

**NLWJC - KAGAN**

**EMAILS RECEIVED**

**ARMS - BOX 030 - FOLDER -004**

**[05/19/1998]**

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAY-1998 18:44:02.00

SUBJECT: tomorrow's crime meeting agenda

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

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

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

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

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

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

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

TEXT:

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

TEXT:

Unable to convert ARMS\_EXT:[ATTACH.D26]MAIL49466783F.126 to ASCII,  
The following is a HEX DUMP:

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**Crime Meeting Agenda  
May 20, 1998**

**Specific Follow Up**

- \* COPS Event -- May 29th
- \* Meth announcement
  - DUF data
  - COPS grants
- \* Curios report
- \* Police group outreach
- \* Durbin CAP (Child Access) bill

**Legislative Update**

- \* Republican drug strategy update
  - Drug-Free Borders
- \* Assaults

**Other Potential Events**

- \* Signing ceremony for police bills
- \* Drug courts speech June 4th -- possible release of CASA Report, drug court grants

**Miscellaneous/ Pending Items**

- \* Gang ordinance brief
- \* Any other pending events/releases -- DOJ Reports

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAY-1998 22:53:41.00

SUBJECT: Yes, can you call or page him?

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

READ:UNKNOWN

TEXT:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAY-1998 18:44:17.00

SUBJECT: Josh claims JCT problem seems to be solved. BR

TO: CYNTHIA (Pager) #RICE ( CYNTHIA (Pager) #RICE [ UNKNOWN ] )

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAY-1998 20:51:15.00

SUBJECT: H-1B q&a -- updated

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,

Attached are updated q&a for the press office. They requested an update for tomorrow. Thanks.

Julie

----- Forwarded by Julie A. Fernandes/OPD/EOP on 05/19/98  
09:03 PM -----

Cecilia E. Rouse

05/19/98 08:46:02 PM

Record Type: Record

To: Julie A. Fernandes/OPD/EOP

cc:

Subject: Re:

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

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

TEXT:

Unable to convert ARMS\_EXT:[ATTACH.D63]MAIL47520883B.126 to ASCII,  
The following is a HEX DUMP:

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**Question & Answer on Immigration: H-1B visas  
May 20, 1998**

**Q: According to the INS, the annual cap on H-1B visas has been reached. What is your position regarding the call by industry to increase the number of temporary visas available for highly skilled foreign workers?**

**A:** The Administration believes that the first step in increasing the availability of skilled workers for industry must be increasing the skills of U.S. workers and helping the labor market work better to match employers with U.S. workers. That is why the Administration has tried to encourage the private and the public sector to undertake new efforts to train our workers.

However, we also need to improve the temporary visa program to ensure that U.S. workers do not lose their jobs to temporary foreign workers and that qualified U.S. workers have the opportunity to fill a job before a temporary foreign worker is hired. These reforms would target the visa program's use to employers experiencing genuine skills shortages.

With commitments to increased training and reforms to the H-1B visa program, we would support a short-term increase in the number of visas available for temporary foreign workers.

**Q: The House Judiciary Subcommittee on Immigration has approved legislation that increases the number of H-1B visas for temporary foreign workers. What is your position regarding this legislation?**

**A:** We are pleased that Representative Smith's bill is consistent with one of the Administration's primary objectives, insofar as it links a short-term increase in the H-1B cap to the enactment of meaningful reforms to the H-1B visa program. These reforms would help ensure that U.S. workers would not lose their jobs to temporary foreign workers and that employers have made serious efforts to recruit U.S. workers for open positions so that qualified U.S. workers have the opportunity to fill a job before a temporary foreign worker is hired. These reforms will effectively target H-1B visas to industries experiencing genuine skill shortages.

Unfortunately, the bill does not contain any provision for additional training opportunities for U.S. workers. Training is a vital component of the Administration's strategy to address the long-term demand for highly skilled U.S. workers and to enhance the international competitiveness of important U.S. industries.

The Administration would be pleased to support this bill if it included a meaningful training provision and a more modest increase in the annual cap.

**Q: What is your position regarding Senator Abraham's bill that was passed by the Senate on Monday?**

**A:** The Administration strongly opposes Senator Abraham's bill. The bill includes a large increase in the annual number of visas for temporary foreign workers (up to 115,000) and provides no meaningful reform to the H-1B program.

Background

On April 2, 1998, the Administration (Secretaries Daley and Herman and Attorney General Reno) sent a letter to Congress that opposed Senator Abraham's bill and endorsed the approach advocated by Senator Kennedy (that would effect a temporary increase in the cap, but also included reform to the H-1B program and increased training for U.S. workers). On May 11, 1998, we sent a Statement of Administration Policy to the Senate that strongly opposed Senator Abraham's bill and stated that the Secretary of Labor would recommend a veto.

On April 30, 1998, the Administration sent a letter to the House Judiciary Subcommittee on Immigration supporting Representative Lamar Smith's bill if it is modified to include a meaningful training provision and a more modest increase in the cap. This bill is scheduled to be marked-up by the full Judiciary Committee on May 20th.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAY-1998 10:33:38.00

SUBJECT: Lugar is 50% of all spending

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

I asked Gotbaum what % of all spending Lugar's bill would be for the first 3 years (which is when he puts all his spending). Given that Lugar yesterday increased the size of his package to \$18 billion, Josh says it is about 50% of all spending -- displacing much else. One of the appealing elements to Helms, Faircloth etc is that the money comes all at once, but it may not be feasible.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAY-1998 11:20:07.00

SUBJECT: Weekly Crime Meeting

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

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

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

TO: GALLEGOS\_S ( GALLEGOS\_S @ A1 @ CD @ VAXGTWY [ UNKNOWN ] )  
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

TO: Lisa M. Brown ( CN=Lisa M. Brown/O=OVP @ OVP [ UNKNOWN ] )

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: NELSON\_J ( NELSON\_J @ A1 @ CD @ LNGTWY [ UNKNOWN ] )

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

MEMORANDUM TO DISTRIBUTION LIST

FROM: Bruce Reed  
Assistant to the President for Domestic Policy

SUBJECT: May 20 1998 CRIME MEETING

On Wednesday, May 20, at 10:00 a.m. in Room 211 of the Old Executive Office Building, we will hold the weekly crime meeting.

