

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 035 - FOLDER - 005

[07/30/1998]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert J. Pellicci (CN=Robert J. Pellicci/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:30-JUL-1998 15:23:54.00

SUBJECT: Justice Assisted Suicide Letter

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

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

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

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

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

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

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

TEXT:

Justice has just advised that it has been invited to testify tomorrow morning (10:00 a.m.) before the Senate Committee on the Judiciary on the use of dispensing or distributing controlled substances for purposes of physician assisted suicide. Justice intends to use its letter that you have for review as its testimony. Justice is anxious to know when we can give them comments? Please advise. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUL-1998 12:53:47.00

SUBJECT: Meeting on Native American economic development conference

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

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

TEXT:

We are still meeting at 5pm, and Bruce said to invite Maria Echaveste to the meeting. I will also invite Lynn Cutler unless there are any problems with doing that. Thanks, Mary

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Leslie Bernstein (CN=Leslie Bernstein/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:30-JUL-1998 18:41:39.00

SUBJECT: Fee Increase Conf Call

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TEXT:

There will be a conference call re the above at 11:30am on 7/31.

The phones are 6-6755/6-6766
Code for both lines is 5005

Thanks!
(c=

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Richard Socarides (CN=Richard Socarides/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:30-JUL-1998 14:38:04.00

SUBJECT: New Penn, S poll: 64% oppose repeal of Non Discrimination Exec Order; 75%

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

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

TO: Minyon Moore (CN=Minyon Moore/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: Dario J. Gomez (CN=Dario J. Gomez/OU=WHO/O=EOP @ EOP [WHO])
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: Charles E. Kieffer (CN=Charles E. Kieffer/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

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

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

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

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

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

READ:UNKNOWN

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

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

TEXT:

----- Forwarded by Richard Socarides/WHO/EOP on 07/30/98
02:34 PM -----

rwockner @ netcom.com
07/30/98 02:15:00 PM

Record Type: Record

To: Stuart D. Rosenstein, Richard Socarides
cc:
Subject: NC7700: HRC Poll: GOP will be damaged by anti-gay attack

HUMAN RIGHTS CAMPAIGN PRESS RELEASE

1101 14th Street NW
Washington, DC 20005
website <http://www.hrc.org>
phone 202 628 4160
fax 202 347 5323
HRC News Release

Thursday, July 30, 1998

NEW POLL SHOWS LATEST RIGHT WING ATTACKS AGAINST GAY AMERICANS HAVE SEVERE
POLITICAL REPERCUSSIONS FOR GOP

America Rejects the Hefley Amendment By A Wide Margin, According To Poll

WASHINGTON -- A new poll released today by HRC and conducted by the polling firm Penn, Schoen, and Berland shows that dire political consequences await the GOP if they continue down their current path of anti-gay rhetoric and discriminatory legislation against gay Americans, according to the Human Rights Campaign.

"The vast majority of Americans are appalled by the recent anti-gay crusade waged by the Right-wing. This poll shows that politicians who once thought they benefitted from attacking gays may be in for a rude awakening in November. America has drawn a line in the sand that says that job discrimination and singling out one group of Americans is morally and politically unacceptable," said HRC communications director and senior strategist David M. Smith.

The poll results show that Americans overwhelmingly oppose the Hefley amendment, which would reverse President Clinton's executive order banning discrimination against gay men and women in federal employment. 64 percent of Americans said they are against Congress overturning the executive order, compared to only 28 percent who support overturning the discrimination ban. The Hefley amendment is expected to be introduced this week to the Commerce, Justice, State Appropriations bill.

"Members of Congress who vote for the Hefley amendment are clearly out of touch with the American people. Those who choose to support this amendment are branding themselves with a big scarlet letter that screams,

'I am intolerant.' Our poll shows that there are grave consequences for members of Congress who align themselves with religious political extremists," said HRC political director Winnie Stachelberg.

Among the findings in today's poll is that 75 percent of Americans believe job discrimination against gay people should be illegal. The poll also shows that there are political consequences for gay bashing with 48 percent of likely voters saying that they would be "less likely" to vote for a Congressperson who voted to overturn President Clinton's ban barring job discrimination against gays. Only 17 percent of respondents said overturning the discrimination ban would make them "more likely" to vote for their Congressperson.

The poll also asked how the recent attacks on gay Americans by the GOP affected the respondents opinion of the Republican party. 40 percent said their opinion was "less favorable." Only 18 percent said anti-gay rhetoric made their impression of the party "more favorable."

According to the poll, Americans overwhelmingly believe the recent anti-gay rhetoric, such as Senate Majority leader Trent Lott's comparison of gay people to kleptomaniacs is divisive. 62 percent said they believe that the recent public "discussion" on the equality of gay Americans hurts the country and fosters a climate of intolerance and hostility, while just 24 percent of say it helps the country.

"Voters are perplexed by this new obsession with gay people and are wondering when Congress will realize it is time to start focusing on real issues instead of red-meat for the Far Right" Smith.

In an effort to appease Focus On The Family's James Dobson and his political deputy Gary Bauer, Senate Majority Leader Trent Lott kicked off a wave of anti-gay rhetoric when he recently said that homosexuality was a sin and likened gays to alcoholics and kleptomaniacs. His comments were followed by disparaging remarks about gay people by several public officials including Senator Don Nickles (R-Okla.), Rep. Dick Armey (R-TX.) and Sen. Jesse Helms (R-N.C.) These attacks intensified after fifteen religious political organizations embarked on a divisive ad campaign targeting gay Americans and their family members. This orchestrated campaign of discrimination has now spread to the House where a plethora of anti-gay legislation has been introduced. Last night, the House narrowly passed two amendments to the VA/HUD appropriations bill that have grave implications for gay Americans. The Hilleary amendment, which passed by a vote of 231-230, would drastically cut housing funds for people with AIDS. The Riggs amendment, which passed by a vote of 214-212, would prohibit San Francisco from using VA-HUD funds to implement its city ordinance against discrimination in city contracts.

The Human Rights Campaign is the largest national lesbian and gay political organization, with members throughout the country. It effectively lobbies Congress, provides campaign support, and educates the public to ensure that lesbian and gay Americans can be open, honest, and safe at home, at work, and in the community.

- 30 -

For a complete copy of the poll contact Wayne Besen at (202) 216-1580 or (800) 386-5997.

