

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 030 - FOLDER -002

[05/15/1998 - 05/18/1998]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-MAY-1998 14:33:51.00

SUBJECT: Draft FBI Statement

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

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

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

TEXT:

A little flat, but I welcome any comments, suggestions...jc3

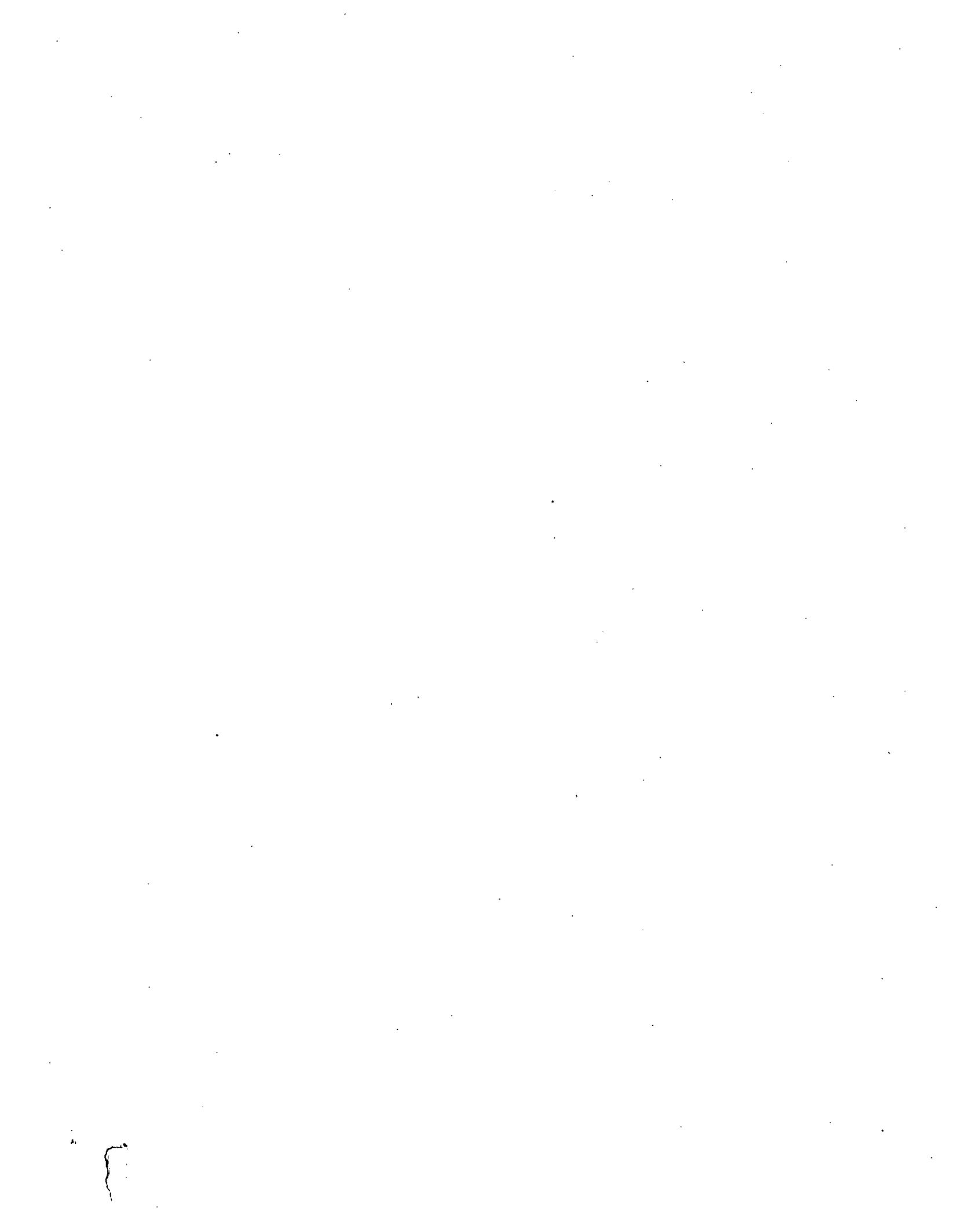
===== ATTACHMENT 1 =====

ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D39]MAIL40549643E.126 to ASCII,
The following is a HEX DUMP:

FF575043B0040000010A0201000000020500000003F0900000002000000613133B8925019435ED09
8FEE8221FE0AD6FA2EBCD948E85C5E9630B3BADB2DBC6F1488EBA2012A1EF82DC15AEA6D4C1DA
28829DF256F2E743D9A3FA0E83B65F0EC058C0C9A5884A6A8A5EDA7B74AD26EBF3652870B96E19
19341F3ED48BBA653BEA857CC583FAF440E0BF1FC329BE34B3CA5739BE7F4E3A5CCD71C518F226
771BE7F0A5F5ED99BC04D552528CB5B882E1D928495186D217A47AF1706D44F2674FA5BF1F26D9
27F6678A5875939578D98C3FB834EB9C2359CFD2DE110CF11D56A4F4C6462F375E2696D8C20A82
0F22262F2731C661EAEF83D8B70E85BB1330D3106CFE0C75018D9AEA7FF21495E1D85CDBD7221E
D5F46F122FAE7221458CA4A1217F185987FE39BB4BD233D552A9335805CA3B68FF6E514542DD54
0FBA41492FE8C08A61F92C9D4B42E913149E43B43F9275B9007DC17A41AD035E54F27CD449F737
13049EF2E52CC795702F6F47A24704591A2828B4B6563CF47740E505AA3BC3647A3FE572D6CD65
E4CD3D2FB3C35E2D4FCC84875560A2CE595A9AE23A8888DA746E3D29C2C768F0271FAA5094C351
2E2C5EF9ADC23C7FB7C879ECA7EA689DA490B83B222DD8898DE164B585DD7A2ED89EF6FA1E9B37
72FB31B39C01D51522FB142B090664AD9B81FD43BE1071BA52E60501B7F3F4AEC3411E86D8E587
5F7D03C29102000A0000000000000000000000000823010000000B0100008C020000005501000000
4E0000009703000009250100000006000000E50300000B300200000028000000EB030000081601
000000320000001304000008770100000040000000450400000834010000001400000085040000
0802010000000F0000009904000008050100000008000000A80400000984C006F00630061006C
0020005000720069006E00740065007200
00
C800C8002C012C012C012C01C800C8003000
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0B01008B143600540069006D006500730020004E0065007700200052006F006D0061006E002000
52006500670075006C0061007200
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4F00470053005C00570050005C005300540041004E0044004100520044002E0057005000540000
000A000000B60102000200B70101004500B80102000200B90101004500BA0101000200BB010100
4400BC0101004500BD0101000200BE0101004500BF010C006581F7AA6422000000000050010000



