

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 025 - FOLDER -001

[03/05/1998 - 03/06/1998]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-MAR-1998 07:36:27.00

SUBJECT: kerrey call...

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 Michael Cohen/OPD/EOP on 03/05/98
07:36 AM -----

Susan_Frost @ ed.gov (Susan Frost)
03/04/98 09:22:06 PM

Record Type: Record

To: Scott_Fleming @ ed.gov (Scott Fleming)

cc: Michael Cohen/OPD/EOP, Robert M. Shireman/OPD/EOP

Subject: kerrey call...

Just saw this on schedule..you probably know this but Joan Huffer mentioned today that Kerrey is all upset about a New Entitlement (class size) and the balanced budget. Daschle is trying to explain to his staff that class size is a capped mandatory program and therefore cannot escalate out of control. In fact it would have very set amounts for each of 7 years and that the funding path is necessary to ensure that teachers who are hired will be paid in the outyears.

March 6, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
GENE SPERLING

SUBJECT: Auto Choice

Overview

The purpose of the memorandum is to provide you with information on auto-insurance reform and the "Auto Choice" legislation introduced last April by a bipartisan coalition of Members of Congress. Over the last several months, an NEC-DPC inter-agency working group has spent considerable time analyzing the Auto Choice proposal and reviewing other auto-insurance reform options. It is the strong view of the working group that the benefits of the various Auto Choice proposals considered do not justify the cost.

Although proponents of Auto Choice claim that it will reduce insurance premiums by approximately \$250 per year for the average driver, the working group found little evidence that no-fault insurance would lead to lower rates. For example, the three states that currently mandate insurance companies to offer no-fault insurance plans (New Jersey, Kentucky, and Pennsylvania) have some of the highest rates in the country and have not seen rates fall since no-fault was implemented. Our analysis also suggests that, with Auto Choice, bad drivers will benefit more than good drivers. In addition, if Auto Choice does induce some reduction in premiums, some economists believe more people will have an incentive to use their cars, leading to more accidents for bad and good drivers, increased environmental degradation, and greater strain on our infrastructure.

Background

"No-fault" insurance plans allows policyholders to recover financial losses *from their own insurance company, regardless of fault while restricting their right to sue.*

Under current state-no-fault laws, motorists may sue for severe injuries and for pain and suffering only if the case meets certain conditions. These conditions, known as a "threshold," relate to the severity of injury. They may be expressed in verbal terms (a descriptive or verbal threshold) or in dollar amounts of medical bills (a monetary threshold). Some laws also include the days of disability incurred as a result of the accident. The academic evidence shows that verbal thresholds have a significant effect on lowering insurance premiums but that monetary

thresholds can actually lead to higher premiums because people have an incentive to exaggerate their medical bills so that they can sue for pain and suffering.

Proposals

The working group has considered two options. The first is the Auto Choice legislation introduced by Senators McConnell and Moynihan and Representative Arney. Under this proposal, drivers in states that accept the new federal legislation have a choice between the existing system in their state and a no-fault plan (called 'personal protection insurance' (PPI). A driver who chooses the PPI option gets first-party coverage for economic damages (mostly medical and lost wages), without regard to fault, the driver can sue or be sued for economic damages above policy limits, but cannot sue or be sued for non-economic damages ('pain and suffering'), except in cases involving drug or alcohol abuse. A driver who opts to stay in the state's current tort system must purchase tort maintenance coverage (TMC) to cover accidents with PPI drivers.

The second proposal was developed by CEA to achieve the same ends as Auto Choice -- lower premiums -- but at less environmental and human cost. The CEA proposal would require insurance companies to offer premiums on a per-mile basis. Per-mile premiums would be charged based on an estimate of miles, with a rebate or surcharge issued every year after an odometer reading. Odometers could be read at regular inspections or by firms under contract with insurance companies. Insurance companies would compete in their per-mile premium, subject to current regulations; premiums would consequently vary with region, driving record, type of car, and safety features, much as premiums vary now.

Analysis

There are a number of problems with all of these proposals. Perhaps most important, none of the proposals guarantees that insurance companies will pass on savings to consumers. There is little evidence that over the long-term consumers saved money in states that have implemented no-fault systems compared to the period when no-fault was not mandated. In addition, it is not clear why the Federal government should enter into a field that traditionally has been the responsibility of state governments.

The McConnell-Arney Auto Choice legislation has additional adverse consequences. For example, safe drivers who maintain their current coverage could see their premiums increase because they will need to pay to cover their own losses incurred as a result of other driver's fault. In addition, the resulting self-selection of bad drivers into PPI will exacerbate this problem. As the premiums of drivers in the non-PPI system rise, more and more people will switch to PPI, thus further raising premiums for the very safest drivers. The end result may be the virtual elimination of any real choice between the two systems.

The Per-Mile Premium option addresses this problem, but we believe that we could not sustain support for it. While we would argue that the average premium for drivers would fall

under CEA's proposal, opponents would counter that we are "taxing" each mile that middle-income families drive. They would also argue that monitoring miles is an example of big government intervention into people's lives.

Although Auto Choice has wide bipartisan support -- from Senator McConnell to Senator Moynihan and from Grover Nyquist to Mike Dukakis -- trial lawyers, consumer groups, auto safety groups, and environmentalists will oppose this legislation.

Recommendation

There is unanimous agreement among the NEC-DPC interagency working group -- including the Office of White House Counsel, the Office of the Vice President, CEA, OMB, Transportation, and Treasury -- that you should oppose the McConnell-Army Auto Choice bill.

Assuming you agree, the remaining issue is when to announce your position. If we announce our opposition now, we may encourage supporters to bring the legislation up so as to define our differences. By contrast, if we remain quiet, the legislation may die on its own. We therefore believe that it would be best to hold off any statement on the bill for now. If Auto Choice comes to the floor, you could oppose it in a speech or we could issue a Statement of Administration Policy.

Decision

- Oppose Auto Choice, But Do Not Announce Position Unless And Until Bill Comes To Floor (RECOMMENDED)
- Oppose Auto Choice, But Announce Position Now
- Discuss Further

Key Concerns about S. 1415

Every day 3,000 kids start smoking and 1,000 of them will die from smoking related illnesses. If we act now, we can prevent the premature deaths of almost 1 million children over the next five years. The Administration applauds the Commerce Committee's efforts to forge a bipartisan consensus to enact comprehensive tobacco legislation this year. To ensure that this effort meets our goals of dramatically reducing teen smoking, S. 1415 should be amended as follows:

Reaffirm FDA's Full Authority to Regulate Tobacco Products. The Administration supports federal legislation that affirms efforts by the Food & Drug Administration (FDA) to regulate tobacco like any other drug or device and that provides FDA with sufficient flexibility to meet changing circumstances. Doing so will ensure that the tough advertising restrictions in the FDA rule -- which limit most tobacco advertising to black and white text and ban tobacco ads near schools, playgrounds, and parks -- will be implemented. S.1415 instead [NEED TO FILL IN].

Include the Price Increases Needed to Reduce Youth Smoking. In September, the President called for a combination of industry payments and penalties to increase the price of cigarettes by up to \$1.50 a pack over the next decade as necessary to meet youth smoking reduction targets. Research shows that increasing the price of cigarettes is one of the best ways to reduce youth smoking. S. 1415 would raise the price by only about \$.62 cents per pack when fully phased in.

Strengthen Penalties Tied to Youth Smoking. The Administration believes legislation should set ambitious targets to cut teen smoking by 30% in 5 years, 50% in 7 years, and 60% in 10 years, and impose severe financial penalties that hold tobacco companies accountable to meet those targets. While S. 1415 sets the same ambitious targets as the President, this bill does not include penalties -- on both the industry and specific companies -- that give the tobacco industry the strongest possible incentive to stop targeting kids. [CHECK THIS]

Guarantee Broad Document Disclosure. The Administration wants to ensure that any tobacco legislation provides for broad document disclosure -- especially of those documents relating to marketing tobacco to children -- and we would like to work with the Congress to revise these provisions.

Ensure Minors Can't Buy Tobacco Products. Current law forbids retailers from selling tobacco products to young people under age 18, and a strong licensing system is needed to ensure compliance throughout the nation. The Administration would like to work with members of Congress to include licensing provisions in the final legislation.

Strengthen International Efforts to Control Tobacco. The Administration strongly believes that one of the elements of any comprehensive bipartisan tobacco legislation must be the strengthening of international efforts to control tobacco. For example, the Administration supports efforts to address the health risks associated with tobacco use at an international level by funding multilateral and bilateral efforts. The Administration looks forward to working with members of Congress of both parties in crafting comprehensive tobacco legislation that contains international tobacco-control provisions.

RECORD TYPE: PRESIDENTIAL (NOTES.MAIL)

CREATOR: Sarah A. Bianchi (CN=Sarah A. Bianchi/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 5-MAR-1998 08:45:42.00

SUBJECT: two pager on Medicare Commission meeting

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**PRESIDENT WELCOMES MEDICARE COMMISSION AND MAKES STRONG
COMMITMENT TO PREPARE MEDICARE FOR THE RETIREMENT
OF THE BABY BOOMERS
March 4, 1998**

Today, meeting with the newly appointed Medicare Commission, the President stated his strong commitment to work with Chairman Breaux, Congressman Thomas, and the rest of the Commission to develop a bipartisan consensus for future reforms to the Medicare program that prepare it for the retirement of the baby boom population. In so doing, he highlighted the great achievements of Medicare and the important contributions that the Balanced Budget Act (BBA) made to strengthening and improving the program. The President indicated that he is confident the Commission can build on the successes of last year's Medicare reforms and take the next steps to prepare the program for the unprecedented demographic challenges it faces. He also urged the Commission to never forget that Medicare is more than just a program of policies and numbers; it is a national commitment that serves almost 40 million of our most vulnerable Americans.

MEDICARE HAS BEEN ONE OF THIS CENTURY'S GREATEST ACHIEVEMENTS -- IMPROVING THE HEALTH OF MILLIONS OF AMERICANS. In the last 30 years, the Medicare program has provided high-quality health care to millions of older Americans and people with disabilities. Since the program was signed into law:

- **The rate of uninsured elderly has dropped from 46 percent to 1 percent.** Today, about 15 million Americans could go uninsured without Medicare's guarantee of coverage.
- **Older Americans are living 20 percent longer.** A 65 year old today can expect to live until the age of 82; whereas in 1960, a 65 year old lived on average until the age of 79. This is partly attributable to Medicare's expansion of needed health care coverage to older American.
- **The poverty rate has dropped by over half.** Medicare has contributed to decreasing poverty among older Americans. Today, about 11% of people ages 65 and older are poor, compared to 29% in 1966.