Thank You.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAY-1998 12:05:04.00

SUBJECT: Use this version of the tobacco 3 pager

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

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

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

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

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

TEXT:

All references to lookback penalties removed (was one left)

Elena Kagan  
05/19/98 09:25:32 AM  
Record Type: Record

To: Cynthia A. Rice/OPD/EOP, Cynthia Dailard/OPD/EOP  
cc:  
Subject: tobacco 3 pager

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

TEXT:

Unable to convert ARMS\_EXT:[ATTACH.D14]MAIL47859483H.126 to ASCII,  
The following is a HEX DUMP:

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1B530E617167D805E941F77AAEC4403A8D97F6AF1234D15AB564C2AA6F5E9531E2831ACFA5A1AE

### **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 youth smoking and to protect the public health. With these improvements, the bill meets each of the President's principles for comprehensive tobacco legislation. The improvements include:

#### **Tougher Lookback Surcharges:**

- The manager's amendment contains an uncapped company-specific surcharge of \$1,000 per youth smoker for every youth smoker by which the company misses its youth smoking targets. This surcharge represents twice the lifetime profits that a company earns from any youth smoker. The companies will not be able to pass these company-specific surcharges onto price, because any price differential between companies will dramatically affect their share of the adult market.

At the levels specified in the manager's amendment, company specific surcharges will reduce profits by \$640 million for every 10 points. The Treasury Department and OMB estimate that a 20-point miss in 2003 would represent one-third of total industry profits. By affecting their bottom line in this dramatic fashion, the company-specific surcharges in the manager's amendment will provide a significant incentive for tobacco companies to change their behavior and reduce sales to children.

- The manager's package also raises the cap on industry-wide lookback surcharges from \$3.5 billion per year to \$4 billion per year. The Treasury Department and OMB estimate that if targets are not met and the full \$4 billion industry-wide surcharge is levied, the price of a pack of cigarettes will rise by about 35 cents.

#### **Enhanced Environmental Tobacco Smoke Protections:**

- The manager's package provides that a state can opt out of the national environmental tobacco smoke standard only if the state is able to demonstrate to OSHA that it has an ETS standard at least as protective of the public's health.

#### **Spending:**

- The manager's package contains key provisions to fund important public health programs, health research, and assistance for farmers. It also provides funding to states to be used for a variety of programs, including child care.
- Approximately 22 percent of expected revenues from the legislation will go to fund research at NIH, CDC, and AHCPR. Another 22 percent will fund smoking cessation programs, prevention and education programs, international tobacco control efforts, and a variety of enforcement efforts at both the federal and state levels to minimize smuggling

and crack down on retailers who sell tobacco products to children. All proceeds from lookback penalties will go to prevention and education programs.

- Forty percent of expected revenues will go to states, with half unrestricted and half to be used for designated purposes -- the Child Care and Development Block Grant, the Safe and Drug-Free Schools Program, Eisenhower Grants, child welfare programs (Title IV-B), the Maternal and Child Health Bureau's Title V Program, Substance Abuse grant programs, and a limited match for the Children's Health Insurance Program. This entire list is directed at the health and well-being of children and families most in need of assistance.
- The remainder of expected revenues from the legislation will go to protect tobacco farmers and to provide assistance to their communities, through the mechanisms of the LEAF Act.
- Excess revenues will go to the Medicare program.

#### **Improved Liability Provisions:**

- The manager's package ensures that the bill's liability provisions (i.e., the settlement of state lawsuits and the annual damages cap) apply only to companies that agree to accept sweeping advertising restrictions and to comply with important provisions of the law (i.e., lookbacks and annual payments), even if those provisions are invalidated by the courts.
- The manager's package raises the annual liability cap from \$6.5 to \$8 billion (indexed for inflation), the same amount as the cap in the Chafee-Harkin bill. It also removes liability protections for parent companies and affiliates; ensures that the industry's attorneys will be subject to suit as under current law; and allows plaintiffs claiming injury from disease to use evidence of addiction in their lawsuits.
- The manager's package strengthens the provisions in the bill that link liability protections to the achievement of youth smoking targets. Under the amended legislation, a company that misses its targets by 20 percent or more has the burden of showing both that it did not engage in affirmative misconduct and that it used best efforts to reduce youth smoking in order to escape the loss of liability protections.

#### **Elimination of Antitrust Exemption:**

- The manager's package eliminates the blanket antitrust exemption contained in the underlying bill, which was not necessary to achieve the goals of the legislation and could have had anticompetitive effects.

**Stronger Anti-Smuggling Provisions:**

- The manager's amendment will strengthen the anti-smuggling provisions in the bill, so as to prevent the emergence of contraband markets. The bill, as amended, will create a "closed distribution system" for tobacco products so that only licensed entities can sell or buy products; it will provide states with resources to establish or improve retail licensing systems; it will require manufacturers to mark packages for export to prevent their diversion; and it will establish and enforce strong penalties for violations. A very similar system has worked to control smuggling of alcoholic beverages for over sixty years.

### **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 youth smoking and to protect the public health. With these improvements, the bill meets each of the President's principles for comprehensive tobacco legislation. The improvements include:

#### **Tougher Lookback Surcharges:**

- The manager's amendment contains an uncapped company-specific surcharge of \$1,000 per youth smoker for every youth smoker by which the company misses its youth smoking targets. This surcharge represents twice the lifetime profits that a company earns from any youth smoker. The companies will not be able to pass these company-specific surcharges onto price, because any price differential between companies will dramatically affect their share of the adult market.

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- Excess revenues will go to the Medicare program.