D R A F T

**Statement by the President
(Embargoed until 6:00 pm, Sunday, May 17, 1998)**

Today's announcement by the Justice Department that crime has fallen for the sixth year in a row is great news for the American people. Since 1993, violent crimes have dropped by nearly 20%, and murders are down by a remarkable 30%. These results show that our strategy of giving communities the resources they need for more police, tougher punishments and better prevention is working. But too many of our children are either killing or being killed because of the deadly mix of gangs, guns and drugs that remains a serious problem in America today. And we cannot let up in our fight against crime and violence until that changes.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-MAY-1998 21:23:29.00

SUBJECT: Re: Tobacco Event

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

READ:UNKNOWN

TEXT:

Why is McCaffrey speaking?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Kate P. Donovan (CN=Kate P. Donovan/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:15-MAY-1998 19:27:33.00

SUBJECT: OMB Legislative Report -- May 15, 1998

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

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

TO: Gina C. Mooers (CN=Gina C. Mooers/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

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

TO: Ronald L. Silberman (CN=Ronald L. Silberman/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

TO: Donald R. Arbuckle (CN=Donald R. Arbuckle/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

TO: BENDICK_G@A1@CD@LNGTWY (BENDICK_G@A1@CD@LNGTWY [UNKNOWN]) (NSC)
READ:UNKNOWN

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

TO: Stephen G. Elmore (CN=Stephen G. Elmore/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

TO: Kenneth L. Schwartz (CN=Kenneth L. Schwartz/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Melissa N. Benton (CN=Melissa N. Benton/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: Mathew C. Blum (CN=Mathew C. Blum/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

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

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

TO: Francis S. Redburn (CN=Francis S. Redburn/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

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

TO: Larry R. Matlack (CN=Larry R. Matlack/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Gary L. Bennethum (CN=Gary L. Bennethum/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Rodney G. Bent (CN=Rodney G. Bent/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Steven D. Aitken (CN=Steven D. Aitken/OU=OMB/O=EOP@E [OMB])
READ:UNKNOWN

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

TO: Toni S. Hustead (CN=Toni S. Hustead/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

TO: Justine F. Rodriguez (CN=Justine F. Rodriguez/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: OLIVER_A@A1 (OLIVER_A@A1 @ CD @ LNGTWY [UNKNOWN]) (OMB)
READ:UNKNOWN

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

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

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

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

TO: Robert S. Fairweather (CN=Robert S. Fairweather/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

TO: Janet Himler (CN=Janet Himler/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TO: T J. Glauthier (CN=T J. Glauthier/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

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

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

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

TO: RUDMAN_M@A1@CD@VAXGTWY (RUDMAN_M@A1@CD@VAXGTWY [UNKNOWN]) (NSC)
READ:UNKNOWN

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

TO: Judy Jablow (CN=Judy Jablow/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

TO: Sean E. O'Connor (CN=Sean E. O'Connor/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: Eric R. Anderson (CN=Eric R. Anderson/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Wesley P. Warren (CN=Wesley P. Warren/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

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

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

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

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

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

TO: Ronald K. Peterson (CN=Ronald K. Peterson/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Carol Thompson-Cole (CN=Carol Thompson-Cole/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Janie L. Jeffers (CN=Janie L. Jeffers/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Steven L. Schooner (CN=Steven L. Schooner/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

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

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

TO: Harry G. Meyers (CN=Harry G. Meyers/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Bruce K. Sasser (CN=Bruce K. Sasser/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: David H. Morrison (CN=David H. Morrison/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: Eugene M. Ebner (CN=Eugene M. Ebner/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

TO: HOGAN_L@A1 (HOGAN_L@A1 @ CD @ LNWTY [UNKNOWN]) (OPD)

READ:UNKNOWN

TO: Mary Jo Siclari (CN=Mary Jo Siclari/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

TO: ABRAMSON_K@A1 (ABRAMSON_K@A1 @ CD @ LNWTY [UNKNOWN])

READ:UNKNOWN

TO: Kate P. Donovan (CN=Kate P. Donovan/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

TO: Mark A. Weatherly (CN=Mark A. Weatherly/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: Janet E. Irwin (CN=Janet E. Irwin/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: Melinda D. Haskins (CN=Melinda D. Haskins/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Shelley N. Fidler (CN=Shelley N. Fidler/OU=CEQ/O=EOP@EOP [CEQ])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Philip R. Dame (CN=Philip R. Dame/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

TO: BROWN_JA@A1 (BROWN_JA@A1 @ CD @ LNWTWY [UNKNOWN]) (OMB)
READ:UNKNOWN

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

TO: Janet R. Forsgren (CN=Janet R. Forsgren/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: Bruce W. McConnell (CN=Bruce W. McConnell/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: Alicia K. Kolaian (CN=Alicia K. Kolaian/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: Richard P. Emery Jr. (CN=Richard P. Emery Jr./OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

TO: Janet L. Graves (CN=Janet L. Graves/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

TO: Robert G. Damus (CN=Robert G. Damus/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TEXT:

TO: DIRECTOR FRANK RAINES
DEPUTY DIRECTOR JACK LEW
DEP. DIRECTOR FOR MANAGEMENT ED DESEVE
EXECUTIVE ASSOCIATE DIRECTOR JOSH GOTBAUM

FROM: OMB LEGISLATIVE AFFAIRS

DATE: MAY 15, 1998

SUBJECT: LEGISLATIVE REPORT

Budget Resolution: Kasich plans to markup the budget resolution on Wednesday (5/20).

ISTEA: On Monday (5/18), House-Senate conferees are scheduled to meet at 2pm. In expectation of closure, the House Republican leadership has tentatively scheduled floor action for later in the week.

CONGRESS -- TODAY (5/15):

SENATE:

Adopted (UC) H.R. 3565 - Care for Police Survivors Act of 1998

Adopted (UC) S. 1525 - Public Safety Officers Educational Assistance Act of 1998

Adopted (UC) House amendments to S. 1605 - Bulletproof Vest Partnership Act of 1998

HOUSE:

Not in session

CONGRESS -- NEXT WEEK

SENATE:

Monday, May 18

Convene at 11:00am for morning business. At noon, turn to the consideration of

S. 1723 - American Competitiveness Act (votes will be stacked to occur after 5:30pm).

[SAP sent, 5/11: Sec. of Labor veto recommendation]

Begin consideration of S. 1415 - National Tobacco Policy and Youth Smoking Reduction Act (the previous cloture vote scheduled has been vitiated.)