THE BIPARTISAN BALANCED BUDGET ACT INCLUDED UNPRECEDENTED MEDICARE REFORMS. One of the most important achievements of the Balanced Budget Act the President signed into law last summer was its unprecedented reforms to the Medicare program. This bipartisan effort strengthened the life of the Medicare Trust Fund for at least a decade from now, included new health plan choices, and added coverage of preventive benefits. It:

- **Extended the life of the Medicare Trust Fund for at least a decade.** Through a series of payment and structural reforms, the BBA extended the life of the Medicare Trust Fund for at least a decade from today. This achievement built on the President's 1993 budget which extended the Trust Fund for three years.
- **Contained important new preventive benefits.** The Balanced Budget Act included new preventive benefits including annual mammograms for all Medicare beneficiaries over forty; regular pap smears and pelvic exams; diabetes management benefits, and regular colorectal cancer screening.

- **Enacted important new structural reforms.** The BBA also included new market-oriented reforms, such as adding new plan choices including Provider Sponsored Organizations, Preferred Provider Organizations, prospective payment system reforms, and a number of prudent purchasing provisions that allow Medicare to buy services in the same way private health plans do.
- **Growth in line with private spending.** Because of the important BBA reforms, Medicare growth per beneficiary will actually be slightly less than projected private insurance spending growth: 4 percent versus 5 percent between 1997 and 2002.

STRENGTHENING MEDICARE FOR THE RETIREMENT OF THE BABY BOOMERS.

While the Balanced Budget Act strengthened Medicare in the short term, the program will face new challenges as the baby boomers retire. The President highlighted some of these challenges and made a strong commitment to work with the Commission to develop consensus for long-term Medicare reforms. The challenges include:

- **An unprecedented number of Americans will enter Medicare as the baby boom generation retires.** The number of elderly will increase by 45 percent in the next 20 years. By 2030, one in five Americans will be elderly.
- **The ratio of workers to Medicare beneficiaries will drop significantly by 2030.** The number of workers per Medicare beneficiaries will decline from 3.9 to 2.3 during this period, straining the financing of the Medicare program, which is partly financed through a payroll tax.

The President reiterated his confidence that the Commission, working with Congress and the Administration, will successfully meet the new challenges facing the Medicare program. He pointed out that the American people have always been able to reach consensus to address this extremely important program, which provides needed services to tens of millions of Americans.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 5-MAR-1998 18:30:46.00

SUBJECT:

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

CC: Christa Robinson (CN=Christa Robinson/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:

Based on discussions with the Campaign to Prevent Teen Pregnancy, we've got the makings for a good event on 4/30. This would coincide with the kick-off of Teen Pregnancy Prevention Month in May. The Campaign would be thrilled to have the President, the VP, and/or Mrs. Gore (apparently the First Lady is not available). Do you think we should forward this on to VP? Note 4/30 is also 50th anniversary of Israel and "Erase the Hate" day.

We would:

Announce new research information and Campaign publications about the importance of adult involvement in reducing teen pregnancy, including a summary of research, tips for parents and adults, and new posters on this theme.

Call on all adults to do their part and specifically challenge the entertainment industry to be part of the solution.

Announce a White House meeting for entertainment media leaders in the Fall at which they would showcase examples of innovative programming and announce new commitments. (Campaign staff and others believe focusing on the media has great potential. This would be a huge motivation to push forward the media work the Campaign has begun).

Recognize the eight 1998 Campaign honorees who will have received awards at a dinner the night before (NBC, Teen Outreach Program, Governor Carper, SADD, CDC-funded conflict resolution program in San Bernadino, Jerry Tello and Geoffrey Canada for their work on male involvement, and a busines).

Estimate up to 150 attendees including: honorees, Campaign Board and task force members, and other key supporters. Preferred time is late morning. If the new data and publications are not released at a White House event, the Campaign is planning a Hill briefing that same day. If we do release here, we could also invite key Congressional members to attend (Sen. Lieberman and Snowe, and Reps. Castle and Lowey co-chair the Senate and House Advisory Panels for the Campaign).

We can also do a May 1998 Teen Pregnancy Prevention Month presidential proclamation/message on the adult involvement theme.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Karen Tramontano (CN=Karen Tramontano/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 5-MAR-1998 19:25:51.00

SUBJECT: child care

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

READ:UNKNOWN

TEXT:

folks did a very good job handling the meeting --- i just dropped in for a few minutes --

two things:

i did speak w/ john awhile back about mirroring the organizing neutrality language that is already in the headstart law --- i did try our expansion idea but he about threw me out of the room --is it possible for you to get your staff to research the orginal head start language and see what we'd be up against?

2d -- it was clear from the part of the meeting i was in that their report, worthy wage day and the treasury commission meeting will all happen either within days or within a week of each other --- last week of april/first week of may -- i'd like you to read their report --- they will be sending another draft to us next week just so i can have another check on whether there is anything in it that will give us some pain --- it is clear that if the report gets coverage -- which it will--that we will need an answer to the wage problem --- and the scholarship piece leaves us a little vulnerable since the normal calculation ---- improved training and education = improved wages--does not work in this sector. I just don't want us getting bruised before we start --

thanks, sorry to be so long winded

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-MAR-1998 18:56:09.00

SUBJECT: Pls look at this revised one-pager on McCain

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

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: 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:

===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

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Key Concerns about S. 1415

The Administration applauds the Commerce Committee's efforts to forge a bipartisan consensus to enact comprehensive tobacco legislation this year. To ensure that this effort meets our goals of dramatically reducing teen smoking, S. 1415 should be amended as follows:

Include the Price Increases Needed to Reduce Youth Smoking. In September, the President called for a combination of industry payments and penalties to increase the price of cigarettes by up to \$1.50 a pack over the next decade as necessary to meet youth smoking reduction targets. Research shows that increasing the price of cigarettes is the best way to reduce youth smoking. S. 1415 would raise the price by only about \$.62 cents per pack when fully phased in.

Strengthen Penalties Tied to Youth Smoking. The Administration believes legislation should impose severe financial penalties on tobacco companies that fail to meet ambitious youth smoking reduction targets. S. 1415 should be amended to ensure that the penalties fall both on the industry as a whole and on particular companies, that the penalties increase as a result of continued or severe noncompliance, and that they are sufficiently high to deter marketing and selling tobacco products to minors.

Reaffirm FDA's Full Authority to Regulate Tobacco Products. The Administration supports federal legislation that affirms efforts by the Food & Drug Administration (FDA) to regulate tobacco like any other drug or device and that provides FDA with sufficient flexibility to meet changing circumstances. S. 1415 should be amended to make explicit that the FDA has the ability to regulate tobacco products as a drug or device, including the ability to regulate advertising of such products. At the same time, the amendment could replace the safety and efficacy standard for tobacco products with a public health standard.

Create a Strong Nationwide Licensing System. A strong licensing system is needed to ensure compliance with the law forbidding sales of tobacco products to minors, as well as to prevent smuggling of tobacco products. This system should run from the manufacturer all the way down to the retail level.

Strengthen International Efforts to Control Tobacco. The Administration strongly believes that one of the elements of any comprehensive bipartisan tobacco legislation must be the strengthening of international efforts to control tobacco. In particular, the Administration supports efforts to address the health risks associated with tobacco use at an international level by funding multilateral and bilateral efforts.

Guarantee Broad Document Disclosure. Legislation should provide for broad and expeditious disclosure of tobacco industry documents to the public and the FDA, while preserving attorney-client privilege. All disclosure provisions should serve as a supplement to, rather than a replacement for, normal ways of obtaining documents in litigation.

Provide for the Needs of Minority Communities. The Administration believes that there should be provisions in comprehensive legislation to address the particular needs of adversely affected groups including minorities. These concerns should be addressed by appropriately targeting programs in areas such as: counter-advertising, research, provision of health services, and prevention and cessation programs.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jeanne Lambrew (CN=Jeanne Lambrew/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 5-MAR-1998 17:44:07.00

SUBJECT: CBO Medicare Buy-In Report: good news

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

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

TO: Lawrence J. Haas (CN=Lawrence J. Haas/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

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

TO: Rahm I. Emanuel (CN=Rahm I. Emanuel/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

TO: Gene B. Sperling (CN=Gene B. Sperling/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

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

TEXT:

===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D0]MAIL42899636R.026 to ASCII,
The following is a HEX DUMP:

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**Congressional Budget Office (CBO) Analysis of the
President's Medicare Buy-In Proposal**

As part of their analysis of the President's Budget, CBO did an analysis of the Medicare buy in. Their analysis found that :

- **No Trust Fund Impact:** The net cost of the Medicare buy-in, according to CBO, is \$300 million over 5 years — only fractions of a percent of Medicare spending.
- **More participants:** Participation is estimated to be over 33 percent higher than what the Administration estimated — 410,000.
- **Lower cost:** The post-65 premium that people ages 62 to 65 would pay is only \$10 per month per year — \$6 per month and \$72 less per year than Administration estimates.¹

Medicare Buy-In, 1999-2003 (\$ in Billions, Fiscal Years)

Spending (5 years)		
62 to 65 Year Olds	8.9	
Displaced Workers	0.5	
Total	9.3 *	
Premium revenue (5 years)		
62 to 65 Year Olds	-7.3	
Post-65	-0.2 **	
Displaced Workers	-0.3	
Total	-7.8	
Net Costs	1.5	(Administration: 1.5)
Anti-Fraud Savings	-1.4	
Premium offset	+0.3	(Administration: -2.4)
NET MEDICARE	+0.3*	(Administration: -0.8)*

* Numbers may not sum to total due to rounding

** These premiums increase after the first 5 years as participants turn age 65

Participation when fully phased in: 410,000 (Administration: 300,000)

Premiums in 1999:

62 to 65 Year Olds	\$310 per month	(Administration: \$305)
Post-65	\$10 per month per year	(Administration: \$16)
Displaced Workers	\$400 per month	(Administration: \$400)

1. Although the base premium is slightly higher, overall premiums are much lower since the post-65 premium, which is \$6 less per month, would be paid every year until age 85.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-MAR-1998 10:04:08.00

SUBJECT: Assaults

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

READ:UNKNOWN

CC: Essence P. Washington (CN=Essence P. Washington/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

EK:

Neal called to say he was a bit late in getting the info to DOJ yesterday, and that they had a conference call scheduled w/DOJ at 4pm today. Since that would be the first they'd be speaking about the issue amongst themselves, he'd really prefer to do it tomorrow -- anytime. You've got some time between 1:30 and 3pm on Friday, so I've suggested that everybody adjust their schedules and make that work. I think letting them meet first is worth the extra half day.

