

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 038 - FOLDER -005

[09/28/1998]

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Lynn Cutler to Elena Kagan & Maria Echaveste re: Thanks (1 page)	09/28/1998	P6/b(6)

COLLECTION:

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

FOLDER TITLE:

[09/28/1998]

2009-1006-F

eh217

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

CREATION DATE/TIME:28-SEP-1998 14:43:03.00

SUBJECT: Ethridge Breakfast

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

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

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

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

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

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

TEXT:

Erskine is going to drop by a breakfast tomorrow that is being thrown for Bobby Ethridge by a variety of pharmaceutical companies. Are there any pending pharmaceutical issues that Erskine should be aware of? Kevin

Withdrawal/Redaction Marker

Clinton Library

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OPD ([Kagan])
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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:28-SEP-1998 14:53:09.00

SUBJECT: Re: OCT 14-CPI BRIEF BY KATHARINE ABRAHAM

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

READ:UNKNOWN

TEXT:

paul weinstein

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:28-SEP-1998 08:19:48.00

SUBJECT: SOTU AMPLIFICATION MATERIALS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

TO: VINCA S (Pager) #LAFLEUR (VINCA S (Pager) #LAFLEUR [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

TO: Lowell A. Weiss (CN=Lowell A. Weiss/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: Jonathan Orszag (CN=Jonathan Orszag/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: Jennifer N. Devlin (CN=Jennifer N. Devlin/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

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

TO: Marsha E. Berry (CN=Marsha E. Berry/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: Michael D. McCurry (CN=Michael D. McCurry/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

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

TO: Sidney Blumenthal (CN=Sidney Blumenthal/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: David S. Beaubaire (CN=David S. Beaubaire/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: Christopher Wayne (CN=Christopher Wayne/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: Glen M. Weiner (CN=Glen M. Weiner/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

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

TO: Doris O. Matsui (CN=Doris O. Matsui/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: Anne E. McGuire (CN=Anne E. McGuire/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: Eli G. Attie (CN=Eli G. Attie/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TO: Aviva Steinberg (CN=Aviva Steinberg/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: Antony J. Blinken (CN=Antony J. Blinken/OU=NSC/O=EOP@EOP [NSC])
READ:UNKNOWN

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

TEXT:

MEMORANDUM FOR DISTRIBUTION

FROM: STACIE SPECTOR

SUBJECT: STATE OF THE UNION AMPLIFICATION MATERIALS

Attached are electronic versions of the State of the Union amplification materials. These materials are final and may now be widely disseminated. (NOTE: The three page SoTU talking points has been updated. It is VERY IMPORTANT to use this version, rather than the hard copy distributed last night.) Again, thank you to the Research and Policy shops for all their work on these materials -- and please let them now when you see them, how much we appreciate their hard work.

If you have questions, please feel free to contact Stacie Spector or Kevin Moran (6-2640).

SoTU Talking Points

SoTU Issua Area One Pagers

Five Year Accomplishments Document

Constituency Accomplishments

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

TEXT:

Unable to convert ARMS_EXT: [ATTACH.D17]MAIL431994074.226 to ASCII,
The following is a HEX DUMP:

FF575043A00E0000010A020100000002050000002E28000000020000009042E165BB39D20B776E
F08257A97CBA893452D694DD04DD48D8B1B91589D3A00D6E45C6E5AE79016A940187CEACB012F0

**ONE AMERICA IN THE 21ST CENTURY:
THE PRESIDENT'S INITIATIVE ON RACE**

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

"I ask the American people to join me in a great national effort to perfect the promise of America for this new time as we seek to build our more perfect union... That is the unfinished work of our time, to lift the burden of race and redeem the promise of America."

President Bill Clinton
June 14, 1997

The President is leading the nation in an historic effort to build a stronger, more just and unified America -- a place where we respect one another's differences and, at the same time, embrace the values that unite us. Drawing on our diversity as a source of strength, this One America will offer opportunity and fairness to all Americans.

