

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 037 - FOLDER -010

[09/15/1998 - 09/16/1998]

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Laura Emmett to Elena Kagan. Subject: Abortion mtg [partial] (1 page)	09/15/1998	P6/b(6)

COLLECTION:

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

FOLDER TITLE:

[09/15/1998 - 09/16/1998]

2009-1006-F
ke758

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Edward W. Correia (CN=Edward W. Correia/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:15-SEP-1998 10:54:46.00

SUBJECT: Civil Rights Memo

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Do you have any comments on the draft version of the Counsel's Office memo on civil rights policy before it goes forward?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-SEP-1998 10:47:30.00

SUBJECT: Draft SAP for Senate Bankruptcy Bill -- No hard copy will be sent

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

TO: Jennifer L. Klein (CN=Jennifer L. Klein/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: Jonathan Orszag (CN=Jonathan Orszag/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: Maureen T. Shea (CN=Maureen T. Shea/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: 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: Larry R. Matlack (CN=Larry R. Matlack/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: John E. Thompson (CN=John E. Thompson/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: Nicole R. Rabner (CN=Nicole R. Rabner/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

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

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

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

CC: Jeffrey A. Weinberg (CN=Jeffrey A. Weinberg/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:
Total Pages: _____

LRM ID: REJ573
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Tuesday, September 15, 1998

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

FROM: Jeffrey A. Weinberg/OMB/EOP (for) Assistant Director for
Legislative Reference

OMB CONTACT: Ronald E. Jones

PHONE: (202)395-3386 FAX: (202)395-3109

SUBJECT: Statement of Administration Policy on S1301 Consumer
Bankruptcy Reform Act of 1997

DEADLINE: 4:00 PM Tuesday, September 15, 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: We understand S. 1301 will be brought up on the Senate floor tomorrow. Therefore, if we do not hear from you by the 4:00 PM deadline we will assume you have no objection to the proposed SAP.

DISTRIBUTION LIST

AGENCIES:

61-JUSTICE - L. Anthony Sutin - (202) 514-2141
118-TREASURY - Richard S. Carro - (202) 622-0650
7-AGRICULTURE - Marvin Shapiro - (202) 720-1516
25-COMMERCE - Michael A. Levitt - (202) 482-3151
30-EDUCATION - Jack Kristy - (202) 401-8313
35-Farm Credit Administration - Eileen McMahon - (703) 883-4056
34-Export-Import Bank of the United States - David Carter - (202) 565-3203
54-HUD - Jeff Lischer - (202) 708-1793
18-Council of Economic Advisers - Liaison Officer - (202) 395-5084
76-National Economic Council - Sonyia Matthews - (202) 456-6630
107-Small Business Administration - Mary Kristine Swedin - (202) 205-6700
52-HHS - Sondra S. Wallace - (202) 690-7760
62-LABOR - Robert A. Shapiro - (202) 219-8201
27-Consumer Product Safety Commission - Robert J. Wager - (301) 504-0515
32-ENERGY - Bob Rabben - (202) 586-6718
59-INTERIOR - Jane Lyder - (202) 208-4371
129-VETERANS AFFAIRS - John H. Thompson - (202) 273-6666

EOP:

Michelle Peterson
Robert N. Weiner
Roger S. Ballentine
Maureen T. Shea
Rebecca M. Blank
Elena Kagan
Douglas W. Elmendorf
Maria Echaveste
Audrey T. Haynes
Sarah Rosen
Jonathan Orszag
Nicole R. Rabner
Joseph J. Minarik
Diana Fortuna

Emil E. Parker
 Jennifer L. Klein
 Rice Cynthia
 Lisa M. Kountoupes
 John E. Thompson
 Edward A. Brigham
 Alice Veenstra
 Courtney B. Timberlake
 Mark A. Weatherly
 Wayne Upshaw
 Thomas P. Stack
 Ellen J. Balis
 Pamula L. Simms
 Francis S. Redburn
 John S. Radzikowski
 Edwin Lau
 Larry R. Matlack
 Debra J. Bond
 Joshua H. Raymond
 Gary L. Bennethum
 Toni S. Hustead
 Janet E. Irwin

LRM ID: REJ573 SUBJECT: Statement of Administration Policy on S1301
 Consumer Bankruptcy Reform Act of 1997

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: Ronald E. Jones Phone: 395-3386 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

September

?, 1998

(Senate)

S. 1301 - Bankruptcy Reform Act of 1998
(Grassley (R) Iowa and Sen. Durbin (D) Illinois)

The Administration supports bankruptcy reform that asks responsibility of debtors and creditors alike. Debtors who genuinely have the ability to repay a portion of their debts should remain responsible for those debts. But creditors must also be responsible in their treatment of debtors, recognizing the inherent inequality of information and bargaining power that the two possess.

As initially reported from committee, S. 1301 focused primarily on purported debtor abuse, with little to curtail abuses by creditors. However, if changes incorporated in the managers' package of amendments are adopted, the Senate bill will take significant steps to address abusive practices by both debtors and creditors. Essential changes include new disclosure requirements to ensure that credit card companies provide consumers with the information about their accounts that they need to manage their budgets and procedural protections to avoid inappropriate and unwise reaffirmations of unsecured and certain secured consumer debts. We particularly appreciate modifications made to the nondischargeability provisions in the bill so that the bill no longer inappropriately puts credit card debt in competition with child support, alimony, and other societal priorities like educational loans and taxes.

The Administration also prefers the discretionary approach to limiting access to Chapter 7 used in S. 1301 over the rigid and arbitrary approach in the House bill. We appreciate changes made by the Senate bill to ensure that those debtors denied access to Chapter 7 under Section 707(b) of the Bankruptcy Code are those that have a strong likelihood of success under a Chapter 13 plan.

More can and should be done to produce a truly balanced bill. We must address the potentially coercive effect of allowing creditors to bring 707(b) motions for any reason, improve consumer understanding of the effect of granting security interests, and ensure that the protections against coercive reaffirmations are effective.

The Administration would support passage of S. 1301, if it is further amended in conference to improve the balance between reforms targeting debtors and reforms targeting creditors, and if the essential reforms incorporated by the managers' package of amendments are preserved.

The Administration also supports financial contract netting provisions in the bill that are important to reducing systematic risk in our financial markets.

Finally, the Senate will vote on an amendment to raise wages of 12 million Americans and help ensure that parents who work hard and play by the rules do not have to raise their children in poverty. Two years ago, the President signed into law a similar moderate increase in the minimum wage. The results of that action are clear: it raised wages and did not cost jobs. Now we must continue to take actions to ensure that all Americans are benefitting from our prospering economy. That is why the Administration strongly supports raising the minimum wage by \$1 over two years.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-SEP-1998 17:17:32.00

SUBJECT: Bankruptcy vote has been put off until next week --per Sarah Rosen

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

TO: Jennifer L. Klein (CN=Jennifer L. Klein/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: Jonathan Orszag (CN=Jonathan Orszag/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: Maureen T. Shea (CN=Maureen T. Shea/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: karen.dorsey (karen.dorsey @ treas.sprint.com @ inet [UNKNOWN])
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: Larry R. Matlack (CN=Larry R. Matlack/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: John E. Thompson (CN=John E. Thompson/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: Nicole R. Rabner (CN=Nicole R. Rabner/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

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

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

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

CC: Jeffrey A. Weinberg (CN=Jeffrey A. Weinberg/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:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-SEP-1998 15:01:42.00

SUBJECT: Write up of tobacco new ideas

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

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

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

TEXT:
Elena asked for this write up.

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D99]MAIL401802853.226 to ASCII,
The following is a HEX DUMP:

FF57504370040000010A0201000000020500000017110000000200000651D1B293F2CDD4E76205
C28DE6A83781337AF0A9CFB8674D8A366E4E859B7AF6DB51B770D1744C65186E0A5546969BEFE9
81D2288833CA8EB3224ACF69F299BEFAF2F751F05AB4EB5B042A47B33F0FC118DC1E31F4CE7C7D
E442B2AA65B6629531673B17FEDE944EC2C86872BDC7C2919A8D647790535F02A39406287601DF
75ACC02718293F12759A88083C49B08D794B97D74E641D68114F69DDC416B55575506FDD423777

Possible Tobacco Events

1. **Counteradvertising:** At the event, the President would direct HHS to: (1) designate the CDC's Media Campaign Resource Center as a National Clearinghouse on Tobacco Counteradvertising; (2) collect and disseminate a package of the "top-10" advertisements for preventing youth smoking, and make these available to states and organizations for television placement free of charge; and (3) make effective anti-tobacco curriculum available to every school.

We could invite supermodel Christy Turlington and musical group "Boyz II Men" to participate in the event, both of whom have already demonstrated their commitment to this effort by making public service announcements targeting youth smoking that are available through the CDC (these ads would be among the "top 10" package). The President could also urge the entertainment industry to do its part in reducing youth smoking, by urging broadcasters to air public service announcements targeting youth smoking, actors to speak out on the subject, and writers and directors to reduce the portrayal of smoking in movies and films.

2. **DOD:** The President would unveil the DOD's new comprehensive military-wide anti-tobacco plan. This plan includes covering over-the-counter nicotine replacement therapies under military health care coverage, a military-wide counteradvertising campaign, incorporating anti-tobacco messages into education and training programs for military personnel (cost: \$60 million). At the event, the President could be joined by the Secretary of Defense, the Chairman of the Joint Chiefs of Staff and other high-ranking military officers.

Military personnel have higher rates of smoking than the general population (31.7 percent), and DOD tobacco-related health care costs are approximately \$1.3 billion per year. Their goal is to be smoke free by 2010.

3. **OSHA:** The President would sign an Executive Order directing OSHA to issue within one year a standard establishing a smoke-free workplace for all private sector employees. ETS exposure in the workplace poses significant risks to employees who are non-smokers, including lung cancer, heart disease, and respiratory problems. This standard would be similar to the August 1997 Executive Order banning smoking in Federal building.

OSHA has been working since 1991 on a standard regulating all indoor air quality (which includes environmental tobacco smoke and air pollutants such as harmful bacteria and hazardous chemicals). They are years away from completing this standard, largely because they do not have sufficient scientific evidence to justify the regulation of indoor air pollutants. However, they believe that if the President ordered a separate standard only on ETS, more resources would be devoted to the project and they could finish it within 12-18 months.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Laura Emmett to Elena Kagan. Subject: Abortion mtg [partial] (1 page)	09/15/1998	P6/b(6)

COLLECTION:

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

FOLDER TITLE:

[09/15/1998 - 09/16/1998]

2009-1006-F
ke758

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-SEP-1998 11:22:00.00

SUBJECT: Re: Abortion Mtg

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

READ:UNKNOWN

TEXT:

P6(b)(6)

[001]

----- Forwarded by Laura Emmett/WHO/EOP on 09/15/98 11:21 AM -----

LESLIE
BERNSTEIN
09/15/98 11:10:28 AM

Record Type: Record

To: Laura Emmett/WHO/EOP
cc:
bcc:
Subject: Re: Abortion Mtg

S'ok. Thanks.