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

TEXT:
RFC-822-headers:

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id <01J00JJ67LJ400AC7G@PMDF.EOP.GOV>; Thu, 30 Jul 1998 14:24:24 EDT

Received: from Storm.EOP.GOV by PMDF.EOP.GOV (PMDF V5.1-9 #29131)

with ESMTTP id <01J00JJ3DIRK00A61U@PMDF.EOP.GOV>; Thu,

30 Jul 1998 14:24:21 -0400 (EDT)

Received: from netcom3.netcom.com ([192.100.81.103])

by STORM.EOP.GOV (PMDF V5.1-10 #29131)

with ESMTTP id <01J00JIPT9920008XC@STORM.EOP.GOV>; Thu,

30 Jul 1998 14:24:04 -0400 (EDT)

Received: (from rwockner@localhost)

by netcom3.netcom.com (8.8.5-r-beta/8.8.5/(NETCOM v1.02)) id LAA17035; Thu,

30 Jul 1998 11:15:37 -0700 (PDT)

===== END ATTACHMENT 1 =====

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Richard Socarides (CN=Richard Socarides/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:30-JUL-1998 08:20:17.00

SUBJECT: NC7697: U.S. House slaps S.F. and reduces AIDS funding

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

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

TO: Minyon Moore (CN=Minyon Moore/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: Dario J. Gomez (CN=Dario J. Gomez/OU=WHO/O=EOP @ EOP [WHO])
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: Charles E. Kieffer (CN=Charles E. Kieffer/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

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

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

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

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

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

READ:UNKNOWN

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

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

TEXT:

----- Forwarded by Richard Socarides/WHO/EOP on 07/30/98
08:19 AM -----

rwockner @ netcom.com
07/30/98 02:47:00 AM

Record Type: Record

To: Stuart D. Rosenstein, Richard Socarides
cc:
Subject: NC7697: U.S. House slaps S.F. and reduces AIDS funding

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Associated Press, July 29, 1998
House Votes To Nix Gay Rights Money
By H. JOSEF HEBERT

WASHINGTON -- Despite charges of bigotry and interference in local government, the House on Wednesday voted to prohibit the spending of federal money on programs implementing a gay-rights ordinance in San Francisco.

The measure, offered by Rep. Frank Riggs, R-Calif., was approved 214-212 as an amendment to a spending bill for housing, veterans programs, environmental protection, space and funding for the arts.

Supporters said they hoped to get the provision removed during negotiations to reconcile the House bill with a yet-to-be approved Senate version.

The Riggs amendment prohibits any money in the \$94 billion spending bill to be used to implement a San Francisco ordinance that requires employers doing business with the city to provide health and other benefits to same-sex partners.

"We should not force or coerce (private business) to adopt policies they find morally objectionable," Riggs argued in a heated debate.

Rep. Patrick Kennedy, D-R.I., called it a "mean-spirited, bigoted amendment" and other opponents said it was an assault on local autonomy. "It attacks home rule in every city in America," declared Rep. Dennis Kucinich, D-Ohio, a former mayor of Cleveland.

"It's a move back to the days of witch hunting, back to the days of telling people what they should and should not do," complained Rep. Danny Davis, D-Ill. He said the amendment threatens programs in San Francisco that help the homeless and the treatment of AIDS patients as well as scores of other programs that rely in part on federal support.

Rep. Nancy Pelosi, D-Calif., said the city negotiated with Catholic Charities, which had balked at the ordinance, and reached an accommodation, and compromises were expected to be worked out with other businesses.

"I don't know why Mr. Riggs wants to create a war," she said in strong opposition to the measure. Pelosi, who represents San Francisco, called the amendment an affront to home rule and said "the city of San Francisco is not forcing anyone to act against their principles."

More than a dozen lawmakers spoke emotionally against the amendment, characterizing it as an attack on gay rights and a federal imposition on local rule. Only Riggs vigorously supported it during the debate.

"It's a message amendment. ... It will unquestionably encourage intolerance," said Rep. Henry Waxman, D-Calif.

The San Francisco ordinance has been criticized by some businesses as well as nonprofit organizations including Catholic Charities and the Salvation Army.

"The Salvation Army, which refused to buckle to city policy, forfeited \$3.5 million of its \$18 million budget," said Riggs, because it didn't want to comply with the city ordinance on domestic partner benefits.

The Human Rights Campaign, the largest national lesbian and gay political organization, called the amendment "the latest salvo in right-wing attacks against gay people."

"The amendment is a thinly veiled attempt to attack San Francisco and micromanage the city," said Winnie Stachelberg, the political director for the Human Rights Campaign.

In another action of interest to the gay community, the House decided to reduce money it had allocated for housing programs earmarked for people with AIDS. The \$21 million was shifted to help finance state extended care programs for veterans.

Rep. Van Hilleary, R-Tenn., said the reduction was justified because of a 6 percent decline in the annual number of AIDS cases.

Opponents of the amendment argued that the decline is attributed to the wider use of new drugs and the success of such drug treatments often depends on patients having decent housing.

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

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

TEXT:

RFC-822-headers:

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.1-9 #29131) id <01IZZV8TP4R400A5DG@PMDF.EOP.GOV>; Thu, 30 Jul 1998 02:48:52 EDT

Received: from Storm.EOP.GOV by PMDF.EOP.GOV (PMDF V5.1-9 #29131) with ESMTP id <01IZZV8NCAWW00AYB4@PMDF.EOP.GOV>; Thu, 30 Jul 1998 02:48:47 -0400 (EDT)

Received: from netcom3.netcom.com ([192.100.81.103]) by STORM.EOP.GOV (PMDF V5.1-10 #29131) with ESMTP id <01IZZV82V7280006HG@STORM.EOP.GOV>; Thu, 30 Jul 1998 02:48:16 -0400 (EDT)

Received: (from rwockner@localhost) by netcom3.netcom.com (8.8.5-r-beta/8.8.5/(NETCOM v1.02)) id XAA23101; Wed, 29 Jul 1998 23:47:50 -0700 (PDT)

===== END ATTACHMENT 1 =====

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUL-1998 17:30:25.00

SUBJECT: Master Teachers

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:

Here is where things stand on the National Board for Professional Teaching Standards.

1. Overall, we are faced with strong opposition from Goodling and the House Republicans, a profound lack of interest from House Dems, and reasonably strong bipartisan support for the Board on the Senate side. In balance, Goodling probably has the upper hand mainly because he seems to care about this a whole lot more than any other conferee.

2. Riley is meeting with Kennedy, Dodd and Jeffords this afternoon, and with Goodling and McKeon tomorrow--to complete his meetings prior to the HEA conference. We'll see if those meetings produce any new insights--particularly if we get any indication that there is room for compromise with Goodling over the National Board--or if there are any trades over other issues we can pursue. It's a long shot, because most signals are that Goodling is as dug in on this as he was last year on the test.

3. The Board has done a good job in shoring up bipartisan support in the Senate. However, the Board staff continues to seriously underestimate the jeopardy it is in. I have made some headway on this in the past several days by bypassing the DC lobbyist and going directly to the President, Jim Kelly. On Saturday I will talk to Jim Hunt and to Bob Welling (VP of Proctor and Gamble) one of the biggest and most politically active business supporters of the board. Pending the outcome of tomorrow morning's meeting, my message will be that the board's federal support is in serious jeopardy and that it (1) must work with us and Congressional supporters on a "Board reform package" to better help its supporters carry the Board's water in conference and (2) Hunt and Wehling in particular must strategically mobilize gubernatorial and business supporters to work selected conferees and leadership on this issue.