A NATIONAL CALL TO ACTION. The President's Initiative on Race is America's initiative on race. President Clinton is asking all Americans to take part in this important opportunity by participating in efforts that foster constructive dialogue and positive action. At the same time, the President's plan is:

- **Continuing to develop policies that ensure opportunity and fairness for all Americans.** At the recommendation of his Race Advisory Board, the President is focusing on developing policy actions that will enhance educational and economic opportunity for all. Already, a number of policy actions have been announced, including the creation of: education empowerment zones, programs to increase quality teaching in undeserved areas, and tougher enforcement policies to stop discrimination in housing.
- **Engaging Americans in a broad and constructive dialogue on race.** The President is encouraging communities across the country to talk openly and constructively about race. He is asking them to use the opportunity not only to stand against discrimination, but also to build greater understanding across racial lines, to find resolutions to honest differences, and to enact solutions to identified problems.
- **Highlighting Promising Practices that are working.** In communities across the country, people are working to bridge racial divides and to create equal opportunity for all. The Race Initiative staff is identifying and creating a compilation of these efforts, named "promising practices," so that others may participate in them or replicate them in their own communities, schools, businesses and religious organizations.
- **Recruiting Leaders.** The President is reaching out to leaders in several areas of American life with a special emphasis on recruiting youth, education, religious and business leaders. "One America" leaders are those people who take up the President's call by organizing efforts in their communities or professions. Through their leadership, the President's Initiative on Race will reach communities throughout the nation.
- **Focusing on the youth of America.** The Initiative has a special focus on youth. Recognizing that young Americans are the future leaders of our country and that they possess a unique creativity and energy, the President is working to actively engage youth in all aspects of the Initiative.
- **Working with the Race Advisory Board.** The President appointed a small, diverse group of individuals who advise and assist him in outreach efforts and consultations with experts. They were chosen based on their outstanding leadership on this issue and their contributions to America's ongoing dialogue about race and reconciliation.
- **Preparing a report from the President.** The President will issue a report in which he will: 1) present his vision of One America, including an assessment of the growing diversity of our nation; 2) reflect the work that has occurred during the Initiative; and 3) provide recommendations and solutions that enable individuals, communities, businesses, public and private organizations and government at all levels to

address difficult issues and build on our best possibilities.

Automated Records Management System
Hex-Dump Conversion

**PRESIDENT CLINTON'S PROPOSALS:
FIGHTING JUVENILE CRIME AND DRUG USE**

"Now, we must work together to do more, to protect our children from the scourge of violent crime and especially from crimes committed by other young people. This is now my highest law enforcement priority. We must provide for more prosecutors and probation officers, tougher penalties, and also better gang prevention efforts, including after school programs, so that young people have something to say yes to and some way of staying out of trouble."

--President Clinton, October 9, 1997

While overall crime rates have been declining, juvenile crime and drug use remain serious problems. Juvenile gun murders have quadrupled, teenage drug use has risen, and youth gangs have spread to large cities and rural towns throughout America. In the State of the Union, the President again challenged Congress to confront this issue and pass his Anti-Gang and Youth Violence Strategy. Specifically, his strategy and budget call for:

- **Targeting Gangs and Violent Juveniles.** To help state and local prosecutors crackdown on gang members and violent juveniles, the President has proposed \$100 million to hire new prosecutors and expand anti-gang task forces; \$60 million to establish juvenile gun and drug courts that ensure swift and certain punishment for youthful offenders; and tough new penalties and prosecutorial tools.
- **Cracking Down on Guns and Gun Traffickers.** To keep violent juveniles from buying guns as adults, the President's strategy also proposes to ban violent juveniles from buying guns on their 21st birthdays. His strategy also increases penalties for selling handguns to juveniles and other offenses, and includes \$28 million to expand the Youth Crime Gun Interdiction Initiative (YCGII), which helps local law enforcement trace illegal firearms to their source.
- **Keeping Kids In School, Off Drugs and Out of Trouble.** To ensure that kids are supervised from 3 to 8 p.m. --the time when most violent juvenile crimes are committed --the President's strategy proposes \$95 million for the Justice Department to help keep schools open later and to promote anti-truancy initiatives and curfews. The President's Child Care Initiative also quadruples funding for Department of Education-sponsored after school programs, and his Drug Strategy includes new funds for Safe and Drug-Free schools.

