help the public understand the risks associated with drinking and driving.

Q. Is there any evidence that lowering the limit from .10 blood alcohol content (BAC) to .08 BAC has any real effect on reducing the number of alcohol-related crashes?

- A. Yes. To date, four studies have evaluated the effects of .08 BAC laws in the United States. Each study has shown that lowering the BAC limit to .08 was associated with significant reductions in alcohol-related fatal crashes. One key study of five states that lowered their BAC limit to .08 found that drunk driver fatalities were reduced by an average of 16%. When all states lower their BAC limits to .08, alcohol-related deaths are expected to decrease by about 600 every year.

Q. Aren't .08 laws really targeting social drinkers instead of the drivers with really high BAC in their systems?

- A. Let's be clear -- .08 BAC is not social drinking. It is a reasonable limit that isn't reached

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with a couple of beers after work or a glass or two of wine with dinner. An average man weighing 170 pounds would have to consume four drinks in an hour on an empty stomach to reach .08 BAC. A typical female weighing 137 pounds would have to consume 3 drinks in an hour on an empty stomach to reach .08 BAC. And at .08 BAC, drivers are impaired with respect to critical driving tasks such as braking, steering, lane changing, and exercising judgment -- even experienced drinkers. Research indicates that the relative risk of being killed in a single vehicle crash at .08 BAC is at least 11 times higher than it is for drivers with no alcohol in their system.

Moreover, studies have shown that .08 BAC laws affect all drivers that drink -- even those who reach very high BACs (.15 BAC or higher). In a study of five states which lowered their BAC limit to .08, drunk driver fatalities were reduced by an average of 16%, and fatal crashes involving drivers with extremely high BACs (above .15) were reduced even more.

This measure is not intended to stop people from drinking. Its purpose is to insist that people drink responsibly, if they intend to drive.

Q. Which states have already enacted .08 BAC laws?

A. Fifteen states have already enacted .08 BAC laws: Alabama, California, Florida, Hawaii, Idaho, Illinois, Kansas, Maine, New Hampshire, New Mexico, North Carolina, Oregon, Utah, Vermont and Virginia. Last year, .08 BAC bills were introduced in another 21 states but were not enacted.

Q. Why focus on lowering the illegal BAC from .10 to .08 instead of pushing for harsher sanctions for drivers with extremely high BAC levels (e.g., .15 or above)? Aren't these the drivers that are the majority of drinking drivers arrested and involved in fatal crashes?

A. Some states, such as Florida have both .08 BAC laws on the books as well as tough mandatory minimum jail sentences for drivers with BACs over .15. Both laws are rational and make sense. We are not saying states need to choose between having one, or the other -- they can have both. There is strong evidence which shows that .08 laws reduce alcohol-related fatalities and affects drivers at all BAC levels. In a study of five states which lowered their BAC limit to .08, alcohol-related fatal crashes were reduced an average of 16% and fatal crashes involving drivers with BACs above .15 decreased by 18%.

Q: Isn't this just another example of President Clinton placing an unwanted mandate on the states?

A: President Clinton believes that government can be catalyst for new ideas -- and this is one such example. His approach on this issue is strongly supported by Democrats and Republicans, as well as law enforcement, victims groups such as MADD, and the medical community. Moreover, this approach to making our roads safer mirrors that taken by President Reagan when he signed into law a requirement on states to raise their minimum drinking age to 21, or risk losing as much as 10 percent of their federal highway funds.

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 2-MAR-1998 21:27:53.00

SUBJECT: Food Labeling

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

As I mentioned to Bruce, we met with the relevant agencies and there was strong concern from that we not do this as a food safety event Wednesday. They argue foreign food is not unsafe and that this will cause trade retaliation problems because foreign nations will see this as the United States saying "beware of foreign food." USDA says trade concerns remain Glickman's main concern. The agencies that agreed to the original labeling language: USDA, USTR, and Treasury also repeated that they did not like the idea even though they had agreed to the previous language. We are pushing to have alternatives outlined in memo form by the end of the week.

MEMORANDUM

TO: EMPLOYMENT AND TRAINING WORKING GROUP
AND OTHERS CONCERNED WITH SKILLS SHORTAGES

FROM: ANNE LEWIS, TOM KALIL, JON ORSZAG, AND CECILIA ROUSE ~~Automated Records Management System~~

RE: SKILLS SHORTAGES ~~Hex-Dump Conversion~~

DATE: February 27, 1998

At Tuesday's (3/3) meeting we plan to continue the discussion of skills shortages. We plan to discuss both potential long-term solutions as well as potential short-term strategies. In particular, the organization of the meeting will look something like:

- **Highlight current political and economic contexts**
 - Growth in demand for workers with IT skills
 - What's happening in health care? Other industries/occupations?
 - H1-B issue

- **Potential short-term solutions that would involve business**
 - What are we currently doing in partnership with companies? (DOL, Education, Commerce)
 - What can businesses potentially do?
 - Better employee outreach/improve partnerships with local colleges (both 2- and 4-year)
 - More outreach to under-represented groups (minorities, women, persons with disabilities)
 - What questions do we have for companies?
 - What is it they need? (What kinds of workers? How highly skilled? Do they need for them to complete 4-year, 2-year, 6-month programs?)
 - What sorts of programs might make sense?