4. I've got a meeting tomorrow morning with WH, OMB, ED, Nat. Board staff, AFT and NEA, and Kennedy and Dodd's staff. In addition to assessing where we stand, the meeting will focus on:
Shaping the responses to the attacks on the board. I won't go into detail here, though these involve 4 key issues:
the salary of the director (240K) and other senior staff
the cost of certifying teachers
racial disparities in participation in board certification
lack of evidence that students of board-certified teachers learn more than those of noncertified teachers.

The outcome I'm looking for here is a combination of steps the board can take on its own to address concerns, and legislative language so there is can be a compromise in conference. The key question is whether we are

going to have to do this with the board or around it.

Firming up the resolve of the Senate. We worked and watched the Senate very closely when HEA came up there, in the event that Ashcroft or someone like that tried to add Goodling's provision. In the process, we developed/strengthened support on both sides of the aisle (e.g., Kennedy, Dodd, Jack Reed among D's, and Jeffords, DeWine, Faircloth among R's). I'm trying to figure out how we can use the Rep. Governors who support the board (Voinavich, Branstad, and Fordice, among others) to strengthen support in the Senate, including by figuring out a way for Fordice and Voinavich to get to Lott.

Increasing the level of interest/support of House Dems. While we will not convert any of the House Dems into avid supporters of the Board, the dynamics of the conference will be more favorable if House Dems are more engaged. Though they did not speak up yesterday, Kildee and Andrews have in fact been Board supporters (Andrews spoke up on behalf of the Board when Goodling introduced his amendment in April). NEA, AFT and the Nat. Association of Black School Educators (for Clay) can help on this.

Q: Is it true that the White House is supporting the repeal of the provision that gives medical I.Ds. to every American?

A: The Congress directed HHS to develop unique health identifier numbers under the Health Insurance Portability and Accountability Act of 1996. The Administration has consistently taken the position that we will not implement this legislation until there are strong privacy protections in place.

In the interim, the only action we have taken has been a call for information to all interested parties, particularly consumer representatives, so that we have all the information necessary to implement the law.

Once again, however, our number one priority is to put in place strong privacy protections. Our preference is for Congress to pass meaningful, bipartisan legislation this year. If not we fully intend to implement strong privacy protections, as is consistent with the authority given to us by the law.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUL-1998 12:36:26.00

SUBJECT: country of origin labeling

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Attached is a useful memo on the background, official statements, safety, trade, costs, and politics of this issue. You will note that there are congressional splits (Stenholm and Archer for instance oppose) and consituent splits (meatpacking and food processing oppose). As you can see from the memo, we've taken the issue up with USDA and USTR, there is still a good deal of opposition within USDA and within USTR but we could work to ameliorate some of their concerns (specifying that the label note country its from, not just say "imported.")

If you decide you want to try and make this happen, we should hold a senior level meeting including at least USTR, USDA, State, OMB, leg. affairs, the VP's office, HHS (FDA).

I'm still working to see if the August 12th event is still on.===== A

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D31]MAIL443225611.226 to ASCII, The following is a HEX DUMP:

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Import and Country of Origin Labeling

Background

During floor debate, the Senate added two amendments by voice vote/unanimous consent on import and country of origin labeling to the FY 1999 Agricultural Appropriations bill. Senator Johnson's (D-SD) amendment applies to beef and lamb; it does not apply to pork, poultry, or any other meat products. It appears to require "import" labeling rather than individual country of origin. Senator Graham's (D-FL) amendment, on the other hand, applies to all fresh and frozen fruits and vegetables sold at retail and specifically requires country of origin labeling.

The House FY 99 Agricultural Appropriations bill does not include either provision. However, legislation similar to these amendments has been introduced in the House. A bill mandating country of origin labeling for all meat products, HR 1371, was introduced by Rep. Chenoweth (R-ID) and currently has 39 cosponsors (24 Reps, 15 Dems, 1 Indep.). Several bills have been introduced in the House to require country of origin labeling on produce -- HR 1232 by Rep. Bono (96 cosponsors, 51 Dems, 44 Reps, and 1 Indep), HR 2332 by Rep. Everett (42 cosponsors), HR 3676 by Rep. Pallone, 29 cosponsors, and HR 4080 by Rep. Dingell (15 cosponsors). None of these bills has been the subject of a hearing or mark-up during this Congress.

USDA's Food Safety and Inspection Service (FSIS) currently requires imported product that is retail ready to be labeled with the country of origin. Product that will be further processed is also labeled, but that identity is lost during processing. For fruits and vegetables, current country of origin labeling is implemented by the Customs Service. Customs requires side panel labeling on frozen fruits and vegetables, and imported fresh produce must contain such information on shipping containers. Consumer ready products must also be labeled.

The House and Senate are expected to conference on agricultural appropriations in September. Various Members of Congress and constituencies have expressed interest in the Administration's position on this issue.

Administration's Views

The Administration has generally objected to efforts by our trading partners to impose such requirements on U.S. products. However, USDA has not found any statement of an official Administration position on country of origin labeling.

During congressional trade hearings, Administration officials have expressed concerns about the use of such labeling against U.S. products. During deliberations on fast track, the Administration agreed, at the request of Senator Daschle, to promote a voluntary labeling approach for U.S. meat products. USDA has held a public meeting to promote this initiative, but very little interest has been expressed by industry.

Food Safety

Country of origin labeling should not be characterized as a food safety issue. Imported meat and poultry products must be inspected in the exporting country under a system equivalent to the U.S. system, then it is subject to reinspection at the border. Imported meat and poultry that is further processed in the U.S. undergoes a complete inspection again under U.S. inspection.

However, while food safety experts generally do not believe that country of origin labeling would greatly improve our ability to detect and control outbreaks of foodborne illness, according to some it could prove useful in tracing back the origins of some outbreaks related to imported fruits and vegetables. FDA officials have disagreed with this assessment arguing that consumers rarely keep the fruit/vegetable containers that carried the tainted food.

A further consideration is the fact that the Administration is currently seeking additional funding for food safety. With limited budgets and efforts focused on actions directly related to improving food safety, the Administration should carefully consider whether implementing and enforcing country of origin legislation would be the most effective use of our food safety resources.

The Johnson amendment would be implemented by the Food Safety and Inspection Service (FSIS), which is responsible for meat, poultry and egg safety. In the absence of additional funding and personnel, FSIS would have to redirect resources away from food safety focused tasks in order to implement and enforce these provisions.

While the Food and Drug Administration (FDA) has jurisdiction over the labeling of fruits and vegetables, the Graham amendment gives the Secretary of Agriculture authority to enforce the legislation. USDA has neither the infrastructure nor the resources to implement this provision, and would suggest either FDA or Customs as the appropriate enforcement agency.

