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[04/21/1998 - 04/22/1998]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	from Diana Fortuna to Elena Kagan cc Laura Emmett subject Favor (1 page)	04/21/1998	P6/b(6)
002. email	Phone No. (Partial) (1 page)	04/21/1998	P6/b(6)

COLLECTION:

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 OPD ([Kagan])
 OA/Box Number: 250000

FOLDER TITLE:

[04/21/1998-04/22/1998]

2009-1006-F

kc147

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:21-APR-1998 15:25:38.00

SUBJECT: BLACKS AND HISPANICS MORE CONFIDENT IN HOME-BUYING POWER

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Good News.

----- Forwarded by Paul J. Weinstein Jr./OPD/EOP on
04/21/98 03:25 PM -----

ORSZAG_J @ A1

04/21/98 01:23:00 PM

Record Type: Record

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

cc:

Subject: BLACKS AND HISPANICS MORE CONFIDENT IN HOME-BUYING POWER

Date: 04/21/98 Time: 13:19

RBlacks and Hispanics more confident in home-buying power

WASHINGTON (AP) Blacks and Hispanics are increasingly optimistic that racial discrimination is becoming less of a barrier to their buying homes, according to a study released Tuesday by the Fannie Mae Foundation.

Nearly half of blacks surveyed, 48 percent, and 36 percent of Hispanics said being a minority group member presented special obstacles when it comes to buying a home.

But the perception that minorities suffer from discrimination ``all or most of the time'' has fallen by one-third among both blacks and Hispanics.

The survey of minority home-buying attitudes also found the percentage of blacks who said they are ``at least somewhat confident'' their income and credit record would qualify them for a mortgage has soared from 49 percent two years ago to 74 percent today.

Jim Johnson, Fannie Mae Foundation chairman, said the purpose of the survey was to gain ``insights into how African-Americans and Hispanics think about home ownership.''

``We wanted to share this information with all who care about

how to help minorities but homes mortgage lenders, real estate professionals, nonprofits and policy-makers,' he said.

Last year, the home ownership rate for all Americans reached an all-time high of 65.7 percent. But great disparities exist between the rate of home owning between whites, blacks and Hispanics.

Nearly 72 percent of whites own their own homes. Just 45 percent of blacks and Hispanics own their own homes, according to the study conducted by the polling firm of Hart-Riehle-Hartwig Research.

A total of 752 blacks and 751 Hispanics were questioned in the survey, which has a margin of error of plus or minus about 3.5 percent.

The Fannie Mae Foundation, which works to provide affordable housing in underserved communities, is funded solely by Fannie Mae, the federally chartered mortgage company.

APNP-04-21-98 1319EDT

Message Sent

To: _____

Sarah Rosen

Emil E. Parker/OPD/EOP

Jonathan Orszag

Paul J. Weinstein Jr.

Mary L. Smith

Thomas L. Freedman @ eop@LNCTWAY@LNCTWY

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Tania I. Lopez (CN=Tania I. Lopez/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:21-APR-1998 15:44:44.00

SUBJECT: Bankruptcy Meeting

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

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

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

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

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

CC: Mindy E. Myers (CN=Mindy E. Myers/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

Just to confirm: There will be a bankruptcy meeting on Thursday at 11:15am
in OEOB 15.

[Draft 4/21]

Q&A
International Tobacco

Q. There appears to be a growing controversy over the international provisions of the McCain bill. What is the Administration's position on this?

A. Tobacco use is a global health problem. Comprehensive tobacco legislation should address this problem by including funding to discourage youth smoking abroad through multilateral and bilateral efforts designed to promote education and public health. This will enable us to provide technical assistance to other countries, and will support diplomatic, media and grass roots efforts designed to reduce youth smoking.

Q. Does the Administration support the provisions in the McCain bill?

A. We certainly share the goals of these provisions. Our concerns are instead with the prescribed means. Some of these provisions raise important constitutional and foreign policy concerns. As we move forward in this area, we want to ensure that international tobacco control legislation does not interfere with our diplomatic and trade priorities or result in policies which are unenforceable abroad.

Q. But don't we have a successful example of exporting US laws overseas -- such as, the Foreign Corrupt Practices Act (designed to prevent bribery of foreign officials)?

A. Actually, the fight against corrupt practices in overseas business has become more successful once an international consensus was reached. Similarly, on tobacco, we need to work with other countries and encourage them to adopt laws similar to ours in order to reduce youth smoking on a global scale. Specifically, we need to work bilaterally and multilaterally through the World Health Organization and other entities to share our experiences and success with other nations, encouraging them to adopt laws similar to ours designed to reduce advertising and marketing to children.

Q. Do you support the expanded Doggett language in the McCain bill?

A. We support the Doggett rider contained in the FY98 Appropriations bill, which would prevent the federal government from promoting the sale or manufacture of US tobacco products overseas. This is current US policy, and we firmly stand behind it. In fact, we would like to see this language permanently codified. We are concerned that the language contained in the McCain bill, however, could prevent us from negotiating tariff reductions on all other goods or enforcing US trade agreement rights. We believe that easing tariffs on tobacco products should never be the primary objective of any tariff negotiation, and that health considerations must be factored into any trade policy decisions regarding tobacco.

- Q. Do support the funding provisions in the McCain bill for international tobacco control efforts?**
- A. Comprehensive tobacco legislation needs significant funding to discourage youth smoking abroad through bilateral and multilateral efforts designed to promote public health and education. This funding will enable us to provide technical assistance to other countries, and should support diplomatic, media and grass roots efforts designed to reduce youth smoking. The funding should be channeled through NGOs, federal agencies such as the CDC, and international organizations which have expertise in international public health efforts, such as the World Health Organization and the World Bank.
- Q. What level of annual funding for international tobacco control efforts do you support?**
- A. \$200 million.
- Q. The McCain bill creates a new NGO called ACT (the American Center on Global Health and Tobacco). Do you support this?**
- A. Funding for international tobacco control efforts should go both to NGOs, such as ACT, and governmental agencies which have expertise in international public health initiatives, such as the CDC, and international organizations such as the World Health Organization and the World Bank. Funding should also be available to the Departments of State, Commerce and HHS to train personnel regarding tobacco policies and to work with other countries in promoting tobacco control policies.
- Q. Do you support a 2 cent per pack fee in order to fund international tobacco control efforts?**
- A. The 2-cent per pack fee for funding international tobacco control efforts in the McCain bill appears to be an unconstitutional tax on exports. Funding for international tobacco control efforts should instead come from the overall tobacco trust fund.
- Q. Then how could you guarantee funding for international tobacco control efforts?**
- A. We would make international tobacco control funding an explicit policy priority within the annual appropriations process.
- Q. Do you support the code of conduct language in the McCain bill which would require other nations to abide by our advertising and marketing restrictions?**
- A. We support working through the World Health Assembly on an international framework agreement which would allow us to work, on a multilateral basis, to encourage other nations to adopt laws similar to our own. In this manner, we can work to reduce

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marketing and advertising to children overseas. We are concerned that the McCain bill's approach of working on a unilateral basis to impose US laws on other nations will result in policies that are ineffective and unenforceable overseas. In addition, they raise extraterritorial issues that will be viewed with hostility by foreign nations, diverting attention and efforts away from solutions to these public health problems.

Q. Is smoking really a global problem?

A. Tobacco is expected to kill about 500 million people alive in the world today, including more than 200 million of today's children and teenagers. This will exceed deaths from HIV, malaria, tuberculosis and maternal conditions combined. By 2030, based on current smoking rates, tobacco will kill about 10 million people annually, with more than 70 percent of those deaths occurring in developing nations.