#### **Improved Liability Provisions:**

- The manager's package ensures that the bill's liability provisions (i.e., the settlement of state lawsuits and the annual damages cap) apply only to companies that agree to accept sweeping advertising restrictions and to comply with important provisions of the law (i.e., lookbacks and annual payments), even if those provisions are invalidated by the courts.
- The manager's package raises the annual liability cap from \$6.5 to \$8 billion (indexed for inflation), the same amount as the cap in the Chafee-Harkin bill. It also removes liability protections for parent companies and affiliates; ensures that the industry's attorneys will be subject to suit as under current law; and allows plaintiffs claiming injury from disease to use evidence of addiction in their lawsuits.
- The manager's package strengthens the provisions in the bill that link liability protections to the achievement of youth smoking targets. Under the amended legislation, a company that misses its targets by 20 percent or more has the burden of showing both that it did not engage in affirmative misconduct and that it used best efforts to reduce youth smoking in order to escape the loss of liability protections.

#### **Elimination of Antitrust Exemption:**

- The manager's package eliminates the blanket antitrust exemption contained in the underlying bill, which was not necessary to achieve the goals of the legislation and could have had anticompetitive effects.

**Stronger Anti-Smuggling Provisions:**

- The manager's amendment will strengthen the anti-smuggling provisions in the bill, so as to prevent the emergence of contraband markets. The bill, as amended, will create a "closed distribution system" for tobacco products so that only licensed entities can sell or buy products; it will provide states with resources to establish or improve retail licensing systems; it will require manufacturers to mark packages for export to prevent their diversion; and it will establish and enforce strong penalties for violations. A very similar system has worked to control smuggling of alcoholic beverages for over sixty years.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAY-1998 13:53:59.00

SUBJECT:

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

San Francisco's forest of tobacco billboards will come down by June 1, after an agreement yesterday between the city and two outdoor advertisers who own virtually all the signs.

Outdoor Systems Advertising and Eller Media Co., both with headquarters in Phoenix, Ariz., said they will eliminate the advertising six weeks before a tough new city ordinance banning most of them takes effect.

``We will get them down within two weeks,'' said Stephen Shinn, a spokesman for Outdoor Systems' Northern California office in Berkeley.

Both companies said that by July 1 they will also comply fully with state law that since the beginning of the year has forbidden tobacco billboards within 1,000 feet of a school or playground anywhere in California.

``This is remarkable. I've got to give them credit for doing the right thing,'' said San Francisco Supervisor Gavin Newsom, author of the city ordinance he called ``the most restrictive in the nation.''

A Chronicle story in March revealed that the state law was being widely flouted throughout California.

Yesterday's agreement includes all tobacco advertising displayed by the two companies on billboards, bus shelters and BART and Muni stops in San Francisco.

When the signs are replaced, the city will be the

first major metropolis in America to be cleared of tobacco billboards. Cigarette billboards are not permitted in Salt Lake City, but they never gained a toehold there among its largely nonsmoking Mormon population.

``This is a huge step forward for public health,'' said San Francisco City Attorney Louise Renne, who brokered the agreement along with Newsom.

The advertisers' decision goes beyond the requirements of the city ordinance, which allows some tobacco signs along the Highway 101 corridor after the rules take effect on July 16.

But George Broder, a spokesman for the Oakland offices of Eller Media, said his company decided not to find the few spots where the billboards could still be posted.

``We were not going to get into hair-splitting subjectivity, such as where's the center of the property line, what's a playground, what is not,'' said Broder. ``There will be no more tobacco advertising on billboards in San Francisco.''

Broder said that the company believes that the tobacco billboard restrictions could be vulnerable to a challenge under the First Amendment's guarantee of free speech. However, neither Eller nor Outdoor Systems plans to make a case of it, but such a challenge might still be mounted by the tobacco companies.

The San Francisco ordinance that takes effect in July also bans tobacco advertising in store windows. However, taxicabs are exempt and will still be able to carry the ads their roofs. Neither Eller nor Outdoor Systems owns any taxicab signs.

Civic leaders praised the billboard companies yesterday, but critics are miffed that the state billboard law is being ignored for at least one more month.

``I'm a little uncomfortable patting people on the back for complying with a law that came into being six months ago,'' said Dan Reeves, chief of staff for Assemblywoman Carole Migden, D-San Francisco, author of the state law.

Reeves stressed, however, that the decision to comply with state law was an important milestone in the battle against tobacco use.

Broder said that although the billboard companies were aware of the state law, they were waiting for the state to clear up ambiguities such as defining a playground -- does that mean any city park, or only the areas with outdoor swings and other play

equipment?

After the Chronicle story, the state health department held two informational meetings with billboard operators. The state acknowledged that it had neither the manpower nor the resources to enforce the restrictions, but intended to do so July 1.

Michael Green, executive director of the San Francisco-based Center for Environmental Health, said complying with state law in July isn't enough. "They should have done it six months ago," he said.

Green's organization filed suit March 23 against the two companies in an attempt to force compliance. He said it would be appropriate restitution to have the companies run anti-smoking billboards in the same locations.

At any rate, the decision was good news for a small band of saboteurs who had vandalized tobacco advertisements within the zone forbidden by state law. "Cool," said James Reid, a 48-year-old building contractor who was arrested last month for defacing a Lucky Strike billboard.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jessica L. Gibson ( CN=Jessica L. Gibson/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:19-MAY-1998 08:26:31.00

SUBJECT: Tobacco amendments

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

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

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

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

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

CC: Mindy E. Myers ( CN=Mindy E. Myers/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:

This meeting will now be at 10:30am in Larry's office. Thanks.

----- Forwarded by Jessica L. Gibson/WHO/EOP on 05/19/98  
08:25 AM -----

Jessica L. Gibson  
05/18/98 07:41:58 PM  
Record Type: Record

To: See the distribution list at the bottom of this message  
cc: Cathy R. Mays/OPD/EOP, Laura Emmett/WHO/EOP, Mindy E. Myers/WHO/EOP,  
Sarah A. Bianchi/OPD/EOP  
Subject: Tobacco amendments

Larry Stein would like to regroup and talk specifically about any and all tobacco amendments that are being considered. There will be a meeting in his office at 10:00am tomorrow morning (Tuesday-- 5/19). Pls let me know if there is anyone who needs to be added to this list or if there is any problem with the time. Sorry for the short notice.