Jose'

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-MAR-1998 13:27:18.00

SUBJECT: Suggested edit to FDA Jeffords paper.

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

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

READ:UNKNOWN

TEXT:

Under item "C. Flexibility" what do you think of adding the following sentence at the end: "Under existing law, Congress is already provided a specific opportunity to review regulatory changes as significant as these."

Also, can we strike "distant" at the end of the 2d line. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-MAR-1998 17:48:53.00

SUBJECT: Equal Pay Update

TO: Elena Kagan (CN=Elena Kagan/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

TEXT:

Attached is an outline of our workplan with OPL and NEC on equal pay. Our goal is to have announcement prepared for April 3 (which is Equal Pay Day).

We want to try to come up with a package that contains the following elements:

1. Data Collection (also contained in Daschle bill): We have thought about amending the EEO-1 form to collect wage data every year, but also are exploring options for collecting this data every other year.
2. Enforcement. We are exploring a couple of options including:
 - a) Increase funding by \$5 million to increase enforcement of the Equal Pay Act and the Civil Rights Act for the EEOC.
 - b) Increase penalties for the Equal Pay Act like adding compensatory damages (this is also in Daschle bill)
 - c) Non-retaliation provision to amend the Equal Pay Act to prohibit employers from penalizing employees for sharing information about their salaries with coworker (also in Daschle bill)
 - d) Other types of whistleblower provisions
 - e) Exploring creating an OSHA-type model where the government could do compliance checks at companies and give them a window of opportunity to correct any violations. This definitely could not be done by April 3, because there appears to be certain statutory hurdles -- it is still worth exploring, however.
3. Federal Government: We are reaching out to OPM to see what, if anything, we could do in the federal workplace such as a directive.
4. Technical Assistance
 - a) 10-step voluntary self-audit for businesses: DOL would put this up on the Internet, and businesses could rate themselves.
 - b) \$2 million for technical assistance team at DOL to reach out to 1000 companies. The technical assistance would include analysis of hiring, promotion, compensation and evaluation data to ensure fairness and consistency for women at all levels within the company.

Timeline:

1. Week of March 9:

- a) Early in the week: Meet with the agencies (DOL, EEOC, and OPM) to try to solidify some proposals
- b) Middle of week: Internal meeting with DPC/NEC
- c) End of week: DPC and NEC will draft options memo

2. Week of March 16

- a) Early in week: Deputies and/or principals meeting to discuss options
- b) End of week: possibly draft decision memo for President (before he goes on travel)

3. End of March

- a) Prepare for event

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-MAR-1998 13:38:35.00

SUBJECT: TIMSS update

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:

I now have confirmations from Ed Rust, (State Farm CEO), Mayor Daley, Rudy Crew, Diane Ravitch and Bill Schmidt (Mr. TIMSS). I should get confirmation from Feldman and Chase shortly; their staff were working on rearranging their schedules.

I'll provide additional updates on other participants as soon as I have them.

are just about there--as soon as I can tell them what time the meeting is, they can complete

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-MAR-1998 11:19:54.00

SUBJECT: FYI: Background on Jerry Springer

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

READ:UNKNOWN

TEXT:

Should have forwarded this to you as well as to Bruce. Bruce had seen a clip on this, and asked if we could put a stop to it.

As you will tell, nothin's easy.

----- Forwarded by Michael Cohen/OPD/EOP on 03/05/98
11:07 AM -----

Michael Cohen

03/05/98 11:06:22 AM

Record Type: Record

To: Bruce N. Reed/OPD/EOP

cc:

Subject: Background on Jerry Springer

Attached FYI.

ED basically has (1) a legalistic defense (the special ed law mandates that we provide these captioning services to certain classes of programs; they changed the law but it won't take effect for a few years, etc.); a (2) deaf-people-have-rights-to-watch-trash defense; and a (3) we-don't decide the tv-shows-we-just-provide-the-\$ defense.

Riley is pretty firm on not doing anything to restrict the programs that are selected for closed captioning--I went through this argument with him two years ago when a similar flap erupted when it was discovered that ED was paying for closed captioning for Baywatch.

On the legal side, I've asked for clarification as to whether ED is required under law to fund closed captioning for all programs in the areas listed below, or if there is some discretion within those categories.

On the political side--it will take a strong press from here, with a lot more juice than I've got on my own, to force Riley to change positions. In addition, he testifies before Senate approps and before one other committee today; the extent to which this issue comes up and how it is handled will either force him to reassess, or convince him that the storm will blow over.

I'll stay on top of this--you need to figure out how hard you want to fight on this.

----- Forwarded by Michael Cohen/OPD/EOP on 03/05/98
10:56 AM -----

Julie_Green @ ed.gov
03/05/98 10:28:00 AM

Record Type: Record

To: Nanda Chitre, Michael Cohen, Joshua Silverman
cc:
Subject: Background on Jerry Springer

As you may know, there have been some recent news stories related to
a

letter sent to Secretary Riley by Senators Coates and Lieberman expressing concern about federal funding for tv captioning of the Jerry Springer show. Here is some background on the issue and a Q/A we've done for the Secretary should this topic come up during Congressional testimony today.

After meeting with the Secretary on this issue yesterday, the Department's position remains the same as in the past when this topic has arisen over controversial programming such as Baywatch -- we cannot deny access to the deaf community for tv programming which is otherwise available to those who can hear. As mandated by Congress under the IDEA act, ED provides funding for grants to organizations which provide closed captioning for television programs nationwide.

We

are mandated to provide captioning funding for educational and cultural programming including news and public information, movies

and

special programs, childrens shows, and syndicated daytime programs (Springer falls under the later).

Judy Heumann convened a meeting yesterday of members of the deaf community and deaf staffers who adamantly agree with ED's position on this issue and do not think they should be denied access to any tv programming but should have captioning available to them so that they can make informed decisions about what to watch on tv.

ED grants funds to organizations for captioning recommended by a review panel from the deaf community. The deaf and hard of hearing community are deciding what should be captioned -- not ED.

You should also know that under the reauthorization of the IDEA act, which takes effect October 2001, ED will no longer fund captioning
for

programs under the "culture" category. The grant in question was awarded in 1996, prior to a change in statute.

Q. Mr. Secretary, some Senators have raised concerns about the Department's funding of closed captioing for the Jerry Springer show. What do you have to say in response?

A. From what I've been told, the Jerry Springer show is not something I'd choose to watch either but members of the deaf community should have the opportunity to make this determination for themselves. This is an issue that the deaf community feels very strongly about. If I were a deaf parent and my children wanted to watch shows like this, I'd want to know what it was to judge it for myself. The FCC is the proper forum in which to address concerns about proper tv programming.

Closed captioning was created more than thirty years ago to give members of the hearing impaired community access to American television. We provide funding for 40% of closed captioning services nationwide, for tv programs from CNN's Burden of Proof to Barney, including C-Span and Sesame Street, news, sports and movies. Given the fact that persons who are deaf or hard of hearing want to watch the same television programs as their hearing peers, it is not our role to deny access to those programs available to the general population.

Call me if you need anything else from us. I'll fax you over some clips on this too.

=====
 ATTACHMENT 1
 ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

RFC-822-headers:

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
 id <01IUAYHEERSG00PNON@PMDF.EOP.GOV>; Thu, 05 Mar 1998 10:28:54 -0500 (EST)
 Received: from storm.eop.gov (storm.eop.gov)
 by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01IUAYH97RJK009844@PMDF.EOP.GOV>; Thu,
 05 Mar 1998 10:28:51 -0500 (EST)
 Received: from vader.ed.gov ([165.224.216.253])
 by STORM.EOP.GOV (PMDF V5.1-7 #6879)
 with ESMTTP id <01IUAYH0OZTA0014ME@STORM.EOP.GOV>; Thu,
 05 Mar 1998 10:28:35 -0500 (EST)
 Received: from smtpgwyl.ed.gov (smtpgwyl.ed.gov [165.224.216.37])
 by vader.ed.gov (8.8.7/8.8.4) with SMTP id KAA18214; Thu,
 05 Mar 1998 10:28:42 -0500 (EST)
 Received: from ccMail by smtpgwyl.ed.gov
 (IMA Internet Exchange 2.12 Enterprise) id 00115B86; Thu,
 05 Mar 1998 10:28:20 -0500
 =====
 END ATTACHMENT 1
 =====

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-MAR-1998 16:49:59.00

SUBJECT: Ellen Lovell and Millenium project

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

READ:UNKNOWN

TEXT:

FYI, I have reached out as requested to her to offer my services on behalf of DPC, but so far haven't heard anything beyond her request for ideas of WH people who could attend this philanthropy shindig in California in April. I supplied some names for her, including myself.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-MAR-1998 19:44:53.00

SUBJECT: Tuesday's child care event

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

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

TEXT:

Neera and I want to bring you up-to-date on the planning for Tuesday's child care event with the President in Connecticut.

The event will include a brief tour of a child care facility in Bridgeport, CT (Housatonic Community College) and a speech. The speaking program will include the Mayor of Bridgeport, Senator Dodd, a parent, and the President.

The President's remarks will focus on his child care initiative, and include two policy announcements:

(1) Release of a new HHS report that summarizes State plans to administer the Child Care and Development Block Grant. The message of this report is that States have innovative plans to spend their current CCDBG dollars, and with those dollars, cannot meet the need.

(2) Issuing a Presidential Directive on Steps to improve federally-sponsored child care in the executive branch by (1) ensuring proper background checks of child care workers in federally-sponsored child care; (2) achieving 100 percent national accreditation of eligible, federally-sponsored child care; (3) exploring partnerships among federal agencies and with the private sectors to improve child care quality and affordability; and (4) ensuring that all federal workers have full information on child care benefits and options available to them.
Q: Should the President sign the directive at this event? Our instinct is that he should not sign.