Trade

It is possible to require country of origin labeling of imported products under our GATT and WTO obligations, provided that all imports are treated similarly, the difficulties are reduced to a minimum, and the labeling does not seriously damage the product or unduly increase its costs or decrease its value.

The Administration has generally objected to country of origin labeling when it has been considered by our trading partners. If the Administration were to support country of origin labeling, it could be seen as protectionist by our trading partners and would obviously limit our ability to object to such requirements in the future.

While many agricultural producers support country of origin labeling, others do not, in part because of concern that such labeling would be used unfairly against U.S. exports. The U.S. exports nearly 60 percent more agricultural products than it imports. For example, it is

possible that such labeling will be used to stigmatize imported food products through negative advertising campaigns. Similar efforts could be made to stigmatize U.S. exports to other countries.

In general, Senator Graham's amendment appears to be consistent with U.S. rights under Article 9 of the WTO agreement. However, it is possible that an exporting country could challenge these labeling requirements as unduly increasing the costs of their product, for example, because the labeling requirements imposed on domestic retailers will (1) either be passed on to the exporting countries, making their product less competitive, or (2) make domestic retailers less likely to market imported products.

While the same general challenge could be made against his amendment, Senator Johnson's amendment also contains language which appears to violate our international trading commitments. Specifically, the language appears to require the word "imported" on the label rather than allowing a specific country of origin, which would violate WTO Article XI. This concern has been expressed to Senator Johnson's staff but the necessary changes to the language have not been made.

In addition, Senator Johnson's amendment may raise other trade issues such as national treatment, particularly since it appears to be targeted at Canada. Under current law, cattle that is imported into the U.S. for slaughter is consider U.S. product. The Johnson amendment would require such product to be labeled as imported. However, if imported cattle are shipped into a U.S. feedlot prior to slaughter, even for one day, then the product would be considered U.S. under the Johnson amendment. The Canadian Agriculture Minister has expressed his concerns about the amendment to Secretary Glickman.

DPC has discussed the matter with Sean Darragh of USTR who expressed USTR's continued opposition to the concept of country of origin labeling. Faced with the prospect that the legislation may become law, USTR via Jim Lyons, suggested a change affecting the importation of live cattle. Sean Darragh stated that USTR would much prefer language specifying that the imported food will not simply say "Imported" but rather say "product of country X".

Consumer Right to Know

While country of origin labeling should not be supported on the basis of food safety, supporters argue that consumers have the right to know a food product's country of origin. For example, supporters argue that, if consumers can tell where their clothes come from, they should be given the same information about their food.

However, others have expressed skepticism that consumers do in fact believe that country of origin is important information. In addition, a consumer right to know argument could have implications for other labeling disputes, such as our current disagreement with the European Union over the labeling of products of biotechnology.

Enforceability and Costs

Any real or perceived benefits to consumers from such a labeling requirement would be directly related to the ability of agencies to enforce these new requirements. Industry and the retail sector are strongly opposed to country of origin legislation because of the costs it would impose.

To effectively implement the Johnson amendment, for example, all imported beef would need to be segregated and extensive records would need to be kept throughout the slaughter, processing, and distribution chain. Industry talking points against this amendment estimate that 20 percent of ground beef produced in the U.S. is made from imported lean beef blended with U.S. fed beef trimmings. This would be a difficult and expensive effort, with estimates ranging up to \$60 million annually, depending on the level of enforcement.

The Graham amendment, on the other hand, applies only to those retailers that purchase in excess of \$230,000 per year in fresh and frozen produce, or about 5,000 of the approximately 180,000 retail stores. However, these 5,000 retailers have approximately 30,000 locations nationwide, and enforcement at retail establishments would often need to include record checks at central purchase and distribution points. Preliminary estimates suggest that enforcement could cost between \$15-20 million annually, again depending on the level of enforcement.

Congressional Interest

Many of the supporters of these provisions are from border states or from states that compete with imported products. In addition, while there is bipartisan support for these requirements, there is also bipartisan opposition. For example, both Rep. Skeen, chair of the House Ag Approps subcommittee, and Rep. Stenholm, ranking Democrat on the House Agriculture Committee, have expressed concern about these provisions. In addition, Ways and Means Chairman Archer has expressed his opposition to these provisions in a July 24, 1998 letter to Appropriations Chairman Livingston, and Agriculture Chairman Smith has also expressed opposition to authorizing these provisions on an appropriations bill.

USDA understands that the entire food processing and retail industry is attempting to meet with the Republican leadership.

Constituent Interest

The National Farmers Union, American Farm Bureau Federation, and the National Cattleman's Beef Association have strong grassroots support for the Johnson amendment. The pork and poultry industry do not support country of origin labeling, but they are also not covered by the Johnson amendment. The meatpacking and food processing industry vigorously opposes both amendments. Consumer groups generally support country of origin labeling. Fruit and vegetable producers do not have consistent support for or opposition to country of origin labeling.

Other Issues

The Johnson amendment in particular contains a number of potentially problematic provisions that may simply be due to inartful drafting. For example, one provision could be construed to change the statutory definition of meat.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUL-1998 12:46:03.00

SUBJECT: H1B -- veto threat

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:

According to NEC, a decision was made to issue a veto threat on the legislation. Peter's plan is to issue a general veto letter (that is low on specifics) and simultaneously issue a letter from Gene that outlines what a good bill would look like. According to Peter, the House is issuing a rule at 3pm that will allow this to go to the floor. Though it is still likely that this won't go to the floor until tomorrow, Peter wants us to be prepared to issue both the SAP and the letter today.

NEC is drafting the Gene letter, which we can review.

julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert J. Pellicci (CN=Robert J. Pellicci/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:30-JUL-1998 09:29:49.00

SUBJECT: Justice Letter on Assisted Suicide

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Audrey Choi (CN=Audrey Choi/O=OVP@OVP [UNKNOWN])

READ:UNKNOWN

TO: JENNINGS_C@A1@CD@LNGTWY (JENNINGS_C@A1@CD@LNGTWY [UNKNOWN]) (WHO)

READ:UNKNOWN

TO: KAGAN_E@A1@CD@LNGTWY (KAGAN_E@A1@CD@LNGTWY [UNKNOWN]) (OPD)

READ:UNKNOWN

TEXT:

Last night I circulated for your review and comment a draft Justice letter on HR 4006 - Rep. Hyde's Lethal Drug Abuse Protection Act. Justice is anxious to get its letter to the Senate tomorrow (hearing) and for a House markup next week. The deadline for comments is NOON TODAY.

If you didn't receive the fax or have any questions please let me know.
Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUL-1998 19:07:55.00

SUBJECT: Education weekly

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

TEXT:

Charter Schools. The Senate Labor and Human Resources Committee reported out the charter schools bill unanimously, and without amendment. Before the bill comes to the floor, there is one remaining issue to be worked out with Sen. Coats, regarding a requirement in existing law that charter schools use a lottery to select students if the school is oversubscribed. Sen. Coats wants the Education Department to provide guidance that interprets that requirement flexibly, enabling charter schools to guarantee places for the children of founders and siblings of students already enrolled. Coats may also push for guidance that would make it easy for charter schools to have selective admission requirements, rather than being open to all interested applicants. We are working with the Education Department to find reasonable accommodations to these issues, without opening the door to abuses that could increase the number of racially identifiable schools. We would prefer to work out Education Department guidance that Coats can live with, rather than have to deal with these issues in a floor amendment.