P6(b)(6)

Laura Emmett
09/15/98 11:04:43 AM
Record Type: Record

To: Leslie Bernstein/WHO/EOP
cc:
bcc:
Subject: Re: Abortion Mtg

Elena is not going to be able to make this meeting after all, but Cynthia Dailard will be there from our staff.

LESLIE
BERNSTEIN
09/15/98 09:08:04 AM

Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: Abortion Mtg

The Abortion Mtg will take place today at 4:15pm in The Ward Room.

Thanks!

Message Sent

To:

Maureen T. Shea/WHO/EOP
Melissa W. Preston/OVP @ OVP
Stacie Spector/WHO/EOP
Laura Emmett/WHO/EOP
Jennifer L. Klein/OPD/EOP
Martha Foley/WHO/EOP
Jocelyn Neis/WHO/EOP
Adrienne C. Erbach/OMB/EOP
Janet L. Graves/OMB/EOP
Christopher C. Jennings/OPD/EOP
Sarah A. Bianchi/OPD/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-SEP-1998 14:56:28.00

SUBJECT: LRM #IMS419 - OMB Request for Views on HR3789 Class Action Jurisdiction Ac

TO: agc.llr (agc.llr @ treas.sprint.com @ inet [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

TO: justice.lrm (justice.lrm @ usdoj.gov @ inet [UNKNOWN]) (OA)

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Robert G. Damus (CN=Robert G. Damus/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: seclegis (seclegis @ sec.gov @ inet [UNKNOWN])

READ:UNKNOWN

TO: ao_courts_lrm (ao_courts_lrm @ ao.uscourts.gov @ inet [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

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

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

READ:UNKNOWN

CC: Darlene O. Gaymon (CN=Darlene O. Gaymon/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Total Pages: _____

LRM ID: IMS419
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Tuesday, September 15, 1998

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

FROM: Jeffrey A. Weinberg (for) Assistant Director for Legislative Reference

OMB CONTACT: Ingrid M. Schroeder
PHONE: (202)395-3883 FAX: (202)395-3109

SUBJECT: OMB Request for Views on HR3789 Class Action Jurisdiction Act of 1998

DEADLINE: Noon Friday, September 18, 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: H.R. 3789 was reported (as amended) by the House Judiciary Committee on September 10th.
DISTRIBUTION LIST

AGENCIES:

61-JUSTICE - L. Anthony Sutin - (202) 514-2141
11-Administrative Office of the U.S. Courts - Michael W. Blommer - (202) 273-1120
25-COMMERCE - Michael A. Levitt - (202) 482-3151
108-Securities and Exchange Commission - Susan M. Ochs - (202) 942-0016
118-TREASURY - Richard S. Carro - (202) 622-0650

EOP:

James Boden
David J. Haun
Steven D. Aitken
Robert G. Damus
Sarah Rosen
Julie A. Fernandes
Elena Kagan
Derek A. Chapin
Michelle Peterson

LRM ID: IMS419 SUBJECT: OMB Request for Views on HR3789 Class Action Jurisdiction 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

Union Calendar No. 397

105th CONGRESS

2d Session

H. R. 3789

[Report No. 105-702]

A BILL

To amend title 28, United States Code, to enlarge Federal Court jurisdiction over purported class actions.

September 10, 1998

Reported with an amendment, committed to the Committee of the Whole House

on the

State of the Union, and ordered to be printed

HR 3789 RH

Union Calendar No. 397

105th CONGRESS

2d Session

H. R. 3789

[Report No. 105-702]

To amend title 28, United States Code, to enlarge Federal Court jurisdiction over purported class actions.

IN THE HOUSE OF REPRESENTATIVES

May 5, 1998

Mr. HYDE (for himself, Mr. MCCOLLUM, Mr. SMITH of Texas, Mr. CANADY of Florida, Mr. BRYANT, Mr. PEASE, and Mr. MORAN of Virginia) introduced the following bill; which was referred to the Committee on the Judiciary

September 10, 1998

Additional sponsors: Mr. FRANK of Massachusetts, Mr. INGLIS of South Carolina, Mr. SENSENBRENNER, and Mr. Rogan

September 10, 1998

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on May 5, 1998]

A BILL

To amend title 28, United States Code, to enlarge Federal Court jurisdiction over purported class actions.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND REFERENCE.

(a) SHORT TITLE- This Act may be cited as the `Class Action Jurisdiction Act of 1998'.

(b) REFERENCE- Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 28, United States Code.

SEC. 2. JURISDICTION OF DISTRICT COURTS.

(a) EXPANSION OF FEDERAL JURISDICTION- Section 1332 is amended by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively, and by inserting after subsection (a) the following:

`(b)(1) The district courts shall have original jurisdiction of any civil action, regardless of the sum or value of the matter in controversy therein, which is brought as a class action and in which--

`(A) any member of a proposed plaintiff class is a citizen of a State different from any defendant;

`(B) any member of a proposed plaintiff class is a foreign state or a citizen or subject of a foreign state and any defendant is a citizen of a State; or

`(C) any member of a proposed plaintiff class is a citizen of a State and any defendant is a citizen or subject of a foreign state.

As used in this paragraph, the term `foreign state' has the meaning given that term in section 1603(a).

`(2)(A) In a civil action described in paragraph (1) in which--

`(i) the substantial majority of the members of all proposed plaintiff classes are citizens of a single State of which the primary defendants are also citizens, and

`(ii) the claims asserted will be governed primarily by the laws of that State,

the district court should abstain from hearing such action.

`(B) In a civil action described in paragraph (1) in which--

`(i) all matters in controversy asserted by the individual members of all proposed plaintiff classes in the aggregate do not exceed the

sum or value of
 \$1,000,000, exclusive of interest and costs,

`(ii) the number of members of all proposed plaintiff classes in the aggregate is less than 100, or

`(iii) the primary defendants are States, State officials, or other governmental entities against whom the district court may be foreclosed from ordering relief,

the district court may, in its discretion, abstain from hearing such action.

`(3) (A) Paragraph (1) and section 1453 shall not apply to any class action that is brought under the Securities Act of 1933.

`(B) Paragraph (1) and section 1453 shall not apply to a class action described in subparagraph (C) that is based upon the statutory or common law of the State in which the issuer concerned is incorporated (in the case of a corporation) or organized (in the case of any other entity).

`(C) A class action is described in this subparagraph if it involves--

`(i) the purchase or sale of securities by an issuer or an affiliate of an issuer exclusively from or to holders of equity securities of the issuer; or

`(ii) any recommendation, position, or other communication with respect to the sale of securities of an issuer that--

`(I) is made by or on behalf of the issuer or an affiliate of the issuer to holders of equity securities of the issuer; and

`(II) concerns decisions of those equity holders with respect to voting their securities, acting in response to a tender or exchange offer, or exercising dissenters' or appraisal rights.

`(D) As used in this paragraph, the terms `issuer', `security', and `equity security' have the meanings given those terms in section 3 of the Securities Exchange Act of 1934.'

(b) CONFORMING AMENDMENT- Section 1332(c) (as redesignated by this section)

is amended by inserting after `Federal courts' the following:

`pursuant to subsection

(a) of this section'.

(c) DETERMINATION OF DIVERSITY- Section 1332, as amended by this section, is

further amended by adding at the end the following:

`(f) For purposes of subsection (b), a member of a proposed class shall be deemed to be a citizen of a State different from a defendant corporation only if that member is a citizen of a State different from all States of which the defendant corporation is deemed a citizen.'

SEC. 3. REMOVAL OF CLASS ACTIONS.

(a) IN GENERAL- Chapter 89 is amended by adding after section 1452 the following:

`Sec. 1453. Removal of class actions

`(a) IN GENERAL- A class action may be removed to a district court of the United

States in accordance with this chapter, except that such action may be removed--

`(1) by any defendant without the consent of all defendants; or

`(2) by any plaintiff class member who is not a named or representative class member of the action for which removal is sought, without the consent of all members of such class.

`(b) WHEN REMOVABLE- This section shall apply to any class action before or after the entry of any order certifying a class.

`(c) PROCEDURE FOR REMOVAL- The provisions of section 1446(a) relating to a defendant removing a case shall apply to a plaintiff removing a case under this section. With respect to the application of subsection (b) of such section, the requirement relating to the 30-day filing period shall be met if a plaintiff class member who is not a named or representative class member of the action for which removal is sought files notice of removal within 30 days after receipt by such class member, through service or otherwise, of the initial written notice of the class action provided at the district court's direction in accordance with Rule 23(c)(2) of the Federal Rules of Civil Procedure.'

(b) REMOVAL LIMITATIONS- Section 1446(b) is amended in the second sentence--

(1) by inserting `, by exercising due diligence,' after `ascertained'; and

(2) by inserting '(a)' after 'section 1332'.

(c) TECHNICAL AND CONFORMING AMENDMENTS- The table of sections for chapter 89 is amended by adding after the item relating to section 1452 the following:

'1453. Removal of class actions.'

(d) APPLICATION OF SUBSTANTIVE STATE LAW- Nothing in this section or the amendments made by this section shall alter the substantive law applicable to an action to which the amendments made by section 2 of this Act apply.

(e) PROCEDURE AFTER REMOVAL- Section 1447 is amended by adding at the end the following new subsection:

'(f) If, after removal, the court determines that no aspect of an action that is subject to its jurisdiction solely under the provisions of section 1332(b) may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, the court shall strike the class allegations from the action and remand the action to the State court. Upon remand of the action, the period of limitations for any claim that was asserted in the action on behalf of any named or unnamed member of any proposed class shall be deemed tolled to the full extent provided under Federal law.'

SEC. 4. APPLICABILITY.

The amendments made by this Act shall apply to any action commenced on or after the date of the enactment of this Act.

SEC. 5. GAO STUDY.

The Comptroller General of the United States shall, by not later than 1 year after the date of the enactment of this Act, conduct a study of the impact of the amendments made by this Act on the workload of the Federal courts, and report to the Congress on the results of the study.

END

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-SEP-1998 11:31:24.00

SUBJECT: Heads-up memo

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TEXT:

Memo was signed on Monday, September 14, 1998

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D2]MAIL414335755.226 to ASCII,
The following is a HEX DUMP:

FF575043BA040000010A020100000002050000007A10000000020000274D6EA60154EF73E37AA4
4826A7EF518FB963FB34BA030628F26EFE808265E0FAB0CFAAD14F753F2311AAEFD1A769C5047A
8E4036C669EE350070B29B5AA4CCE3FA468DC3A814C04EB0C01F59BD3C7926C28A8CA9A8D1D43C

September 14, 1998

MEMORANDUM FOR ERSKINE BOWLES

THROUGH: Jack Lew
FROM: Donald R. Arbuckle
SUBJECT: DOT Rule on Intercity Buses

We have nearly completed our review of a final Department of Transportation (DOT) rule that will provide improved access for wheelchair-bound passengers to intercity buses. The rule will require intercity fixed-route bus companies (i.e., Greyhound, Peter Pan) to provide wheelchair lifts on their buses. At least one-half of each company's buses must be made wheelchair accessible within 6 years, with the remainder accessible within 12 years. Small companies are subject to much less stringent requirements. The costs of the rule have been reduced substantially from the proposal -- about \$25 million in annual costs as compared to \$50 million at the proposed stage. Most of this reduction is in relief to smaller carriers and charters.