Children's Defense Fund (CDF) plans to release its compelling state-by-state on Tuesday, and leak it to Bob Pear for a story on Tuesday.
Q: Should you leak any of the POTUS' announcements?

In terms of process, the directive is in OMB clearance (via Mac Reed) for comment by the agencies by COB tomorrow (Friday). Staff Secretary plans to circulate the directive around the West Wing tomorrow for any comment. Attached is the latest draft for your review. Also, HHS and GSA are developing lists for heads up calls to MOC and/or Congressional staff to be made on Monday.

With respect to the HHS report, we are working to develop a solid

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 federally-sponsored child care; (II) achieving one hundred percent accreditation of eligible, 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 workers in federally-sponsored child care facilities 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 eligible, federally-sponsored child care should achieve nationally-recognized, independent accreditation to ensure and maintain quality. Currently, 76 percent of military child care centers are accredited and 35 percent of other federally-sponsored 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.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-MAR-1998 16:10:56.00

SUBJECT: High performance bonus and Haskins

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

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

CC: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:

According to Mary Bourdette, Ron Haskins had a very, very strong negative reaction to the fact that our high performance bonus guidance has only work measures but no family formation measures. She quoted him as saying it borders on illegal, and said Shaw may send a letter to the Secretary about this. She said she started to make the point that the illegitimacy bonus gets at his concern, but he dismissed that by noting that the HPB is supposed to reward states that achieve the 4 goals of section 401 (assistance to needy families, ending dependence through work and marriage, reducing out-of-wedlock births, and encouraging 2-parent families).

That's part of why HHS wants to include language in the guidance saying HHS will continue to study changes or refinements to the measures. Elena threw out the notion of dropping it from the guidance and reassuring Ron privately. But where are we on the basic question -- why wouldn't we agree to throw a teen birth measure into the NPRM if it satisfies Shaw and doesn't hold us up?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-MAR-1998 22:06:42.00

SUBJECT: Assaults

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: Leanne A. Shimabukuro (CN=Leanne A. Shimabukuro/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:

EK:

As you know, we're on for the assaults meeting at 2pm in room 211 tomorrow. Just so you know, in addition to a gaggle of lawyers, we'll have "show 'n tell" with some of the firearms in question.

BR/Rahm: And you thought we'd be talking litigation strategy...

Jose'

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-MAR-1998 11:26:23.00

SUBJECT: Tobacco Hearing Schedule

TO: Jerold R. Mande (CN=Jerold R. Mande/OU=OSTP/O=EOP @ EOP [OSTP])
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: Joshua Gotbaum (CN=Joshua Gotbaum/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

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

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

TEXT:

Here is an updated tobacco hearing schedule:

TOBACCO HEARING SCHEDULE

Thursday, March 5

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.

Witnesses

-Matthew Myers - Executive Vice President, National Center
for

Tobacco-FreeKids

- Shepherd Smith - President, The Institute for Youth Development
- Dr. Robert McCaffree - President, American College of Chest Physicians
- Hon. C. Everett Koop, M.D. - canceled
- Hon. David A. Kessler, M.D. - canceled

Friday, March 6

Civil Liability Provisions

The Senate Judiciary Committee (Chairman Hatch (R-UT)) will hold a hearing on the civil liability provisions of the tobacco settlement.

PANEL I

- Senator Kent Conrad (D-ND)

PANEL II

- Stanley Chesley, Esq. - (On behalf of Castano Group),
Waite, Schneider, Bayless &
Chesley Co.
- Richard Hailey - President, Association of Trial Lawyers of America
- Gale Norton - Attorney General, State of Colorado
- John R. Garrison - CEO & Managing Director, American Lung
Association
- D. Scott Wise, Esq. - (On behalf of the tobacco industry), Davis, Polk
&
Wardwell
- Mike Moore - Attorney General, State of Mississippi

Agenda

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.

Tuesday, March 10

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.

Wednesday, March 11

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.

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

TENTATIVE - Public Health Implications

The Senate Judiciary Committee (Chairman Hatch (R-UT)) will hold a hearing on the public health implications of the tobacco settlement.

Thursday, March 19

Public Health

The Health and Environment Subcommittee (Chairman Bilirakis (R-FL)) of the House Commerce Committee will hold a hearing on the minority issues related to the global tobacco settlement.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-MAR-1998 14:45:21.00

SUBJECT: directive on federally-sponsored child care

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

READ:UNKNOWN

TEXT:

You asked that we describe the Jeffords/Gillman legislation and how our directive will interact with it. Jeffords legislation, called the "Quality Child Care for Federal Employees Act" has several provisions that would affect all federally-sponsored, non-military child care:

1. State and local licensing requirements: The legislation requires that federal child care centers comply with state and local licensing requirements no later than 6 months of the date of enactment of the legislation.

2. Health, safety and facility standards: The legislation requires GSA to issue regulations establishing standards relating to health, safety, facilities, facility design, and other aspects of child care that the Administrator determines to be appropriate for child care centers in executive facilities, and requires federal child care centers to comply with the standards.

3. Accreditation Standards: The legislation requires GSA to issue regulations for Federal child care facilities to achieve accreditation within 5 years of enactment of the Act.

4. GSA ensures compliance for all federal child care centers: The legislation requires that GSA evaluate the compliance of all agencies with its regulations (which include the health and safety standards, a requirement of meeting state and local licensing requirements, as well as the accreditation requirements). Right now, GSA is in charge of 109 centers and the other 127 non-military centers are controlled by the federal agencies that sponsor them.

5. Beefs up Licensing Standards and Accreditation for Non-Executive Branch Federal Child Care Facilities: The legislative and judicial branches operate 5 centers combined.

6. Authorizes \$900,000 and allows GSA to be reimbursed by other federal agencies for its services.

POTUS DIRECTIVE:

The President's directive dovetails with the Jeffords/Gillman legislation with respect to accreditation and is more ambitious in this area. While Jeffords' bill requires compliance within 5 years of enactment of the bill, the President's directive asks that all centers in the Executive Branch be accredited by the year 2000.

In addition to the accreditation requirement, the President's directive will: (I) ensure proper background checks of workers in federally-sponsored child care; (II) urge partnerships among federal agencies and with the private sectors to improve child care quality and affordability; and (III) ensure that all federal workers have full information on child care benefits and options available to them.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Marjorie A. Black (CN=Marjorie A. Black/OU=PIR/O=EOP [PIR])

CREATION DATE/TIME: 6-MAR-1998 19:28:41.00

SUBJECT: Weekly Report To The President

TO: Edley (Edley @ law.harvard.edu @ inet [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

TO: Laura K. Capps (CN=Laura K. Capps/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

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

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

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TEXT:

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MEMORANDUM FOR THE PRESIDENT

FROM: JUDITH A. WINSTON

THROUGH : ERSKINE BOWLES
SYLVIA MATHEWS

SUBJECT : PRESIDENT'S INITIATIVE ON RACE WEEKLY REPORT
FEBRUARY 28 - MARCH 6

DATE : MARCH 6, 1998

ADVISORY BOARD ACTIVITIES

Asian Pacific Americans in Higher Education. On March 1, Angela Oh gave the keynote address at their annual conference. She spoke about the importance of the involvement of the higher education community in the Initiative.

French-American Foundation. On March 4, Angela Oh and other Los Angeles community leaders hosted a discussion on tolerance and cooperation among racial groups in the Los Angeles area with a delegation of French civic educators.

University of Mississippi. On March 16 -17, the University of Mississippi will sponsor a series of events for members of the Advisory Board, including a public forum. The University is an important venue for a Race Initiative event because of its role in the integration of higher education - - as a result of James Meredith's effort to enroll there, it is analogous to the role of Little Rock Central High School in public school integration. Governor Winter, Rev. Johnson Cook, and Bob Thomas will participate in the public forum. Press coverage for this event has been quite extensive and positive.

OFFICE OF THE EXECUTIVE DIRECTOR

Educational Testing Service. On March 3, we met with Educational Testing

Service's President, Chief Operating Officer/Sr. Vice President, and Vice President for Public Leadership. They provided us with a description of research they are undertaking to create alternative measures of merit and redefine the role of testing in college admissions and affirmative action programs. WH staff from the Counsel's office, National Economic Council, Domestic Policy Council, and the Office of Public Liaison joined us for this meeting.

Research Advisory Group. On March 5, we met with representatives from cabinet departments and agencies which committed to support the National Academy of Sciences (NAS) race research effort. It is an effort to summarize existing research relating to race. In this meeting, we discussed topics for the research summaries. We also asked representatives to suggest names of researchers and authors who could be commissioned by the NAS to write these papers.

"How To" Manuals. A manual on how to conduct dialogues on race is due to go to publication shortly. An initial printing of 10,000 easily reproducible 40-page manuals is contemplated. Initial distribution will be for the *Campus Week of Dialogue* from April 6-9, and the *Statewide Days of Dialogue* on April 30, as well as for public officials, youth, corporate leaders, and religious leaders.

March Advisory Board Meeting. We are continuing to draft the agenda for the March Advisory Board meeting. It will occur on March 23-24 in Denver, Colorado, and will focus on race and stereotypes. We are working with Advisory Board members, consultants, and other experts to identify key questions for discussion, likely panelists, and other appropriate meeting participants.

Campus Week of Dialogue. The letter from Secretary Riley and Dr. Franklin was sent to 3,500 college and university presidents across the nation this week. The letter invites them to participate in our *Campus Week of Dialogue* which will occur April 6-9. Also, we met with over 30 higher education organizations and they agreed to contact their members and encourage them to participate in the *Campus Week of Dialogue*. We are already beginning to receive responses from colleges that they will be participating in this event.

Religious Leaders Forums. The first Religious Leaders Forum will be held in New Orleans on April 15. The second forum will occur in Louisville, Kentucky, but a date has not yet been determined.

Corporate Leaders Forum. The forum in St. Louis, Missouri, will now likely occur in late April to accommodate Secretary Slater's schedule. Efforts are being made, as well, to schedule a forum in New York to be hosted by Secretary Rubin.

FEDERAL AGENCY ACTIVITIES

DEPARTMENT OF JUSTICE

Hate Crimes Conference. Approximately 250 attendees, including representatives of 90 United States Attorneys' offices, law enforcement officials from 50 states, 40 FBI agents, and 20 ATF agents, attended the Hate Crimes seminar in Washington, D.C. Attendees heard from the Attorney General, Acting Assistant Attorney General for Civil Rights, President and CEO of the NAACP Kweisi Mfume, and DOJ Hate Crimes Coordinator Castello, among others. The Attorney General asked all U.S. Attorneys to form a district Hate Crimes Working Group which would include federal, state, and local law enforcement and community-based groups.