[POTUS letter under development]

Tuesday, May 19 & the Balance of the Week:

Continue consideration of S. 1415 - National Tobacco Policy and Youth Smoking Reduction Act. [POTUS letter under development]

Continue consideration of S. 2060 - DOD Authorization Bill.

[SAP sent, 5/14: Administration has serious concerns and senior advisers veto recommendation if an amendment related to leaving Bosnia by a date certain is approved]

H.R. 2709 - Iran Missile Proliferation Sanctions Act of 1997 (possible Wednesday)

[SAP under development: possible senior advisers veto recommendation]

The Senate will be out of session for the Memorial Day recess from Monday, May 25 - Friday, May 29.

HOUSE:

Monday, May 18
Pro forma session

Tuesday, May 19

Convene at 10:30am for morning hour and 12:00 noon for legislative business. No recorded votes are expected before 5:00pm.

Consider the following bills on the Suspensions Calendar:

- o H.R. 3039 - Veterans Transitional Housing Opportunities Act of 1998
[SAP pending: Administration has concerns]
- o H.R. 3603 - Authorize Major Medical Facility Projects for the Department of Veterans Affairs
[SAP pending: No objection to House passage]
- o H.R. 1023 - Ricky Ray Hemophilia Relief Fund Act of 1997
[SAP pending: will work with Congress]
- o H.R. 2652 - Collections of Information Antipiracy Act
[No SAP]
- o H.R. 3718 - To Limit the Jurisdiction of the Federal Courts with Respect to Prison Release Orders [SAP under discussion]
- o H.R. 3809 - Drug Free Borders Act of 1998
[SAP under discussion]
- o H.R. 1522 - National Historic Preservation Fund Reauthorization
[SAP under development]
- o H.R. 2556 - Wetlands and Wildlife Enhancement Act of 1997
[No SAP: Administration supports]
- o H.Con.Res. 171 - Honoring Emergency Medical Services Personnel who have Died in the Line of Duty [No SAP]
- o H.R. 2472 - To Extend Certain Programs under the Energy Policy and Conservation Act
[No SAP: Administration supports]
- o H.R. 2202 - National Bone Marrow Registry Reauthorization Act of 1998
[SAP under development: Administration strongly supports]

Complete action on H.R. 3534 - Mandates Information Act of 1998
[SAP sent, 5/13: Administration strongly opposes]

H.R. 512 - New Wildlife Refuge Act (Open rule)
[Revised SAP under development: possible no objection]

H.R. 3616 - National Defense Authorization Act for FY 1999
[SAP pending: Administration has concerns]

Wednesday, May 20 and the Balance of the Week

On Wednesday and Thursday, the House will convene at 10:00am for legislative business. On Friday, convene at 9:00am for legislative business.

Continue consideration of H.R. 3616 - National Defense Authorization Act for FY 1999
[SAP pending: Administration has concerns]

H.R. 3150 - Bankruptcy Reform Act of 1998 (Subject to a rule)
[SAP under development: Administration strongly opposes]

H.R. 2183 - Bipartisan Campaign Integrity Act of 1997 (Subject to a rule)
[POTUS letter under development]

H.Res. 432 - A Resolution Expressing the Sense of the House of Representatives Concerning the President's Assertions of Executive

Privilege (Subject to a rule)

H.Res. 433 - A Resolution Calling upon the President of the U.S. to Urge Full Cooperation by his Former Political Appointees and Friends and their Associates with Congressional Investigations (Subject to a rule)

H.R. 2400 - ISTEPA Conference Report

[Raines letter sent 5/12: Senior advisers veto recommendation under certain circumstances]

The House will be out of session for the Memorial Day recess from Monday, May 25 - Tuesday, June 2. No votes are scheduled for June 2, and votes will be delayed until 5pm on June 3.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-MAY-1998 15:46:07.00

SUBJECT: Meeting on Child Custody Protection Act

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

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

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

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

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

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

TEXT:

Sylvia Mathews will host a meeting on the above subject on Tuesday, May 19 at 10:00am in the Roosevelt Room. If you have any questions please call me or Bill Marshall. thanks.

Jessica, can you please send someone from Leg Affairs

Attendees:

Sylvia Mathews

John Podesta
Chuck Ruff
Bill Marshall
Maria Echaveste
Ann Lewis
Elena Kagan
Audrey Haynes
Rahm Emanuel
Legislative Affairs
Peter Jacoby

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-MAY-1998 18:14:32.00

SUBJECT: fyi --Child Custody Protection Act

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

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

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

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

TEXT:

This bill basically sanctions those who transport minors across state lines for the purposes of having an abortion if the minor does not meet the parental notification requirements of the state in which they reside. There is a life of the minor exception. The Republicans have this bill on a very fast track with hearings scheduled for this week. DOJ has not fully reviewed the legislation yet, but Bill Marshall's view is that there no strong constitutional grounds on which to oppose it. My understanding is that legislative affairs is considering sending a decision memo to the President shortly.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAY-1998 17:30:26.00

SUBJECT: McCain substitute bill now on web

TO: sheketoff-emily (sheketoff-emily @ dol.gov @ inet [UNKNOWN])
READ:UNKNOWN

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: Charles W. Burson (CN=Charles W. Burson/O=OVP @ OVP [UNKNOWN])
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:

Address is <http://www.senate.gov/~commerce/legis/legis.htm>

The easiest way to access it is to chose "Wordperfect" and then "save file" into your directory and access it through word perfect.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAY-1998 16:23:14.00

SUBJECT:

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

READ:UNKNOWN

TEXT:

Is McCain cosponsoring the Kerry child care amendment? If so, it places us in difficult position vis a vis NGA. Please call ASAP. 6-5560 cj

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAY-1998 10:23:36.00

SUBJECT: HR 3718 - Early Release from Prison

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

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

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

TEXT:

fyi...jc3

----- Forwarded by Jose Cerda III/OPD/EOP on 05/18/98
10:22 AM -----

James J. Jukes

05/18/98 10:16:06 AM
Record Type: Record

To: See the distribution list at the bottom of this message
cc: Ingrid M. Schroeder/OMB/EOP
Subject: HR 3718 - Early Release from Prison

Heads up -- We have not yet received Justice's input for a SAP on this bill, which is scheduled for House floor action tomorrow. We understand that Justice's Office of Legal Counsel is developing constitutional arguments that will be the basis for opposition. We will most likely circulate a draft SAP this afternoon with a very short deadline for comments. See the attached article for background.