Rich Tarplin and Linda Robertson also be in attendance.

Message Sent

To:

---

Bruce N. Reed/OPD/EOP

Elena Kagan/OPD/EOP

Janet Murguia/WHO/EOP

Christopher C. Jennings/OPD/EOP

Peter G. Jacoby/WHO/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sonyia Matthews ( CN=Sonyia Matthews/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:19-MAY-1998 09:50:33.00

SUBJECT: Bankruptcy Meeting today

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

READ:UNKNOWN

TO: Roger S. Ballentine ( CN=Roger S. Ballentine/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: Alice Veenstra ( CN=Alice Veenstra/OU=OMB/O=EOP @ EOP [ OMB ] )

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Christopher D. Carroll ( CN=Christopher D. Carroll/OU=CEA/O=EOP @ EOP [ CEA ] )

READ:UNKNOWN

TO: Rebecca M. Blank ( CN=Rebecca M. Blank/OU=CEA/O=EOP @ EOP [ CEA ] )

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: Ophelia D. West ( CN=Ophelia D. West/OU=OMB/O=EOP @ EOP [ OMB ] )

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Sorry for the short notice, Sarah Rosen needs your attendance today at a 12:30 bankruptcy meeting taking place in room 239. Please RSVP your attendance by e-mail or by dialing ext. 65351. Thank you

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAY-1998 12:17:48.00

SUBJECT: Wednesday

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:

We just told HHS that we did not think we'd need Shalala to brief after tomorrow's event. I'm guessing we just want POTUS on camera and that Mike will be able to handle any questions regarding our position on the legislation. Shalala (and/or you guys) would just end up doing the sausage-making on the Hill, and Mike should probably do that. That's my sense right now, anyway. Any thoughts?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAY-1998 12:51:55.00

SUBJECT: Weekly Crime Meeting (TIME CHANGE)

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: GALLEGOS\_S ( GALLEGOS\_S @ A1 @ CD @ VAXGTWY [ UNKNOWN ] )

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Anne E. McGuire ( CN=Anne E. McGuire/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 D. Janenda ( CN=Thomas D. Janenda/OU=WHO/O=EOP @ EOP [ WHO ] )

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Lisa M. Brown ( CN=Lisa M. Brown/O=OVP @ OVP [ UNKNOWN ] )

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: NELSON\_J ( NELSON\_J @ A1 @ CD @ LNGTWY [ UNKNOWN ] )  
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

TEXT:

MEMORANDUM TO DISTRIBUTION LIST

FROM: Bruce Reed  
Assistant to the President for Domestic Policy

SUBJECT: May 20 1998 CRIME MEETING

On Wednesday, May 20, at 3:00 p.m. in Room 211 of the Old  
Executive Office Building, we will hold the weekly crime meeting.

Thank You.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jennifer R. Muller ( CN=Jennifer R. Muller/O=OVP [ UNKNOWN ] )

CREATION DATE/TIME:19-MAY-1998 17:35:34.00

SUBJECT: Labor Law Meeting

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

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

TO: Morley A. Winograd ( CN=Morley A. Winograd/O=OVP @ OVP [ UNKNOWN ] )  
READ:UNKNOWN

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:

Labor Law Meeting in 211 has been pushed up 15 minutes to 11:15 am -- let me know if this causes a problem.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Fred DuVal ( CN=Fred DuVal/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:19-MAY-1998 12:58:59.00

SUBJECT: tobacco

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

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

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

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

TEXT:

Gov Patton is seeking a letter from the President in support of LEAF. Sen McConnell has apparently now endorsed Lugar and Patton wants our support for his sticking with LEAF in the form of a letter to him emphasizing our position. Is this do-able?



## Talking points on the State Tobacco Settlement Funds and Child Care

The Administration has been negotiating with Senator McCain and the National Governors Association on the state allocation of the tobacco settlement funds. Our negotiations have resulted in Senator McCain adopting as a manager's amendment a measure that would allocate \$12.5 billion over five years for states to draw from for seven program options, the largest of which is the Child Care and Development Block Grant. We believe this will result in a significant expansion of child care and that it is an important first step in our efforts to ensure child care is more affordable, accessible and safe.

- **Tobacco legislation is at risk. If our efforts to reduce teen smoking are going to be successful, tobacco legislation must pass the floor of the Senate this week -- before Memorial Day. A significant number of Republicans, including the leadership, are looking for any and all excuses to walk away from tobacco legislation. Their best cover would be NGA opposition to the Senate bill, particularly because the Governors began the tobacco suits in the first place. Given the current Congress and the difficulty we have encountered in the appropriations process, **including child care as part of tobacco legislation is an important step to advance child care.****
- **Where we began: Harkin-Chafee. We had to begin discussions with the NGA with Harkin-Chafee language --which is extremely flawed. That legislation gave states 50 percent outright to spend as they please from the \$25 billion overall allocated to the states, and only nominally restricted the other 50 percent. In fact, Harkin-Chafee included 20 program options for the restricted share, including Medicaid and the Social Services Block Grant (which does not require a state match).**
- **What we got: Children's programs. We succeeded in narrowing the list of options for the 50 percent restricted funds -- which is \$12.5 billion over five years -- to seven programs, six of which are exclusively for children. The seventh program, Substance Abuse and Mental Health Administration programs, also has a significant focus on youth. This entire list is directed at the health and well-being of children and families most in need of assistance.**
- **Child care is the largest program in the spending options. Of the seven spending options, the Child Care and Development Block Grant is the single largest program. Thus, if states increased all program spending proportionately, child care would receive about \$5 billion in additional Federal funds over 5 years. And compared to other options on the list, the child care block grant has a lower match, thereby making it even more attractive to states. Therefore, spending on child care could be considerably higher.**
- **States have flexibility to spend more. If the demand for child care continues to grow in the coming years as more people move from welfare to work under welfare reform, states have the flexibility to invest a greater and greater share of overall expenditures on child care.**
- **Strong commitment to child care. Under the President's proposal, only one third of his child care initiative was to be paid for through tobacco legislation. The Administration strongly supports further Congressional action to direct substantial new federal funding to all the components of the President's child care initiative, including: subsidies for low income working families; child care tax credits for other working families; tax credits for business investments in child care; challenge grants to states and communities to improve**