Japanese-Americans. On February 27, Bill Lee, Acting Assistant Attorney General for the Civil Rights Division, traveled to Los Angeles to meet with Japanese Americans. He announced that Japanese Americans who were fired from railroad jobs during WWII would be eligible for redress payments.

American Indians Conference. On February 26, the Attorney General addressed the National Congress of American Indians, where she touted the Administration's proposed increased budget funding for Indian Country.

DEPARTMENT OF INTERIOR

Alaska Indian Country Decision. In a unanimous decision, the U.S. Supreme Court ruled that lands conveyed under the Alaska Native Claims Settlement Act (ANCSA) do not constitute Indian Country. Passed in 1971, ANCSA settled aboriginal land claims in AK by conveying 44 million acres of land and approximately \$1 billion to Alaska Native corporations. The Supreme Court held that ANCSA ended federal supervision over Indian affairs. Accordingly, tribes in AK will not be able, under current law, to exercise governmental powers over ANCSA lands such as taxing, tribal court jurisdiction and environmental regulation. The reaction to the Supreme Court's decision has been diverse. Tribal government representatives have expressed great disappointment, but have also stated that they do not expect much to change on the ground. The AK Congressional delegation has applauded the decision, but has also noted

that the case has underscored problems in rural AK that need to be addressed. The Governor has created a Rural Alaska Governance and Empowerment Commission to review AK's relationship with and responsibility to rural AK.

UNITED STATES DEPARTMENT OF AGRICULTURE

Civil Rights. On March 2, Secretary Glickman spoke to an all-employee gathering at USDA to give an update on civil rights, including USDA's accomplishments and challenges. Secretary Glickman said that USDA "has come a long way" in the last year, and that the civil rights efforts of the past year would "continue without interruption."

DEPARTMENT OF LABOR

NAACP Image Award. On March 5, Secretary Herman was honored in a national broadcast of the NAACP Image Awards which aired March 5 on Fox Television in a gala honoring African American artists, writers, and public figures. Secretary Herman received the *President's Award* for her lifetime achievements and public service.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Congressional Black Caucus. On March 4, Secretary Cuomo attended the Congressional Black Caucus' weekly luncheon to discuss HUD's FY '99 budget priorities. The luncheon allowed members of the caucus to engage in an informal dialogue with the Secretary on HUD initiatives and budget.

DEPARTMENT OF TRANSPORTATION

Racial Awareness Initiative. Approximately 500 enthusiastic participants listened to a discussion of federal, state, and local issues of concern for the survival of our African-American communities. Secretary Slater participated in this event and his remarks focused on the Welfare to Work Initiative, the Race Initiative, and the importance of education in the survival of our children in the 21st century.

OFFICE OF PERSONNEL MANAGEMENT

Race Discussions. On March 4, Director Lachance taught classes and visited the University of Southern California and California State University, Los Angeles. At both campuses she amplified the SOTU, budget and reinvention themes, as well as diversity in the federal

workforce and the Administration's success in creating a workforce that reflects the nation's diversity.

Conversations That Bring Us Together. On March 4, Director Lachance held a roundtable discussion at the Congregational Church of Christian Fellowship in Los Angeles, CA.

DRAFT

March X, 1998

MEMORANDUM FOR THE PRESIDENT

**FROM: BRUCE REED
ELENA KAGAN**

RE: INS Structural Reform

In its final report to the Congress last fall, the United States Commission on Immigration Reform (CIR) called for significant reforms to our nation's immigration system, including dismantling the Immigration and Naturalization Service (INS) and reallocating its major functions to other Federal agencies. The FY 98 Commerce, Justice, State (CJS) legislation required the Attorney General to report back to the Congress on the CIR proposal by April 1.

The DPC worked with interested White House staff, including OMB, NSC, OPL, and White House Counsel, and led a thorough review process of the CIR's recommendations and other INS reform proposals. Our process included meetings with representatives from the Department of Justice, the INS, the Department of State, the Department of Labor, the CIR, and immigrant advocacy groups. Our goal is to have a plan ready for the Justice Department to present in response to the April 1 deadline.

Based on this process, we recommend two things: (1) reject the CIR proposal to dismantle the INS; and (2) restructure the INS to create a clear separation of immigration enforcement and service operations.

Discussion

1. Reject the CIR proposal to dismantle the INS.

The CIR criticized that the INS's dual responsibility of welcoming immigrants who enter legally and deterring those who attempt to enter or stay illegally has resulted in "mission overload." The major thrust of their proposed reform would move all immigration service functions to the Department of State, and would consolidate all immigration enforcement into a new federal law enforcement agency within the Justice Department.

There were serious concerns raised by nearly everyone consulted about the State Department's ability to assume all of INS' current immigration service operations. Such a substantial shift of responsibilities across agencies could require a six or seven-year transition, thereby exacerbating the existing concerns about long delays in processing basic immigration services. The State Department echoed these concerns, in part because they are currently in the process of absorbing two other agencies: the United States Information Agency (USIA) and the

Arms Control and Disarmament Agency (ACDA). State also expressed the view that the domestic focus of many of INS's services conflicts with the State Department's foreign policy mission. In addition, immigration advocates raised strong objections to moving responsibility for visa allotment decisions and naturalization to the State Department, primarily due to the non-reviewability of consular decisions.

Both the CIR and the legislation introduced by Congressman Reyes propose consolidation of all immigration enforcement -- Border Patrol, inspectors and investigators -- at a newly-created agency within the Justice Department. This would elevate immigration enforcement to a level similar to the FBI or DEA. However, **rather than strengthening immigration enforcement, this change could weaken it.** Effective enforcement depends, in part, on close communication and coordination with the service operations. For example, an immigrant's status can often change from a person receiving benefits to one suspected of illegal activity; thus, an enforcement agent must be able to easily coordinate and share data with service officers. Housing enforcement and services in separate agencies could hinder the coordination and communication necessary to maintain the integrity and effectiveness of enforcement operations. Advocates were also concerned that the creation of a separate immigration enforcement agency would leave a stand-alone immigration services agency politically vulnerable.

Thus, given these concerns, we recommend that we reject the CIR's proposal to move immigration service operations to the State Department and consolidate immigration enforcement operations at the Justice Department.

2. Restructure the INS to create a clear separation of immigration enforcement and service operations.

There was a consensus reflected in both the reform proposals considered and among those consulted, that a separation of immigration service and enforcement operations would significantly improve the current immigration system. We believe that a clearer delineation between the functions could yield many benefits, including: (1) strengthening accountability by creating a direct line of authority within each function between headquarters and the field; (2) improving efficiency and effectiveness by allowing the service and enforcement operations to focus on the unique management, knowledge, skills, and abilities required to carry out these distinct functions; and (3) establishing a more substantial career path for both agents and service officers, thereby improving professionalism and retention.

We have also concluded that retaining some linkage between enforcement and services helps both functions work together to accomplish our overall immigration policy goals. To perform effectively, INS's service function must have ready access to the data collected by immigration enforcement officers. Similarly, enforcement must be adept at understanding services eligibility to ensure standard enforcement of our immigration laws.

We believe that we can achieve the benefits of separation and coordination by effecting a dramatic restructuring within the INS. This could be done by creating two distinct lines of

authority -- one for services, one for enforcement -- that run from the field offices to headquarters. Under this model, each function could be organized in a way best suited to its core responsibility. Enforcement operations could be organized regionally (i.e., Southwest border; Northwest border, etc.), while the benefits operations could be located around centers of high immigrant concentrations.

Our FY 99 budget indicated our intention to more clearly separate enforcement from services within the agency, which has received generally positive feedback from the Hill. We are also aware that the Carnegie Endowment is preparing a report on INS reform to be released later this month. Their report will support our preliminary conclusions by rejecting the CIR and Reyes proposals, and instead recommending a restructuring within the INS that effects a clear split between service and enforcement operations.

Congressional Interest

We have started to meet with key Hill staff to understand where the Congress may be headed on the INS reform issue. It has been reported that there is considerable interest by the Congress to overhaul the INS, and major reforms could be included in the FY 99 CJS appropriations legislation. Chairman Rogers of the House CJS appropriations committee has been trying to garner support to dismantle the agency along the lines of the CIR recommendations.

Other key Republicans, such as Senators Abraham and Gregg, and Representative Lamar Smith, though open to making significant changes to the agency, have indicated an unwillingness to completely dismantle the INS. At this time, though no agreement exists on how to proceed with INS reform, there appears to be some bipartisan support for greater separation between immigration enforcement and services.

Recommendation

We recommend that we continue to move forward to develop a reform model that clearly separates enforcement and service operations within the INS. The Department of Justice has contracted with a consulting firm to assist in developing a plan to operationalize this model for our consideration. We will receive their final report within the week. We also intend to continue to work with Congress in an effort to build consensus on this issue.

Apart from these primary recommendations on restructuring INS, we also plan to address the widespread concerns about duplication, overlapping responsibilities, and problems of coordination between the INS and the Departments of Labor and State.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-MAR-1998 09:31:35.00

SUBJECT: 1-Pagers on Jobs Report and G.I. Bill for Workers

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

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

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

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

TO: Franklin D. Raines (CN=Franklin D. Raines/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

TO: Peter O'Keefe (CN=Peter O'Keefe/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Alison Muscatine (CN=Alison Muscatine/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

TO: Joseph J. Minarik (CN=Joseph J. Minarik/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Michael D. McCurry (CN=Michael D. McCurry/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: Julie E. Mason (CN=Julie E. Mason/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Jacob J. Lew (CN=Jacob J. Lew/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

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

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

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

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

TO: Nancy V. Hernreich (CN=Nancy V. Hernreich/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

TO: Rahm I. Emanuel (CN=Rahm I. Emanuel/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

TO: Steven A. Cohen (CN=Steven A. Cohen/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

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

TO: Laura K. Capps (CN=Laura K. Capps/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TO: Barbara D. Woolley (CN=Barbara D. Woolley/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: Sara M. Latham (CN=Sara M. Latham/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Lisa M. Kountoupes (CN=Lisa M. Kountoupes/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

TO: Daniel K. Tarullo (CN=Daniel K. Tarullo/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

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

TO: Alice E. Shuffield (CN=Alice E. Shuffield/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

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

READ:UNKNOWN

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

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

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

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

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

TO: Bruce R. Lindsey (CN=Bruce R. Lindsey/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: Robert D. Kyle (CN=Robert D. Kyle/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

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

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

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

TO: Daniel D. Heath (CN=Daniel D. Heath/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

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

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

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

TO: Brenda B. Costello (CN=Brenda B. Costello/OU=WHO/O=EOP @ EOP [WHO])

AMERICA'S ECONOMY IS ON THE RIGHT TRACK:

15 Million New Jobs, Wages Are Rising, and Unemployment Down To A 25-Year Low

March 6, 1998

Today's Report Shows That Wages Are Rising, Unemployment Is Down To A 25-Year Low, and 310,000 New Jobs Were Created Last Month Alone. In 1992, the American economy was barely creating jobs and the unemployment rate was 7.5 percent. Five years ago, President Clinton put in place a bold new three-part economic strategy of cutting the deficit to help reduce interest rates and spur business investment; investing in education, health care, science and technology so that America was prepared to meet the challenges of the 21st century; and opening markets abroad so that American workers would have a fair chance to compete and win across the globe. Today's report shows that this economic strategy is working for America's workers.