----- Forwarded by James J. Jukes/OMB/EOP on 05/18/98
10:01 AM -----

From: Ingrid M. Schroeder on 05/18/98 09:33:12 AM
Record Type: Record

To: James Boden/OMB/EOP@EOP, Steven M. Mertens/OMB/EOP@EOP
cc: James J. Jukes/OMB/EOP@EOP
Subject: HR 3718 - Early Release from Prison

Justice advised informally that they want to oppose this bill and are in the process of putting together a SAP for our circulation later today.

1 of 1 items

CQ's WASHINGTON ALERT 05/18/98

SOCIAL POLICY: EARLY PRISON RELEASE
Schedule highlights
(SCHEDULE 05/18/98)
Item Key: 19

SOCIAL POLICY: EARLY PRISON RELEASE

By Russ Freyman, CQ Staff Writer

The House is expected this week to consider a measure (HR3718), introduced by Majority Whip Tom DeLay, R-Texas, that aims to stem early releases of felons from federal prisons.

The bill has already been offered on the House floor, and was adopted 367-52 as an amendment to broader judicial overhaul legislation (HR1252) in April. It is scheduled to be considered tomorrow under suspension of the rules, an expedited floor procedure usually reserved for non-contentious legislation.

The measure would essentially eliminate the power of federal judges to release convicted felons because of the facility's conditions. On the House floor, DeLay blamed activist judges for allowing the average violent offender to serve only 40 percent of his or her sentence.

Some Democrats objected to the DeLay language, saying it was too broad and would not allow non-violent felons to be released and that the measure would eliminate judicial discretion on a prisoner's early release because of abuse by officials.

Democrats also objected on the floor that the measure would abrogate consent decrees reached between courts and prisons. Such agreements usually occur to correct civil rights violations in federal prisons due to poor conditions and overcrowding. Democrats say the bill would restrict already agreed-upon remedies.

Despite the Democratic criticism, a GOP leadership aide said he was not worried about any waning of minority support because to oppose the bill would be "an indefensible vote back home."

Message Sent

To:

James C. Murr/OMB/EOP
Kate P. Donovan/OMB/EOP
Karen A. Popp/WHO/EOP
William P. Marshall/WHO/EOP
Jose Cerda III/OPD/EOP
Leanne A. Shimabukuro/OPD/EOP
Steven D. Aitken/OMB/EOP
Peter G. Jacoby/WHO/EOP
Charles M. Brain/WHO/EOP
Kenneth L. Schwartz/OMB/EOP
David J. Haun/OMB/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Lisa M. Jones (CN=Lisa M. Jones/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:18-MAY-1998 17:47:42.00

SUBJECT: Heads-up Memo

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

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

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

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

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

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

TO: Janet L. Yellen (CN=Janet L. Yellen/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

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

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

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

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

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

TEXT:

Memo signed Monday, May 18th. ===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT: [ATTACH.D83]MAIL40256773H.126 to ASCII,
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Automated Records Management System
Hex-Dump Conversion

MEMORANDUM FOR ERSKINE BOWLES

THROUGH: Franklin D. Raines
FROM: Donald R. Arbuckle
SUBJECT: FDA Proposed Rule on "Off-Label" Uses

We will be concluding review by COB Tuesday of a proposed FDA rule allowing the dissemination of information on unapproved uses (commonly referred to as "off-label" uses) for marketed drugs, biologics and medical devices. The proposal implements the off-label provision of the Food and Drug Modernization Act of 1997 (FDAMA) which permits manufacturers to disseminate certain written information on the safety, effectiveness, or benefits of a product's use that has not yet been approved by FDA. For example, an antibiotic may be approved by FDA for use in treating sinus infections but also may be widely used by doctors in treating ear infections -- a use not yet approved for that particular drug. The proposal would require that sixty days before disseminating the information, manufacturers must first submit to FDA for approval a complete copy of the information and an application seeking approval for the new use.

The proposed rule also sets limits on the types of information that manufacturers can disseminate: it must be in the form of an unabridged medical journal article and must disclose that the use has not been cleared by FDA. And, the proposal limits who may receive the information -- doctors and insurance companies, for example, but not individual patients.

This provision was a key Administration concern during FDA reform that was resolved during the legislative process. The rule adheres closely to that compromise. While it may gain some attention in the press, we do not expect it to be highly controversial. FDA is anxious to publish the proposed rule as soon as possible in order to meet a statutory deadline for publication of a final rule by November 21st of this year.

Please let me know if you have any questions.

**Automated Records Management System
Hex-Dump Conversion**

**cc: Maria Echaveste
Rahm Emanuel
Larry Stein
Ron Klain
Thurgood Marshall, Jr.
Ann Lewis
Sally Katzen
Sylvia Mathews
John Podesta
Bruce Reed
Gene Sperling
Elena Kagan
Barry Toiv
Michael Waldman
Janet Yellen
Mickey Ibarra
Danny Mendelson**

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAY-1998 10:47:08.00

SUBJECT: from today's star-tribune

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

READ:UNKNOWN

TEXT:

Many of the verbal attacks have been aimed at McCain. But
his bill was he had a moment of triumph late last week when
cleared for floor debate.

reporters he McCain was ecstatic, and when he encountered
against his bill. could not resist parodying some of the claims

-- 8 trillion! It' s " We' re at \$8 trillion for the whole package
biggest money-grab ever! altering the national debt. This is the
in the history of the It' s the most liberal big-spending proposal
grinning widely. Congress of the United States, " said McCain,

whispered that his He finished with a jab at critics who
possesses a concessions to the White House proved that he
liberal streak.

candidate said " That McCain, " the possible GOP presidential
pinko." with a twinkle. " We knew he was a Commie

AP' s ^EDITOR' S NOTE: Donald M. Rothberg heads the
congressional staff.<

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAY-1998 15:42:22.00

SUBJECT: Tobacco Groups

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

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

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

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

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

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

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

TEXT:

They would love to have any updated talking points on tobacco. Also, they are doing a press event at the Senate Swamp on Tuesday at 11:00 - Noon with Matt, AHA, ACS, AMA. The message changes daily, but for now it is "Adopt McCain Amendments."