THE MILLENNIUM PROGRAM: HONORING THE PAST -- IMAGINING THE FUTURE

We stand at the convergence of a new century and the next millennium -- a milestone in human history. Five months ago the President and the First Lady created the White House Millennium Council, to set some themes, engage the federal agencies and invite all Americans to participate in meaningful activities through the year 2000.

Honor the past; imagine the future. The overall theme of the White House millennium programs is "Honor the past; imagine the future." The President is inviting all Americans to "give gifts to the future," to participate in projects that will enhance future generations.

Imagining the future. One of the best ways to imagine the future is to preserve what we value of our past for the new millennium. Our history and culture are literally disintegrating in our libraries, museums, archives, and at our historic sites and monuments.

Cherishing our past. That is why our Fiscal '99 Budget includes funds for some urgent preservation needs: for the Smithsonian Institution to restore the Star Spangled Banner -- the flag that flew over Fort McHenry and inspired Francis Scott Key's poem -- and for the National Archives to re-encase the Declaration of Independence, the Constitution and the Bill of Rights before those precious founding documents are endangered.

A national effort. But all over the Nation, in states and communities, there is a pending loss -- from Revolutionary War monuments, to the papers and laboratory of Thomas Edison (in West Orange, New Jersey) to other artifacts and sites that comprise our heritage.

- The President is proposing a Millennium fund -- \$50 million in each of the next three fiscal years -- to stimulate a national effort to "Save America's Treasures." The fund would be administered through the Department of Interior. Half would be allocated for the most urgent preservation projects of regional and national significance, identified by the federal agencies and institutions. Half would go to the states, through the Divisions of Historic Preservation.
- The federal program should stimulate private efforts to raise money from corporations, foundations and individuals. The National Trust for Historic Preservation will create a high-level advisory committee that will direct funds to the urgent preservation needs identified at the national level and by the states.
- The "Save America's Treasures" program should be a bipartisan effort, to come together on something that will be good for the country -- and truly give a gift to the future.

President Clinton and Vice President Gore:
A Vision for the 21st Century
*Restoring the American Dream, Reinforcing American Leadership,
Renewing the American Constitution*

In the last five years President Clinton and Vice President Gore have led America in preparing for the 21st Century with a new vision of government -- a government that does not attempt to do everything, nor a government that withdraws to the sidelines. The accomplishments of the Clinton-Gore Administration are giving Americans the tools to realize our potential; providing opportunity while demanding responsibility; and building One America in which all are challenged to serve.

Economy: the Strongest Economy in a Generation

Balanced the Federal Budget -- The President's FY99 budget will be *the first balanced budget in a generation*, after inheriting a record \$290 billion deficit in 1992.

Over 14 Million New Jobs Created -- in last two years, over two-thirds in high-paying job categories.

Lowest Unemployment in a Quarter Century -- down from 7.5% in 1992 to 4.7% today.

Typical Family Income Up \$2,169 -- as adjusted for inflation, median family income has increased three years in a row since 1993.

Highest Home Ownership Rate in History -- there are nearly 6 million new homeowners since the President took office.

Families: Strengthening America's Working Families

\$500 Per-Child Tax Credit -- 27 million families with 45 million children will receive the \$500 per-child tax credit.

Tax Cuts for Working Families -- 15 million working families receive tax relief through the President's expansion of the Earned Income Tax Credit.

Increased the Minimum Wage from \$4.25 to \$5.15 per hour -- increasing wages for 10 million.

Protecting Families -- Family Medical Leave allows workers to take up to 12 weeks of unpaid leave to care for family members without fear of losing their jobs. More than 12 million families have taken leave since its enactment.

Signed Landmark Adoption and Safe Families Act -- this law will help thousands of children waiting in foster care move more quickly into safe and permanent homes.

Promoting Family Values -- put in place first-ever plan to protect our children from tobacco. Required the installation of V-chips in all new TVs. Encouraged schools to adopt school uniform policies to deter school violence and promote discipline. Produced guidelines on religious expression in public schools.

Education: Largest Investment in Education in 30 Years

Making 13th & 14th Grades as Universal As High School -- making the first two years of college universally available with \$1500 HOPE Scholarship credits.