Q. What role do US tobacco companies play in terms of worldwide sales of tobacco?

A. US companies and their subsidiaries and affiliates supply approximately one-fifth of the world's supply of cigarettes. In 1996, more than 70 percent of cigarettes sold by Philip Morris, and 57 percent of those sold by RJR Nabisco, were sold overseas.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:21-APR-1998 16:20:17.00

SUBJECT: Paper on service and progress since service summit

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

FYI, here's a 1-pager I did on what we've accomplished since the service summit, followed by a 2-page summary of what the federal agencies have done.

I had heard this message would be featured as part of the Earth Day speech, but now I hear we'll just get a paragraph on how great volunteers are in national parks, and we won't release any paper on service. Maybe that's not so bad, since there's no AmeriCorps or Corporation component to the Harpers' Ferry event anyway. Powell is still doing his one-year report to the Mayors in Chicago on Monday. His report will include what federal agencies have done, but not a broader Administration message, of course. Not sure if it's worth it to push for a venue to get this message out in anticipation of Powell -- Steve Silverman would have thrown a fit, but I don't feel like that's warranted since there doesn't seem to be any press interest out there, and we're don't have much news here.

The Service Summit One Year Later -- Promoting Service and Reaching At-Risk Youth

At the Presidents□, Summit for America□,s Future, held one year ago in Philadelphia, hundreds of organizations and communities pledged to serve on behalf on behalf of America□,s children, especially at-risk children. Since then, the Administration has worked to increase the ethic of citizen service, and to ensure that children have access to the summit□,s five key resources -- a caring adult, a safe place, a healthy start, an effective education, and a chance to serve.

Today, the President signed a memorandum to all federal agencies asking them to explore additional ways to expand service opportunities for federal employees. Federal employees are generous with their time and talents in their communities even as they fulfill their responsibilities. The President is asking each department to report within 90 days on actions to support employees who volunteer.

America□,s Promise, led by General Colin Powell, has worked to ensure that promises made last year by corporations and nonprofits are being kept, and has garnered many new commitments in the past year. Hundreds of local communities and states have expanded the work begun at the summit. On Monday, April 27, in Chicago, General Powell will unveil a one-year progress report at a meeting of the U.S. Conference of Mayors.

The President has made the summit's goals a top priority in the past year. For example, the President proposed the new High Hopes Mentoring Program to link colleges and universities to public schools and give at-risk children more opportunities in higher education (summit goal 1); launched a major new Child Care Initiative, including increases in after-school options (summit goal 2); signed into law the Children's Health Insurance Program, the single largest investment in health care for children since the passage of Medicaid in 1965 (summit goal 3); created the America Reads program, using AmeriCorps members, college work-study students, and volunteer tutors to help children learn to read (summit goal 4).

The Administration has added new opportunities for young people to serve their communities to further summit goal 5. At the summit, the President challenged service and religious organizations to offer young people the chance to serve and agreed to provide 50,000 new AmeriCorps scholarships for this purpose over the next 5 years. The response has exceeded our expectations, with over 8,900 scholarships approved, ahead of our first-year plan for 5,000 scholarships. The Corporation for National Service also awarded scholarships to 1,600 high school students with exemplary service records in the first year of the National Service Scholars program, which will grow to as many as 10,000 high schools this year. The President served on Martin Luther King Day as part of an effort to make that holiday a day of service -- a day on, not a day off.

Federal agencies are keeping the commitments they made one year ago at the summit. Led by the Social Security Administration and the Departments of Transportation and Treasury, federal agencies have established new partnerships with more than 250 schools since the summit, with federal employees offering mentoring, tutoring, career education, and computer donations. The attached highlights other agency accomplishments.

Federal Agencies Are Taking Action on Service to Children at Risk

Federal agencies have reached out to adopt or establish partnerships with more than 250 schools since the service summit one year ago. The Social Security Administration has led the pack with 147 new school partnerships, while Transportation, Treasury, and Defense have added about 25 partnerships each. Federal agencies and their employees assist their partner schools in a variety of ways, such as mentoring, tutoring, career education, and computer donations. The following are highlights of other agency actions.

Agriculture -- Sponsored the first-ever National Summit on Food Recovery and Gleaning. Increased Natural Resource Conservation Service Earth Team's volunteer hours by 18%.

Commerce -- The National Oceanic and Atmospheric Administration trained 20 teachers from D.C. schools on how students can use the Internet to study and report scientific data.

Corporation for National Service -- Recruited more than 900 colleges and universities to help secure 100,000 work-study students as reading tutors. Launched Seniors in Schools in nine cities for America Reads. Added 15,000 new AmeriCorps positions through community and faith-based organization with emphasis on 5 summit goals. Awarded 1,600 National Service Scholarships for outstanding service, and secured funding for 10,000 scholarships..

Defense -- The Army identified 30,000 volunteers in 49 commands reaching

over 1,200 schools through a new policy to expand opportunities for military personnel to volunteer in local schools. The Navy tutored or mentored over 100,000 youth in the 96-97 school year, and reached 50,000 youth through Campaign Drug Free. The Air Force served an additional 700 at-risk youth through the Air Force Reserve Command's STARBASE programs, with more growth planned next year. The Office of the Secretary of Defense increased enrollment in Junior ROTC academies from 1,500 to 4,000 students, and mobilized children of active duty personnel to volunteer, with 10,000 Army youth serving 52,000 hours in January and February of 1998.

Environmental Protection -- Will deploy senior citizen volunteers to make presentations on protecting public health and the environment to more than 13,000 youngsters in 10 states by the end of 1998. Many projects are intergenerational, with students and senior volunteers going out into the field together to conduct drinking water protection activities.

Federal Emergency Management Agency -- Instituted new Spring Break program this spring, when high school students served in five communities cleaning up debris from hurricanes and repairing damage from flooding. Program will grow to over 50 communities in spring of 1999.

General Services Administration -- Worked in partnership with the National Children's Museum on a program to provide tutoring, mentoring, and academic skills for children at risk.

Health and Human Services -- Awarded almost \$1 million in GirlPower grants to communities to prevent teen pregnancy and drug abuse and promote healthy behavior in young girls.

Housing and Urban Development -- Added more than 200 Neighborhood Networks computer learning centers in assisted/ insured housing. Partnered with the NCAA on education camps for 200 youth from public housing in four EZ/ECs last summer; expanding to 30 cities this summer.

Interior -- Soon to launch the National Park Service's Public Land Corps, to provide service opportunities and outdoor education for young people ages 16-24, while improving resource protection in national parks. The Internet-based National Junior Ranger program will be on-line this fall, for children who are unable to visit our national parks.

Justice -- Funded 52 new Juvenile Mentoring (JUMP) sites; joined with the Army and Navy to expand the Drug Education for Youth (DEFY) program from 3 to 24 sites, which will grow to 42 DEFY camps in 1998 and 60 camps in 1999.

Labor -- Ran a summer enrichment program for 50 elementary and middle school students; most students improved by at least a half grade level after three weeks of math and reading tutoring.

Office of National Drug Control Policy -- Launched National Youth Anti-Drug Media Campaign now running in 12 cities and to be expanded nation-wide in July.

Office of Personnel Management -- Will issue guidance this month on how to support employee participation in community service.

Peace Corps -- Organized more than 5,000 current and returned Peace Corps volunteers to take part in a global education initiative on Peace Corps Day. In just one day, the Peace Corps World Wise Schools program reached

thousands of teachers and hundreds of thousands of students.

School to Work Office -- Organized National Groundhog Shadow Day on February 2, 1998, when 5,000 businesses offered job shadowing opportunities to 125,000 students.