- **Unemployment Down to 4.6 Percent -- its Lowest Level in 25 Years.** In 1992, the unemployment rate was 7.5 percent. Today, the unemployment rate is 4.6 percent -- its lowest level since 1973. The unemployment rate has been below 6 percent for 42 consecutive months and at or below 5 percent for 11 months now with no signs of inflationary pressures.
- **Over 15 Million New Jobs Under President Clinton.** Since President Clinton took office, the economy has added more than 15 million new jobs -- a faster annual rate of job growth (2.6 percent per year) than *any* Republican Administration in 75 years.
- **Fastest Real Wage Growth in Over 20 Years.** Last month, average hourly earnings increased 0.6 percent, and over the past year, average hourly earnings have increased 4.1 percent -- far faster than the rate of inflation. In 1997, real average hourly earnings increased 2.3 percent -- that's the fastest real wage growth since 1976. After *falling* in the 12 years before President Clinton took office, real earnings are up since January 1993.
- **Highest Share of New Jobs in Private Sector in 75 Years.** Since President Clinton took office, the private sector of the economy has added nearly 14 million new jobs -- with more than 3.0 million jobs added in the past year. Under President Clinton, 93 percent of the 15 million new jobs have been in the private sector -- that's the highest percentage since Warren G. Harding was President in the early 1920s.
- **Turning the Corner in Basic American Industries.** Under President Clinton, basic American industries, such as construction and autos, are coming back and leading the world.
 - **1.4 Million New Construction Jobs.** After losing 667,000 jobs in construction during the previous four years, nearly 1.4 million new construction jobs have been added since January 1993 -- that's a faster annual rate than any other Administration since Harry S Truman was President.
 - **149,000 New Automobile Jobs -- Leading The World Once Again.** After losing 35,000 jobs in the auto industry during the Bush years, we have 149,000 new auto jobs under President Clinton. For the first time since the 1970s, America has led the world in auto production for four years in a row.
 - **614,000 New Manufacturing Jobs.** After losing 2.1 million manufacturing jobs during the 12 years before President Clinton took office, the economy has created 614,000 new manufacturing jobs since January 1993.
- **Booming Job Growth Has Helped Lower Unemployment for African Americans and Hispanics.** Under President Clinton, the African-American unemployment rate has fallen from 14.1 percent to 9.7 percent. And the Hispanic unemployment rate has dropped from 11.3 percent to 6.8 percent -- as low as it's ever been. But we still have more work to do, since these unemployment rates are above the national average.

With Low Unemployment, Core Inflation Is The Lowest In 32 Years. In 1997, the core inflation rate, excluding the volatile food and energy components, was just 2.2 -- that's its lowest level since 1965.

Automated Records Management System
Hex-Dump Conversion

A G.I. BILL FOR AMERICA'S WORKERS: REFORMING THE JOB TRAINING SYSTEM

March 6, 1998

"Again, I ask the Congress to continue its bipartisan work to consolidate the tangle of training programs we have today into one single G.I. Bill for Workers, a simple skills grant so people can, on their own, move quickly to new jobs, to higher incomes and brighter futures."

President Clinton
January 27, 1998

With A Vote Scheduled For The Week of March 16th, The President Calls on the Senate to Pass Job-Training Reform. In September 1997, the Senate Labor Committee unanimously approved the bill, S. 1186: Workforce Investment Partnership Act. This bill builds on the President's 1995 proposal for a G.I. Bill for America's workers to reform the web of job training and adult and vocational education programs and help prepare the American workforce for the 21st Century. Senator Lott has indicated that this bill will come to the floor the week of March 16th. Today, the President calls on the Senate to pass this important legislation organized around his four basic principles:

- **Empowering Individuals.** Through Skills Grants, report cards to inform consumers' choices, and universal access to core services like job-search assistance, job training reform will empower individuals, providing adults seeking training or retraining control over their own careers. This customer-driven system replaces the decades-old tradition of making job training decisions for adults through bureaucratic systems. This individual empowerment will make the job training system more responsive to the skill needs of the market.
- **Streamlining Services.** Through the consolidation of myriad individual training programs into a single system and through the nationwide implementation of One-Stop Career Centers (centers that consolidate multiple training and employment programs at the "street level"), this reform effort will streamline the job training system. Over the past few years, the Administration has entered into partnerships with over 40 states to build a One-Stop system, and today, there are over 500 in operation. This reform would expand One-Stops nationwide.
- **Enhancing Accountability.** Through tough performance standards — for both governors and localities — and by requiring training providers to be certified by, for example, the Higher Education Act (HEA), this reform enhances accountability. Performance measures will include rates of job retention, earnings, and job placement.
- **Increasing Flexibility.** Job training reform would provide additional flexibility. For example, the Secretary of Labor will have permanent authority to waive burdensome Federal job training rules in exchange for performance improvements. This will allow states and local areas to implement innovative job-training programs.

A Bill Incorporating These Principles Has Already Passed The House. In May 1997, the House — with overwhelming bipartisan support — passed a job training reform bill (H.R. 1385: The Employment, Training, and Literacy Enhancement Act) which incorporates these principles: it allows for individual empowerment through career grants; it establishes a "full-service" employment and training delivery system; it establishes indicators of performance to hold states and localities accountable; and it includes additional flexibility through waiver authority.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-MAR-1998 15:11:44.00

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,

I spoke to Peter last night re: EEOC. He said that Tracey Thornton was the right person on the Senate side, and that they have not yet hired a replacement for who is the right person on the House side. I spoke with Tracey this morning. She is going to consult with Martha Foley (leg. budget person on the House side) and get back to me later this afternoon. I asked whether we (leg., us and EEOC) should get together to develop a legislative strategy. She informed me that there is a mark-up next week on the budget resolution, and that this in the relevant context for our making a deal with the Republicans.

Julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-MAR-1998 10:29:45.00

SUBJECT: Child Nutrition Bill

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

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

TEXT:

USDA is sending draft language on reauthorizing the child nutrition act to OMB today for clearance for next week. We've included a highlights summary and bill, the bill is modest and cost neutral. as you can see from the highlights page, it also has some money for food and child care. There is another interesting change that is not quite newsworthy: making the Homeless Child Nutrition program a government guarantee. That means that every homeless shelter that has a child under 12 can automatically get funds to pay for three meals a day for the homeless child. But OMB estimates that is less than \$7 million over 5 years -- partly because they think shelters won't be aware of the program. We asked them to go back and see how much it would cost if shelters did become aware of the program.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-MAR-1998 20:15:17.00

SUBJECT: Weekly II

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

EK:

Crime -- We have been working with Rahm on a speech outline that discusses the importance of sharply declining crime rates, and are considering recommending that you touch on some of its points in your address to the National Association of Attorneys General next Thursday (3/12). In brief, the speech would make the following key points:

I. Magnitude of drop in crime. Although everyone knows of New York's success (66% drop in homicides), two-thirds of American cities with populations of more than 200,000 have experienced double digit drops in murder. Moreover, overall crime is down to its lowest level in a generation.

II. Drop in crime should confirm that Washington's dead-end debate on crime -- prevention vs. punishment -- was wrong. While Washington continued to fight this battle, state and local leaders led the way and fought crime on every front. The 1994 Crime Bill provided important tools, but some in Washington immediately tried to undo less than a year after it was passed.

III. Lessons we should learn from 5 years of falling crime rates:

(1) It's not good enough to tough -- we need to be tough and smart. Penalties and enforcement need to be targeted to worst criminals and unacceptable behaviors. We can't deliver all sanctions to all people for all violations -- but we can enforce targeted deterrence.

(2) It's not good enough to react to crime -- we need to solve crime problems and prevent crimes from happening in the first place. Community policing has started a revolution. Its premises now need to be extended to other parts of the criminal justice system.

(3) According to a new and groundbreaking study (released 9/97), the single biggest predictor of violent crime is community breakdown -- not poverty, race, and other demographic factors. In fact, communities with shared common values had 40 percent lower crime rates than others.

March 6, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

RE: DPC Weekly Report

Education -- TIMSS results: You will be meeting with a group of business, education and math and science leaders to discuss the nation's response to the TIMSS results on March 16. This meeting will provide an opportunity to highlight your education agenda, and focus the nation's attention the need for improvement in education. This is especially timely and important because some in the education community are already beginning to dismiss or explain away the significance of the low test scores.

Education -- Senate Education Bill: Senator Daschle and other Democrats introduced a comprehensive education bill this week. The bill is based on the Administration's education agenda, and includes provisions on education opportunity zones, school modernization, class size reduction, expanding after-school care, and promoting the effective use of technology in the classroom with a focus on teacher training.

Education -- Opportunity Zones: Mr. Clay has agreed to introduce your Education Opportunity Zones legislation in the House, and to try to recruit bipartisan sponsors. DPC and Education staff are working with Clay to finalize the legislation, and expect to have it ready for transmittal within the next several weeks.