National Board for Professional Teaching Standards. In preparation for the conference on the Higher Education Act, we are working on a strategy for removing Goodling's provision that prohibits continued funding for the NBPTS. This will be a difficult fight. Goodling appears as dug in on this issue as he has been on national test. There is little interest in the Board among House Democrats on the conference committee, and though there is bipartisan support for the Board in the Senate, the prospects for sustaining a veto are weak in light of the overwhelming majorities that supported the bill in both Houses. While few members on either side of the aisle share Goodling's antipathy toward the Board, some of his attacks (e.g., the high salary of the Board's President and the high financial cost to teachers for seeking board certification) appear to resonate even with supportive Democrats. Our overall strategy is to work with the Board to find compromise language that responds to the criticisms that are being made while preserving the federal funding stream. We are also working closely with NEA and AFT to shore up support among key House Democrats, and will work with Gov. Hunt at the NGA meeting this weekend to mobilize Republican Governors and business leaders who support the Board to strengthen the resolve of Senate Republicans.

Ed-Flex. The Senate Labor and Human Resources Committee reported out an Ed-Flex bill which makes all states eligible to receive the authority to waive federal education requirements if they have academic standards, tests and school-by-school accountability measures in place. The bill reflects the principles in the Administration's proposal you announced at the NGA meeting last winter, and we supported the bill. Senate Democrats tried to stall the bill with a range of amendments, but ultimately, and unhappily, let it pass. The prospects for floor action are not clear at

present.

DC charter schools. The Administration and congressional staff have been exploring ways to address a potential shortfall of funding for DC charter schools this academic year. The budget developed earlier this year by the Control Board and the DC Government significantly underestimated the number of students likely to attend charter schools, providing only \$12 million of the approximately \$30 million needed for full per-pupil allocations to support the 4,000 students projected to attend charter schools this year. While the original DC appropriations bills introduced in the House and Senate included only the \$12 million recommended for charter schools, the House version of the bill has added \$20 million from the federal payment, a move supported by the Administration. Meanwhile, a manager's amendment offered to the bill on the Senate floor may include a provision either to fully fund charter schools out of the DC surplus or direct the Control Board to determine an offset within the DC budget to fully fund charter schools. The Administration will continue to work with Congress and the Control Board in the coming days to make sure there is full funding available to the schools.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Ingrid M. Schroeder (CN=Ingrid M. Schroeder/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:30-JUL-1998 11:12:46.00

SUBJECT: Baseball Antitrust Compromise - S. 53

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

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

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

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

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

TEXT:

No. 146
Thursday July 30, 1998
Regulation, Law & Economics

Antitrust

Senate Will Take Up Issue
Of Major League Baseball's Exemption

The route to rectifying a "76-year-old aberration" is cleared as the Senate plans to take up the Curt Flood Act of 1997 in an effort to clarify that major league baseball player relations are covered by federal antitrust law, according to the bill's sponsors, who July 29 announced the agreement of the players and the owners to the bill.

Sens. Orrin G. Hatch (R-Utah) and Patrick J. Leahy (D-Vt.) characterized the agreement between the players and both major and minor league club owners as an "historic milestone in the history of professional baseball." Hatch pointed out that, because of "an aberrant Supreme Court decision in 1922, labor relations in major league baseball have not been subject to antitrust laws, unlike any other industry in America." Hatch attributed the frequent work stoppages, "including the disastrous strike of 1994-1995," to the exemption based on Federal Baseball Club v. Nat'l League of Prof'l Baseball Clubs, 259 U.S. 200 (1922).

"With this historic agreement," Hatch expressed confidence that the bill will "assure baseball fans across the U.S. that our national pastime will not again be interrupted by strikes."

Leahy, concurring, noted that the trust of baseball's fans "has been violated over the last several years, ... most memorably in connection with the work stoppage of 1994-95 and the cancellation of the 1994 World Series. It is clear to me that the existence of an antitrust exemption contributed negatively to those developments."

Baseball's recovery from this low point in its history, Leahy observed, "is being driven by the attraction of the game itself and the outstanding skills being demonstrated by today's great players."

Leahy maintained that, while Congress can't solve, and should not solve, every problem or heal baseball's self-inflicted wounds, Congress "can pass legislation that will declare that professional baseball can no longer operate outside the law that applies to others."

Leahy expressed hope that, by putting this issue behind it, baseball can continue to restore public confidence.

Hatch and Leahy surmised that Congress would take up the issue when it returns in September, and both senators expect the bill will gain passage with support across the board.

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUL-1998 18:13:54.00

SUBJECT: Tobacco farmers

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

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

TEXT:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Ingrid M. Schroeder (CN=Ingrid M. Schroeder/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:30-JUL-1998 17:09:00.00

SUBJECT: URGENT - COB TODAY DEADLINE - LRM #IMS391 - Statement of Administration Po

TO: US@2=TELEMAIL@3=GOV+TREAS@5=DO@4=MS01@7=LLR@6=TREASURY@mrx@lngtwy (1=US@2=TELEM
READ:UNKNOWN

TO: lrm (lrm @ ostp.eop.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: dodlrs (dodlrs @ osdgc.osd.mil [UNKNOWN])
READ:UNKNOWN

TO: ascher_bernard@ustr.gov@INET@VAXGTWY (ascher_bernard@ustr.gov@INET@VAXGTWY [UN
READ:UNKNOWN

TO: dol-sol-leg (dol-sol-leg @ dol.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: US@2=TELEMAIL@5=JMD@7=Deborah@6=Clifton@mrx@lngtwy (1=US@2=TELEMAIL@5=JMD@7=Deb
READ:UNKNOWN

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

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

TO: Robert N. Weiner (CN=Robert N. Weiner/OU=WHO/O=EOP@EOP [WHO])
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: Janet Murguia (CN=Janet Murguia/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: Cecilia E. Rouse (CN=Cecilia E. Rouse/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

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

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

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

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

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

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

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

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

TO: Sandra Yamin (CN=Sandra Yamin/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: lrm (lrm @ os.dhhs.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: lrm (lrm @ nsf.gov @ inet [UNKNOWN])
READ:UNKNOWN

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

TO: mjtaylor (mjtaylor @ dol.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: clrm (clrm @ doc.gov @ inet [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CC: Julia E. Yuille (CN=Julia E. Yuille/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TEXT:

You will be receiving by fax a copy of the substitute amendment to H.R. 3736 which is scheduled for House floor consideration tomorrow morning, Friday, July 31st. The deadline of COB, Today, July 30th is firm.