Selective Service System -- Provided its 1.6 million registrants with toll-free numbers on service and volunteering.

Small Business Administration -- Educated more than 35,000 high school and some college students about small business opportunities in partnership with the Senior Corps of Retired Executives (SCORE) and others.

Social Security Administration -- Created 147 new partnerships with schools. Book drive now underway to place books for K-3rd grade children in SSA's 1,300 field offices.

Transportation -- Launched Garrett A. Morgan Technology and Transportation Futures Program to reach one million students through the year 2000 to educate them about careers in technology and transportation. Recruited over 400 education, employee, and transportation organization to be partners in the Morgan program. During National Transportation Week in May, partners will visit at least 1,000 classrooms to talk about transportation careers. As a result of myriad activities, DOT expects to reach 250,000 students by the end of the academic year.

Treasury -- Through February of FY1998, law enforcement officers gave over 200,000 students anti-gang, anti-drug training as part of the "Gang Resistance Education and Training" (GREAT) program, exceeding summit commitment.

Veterans Affairs -- Added service opportunities for over 2,000 students and youth in VA facilities, through volunteer managers who work with school districts to establish partnerships, achieving 40% of its year 2000 summit goal.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:21-APR-1998 16:47:58.00

SUBJECT: Latest... MN 39K documents.

TO: David W. Beier (CN=David W. Beier/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Cynthia Dailard (CN=Cynthia Dailard/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: Toby Donenfeld (CN=Toby Donenfeld/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Ron Klain (CN=Ron Klain/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

TEXT:

As you may know the House Commerce Cmte will be putting most of the 39K documents (the staff is holding back 300-400 documents that may raise trade secret concerns) on its web site tomorrow. MN has prepared a strategy to guide reporters through the documents over a number of days. Tomorrow, MN will focus on documents that demonstrate an industry directed conspiracy of information suppression. These documents will show industry attorneys involved in destroying documents, having documents altered, and moving documents off shore. Another set of documents, to be highlighted on a different day, will show that years ago the tobacco industry anticipated a resolution like the one now before Congress. The documents will show how the industry systematically restructured its companies to move its tobacco assets to its non-tobacco companies and overseas which has enabled the tobacco companies to plead bankruptcy will protecting much of its assets. Other days will focus on industry research on nicotine, and industry efforts to manipulate public policy.

April 20, 1998

Background on Youth Smoking Elasticity Estimates

The Treasury Model

- The Treasury model of youth smoking starts from a participation elasticity of -0.7 at the current price level of about \$1.95 — which means that a 10% increase in price above its current level would reduce the number of teen smokers by 7%.
- But this relationship only holds for very small price changes. For larger and larger price increases, the Treasury model predicts somewhat smaller proportional reductions in teen smoking. This reflects the fact that the teens most likely to respond to price signals are also the first to be discouraged from smoking by a price increase.
- Using this model, a \$1.10 increase in the real price of cigarettes is projected to reduce youth smoking by 32.4%. Since a \$1.10 increase in the real price in 2003 represents a 54% rise, the associated “average” elasticity is actually -0.6.¹

Previous Academic Studies

- A number of studies have attempted to estimate the responsiveness of youth smoking in the U.S. to price changes — the participation elasticity, or the change in the number of teen smokers due to price changes. This literature is based on comparisons of youth smoking rates in high and low tax states, and on how youth smoking changes within states as tax rates change.
- The CBO recently summarized this literature by stating that most of the evidence points to participation elasticities ranging from -0.50 to -0.75. **The Treasury estimate is in the range used by the CBO.**
- The results from this literature are shown in the Table below. Because differences in elasticity estimates may be less intuitive, the table below shows — for each analysis of youth smoking — the projected reduction in teen smokers from a \$1.10 price increase (along with the Treasury estimates). Doing so recognizes the fact that the Treasury model allows the elasticity to decline for larger price increases.

¹The semi-logarithmic demand function underlying this analysis is based on a standard model used to predict overall cigarette demand. Under it, every dime (\$0.10) increase in price reduces demand by the same percent, but since it is doing so from a smaller and smaller base at each step, the absolute reduction in teen smoking from each 10 cent increment declines slightly.

Study of Teen Smoking	Percent Reduction in Teen Smoking from \$1.10 Real Price Increase
Lewit, Coate, and Grossman (1981)	65%
DeCicca et al. (1998)	46%
Grossman et al. (1983)	41%
Chaloupka and Grossman (1996)	36%
CBO (midpoint)	34%
Treasury	32%
Evans and Huang (1997)	28%
Wasserman et al. (1991)	0-9%

- It is clear that the Treasury estimate is within the range of professional consensus on this question. Indeed, our estimates are more conservative than most of the recent work in this area.
- One study which estimates a response appreciably different from the remainder of the literature (Wasserman et al.) focuses exclusively on the late 1970s. This was a period during which some surveys indicate that youth smoking fell precipitously despite no price increase. We believe a more appropriate interpretation of the data during the late 1970's was that youth smoking was driven down by the broader dissemination of facts about smoking's dangers. In 1975 only half of 12th graders saw a great risk in smoking a pack or more of cigarettes a day — the lowest level in the survey — but this number increased by nearly 25% between 1975 and 1980. Thus, rather than indicating that price does not affect youth smoking, we believe this data shows that other things can influence teens *in addition to price*.
- This same problem has led to a misinterpretation by some of the Evans and Huang paper. As Professor William Evans of Maryland pointed out in a recent letter to the Commerce Committee, the findings of his paper have been misquoted. *As noted in the Table above, the estimate that Evans endorses is very close to the Administration estimate.* The confusion over his findings arises from the fact that his estimates which include data from the late 1970s show a smaller youth elasticity than his estimates which focus on the 1980s and 1990s. As Prof. Evans has noted, however, the data are less reliable for this earlier period; in addition, as noted above, this was an era when non-price factors were driving teen smoking down in the face of constant prices.

The Cornell Study

- Some have cited the recent study by DeCicca et al. as refuting the previous literature. In

fact, this study finds higher estimates than the remainder of the literature when similar estimation techniques are used on their full sample of 8th-12th graders.²

- The study does find smaller effects when they choose the particular sample of 12th graders who weren't smoking in 8th grade, and model whether they start smoking. But there is no obvious explanation for this anomalous result; after all, removing from their model a population that is more addicted to cigarettes (individuals smoking from 8th to 12th grade) should *raise*, not *lower*, the elasticity estimate. It is troubling that dropping the 5% of their sample that is most addicted reduces their estimate so dramatically.
- One criticism levied by DeCicca et al. against the earlier literature is that it does not control for differences across states that might determine youth smoking propensities; low tax states may have high smoking because of other regulatory or cultural factors. But their approach does not address this problem: their estimates of the effect of taxes on 12th graders who didn't smoke in eighth grade are still based on a simple comparison of high to low tax states. Other studies do directly address this problem. Chaloupka and Grossman (1996) do so by including a variety of state characteristics, including state anti-tobacco regulations. Evans and Huang (1997) address the problem even more directly by examining only the effect of within-state price changes on youth smoking. The fact that these estimates are so similar highlights the robustness of the conclusions, and indicates why the previous scientific consensus is not undermined by one set of anomalous results.