Expanding College Opportunity with Tuition Tax Credits, Education IRAs, and Largest Increase in Pell Grants in 20 Years -- 20% tax credit helps offset tuition costs for college or lifetime learning. The expanded IRA allows penalty and tax-free withdrawals for education. Nearly 4 million students will receive a Pell Grant of up to \$3,000, 30% larger than when the President took office.

Making College More Affordable -- cut student fees and interest rates on all loans, expanded repayment options including income contingent repayment, and improved service through the Direct Loan Program.

Teaching Every Child to Read by the 3rd Grade -- the America Reads Initiative will provide tutors after school, improve teaching, and help parents help their children learn to read.

Striving for Excellence with National Education Standards -- on track for first-ever national test of 4th grade reading, 8th grade math.

Expanding Choice and Accountability in Public School -- supported increase of public charter schools, from only one charter school in the nation in 1993 to nearly 1,000 charter schools by the end of 1998.

Paying for College Through Community Service -- this year, nearly 50,000 young people will take advantage of the opportunity to pay for college (or repay student loans) by performing community service through AmeriCorps.

Providing Early Education to More than 830,000 Children with Head Start -- 200,000 more children enrolled in Head Start today than in 1992.

Preparing for the 21st Century with Greater Education Technology -- Created the Technology Literacy Challenge Fund to help connect every classroom to the Internet by 2000, increase the number of multimedia computers in the classroom, provide teachers with technology training, and promote the development of high-quality educational software. Secured an e-rate (discounts worth over \$2.5 billion every year) for schools, libraries, rural health clinics and hospitals to connect to the Internet.

Crime and Drugs: Longest Period of Decline in Violent Crime in 25 Years

100,000 New Police on the Street -- already more than 70,000 new officers have been funded.

300,000 Felons, Fugitives and Stalkers Denied Guns -- since the President signed the Brady Bill into law.

Banned 19 of the Deadliest Assault Weapons and Their Copies -- keeping assault weapons off our streets.

Developed Comprehensive Anti-Drug Strategy Including \$195 Million Anti-Drug Youth Media Campaign -- appointed four-star General Barry McCaffrey Drug Czar. Overall drug use is trending down.

Health Care: Increasing Access for Millions of Americans

Protected Medicare -- protected, modernized and extended the Medicare trust fund for at least a decade while offering new options for patient choice and preventive care.

Enacted Single Largest Investment in Health Care for Children since 1965 -- the \$24 billion Children's Health Care Initiative will provide health care coverage for five million children.

Passed Meaningful Health Insurance Reform -- signed the Kassebaum/Kennedy Health Care Bill which limits exclusions for pre-existing conditions, makes coverage portable and helps individuals who lose jobs maintain coverage.

Raised Immunization Rates to All Time High -- 90% of toddlers in 1996 received the most critical doses of each of the routinely recommended vaccines -- surpassing the President's 1993 goal.

Ensuring Safe Food for Our Families -- issued new standards to prevent *E. coli* bacteria contamination in meat and signed the Food Quality Protection Act with special safeguards for kids.

Welfare Reform and Community Empowerment: Largest Drop in the Welfare Rolls in History

More than 3.8 Million Fewer People Are on Welfare Today than 1992 -- a 26% decrease and the largest decline in the welfare rolls in history. The President signed the landmark welfare reform law to require work, impose time limits, and dramatically expand child care spending.

More than 50% Increase in Child Support Collections -- signed into law the toughest child support crackdown in history.

New Incentives to Move People from Welfare to Work -- the Balanced Budget includes a tax

credit for employers and \$3 billion to move long-term welfare recipients into jobs.

Expanded Investment in Urban and Rural Areas -- by creating over 120 Empowerment Zones and Enterprise Communities and expanding access to capital.

Environment: New Standards to Protect Our Environment for the Future

Toughest New Air Quality Standards in a Generation -- new air quality standards for smog and soot will provide new health protections for 125 million Americans including children and the elderly.

Cleaning Up Toxic Waste Sites and Redeveloping Brownfields -- cleaned up more toxic waste dumps in President Clinton's first four years than were completed in the previous twelve. The Brownfields tax incentive will help redevelop more than 10,000 industrial sites.