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Kate P. Donovan (CN=Kate P. Donovan/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:18-MAY-1998 21:43:29.00

SUBJECT: OMB Legislative Report -- May 18, 1998

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

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

TO: Gina C. Mooers (CN=Gina C. Mooers/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

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

TO: Ronald L. Silberman (CN=Ronald L. Silberman/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

TO: Donald R. Arbuckle (CN=Donald R. Arbuckle/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

TO: BENDICK_G@A1@CD@LNGTWY (BENDICK_G@A1@CD@LNGTWY [UNKNOWN]) (NSC)
READ:UNKNOWN

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

TO: Stephen G. Elmore (CN=Stephen G. Elmore/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

READ:UNKNOWN

TO: Wayne Upshaw (CN=Wayne Upshaw/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: Robin J. Bachman (CN=Robin J. Bachman/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: Gene B. Sperling (CN=Gene B. Sperling/OU=OPD/O=EOP@EOP [OPD])

READ:UNKNOWN

TO: Robert Donnelly (CN=Robert Donnelly/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Jennifer Ferguson (CN=Jennifer Ferguson/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: Kenneth L. Schwartz (CN=Kenneth L. Schwartz/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: Melissa N. Benton (CN=Melissa N. Benton/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

TO: Mathew C. Blum (CN=Mathew C. Blum/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: Rhodia D. Ewell (CN=Rhodia D. Ewell/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

TO: Michael W. Williams (CN=Michael W. Williams/OU=WHO/O=EOP@EOP [WHO])

READ:UNKNOWN

TO: Andrew M. Schoenbach (CN=Andrew M. Schoenbach/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

TO: Francis S. Redburn (CN=Francis S. Redburn/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: David E. Tornquist (CN=David E. Tornquist/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

TO: Larry R. Matlack (CN=Larry R. Matlack/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: Gary L. Bennethum (CN=Gary L. Bennethum/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: Rodney G. Bent (CN=Rodney G. Bent/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: Steven D. Aitken (CN=Steven D. Aitken/OU=OMB/O=EOP@E [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

TO: Toni S. Hustead (CN=Toni S. Hustead/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Justine F. Rodriguez (CN=Justine F. Rodriguez/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: OLIVER_A@A1 (OLIVER_A@A1 @ CD @ LNGTWY [UNKNOWN]) (OMB)

READ:UNKNOWN

TO: LEVIN_P@A1 (LEVIN_P@A1 @ CD @ LNGTWY [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

TO: MCKIERNAN_K@A1 (MCKIERNAN_K@A1 @ CD @ LNGTWY [UNKNOWN])

READ:UNKNOWN

TO: James B. Kazel (CN=James B. Kazel/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: Robert S. Fairweather (CN=Robert S. Fairweather/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: Robert J. Nassif (CN=Robert J. Nassif/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: Anita Chellaraj (CN=Anita Chellaraj/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: Janet Himler (CN=Janet Himler/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TO: T J. Glauthier (CN=T J. Glauthier/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

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

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

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

TO: RUDMAN_M@A1@CD@VAXGTWY (RUDMAN_M@A1@CD@VAXGTWY [UNKNOWN]) (NSC)
READ:UNKNOWN

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

TO: Judy Jablow (CN=Judy Jablow/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

TO: Sean E. O'Connor (CN=Sean E. O'Connor/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: Eric R. Anderson (CN=Eric R. Anderson/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Wesley P. Warren (CN=Wesley P. Warren/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

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

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

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

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

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

TO: Ronald K. Peterson (CN=Ronald K. Peterson/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Carol Thompson-Cole (CN=Carol Thompson-Cole/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Janie L. Jeffers (CN=Janie L. Jeffers/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Steven L. Schooner (CN=Steven L. Schooner/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

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

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

TO: Harry G. Meyers (CN=Harry G. Meyers/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

READ:UNKNOWN

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

TO: Bruce K. Sasser (CN=Bruce K. Sasser/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

TO: HOGAN_L@A1 (HOGAN_L@A1 @ CD @ LNWTWY [UNKNOWN]) (OPD)
READ:UNKNOWN

TO: Mary Jo Siclari (CN=Mary Jo Siclari/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: ABRAMSON_K@A1 (ABRAMSON_K@A1 @ CD @ LNWTWY [UNKNOWN])
READ:UNKNOWN

TO: Kate P. Donovan (CN=Kate P. Donovan/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: Mark A. Weatherly (CN=Mark A. Weatherly/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: Janet E. Irwin (CN=Janet E. Irwin/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

TO: Shelley N. Fidler (CN=Shelley N. Fidler/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

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

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

READ:UNKNOWN

TO: Philip R. Dame (CN=Philip R. Dame/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

TO: BROWN_JA@A1 (BROWN_JA@A1 @ CD @ LNWTWY [UNKNOWN]) (OMB)
READ:UNKNOWN

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

TO: Janet R. Forsgren (CN=Janet R. Forsgren/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: Bruce W. McConnell (CN=Bruce W. McConnell/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: Alicia K. Kolaian (CN=Alicia K. Kolaian/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: Richard P. Emery Jr. (CN=Richard P. Emery Jr./OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

TO: Janet L. Graves (CN=Janet L. Graves/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

TO: Robert G. Damus (CN=Robert G. Damus/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TEXT:

TO: DIRECTOR FRANK RAINES
DEPUTY DIRECTOR JACK LEW
DEP. DIRECTOR FOR MANAGEMENT ED DESEVE
EXECUTIVE ASSOCIATE DIRECTOR JOSH GOTBAUM

FROM: OMB LEGISLATIVE AFFAIRS

DATE: MAY 18, 1998

SUBJECT: LEGISLATIVE REPORT

Budget Resolution: Chairman Kasich has tentatively scheduled a markup of the FY99 budget resolution for Wednesday (5/20) at 1pm. Our understanding is that the resolution will continue to call for \$100 billion in spending cuts, but that programmatic assumptions underlying the spending cuts will be downplayed.

ISTEA: Conferees are trying to complete action on the conference report. There may be a final conferees meeting late Tuesday.

CONGRESS -- TODAY (5/18):

SENATE:

Adopted (78-20) S. 1723 - American Competitiveness Act

[SAP sent, 5/11: Sec. of Labor veto recommendation]

While under consideration of S. 1723, the Senate took the following action:

- o Tabled (60-38) Kennedy amendment that would have prohibited employers from sponsoring foreign workers if they had laid off American workers with similar skills in the preceding six months.
- o Tabled (59-39) Kennedy amendment that would have required employers seeking to sponsor foreign workers to attest to having first launched a significant "good faith" recruitment effort to hire an American worker.
- o Tabled (74-24) Bumpers amendment that would have repealed the EB-5 visa program

Began consideration of S. 1415 - National Tobacco Policy and Youth Smoking Reduction Act

[POTUS letter under development]

HOUSE:

Pro forma Session

CONGRESS -- TOMORROW (5/19)

SENATE:

Convene at 9:30am for morning business. At 10am, resume consideration of S. 1415 - National Tobacco Policy and Youth Smoking Reduction Act

[POTUS letter under development]

(The Senate will recess for weekly policy meetings from 12:30 - 2:15pm.)