International Evidence

- There has also been much recent attention paid to the fact that youth smoking remains high in other countries with much higher cigarette prices. In particular, Wall Street analyst Martin Feldman noted in his testimony of March 19th that youth smoking rose in the U.K. between 1988 and 1996, despite a 26% rise in the real price of cigarettes. The inference that is often drawn from this type of evidence is that higher prices won't deter youth smoking in the U.S.
- But *these international comparisons are not informative for the response of youth in the U.S. to price changes*. The fact that youth smoking rates remain high in other countries reflects other cultural factors that influence youth to smoke, and not a rejection of the fundamental relationship between price and demand. And increased smoking among youth in the U.K. between 1988 and 1996 may have more to do with other factors, such as a recession which raised youth unemployment rates by 25% over this period, than with changes in the price of cigarettes.
- In light of this concern, it is certainly preferable to rely on careful, peer-reviewed analysis

²The estimate cited in our Table is an average of their elasticities for 8th, 10th, and 12th graders.

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in the U.S. than on this type of anecdotal international evidence.

- Nevertheless, if one is going to make international comparisons, then the most appropriate one would be to Canada, since it is more similar to and faces many of the same cultural influences as the U.S. The two economic studies which estimate the effects of cigarette prices on Canadian teens are both consistent with the findings in the U.S. literature — teens are not only responsive to price changes, but they are more responsive than adults. In fact, the Canadian youth elasticity estimates are higher than those for the U.S.
- Moreover, the pattern of youth smoking in Canada confirms the sensitivity of youth to price changes. In 1981, Canada had a youth smoking rate that was about 50% higher than that in the U.S. *Over the next decade, Canada raised its cigarette prices by over 100%, and teen smoking fell by almost half* -- despite no substantial change in teen smoking rates in the U.S. -- so that by 1991 there were fewer teens smoking in Canada than in the U.S. The implied elasticity of -0.42 is very close to the estimate that would be computed by the Treasury model (which allows the price responsiveness to fall as the magnitude of the price increase grows) for this price rise, which is -0.48.
- Teen smoking then rose again in Canada between 1991 and 1994, as Canada lowered dramatically its federal excise taxes. Of course, teen smoking was on the rise in the U.S. over this period as well, so that the rise in Canada over this time period is not as easily attributable to price impacts. But the fact remains that *for the country most comparable to the U.S., teen smoking rates fell as prices rose, and rose as prices fell.*

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:21-APR-1998 17:55:58.00

SUBJECT: Hearing on SSI reforms

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

TEXT:

FYI, Rep. Shaw held a hearing today on SSI as a high risk program. He is working on a package of proposals to toughen up on fraud and overpayment, a few of which cross the line into reducing benefits. SSA testified on what it's doing, and would also like our clearance of its bill to do things similar to Shaw -- tougher fraud penalties, more access to financial information about beneficiaries to prevent overpayments, etc. -- so we are working with OMB to evaluate them. If the radio address is still on, maybe they'll fit in there. Shaw may want to attach some of his proposals later this month to a "return to work" bill for people with disabilities that has no funding source at the moment.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:21-APR-1998 18:04:11.00

SUBJECT: crime meeting

TO: Charles A. Blanchard (CN=Charles A. Blanchard/OU=ONDCP/O=EOP @ EOP [ONDCP])
READ:UNKNOWN

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

TO: Trooper Sanders (CN=Trooper Sanders/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

TO: Jennifer Brown (CN=Jennifer Brown/OU=ONDCP/O=EOP @ EOP [ONDCP])
READ:UNKNOWN

TO: Christopher S. Lehane (CN=Christopher S. Lehane/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

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

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

TEXT:
MEMORANDUM TO DISTRIBUTION LIST

FROM: Bruce Reed
Assistant to the President for Domestic Policy

SUBJECT: April 22, 1998 CRIME MEETING

On Wednesday, April 22 at 10:00 AM in Room 211 of the Old Executive Office Building, we will hold the weekly crime meeting.

Thank you.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:21-APR-1998 18:18:33.00

SUBJECT: Feedback from the Caucuses on Needle Exchange

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

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

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

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

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

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

TEXT:

I spoke with Becerra on this issue--he said he spoke with Shalala yesterday and indicated to her that he was glad that the science had been affirmed but where was the money? He did say that while he hadn't really heard from members, he didn't anticipate a Caucus statement or press conference saying that some of the members were conservative and not in favor of the needle exchange program. He did suggest that matching localities with private sources of funding would be a good thing. Below is Minyon's note re her conversation with Waters.

----- Forwarded by Maria Echaveste/WHO/EOP on 04/21/98
06:13 PM -----

Minyon Moore
04/21/98 05:41:37 PM
Record Type: Record

To: Maria Echaveste/WHO/EOP
cc: Janet Murguia/WHO/EOP, Richard Socarides/WHO/EOP, Sylvia M. Mathews/WHO/EOP, Robert B. Johnson/WHO/EOP
Subject: Needle Exchange Q&A's- note correction!

As a follow-up to your call, I spoke with Maxine. They haven't taken an official position on the Administrations announcement, but anticipate meeting late tonight or tomorrow to discuss their response. She indicated that she has rec'd pressure from many members re: federal funding and the impact on minority communities. She further stated she wanted to have a longer discussion with Charles Rangel. She indicated that more than likely they will issue a press statement or do a press conference once consensus has been met. Asked if I wanted a heads up (response why course).

Maria she and Becerra will be talking.

----- Forwarded by Minyon Moore/WHO/EOP on 04/21/98 05:23 PM -----

Maria Echaveste
04/21/98 04:00:31 PM
Record Type: Record

To: Minyon Moore/WHO/EOP
cc:
Subject: Needle Exchange Q&A's- note correction!

fyi
----- Forwarded by Maria Echaveste/WHO/EOP on 04/21/98 04:05 PM -----

Laura Emmett
04/21/98 01:22:02 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc: Sarah A. Bianchi/OPD/EOP
Subject: Needle Exchange Q&A's- note correction!

Note the correction is the answer to the first question:

Because the science is now there to make these findings. We already knew that needle exchange programs can help reduce the rate of HIV transmissions , and yesterday, the Secretary made clear that the scientists, including all the respected leadership within the National Institutes of Health, have concluded that these programs do not increase drug use.

Message Sent

- To: _____
- Barry J. Toiv/WHO/EOP
 - Joseph P. Lockhart/WHO/EOP
 - Amy W. Tobe/WHO/EOP
 - Darby E. Stott/WHO/EOP
 - Lori L. Anderson/WHO/EOP
 - Joshua Silverman/WHO/EOP
 - Nanda Chitre/WHO/EOP
 - Elizabeth R. Newman/WHO/EOP
 - Maria Echaveste/WHO/EOP
 - Mickey Ibarra/WHO/EOP
 - Richard Socarides/WHO/EOP
 - Sara M. Latham/WHO/EOP
 - Marjorie Tarmey/WHO/EOP
 - June G. Turner/WHO/EOP
 - Andrew J. Mayock/WHO/EOP

Needle Exchange Q&As
April 21, 1998

Q: Why did the Administration choose to issue the findings that needle exchange programs reduce HIV transmission and does not increase drug use yesterday?

A: Because the science is now there to make these findings. We already knew that needle exchange programs can help reduce the rate of HIV transmissions, and yesterday, the Secretary made clear that the scientists, including all the respected leadership within the National Institutes of Health, have concluded that these programs do not increase drug use. Communities around the country, who are making their own decisions on this issue, should know that appropriately designed needle exchange programs reduce HIV transmission and do not encourage illegal drug use.

Q: If the science concludes that needle exchange programs reduce the transmission of HIV and do not increase drug use, why aren't you releasing federal funds for needle exchange programs?