Signed the Safe Drinking Water Act -- ensuring clean drinking water for our families by protecting against contaminants.

Negotiated an International Treaty to Reduce Greenhouse Gas Emissions -- the historic agreement establishes a realistic framework to reduce the threat of global warming in an environmentally strong and economically sound way.

Protecting Our Natural Treasures -- preserving millions of acres of scenic park land and defending precious natural areas such as Yellowstone and the Everglades.

Foreign Policy: World's Strongest Force for Peace, Freedom and Prosperity

Brokered Dayton Peace Accords -- ending four years of bloodshed in Bosnia.

Leading the Way on NATO Expansion and Russian Integration -- helping to ensure a more stable, democratic Europe.

Ended Military Dictatorship in Haiti -- stopped the flow of refugees to the U.S. and restored democracy.

Persuaded North Korea To Freeze its Dangerous Nuclear Program.

Leading Force for Peace -- including continued efforts in the Middle East, Northern Ireland, and on the Korean Peninsula.

Renewed Bipartisan Consensus for Engagement with China -- to advance U.S. interests and draw the world's most populous nation more fully into the international community.

Led International Efforts Against Terrorism -- including signing anti-terrorism legislation that ensures strong penalties for convicted terrorists.

Secured Bipartisan Senate Ratification of the Chemical Weapons Convention and the Start II Treaty -- the convention bans the production, stockpiling, and use of chemical weapons. Start II, together with Start I, will reduce U.S. and Russian nuclear arsenals two-thirds from their Cold War heights.

Meeting Emerging Threat of Biological Weapons -- by strengthening our ability to respond to an attack, vaccinating our troops and seeking tough inspection to enforce international treaty.

Led Efforts to Rid the World of Land Mines -- eliminating non self-destructing mines from our arsenals, seeking alternatives to self-destructing mines by 2006, and devoting more resources to removing existing mines than the rest of the world combined.

Negotiated Over 220 Separate Trade Agreements -- tearing down trade barriers to U.S. goods, helping to increase exports by nearly 50% over the past five years and creating 1.7 million export-related jobs.

Science and Technology: Leading America into the Next Millennium

Historic Investments in Biomedical Research -- increased funding for the National Institutes of Health (NIH) in critical research areas, such as cancer, the Human Genome Project, HIV/AIDS and heart disease.

Building the Next Generation Internet -- now connecting more than 100 universities at speeds that are 100 to 1,000 times faster than today's Internet and developing the next generation of applications, such as telemedicine.

Ensuring U.S. Leadership in Space, Science and Technology -- increasing investments in science and technology for five years in a row, while bringing down the deficit. Continuing to support exploration of space including the Mars Pathfinder mission.

Ensuring the Nation's Security -- Instituted a science-based program to maintain the safety and reliability of the U.S. nuclear deterrent without the need for nuclear testing, enabling the President to be the first world leader to sign the Comprehensive Test Ban Treaty.

PRESIDENT CLINTON AND VICE PRESIDENT GORE Working on Behalf of African Americans

ECONOMY

Balanced the Federal budget -- The President's FY99 budget will be *the first balanced budget in a generation*, after inheriting a record \$290 billion deficit in 1992.

Over 14 million new jobs created. The economy has created more than 14 million new jobs during the Clinton Administration -- a faster annual rate of job growth (2.5 percent per year) than *any* Republican Administration since the Roaring 1920s.

Declining Unemployment. The unemployment rate for African Americans has dropped from 14.1% in January 1993 to 9.9% today -- that's the lowest the African American unemployment rate has been in 24 years.

Keeping inflation in check. Inflation has averaged 2.6 percent since President Clinton took office -- compared to 4.2 percent in the twelve years before the President took office.

Strong private sector growth. Over the past year, the private sector grew an impressive 4.6 percent. Since taking office, private sector has grown 3.6 percent per year under President Clinton.

Family income up. After falling by almost \$2,000 between 1988 and 1992, African American median family income rose by nearly \$3,000 between 1992 and 1996.

Poverty down. The poverty rate for African Americans fell from 33.4 percent in 1992 to 28.4 percent in 1996 -- the lowest level since the published data begin in 1959.