**the quality of child care and early childhood services; grants to schools and communities for after-school care; scholarships for child care works; funding for standards enforcement; and research and evaluation activities.**



Draft 5/19/98 5:24 pm

**PRESIDENT WILLIAM J. CLINTON  
REMARKS FOR TOBACCO-FREE KIDS CAMPAIGN RALLY  
THE WHITE HOUSE  
MAY 20, 1998**

Nearly 35 years ago -- some two decades before most of the kids here were even born -- the Surgeon General of the United States sounded an alarm that has only grown louder, clearer and more difficult to ignore with every passing year. The warning: Smoking kills.

And for more than a generation, Americans of all ages and all walks of life have answered that alarm -- fighting tirelessly to conquer this deadly threat and protect the health of our people. In the face of some very powerful opposition, our nation has won victories both large and small -- requiring all cigarette packages to carry warning labels ... prohibiting cigarette advertising on the airwaves ... banning smoking on domestic flights ... making all federally-funded facilities that serve children smoke-free.

Today, we stand on the verge of our greatest triumph yet against the scourge of tobacco -- a triumph that could save millions of our children's lives and become the **one of the greatest public health achievements in the history of our nation.**

This week, the Senate is considering historic comprehensive, bipartisan tobacco legislation, proposed by Senator McCain and passed overwhelmingly by the Senate Commerce Committee. I believe this bill is America's best chance to protect the health of our children, to keep them from ever getting hooked on cigarettes in the first place. **I have said I would support any comprehensive, bipartisan bill that meets five principles, and this legislation does so: It raises the price of cigarettes and penalizes companies that sell to kids; it reaffirms the FDA's authority to regulate tobacco products; it stops tobacco companies from marketing to children; it furthers our other public health goals; and it protects tobacco farmers and their communities.**

Over the past few weeks, my administration has worked with Congress to strengthen this bill even further -- toughening penalties against tobacco companies who fail to reduce teen smoking, raising the liability cap on legal damages, protecting Americans from dangerous second-hand smoke in public buildings.

I congratulate every child here for taking responsibility for your own health, for saying "no" to tobacco and "yes" to brighter futures. I wish you well as you make your voices heard on Capitol Hill. Now it is time for America's elected leaders to do our part.

The McCain bill is tough, fair, and most of all, it protects our children. It would help ensure that our children never get roped into lighting up by the Marlboro man, that they never get lured into smoking by Joe Camel. It ends the unscrupulous marketing campaigns that have

Automated Records Management System  
Hex-Dump Conversion

targeted our children -- and robbed them of their futures. So I call upon Congress to stay in session for as long as it takes to pass this bill. Don't go home until you have given our children bipartisan, comprehensive tobacco law. They have waited long enough.

Today, here on the South Lawn, stand America's future. For years, the tobacco companies have looked upon these children and seen the "replacement smokers" of the 21st Century. But I see 1,400 unique, irreplaceable children with unlimited potential. I see the scientists and artists; the teachers and Olympic champions; the engineers and leaders of the 21st Century. Everyone of us has the responsibility to make sure these and all children across America have the opportunity to live out their dreams and fulfill their greatest, God-given potential. That is why we must pass this bill.

Let the children standing here be the final, triumphant generation of anti-tobacco activists. And let this Congress be the Congress that saved their lives.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Fred DuVal ( CN=Fred DuVal/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:19-MAY-1998 16:48:37.00

SUBJECT:

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

READ:UNKNOWN

TEXT:

Can you direct me to who is handling the "assisted suicide" issue? Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Fred DuVal ( CN=Fred DuVal/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:19-MAY-1998 17:37:44.00

SUBJECT:

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

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

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

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

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

TEXT:

The Governors are sending over a letter opposing the Kerry/Child Care amendment to tobacco. They make a federalism argument. Will forward when received.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Ronald E. Jones ( CN=Ronald E. Jones/OU=OMB/O=EOP [ OMB ] )

CREATION DATE/TIME:19-MAY-1998 12:00:35.00

SUBJECT: Current (Noon) Bankruptcy SAP

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

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

TO: Joshua H. Raymond ( CN=Joshua H. Raymond/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: John S. Radzikowski ( CN=John S. Radzikowski/OU=OMB/O=EOP@EOP [ OMB ] )  
READ:UNKNOWN

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

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

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

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

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

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

TO: Rebecca M. Blank ( CN=Rebecca M. Blank/OU=CEA/O=EOP@EOP [ CEA ] )  
READ:UNKNOWN

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

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

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

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

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

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

TO: Christopher D. Carroll ( CN=Christopher D. Carroll/OU=CEA/O=EOP@EOP [ CEA ] )  
READ:UNKNOWN

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

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

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

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

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

TEXT:

DRAFT --- NOT FOR RELEASE

May 19, 1998

(House)

H.R. 3150 - Bankruptcy Reform Act of 1998  
(Gekas (R) Pennsylvania and 75 cosponsors)

The Administration supports bankruptcy reform that requires responsibility of debtors who have the ability to repay a portion of their debts and prevents abuse of the bankruptcy system. However, the Administration [strongly?] opposes H.R. 3150. One provision of the bill would establish a rigid and arbitrary means test to determine whether a debtor could file for bankruptcy under Chapter 7 or would be required to file under Chapter 13 rules. Bankruptcy courts should have greater discretion to consider the specific circumstances that brought a debtor to bankruptcy.