I have talked with representatives of both the disabled community and the industry. The disability community strongly supports the rule and has been fighting ardently for the wheelchair lift requirement for years. Smaller companies and charter operators (about 3500 companies) will also be reasonably satisfied. However, the largest companies, such as Greyhound, who have argued most strongly against the rule, will not be happy. Greyhound has been advocating a much less costly plan that would provide reasonable accommodation to the disabled on 48 hours notice. Disability groups regard this as "discriminatory", since non-handicapped passengers can purchase tickets without a 48-hour notice. In addition, these groups do not believe Greyhound's plan will work. DOT agrees.

The final rule is under a September 15 court ordered deadline and we are working with DOT to complete our review asap.

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

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Edward W. Correia (CN=Edward W. Correia/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:15-SEP-1998 14:40:31.00

SUBJECT: School desegregation

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

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

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

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

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

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

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

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

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

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

CC: Alissa K. Brown (CN=Alissa K. Brown/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

TEXT:

We have been asked to change the time of the discussion on school desegregation to Monday, 9/21 at 3:00. If you would like to attend, and that presents a problem, please let me know.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 15-SEP-1998 18:27:37.00

SUBJECT: Big Conflict of Interest here!

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

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

TEXT:

fyi

----- Forwarded by Jerold R. Mande/OSTP/EOP on 09/15/98
 06:32 PM -----

Stan Glantz <glantz @ medicine.ucsf.edu>

09/15/98 06:06:32 PM

Please respond to Stan Glantz <glantz@medicine.ucsf.edu>

Record Type: Record

To: StanGlantz-L @ smokescreen.org, tob-info @ uicc.ch

cc:

Subject: Big Conflict of Interest here!

Julia Carol offered the following interesting observation:

The federal government has mounted the largest social marketing campaign in history to try to curb drug use by kids. Organized by the White House Office of National Drug Control Policy (ONDCP), the project includes a paid \$200 million per year advertising and public relations effort (with another \$200 million being contributed by the media in various ways).

In an effort to get the campaign off to a quick start, ONDCP

?single-sourced?

the media campaign to Bates Advertising of New York City, an agency which had a

federal government advertising contract (for Joint Military Services recruiting) that could be ?piggybacked? onto. In essence, without a competitive review, Bates was handed a \$150 million account!

Meanwhile, ONDCP began a ?normal? competitive bid process for the next four year phase of the campaign. A number of firms submitted proposals,

including
the incumbent, Bates.

Here's the rub: Bates handles Brown & Williamson tobacco. In a BIG way. They are the creators of the Lucky Strike campaign which is obviously VERY youth focused. They've done such a good job on Lucky's that about a month ago they were awarded the KOOL and CAPRI accounts, which target African Americans and young females (worth about \$50 million in billings per year).

It seems an absolute conflict of interest for an advertising agency that's charged with preventing kids from abusing drugs to be promoting tobacco at the same time to a so-called "young adult" target audience, which we all know is really kids.

Legally, the government could NOT list tobacco products as a "conflict" to prevent Bates from bidding on the ONDCP account. On the other hand, it is stated in the ONDCP plan that they ultimately intend to "take on" tobacco. And they chose to give Bates the incumbent advantage by "single sourcing" them the original contract.

What kind of job is Bates likely to do when faced with that task? Marketing research has shown that the most effective anti-tobacco ads for youth are those that attack the industry. How likely is Bates the Lucky Strike, KOOL, CAPRI agency going to be to go after an industry that pays them \$50 million a year?

The ONDCP's website is:
<<http://www.whitehousedrugpolicy.gov/>><http://www.whitehousedrugpolicy.gov/>

You can e-mail them from there.

Please feel free to pass this information along to other concerned citizens and/or media.

Julia Carol
Co-Director
Americans for Nonsmokers' Rights
ANR Foundation
www.no-smoke.org

Stan Glantz can be reached at glantz@medicine.ucsf.edu.
To browse the StanGlantz-L transcripts, or to subscribe or
unsubscribe, visit <http://www.smokescreen.org/list/?Stanglantz-L>

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: David R. Goodfriend (CN=David R. Goodfriend/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:15-SEP-1998 10:31:23.00

SUBJECT: Food Stamp Directives

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

TEXT:

Elena--

I have been in contact with Cynthia Rice regarding the Food-Stamp-fraud directives. Phil and I had hoped to be able to circulate the draft directives this evening. Do you think we could get them by 6 p.m. or so?

--Dave

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-SEP-1998 19:00:26.00

SUBJECT: Update for Senior Staff Meeting

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

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

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

TEXT:

Individual Development Accounts

Today, the House Passed the IDA bill drafted by Harkin and Coates. The bill would provide for the first time direct funding for IDAs, something the President has supported since 1992. The Senate has provided funding of \$10 million to go along with the authorization. This legislation now goes to conference. There are still some issues to resolve on Head Start, but it looks like they may well be worked out.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: David R. Goodfriend (CN=David R. Goodfriend/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:16-SEP-1998 14:47:23.00

SUBJECT: President's Trip to New York

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

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

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

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

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

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

TO: Cecily C. Williams (CN=Cecily C. Williams/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: Christopher Wayne (CN=Christopher Wayne/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

TO: Michael V. Terrell (CN=Michael V. Terrell/OU=CEQ/O=EOP @ EOP [CEQ])
READ:UNKNOWN

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

TO: Cynthia M. Jasso-Rotunno (CN=Cynthia M. Jasso-Rotunno/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

TO: Michael Cohen (CN=Michael Cohen/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: Debra D. Bird (CN=Debra D. Bird/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

TO: Dorian V. Weaver (CN=Dorian V. Weaver/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: Beth A. Viola (CN=Beth A. Viola/OU=CEQ/O=EOP @ EOP [CEQ])
READ:UNKNOWN

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

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

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

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

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

TO: Dan K. Rosenthal (CN=Dan K. Rosenthal/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

TEXT:

The President will be in New York on Monday and Tuesday, September 21 and 22, for the opening session of the U.N. General Assembly, a conference on the global economy, and a meeting with Prime Minister Obuchi. Deadlines for the President's trip book are as follows:

Background Memos: DUE FRIDAY, SEPTEMBER 18, 6:00 P.M.

- Political Memos
- CEQ Hot Issues
- Cabinet Affairs Hot Issues
- Accomplishments

Event Memos: DUE SUNDAY, SEPTEMBER 20, 1:00 P.M.

- U.N. General Assembly Opening; Meetings
- Conference on Global Economy

If you have any questions, please e-mail or call me (6-2702).

+ .

--David Goodfriend

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 16:25:43.00

SUBJECT: Edley memo

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:

Overall this looks better than the earlier version, which was pretty decent itself. Here are some points you should keep in mind:

The 3 pillars he proposes are ok--it reflects the input Bruce and I gave him.

Close the gap in opportunity and achievement

With respect to the Education Bill of Rights, I don't think it has the right elements.

Suggested additions: smaller classes, safe schools, after-school programs (and extra help for kids who need it), choice among good public schools, and 21st century technology.

Suggested deletions: (1) English acquisition and Post-secondary attainment, because these are both achievement outcomes. They don't belong in a "bill of rights", they are instead statements of the kind of achievement we want. A "bill of rights" ought to be about the learning opportunities that must be available on a universal basis, not about the particular results we want to achieve for kids.

Need clarification: what does parenting and early childhood mean? I assume access to preschool programs, but I'm not sure what Chris means by parenting.

This section also needs to contain a discussion about achievement--both about what we want kids to achieve (standards, postsecondary education) and what it means to "close the gap" with respect to achievement. Closing the gap should mean that the education outcomes we value--math achievement, college attendance, English language proficiency--should not be predicted on the basis of racial or ethnic background. While there will always be variation in performance levels and in postsecondary educational attainment, this variation will not be dependent on race. If this isn't stated clearly, it will be (mis)interpreted as meaning that everybody should achieve at the same levels, a proposition that lacks credibility.

Accountability and Responsibility

This is basically good, though there are two points lurking in the section on governance and leadership to keep in mind:

To the extent that school finance equity is still on Chris' agenda (even though its no longer in the memo)--part of the governance changes that could be considered in an effort to achieve equity is complete state governance and financing of K-12 education, along with the elimination of local school boards. This would make it a lot easier to equalize finance, and probably a lot easier to make other needed improvements in the schools. It would also set off a firestorm. I wish I had a better idea of whether Chris intended to push in this direction, because it would be

useful to have guidance from POTUS if he does.

There is also a federal role issue here--one that is included in the discussion questions list. This book could be a place to make the case--to be followed up in our policy proposals--that the continuing issues of race together with the growing importance of education to all means that the federal government must play a larger role in education in the next century than it has in the past. This could become an opportunity to make the case for national standards, for some uniformity in learning opportunities, and for the federal government to pick up a larger share of the cost for K-12 than we do now. It could also provide an opportunity if he wanted, to distinguish between what must be done nationally (e.g., national standards for teachers and students) and what must be done federally (e.g., pay for building schools, smaller classes, more equitable distribution of funds, etc.) There has not been a really good, thoughtful national discussion of these issues. The President could probably frame them very well, and I would be ok if POTUS "athorizes some rethinking of the long-term federal role..."

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Ruby Shamir (CN=Ruby Shamir/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:16-SEP-1998 15:00:12.00

SUBJECT: Women's Mtg

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

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

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

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

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

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

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

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

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

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

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

TO: Lucia F. Gilliland (CN=Lucia F. Gilliland/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

READ:UNKNOWN

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

TO: Francine P. Obermiller (CN=Francine P. Obermiller/OU=CEA/O=EOP @ EOP [CEA])
READ:UNKNOWN

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

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

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

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

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

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

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

TEXT:

There will be a Women's Mtg on Thursday at 9:00am in room 100. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 16:10:41.00

SUBJECT: draft paper for your review

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

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

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

TEXT:

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D65]MAIL459358851.226 to ASCII,
The following is a HEX DUMP:

FF5750431F070000010A020100000002050000005F3600000002000043 1127F05291EDA6A87A00
7877DFC8D0204D5CBDAD0FEAFE05CE2D099615453870A55604C1E37C9F2C5FCA52765A6F9320B4
225FF40BC527DE60B895C94788FD9CEAA81214EA7AF1128E728FF11B91B6B4A611D09022C64620

PRESIDENT CLINTON ANNOUNCES A NEW REGULATION THAT WILL BRING THE MEDICAID PROGRAM INTO COMPLIANCE WITH THE PATIENTS' BILL OF RIGHTS AND REITERATES CALL ON CONGRESS NOT TO ADJOURN WITHOUT MAKING A STRONG PATIENTS' BILL OF RIGHTS THE LAW OF THE LAND

September 17, 1998

Today, in a speech before the International Brotherhood of Electrical Workers, President Clinton announced that the Department of Health and Human Services has finalized a new regulation that brings the Medicaid program, which serves about 38 million Americans, into compliance with the patients' bill of rights. This new proposed regulation will provide critical patient protections to children, people with disabilities, older Americans, and others in the Medicaid program, and is part of the President's ongoing efforts to institute the patients' bill of rights for all Federal health plans. The President also urged Congress not to adjourn without passing a strong patients' bill of rights and criticized the Senate Republican Leadership for not even bringing this important legislation up for a vote. Today, the President:

ANNOUNCED A NEW REGULATION TO BRING MEDICAID INTO COMPLIANCE WITH THE PATIENTS' BILL OF RIGHTS. The President announced that the Department of Health and Human Services has finalized a new regulation that will give the over 15 million Medicaid beneficiaries in managed care plans the patient protections they need and deserve. This new regulation will require managed care plans in all fifty states to provide needed patient protections including:

- Access to the specialists they need;
- Anti-gag rules to ensure that health professionals can discuss all medical treatment options with their patients;
- Access to providers for women's health services;
- Access to emergency room services when and where the need arises;
- Disclosure of clear, up-to-date information about benefits, plan operations, and protections; and
- A timely internal appeals process as well as an independent external appeals to assure patients can address grievances with their health plans.