Minimum-Wage increase. The President raised the minimum wage to \$5.15 an hour -- directly benefitting 1.3 million African American workers.

Two and a half times more small business loans to African American entrepreneurs. Between 1993 and 1997 the SBA approved more than 9,000 loans to African American entrepreneurs under the 7(a) and 504 loan programs. Last year alone, the Small Business Administration granted 1,900 loans, worth \$286 million, to African American small business owners, two and a half times the number of loans granted in 1992.

Increasing home ownership. There are 67.1 million American families, including 5.5 million African Americans, who own homes, nearly 6 million new homeowners since the President took office.

FIGHTING FOR EQUAL OPPORTUNITY

Automated Records Management System
Hex-Dump Conversion

Building One America. The President is leading the nation in an effort to become One America in the 21st Century: a place where we respect others' differences and, at the same time, embrace the values that unite us. Dr. John Hope Franklin, Advisory Board Chair, and Rev. Suzan Johnson Cook serve on the Advisory Board to the President's Initiative on Race, which the President charged with overseeing this effort.

An Administration that looks like One America. Appointed the most diverse Cabinet and Administration in history. Members of the Clinton Cabinet include four African Americans: Rodney Slater, Secretary of Department of Transportation; Jesse Brown, Secretary of Veterans Affairs; Alexis Herman, Secretary of Labor; and Franklin Raines, Director of Office of Management and Budget. Thirteen percent of Clinton Administration appointees are African American, which is twice as many African Americans as any previous administration. These appointees include: Bob Nash, Assistant to the President and Director of Presidential Personnel at the White House; Thurgood Marshall, Assistant to the President and Director of Cabinet Affairs at the White House; and Cheryl Mills, Deputy Assistant to the President and Deputy Counsel at the White House.

Judicial Appointments. Clinton has named 11 African Americans as U.S. Attorneys and 12 African Americans as U.S. Marshals. Over 54 African Americans have been nominated by Clinton to the Federal bench, which is 17 percent of his total Federal bench nominations. These appointees and nominees include: Eric Holder, Deputy Attorney General Department of Justice and Eric Clay, Judge, Sixth Circuit at the U.S. Circuit Court.

Tuskegee Apology. President Clinton apologized to the victims of the Tuskegee Syphilis Experiment and their families, and directed Health and Human Services Secretary, Donna Shalala, to issue a report about how best to involve communities, especially minority communities, in research and health care. HHS will award a planning grant to Tuskegee University to help it establish a center for bioethics in research and health care.

Assessment of Affirmative Action programs. Ordered a comprehensive review of the government's affirmative action programs which concluded that affirmative action is still an effective and important tool to expand educational and economic opportunity to all Americans.

Opposed California Prop 209. Filed *amicus* briefs opposing California Proposition 209, which would prohibit state affirmative action programs.

Election fairness. Defended racially fair redistricting plans against claims that they were unconstitutional; prevented election day discrimination against minority voters and voter intimidation and harassment by monitoring polling place activities in a record number of states and counties.

Defended fairness. Filed more cases between 1993 and 1997 to enforce fair housing laws than

any other Administration (more than 500 cases). Desegregated a Vidor, Texas public housing complex; ordered a Mississippi bank to implement remedial lending plans for minority customers once denied loans by the bank.

Eliminated discriminatory “redlining” practices. Negotiated agreements with health care agencies to eliminate discriminatory “redlining” practices denying home health care services based on residential location.

CHILDREN AND FAMILIES

Focused Health Efforts. Established the Office of the Minority Health Research and Alternative Medicine at the National Institutes of Health. Helped communities develop culturally-competent systems for care for children with serious emotional disturbances through the Comprehensive Mental Health Services for Children and Families program.

EDUCATION

Largest investment in education in 30 years. Maintaining his longtime commitment to education, the President enacted the largest investment in education in 30 years -- and the largest investment in higher education since the G.I. Bill -- by signing the 1997 Balanced Budget Act.

African American advisory board. Established the President's Board of Advisors for Historically Black Colleges and Universities (HBCUs) to strengthen the capacity of historically black colleges and universities to provide quality education. Advised on ways to increase the private sector's role in these institutions.