H.R. 3150 also would make nondischargeable certain credit card debt. The Bankruptcy Code generally makes nondischargeable debts only where there is an overriding public purpose, as with debts for child support and alimony payments, educational loans, tax obligations, or debts incurred by fraud. These credit card debts do not rise to that level of public priority, nor has there been sufficient finding that current protections against fraud and debt incurred prior to bankruptcy are ineffective. Moreover, by making these credit card debts nondischargeable, the bill puts them in competition with payments to a former spouse or custodial parent after the debtor leaves bankruptcy, which would diminish the ability of debtors to fulfill their family obligations. Amendments made during the Judiciary Committee mark-up do not effectively eliminate this problem.

The Administration looks forward to working with the Congress on a balanced package of reforms that addresses these concerns and requires responsibility on the part of both debtors and creditors.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAY-1998 20:11:11.00

SUBJECT: Cancer clinical trials

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

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

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

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

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

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

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

TEXT:

It looks like we have a deal on the cancer clinical trials! Mack's office just called me and confirmed it following a conversation between Mack and McCain. It is the agreement that Josh worked out with me, based on the conversation I had with Mark Smith this morning. There are a few small details to be ironed out, but nothing that will allow this agreement to blow up.

In short, the \$750 million is financed equally between the public health and the research allocations. This sharing of the cost was the basic and necessary tenet that Mack's office insisted on.

I have yet to talk with HHS re this, but Rich Tarplin should be happy because Josh made sure the percentage allocations devoted to CDC and AHCPR remain the same. I personally think this is important so that we have a relatively decent pot of money we can point to when the advocates of NIH-directed tobacco research complain we are not supporting the Jeffords amendment. (I hear that Koop is really pushing this.)

Lastly, despite the rancor with Mack's office earlier today, you should know that they are quite pleased with this deal and our efforts to conclude it. Hopefully this will make the VPOTUS and Erskine happy that their intervention made a real difference. Tomorrow, we will make sure that the cancer community is made aware of the VP's intervention.

cj



Draft 5/19/98 10 p.m.

**PRESIDENT WILLIAM J. CLINTON  
REMARKS FOR TOBACCO-FREE KIDS CAMPAIGN RALLY  
THE WHITE HOUSE  
MAY 20, 1998**

Nearly 35 years ago -- some two decades before most of the children here were even born -- the Surgeon General of the United States sounded an alarm that has only grown louder, clearer and more difficult to ignore with every passing year. The warning: Smoking kills.

And for more than a generation, Americans of all ages and all walks of life have answered that alarm -- fighting tirelessly to conquer this deadly threat and protect the health of our people. In the face of some very powerful opposition, our nation has won victories both large and small -- requiring all cigarette packages to carry warning labels ... prohibiting cigarette advertising on the airwaves ... banning smoking on domestic flights.

Today, we stand on the verge of passing legislation that will do more than ever before to stop the scourge of youth smoking.

This week, the Senate is considering historic comprehensive, bipartisan tobacco legislation, proposed by Senator McCain and Senator Hollings. Over the past few weeks, my administration has worked with Senators in both parties to strengthen this bill -- protecting Americans from the dangers of secondhand smoke in public buildings, dramatically increasing health research and funding a nationwide advertising campaign to tell young people not to smoke, and toughening lookback surcharges to make reducing youth smoking the tobacco companies' bottom line.

This bill includes a significant price increase to discourage youth smoking and affirms the FDA's authority to regulate tobacco products. And I hope that in the next few days, the Senate will make sure we do everything we possibly can to protect tobacco farmers and their communities.

This bill includes another provision -- an \$8 billion annual liability cap that is available only to companies that agree to make sweeping restrictions in youth advertising, achieve dramatic reductions in youth smoking, and comply with this legislation instead of tying it up in court. This provision is controversial to some, but it is there to help achieve our goal, which is to stop kids from smoking in the first place. Everybody knows that tobacco advertising lures young people to start smoking, but the First Amendment limits what we can do to stop these harmful practices. Everybody knows that we can pass the toughest law in the world, but we won't achieve our goal of reducing teen smoking and saving millions of lives unless the tobacco companies cooperate in this effort instead of fighting us in court every step of the way. If an \$8 billion annual cap that doesn't prevent anybody from suing the companies and getting whatever damages a jury awards will get tobacco companies to change the way they do business and join this historic effort to stop teen smoking, it is well worth it for the American people.

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I believe this bill is America's best chance to protect the health of our children, to keep them from ever getting hooked on cigarettes in the first place. It is a good, strong bill, and Congress should pass it without delay.

I congratulate every child here for taking responsibility for your own health, for saying "no" to tobacco and "yes" to brighter futures. I wish you well as you make your voices heard on Capitol Hill. Now it is time for America's elected leaders to do our part.

Today, here on the South Lawn, stand America's future. For years, the tobacco companies have looked upon these children and seen the "replacement smokers" of the 21st Century. But I see more than 1,000 unique children who cannot be replaced. I see the scientists and artists; the teachers and Olympic champions; the engineers and leaders of the 21st Century. Everyone of us has the responsibility to make sure these and all children across America have the opportunity to live out their dreams and fulfill their greatest, God-given potential. That is why we must pass this bill.

Today, across America, 3,000 other young people of your generation will take up this deadly habit, and 1,000 young people -- about the number here this morning -- will die early as a result. So when you leave here and go up to Capitol Hill, remind every member of Congress what this legislation is all about. Let this Congress be the Congress that saves those children's lives.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAY-1998 11:48:07.00

SUBJECT: Gorton amendment

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

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

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

TEXT:

Here are some talking points on why we oppose the Gorton amendment (which is still in the McCain bill) and also a letter that either the President or Interior can send out. Could you please review? Interior has been calling saying that we should send a letter. Also Lynn Cutler has been getting calls from various tribes. ===== ATTACHMENT 1 =====  
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS\_EXT:[ATTACH.D18]MAIL46387483Z.126 to ASCII,  
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May 18, 1998

Dear Senator McCain,

I support your efforts in helping to pass comprehensive tobacco legislation which dramatically reduces youth smoking and to remove Section 604 which requires Indian tribes to collect state taxes on sales of tobacco products.