HOUSE:

Convene at 10:30am for morning hour and 12:00 noon for legislative business. No recorded votes are expected before 5:00pm.

Consider the following bills on the Suspensions Calendar:

- o H.R. 3039 - Veterans Transitional Housing Opportunities Act of 1998

[SAP sent, 5/18: Administration has concerns]

- o H.R. 3603 - Authorize Major Medical Facility Projects for the Department of Veterans Affairs

[SAP sent, 5/18: No objection to House passage]

- o H.R. 1023 - Ricky Ray Hemophilia Relief Fund Act of 1997

- [SAP sent, 5/18: will work with Congress]
 - o H.R. 2652 - Collections of Information Antipiracy Act
[No SAP]
 - o H.R. 3718 - To Limit the Jurisdiction of the Federal Courts with Respect to Prison Release Orders [No SAP]
 - o H.R. 3809 - Drug Free Borders Act of 1998
[SAP pending: concerns with Labor provisions in the bill]
 - o H.R. 1522 - National Historic Preservation Fund Reauthorization
[SAP pending: no objection to House passage]
 - o H.R. 2556 - Wetlands and Wildlife Enhancement Act of 1997
[No SAP: Administration supports]
 - o H.Con.Res. 171 - Honoring Emergency Medical Services Personnel who have Died in the Line of Duty [No SAP]
 - o H.R. 2472 - To Extend Certain Programs under the Energy Policy and Conservation Act
[No SAP: Administration supports]
 - o H.R. 2202 - National Bone Marrow Registry Reauthorization Act of 1998
[SAP sent, 5/18: Administration strongly supports]
- Complete action on H.R. 3534 - Mandates Information Act of 1998
[SAP sent, 5/13: Administration strongly opposes]
- H.R. 512 - New Wildlife Refuge Act (Open rule)
[No revised SAP]
- H.R. 3616 - National Defense Authorization Act for FY 1999
[SAP pending: Administration has serious concerns]

CONGRESS -- THIS WEEK

SENATE:

Wednesday, May 20 & the Balance of the Week:

Continue consideration of S. 1415 - National Tobacco Policy and Youth Smoking Reduction Act. [POTUS letter under development]

H.R. 2709 - Iran Missile Proliferation Sanctions Act of 1997 (possible Wednesday)

[SAP under development: possible senior advisers veto recommendation]

Consideration of S. 2060 - DOD Authorization Bill is expected to resume after the Memorial Day recess.

[SAP sent, 5/14: Administration has serious concerns and senior advisers veto recommendation if an amendment related to leaving Bosnia by a date certain is approved]

The Senate will be out of session for the Memorial Day recess from Monday, May 25 - Friday, May 29.

HOUSE:

Wednesday, May 20 and the Balance of the Week

On Wednesday and Thursday, the House will convene at 10:00am for legislative business. On Friday, convene at 9:00am for legislative business.

Continue consideration of H.R. 3616 - National Defense Authorization Act for FY 1999

[SAP pending: Administration has serious concerns]

H.R. 3150 - Bankruptcy Reform Act of 1998 (Subject to a rule)

[SAP under development: Administration strongly opposes]

H.R. 2183 - Bipartisan Campaign Integrity Act of 1997 (Subject to a rule)
[POTUS letter under development]

H.Res. 432 - A Resolution Expressing the Sense of the House of Representatives Concerning the President's Assertions of Executive Privilege (Subject to a rule)

H.Res. 433 - A Resolution Calling upon the President of the U.S. to Urge Full Cooperation by his Former Political Appointees and Friends and their Associates with Congressional Investigations (Subject to a rule)

CONFERENCE ACTION:

- o H.R. 2400 - ISTECA Conference Report (may be completed this week)
[Raines letter sent 5/12: Senior advisers veto recommendation under certain circumstances]
- o IRS Reform (unlikely to be completed this week)
- o Education Savings Accounts (unlikely to be completed this week)

The House will be out of session for the Memorial Day recess from Monday, May 25 - Tuesday, June 2. No votes are scheduled for June 2, and votes will be delayed until 5pm on June 3.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAY-1998 21:29:35.00

SUBJECT: Tobacco farmers update

TO: Cynthia Dailard (CN=Cynthia Dailard/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: 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:

In addition of the procedural surprise tonight, we have a few other things going on with farmers.

1. The farmers and health groups are having a noon press conference to counter Lugar/McConnell tomorrow. The theme is farmers vs. companies -- Ford's bill helps farmers, Lugar's helps the companies at \$1 billion a year.
2. Ford was planning on working the floor himself tomorrow with our letter and one from the health groups.
3. USDA has been doing a count of D's, tonight they mostly got uncertain answers. We are working with Jacoby on this. Ford had votes he felt confident on, but was hoping to get all D's.
4. Lugar/McConnell didn't seem confident of their votes during the press conference today. Their main argument for the bill was to say the money got to farmers quicker so it was actually more "real" money than Ford.
5. Glickman is going to make calls (from Geneva) to key Ag. Senators Tuesday -- we've given him a short list.

[Draft POTUS Letter to the Senate]

May 18, 1998

I applaud the Senate for turning to floor consideration of S.1415, comprehensive tobacco legislation designed to reduce youth smoking introduced by Senators McCain and Hollings. Immediate consideration and passage of this landmark legislation is critical, given that with each passing day, 3000 teenagers will begin smoking and 1000 will die prematurely of smoking-related illnesses as a result.

I am pleased to endorse S.1415, as amended by Senator McCain's Manager's Amendment. Senators McCain and Hollings have worked hard over the past few weeks to arrive at a Manager's Amendment that would bring the bill in line with the five principles I established last September for comprehensive tobacco legislation. These five principles include:

- Raising the price of cigarettes by up to \$1.10 a pack over 5 years and \$1.50 a pack over the next ten years, with extra surcharges on companies that continue to sell to kids;
- Affirming the FDA's full authority to regulate tobacco products;
- Getting companies out of the business of marketing and selling tobacco to minors;
- Promoting public health research and public health goals; and
- Protecting our tobacco farmers and their communities.

S. 1415 as amended meets these five principles. I am particularly pleased that the bill contains significant improvements which will help reduce youth smoking and protect the public health, including tougher lookback surcharges, enhanced environmental tobacco smoke protections, improved liability provisions, elimination of the antitrust exemption, and spending for public health, health research, assistance for farmers, and the states, including child care and professional teacher development. I do hope the Senate will reconsider certain provisions which affect the sovereignty of Indian tribes. I thank the Senate Leadership for bringing this bill to the floor in such an expeditious manner and I urge all Senators to vote for S.1415 as amended by the Manager's Amendment, and to quickly send it to my desk for signature.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAY-1998 22:06:55.00

SUBJECT: Benchmarking: Next Steps

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

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

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

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

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

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

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

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

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

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

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

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

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

TEXT:

Next week, we will reconvene the benchmarking working group to plan the roll-out. This e-mail lists the assignments from our last benchmarking meeting. (Please let me know if there are any omissions or mistakes.) Thank you.