HIGHLIGHTED THAT WE HAVE EXTENDED TO FEDERAL HEALTH PLANS SERVING OVER 75 MILLION AMERICANS THROUGH EXECUTIVE ACTION. The Medicaid regulation the President announced today is part of his longstanding effort to bring Federal health plans into compliance with the patients' bill of rights. In June, the Department of Health and Human Services extended the patients' bill of rights to Medicare beneficiaries. The Department of Defense has issued a directive extending patient protections to 8 million servicemen and women and their families and the Department of Veteran Affairs has extended patient protections as well. Taken together, these executive actions are extending protections to health plans serving over 75 million Americans.

UNDERScored NEED FOR STRONG LEGISLATION AND URGED THE REPUBLICAN LEADERSHIP TO STOP STALLING AND PASS A BILL THIS YEAR. While the President has acted to hold Federal health plans are being held accountable to assuring high quality care by implementing the patients' bill of rights where possible, Congress must act to ensure that Americans in private health plans receive the patient protections they need and deserve. Just yesterday, the Republican Leadership effectively shut down the Senate as they were refusing to allow an up or down vote on the patients' bill of rights. The President urged the Republican Leadership to stop stalling and not to adjourn without passing a strong enforceable patients' bill of rights.

REITERATED WHY THE ADMINISTRATION CANNOT SUPPORT THE REPUBLICAN LEADERSHIP PATIENTS' BILL OF RIGHTS. The President also reiterated his serious concerns about the shortcomings of the current Republican Leadership bills which:

- **Let HMOs, not informed health professionals, define medical necessity.** The Republican Leadership proposals provide for an external appeals process, but make this process meaningless by allowing the HMOs themselves, rather than informed health professionals, to define what services are medically necessary. This loophole will make it very difficult for patients to prevail on appeals to get the treatment doctors believe they need.
- **Fail to guarantee direct access to specialists.** The Republican Leadership proposals fail to ensure that patients with serious health problems have direct access to the specialists they need. We believe that patients with cancer or heart disease should not be denied access to the doctors they need to treat their conditions.
- **Reverse course on emergency room protections.** The Republican Leadership proposals back away from the emergency room protections that Congress implemented in a bipartisan manner for Medicare and Medicaid beneficiaries in the Balanced Budget Act of 1997. The bills include a watered-down provisions that do not ensure coverage for any treatment beyond an initial screening. These provisions put patients at risk for the huge costs associated with critical emergency treatment.
- **Fail to protect patients from abrupt health care changes.** The Republican Leadership bills fail to assure continuity of care when an employer changes health plans. These deficiencies mean that pregnant women or individuals undergoing care for a chronic illness may have their care suddenly altered mid course, potentially causing adverse health consequences.
- **Allow financial incentives to threaten critical patient care.** The Republican Leadership proposals fail to prohibit secret financial incentives to providers. This omission would leave patients vulnerable to financial incentives that limit patient care.
- **Undermine existing medical privacy protections.** The House Republican Leadership bill would preempt some existing medical privacy protections guaranteed by state law, without putting protections in their place. As a result, the Republican bill would increase the number of individuals who can review and give out health records without a patient's knowledge or consent.
- **Fail to compensate patients who have suffered harm as a result of a wrongful health plan action.** The proposed per-day penalties in the Republican Leadership plans fail to hold health plans accountable when patients suffer serious harm or even death because of a health plan's wrongful action. For example, if a health plan improperly denies a lifesaving cancer treatment to a child, it will incur a penalty only for the number of days it takes to reverse its decision; the plan will not have to pay the family for all the damages they will suffer as the result of having a child with a now untreatable disease. And because the plan will not have to pay for all the harm it causes, it will have insufficient incentive to change its health care practices in the future.

- **Do not cover all health plans.** Both Republican Leadership bills leave millions of Americans unprotected. The Lott proposal, for example, covers only self-insured plans, thus leaving out more than 100 million Americans, including millions of Americans in small businesses. These Americans are left to hope that states will provide them with the set of patient protections that the Republicans in Congress will not.

Automated Records Management System
Hex-Dump Conversion

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 13:14:26.00

SUBJECT: Section 377

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

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

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

TEXT:

Elena/Maria,

I spoke this morning to James Castello re: DOJ options re: Section 377 (late amnesty). James is scheduled to have a conversation with Rob Weiner later this week to discuss the litigation aspects of this issue (both the LULAC and the Zambrano cases, I would assume). After that, we can sit down with Rob and determine what our options are. I received another call from Becerra's staff person (William Gill) this morning. He suggested that after we learn more from DOJ, he would like to schedule a meeting with the advocates. Maria -- he particularly asked that you be present at this follow-up meeting. I will keep you posted.

julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 19:43:33.00

SUBJECT: URGENT: FOREIGN OPS SAP

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

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: 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: 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: 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: Julie M. Anderson (CN=Julie M. Anderson/OU=WHCCTF/O=EOP@EOP [WHCCTF])
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: 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:

House Floor action is expected tomorrow morning around 10am (Thurs. 9/17) on the Foreign Operations Appropriations bill. We still need to come to closure on the veto language at the beginning of the SAP (3 options numbered). The rest of the letter is identical to the conferees letter that was released last week except for the International Family Planning language (Mexico City) and the KEDO language has been made stronger. Please provide your comments by 9:30am tomorrow (sorry for the short notice). Thanks.

September __, 1998
(House Floor)

H.R. 4569 -- FOREIGN OPERATIONS, EXPORT FINANCING,
AND RELATED PROGRAMS APPROPRIATIONS BILL, FY 1999
(Sponsor: Callahan (R), Alabama;)

This Statement of Administration Policy provides the Administration's views on H.R. 4569, the Foreign Operations, Export Financing, and Related Programs Appropriations Bill, FY 1999, as reported by the House Appropriations Committee. Your consideration of the Administration's views would be appreciated

1) [The Administration appreciates efforts by the Committee to accommodate certain of the President's priorities within the 302(b) allocation. The bill, however, is unacceptable to the Administration for a number of reasons. First, the major portion of the request for the International Monetary Fund is not approved, putting needlessly at risk U.S. and global prosperity. Second, the allocation is simply insufficient to make necessary investments in a number of key programs, including a complete lack of funding for the Korean Peninsula Energy Development Organization (KEDO). Third, there are a number of objectionable provisions in the bill, such as the restrictions on international voluntary family planning programs (the Mexico City restrictions) and the limitation on the President's authority to transfer funds for KEDO. For these reasons, the President would veto the bill if it were presented to him in its current form.]

2) [The Administration appreciates efforts by the Committee to accommodate certain of the President's priorities within the 302(b) allocation. The bill, however, is unacceptable to the Administration for the reasons described in this letter. Therefore, the President would veto the bill if it were presented to him in its current form.]

3a) [The Administration appreciates efforts by the Committee to accommodate certain of the President's priorities within the 302(b) allocation. The bill, however, is unacceptable to the Administration for a number of reasons. First, the major portion of the request for the International Monetary Fund is not approved, putting needlessly at risk US and global prosperity. Second, the allocation is simply insufficient to make the necessary investments in a number of key programs, including a complete lack of funding for the Korean Peninsula Energy Development Organization (KEDO). Third, there are number of objectionable provisions in the bill, such as the limitation on the President's authority to transfer funds for KEDO. For these reasons, if the bill were presented to the President in its current form, the President's senior advisors would recommend that he veto the bill.

3b) The Administration strongly opposes the inclusion by the Committee of the [Mexico City] restrictions on international voluntary family planning programs in this bill. As stated in past communications on this issue, should this language be included in the final bill presented to the President, the President would veto the bill.]

This legislation is a critical element of America's national security budget. At the dawn of a new century, America faces unique challenges and unprecedented opportunities to strengthen our national security, enhance our global leadership, extend the reach of our democratic values, and deepen our own prosperity. The challenges we face are formidable. If this bill in its current form were to become law, however, it would erode our ability to promote effectively critical American interests at home and abroad. It would require us to walk away from problems that can and must be solved. The responsibility for safeguarding our national security and exercising U.S. leadership must be foremost when allocating scarce fiscal resources. We urge the Congress to provide the leadership needed to keep America safe, strong, and prosperous.

The only way to achieve the appropriate investment level for the programs funded through this bill is to offset discretionary spending by using savings in other areas. The President's FY 1999 Budget proposes levels of discretionary spending for FY 1999 that conform to the Bipartisan Budget Agreement by making savings through user fees and certain mandatory programs to help finance this spending. In the Transportation Equity Act, Congress -- on a broad, bipartisan basis -- took similar action in approving funding for surface transportation programs paid for with mandatory offsets. In addition, this year, as in the past, such mandatory offsets have been approved by the House and Senate in other appropriations bills. We want to work with the Congress on mutually-agreeable mandatory and other offsets that could be used to increase funding for high-priority discretionary programs, including those funded by this bill.

International Monetary Fund

While the Administration welcomes the Committee's efforts to provide funding for the International Monetary Fund's (IMF's) New Arrangements to Borrow (NAB), we are extremely concerned by the Committee's failure to include in its bill the requested appropriation for the \$14.5 billion U.S. share of the IMF's critically needed quota increase. Since February of this year, the President has repeatedly called on Congress to approve the full amount of his \$18 billion budget request for the IMF. To reject or delay this funding not only would undermine America's leadership in the world; it also would expose American workers, savers, farmers, and businesses to unacceptable economic risks.

The IMF's financial resources are nearing historic lows, necessitating the recent activation of the IMF's emergency credit lines, the General Arrangements to Borrow (GAB), for the first time in twenty years. Without the entire \$18 billion in new funding, composed of the quota increase and the U.S. share of the New Arrangements to Borrow (NAB), the IMF -- and hence the United States and the world -- will remain vulnerable if new, escalating, or spreading systemic crises occur. To protect America's economic strength, Congress must act now to pass the full quota.