A: We have always said that communities should make their own decisions on this issue, based on their own circumstances and using the best available scientific information. Releasing federal funding for needle exchange would have inappropriately shifted the focus away from communities -- where these decisions should be made -- to the national level. That could have severely undermined or threatened local programs that are currently in place, and hindered additional communities from deciding to put these programs into place. At the same time, such federal action could send an inappropriate message about the acceptability of drug use -- a message that is not sent when an individual community decides, on the basis of its unique circumstances, that a particular, carefully designed needle exchange program advances public health interests. For these reasons, the Administration concluded that it should simply give the scientific guidance that is necessary for communities to make their own decisions, rather than federalize the needle exchange issue.

Background:

Congress gave the Secretary of Health and Human Services the responsibility to make two determinations: whether the scientific research findings conclude that needle exchange programs reduce HIV transmission and whether they increase drug use. In 1997, the Secretary made a determination that needle exchange

programs do reduce the transmission of HIV. Yesterday, the Secretary held a meeting with her senior scientific advisors, including Nobel Laureate and head of the National Institutes of Health, Dr. Harold Varmus. These scientists agreed that the science-based standards have been met with regard to drug use as well.

Q: Isn't it hypocritical to say that needle exchange saves lives, but that the federal government will not pay for needle exchange programs?

A: No. In making her announcement yesterday, the Secretary informed local communities that under certain conditions, needle exchange programs can reduce HIV transmission and not encourage drug use. The decision as to whether to adopt such programs is up to these communities, based on their own unique circumstances. The Administration did not want to imperil local decision making by bringing needle exchange up to the national level. Neither did the Administration want to take the risk that federalizing needle exchange would send a mixed message about drug use.

Q: Won't this send a message to young people that drugs -- especially injectable drugs like heroin -- are ok?

A: Absolutely not. Injectable drug use is illegal, unhealthy and wrong. It is clearly a major health problem as well as a significant law enforcement concern. That is why this Administration has consistently sent a unified message to all Americans, particularly young people: Drugs put your future at risk; they can kill you; and they can infect you with HIV. And that is part of the reason why the Administration will not release federal funding for needle exchange. National action could send a mixed message on drug use that individual local actions, based on and responding to particular circumstances, will not.

Of course, this Administration has an extremely strong record on fighting drugs. We have increased the availability of drug treatment. We have worked in partnership with communities to fight drugs in and around schools. We have worked with state and local governments to put 100,000 more police officers on the streets, and we have doubled the number of border guards. We will continue to fight drug use in this country and to offer drug treatment to those who are addicted so that they stop using drugs.

Q: Wasn't the decision not to federally fund needle exchange programs based on political considerations?

A: The decision was based on a belief that communities should decide for themselves whether to adopt needle exchange programs, based on their own local

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circumstances and the best scientific evidence possible. We did fear that federalizing needle exchange would imperil such local decision making, by igniting a congressional battle on the subject. To that extent, the Administration's decision took into account political realities. But first and foremost, the decision resulted from a commitment to real, locally-based decision making on this subject.

Q: Isn't the Administration decision essentially an attempt to reach a compromise that both Secretary Shalala and General McCaffrey can sign on to?

A: No. Of course both the General and the Secretary support the Administration's decision. But that decision was a result of (1) scientific evidence about needle exchange and (2) a belief that needle exchange should be a local, community-based decision.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	from Diana Fortuna to Elena Kagan cc Laura Emmett subject Favor (1 page)	04/21/1998	P6/b(6)

COLLECTION:

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

FOLDER TITLE:

[04/21/1998-04/22/1998]

2009-1006-F
kc147

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Todd A. Summers (CN=Todd A. Summers/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 21-APR-1998 18:33:06.00

SUBJECT:

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:

Here's a draft of the memo to Erskine asking him to call Scott. Sandy asked that I run it by you before taking it over. Let me know if you have comments/suggestions!

Todd

MEMORANDUM FOR ERSKINE BOWLES

From: Sandra L. Thurman
Director, Office of National AIDS Policy
(202) 632-1090

Date:

Re: Recommended Call to Dr. Scott Hitt

A meeting was held earlier this afternoon with Bruce Reed, Elena Kagan, Chris Jennings, Maria Echaveste, and others to discuss some actions in response to community concerns about needle exchange. Part of the strategy developed was for a series of phone calls to be made to key constituencies to discuss the Administration's decision.

We would appreciate it if you would call Dr. Scott Hitt, Chair of the President's Advisory Council on HIV/AIDS. Dr. Hitt has been publicly critical of the decision (see attached). We believe the message to Dr. Hitt should be as follows:

1. The scientific determination made by the Secretary was an extremely important step in gaining local approval for needle exchange programs.
2. In the final days before the announcement by the Secretary, it became increasingly clear to us that a decision to provide funding would have cost us support on other key AIDS programs and was not likely to survive threatened Congressional attempts to make the funding ban permanent.
3. We are going to look at some of the other ways in which the Administration can be more supportive of local folks making decisions around needle exchange. We are also going to see what we can do to ratchet up our efforts on drug treatment.

If you would like to discuss any of these further, please don't hesitate to contact me.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. email	Phone No. (Partial) (1 page)	04/21/1998	P6/b(6)

COLLECTION:

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

FOLDER TITLE:

[04/21/1998-04/22/1998]

2009-1006-F
kc147

RESTRICTION CODES

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

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

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
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b(1) National security classified information [(b)(1) of the FOIA]
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b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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

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

RR. Document will be reviewed upon request.

[002]

Mr. Hitt can be reached tomorrow at the following numbers:

Name:

P6/(b)(6)

Pager:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:21-APR-1998 18:35:50.00

SUBJECT: Re: local govts.tobacco

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: Cynthia Dailard (CN=Cynthia Dailard/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

I met with NaCo and with Louise Renne to discuss (Cutler wasn't there, but one of her staff was).

I must say I am sympathetic -- the McCain bill, like the settlement, would wipe out local lawsuits without provising compensation to local governments, and would preempt local lawsuits in the future. However, as you know, we have other priorities.

I've asked DOJ for their advice -- at first blush, they seem to think it's somewhat unfair, but they are going to get back to me.

Bruce N. Reed

04/21/98 04:45:25 PM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP, Cynthia Dailard/OPD/EOP

cc:

Subject: local govts.tobacco

we have to figure out where we are on this

----- Forwarded by Bruce N. Reed/OPD/EOP on 04/21/98

04:47 PM -----

Lynn G. Cutler

04/21/98 09:37:52 AM

Record Type: Record

To: Peter G. Jacoby/WHO/EOP

cc: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Mickey Ibarra/WHO/EOP

Subject: local govts.tobacco

The problem you describe that is raised by Sen. Feinstein that the McCain bill eliminates the right of local governments to sue the tobacco companies . is is a very big deal for several cities. In fact, San Francisco had sued RJR long before the AG's did. I've asked Mickey to

help relay to Bruce and Elena the scope of the problem so that Erskine might be able to raise it with McCain today.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:21-APR-1998 19:36:03.00

SUBJECT: H1B meeting with Members

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,
Peter is setting up a meeting between himself, you, Sally and Representatives Lamar Smith, Mel Watt and Zoe Lofgren to discuss what the Administration wants to be included in H1B visa legislation. They are not interested in getting specific language from us; rather, they want our positions on (1) size and duration of the increase in the cap; (2) training; (3) H1B reforms; and (4) the application fee. This meeting will likely take place on Thursday. Once the date/time is firm, Peter will call Laura to coordinate with your schedule.

As you know, our objective is to get strong reform language in the House bill. With the exception of the Department of Commerce, all of the agencies have agreed on both recruit & retain and no lay-off language. In general, Commerce is uncomfortable with too much discretion being given to the Secretary of Labor to "second-guess" the recruitment and the lay-off decisions of employers. We are working with Labor and Commerce on a compromise.