Please note the senior advisors veto recommendation in the attached draft SAP.

Total Pages: _____

LRM ID: IMS391
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Thursday, July 30, 1998

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

FROM: Ronald E. Jones (for) Assistant Director for Legislative Reference
OMB CONTACT: Ingrid M. Schroeder
PHONE: (202)395-3883 FAX: (202)395-3109

SUBJECT: Statement of Administration Policy on HR3736 Workforce
Improvement and Protection Act of 1998

DEADLINE: COB Thursday, July 30, 1998

In accordance with OMB Circular A-19, OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President. Please advise us if this item will affect direct spending or receipts for purposes of the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.

COMMENTS: House and Senate floor action on H.R. 3736 is expected on Friday, July 31st.
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Council of Economic Advisers - Liaison Officer - (202) 395-5084

EOP:

Debra J. Bond
Larry R. Matlack
Barry White
Sandra Yamin
Barbara Chow
Steven M. Mertens
David J. Haun
Daniel J. Chenok
Evan T. Farley
Joseph G. Pipan
Ronald L. Silberman
Louisa Koch
Richard J. Turman

Mary Jo Siclari
 Gregory G. Henry
 Charles W. Fox
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 Gene B. Sperling
 Peter G. Jacoby
 Janet Murguia
 Broderick Johnson
 Charles M. Brain
 Tracey E. Thornton
 Maria Echaveste
 Emil E. Parker
 Robert N. Weiner
 William P. Marshall
 Karen Tramontano
 Rebecca M. Blank
 Maria J. Hanratty
 Kate P. Donovan
 Lisa Zweig
 Charles Konigsberg
 James J. Jukes
 Ellen J. Balis

LRM ID: IMS391 SUBJECT: Statement of Administration Policy on HR3736
 Workforce Improvement and Protection Act of 1998

RESPONSE TO
 LEGISLATIVE REFERRAL
 MEMORANDUM

If your response to this request for views is short (e.g., concur/no comment), we prefer that you respond by e-mail or by faxing us this response sheet. If the response is short and you prefer to call, please call the branch-wide line shown below (NOT the analyst's line) to leave a message with a legislative assistant.

You may also respond by:

- (1) calling the analyst/attorney's direct line (you will be connected to voice mail if the analyst does not answer); or
- (2) sending us a memo or letter

Please include the LRM number shown above, and the subject shown below.

TO: Ingrid M. Schroeder Phone: 395-3883 Fax: 395-3109
 Office of Management and Budget
 Branch-Wide Line (to reach legislative assistant): 395-3454

FROM: _____ (Date)
 _____ (Name)
 _____ (Agency)
 _____ (Telephone)

The following is the response of our agency to your request for views on the above-captioned subject:

_____ Concur

_____ No Objection

_____ No Comment

_____ See proposed edits on pages _____

_____ Other: _____

_____ FAX RETURN of _____ pages, attached to this response sheet

DRAFT -- NOT FOR RELEASE
July 30, 1998
(House)

H.R. 3736 - Workforce Improvement and Protection Act of 1998
(Smith (R) Texas and 3 cosponsors)

The Administration strongly opposes House passage of H.R. 3736, the "Workforce Improvement and Protection Act of 1998," as amended. If this bill is presented to the President, his senior advisors will recommend that he veto it.

This bill is intended to respond to a skills shortage in the information technology industry by increasing the annual cap on the number of temporary visas for foreign "specialty" workers under the H-1B program. Regrettably, H.R. 3736, as amended, emphasizes providing opportunities for foreign workers rather than providing opportunities for and protecting U.S. workers.

The Administration supports sound and balanced legislative efforts to address shortages of skilled workers within certain sectors of our economy. The most important way to increase the availability of skilled workers must be to improve the skills of U.S. workers and ensure that employers seek U.S. workers first. While it may be necessary in the short-term to increase the number of visas for temporary foreign workers, this must only be done in conjunction with additional efforts to increase the skill level of U.S. workers and meaningful reforms to the H-1B program.

Although this bill provides for certain employers to attest to recruitment and lay-off provisions, the attestations are too weak to adequately protect U.S. workers and far too many employers are exempt from their obligations. Moreover, the bill, as structured, will not generate sufficient funds for increased training opportunities for U.S. workers. Finally, rather than strengthening enforcement to prevent employer abuses of the H-1B program, H.R. 3736, as amended, undermines some of the program's important enforcement provisions.

The Administration wants to work with the Congress to develop a bill that addresses the growing demand for highly skilled workers, while effectively protecting and promoting the interests of U.S. workers and enhancing the international competitiveness of important U.S. industries.

* * * * *

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUL-1998 17:56:53.00

SUBJECT: last weekly

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Laura: Please include this note to Elena when you give her this weekly item.

This is an odd leftover item that I always meant to send in. You can decide whether it's worth forwarding to the President. Months ago, he and Harris Wofford met to discuss how to focus the work-study program more on community service instead of washing dishes. At the meeting, they both seemed to think there is no data on how much schools do this. But it turns out that the Education Dept. does have data, although there's a long lag time in collecting it. So this report tells him what the numbers are.

It's possible this item will fire him up to say we should push colleges to do a better job on this, but the education world thinks we are pressuring colleges on enough issues as it is. But Harris disagrees. It's also possible that Bruce will be interested in this.

Bob Shireman of the NEC knows a lot about this issue, fyi. I will make sure Tanya gets my files on this.

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D24]MAIL41047761U.226 to ASCII,
The following is a HEX DUMP:

```
FF575043DA040000010A02010000000205000000240F000000020000050F7ECF3D01DE0E2AB06DA
D7A17CB6C7D454A79515530B5934DAD8D3C4D7A20CDEBF3B19FA4EB67001E236FE91E2AC36DF66
6EF213DC1938B64AD6AC81EDF3913A594A2C3242BB0162775406E04822AB535919176278053B5B
E2F28E56821613B4A7CE34F43293085C6569EAF3B555C1445FB0993887867E589BDEE976D10312
671A35A3DBEA0F8F469C700C7BE8C9EA199C8724D08FAD06E4F7C7BD8813421F862F3AFA705AE6
```

Weekly Report
Diana Fortuna
July 30, 1998

Using Work-Study Funds for Community Service -- Some time ago, you and Harris Wofford discussed how to encourage schools to use work-study funds for community service by college students. We thought you would be interested to know that, for the past three years, colleges and universities have been required to report how much of their federal work-study funds are spent on community service. According to the data, the average college/university spent 10% of its work-study funds on community service in 1996-97, which is up slightly from 7% in 1994-95. Out of a total of 3,250 schools, only 12% use more than 20% of their funds for service, and only 2% of schools use more than half their allocation for service.