Comments on Paper from Last Meeting - Weiner
Roll Out Plan - Hayes
4-Digit SIC Code - Katzen
Women as Presumed Class - Weiner
Press Release / Talking Points - Correia
Working with Sen. Domenici - Correia
VP Mentoring Initiative - Liss

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAY-1998 12:42:24.00

SUBJECT:

TO: Elena Kagan (CN=Elena Kagan/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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The Commerce Committee Manager's Package will Dramatically Reduce Youth Smoking

The Commerce Committee manager's package contains significant improvements over the underlying bill which will help to reduce significantly youth smoking and protect public health. These improvements include:

Tougher Lookback Surcharges:

- The company-by-company surcharge of \$1,000 per youth smoker will provide a significant incentive for tobacco companies to change their behavior and reduce sales to children. Unlike industry-wide surcharges, companies cannot pass company-specific surcharges onto price, because any price differential between companies will wreak havoc on their share of the adult market. In short, it affects their bottom line.
- Without a company-specific surcharge, any company can still make a profit by selling to kids. A \$1,000 per youth smoker surcharge will force a company to surrender twice the lifetime profits it makes from addicting a teen in the first place.
- Any company that misses its targets by more than 20% will lose liability protections altogether. This will cause the companies real heartburn if they market to teens.
- Finally, the manager's package raises the cap on industry-wide lookback surcharges from \$3.5 billion per year to \$4 billion per year.

Improved Liability Provisions:

- By raising the annual liability cap from \$6.5 to \$8 billion, the manager's package better ensures that tobacco companies are held accountable for tobacco-related injuries. Additionally, the package removes liability protections for parent companies and affiliates, and allows plaintiffs claiming injury from disease to use evidence of addiction in their lawsuit.

Enhanced Environmental Tobacco Smoke Protections:

- States would only be allowed to opt-out of the national environmental tobacco smoke standard if the state is able to demonstrate to OSHA that it has an ETS standard at least as protective of public health as the federal standard.

Elimates Antitrust Exemption:

- The blanket antitrust exemption contained in the underlying bill is not necessary to achieve the goals of the legislation and may have anticompetitive effects.

Stronger Anti-Smuggling Provisions:

- Key provisions will minimize smuggling by creating a system similar to the one that has successfully been in place for alcoholic beverage for over sixty years. This system would create a “closed distribution system” for tobacco products so that only licensed entities can sell or buy products, clearly brand packages for export to prevent them from being diverted, and establishes and enforces penalties and other actions for violations. States would also have the resources and flexibility they need to set up their own licensing systems for retailers.

Key Spending Language:

- The manager’s package contains key provisions to fund important public health programs (including smoking cessation, prevention and counteradvertising), health research and assistance for farmers. It also provides funding to states to be used for a variety of programs, including child care and class size reduction.

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAY-1998 18:11:03.00

SUBJECT: .08 update

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

READ:UNKNOWN

TEXT:

Here's the latest on the conference:

Instead of sanctioning states for failing to enact .08 laws, the bill will provide \$500 million in incentive grants for states that have .08 laws and other safety laws. The incentive grants can be used for highway construction.

On other alcohol-related provisions (open containers and repeat offenders) the bill will contain a soft sanction for states that fail to pass conforming laws states. Up to 3% of highway construction funds can be diverted to highway safety construction (e.g., guard rails).

Re .08 message/statement: the leg and OMB folks want to say that the conference agreement does not go far enough on drunk driving-- and that we should have passed .08 as it came out of the Senate -- but we hope states take advantage of the incentive program and pass .08 laws. OMB is still hedging on whether we'll veto over spending levels. They want to wait until the conference is closer to conclusion so they can be sure of the final numbers.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Barry J. Toiv (CN=Barry J. Toiv/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:18-MAY-1998 18:58:05.00

SUBJECT: NYTimes Magazine piece on tobacco industry

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

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

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

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

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

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

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

TEXT:

Jeff Goldberg is working on a cover story on the tobacco companies for the magazine that might run on June 14 or June 21. He's looking to complete work on it by the beginning of June. The piece is on how the industry faces the legislative process and the entire political process -- public hostility, etc. He'll have interviews with most or all of the CEO's.

He wants to interview folks around here, and I gave him a few names, but what he wants most is to talk to the VP.

Seems like a good piece for him to be in. Reactions?

Let me know.

**CONTROLLING TOBACCO DIVERSION/SMUGGLING UNDER
COMPREHENSIVE TOBACCO LEGISLATION**

The Administration has a strong interest in ensuring that the enactment of tobacco legislation will not result in either a domestic black market or the smuggling of tobacco into the United States. It is essential that comprehensive tobacco legislation contain provisions that will minimize the diversion and smuggling of tobacco from the legitimate chain of distribution. The Senate Commerce Committee bill, as improved by Senator McCain's Manager's Amendment, contains provisions that will ensure that the diversion and smuggling of tobacco can be effectively controlled and will not defeat the purposes of comprehensive tobacco legislation — protection of young people from the addictions of smoking.

A "closed" distribution system will effectively control tobacco smuggling.

The creation of a sound regulatory system — one that will "close" the distribution chain for tobacco products — will ensure that tobacco products flow through legitimate channels and that any leakages will be effectively policed. An effective system must have the following elements, all of which are included in the McCain bill:

- All entities in the distribution chain for tobacco products should be required to obtain a license. Manufacturers, importers, wholesalers, exporters and distributors should be required to obtain a Federal license. Licensing of retailers can be done at the State level. These licenses would be issued based on certain clearly specified criteria and could be revoked or suspended for specified violations. Those conducting business without a license would be subject to penalties.
- Licensed entities should only be authorized to sell tobacco products to other licensed entities or purchase tobacco products from other licensed entities. The sale or distribution to any entity that is unlicensed would be unlawful.
- Effective marking, branding and identification of packages of tobacco products intended for domestic distribution and for export should be required so that they may not be diverted or smuggled in circumvention of the legitimate channels of distribution.
- Record keeping requirements that will create an audit trail for distribution of tobacco products should be required.
- Any regulatory system should include penalty and administrative provisions that will deter would-be smugglers and will allow for effective, efficient and uniform enforcement of controls over distribution.