The Committee's bill proposes several conditions on IMF funding that, while directed at objectives we share, are unworkable in their

current form and, therefore, would have the effect of delaying indefinitely the availability of these critical resources to the IMF. We urge the Congress to respond to these concerns as the bill moves through the process.

International Family Planning

The Administration strongly opposes the "Mexico City" restrictions that are included in the Committee bill, which would prohibit foreign non-governmental organizations from receiving U.S. family planning funds if the organization uses any of its own funding from non-U.S. Government sources for abortion-related services or advocacy. The Committee bill's "Mexico City" language is even more restrictive than the provision contained in the conference report on the Foreign Affairs Reform and Restructuring Act. The Administration continues to oppose these restrictions, which would deny funding to the most experienced and qualified family planning and maternal-child health care providers.

Korean Peninsula Energy Development Organization (KEDO)

The Administration strongly objects to the Committee action deleting U.S. funds for KEDO and including language prohibiting the President from exercising his authority to transfer funds from other sources for this purpose. The Agreed Framework reached between the United States and the Democratic Peoples Republic of Korea in 1994 remains the key tool with which we are able to engage with North Korea on a range of bilateral and multilateral issues, including missile tests. The Committee's actions would allow North Korea to blame the United States for not fulfilling our commitment to the Agreed Framework and, in essence, give the North an "out" to begin reprocessing fissile material currently monitored under international safeguards. Such an action would seriously destabilize security on the Korean peninsula, place U.S. troops in greater danger, and exacerbate the Korean financial crisis.

New Independent States

As recent events have indicated, the incomplete, peaceful transition of the New Independent States (NIS) to stable, market democracies is vital to the U.S. national security. The Congress has shared this view and provided considerable support for this program in the past. The current political/economic situation in Russia highlights how great the stakes are for the United States to continue to help Russia achieve this peaceful transition. The enormous economic potential of the Caspian Basin represents great opportunities to advance our mutual goals. Therefore, the cuts embodied in the Committee's funding level for USAID assistance programs to the NIS are especially unfortunate. These cuts would make it extremely difficult to push for market reforms and support democratic forces across the region. The Administration welcomes and strongly supports the Committee's action to repeal restrictions on U.S. assistance to Azerbaijan and would strongly oppose any efforts to overturn the Committee's action. These restrictions have been a disincentive for securing peace in the Caucasus and do not serve U.S. national interests.

Middle East Assistance

The Administration welcomes the efforts of the Committee to work with us in encouraging changes in traditional levels of assistance to countries in the Middle East. We believe that Israel's initiative to reduce Economic Support Fund (ESF) assistance provides an important basis on which to build future assistance programs that meet our needs in the

Middle East and beyond. However, due to the very constrained funding levels for international affairs programs, the Administration has proposed an accelerated approach to the reduction of Israel's ESF. We would encourage the Committee to give strong consideration to such an approach as the bill proceeds through the process.

Economic Support Fund

The Administration is concerned with the overall funding level for the Economic Support Fund (ESF) account. At the Committee mark, the account would not nearly have sufficient resources to continue supporting economic and political stability in Latin America, and in other emerging democracies in Africa and Asia. We strongly encourage the Committee to support a higher funding level for the ESF account as the bill moves forward. In addition, the restrictions on assistance to Haiti need to be balanced with a national interest waiver to ensure that the President has sufficient flexibility to pursue our national interests.

Global Environment Facility

The Administration is concerned with the refusal of the Committee to fund the President's request for the Global Environment Facility (GEF), which is helping to reduce long-term environmental risks that will affect all Americans. The \$300 million request for GEF (of which \$192.5 million is arrears) is needed to assure that the GEF does not run out of resources in FY 1999. Concerns that funding the GEF would prejudice debate on the Kyoto Climate Protocol are misplaced: the new replenishment agreement is funded at the same level as the prior one, and the GEF will continue with precisely the same broad work program that it had prior to Kyoto. The GEF is among the best vehicles that the United States has to encourage developing countries to shoulder greater responsibility for protecting both the local and global environment. It is manifestly in our interests to clear our arrears and keep the GEF running, and the Administration strongly urges the Committee to restore funding for this critical program.

Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR)

The Administration is concerned with the \$64 million, or 30 percent, cut to the \$216 million request for NADR. This reduction would undermine the multi-prong effort that NADR supports to reduce the proliferation threat to U.S. national and global security. Lack of funding for the Comprehensive Test Ban Treaty (CTBT) Preparatory Commission would harm U.S. national security interests as it would eliminate planned improvements in our ability to monitor nuclear testing worldwide. The recent Indian and Pakistani tests are a stark reminder of the importance of this monitoring. As well, we would be forced to reduce support for NIS science centers, demining efforts, and other related activities.

Peacekeeping Operations

The Committee has reduced the \$83 million request for Peacekeeping Operations (PKO) by 25 percent. PKO provides vital assistance and support for many important national security and foreign policy activities, including commitments in Bosnia and Haiti, conflicts in Africa, and potential trouble spots such as in the Balkans. This reduction would severely limit the President's ability to respond to these and other evolving events.

Trade and Investment Financing

The Administration appreciates the Committee's effort to increase substantially the funding for the Export-Import Bank and to support the Overseas Private Investment Corporation and the Trade and Development Agency (TDA). However, Export-Import Bank funding still falls short of the level needed to meet the expected demand of U.S. exporters in FY 1999. Support for TDA, at 17 percent below the President's request, is insufficient to allow the agency to remain engaged around the world, especially given its growing program in the Caspian region.

U.S. Agency for International Development (USAID)

The Administration is concerned with the \$24 million cut in the request for USAID Operating Expenses. This reduction would not only make it impossible for USAID to carry out Presidential initiatives in Africa and Latin America, but also would interfere with the agency's ability to manage its ongoing programs effectively, including congressional priorities in areas such as infectious diseases and child survival, as well as to address management priorities. In particular, this reduction, combined with the House action striking the emergency fund in the Treasury and General Government Appropriation bill, would make it difficult for USAID to implement fully its Year 2000 conversion. Even if USAID were to begin closing missions and eliminating additional positions immediately, the fixed costs of doing so would prevent AID from achieving the savings necessary in FY 1999 to respond to this cut. For these reasons, we urge the Committee to restore funding for USAID Operating Expenses.

In light of the continuing needs created by both natural disasters and ongoing civil conflicts, we urge the Committee to provide a higher level of funding for international disaster assistance. The Committee mark would cripple our efforts to respond expeditiously and effectively to countries in transition from crisis caused by political and ethnic conflict and could undercut our ability to address man-made and natural disasters.

The Administration is concerned that the Committee has not funded the modest \$6 million request for credit subsidy for the Urban Environment (UE) credit program, or provided transfer authority for USAID's Development Credit Authority (DCA). As the Congress and the Administration agreed in the FY 1998 appropriations legislation, USAID has taken substantial steps towards developing the capacity to manage both its existing and future credit portfolios. We urge the Committee to restore the transfer authority for the DCA and the subsidy request for the UE program. Failure to do so would limit the ability of USAID to use credit to promote development in urban areas and to encourage the development of needed private sector financial mechanisms.

The prohibition on the use of funds from the Child Survival and Disease Programs Fund for non-project assistance, which is specifically authorized in the Foreign Assistance Act, would weaken USAID's current leadership position with bilateral and multilateral donors to encourage and support policy reforms in sub-Saharan African countries.

Exchange Stabilization Fund

The Committee bill contains a provision that would limit the President's flexibility to utilize the Exchange Stabilization Fund as necessary to protect America's economic and security interests. For this reason, and because the Exchange Stabilization Fund is not germane to the purposes of this appropriations bill, the Administration opposes this

provision.

Treasury International Affairs Technical Assistance Program

The Administration is disappointed that the Committee has not funded the \$5 million request for this program, which could significantly enhance the transition to stronger private sector-led growth and more efficient, transparent, and better supervised financial institutions in emerging economies, including reforming countries in Africa and financial crisis countries in Asia. Given the large potential benefits and modest cost of this program, which provides technical assistance in tax policy, development of domestic capital markets, and privatization of state enterprises, we urge the Committee to fund the request.

International Organizations and Programs (IO&P)

The Committee bill reduces the request for IO&P by \$55 million and, unfortunately, eliminates funding for the U.N. Population Fund (UNFPA), which provides support for women in family planning matters in a number of countries not served by U.S. assistance programs. UNFPA does not fund abortions. The overall reduction in IO&P would limit U.S. ability to participate and support a number of international organizations.

Peace Corps

The Administration regrets that the bipartisan Peace Corps initiative to fund 10,000 volunteers by the year 2000 has not received the full request of \$270 million from the Committee. However, we are heartened by report language stating that the Committee is prepared to approve a further increase should there be a reallocation of funds later in the appropriations process.

Community Adjustment and Investment Program (CAIP)

The Administration is concerned with the Committee's failure to fund the Community Adjustment and Investment Program, a program initially funded through the North American Development Bank, a multilateral development bank. The CAIP was established to help communities affected by adverse trade patterns associated with implementation of the North American Free Trade Agreement. To date, the program has assisted in more than 120 loans in 20 states, leveraging private sector financing of over \$70 million. The \$37 million requested would significantly bolster the CAIP's ability to continue this work, as well as to support technical assistance, grants, and micro-lending. The Administration urges the Committee to restore funding for this innovative program.

Year 2000 Conversion

In the FY 1999 Budget, the President requested more than \$1 billion for Year 2000 (Y2K) computer conversion, including specific amounts in the requests for the agencies funded in this bill. In addition, the budget anticipated that additional requirements would emerge over the course of the year and included an allowance for emergencies and other unanticipated needs. On September 2nd, the President transmitted to the Congress a request for \$3.25 billion in FY 1998 contingent emergency funding for Y2K computer conversion activities. This supplemental request would create a funding mechanism that is consistent with both the needs anticipated in the President's budget and the Senate's action creating a \$3.25 billion contingent emergency reserve to provide the resources and the flexibility necessary to respond to critical unanticipated Y2K-related requirements.

It is essential that this contingent emergency funding be enacted as quickly as possible, whether through the Treasury/General Government bill or another legislative measure moving through the process earlier, particularly in light of the decision of several Subcommittees, including the Subcommittee on Foreign Operations, not to fully fund the base requests of a number of agencies for Y2K conversion. We urge Congress to leave as much as possible of the reserve unallocated so that funds are available to address emerging needs.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 14:27:07.00

SUBJECT: Southwest Border

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

TEXT:

EK:

Spoke to Jim Dobbins at NSC on the status of the proposed SWB process. He said McCaffrey told Chuck Ruff that he would not agree to cede any authority to the NSC on this issue, and that he fully intended to go through with his process. Nonetheless, Jim Dobbins is scheduled to meet with him today, and will try and see if he can get McCaffrey to reconsider. If not, it looks like will be revisiting this at the end of McCaffrey's process.

I'll let you know if I here anything else. You may want to check-in w/Chuck and see if he has any additional thoughts on this.