Attached is a version of where we are with the language as of today. As you will see, we include a proposal for a new visa category that applies only to very highly skilled science, engineering and math grads. All agreed that this is an alternative that we could present. I will update you on the rest as we go. Thanks.

Julie

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D77]MAIL44090801V.126 to ASCII,
The following is a HEX DUMP:

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35AABE4B386F31956A6FC4FC0FB7413C1D0D77C995AABFBE0C9CBC2A41D2391560F28E367C8AE6
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April 20, 1998

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**Administration Position Regarding H-1B Legislation
(based on DPC/NEC Deputies Meeting, April 17, 1998)**

The Administration has committed to pursuing both reforms to the H-1B visa program and increased training opportunities for U.S. workers as part of any legislation that would temporarily raise the annual cap on H-1B visas. The following represents the Administration's position on major reforms and training initiatives (with the Department of Commerce dissenting on Sections I and II).

I. Recruitment of United States Workers Prior to Seeking Nonimmigrant Workers

(a) IN GENERAL -- Section 212(n)(1) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(1)) is amended by inserting at the end the following new subparagraph:

(E)(i) The employer, prior to filing the application, has taken timely and significant steps to recruit and retain sufficient U.S. workers in the specialty occupation in which the non-immigrant whose services are being sought will be employed. Such steps shall include good faith recruitment in the United States using procedures that are standard practice within the industry (e.g., wide-spread advertising of all job openings (such as through America's Job Bank, the Internet, general circulation publications, professional journals and magazines, or job fairs), or providing meaningful monetary incentives (such as paying above the prevailing wage or paying bonuses and training subsidies not included in the base compensation package)), and offering compensation as required by subparagraph (A) and such good faith recruitment must be unsuccessful.

(ii) The recruitment requirements of this subparagraph shall not apply to aliens with extraordinary ability, aliens who are outstanding professors and researchers, and certain multinational executives and managers described in section 203(b)(1). The recruitment requirements of this subparagraph shall also not apply to a scientist, mathematician, or engineer who has attained at least a master's degree or its equivalent in a scientific discipline, and who is coming temporarily to the United States to participate in a cooperative joint scientific activity carried out under an Agreement between the Federal Government and the alien's Government.

(b) WAGE COMPARABILITY -- Section 212(n)(1)(A)(I) of such Act is amended by inserting "(including the value of benefits and additional compensation)" after "wages." Section 212(n)(1)(A)(I)(I) is amended by inserting "(including the value of benefits and additional compensation)" after "actual wage level."

II. Non-displacement of United States Workers

Section 212(n) of the Immigration and Nationality Act (8 U.S.C. 1182(n)), as amended by section 5, is amended by adding at the end the following new paragraph:

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(4)(A) The employer --

(I) has not, within the 6-month period prior to the filing of the application, laid off or otherwise displaced any United States worker (as defined in subparagraph (B)), including a worker obtained by contract, employee leasing, temporary help agreement, or other similar basis, who has substantially equivalent qualifications and experience [**CHECK with BILL M.**] in the specialty occupation in which the nonimmigrant is intended to be (or is) employed; and

(ii) will not lay off or otherwise knowingly displace, during the 90-day period following the filing of the application, or during the 90-day period immediately preceding and following the filing of any visa petition supported by the application, any United States worker, including any worker obtained by contract, employee leasing, temporary help agreement, or other similar basis who has substantially equivalent qualifications and experience in the specialty occupation in which the nonimmigrant is intended to be (or is) employed.

(B) For purposes of this subsection, the term "United States worker" means --

- (I) a citizen or national of the United States
- (ii) an alien lawfully admitted to the United States for permanent residence; or
- (iii) an alien authorized to be employed by this Act or by the Attorney General.

(C) For purposes of this subparagraph, the term "laid off," with respect to an employee, means the employee's loss of employment, other than a discharge for cause or a voluntary departure or voluntary retirement. The term "laid off" does not apply to any case in which employment is relocated to a different geographic area and the affected employee is offered a chance to move to the new location with the same wages and benefits, but elects not to move to the new location.

(D) If during the six month period prior to filing an application for an H-1B worker an employer of more than 100 U.S. employees lays-off more than 10% of its U.S. workforce or 500 people (whichever is fewer), the employer will not be eligible to apply for H-1B workers unless it demonstrates to the Department of Labor that it is not seeking employees through the H-1B program in the same specialty occupation(s) as those U.S. workers laid-off.

III. Job Contractors

In the case of an employer that is a job contractor (within the meaning of regulations promulgated by the Secretary of Labor to carry out this subsection), the contractor will not place any H-1B employee with another employer unless such other employer has executed an attestation that the employer is complying and will continue to comply with the requirements of this paragraph in the same manner as they apply to the job contractor.

IV. Enforcement

- (a) **Independent Authority to Investigate**
Section 212(n) of the Immigration and Nationality Act (8 U.S.C. 1182(n)) is amended

(1) in paragraph (2)(A), by striking the first sentence and inserting the following: “The Secretary shall conduct an investigation where there is reasonable cause to believe that an employer has made a misrepresentation of a material fact on a labor condition attestation or has failed to comply with the terms and conditions of an application submitted under paragraph (1) or with the provisions of this section or any rule or regulation pertaining to this section. The Secretary shall establish a process for the receipt, investigation, and disposition of complaints or other cases of noncompliance with this section.”

(2) in paragraph (2)(C), by inserting “or that the employer failed to cooperate in the conduct of the Secretary’s investigation or has intimidated, discharged, or otherwise discriminated against any person because that person has asserted a right or has cooperated in an investigation under this paragraph” after “a material fact in an application.”

(b) Subpoena Authority

(5) in paragraph (2), by adding at the end the following new subparagraph:

“(E) The Secretary may issue subpoenas requiring the attendance and testimony of witnesses or the production of any records, books, papers, or documents in connection with any investigation or hearing, conducted under this paragraph. In conducting a hearing, the Secretary may administer oaths, examine witnesses, and receive evidence. For the purpose of any hearing or investigation provided for in this paragraph, the authority contained in sections 9 and 10 of the Federal Trade Commission Act (15 U.S.C. 49 and 50), relating to the attendance of witnesses and the production of books, papers, and documents, shall apply.”

V. Application Fee

“(3)(A) The Secretary of Labor shall require payment of a fee by the employer for each position for which an application is filed under this subsection. The fee shall be in an amount prescribed by the Secretary of Labor, and shall be paid to the Department of Labor.

“(ii) During the period ending September 30, 2001, such a fee shall not exceed \$250 for each position.”

“(v) It shall be unlawful for an employer to require, as a condition of employment by such employer, that the fee prescribed under this paragraph or any part of the fee, be paid directly or indirectly by the alien whose services are being sought.”

VI. Training

The Administration strongly supports the creation of Regional Skills Alliances and expansion of the National Science Foundation (NSF)'s advanced technical education programs. The Administration does not support providing scholarships or loans to individuals, including the expansion of the State Student Incentive Grant (SSIG) program.