The fear of potential unlawful trafficking in tobacco products should not be a reason for failing to act on these issues because there are workable solutions. These solutions have been incorporated in the McCain legislation.

The regulatory system in the Commerce Committee bill parallels the system in place for alcohol.

The proposed licensing scheme for tobacco products is similar to the way the Federal Government has effectively regulated alcoholic beverages for over sixty years. It would incorporate the years of experience the Federal Government has in administering that system.

- The distribution chain for alcoholic beverages is a tightly regulated, closed distribution system that includes Federal licensing and regulation of producers, importers and wholesale distributors and effective State licensing and regulation (or in some cases actual control) of the distribution of alcoholic beverages at the wholesale and retail level.
- The system regulating alcoholic beverages imposes marking and labeling requirements as well as record keeping requirements.
- This system has allowed for commerce in alcoholic beverages while effectively curtailing illicit trafficking.

The real price of cigarettes is estimated to rise by \$1.10 per pack by 2003 under the Commerce Committee bill.

We estimate that the Commerce Committee bill will raise the real price of cigarettes by \$1.10 per pack by 2003. Given our projections of other underlying trends in cigarette prices, we estimate that this will result in an ultimate constant dollar price per pack of \$3.19 in that year (\$3.57 in 2003 dollars).

- These estimates have been validated by objective experts in this area. Professor Jeffrey Harris, an economist at MIT and a physician at the Massachusetts General Hospital, who is also one of the nation's leading authorities on tobacco taxation, testified on May 13th that the real price of cigarettes in 2003 will be \$3.38, quite close to our estimate of \$3.19.
- Some Wall Street analysts have claimed that the ultimate price per pack arising from this legislation could be in the range of \$5.00. But these estimates are inappropriate for a number of reasons:
 1. Some analysis assumes that the industry will pay the full amount of the youth look-back penalties in 2003, adding up to 40-45 cents to the price per pack. But our analysis, drawing on the scientific consensus in this area, is that the look-back targets will be easily met by 2003 with a \$1.10 price increase, so that there are likely not to be look-back payments over this period.

2. Some analysis assumes that firms will immediately pay the full amount of the liability cap (\$6.5 billion), and that this will be passed through to price, adding another roughly 40 cents to the price per pack. But given the history of tobacco litigation, there is no reason to think that the industry will be subject to this amount of judgments. Moreover, there is no reason to think that liability costs will be shared by all companies -- and thus that they will be passed on to price. We therefore assume that there is no incremental impact on the price of cigarettes from the liability cap.
3. Some projections also assume that the annual per-pack cost will be subject to a percentage mark-up by retailers and wholesalers. This contention is refuted by both expert analysis and previous empirical evidence; indeed, these mark-ups have actually fallen in the face of recent manufacturer price increases.
4. Some analysis includes projections about increases in State excise taxes, but these exceed historical and recent experience by a large margin.

The "Canadian Experience" is not an appropriate predictor of U.S. smuggling activity.

Many cite the problems Canada had with unlawful smuggling after it raised its excise taxes on tobacco products as support for the notion that the same will happen if comprehensive tobacco legislation similar to the Commerce Committee bill is enacted in the United States. There are several reasons to believe, however, that the Canadian experience is not an appropriate predictor of what would occur if tobacco legislation such as this bill is enacted.

- First, and most importantly, Canada did not have in place the type of effective licensing and enforcement regime that is contained in the Commerce Committee bill. This was borne out by testimony from David Sweanor, Senior Legal Counsel for the Smoking and Health Action Foundation in Canada, who stated before the Senate Judiciary Committee on April 30th that "[t]he Canadian government appeared unable or unwilling to tackle the sources of the criminal trade. Our government did not take on the tobacco industry over its ultimate supplying of product to the smugglers, and failed to implement effective anti-smuggling measures." For example:

Automated Records Management System
Hex-Dump Conversion

-4-

1. Canada did not mark its cigarette packaging with "FOR EXPORT ONLY" labels until after smuggling became a significant problem.
2. Canadian law enforcement had very few personnel devoted to tax evasion.
3. The vast majority of enforcement with respect to Canadian taxes was done at the provincial level and there was little or no coordinated enforcement effort at the national or inter-provincial levels.
4. With the exception of manufacturers, Canada does not license the distribution chain for tobacco products.

Finally, Canada's laws on tax evasion did not contain strong penalties and there were inadequate resources to enforce those laws.

➤ Second, the size of the Canadian population, as well as its concentration along the border with the United States, makes the Canadian example not particularly instructive for the United States.

1. Smuggling became a problem in Canada because of the ease of access to alternative markets. Eighty percent of the Canadian population lives within a two-hour drive of the U.S. border, placing it within easy reach of smugglers transporting cigarettes from the United States.
2. The U.S. population is more dispersed, making the logistics of a nationwide black market in smuggled cigarettes more complex and expensive for organized smugglers. The dispersal of population also means that a U.S. resident is less likely than a Canadian resident to be able to cross the border routinely for casual cigarette smuggling.

Current laws are not adequate to prevent interstate diversion or smuggling.

The current level of tobacco smuggling is not a good indicator for determining the level of smuggling that will take place if the Commerce Committee bill is enacted.

➤ The distribution chain for tobacco products is currently not "closed." Current Federal laws regulating tobacco are aimed at collecting the Federal excise tax and assisting States in their efforts to collect excise taxes imposed on certain tobacco

products, not at regulating the distribution of tobacco products and preventing smuggling.

- The Commerce Committee bill would enhance the Treasury Department's ability to assist State and local law enforcement to control the unlawful trafficking in tobacco products to avoid State tobacco taxes. The bill would broaden the scope of the Contraband Cigarette Trafficking Act (CCTA) to all tobacco products, lower the threshold amount for federal jurisdiction from 60,000 cigarettes to 30,000 cigarettes, eliminate the current loophole relating to states that do not require indicia of tax payment, and expand the forfeiture provisions of the CCTA so that proceeds traceable to violations will be subject to seizure and forfeiture.
- Also, the Federal Government has the expertise and experience to deal with imported contraband products and already has made a substantial investment in the introduction of non-intrusive inspection systems and other equipment needed to detect the smuggling of contraband. The organic nature of tobacco and the distinctive shape of cigarettes makes them readily detectable by equipment that the Federal Government currently has in place at the border.

Sufficient resources are necessary to prevent smuggling.

The Administration agrees that there must be sufficient resources available to assist law enforcement to prevent the diversion and smuggling of tobacco products to a black market. Effective and efficient regulation of the distribution chain for tobacco products will require adequate resources to ensure compliance through verification.