Since the formation of the Union, the United State has recognized Indian tribes as "domestic dependent nations" that exercise governmental authority over their members and their territory. Where Indians manufacture tobacco products on their own lands, state taxes on reservation-generated tobacco products would normally be pre-empted under the tribal self-determination doctrine; Section 604, as currently drafted, interferes with this fundamental principle. Even with respect to state taxes collected on sales of pre-packaged goods to non-Indians, Section 604 violates traditional principles of comity and federalism, which demand that state-tribal relations be developed based on dialogue and cooperation between states and tribes.

Section 604 establishes a complex scheme to address a problem that many states and Indian tribes have already resolved. At least eighteen states have entered into state-tribal tax agreement with numerous Indian tribes. These agreements ensure that a single tax is imposed, provide a stable tax framework, and ease tax administration significantly. By unilaterally requiring Indian tribes to collect the state taxes and also adding the federal government as an intermediary, Section 604 enormously increases the burden of collecting taxes, without any benefit to the states or the Indian tribes. Federal accounting, oversight, and administrative costs will increase to implement this new legislative scheme.

Agreements are the best mechanisms for mutually satisfactory resolution of tax collection issues between states and tribes. Even if states and tribes are unable to reach agreement, however, states may impose their taxes at the wholesale level to collect taxes on goods that are destined for sale to non-Indians.

As originally drafted, the McCain bill did not disturb the current system, which has worked for both the tribes and the states. It permitted the states and the tribes to work together to collect the state's revenues and to share revenues if they so desire. Moreover, it vindicated the federal government's trust responsibility to Indian tribes and recognized their status as domestic dependent nations.

I hope that you will continue to work to remove Section 604, as currently drafted, from the legislation. Thank you for your important work in this area.

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Sincerely,

DRAFT

## THE GORTON AMENDMENT

**Q: What does the Gorton Amendment do?**

**A:** The Gorton Amendment modifies Section 604 of the McCain bill to require Indian tribes and tribal corporations to collect state taxes on sales of tobacco products to non-members of the tribe or corporation and then remit those taxes to the federal government, which then must return those funds to the states.

**Q: Can the states tax sales of tobacco products on Indian lands?**

**A:** Since the formation of the Union, the United State has recognized Indian tribes as "domestic dependent nations" that exercise governmental authority over their members and their territory. The Constitution vests the federal government with authority over relations with Indian tribes. Because Indian tribes and Indians are governed by tribal and federal law, states have no authority to tax Indian tribes, Indians, or Indian property on Indian lands in the absence of express congressional authorization. States may tax non-Indians who buy pre-packaged goods that have been brought onto Indian lands for resale, but may not tax sales to non-Indians when the value of the goods are generated on the reservation.

**Q: How does the Gorton Amendment interfere with tribal sovereignty?**

**A:** Where Indians manufacture tobacco products on their own lands, state taxes on reservation-generated tobacco products would normally be pre-empted under the tribal self-determination doctrine; the Gorton Amendment interferes with this fundamental principle. Even with respect to state taxes collected on sales of pre-packaged goods to non-Indians, the Gorton Amendment violates traditional principles of comity and federalism, which demand that state-tribal relations be developed based on dialogue and cooperation between states and tribes. The Gorton Amendment, by imposing a federally mandated tax collection scheme to replace the cooperative agreements currently used by states and Indian tribes, violates these principles. Some of these state-tribal agreements are authorized pursuant to state statute.

**Q: Why is the Gorton Amendment burdensome?**

**A:** The Gorton amendment establishes a complex scheme to address a problem that states and Indian tribes have already resolved. Dual tribal and state taxation of prepackaged goods sold to non-Indians is possible, but many states have agreed that it is not preferable. To that end, eighteen states have entered into state-tribal tax agreement with numerous Indian tribes. These agreements ensure that a single tax is imposed, provide a stable tax framework, and ease tax administration significantly. There appear to be over

**DRAFT**

200 existing state-tribal tax agreements in these 18 states.

By unilaterally requiring Indian tribes to collect the state taxes and also adding the federal government as an intermediary, the Gorton Amendment enormously increases the burden of collecting taxes, without any benefit to the states or the Indian tribes. Federal accounting, oversight, and administrative costs will increase to implement this new legislative scheme. However, nothing more than anecdotal evidence has been presented to support this overreaching legislative mandate.

**Q: Has the administration taken this position previously?**

**A:** Yes, most recently before the Senate Committee on Indian Affairs in a hearing on tribal sovereign immunity on March 11, 1998. In the administration's view, agreements are the best mechanisms for mutually satisfactory resolution of tax collection issues between states and tribes. Even if states and tribes are unable to reach agreement, however, states may impose their taxes at the wholesale level to collect taxes on goods that are destined for sale to non-Indians. Moreover, reliance on agreements preserves tribal governmental authority and sovereignty.

**Q: What should the McCain bill do about Indian tribes and state taxes?**

**A:** As originally drafted, the McCain bill did not disturb the current system, which has worked for both the tribes and the states. It permitted the states and the tribes to work together to collect the state's revenues and to share revenues if they so desire. Moreover, it vindicated the federal government's trust responsibility to Indian tribes and recognized their status as domestic dependent nations.



[Draft POTUS Letter to the Senate with Bruce's edits]

May 19, 1998

I applaud the Senate for taking up comprehensive, bipartisan legislation to dramatically reduce teen smoking. Every day, 3000 teenagers start smoking, and 1000 will die prematurely of smoking-related diseases as a result. I urge the Senate to move swiftly to pass comprehensive legislation that could save those children's lives.

Last September, and in my budget plan, I set forth five principles for comprehensive tobacco legislation:

- 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.