VII. New Visa Category Proposal

A new program (H-1C) that creates temporary visas for use only by non-immigrants with very high skill levels. In particular:

- **The program would be authorized for four years beginning in FY1998.**
- **There would be a maximum of 25,000 visas for FY1998, FY1999, and FY2000, and a maximum of 15,000 visas for FY2001.**
- **Only employers whose number of H-1B and "H-1C" employees in the prior year constitutes no greater than one-half of their U.S. based workforce are eligible to apply.**
- **Only individuals with a minimum of a master's degree (or equivalent) in math, science, or engineering are eligible for an H-1C visa.**
- **Requires a \$500 fee for each position for which an application is filed for training, enforcement, and administration of the program.**
- **The "H-1C" visas would be issued a 3-year period, renewable for an additional 3 years.**
- **All of the requirements of the "H-1C" visa program would be the same as would exist under the reformed H-1B program.**

**Crime Meeting Agenda
April 22, 1998**

Automated Records Management System
Hex-Dump Conversion

Pending Events

- * Juvenile violence roundtable Friday, April 24
 - Release gun-free schools report?
 - Participants -- Rubin invite
 - Press

Legislative Update

- * Juvenile crime
- * Status on victims rights amendment hearing
- * Gingrich drug strategy April 30th
- * Child Protection and Sex Predator Act - House subcommittee hearing April 23

Other Potential Events

- * COPS pilot waiver announcement -- \$75,000 cap will not be lifted.
- * April 25th radio address on prisoner benefits fraud (tentative)
 - Possible victims photo op
- * VP crime technology event -- possibly mid-May (police week)
- * Drug courts speech June 4th -- possible release of CASA Report

Miscellaneous/ Pending Items

- * Any other pending events/releases -- DOJ Reports
- * May 25 -- Missing Children's Day
- * Peace Officers Memorial May 15 -- VP -- need announcement

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 21-APR-1998 20:47:46.00

SUBJECT: WEEKLY PIR/WH COORDINATING COMMITTEE MEETING

TO: Katherine D. Sheckells (CN=Katherine D. Sheckells/OU=PIR/O=EOP @ EOP [PIR])
READ: UNKNOWN

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

TO: Miriam H. Vogel (CN=Miriam H. Vogel/OU=WHO/O=EOP @ EOP [WHO])
READ: UNKNOWN

TO: Michele Cavataio (CN=Michele Cavataio/OU=PIR/O=EOP @ EOP [PIR])
READ: UNKNOWN

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

TO: Maurice Daniel (CN=Maurice Daniel/O=OVP @ OVP [UNKNOWN])
READ: UNKNOWN

TO: Audrey M. Hutchinson (CN=Audrey M. Hutchinson/OU=PIR/O=EOP @ EOP [PIR])
READ: UNKNOWN

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

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

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

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

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

TO: Lin Liu (CN=Lin Liu/OU=PIR/O=EOP @ EOP [PIR])
READ: UNKNOWN

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

TO: Michael J. Sorrell (CN=Michael J. Sorrell/OU=PIR/O=EOP @ EOP [PIR])
READ: UNKNOWN

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

TO: Tamara Monosoff (CN=Tamara Monosoff/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

TO: Lydia Sermons (CN=Lydia Sermons/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

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

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

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

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

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

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

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

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

TO: Judith A. Winston (CN=Judith A. Winston/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

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

READ:UNKNOWN

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

TEXT:

I am extremely sorry for the short notice, but due to the PIR Housing event on Thursday, we will hold our weekly PIR/WH coordinating meeting on tomorrow (Wednesday, April 22nd at 3:00 p.m. in room 180) YOUR ATTENDANCE OR A REPRESENTATIVE IS IMPORTANT...THANKS FOR YOUR UNDERSTANDING! The meeting should be short.

AGENDA:

HUD/PIR ROUNDTABLE DISCUSSION ON FAIR HOUSING OVERVIEW

STATUS REPORT ON STATEWIDE DAYS OF DIALOGUE

STATUS REPORT ON LEADERS OUTREACH PROGRAM

UPCOMING EVENTS/WHITE HOUSE REPORTS

THANKS ONCE AGAIN!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:21-APR-1998 20:41:05.00

SUBJECT: Monday's Tobacco 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: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

The decision was made to have the Tobacco Event behind the First Lady's Sculpture Garden, where a Native American exhibit is currently displayed, at 1:30pm on Monday. Shalala has to get on a plane at 2pm, but hopefully she can make it. If so, the speaking order is: VP
->Shalala->Satcher->POTUS. Satcher will physically hand the President the report. The audience will include: health groups, anti-smoking advocacy groups, kids from the Campaign for Tobacco Free Kids (seated so they are in the picture either on stage or on risers next to the stage) and Members of Congress. While Leg. Affairs was not at the meeting, the assumption was that the minority caucuses would be invited. Please let us know if you have any concerns with this. The event will be open press. The audience will total about 100 people, and it will definitely be multi-racial.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-APR-1998 08:21:25.00

SUBJECT: Survey: Higher Education Meeting

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

TO: Scott R. Palmer (CN=Scott R. Palmer/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

CC: Mindy E. Myers (CN=Mindy E. Myers/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

CC: edley (edley @ law.harvard.edu@INET@LNCTWY [UNKNOWN])
READ:UNKNOWN

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

READ:UNKNOWN

CC: Ora Theard (CN=Ora Theard/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Miriam H. Vogel (CN=Miriam H. Vogel/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Can you let me know which is better for you: TODAY at 4:00pm OR tomorrow (Thursday) at 9:00am.

Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Donna L. Geisbert (CN=Donna L. Geisbert/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:22-APR-1998 08:22:21.00

SUBJECT: Weekly Tobacco Strategy Meeting

TO: DAILARD_C (DAILARD_C @ A1 @ CD @ VAXGTWY [UNKNOWN]) (OPD)
READ:UNKNOWN

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

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

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

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

TO: Jeanne Lambrew (CN=Jeanne Lambrew/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: MARR_C (MARR_C @ A1 @ CD @ VAXGTWY [UNKNOWN]) (OPD)
READ:UNKNOWN

TO: Charles F. Stone (CN=Charles F. Stone/OU=CEA/O=EOP @ EOP [CEA])
READ:UNKNOWN

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

TO: Sherman G. Boone (CN=Sherman G. Boone/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

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

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

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

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

READ:UNKNOWN

CC: MURRAY_MM (MURRAY_MM @ A1 @ CD @ VAXGTWY [UNKNOWN]) (WHO)
READ:UNKNOWN

CC: Satish Narayanan (CN=Satish Narayanan/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

CC: Dan J. Taylor (CN=Dan J. Taylor/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

CC: haverkamp_jennifer (haverkamp_jennifer @ ustr.gov @ INET @ VAXGTWY [UNKNOWN]
READ:UNKNOWN

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

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

TEXT:

We will be having the Weekly Tobacco Strategy Meeting tomorrow, April 23,
at 2:45 in Room 211, OEOB.

Q&As on Senator Kennedy's Legislation

Q: What is your reaction to Senator Kennedy's employer mandate legislation that he is unveiling today?

A: First of all, we commend Senator Kennedy for his longstanding commitment to providing Americans access to affordable, quality health coverage. He has provided absolutely essential leadership on important health care achievements, including the Kennedy-Kassebaum and children's health laws. We look forward to continuing to work with Senator Kennedy and others on both sides of the aisle in improving our health care system. However, our primary focus this year is and must be on passing comprehensive tobacco legislation, a patients' bill of rights, and new options for Americans ages 55 to 65 to buy into Medicare.

Q: It sounds you are not supporting Senator Kennedy's proposed employer mandate. Is that accurate?

A: This year our health care priorities are passing comprehensive tobacco legislation, a patients' bill of rights, as well as new options to for Americans ages 55 to 65 to buy into Medicare. We are working with closely Senator Kennedy, the Democratic Leadership, and many Republicans on this passing this agenda this year.

Q: By taking this position are you implicitly or explicitly rejecting an employer mandate for expanding coverage?