Campaign Finance Reform -- Free TV Petition: With the defeat of McCain-Feingold we are now focusing our energies on your free television time request before the Federal Communications Commission (FCC). This week Senator Roth became the first Republican Senator to tell the FCC he would support their efforts to create a free television system for candidates for federal office. The FCC has now received letters of support from 83 Members of Congress, including Chris Shays. The Commission continues to seek additional support from Republican Senators, specifically focusing on Senators Jeffords and Thompson. However, Senators McCain and Burns are planning to offer an amendment to the supplemental appropriations/IMF bill to prohibit the FCC from imposing a free time requirement. In addition,

all the Republicans on the House Commerce Committee have written the FCC in opposition to your request that the FCC begin a rulemaking procedure.

Housing/Welfare -- Housing Vouchers: The National Association of Counties (NACO) has announced their support for your plan to create 100,000 new housing vouchers, specifically citing your proposal to target 50,000 of these vouchers for individuals moving from welfare-to-work.

EEOC -- Gingrich testimony at Hearing. On Tuesday, Newt Gingrich testified at an EEOC oversight hearing and expressed his support for the Administration's proposed increase in funding for the EEOC. However, he also made clear that his support is contingent on the EEOC not using any of its FY99 money to support "testing" for employment discrimination. Gingrich also made a very strong statement opposing class actions and pattern or practice cases generally. Gingrich's rhetorical push was toward using the agency's enforcement money to handle cases of "actual victims" of discrimination, rather than "creating cases" (testing) or class actions. He did seem to concede, however, that testing could be warranted where there were strong indications that the employer might be unlawfully discriminating. Acting Chair Igasaki made clear that though the agency was in the middle of a small pilot program to determine how best to use testing in the employment context, their FY99 budget request did not include any money for testers.

Crime -- COPS: On Thursday, the COPS Office announced \$31 million in grants awarded to 186 law enforcement agencies in small towns across the country. The grants will fund 467 full-time and 67 part-time officers.

Drugs -- Study on Crack, Powder Cocaine, and Heroin: This week, the Justice Department released a study comparing drug use and purchase patterns among arrestees in six cities. The report released by the National Institute of Justice found that within any given city, drug use and drug markets varied substantially among the three drugs studied -- crack, powder cocaine, and heroin. Heroin users were the most likely to be daily users, followed by crack users (40 to 50 percent identified as daily users), and cocaine users (10 to 40 percent). A significant number of arrestees identified public assistance as their primary source of income. In addition, a substantial percentage of crack users in particular lived on the streets or in shelters prior to their arrest. The cities studied were: Chicago, Manhattan, San Antonio, Washington, DC, and Portland, Oregon.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-MAR-1998 17:36:25.00

SUBJECT: erskine to house

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

READ:UNKNOWN

TEXT:

Erskine should be a little cautious about going to the House on tobacco farmers. Most of them are waiting to see if Robb and Ford work out a deal -- Etheridge has (confidentially) asked to introduce what they come up with and thinks he can attract the key members. In the meantime, Baesler is going with a bill that is another \$15 billion more than the Ford bill. If it becomes a separate bidding war in the House I think that we may get expectations raised for farmers that won't be met.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Barbara D. Woolley (CN=Barbara D. Woolley/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 6-MAR-1998 19:48:58.00

SUBJECT: HCFAs Interpretation of Medicare Coverage for Abortions

TO: William H. White Jr. (CN=William H. White Jr./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: Audrey T. Haynes (CN=Audrey T. Haynes/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

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

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

TEXT:

The Catholic Health Association brought to Chris and my attention a situation that we thought you should be aware of regarding HCFAs interpretation that managed care risk plans be required to certify that they would cover medically necessary, elective abortions in order to qualify as a Medicare risk plan. CHA has been given inconsistent reports from HCFA regarding whether and when HCFA requires a health plan to certify coverage of elective abortions. A requirement to certify coverage of elective abortions would create an enormous problem for CH plans when they apply to HCFA to be certified as a Medicare+Choice plan.

Catholic health plans should not be excluded from participation in the Medicare risk plan program or the Medicare+choice program because of their religious belief that the provision or coverage of abortion is morally wrong.

CHA is getting pressure from the pro life side. CHA has asked chris for some written letter from someone. Chris thought we may want to do a call or meeting on the issue.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-MAR-1998 20:38:05.00

SUBJECT: Weekly II -- II

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

READ:UNKNOWN

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

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TEXT:

Crime -- Modified Assault Rifles: Last November, you directed Secretary Rubin to temporarily suspend the importation of certain modified assault rifles while Treasury determined whether or not these rifles complied with the "sporting purposes test" and could be legally imported under the Gun Control Act of 1968. Over the past few months, Treasury has studied the features and uses of the 5 basic types of modified assault rifles, which represent more than 50 specific models, and they are now at the point of deciding whether a stronger case can be made to permanently ban from importation the more than 30 AK-47- and Uzi-type models, which have virtually no legitimate sporting purpose, or all five models, some of which -- it can be argued -- have some marginal sporting use. Treasury may be ready to make its recommendation in time for next week's radio address, which is the deadline for its review.

-- DRAFT CRIME SPEECH FOR NAAG --

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I. Intro -- sharply declining crime rates

-- Phenomenal success over the past 5 years in reducing crime, especially violent crime.

-- We've all read about New York's wonderful success. Crime is down across the board, and murders are down a staggering 66%. But crime rates are falling across the nation, too. Two-thirds of American cities w/populations of more than 200,000 have experienced double digit drops in their homicide rate.

-- All in all violent and property crime have reached their lowest levels in a generation (since the early 70s).

-- Other good news: the crack epidemic seems to have run its course; gun and juvenile violence -- while still very serious problems -- have started to ebb; domestic violence and violence against women is being taken more seriously than ever; and in key cities in the West and Midwest meth is being nipped in the bud..

-- Most importantly, though, Americans are starting to feel safer...to have hope... to work together to keep the crime rates dropping.

-- Certainly the most talked about example of the magnitude of our progress on crime is the turnaround that has occurred in New York City. While New York's crime problems certainly were never representative of what most cities were experiencing, they became a national symbol of our inability to control crime and violence. And in 1990, when more than 2,200 persons were murdered in New York City, many Americans began to believe that such high levels of crime could never again be reversed.

-- But by cutting crime for five years in a row -- and in so many parts of the country -- we have dramatically reversed the trend of skyrocketing crime rates. And by reducing the number of murders in New York from more than 2,200 to less than 770, we have once and for all shattered the perception that crime couldn't be reduced or had to be tolerated in any community.

II. Ending Washington's dead-end, right-left debate on crime

-- As a former AG and Governor, I ran for President calling for an end to Washington's dead-end debate on crime. For years, as crime reached new heights in the mid-eighties and early nineties, Washington continued to argue between the virtues of punishment vs. prevention -- between the need for more prisons as opposed to more jobs.

-- While Washington debated these false choices, crack cocaine and gun-related youth violence ravaged our streets, and the murder rate soared all across the country. Those of

us at the state and local law level -- mayors and police chiefs, Governors and AGS -- did what we could on every front and with the resources we had: first we increased law enforcement, then we built more prisons. We tried to stop the flow of guns and drugs to the street, but we were overwhelmed.

-- That's why, when I came to Washington, I reached out to state and local leaders, to law enforcement, to community groups, and asked for their input. They wanted help on all fronts -- more police, tougher punishments, better prevention and an end to the arms war on our streets and in our schools. So we enacted a Crime Bill like no other before it, and I believe made a difference. It did not in and of itself solve the crime problem, but it gave communities that were fighting back some of the tools and support that they needed.

-- But less than a year after we had passed historic crime legislation, Washington was all too willing to return to its old ways. Immediately there were plans to undo our community policing program, to repeal the Brady Bill and Assault Weapons Ban, and to gut prevention programs that had already been agreed to.

-- Fortunately, most of these efforts failed. But it does make clear that Washington hasn't changed its ways -- and that it is more interested in partisan politics than declining crime rates. Already, the left and right are joining forces to kill important juvenile crime legislation before the Congress.

-- The debate between tough and soft -- between jobs and prisons -- should be over once and for all. Over the past 5 year, we've built x number of prison cells and enacted the toughest anti-crime laws ever (three strikes). We've also invested in the American people and created 15 million more jobs. And even though we've significantly reduced crime, crime, drugs and guns and the lethal violence that accompanies them remain serious problems -- and at higher levels than through most of our country's history.

III. What Washington should be learning from declining crime rates?

A. It's not enough to be tough-- you've got to be tough and smart

-- It's not enough to pass tough sentences, hire more police and build more prisons. Tough penalties need to be targeted and enforced. They need to be focused on the most serious repeat offenders. Studies have shown time and time again that a small percentage of criminals commit the most violent acts, and a small percentage of drug users consume most of the drugs. We need tough, long sentences; adequate prison space; and targeted enforcement to reach these offenders.

-- But it is also not enough to focus on the worst criminals. We need a whole range of smarter punishments for less serious offenders. We can't continue to ignore those criminals that bring down the quality of life in our neighborhoods and make them into breeding grounds for more serious crimes. And we can't continue to wait until they develop into more serious criminals before we act. Instead, we need to enforce "zero

tolerance” for certain behaviors in public places (vandalism, graffiti, public drunkenness, prostitution, retail drug dealing). This make neighborhoods more crime resistant.

-- Mark Kleiman of UCLA has pointed out to me how smart punishment -- or “targeted deterrence or zero tolerance” as he calls it -- was a key part of reducing youth violence in Boston. Let me explain:

-- The Boston Youth Gun Project identified some 1,300 juveniles in 60 to 70 gangs that were responsible for virtually all of the youth homicides in Boston. These gangs were called in -- one by one -- and given the message that state, local and federal law enforcement agencies were working together, knew who the gangs were, knew they were engaged in illegal activities, would be watching them and -- most importantly -- wouldn't tolerate any shootings or stabbings. Anybody who broke the rules, would feel the force of law from the combined law enforcement effort until they gave up and turned in their guns..

-- Sure enough, two gangs broke the rules and were taken down by law enforcement. Afterwards, law enforcement sent the message to every other gang that they would meet the same fate. It became possible for the gangs to disarm, and most of them did. One gang held out, and they were made an example of. They were targeted for stiff federal firearms sentences.

-- This type of smart, targeted punishment is neither easy nor intuitive, but it is very effective. Under this approach in Boston, no juvenile was killed with a firearm for two and a half years.

-- Lesson to be learned: the resources of police and the criminal justice system can't deliver sanctions for every violation of every law by every person. But they can deliver effective “zero tolerance” for specified violations. That should be our goal with a whole range of criminal and unacceptable behaviors.

B. It's not enough to simply react to crime -- we need to solve crime problems and preventing crimes from happening in the first place.