Under a 1992 law, schools must spend at least 5% of work-study funds on community service. In 1996-97, 9% of all schools, or 290 schools, failed to meet this requirement. This is down significantly from 24% two years earlier, but still high. The law defines community service broadly for the purposes of the 5% minimum. Any job that is designed to improve the quality of life for local residents or solve a local problem qualifies. For example, jobs in a college library may qualify depending on whether there are other libraries in the community. The Education Department does not penalize schools that fail to meet this requirement.

We will not know the impact of America Reads on these numbers until October, when data from 1997-98, the first year of that program, is complete.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Michele Cavataio (CN=Michele Cavataio/OU=PIR/O=EOP [PIR])

CREATION DATE/TIME:30-JUL-1998 14:13:05.00

SUBJECT: Administration accomplishments for President's report on race

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

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

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

TEXT:

Chris Edley asked me to work with you on drafting some options for how to present the chapter on Administration accomplishments in the President's report. He said that you were going to pull together folks from OMB and NEC to think begin thinking it through. I wanted to offer my help and see if you would like to get a small group together next week? Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUL-1998 15:24:40.00

SUBJECT: Country of origin: hill inquiry

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

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

TEXT:

USTR says they have been asked by Ways and Means for an administration position on country of origin labeling. We agreed that they would tell the committee the administration is having the agencies review the language as drafted and would respond. The conference is not due until Sept.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: "Christopher Edley, Jr." <edley@law.harvard.edu> ("Christopher Edley, Jr."

CREATION DATE/TIME:30-JUL-1998 14:36:46.00

SUBJECT: POTUS Race Book "Accomplishments" chapter

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

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

TEXT:

I have a team of PIR staff helping me with the book, and Michele Cavataio has agreed to be the "project manager" for this little part of the exercise. But DPC, NEC and OMB are, obviously, the real contributors here. What I envision is that Michele will help me make sure that the help we need from those offices doesn't fall through the cracks in the press of ordinary business. I'm looking to you, however, as the senior person to be most involved in ensuring that the White House story is developed. Make sense?

If so, then the question is, with whom in your shop should Michele work as a point of contact? (And will you instruct that person accordingly, if it isn't you.) Can you also please identify an appropriate person at NEC? -- But I'd really rather just work with you on this.

As a first step, Michele is going to (a) put together a couple of options for how the accomplishments chapter might be structured, and (b) build a file of existing Administration Accomplishments documents. When she's completed the options (in a couple of days), perhaps the three of us should have a conference call to discuss the right structure, and then strategize about a production process?

Also -- how would you feel about involving my dear friend Josh? He has lots of horses at his disposal, and might be feeling a bit underutilized.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUL-1998 09:02:23.00

SUBJECT: H1B legislation -- to the floor

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

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

TEXT:

Bruce/Elena:

Late last night, we got a copy of the final version of the Rep. compromise on H-1B legislation. According to Peter, thought the Reps. initially intended for this to be introduced on the House floor today, it now looks like it will go tomorrow. Gene is going to try to arrange a principals meeting today to discuss what the Admin.'s reaction to this bill should be.

We sat down with Labor last night to do an analysis of the bill. It is very similar to the draft version -- in some ways better, in some ways a little worse. In the better category, it does not include the provision to allow for the use of private wage surveys, even in the face of DOL determinations that they are no good. In the worse category, it now exempts all employers that employ fewer than 50 workers from the attestations. DOL is going to report back to us on what percentage of employers and current H-1B employers this would exempt.

The bill, like the draft, exempts from the H-1B calculation (both for purposes of having to attest and in calculating the % H-1B of the population) all employees who earn more than \$60K in wages and bonuses and all workers with a MA or equivalent.

The lay-off language is quite narrow (limited to displacement from the "essentially equivalent job," defined as: a job with the same responsibilities, held by a U.S. worker with substantially equivalent qualifications and experience, and in located in the same area of employment.). This, though, is not that different from the Kennedy language on lay-off and appears to cover most lay-off cases that we have heard about.

Disputes over whether a U.S. worker was not offered an employment opportunity b/c of a preference for an H-1B worker would be first made to the INS commissioner. She would then refer the matter to an arbitrator (paid for by INS) who would make a finding and send back an opinion. The commissioner could then accept, modify, or reverse the determination and the whole thing could be appealed to the U.S. Court of Appeals. Other enforcement (lay-off and whether the recruitment was generally adequate) is done by DOL investigation pursuant to a complaint.

Finally, this bill, like the draft, transfers authority to review the

Labor Conditions Application (LCA) to the AG.

julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUL-1998 17:17:23.00

SUBJECT: Gerry Shea sent BR complaining letter and his staff sent unworkable commen

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

READ:UNKNOWN

CC: 4697 (4697 @ WHCA [UNKNOWN])

READ:UNKNOWN

TEXT:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUL-1998 18:56:43.00

SUBJECT: Events Next Week

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

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

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

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

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

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

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

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

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

TO: 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

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

TEXT:

Please let me know if you have any concerns with the programs, or any suggestions for invites, paper, etc.

Brady Event -- 10:15 am Tuesday (Rose Garden, rain site 450 OEOB)

Speaking Program:

Rubin

Reno

Richard Gallo, V.P. of Internat'l Brotherhood of Police Officers

Sarah Brady

POTUS

(*Bob Walker would like the President to call on Jim Brady at the close of his remarks to say a few words. Jim Brady would thank him for his leadership for 30 seconds. I will try to work this out w/ scheduling tomorrow.)

Audience:

40 Handgun Control Advocates
20 Law Enforcement
10 DOJ Staff
10 Treasury Staff
20 Members of Congress, accompanied by victims and staff

Paper for Press Packet:

One Pager (Jose/Leanne)
Q&A (Jose/Leanne)
Briefing (Christa)
New Brady Regulation (OMB/Jose)

Welfare Reform Anniversary Event -- Wednesday 2:45 pm (East Room)

Speaking Program:

VP?
Secretary Herman (if DOL formula grants are announced)
Secretary Shalala
Real Person (father who has benefitted from elimination of 100 rule for
Medicaid in his state)
POTUS

Audience:

Medicaid Coalition Groups
Medicaid Commissioners from 19 states affected by the new rule
Members of Congress
NGA and other IGA national groups

Paper for Press Packet:

One Pager (Sarah/Jeanne)
Q&A (Sarah/Jeanne)
Briefing (Christa)
Report to Congress (HHS)
Formula Grants? (DOL)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jocelyn Neis (CN=Jocelyn Neis/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:30-JUL-1998 14:00:50.00

SUBJECT: PIR/WH Coordinating Meeting

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TEXT:

Today's meeting has been cancelled.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elisa Millsap (CN=Elisa Millsap/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:30-JUL-1998 09:35:48.00

SUBJECT: FMLA

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

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

TO: Minyon Moore (CN=Minyon Moore/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: Monica M. Dixon (CN=Monica M. Dixon/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

TO: Kay Casstevens (CN=Kay Casstevens/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

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

READ:UNKNOWN

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

TEXT:

Where are we on the potential FMLA event? Dodd's office is still pushing for this. We are happy to turn in the proposal if nothing has gone in yet.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUL-1998 19:02:05.00

SUBJECT: Agreement on INS reorganization

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

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

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

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

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

CC: Robert L. Nabors (CN=Robert L. Nabors/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

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

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

TEXT:

Doris called. She thought through our proposal and decided not only to embrace it, but to strengthen it in ways I think you'll all like. She sent over a draft organizational chart and talking points that looked good. She will rework them tonight; I'll forward them in the morning. We will have a complete package as soon as we resolve the issue of when the fees should go into effect.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUL-1998 19:49:52.00

SUBJECT: H1B -- Gene

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

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

TEXT:

The word from Peter is that the H-1B bill will not go to the House floor tomorrow (Friday). Gene may be meeting with Zoe Lofgren tonight to discuss a better bill.

julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUL-1998 11:10:42.00

SUBJECT: URGENT: SENATE DEFENSE FLOOR SAP

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Kerri A. Jones (CN=Kerri A. Jones/OU=OSTP/O=EOP@EOP [OSTP])

READ:UNKNOWN

TO: Kathleen A. McGinty (CN=Kathleen A. McGinty/OU=CEQ/O=EOP@EOP [CEQ])

READ:UNKNOWN

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

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: Rosemary Evans (CN=Rosemary Evans/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

CC: FARRAR_J@A1@CD@VAXGTWY (FARRAR_J@A1@CD@VAXGTWY [UNKNOWN]) (NSC)
READ:UNKNOWN

CC: Victoria A. Wachino (CN=Victoria A. Wachino/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

CC: Robert L. Nabors (CN=Robert L. Nabors/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

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

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

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

CC: Melissa G. Green (CN=Melissa G. Green/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

WE ARE SENDING THE SENATE DEFENSE FLOOR SAP WITHIN A FEW MINUTES (ON SENATE FLOOR NOW). CALL ME IMMEDIATELY AT 5-4790 IF YOU HAVE ANY CONCERNS.

S. 2132 -- DEPARTMENT OF DEFENSE APPROPRIATIONS BILL, FY 1999
(Sponsor: Stevens (R), Alaska)

This Statement of Administration Policy provides the Administration's views on S. 2132, the Department of Defense Appropriations Bill, FY 1999, as reported by the Senate Appropriations Committee. Your consideration of the Administration's views would be appreciated.

The Committee has developed a bill providing requested funding for many of the Administration's priorities. We appreciate the Committee's decision to fully fund the military pay raise and readiness programs at requested levels. Also, we are pleased that most of the modernization priorities of the Department of Defense are funded at or near requested levels. However, the Administration is disappointed that the Senate, based on OMB's preliminary scoring, has provided \$475 million below the President's overall request for this bill due to increases in lower priority military construction projects. Also, as discussed below, the Administration has serious concerns about certain provisions included in the Committee bill, which must be addressed satisfactorily as the bill moves through the process.

Funding for Bosnia

The Administration regrets that the Committee did not include funding for our ongoing operations in Bosnia. U.S. military presence, albeit at lower force levels, is critical for continued progress in implementing the Dayton Peace Accords. Although funding requirements for operations in Bosnia were not known when the FY 1999 Budget was prepared, the Administration created a funding reserve in the budget to cover these costs, and on March 3, 1998, the President requested funding for this purpose. A secure funding source at the start of the fiscal year allows the Department to manage its readiness accounts effectively throughout the year. The Administration strongly urges the Congress to provide emergency funding in the Defense Appropriations bill to support the U.S. troops in Bosnia.

Unrequested Funding

The Committee bill increases funding for programs that due to higher priority military requirements are not in the Future Years Defense Program (FYDP), or, that should not be funded at the expense of DoD's FY 1999 requirements. These increases include \$50 million for continued operation and modification of excess B-52 bombers, \$255 million for three additional C-130J airlift aircraft, \$287 million for National Guard and Reserve equipment (not including C-130 aircraft), \$94 million for the Space Based Laser program, and \$50 million for advance procurement of the LHD-8 amphibious ship. Moreover, to complete procurement of the LHD-8, extensive funding will be required in later years. These increases would be at the expense of higher priority defense programs.

Reduction in Request for Intelligence Budget

The Administration objects to the Committee's significant reduction to the FY 1999 funding request for U.S. intelligence. The Committee's reduction would slow the Administration's efforts to strengthen our Intelligence capabilities. The Administration urges the Senate to appropriate the full amount of the President's request to ensure that the Intelligence Community can meet the most pressing needs of our national policy makers and combatant commanders. The Director of Central Intelligence will provide additional detail on these classified issues prior to the conference on the Defense appropriations bill.

O&M Adjustments

The Administration appreciates the bill's emphasis on preserving military readiness through strong funding of most O&M programs. However, force readiness could be threatened by the bill's reductions to other O&M efforts, such as civilian personnel pay. The President's request is very tightly constructed within the discretionary caps agreed to in the Bipartisan Budget Agreement. Any adjustments must be carefully evaluated to ensure that sufficient funding is available for DoD operations and support programs. The Administration is also concerned that additional restrictions may be placed on O&M accounts that would further hinder the ability of field level commanders to meet mission requirements quickly in a constantly changing environment. The Administration would like to work with the Congress to address these issues prior to final congressional action on the bill.

Reduced Funding for the Next-Generation Aircraft Carrier

The Committee bill would reduce funding for research and development of CVX-78, the next-generation aircraft carrier, by \$116 million, a 61-percent decrease from the President's request. A reduction of this magnitude would jeopardize the Navy's ability to design and deliver new aircraft carrier technologies and would make it difficult to achieve life-cycle cost reductions, a major goal of the aircraft carrier development program. The Administration urges the Senate to restore funding to this important development effort.

Reduced Funding for Dual Use R&D

The Committee has provided \$36 million for the Dual Use Applications Program, \$30 million below the President's request, and \$73 million for the Commercial Operations and Support Savings Initiative, \$30 million below the request. The Administration urges full support of these programs, which are needed to ensure that DoD systems employ technologies used in

commercial products to good advantage. These dual-use technologies will help lower production and support costs and help modernize many DoD systems more readily than could be done through use of DoD-unique technologies.

Next Generation Internet

The Committee has provided only \$30 million for Next Generation Internet (NGI) funding, \$10 million less than requested. Funding this program will support research into high-rate data networking technologies that will be needed by DoD's information-intensive systems in the near future. The Administration urges full funding of the NGI request.

Potential Objectionable Amendments

The Administration understands that several amendments may be offered which would undermine the President's prerogatives as Commander-in-Chief and potentially harm U.S. national security. These amendments would: prescribe a force drawdown in Bosnia; potentially require prior congressional authorization of actions taken by the President to protect our national security pursuant to his authority under the Constitution; and, alter the current commercial satellite export licensing jurisdictions of Executive Branch agencies. The President's senior advisors would recommend veto of this bill if it includes amendments such as these.