A: We are not implicitly or explicit opposing any proposal that could expand access to affordable quality health care for Americans. Once again, however, our priorities for this year are passing comprehensive tobacco legislation, a patients' bill of rights, and new health insurance options for Americans ages 55 to 65. Pursuing Senator Kennedy's legislation this year has the potential to allow others to distract attention from our other health care priorities that have a much more realistic chance of passing the Congress.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-APR-1998 09:47:33.00

SUBJECT: Decision: Higher Education Meeting

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

TO: Scott R. Palmer (CN=Scott R. Palmer/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

CC: mbyrne (mbyrne @ law.harvard.edu@INET@LNGTWY [UNKNOWN])
READ:UNKNOWN

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

CC: Mindy E. Myers (CN=Mindy E. Myers/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

CC: edley (edley @ law.harvard.edu @ INET @ LNGTWY [UNKNOWN])

READ:UNKNOWN

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

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

CC: Miriam H. Vogel (CN=Miriam H. Vogel/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

The Higher Education Meeting will be TODAY at 4pm in the Roosevelt
room.

Christopher: If you want to be connected by phone please let me know.

Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-APR-1998 09:50:43.00

SUBJECT: Tobacco Documents

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

TO: JONATHAN.GRUBER (JONATHAN.GRUBER @ MS01.DO.treas.sprint.com @ inet [UNKNOWN])
READ:UNKNOWN

TO: johara (johara @ osophs.dhhs.gov @ inet [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

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: William H. White Jr. (CN=William H. White Jr./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: kburkel (kburkel @ os.dhhs.gov @ inet [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

READ:UNKNOWN

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

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

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

TEXT:

Wednesday April 22 7:38 AM EDT

Congressman to Release Tobacco Documents Today

By Caren Bohan

WASHINGTON (Reuters) -

In a separate tobacco-related development, House Commerce Committee
Chairman
Thomas Bliley
said that at 10 a.m. EDT Wednesday he will release some 39,000 tobacco
documents that the
companies fought to keep secret. They will be made public on the Committee'
s
Internet web site at
<http://www.house.gov/commerce>.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-APR-1998 10:14:25.00

SUBJECT: H1-B Meeting with Representatives Lamar Smith, Mel Watt and Zoe Lofgren

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Cecilia E. Rouse (CN=Cecilia E. Rouse/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Sally Katzen (CN=Sally Katzen/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

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

READ:UNKNOWN

CC: Shannon Mason (CN=Shannon Mason/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Congressman Smith has requested our presence at a meeting with Mel Watt and Zoe Lofgren to discuss draft H1-B legislation that he plans to introduce within the next several weeks. The meeting has now been scheduled for 4:30 pm on Thursday 4/22 in room 2231 RHOB. I would suggest that we meet for a pre-meeting to discuss our strategy prior to going up to the Hill meeting. I would also suggest that we include the appropriate person/expert from DOL in both meetings. Please let me know if you have any questions or concerns. Peter

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-APR-1998 10:45:40.00

SUBJECT: CA MESSAGE EVENTS

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

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

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

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

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

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

TEXT:

There are currently no good options for CA Message Events, and Scheduling/Communications would like for us to come up w/ at least one. POTUS will be in the Palo Alto area (not San Fran) on Friday, May 1, and he'll be in LA on Monday, May 4. They would like us to explore:

1. Tobacco Event for Monday in LA.
2. 21st Century Learning Program event in Palo Alto.

The Palo Alto event could have a tough time breaking through b/c of the timing, and therefore the news threshold isn't as high. If we have any good message suggestions, we should recommend them for LA.

Q&A on Tobacco
April 22, 1998

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Q. What do you think of the House Republican proposal to link drugs and tobacco in a single bill?

A. There is no question that we should be tough on drugs. But that is no excuse not to be tough on youth smoking. We need to pass strong, comprehensive tobacco legislation this year which raises the pack of cigarettes to \$1.10 over five years, imposes tough penalties on companies which fail to reduce youth smoking, grants the FDA full authority over tobacco, restricts advertising and marketing to kids, and provides assistance to farmers. The McCain bill which passed the Senate Commerce Committee by a 19-1 vote three weeks ago is a strong step in that direction. If Republicans want to add anti-drug provisions to a comprehensive tobacco bill which addresses all of the President's five priorities, then we will take a look at it.

Q: What exactly is the President's strategy on drugs?

A. This past February President Clinton released the 1998 National Drug Control Strategy, a comprehensive ten-year plan to reduce drug use and availability by 50% --to a historic new low. The strategy is backed by a \$17 billion anti-drug budget, the largest ever presented to Congress, with a \$1.1 billion increase over last year's budget.

While the strategy incorporates specific goals and objectives in the areas of drug treatment and prevention, domestic law enforcement, interdiction, and international programs, its number one goal is to educate and enable our youth to reject illegal drugs as well as alcohol and tobacco. That is why the largest budget increases (15% over last year's funding levels) are targeted for this purpose.

Key initiatives in this year's drug strategy include:

Protecting Kids:

- **\$195 Million National Youth Anti-Drug Media Campaign to make sure that when kids turn on the television or surf the "net," they learn about the dangers of drugs.**
- **\$50 Million for School Drug Prevention Coordinators to improve and expand the Safe and Drug-Free Schools program by hiring more than 1,000 new prevention professionals to work with thousands of schools in preventing drug use.**

Strengthening Our Borders:

- **\$163 Million for Border Patrol to hire 1,000 new Border Patrol officers and for "force multiplying" technology.**
- **\$54 Million for Advanced Technology for the Customs Service to deploy**

advanced technologies, such as X-ray systems and remote video surveillance.
• **\$75.4 Million to Support Interdiction Efforts in the Andean region and Caribbean, and to train Mexican counterdrug forces.**

Strengthening Law Enforcement:

• **\$38 Million to Crack Down on Methamphetamine and Heroin by hiring 100 new DEA agents, expanding the Administration's anti-methamphetamine initiative, and targeting heroin traffickers.**

Breaking the Cycle of Drugs and Crime:

• **\$85 Million to Promote Coerced Abstinence to help state and local governments implement drug testing, treatment, and graduated sanctions for drug offenders.**

Reducing the Supply of Drugs and Enhancing Multinational Cooperation:

• **\$45 Million for International Programs for the Department of State to support nations involved in interdiction and counterdrug law enforcement.**

Closing the Treatment Gap:

• **\$200 Million Increase for Substance Abuse Block Grants to help states close the treatment gap.**

Q: Are you concerned about the information reported in today's New York Times that young African Americans are smoking more to enhance the high from marijuana?

A: This Administration has long recognized that cigarettes, alcohol and illegal drugs all pose a serious and common threat to our youth. Studies have shown that kids who make it to their 21st birthday without having smoked a cigarette, taken a drink or turned to drugs are almost certain to avoid chemical dependency throughout their lives. That is why our goal must be to keep teenagers from having that first drink, trying a cigarette or experimenting with illegal drugs before they are old enough to know better and to realize the consequences of their decisions.

There is no question that we should be tough on drugs. But that is no excuse not to be tough on youth smoking. We are greatly concerned by new data released earlier this month showing smoking among African American youth has increased by 80 percent over the last six years. We need to do everything we can to reverse this trend. As the The New York Times article points out, advertising and other media messages have a great impact on young people. The researcher interviewed in the article, Dr. Robin Mermelstein of the University of Illinois, said advertising has a strong influence on youth behavior. This is reinforced by the facts, discussed in the article, that minority youth tend to smoke Kool and Newport, brands advertised with minority images, while white youth smoke Marlboro and Camel, whose ads feature white characters.

These facts underscore why we need comprehensive legislation to stop young Americans

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from smoking before they start, by raising the price of cigarettes, putting into place tough restrictions on advertising and access, imposing penalties on the industry if it continues to sell cigarettes to children, and ensuring that the FDA has authority to regulate tobacco products.