Increased funding and grants for HBCUs. Increased funding for Historically Black Colleges by nearly \$250 million between FY92 and FY97, an almost 25% increase. Increased Fulbright grant awards to HBCUs in FY96 by almost 50% over the amount reported in FY95.

Enrollment. A record percentage of African Americans were enrolled in post-secondary education in 1994 -- 35.6% of African American graduates.

AmeriCorps college support. Since 1993, more than 100,000 people have had the opportunity to serve through AmeriCorps, with African Americans comprising 20 percent of all participants (1996 data). This year alone, nearly 50,000 young people will take advantage of the opportunity to serve and earn an award of up to \$4,725 to pay for college or repay student loans.

FIGHTING CRIME

Automated Records Management System
Hex-Dump Conversion

White House Conference on Hate Crimes. President Clinton announced the first White House Conference on Hate Crimes, which examined laws and remedies that can make a difference in preventing hate crimes, highlighted solutions that are working in communities across the country, and continued the frank and open dialogue needed to build One America.

Enhanced penalties for hate crimes. As part of the historic 1994 Crime Act, the President

signed the Hate Crimes Sentencing Enhancement Act which provides for longer sentences where the offense is determined to be a hate crime. In 1996 alone, 27 cases received enhanced sentences.

Action Against Church Burnings. Focused the nation's attention and resources to help stop the rash of church burnings across the country, prosecuted those responsible, and sped the rebuilding process.

SAFE AND CLEAN ENVIRONMENT

Environmental justice and redevelopment. Issued an Executive Order on Environmental Justice to ensure that low income citizens and minorities do not suffer a disproportionate burden of industrial pollution. Identified pilot projects to be undertaken across the country to redevelop contaminated sites in low-income communities, turn them into useable space, create jobs and enhance community development.

AMERICAN LEADERSHIP

Democracy for Haiti. Restored democracy to Haiti and enabled the first transfer of power from one democratically elected president to another in Haitian history.

Democracy for South Africa. Assisted South Africa's transition to democracy by providing support for elections and development.

Promoting democracy in Africa. Hosted the first White House Conference on Africa in July 1994. Recognizing the valuable role that Africa plays in global affairs, President Clinton created the position of Special Envoy for the President and the Secretary of State for the promotion of democracy in Africa and appointed Reverend Jesse Jackson to serve in this role.

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PRESIDENT CLINTON AND VICE PRESIDENT GORE
Working on Behalf of Asian And Pacific Americans

ECONOMY

Balanced the federal budget -- The President's FY99 budget will be *the first balanced budget in a generation*, after inheriting a record \$290 billion deficit in 1992.

Over 14 million new jobs created. The economy has created more than 14 million new jobs during the Clinton Administration -- a faster annual rate of job growth (2.5 percent per year) than *any* Republican Administration since the Roaring 1920s.

Keeping inflation in check. Inflation has averaged 2.6 percent since President Clinton took office -- compared to 4.2 percent in the twelve years before the President took office.

Strong private sector growth. Over the past year, the private sector grew an impressive 4.6%. Since taking office, private sector has grown 3.6% per year under President Clinton.

Tripled the number of small business loans to Asian and Pacific American entrepreneurs. Between 1993 and 1997 the SBA approved nearly 17,000 loans to Asian and Pacific American entrepreneurs under the 7(a) and 504 loan programs. Last year alone, the Small Business Administration granted more than 4,500 loans to Asian and Pacific American small business owners, nearly triple the number of loans granted in 1992.

Opening doors to trade. Secured commitments from Asian Pacific Economic Cooperation leaders to eliminate barriers to open trade in the Asian Pacific region in 2020. Negotiated 240 separate trade agreements, tearing down trade barriers to U.S. goods, helping to increase exports by nearly 50% over the past five years and creating 1.7 million export-related jobs. Notably, thirty percent of U.S. exports go to Asia and this country exports more goods to Asia than Europe.

High Tech exports soar. Under President Clinton: exports of semi conductors have grown 139 percent; telecommunications exports have grown 113 percent; and exports of computers and computer-related goods have grown 54 percent.