Jose'

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 13:04:56.00

SUBJECT: FYI-Public Meeting for Food Safety Council

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

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

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

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:

The public meeting for the Food Safety Council is on October 2 from 9:30 am to 3 pm at the National Rural Electric Cooperative Association, 4301 Wilson Boulevard, Arlington, VA. Tom and I are working on talking points for a meeting with Neil Lane, which we hope to set up next week.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 11:59:18.00

SUBJECT: Event Ideas

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: Thomas L. Freedman (CN=Thomas L. Freedman/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 the ideas

1. Food Safety. The President could announce some combination of the following: a preliminary USDA study showing that salmonella risks have declined by almost 50% in chicken and almost 40% in swine in part due to HACCP program. However, we should do this event on the message openings on the 24th or 25th or as the radio address on the 26th. This event shows that the President's food safety initiative is working and that we should get our food safety budget fully funded. In addition, USDA has approximately \$1 to \$2 million dollars worth of grants for projects such as Safe Food for Mom and Tots and Distance Learning for food safety. (I will send a separate paragraph of what an event for next week would look like).

2. A show and tell event demonstrating the importance of research -- federal research has led to technologies that dramatically reduce salmonella in chicken and e-coli in cows.

3. Kaiser Study on Violence. The Foundation says it could break out a separate study on incidence of violence on shows where it is not expected.

4. Binge drinking. The Distillers have offered to do an event with representatives of some of the several hundred universities using their new alcohol education material. We would need to clarify MADD's position. In addition, the distillers have a policy of not placing billboards near schools. They offered to work to find existing billboards that might be torn down. This would be part of an effort to discourage children from drinking.

5. Rural. It is likely there will be a substantial emergency spending bill to sign for devastated farmers.

6. Family Report. If it can be fixed.

7. Homeless Veterans. On September 28-30, the VA is having a conference in Baltimore on homeless veterans. The President could attend and announce the VA's grants for homeless veterans. Alternatively, the VA could hold the announcement of the grants and we could announce it in

October. There might be some HUD grants he could announce as well. In addition, the VA did its FY1997 survey of homeless veterans that shows that almost 25% of the veterans they serve could be considered homeless. VA thinks that this report has not been announced yet (I still have to get final confirmation on that)

8. Other. we should hear about the HHS heart attack/defibrillator study. FCC said they will have some deliverables on e-rate that we should look into.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 16:26:21.00

SUBJECT: slight revision

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

TEXT:

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D86]MAIL46680095L.226 to ASCII,
The following is a HEX DUMP:

FF5750431F070000010A02010000000020500000002235000000020000373D0CCA55893AECCDD235
C0176C04C8CF5C32BC5BDE722DBB45F7F575317A9727551BF4D83DCDACEF1F9F908E46BC435615
C98C15D5A623755A313D8BA7BFE576FF99B40176CC0735D32A316DC657CE4D164F990FE8C26A67
3C7B2573B4FDC4BB184A3A66C1CDCF988D6758239CFC3EC7DC5BD6C55AEED0688EB5F18647F35C
EC78128C42E28056CB5E53EB9EAF7BD9F76089A37F6457C24979E9DA2B9F34F9026D6A821517C0

PRESIDENT CLINTON ANNOUNCES A NEW REGULATION THAT WILL BRING THE MEDICAID PROGRAM INTO COMPLIANCE WITH THE PATIENTS' BILL OF RIGHTS AND REITERATES CALL ON CONGRESS NOT TO ADJOURN WITHOUT MAKING A STRONG PATIENTS' BILL OF RIGHTS THE LAW OF THE LAND

September 17, 1998

Today, in a speech before the International Brotherhood of Electrical Workers, President Clinton announced that the Department of Health and Human Services has finalized a new regulation that brings the Medicaid program, which serves about 42 million Americans over the course of the year, into compliance with the patients' bill of rights. This new proposed regulation will provide critical patient protections to children, people with disabilities, older Americans, and others in the Medicaid program, and is part of the President's ongoing efforts to institute the patients' bill of rights for all Federal health plans. The President also urged Congress not to adjourn without passing a strong patients' bill of rights and criticized the Senate Republican Leadership for not even bringing this important legislation up for a vote. Today, the President:

ANNOUNCED A NEW REGULATION TO BRING MEDICAID INTO COMPLIANCE WITH THE PATIENTS' BILL OF RIGHTS. The President announced that the Department of Health and Human Services has finalized a new regulation that will give the over 20 million Medicaid beneficiaries in managed care plans the patient protections they need and deserve. This new regulation will require managed care plans in all fifty states to provide needed patient protections including:

- Access to the specialists they need;
- Anti-gag rules to ensure that health professionals can discuss all medical treatment options with their patients;
- Access to providers for women's health services;
- Access to emergency room services when and where the need arises;
- Disclosure of clear, up-to-date information about benefits, plan operations, and protections; and
- A timely internal appeals process as well as an independent external appeals to assure patients can address grievances with their health plans.

HIGHLIGHTED THAT WE HAVE EXTENDED TO FEDERAL HEALTH PLANS SERVING OVER 75 MILLION AMERICANS THROUGH EXECUTIVE ACTION. The Medicaid regulation the President announced today is part of his longstanding effort to bring Federal health plans into compliance with the patients' bill of rights. In June, the Department of Health and Human Services extended the patients' bill of rights to Medicare beneficiaries. The Department of Defense has issued a directive extending patient protections to 8 million servicemen and women and their families and the Department of Veteran Affairs has extended patient protections as well. Taken together, these executive actions are extending protections to health plans serving over 75 million Americans.

UNDERScoreD NEED FOR STRONG LEGISLATION AND URGED THE REPUBLICAN LEADERSHIP TO STOP STALLING AND PASS A BILL THIS YEAR. While the President has acted to hold Federal health plans are being held accountable to assuring high quality care by implementing the patients' bill of rights where possible, Congress must act to ensure that Americans in private health plans receive the patient protections they need and deserve. Just yesterday, the Republican Leadership effectively shut down the Senate as they were refusing to allow an up or down vote on the patients' bill of rights. The President urged the Republican Leadership to stop stalling and not to adjourn without passing a strong enforceable patients' bill of rights.

REITERATED WHY THE ADMINISTRATION CANNOT SUPPORT THE REPUBLICAN LEADERSHIP PATIENTS' BILL OF RIGHTS. The President also reiterated his serious concerns about the shortcomings of the current Republican Leadership bills which:

- **Let HMOs, not informed health professionals, define medical necessity.** The Republican Leadership proposals provide for an external appeals process, but make this process meaningless by allowing the HMOs themselves, rather than informed health professionals, to define what services are medically necessary. This loophole will make it very difficult for patients to prevail on appeals to get the treatment doctors believe they need.
- **Fail to guarantee direct access to specialists.** The Republican Leadership proposals fail to ensure that patients with serious health problems have direct access to the specialists they need. We believe that patients with cancer or heart disease should not be denied access to the doctors they need to treat their conditions.
- **Reverse course on emergency room protections.** The Republican Leadership proposals back away from the emergency room protections that Congress implemented in a bipartisan manner for Medicare and Medicaid beneficiaries in the Balanced Budget Act of 1997. The bills include a watered-down provisions that do not ensure coverage for any treatment beyond an initial screening. These provisions put patients at risk for the huge costs associated with critical emergency treatment.
- **Fail to protect patients from abrupt health care changes.** The Republican Leadership bills fail to assure continuity of care when an employer changes health plans. These deficiencies mean that pregnant women or individuals undergoing care for a chronic illness may have their care suddenly altered mid course, potentially causing adverse health consequences.
- **Allow financial incentives to threaten critical patient care.** The Republican Leadership proposals fail to prohibit secret financial incentives to providers. This omission would leave patients vulnerable to financial incentives that limit patient care.
- **Undermine existing medical privacy protections.** The House Republican Leadership bill would preempt some existing medical privacy protections guaranteed by state law, without putting protections in their place. As a result, the Republican bill would increase the number of individuals who can review and give out health records without a patient's knowledge or consent.
- **Fail to compensate patients who have suffered harm as a result of a wrongful health plan action.** The proposed per-day penalties in the Republican Leadership plans fail to hold health plans accountable when patients suffer serious harm or even death because of a health plan's wrongful action. For example, if a health plan improperly denies a lifesaving cancer treatment to a child, it will incur a penalty only for the number of days it takes to reverse its decision; the plan will not have to pay the family for all the damages they will suffer as the result of having a child with a now untreatable disease. And because the plan will not have to pay for all the harm it causes, it will have insufficient incentive to change its health care practices in the future.

- **Do not cover all health plans.** Both Republican Leadership bills leave millions of Americans unprotected. The Lott proposal, for example, covers only self-insured plans, thus leaving out more than 100 million Americans, including millions of Americans in small businesses. These Americans are left to hope that states will provide them with the set of patient protections that the Republicans in Congress will not.

Automated Records Management System
Hex-Dump Conversion

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 21:32:53.00

SUBJECT: DRAFT TREASURY/POSTAL APPROPS CONFEREES LTR

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

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: 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: 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: 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: 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: 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:

Below is the draft Treasury/Postal Appropriations conferees letter. Intense preconfereencing began Wednesday (9/16), and it is possible the bill could go to conference Thursday evening (9/17). Please provide comments/clearance by 11am tomorrow. Thank you.

The Honorable Bob Livingston
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The purpose of this letter is to provide the Administration's views on H.R. 4104, the Treasury and General Government Appropriations Bill, FY 1999, as passed by the House and by the Senate. As you develop the conference version of the bill, your consideration of the Administration's views would be appreciated.

The Administration appreciates efforts by Congress to accommodate the President's priorities within the 302(b) allocation. The President's FY 1999 Budget proposes levels of discretionary spending for FY 1999 that conform to the Bipartisan Budget Agreement by making savings in mandatory and other programs available to help finance this spending. In the Transportation Equity Act, Congress -- on a broad, bipartisan basis -- took similar action in approving funding for surface transportation programs paid for with mandatory offsets. In addition, this year, as in the past, such mandatory offsets have been approved by the House and Senate in other appropriations bills. We want to work with Congress on mutually agreeable mandatory and other offsets that could be used to increase high priority discretionary programs, including those funded by this bill. In addition, we hope the conferees will reduce funding for lower priority and unrequested discretionary programs.

Below is a discussion of our specific concerns with the House and Senate versions of the bill. We look forward to working with the conferees to resolve our concerns as the bill moves forward.

Year 2000 Computer Conversion

In the FY 1999 Budget, the President requested more than \$1 billion for Year 2000 (Y2K) computer conversion. In addition, the budget anticipated that additional requirements would emerge over the course of the year and included an allowance for emergencies and other unanticipated needs. On September 2nd, the President transmitted to the Congress a request for \$3.25 billion in FY 1998 contingent emergency funding for Y2K computer conversion activities. This supplemental request would create a funding mechanism that is consistent with both the needs anticipated in the President's budget and the Senate's action creating a \$3.25 billion contingent emergency reserve to provide the resources and the flexibility necessary to respond to critical unanticipated Y2K-related requirements.