The bill before the Senate, as amended by Senator McCain's Manager's Amendment, meets those five principles, and I would be pleased to sign it into law. This is a good, strong bill that will make a real dent in teen smoking.

I applaud Senators McCain, Hollings, Kerry, and others in both parties who have worked hard to strengthen this legislation. I am particularly pleased that the bill contains significant improvements which will help reduce youth smoking and protect the public health:

- Tough industry-wide and company-specific lookback surcharges that will finally make reducing youth smoking the tobacco companies' bottom line;
- Protection for all Americans from the health hazards of secondhand smoke in public buildings;
- No antitrust exemption for the tobacco industry;
- Strong licensing and anti-smuggling provisions to prevent the emergence of contraband markets and prosecute violators;

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- A dedicated trust fund to provide for a substantial increase in health research funding as we move into the 21st Century, a nationwide counteradvertising campaign to reduce youth smoking, effective state and local programs in tobacco education, prevention, and cessation, law enforcement efforts to prevent smuggling and crack down on retailers who sell tobacco products to children, assistance for tobacco farmers and their communities, and funds for the states to make additional efforts to promote public health and protect children; and
- A higher, \$8-billion-a-year cap on legal damages, which will only be available to tobacco companies that finally change the way they do business, by agreeing to accept sweeping restrictions on advertising, continue making annual payments and lookback surcharges even if those provisions are struck down, make substantial progress toward meeting the youth smoking reduction targets, prevent their top management from taking part in any scheme to promote smuggling, and abide by the terms of the legislation rather than tying it up in court.

I strongly support these improvements, and I urge the Senate to pass this legislation without delay.

I am deeply troubled by the Senate Leadership's recent attempt to undermine protection for tobacco farmers and their communities. [A few sentences on LEAF]

In addition, 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: Richard Socarides ( CN=Richard Socarides/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:19-MAY-1998 16:23:37.00

SUBJECT: Non Discrimination Executive Order

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

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

Virginia Apuzzo ( CN=Virginia Apuzzo/OU=WHO/O=EOP [ WHO ] )  
READ:UNKNOWN

Sean P. Maloney ( CN=Sean P. Maloney/OU=WHO/O=EOP [ WHO ] )  
READ:UNKNOWN

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

TEXT:

OK, scratch the previous message (reprinted below). OPM has previously advised of their view that as a prohibited personnel practice, sexual orientation discrimination claims have some remedies through the Merit System Protection Board and the Office of Special Counsel as it now stands, so they certainly would not have any less after the EO. That's the answer I think we needed to proceed.

Bruce, you told me you thought we should do this the last week of May, after Congress goes out. I'd like to raise with John P. the timing of this for next week. You will recall that when we last visited this, the agreement was that we would do it in April or May.

OK w/ DPC to proceed as outlined?

----- Forwarded by Richard Socarides/WHO/EOP on 05/19/98  
03:47 PM -----

Richard Socarides 05/15/98 02:18:24 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP  
cc: Mary L. Smith/OPD/EOP, Thomas L. Freedman/OPD/EOP  
Subject: Non Discrimination Executive Order

I am assuming the plan is still to do this the week after next. We could really use it. As I mentioned, I think OMB should send it over to EEOC for a quick look and to answer the question: What procedures are in place now or what types of procedures should be implemented to enforce the

requirements of the order relating to sexual orientation. We will get this question and it would be good to have their answer ready. Thanks.

Enjoying the tobacco wars?



DRAFT -- REVISED 10:30PM 5/19

May 20, 1998

I applaud the Senate for taking up comprehensive, bipartisan legislation to dramatically reduce teen smoking. Every day, 3000 teenagers start smoking regularly, and 1000 will die prematurely of smoking-related diseases as a result. I urge the Senate to move swiftly to pass comprehensive legislation that could save those children's lives.

Last September, and in my budget plan, I set forth five principles for comprehensive tobacco legislation:

- Raising the price of cigarettes by \$1.10 a pack over 5 years with additional 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.

The bill before the Senate, as amended by Senator McCain's Manager's Amendment, is a good, strong bill that will make a real dent in teen smoking. Congress should pass it without delay.

I applaud Senator McCain and others in both parties who have worked hard to strengthen this legislation. I am particularly pleased that the bill contains significant improvements which will help reduce youth smoking and protect the public health:

- Tough industry-wide and company-specific lookback surcharges that will finally make reducing youth smoking the tobacco companies' bottom line;
- Protection for all Americans from the health hazards of secondhand smoke;
- No antitrust exemption for the tobacco industry;
- Strong licensing and anti-smuggling provisions to prevent the emergence of contraband markets and prosecute violators;
- A dedicated fund to provide for a substantial increase in health research funding, a demonstration to test promising new cancer treatments, a nationwide counteradvertising

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campaign to reduce youth smoking, effective state and local programs in tobacco education, prevention, and cessation, law enforcement efforts to prevent smuggling and crack down on retailers who sell tobacco products to children, assistance for tobacco farmers and their communities, and funds for the states to make additional efforts to promote public health and protect children; and

- The elimination of immunity for parent companies of tobacco manufacturers, an increase in the cap on legal damages to \$8 billion per year, and changes to ensure that the cap will be available only to tobacco companies that change the way they do business, by agreeing to accept sweeping restrictions on advertising, continue making annual payments and lookback surcharges even if those provisions are struck down, make substantial progress toward meeting the youth smoking reduction targets, prevent their top management from taking part in any scheme to promote smuggling, and abide by the terms of the legislation rather than tying it up in court.

I strongly support these improvements, and I urge the Senate to pass this legislation without delay.

I have made protecting tobacco farmers and farming communities a top priority for this legislation, and I believe Senator Ford's LEAF Act fully meets this standard. I am deeply troubled by the Senate Leadership's recent attempt to undermine protection for tobacco farmers and their communities, and I urge the Congress to work through this impasse and get on with the business of passing comprehensive legislation to reduce youth smoking.