-- More police working with members of the community -- in more and more police departments -- has made it clear that we can never go back to simply reacting to crime. The trend must be in the opposite direction: prosecutors, courts, corrections and others in the criminal justice system must embrace community policing's two central tenets: (1) community engagement; and (2) problem solving.

(1) Community engagement means much more than simply improving the police relationship with the community. That's just community or public relations. Community engagement means actually working with the community to identify and solve crime problems. That means engaging the public in the co-production of safety.

(2) Problem Solving means analyzing crime and disorder problems, implementing solutions and evaluating them. This means fundamentally changing the way police and other criminal justice services are delivered. It requires changing criminal justice organizations from the inside out -- allowing those nearest to the problem to develop tailor-made solutions.

-- In New York City, the police developed COMSTAT -- a computer mapping program to help identify crime problems and develop solutions. (more)

-- In Chicago, community police are trained to approach every crime problem by identifying the victim, the perpetrator and the location -- and then developing lasting solutions that remove at least two of these from the situation. (more)

-- In San Diego, when police attempts to shut down a prostitution ring were thwarted by overcrowded jails and insufficient sanctions, community police encouraged local business owners to seek restraining orders that carried hefty fines if violated. The prostitutes disappeared. (more)

-- And in Portland, OR, local businesses and community residents from one neighborhood demanded that the District Attorney dedicate a prosecutor to work in their neighborhood. As a result of this successful effort, Portland has now established "Neighborhood DAs" throughout the county. (more)

-- Problem solving sounds simple, but it's nothing less than revolutionary.

C. The real "root cause" of crime is not poverty, race, etc., but community breakdown

-- Last August, a ground breaking study about crime in Chicago neighborhoods was released. The study -- which has been going on for 8 years, in hundreds of neighborhoods and is still in the works -- revealed that the single biggest predictor of violent crime rates was not poverty, unemployment, race, etc., but a strong sense of community. Neighborhoods -- black or white, rich or poor -- that shared common values which people were willing to reinforce had crime rates 40 percent below those of other neighborhoods.

-- This challenges the conventional (liberal) wisdom that crime rates are mainly attributable to aggregate demographics that can be addressed through government programs. Rather, it shows that crime is a function informal social controls that are exercised by members of the community -- and that government programs are a poor substitute for these controls and shared values.

[- This also comports w/James Q. Wilson's argument that we have an innate "moral sense," driven in large part by sympathy for our fellow man -- but especially for children. And that this, too, is an important a social control as anything.??]

IV. Conclusions...challenges for future

-- More than thirty years after Kitty Genovese's murder, the American people have tipped the scales of justice back in their favor. They have shown that they're once again willing to accept the responsibility of making their communities safe -- and we in government must make sure we do the same.

-- We need to work together to promote smart, tough policies that reinforce what's rights with laser-like focus. Great potential with respect to drugs and juvenile violence (coerced abstinence, Boston -- reducing crime in 5 cities with 25% of juvenile murders).

-- We need to do more to promote community-based justice that seeks to solve crime problems and prevent crimes from happening in the first place. Community policing has started this revolution, but need to bring all aspects of the criminal justice system into fold -- prosecutors, courts, corrections. Maybe -- just as Bobby Kennedy helped promote committees of young lawyers for civil rights in cities across the country -- we should promote the establishment of similar efforts to help communities solve crime problems.

-- And finally, we need to ask ourselves what can we do to promote shared values in our communities. Because if we don't, make no mistake: no government program will be able to make up the difference.

CBO Analysis of Medicare Buy-in. Late this week, the Congressional Budget Office released extremely positive estimates on your Medicare buy-in proposal. CBO's estimates confirm that your proposal will have no notable impact on the Medicare Trust Fund and projects even greater participation and lower costs than HCFA initially estimated. In fact, they assume that your proposal would provide coverage for 410,000 individuals, 33 percent higher than our internal estimates. Moreover, they projected that beneficiaries would have to pay less in premiums after they turn 65 to cover the costs of the buy-in. We are hopeful that these estimates will give a needed shot in the arm to this policy and its perceived viability. Also, we believe that Senator Moynihan will likely introduce this legislation sometime in mid-March.

AMA Speech. On Monday, you are scheduled to give a speech to the American Medical Association (AMA) to outline your shared goals of enhancing quality in the health care system, stopping children from smoking, and providing health insurance for as many children as possible. This is also a great opportunity to thank the AMA for their extremely helpful efforts to confirm the new Surgeon General, Dr. David Satcher. This will be the first time you have addressed the AMA and the first time that any President has spoken to the AMA since Ronald Reagan did in 1983. You will release a new patients' bill of rights survey prepared by the Domestic Policy Council that documents how many states have enacted the consumer protections recommended by your Quality Commission. Specifically, the survey will report that more than forty-three states have enacted one or more of the consumer protection laws, and that more than twenty-five of these states have Republican Governors. The report will also point out, however, that state laws are limited in scope and they have no jurisdiction over 140 million Americans.

The AMA strongly supports Federal legislation, including one provision that is particularly objectionable to the business community -- the enforcement of these standards through the removal of current ERISA barriers that in essence prohibit litigation. As controversial as this provision is, it is now included in the Norwood bill, which the AMA endorses, as well as the Democratic leadership bill, which will likely be introduced later this week. The Administration has yet to take a position on the best way to enforce the patient protections, primarily because the ensuing business opposition resulting from such an endorsement might prove so great as to stop any patients' rights legislation from becoming law. This speech will lead off a number of quality events that will take place this week, including the final report from your Quality Commission and the likely introduction of Democratic patients' bill of rights outlined below.

Final Quality Commission Meeting and Report. On Thursday and Friday, your Quality Commission is scheduled to release its final report on the second part of its charge: how best to develop and use health care standards for both businesses and consumers. There are currently numerous quality problems in the health care system, such as avoidable errors, over utilization and variation in services. For example, each year 80,000 women undergo unnecessary hysterectomies and more than one million Americans are injured as a result of avoidable errors. The Commission is proposing a Quality Council to develop goals to improve health care quality and strategies to achieve these goals. They are also suggesting a Quality Forum, comprised of private and public sector purchasers, that will develop a consistent set of health quality measures, so that meaningful comparisons can be made. This aspect of the Commission has not received

as much attention as the consumer bill of rights but many health policy experts as well as a range of providers, consumers, and insurers believe it may have the greatest potential to positively affect the health care system. Since this is the final report of an unusually successful Commission, the media is clearly interested in their findings. However, because of the Democratic Leadership's intention to introduce a bill next week and because of scheduling conflicts we have yet to make a final decision as to whether it is advisable to hold a Presidential event around the release of the report.

Democratic Patients' Bill of Rights Legislation Bill. Next Thursday, the Democratic leadership is scheduling an event to unveil their patient protections bill. This proposed legislation will receive a broad-based support among Democrats in the House and less diverse support in the Senate. However, it includes a number of controversial enforcement provisions that allow remedies through state courts as well as new benefits requirements which would direct all health plans to cover all clinical trials, include a mandatory point-of-service option, pay for 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. While you will clearly want to be supportive of this Democratic effort, this legislation stands little chance of passing the Congress and as such we may want to be careful about our positioning as it is introduced. In particular, too strong a signal of support may significantly accentuate the business community's opposition to this legislation and alienate particular Republican members such as Congressman Hastert, Thomas, Bilirakis, Bliley, and others who have indicated a desire to work with us on the consumer bill of rights. We will be holding an internal meeting on Monday to develop a recommendation on how you should respond to this bill.

Update on Kyl Private Contracting Issue. Last week, Nancy-Ann DeParle testified before the Senate Finance Committee on Senator Kyl's legislation on private contracting. Senator Kyl's bill makes it much easier for physicians to privately contract out with Medicare beneficiaries, thus allowing these providers to charge whatever amount they desired to these beneficiaries. With the exception of Senator Kyl and United Seniors, a right wing aging group, all of the witnesses in the hearing were extremely critical of this legislation. They particularly focused on concerns that this legislation has great potential to increase fraud and to limit access to needed services. Moreover, Chairman Roth castigated the United Seniors Organization for scaring hundreds of thousands of older Americans into incorrectly believing that they could not obtain a service or pay for a service that is not covered by Medicare. Most policy and political analysts, including the AMA -- one of the Kyl amendment's most ardent supporters -- believe that this legislation is dead at least for this Congress.

Missouri Update. Early next week, the Department of Health and Human Services will be meeting with Governor Carnahan's staff to get resolution on the approval of their children's health insurance proposal. This follows Governor Carnahan's request to you and the Vice President for a rapid response to their proposal. They have previously insisted on retaining a financing mechanism that HHS interpreted to be illegal. Although this new proposal is extremely encouraging, HCFA has not finalized its review to ensure that the financing approach is acceptable. Having said this, this development is extremely encouraging in that it represents

Missouri's implicit acknowledgment that its provider taxes are illegal. Of course, they would never explicitly say this and have made clear that this proposal should have no bearing on how the Federal government should enforce their past reliance on their provider taxes. These negotiations are at an extremely delicate phase. As such, we are advising all within the Administration to remain quiet until they have been resolved.

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TEXT:

I spoke with Assistant Attorney General Colgate about the conversation between the AG and the Commissioner on the placement of the shared service function on the Booz INS organizational chart. He said that the Commissioner expressed concern to the AG that splitting shared services (i.e., personnel, recordkeeping construction) and placing them within the operating areas of services and enforcement would lead to duplication and under funding of these important functions as well as weakening the glue that holds the agency together.

I explained to Colgate that we agreed the shared services operation was an important function and it was never our intention to establish two separate support functions -- one within each operational component. Rather, we believed that shared services (functions that serve the entire agency or which can be done more efficiently or cost effectively on a centralized basis) should be provided centrally. Our recommendation for its placement off the Commissioner -- as a staff function similar to finance, budget and strategic planning -- was for the optics created by having services and enforcement represented as the preeminent focus within a restructured INS. Colgate agreed that this was essentially a matter of function over substance. Colgate called the Commissioner and tried to make this pitch. He called me back and said that he was unsuccessful and recommended that Elana/Michael make a call to Doris to explain the DPC/OMB rationale.

Colgate understood our position completely and had no objection to it. He also indicated in confidence that the AG would not fall on her sword on this issue.

Michael: Following our meeting on the Hill, Elana suggested that both of you should talk to Doris on this issue.