It is essential that Y2K contingent emergency funding be enacted as quickly as possible, whether through the Treasury/General Government bill or another legislative measure moving through the process earlier. We urge Congress to leave as much as possible of the reserve unallocated so that funds are available to address emerging needs. In addition, the

Administration opposes the principle of earmarking the Y2K emergency funds. Such earmarking would interfere with our ability to efficiently allocate the funds to address Y2K emergency funding needs.

Federal Election Commission

The Administration urges the conferees to fully fund the Federal Election Commission (FEC) at the \$36.5 million level requested by the President and approved by the House and Senate.

The Administration appreciates the modifications made to the Senate term limits language in part because the revised language would retain the current practice that requires a vote of four commissioners to remove the staff director and general counsel. The Senate provision would appoint the staff director and general counsel for six-year terms that are renewable by a vote of three of the six members of the Commission. However, the Senate provision could raise constitutional questions under the separation of powers clause of the Constitution. The Administration would strongly oppose any attempt to return to the original House Committee language.

Obligation Delays

The Administration strongly objects to language in the Senate bill that would impose \$592 million in obligation delays on Treasury programs. These provisions would prevent expenditure of funds before September 30, 1999, effectively reducing program levels for FY 1999 and seriously hindering Treasury program operations. For example:

For the IRS, the obligation delay of \$175 million for Tax Law Enforcement would result in a six-percent reduction in personnel and a loss of substantial tax collections. The \$69 million obligation delay for Information Systems would effectively halt IRS's modernization efforts until the following fiscal year, jeopardizing efforts to refocus the IRS on providing good customer service for taxpayers.

For Treasury Enforcement, the obligation delay of \$28 million for Customs's Salaries and Expenses would hinder Customs's efforts to combat drug smuggling across the southern tier of the United States and to detect shifts in trafficking patterns, and it would inhibit maintenance of essential equipment. The \$23 million obligation delay against Customs's Operations and Maintenance, Air and Marine Interdiction Programs account would lead to a reduction in interdiction flight hours, cripple essential maintenance for air and marine fleets, and result in a deterioration of air and marine fleet assets. The \$14 million in obligation delays for the Secret Service would cause unacceptable risks to Presidential safety.

We urge the conferees to reject the use of obligation delays that postpone the expenditure of necessary funds.

Internal Revenue Service

The Administration appreciates the Congress's efforts to fund the President's request for the Internal Revenue Service (IRS) and looks forward to working closely with the Congress to identify ways in which full funding of the President's request can be achieved.

The Administration appreciates Congressional support for business-line investment that would sharply increase the productivity of the IRS. We urge the conferees to provide the full \$125 million requested

by the President for such investments. The Administration also appreciates congressional support for IRS information technology investments and urges the conferees to adopt the \$210 million for the Information Technology Investments account provided in the House bill. We are concerned with House language that would condition the use of IRS funds. Tying the obligation of IRS funds to GAO review of expenditure plans, as contained in the House bill, is objectionable since the Administration has no control over the nature or timing of any prospective GAO review.

U.S. Customs Service

The Administration is concerned about the funding levels in both bills for Customs, Automated Commercial Environment. Without major revisions to the existing system, Customs cannot keep up with increasing trade volumes nor can it be responsive to the requirements stated in the 1993 Modernization Act and the needs articulated by industry. The House- and Senate-passed bills have funded only \$8 million of the requested \$56 million and have imposed obligation delays against the \$8 million provided, which would cause the modernization effort to come to a halt. We urge the conferees to provide full funding at the \$56 million level requested to allow Customs to continue its modernization effort. We also suggest that the conferees seriously consider the user fee proposed by the Administration as a potential source of this necessary funding.

Bureau of Alcohol, Tobacco and Firearms (ATF)

The Administration appreciates the efforts of the House and the Senate to fully fund the President's Youth Crime Gun Interdiction Initiative. This initiative is an important part of the Administration's overall strategy to curb youth gun violence. The Administration requests consideration by the conferees of funding for the Violent Crime Coordinator initiative that was not funded in the House bill. The U.S. Attorneys have requested additional ATF support for bringing cases involving violent criminals to the Department of Justice for prosecution.

U.S. Secret Service

The Administration appreciates the Senate's attempt to provide \$13 million to Secret Service travel needs. However, the Senate-passed bill would effectively undermine other Secret Service funding needs, resulting in a probable deterioration of critical equipment and an undermining of the Service staffing needed to provide for the protection of the President and foreign dignitaries. The House bill does not redirect funds in this way, and the Administration urges the conferees to adopt the House position.

Interagency Crime and Drug Enforcement

The Administration objects to the Senate's \$30.9 million reduction to the request for Interagency Crime and Drug Enforcement. These resources are needed for continuation of interagency investigations to target, investigate, and prosecute criminals associated with high-level illegal drug trafficking enterprises. The transfer of these funds to other activities in the Senate bill would eliminate funding for ongoing investigations and weaken Treasury's ability to target resources to high priority investigations.

Law Enforcement Vehicles

The Administration objects to the Senate's elimination of funding for Treasury law enforcement vehicle replacement. Replacement funds are important from a public safety perspective, as aging vehicles present a greater risk to the lives of both Treasury personnel and the public. We urge the conferees to adopt the House position on this issue.

Federal Law Enforcement Training Center

The Administration urges the conferees to adopt the funding level for the Federal Law Enforcement Training Center (FLETC) proposed by the President and in the House bill. In particular, the conferees are urged to fund the Administration's request for \$32.5 million for FLETC's acquisition and construction, rather than providing transfer authority for \$20.3 million as provided for in the Senate bill. This funding is needed to help FLETC absorb the increased law enforcement training needs of the Immigration and Naturalization Service and the Bureau of Indian Affairs.

Executive Residence

The Administration urges the conferees to provide the full amount requested for the Executive Residence as provided in the Senate bill, without restriction. Reduced or restricted funding for domestic staff overtime would be harmful to the three-fold mission of the Executive Residence as the home of the President, museum of our American heritage, and the site of official and ceremonial activities of the Presidency.

Health Care Task Force

The Administration strongly urges the conferees to strike House language that would finance the costs of fines associated with the Health Care Task Force litigation only from the White House Office of Salaries and Expenses account.

Unanticipated Needs

Both the House and Senate-passed bills fail to provide the requested \$1 million to enable the President to meet unanticipated needs in furtherance of the national interest, security, or defense. The Administration urges the conferees to include this amount to ensure that the President has the same ability to meet such needs as previous Presidents have had.

Pay Raise for Federal Judges and Senior Executives

The Administration is disappointed that both the House and Senate bills include a proposal to eliminate the 1999 pay raise for Federal judges and employees paid under the Executive Schedule. Failure to provide pay raises for senior executives is eroding the value of their pay and causing severe pay compression in the executive ranks. Pay adjustments have been made for such individuals only once in the last five years. If continued, this failure will affect the Government's ability to attract and retain the executive talent that it needs. We urge the conferees to restore the pay raise for Federal judges and employees paid under the Executive Schedule.

Federal Employee Pay Raise

The Administration supports, and urges enactment of, the provision in the Senate-passed bill that would provide a total pay increase of 3.6 percent for Federal white-collar employees. This increase, which would

essentially allow Federal pay to match the growth in private sector wages, recognizes Federal employees for their higher productivity and their essential contribution to a Federal Government that now operates more efficiently and better serves the American people. We urge the conferees to consider technical changes to the legislation provided by the Office of Personnel Management.

Office of National Drug Control Policy (ONDCP)

The Administration appreciates the support that both the House and the Senate have provided for drug control efforts in general, and for ONDCP in particular. The Administration encourages the conferees to provide the full amount requested for ONDCP's Special Forfeiture Fund, especially the national youth anti-drug media campaign. The conferees could fully fund the budget request for the media campaign by reducing amounts earmarked for unrequested ONDCP programs. The Administration opposes Senate-passed bill language that would place unnecessary restrictions and limitations on the expenditure of funds for the media campaign.

Federal Buildings Fund

Neither the House nor the Senate has provided the \$14 million requested for the design of a new Department of Transportation (DOT) headquarters. Instead, GSA is directed to enter into a lease transaction. The Administration requests that the conferees provide funding for the design of a new DOT headquarters. Providing for a Government-owned building would save taxpayers approximately \$190 million, in present value terms, compared to the cost of entering into a lease.

The House- and Senate-passed bills would delay until September 30, 1999, the availability of funding for the repair and alterations program, rental of space program, and building operations program. The Administration is concerned that a delay in obligations would impede GSA's ability to operate and maintain Federal facilities under its control.

The Administration is concerned that the House- and Senate-passed bills provide over \$500 million for 15 unrequested Federal courthouse construction projects.

Morris K. Udall Foundation

The Administration is concerned about the lack of funding for the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation, particularly the lack of funding in the Senate-passed bill for the U.S. Institute for Environmental Conflict Resolution, as authorized in PL 105-156. The Administration believes that the Institute would provide valuable assessment, mediation, and training services to Federal agencies to resolve environmental disputes, thus reducing expenses due to lengthy litigation costs. We urge the conferees to adopt the House position of full funding of \$4.25 million for the U.S. Institute for Environmental Conflict Resolution.

United States Postal Service

The Administration is concerned about the provisions in the House-passed bill aimed at limiting the activities of the Postal Service. An appropriations bill should not be used to legislate restrictions on Postal Service operations, or to hamper the Postal Service from performing its

legitimate and necessary role in international postal matters.

Language Provisions

The Administration strongly objects to section 117 of the Senate-passed bill. This provision would undermine the authority of the President to use assets of countries under economic sanctions as leverage in efforts to normalize relations with or to modify the behavior of those foreign states. Such a measure is strongly opposed and would likely give preference to certain U.S. claimants over longstanding, legitimate claims by other U.S. citizens, and result in an erosion of the Administration's ability to protect the interests of the United States in the U.S. courts.

The Administration objects to language in the Senate-passed bill tying obligation of funds for Customs automation modernization improvements to GAO certification to Congress that measures have been established "to enforce compliance with the architecture." The Administration has no control over the nature or timing of any prospective GAO review and certification. Moreover, the Department of Justice advises that making the availability of funds contingent upon GAO action is unconstitutional under the Supreme Court's decisions in *Synar vs. Bowsher* and *INS vs. Chadha*.

The Administration is concerned that section 115 of the Senate-passed bill's Treasury General Provisions could limit the Secretary's discretion in determining how best to stimulate increased electronic tax filing, which reduces IRS errors, permits more timely refunds to taxpayers, and lowers IRS tax processing costs.

The Administration supports the Joint Financial Management Improvement Program and urges the conferees to include language in Title VI that was included in the House Committee-reported version of the bill that would provide up to \$3 million from Government-wide credit card rebates in support of that program.

The Administration urges the conferees to adopt the version of reprogramming language included in the House Committee Report.

The Administration opposes the provision in the Senate-passed bill requiring "family impact" assessments for Federal regulations and policies. While the provision pursues laudable goals, it would unduly interfere with agency rule-making and would be virtually impossible to implement due to its vague language.

With regard to the firefighter pay reform provision, the Administration has no objection an effective date of October 1, 1998.