- **Potential long-term solutions**
 - What is the current state of play?

- What are we currently doing to identify “growth” industries/occupations/regions of the country? (BLS)
- What are we currently doing to inform individuals about “growth” industries/occupations/regions of the country?
- What are we currently doing to train individuals for “growth” industries/occupations/regions of the country? (DOL, Education, Commerce)
- Where should we go from here?
 - Better training?
 - Better information? (Including should we consider an additional index to the BLS employment projections? Should we attempt to improve the BLS employment projections?)

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 2-MAR-1998 22:00:15.00

SUBJECT: .08 of a favor

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:
BR/EK:

Can you do me a small favor at tomorrow's staff meeting and take a second to give Leanne kudos for all the work she's done on the .08 event. She deserves it, and I would greatly appreciate it.

Thanks,
Jose'

President Clinton: Setting a Tough National Standard for Drunk Driving
March 3, 1998

Announcement

Today, President Clinton: (1) urged the Congress to pass legislation to set a nationwide limit for impaired driving at .08 blood alcohol content (BAC) for adult drivers; and (2) directed Transportation Secretary Slater to develop a plan in 45 days to promote the adoption of .08 BAC, including on federal lands.

Setting Limits and Saving Lives

- **Drunk Driving Kills.** Every 30 minutes, someone dies because of a drunk driver. In 1996, of the 41,907 motor vehicle deaths, 41% -- or 17,126-- were alcohol-related. Nearly 3,000 of these fatalities were young people under age 21. Over 80% of drivers involved in fatal crashes with positive BACs had levels exceeding .08 BAC. Moreover, alcohol-related crashes cost society \$45 billion every year, not including the pain and suffering endured by its victims.
- **Setting a Nationwide .08 BAC Standard Can Save Lives.** A recent study of five states which lowered their limit to .08 BAC found drunk driver fatalities were reduced by an average of 16%. When all states lower their BAC limits to .08 BAC, alcohol-related deaths are expected to decrease by 600 each year.
- **Drivers are Impaired at .08 BAC.** Reaching .08 BAC is not just a couple of drinks after work. An average male weighing 170 pounds must have more than four drinks in an hour on an empty stomach to reach .08 BAC. The average 137-pound female would need to have three drinks in the same period. Moreover, at .08 BAC, drivers have difficulty with regard to critical driving tasks, such as braking, steering, lane changing and judgment and research indicates that the relative risk of being killed in a single vehicle crash at .08 BAC is estimated to be at least 11 times higher than it is for drivers with no alcohol in their system.

Calling for Action to Make .08 BAC the Nationwide Standard

- **Making .08 the Legal BAC Limit in All 50 States.** The President endorsed the "Safe and Sober Streets Act" proposed by Senator Lautenberg and Representative Lowey, which sets a national BAC limit of .08 percent for drivers age 21 and older. The bill would give states three years to enact laws to make .08 BAC the legal limit, or risk losing highway construction funds. Fifteen states have already adopted .08 BAC laws: Utah, Oregon, Maine, California, Vermont, Kansas, North Carolina, New Mexico, New Hampshire, Florida, Virginia, Hawaii, Alabama, Idaho and Illinois.
- **Taking Executive Action on .08 BAC.** The President signed a directive to Transportation Secretary Slater to work with Federal agencies, States, safety groups, and others, to develop a plan to promote the adoption of .08 BAC as a nationwide standard, starting with military bases, Federal parks and property. The directive also directs the Secretary to include in his plan an education campaign to help the public understand the risks associated with drinking and driving.

A Record of Leadership in the Fight Against Youth Drinking and Driving

- **"Zero Tolerance" Laws for Underage Drinking.** Calling for action to reduce the deaths and injuries brought about by alcohol use and driving by teens, the President signed a law requiring states to have "Zero Alcohol Tolerance" laws for youth by Oct. 1, 1998 or risk losing highway funds. To date, 46 states and the District of Columbia have enacted zero tolerance laws, which prohibit youths under age 21 to drive with any measurable amount of alcohol in their system.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sandra Yamin (CN=Sandra Yamin/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME: 2-MAR-1998 16:10:43.00

SUBJECT: Head Start options paper

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

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

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

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

CC: Iratha H. Waters (CN=Iratha H. Waters/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

CC: Denise M. Bray (CN=Denise M. Bray/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

TEXT:

Barbara would like to meet with you on Thurs., Mar 5 at 12:00PM in Rm 260 to discuss the attached Head Start Options Paper. Please confirm your attendance. Thank you.

(It was brought to my attention that Jennifer Klein is out of the office until Monday, but have scheduled this meeting for Thurs per Nicole's suggestion).