Federal Employees Health Benefits Program

The Administration strongly opposes the provisions of both the House- and Senate-passed bills that would restrict Federal Employees Health Benefits Program (FEHBP) coverage for abortions. The House-passed version is particularly onerous in that it does not even retain current law exceptions for situations where the life of the mother is endangered or where the pregnancy is the result of rape or incest. While the President believes that abortion should be safe, legal, and rare, Federal employees and their families should not be precluded from choosing to purchase health insurance policies with broader coverage.

The Administration supports the provisions of the House- and

Senate-passed bills that require coverage of prescription contraceptives by health plans participating in the Federal Employees Health Benefits Program (FEHBP). The Administration prefers the Senate provision to the House-passed version because the Senate language not only exempts five specifically named religious plans but also exempts any other existing or future religiously-based plans.

Strategic Petroleum Reserve

The Administration does not support the Senate-passed provision that would provide an emergency supplemental of \$420 million for purchase of oil for the Strategic Petroleum Reserve. The provision would require a determination by the President that an emergency exists as a result of market conditions that are imperiling domestic oil production from marginal and small producers. Although low prices and oversupply appear to be having an effect on domestic oil production, current market conditions are unlikely to qualify as an emergency under the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. However, we will continue to track market conditions on an ongoing basis. If such an emergency develops, an emergency supplemental could be requested under current law.

We look forward to working with the Committee to address our mutual concerns.

Sincerely,

Jacob J. Lew
Director

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 17:45:12.00

SUBJECT: Thursday school safety conference planning meeting is cancelled.

TO: Cynthia M. Jasso-Rotunno (CN=Cynthia M. Jasso-Rotunno/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: gregory.king (gregory.king @ usdoj.gov [UNKNOWN])
READ:UNKNOWN

TO: Shay.Bilchik (Shay.Bilchik @ usdoj.gov @ inet [UNKNOWN])
READ:UNKNOWN

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

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

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

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

TO: Ansley Jones (CN=Ansley Jones/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

TO: Charles.a.simon (Charles.a.simon @ usdoj.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Ricki.l.seidman (Ricki.l.seidman @ usdoj.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Ann_O'Leary (Ann_O'Leary @ ed.gov @ inet [UNKNOWN])
READ:UNKNOWN

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

TO: lisa.wetzl (lisa.wetzl @ mail.va.gov [UNKNOWN])
READ:UNKNOWN

TO: Kelley L. O'Dell (CN=Kelley L. O'Dell/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: Jena V. Roscoe (CN=Jena V. Roscoe/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

TEXT:

Meeting rescheduled for Tuesday, September 22 at 4 p.m. in room 476.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 19:28:27.00

SUBJECT: check e-mail for ed. update for am

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

TO: BRUCE N. (Pager) #REED (BRUCE N. (Pager) #REED [UNKNOWN])
READ:UNKNOWN

TEXT:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 14:42:38.00

SUBJECT: Re: Southwest Border

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

READ:UNKNOWN

TEXT:

EK:

NSC said McCaffrey heard Chuck had gotten involved and, against the advice of ONDCP staff who's talking/working with NSC, picked up the phone and gave Ruff his two cents. I don't know how or what McCaffrey knew about our meeting last week.

Want to reconsider how we're approaching the Safe and Drug-Free Schools Reauthorization?

jc3

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Constance J. Bowers (CN=Constance J. Bowers/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:16-SEP-1998 13:27:38.00

SUBJECT: URGENT: LRM CJB283 -- ED letter on HR 3248 Dollars to Classroom

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

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

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

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

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

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

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

TO: Mary I. Cassell (CN=Mary I. Cassell/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

TEXT:

Please review this draft letter, which addresses the bill as reported (with a senior advisers veto threat), but supports a substitute that Rep. Clay will offer on class size reduction. ED plans to deliver this letter to the Hill Thursday morning. Therefore, please provide any comments by:

4:30 p.m today, Wednesday, September 16th.

DRAFT SEPTEMBER 16, 1998 10:45 AM

Honorable Newt Gingrich
Speaker of the House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

I am writing to express my strong objections to H.R. 3248, the "Dollars to the Classroom Act," as recently reported by the House Committee on Education and the Workforce, and my strong support for a substitute version of the bill, which I understand Representative Clay will offer, to help States and communities hire well-qualified teachers and reduce class size in the early grades, along the lines proposed by the President earlier this year.

The Clay substitute would provide much-needed assistance to help States and local school districts recruit, train, and hire 100,000 additional well-prepared teachers in order to reduce the average class size to 18 in grades 1 through 3 in our Nation's public schools. As schools across the Nation struggle to accommodate a surge in enrollments, educators and parents have become increasingly concerned about the impact of class size on teaching and learning, particularly in the critically important early grades. Rigorous research confirms what parents and teachers have long believed □) that students in smaller classes, especially in the early grades, make greater educational gains and maintain those gains over time. These gains occur because teachers in small classes can provide students with more individualized attention, spend more time on instruction and less time on discipline, and cover more material effectively.

We can help all of our students learn to read independently and well by the third grade, get a solid foundation in basic skills, and reach high

educational standards if we start them off with small classes and well-prepared teachers in the early grades.

Unfortunately, the bill reported by the Committee goes in a completely different, and misguided, direction. Title I of the bill would convert a wide array of Federal education programs into a single block grant program. The President stated last fall that such a step is unacceptable, and that he would use his veto power to prevent this approach from becoming law. If H.R. 3248 were presented to the President in its current form, his senior advisors would recommend that he veto it.

The issue here is not about who controls public education -- we all agree that that responsibility rests at the local and State levels. At stake, rather, is whether the Federal Government will maintain its long-standing, bipartisan commitment to helping local communities strengthen accountability, raise standards, and improve student achievement, by providing assistance that focuses on our neediest children and schools and on activities in which national leadership can play a critical role.

The American people rightly look to the Federal Government to focus its efforts not on general aid to school districts, which H.R. 3248 would provide, but for leadership on national priorities. These include helping States and school districts raise educational standards and educational achievement for all students, improving the quality of teaching, bringing the benefits of technology to our Nation's students, and increasing the availability of after-school programs.

This Administration has worked diligently to eliminate unnecessary regulations and take other steps to promote State and local flexibility in carrying out these targeted efforts. The Department of Education, for example, has eliminated 2/3 of its regulations relating to elementary and secondary education and has simplified the remainder. At the same time, we have supported strong accountability mechanisms, such as the Government Performance and Results Act of 1993, that focus attention on program effectiveness. Block grants would replace these worthy efforts with general aid, providing no focus, no meaningful accountability for results, and no rationale for ongoing support.

I also object to Title II of the Committee bill, which would provide broad authority to waive Federal requirements, now afforded to 12 States with comprehensive education reform plans, to all States. This proposal lacks the critical ingredient of the current "Ed-Flex" program in which those 12 States participate: meaningful accountability, connected to high standards and high expectations for all children, that must go hand in hand with such a broad waiver authority. I support expansion of the "Ed-Flex" program to additional States, but only when the links to challenging academic standards, high expectations for all children, and accountability for results are strong and clear.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program and that enactment of H.R. 3248, as reported by the Committee, would not be in accord with the President's program.

Yours sincerely,

Richard W. Riley

Total Pages: _____

LRM ID: CJB283
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Wednesday, September 16, 1998

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

FROM: Janet R. Forsgren (for) Assistant Director for Legislative
Reference

OMB CONTACT: Constance J. Bowers
PHONE: (202)395-3803 FAX: (202)395-6148

SUBJECT: EDUCATION Report on HR3248 Dollars to the Classroom Act

DEADLINE: 4:30 p.m. today Wednesday, September 16, 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: This letter addresses Clay substitute amendment on class size reduction
DISTRIBUTION LIST

AGENCIES:

EOP:

Barbara Chow
Sandra Yamin
Michael Cohen
Mickey Ibarra
Broderick Johnson
Barry White
Wayne Upshaw
Mary I. Cassell
Daniel J. Chenok
Daniel I. Werfel
Rosalyn J. Rettman
Robert M. Shireman
Elena Kagan
Elizabeth Gore
Anne F. Donovan
Brian S. Mason
Justin D. Sullivan
Jennifer E. Brown
Tanya E. Martin
William H. White Jr.
Doris O. Matsui
Janet R. Forsgren

James J. Jukes

LRM ID: CJB283 SUBJECT: EDUCATION Report on HR3248 Dollars to the Classroom Act

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: Constance J. Bowers Phone: 395-3803 Fax: 395-6148 Office of Management and Budget Branch-Wide Line (to reach legislative assistant): 395-7362

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 16:58:51.00

SUBJECT: IDA bill

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: WEINSTEIN_P@A1@CD@VAXGTWY (WEINSTEIN_P@A1@CD@VAXGTWY @ VAXGTWY [UNKNOWN]) (O
READ:UNKNOWN

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

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

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

TEXT:

As you may have heard by now, the House passed the Human Services Reauthorization bill Monday night, including the IDA demonstration, along with Head Start, CSBG, and LIHEAP. There are no major differences between the IDA provisions in House and Senate bills. The objectionable Head Start amendments were dropped. It's not clear when conference will take place but there's interest in getting this done soon. The bill authorizes \$25 M annually, but there's a problem with the pay for right now. The Senate Labor/HHS bill earmarks \$10 M of HHS' welfare reform research funds. When combined with other cuts, this takes the research funding \$22 million below our request and \$17 M below FY98. We understand OMB has begun some initial thinking about alternative offsets (including the WTW funds available because 6 states didn't request formula grants this year). We'll need to have more discussion about the funding issues, but just wanted to give you a heads up.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 17:22:39.00

SUBJECT: Child Poverty Rate Rule

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: Jennifer L. Klein (CN=Jennifer L. Klein/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've resolved remaining issues on the proposed rule on "Methodology for Determining Whether an Increase in a State's Child Poverty Rate Is the Result of the TANF Program". The rule is going to federal register tomorrow and should be published early next week. This means it will either be published, or at least at the Fed Register, by 9/24 when Census releases its new CPS poverty numbers. ACF reluctantly agreed to drop the section about widely disseminating state child poverty rates in the context of this rule. However, I'm sure they will still want to make sure this state-level data from the Census Bureau gets disseminated for purposes of highlighting general trends in child poverty.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 16:11:09.00

SUBJECT:

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

READ:UNKNOWN

TO: 4429 (4429 @ WHCA [UNKNOWN])

READ:UNKNOWN

TEXT:

e-mailed the Medicaid/Quality press paper - sarah b

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 19:09:02.00

SUBJECT: EDUCATION UPDATE FOR AM

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

House Rules committee accepted Bill Clay-sponsored class size amendment as substitute for Dollars to classroom block grant. Debate will begin Thursday after 5:00pm, and vote will occur Friday before noon. We will lose. Larry Stein, Ann Lewis, Barbara Chow, I and several others think that POTUS should open his Friday afternoon statement to the PIR meeting with a comment on how the Republicans made the wrong move by rejecting smaller classes. I'm working with speechwriting to get this into his remarks.