----- Forwarded by Sandra Yamin/OMB/EOP on 03/02/98 02:58 PM -----

Jennifer Friedman
03/02/98 02:52:41 PM
Record Type: Record

To: Sandra Yamin/OMB/EOP@EOP

OPTIONS FOR HEAD START REAUTHORIZATION

The FY99 President's budget increases Head Start \$3.8 billion over the five year period FY99 to FY03. This funding level is sufficient to meet the President's goal of serving 1 million children by 2002, including 80,000 children in Early Head Start. The budget provides for a full inflation adjustment and "quality" set-aside in FY99. However, because outyear policy was deferred to the reauthorization cycle, less than the full current law amounts for the traditional COLA or set-aside are in the budget for the outyears. The amounts for quality and COLA for FY 2000 to 2003 are between \$40 to \$260 million.

Policy was deferred because the effectiveness of the quality set-aside and COLA in raising quality is not clear. HHS argues that the salary and benefit increases and the new staff paid for with the "quality" money help to improve student-to-teacher ratios and increase staff retention, and that these are proxies for quality. However, important points to consider when discussing Head Start quality are:

- There is no evidence indicating that these funds have lowered student-to-teacher ratios or improved staff retention. Furthermore, there is a significant body of research showing that improved teacher salaries do not result in improved educational outcomes for children.
- The Head Start Performance Standards set required student-to-teacher ratios that are designed to ensure a uniform level of program quality. These standards can be met within current funding levels.
- Head Start providers currently earn \$9 to \$16 per hour, well above the average child care worker's hourly wage of \$6 to \$7.
- COLA increases have been given in Head Start every year of the Clinton Administration. Given the size of the base appropriation, even freezing participation requires a COLA increase of over \$100 million annually. Grantee staffs in other programs in HHS' Administration for Children and Families, and very few social programs, if any, receive COLAs by statute. In particular, neither the COPS program nor the new Class Size Reduction Initiative include provisions that provide automatic COLAs.
- Even if these funds do improve quality, one can argue that there is still no need to continue the set-aside because these funds have permanently increased the average amount spent per child. Since 1993, this Administration has invested over \$600 million in new quality activities. When we consider that each year these funds go into the base and then get inflated in subsequent years, we have cumulatively spent over \$1.2 billion on quality activities since 1993. Therefore, there are already sufficient funds in the base to continue activities previously funded with the "quality" investment set-aside.

The debate comes down to one of slots versus automatic set-asides, and as the discretionary caps become tighter in the outyears, it becomes increasingly necessary to prioritize.

Providing the current law COLA and set-aside would add \$1.6 to \$1.8 billion to the cost of Head Start expansion from FY00 to FY03. Roughly \$550 to \$750 million is due to the set-aside; \$900 to \$1,000 million is due to the COLA; and the remainder is due to interactions between the COLA and the set-aside. The costs are high because there is a compounding effect, i.e., each year the current law COLA and quality set-aside go into the base and then get inflated in subsequent years.

OPTIONS

Option 1

- Authorize appropriations for quality set-aside and COLA at the Administration's discretion, not to exceed the levels currently authorized.
 - Require HHS to use part of the quality funds to track the use of quality dollars and evaluate the effects of these investments on outcomes for children.
- Pros:
- Provides flexibility to make funding decisions on a year-by-year basis, resulting in potentially large savings. This flexibility allows the Secretary the choice of maintaining the FY99 budget path.
 - Results in valuable information on meritorious uses of the quality set-aside.
- Cons:
- Some argue that this option may upset Congressional consensus on Head Start; may be seen as an inconsistent position on quality, thereby jeopardizing the Child Care Initiative; and can be seen as compromising the President's commitment to Head Start.
 - Puts pressure on the Administration to debate this issue every year when making funding decisions.

Option 2

- Structure quality set-aside so that it continues to be 25 percent of the Head Start increase, but provide quality funds for one-time expenditures, such as facilities improvements, salary bonuses based on merit, purchase of educational materials, playground equipment, teacher training, transportation services, etc. Since funds go for one-time purchases, the amounts do not need to go into the base.
- Require grantees to apply for quality funds on a competitive basis.
- Remove requirement that at least 50 percent of quality funds must go to salary and benefit improvements.
- Require HHS to use part of the quality funds to track the use of quality dollars and evaluate the effects of these investments on outcomes for children.
- Authorize appropriations for a COLA at the Secretary's discretion, not to exceed the levels currently authorized.

- Pros:
- By redirecting quality funds to one-time improvements/purchases, eliminates need for quality funds to go into the base and get inflated. The increase over the FY99 budget caused by this policy is \$600 million less than the increase caused by providing the current law COLA and quality set-aside.
 - Results in obtaining timely information on actual uses and net impact of the quality set-aside.
 - Provides opportunity to refine the quality set-aside and target dollars to activities that have more clear cut benefits.
 - Rewards grantees that propose uses for quality funds that have proven merit.
 - Maintains quality investment as a set-aside equaling 25 percent of the program's increase.
 - Provides flexibility to make funding decisions regarding the size of the COLA on a year-by-year basis.
- Cons:
- Makes public the concern with the current structure.
 - Flexibility to lower COLA may be seen as a threat to teacher retention.
 - Removes guarantee that every grantee will receive quality funds.
 - Elimination of compounding effect for quality set-aside reduces rate of long term Head Start spending, considered by some to be an independent goal.