EDUCATION

Largest investment in education in 30 years. Maintaining his longtime commitment to education, the President enacted the largest investment in education in 30 years -- and the largest investment in higher education since the G.I. Bill -- by signing the 1997 Balanced Budget Act.

Foreign language. Restructured Foreign Language Assistance Programs to assist local schools

in establishing programs in Chinese, Japanese and Korean. Strongly opposed legislation to make English the official language of the United States which would have jeopardized services and programs for non-English speakers and jeopardized assistance to the tens of thousands of new immigrants and others seeking to learn adult English.

Addressing minority needs. Hosted Asian Pacific American Education Forums to address the needs of Asian Pacific American students and their teachers.

AmeriCorps college support. Since 1993, more than 100,000 people have had the opportunity to serve through AmeriCorps, with Asian and Pacific American comprising 3% of all participants (1996 data). This year alone, nearly 50,000 young people will take advantage of the opportunity to serve and earn an award of up to \$4,725 to pay for college or repay student loans.

Increased bilingual education by 35%. Last year, enacted a 35% *increase* in bilingual and immigrant education secured by the President in the Balanced Budget Agreement. The bilingual education funding will help school districts teach English to more than a million limited English proficient children, as well as provide some 4,000 teachers with the training they need to do their jobs better. The Immigrant Education program will help more than a thousand school districts provide supplemental instructional services to 875,000 recent immigrant students.

Helping more children in elementary and secondary schools. In 1994, President Clinton reformed Title I -- the major elementary and secondary program for disadvantaged children -- clearing away barriers that had prevented limited-English proficient children from getting help.

Opposed Gallegly Amendment. The Administration opposed the Gallegly Amendment which would have ended the guarantee of public education for all children. It would have shifted immigration enforcement from the borders and work sites to classrooms and made children susceptible to gangs and violence.

PROMOTING EQUAL OPPORTUNITY

Building One America. The President is leading the nation in an effort to become One America in the 21st Century: a place where we respect others' differences and, at the same time, embrace the values that unite us. Angela Oh serves on the Advisory Board to the President's Initiative on Race, which the President charged with overseeing this effort.

An Administration that looks like One America. Appointed the most diverse Cabinet and Administration in history. The Clinton Administration has more than twice as many Asian and Pacific American appointees as the previous Administration including Bill Lann Lee, Acting Assistant Attorney General for Civil Rights, Department of Justice; Nancy Ann-Min Deparle, Administrator of the Health Care Finance Administration, Department of Health and Human Services; and Robert Gee, Assistant Secretary for Policy, Planning and Program Evaluation, Department of Energy.

Judicial appointments. Nominated more Asian and Pacific Americans to the federal bench than any other Administration, including A. Wallace Tashima, Judge U.S. Ninth Circuit Court.

Opposed California Prop 209. Filed *amicus* briefs opposing California Proposition 209 which would prohibit state affirmative action programs.

Election fairness. Prevented election day discrimination against minority voters and voter intimidation and harassment by monitoring polling place activities in a record number of states and counties. Continued enforcement efforts to ensure that citizens who rely on Asian languages have the same opportunities to participate in voting-related activities as English-speaking voters.

Focused health efforts. Established the Office of the Minority Health Research and Alternative Medicine at the National Institutes of Health. Helped communities develop culturally-competent systems of care for children with serious emotional disturbances through the Comprehensive Mental Health Services for Children and Families program. Negotiated agreements with hospitals and nursing homes to eliminate barriers to equal access for minorities based on language.

FIGHTING CRIME

White House Conference on Hate Crimes. President Clinton announced the first White House Conference on Hate Crimes, which examined laws and remedies that can make a difference in preventing hate crimes, highlighted solutions that are working in communities across the country, and continued the frank and open dialogue needed to build One America.

Enhanced penalties for hate crimes. As part of the historic 1994 Crime Act, the President signed the Hate Crimes Sentencing Enhancement Act which provides for longer sentences where the offense is determined to be a hate crime. In 1996 alone, 27 cases received enhanced sentences.

SAFE AND CLEAN ENVIRONMENT

Environmental justice and redevelopment. Issued an Executive Order on Environmental Justice, ensuring that low income citizens and minorities do not suffer a disproportionate burden of industrial pollution. Identified pilot projects to be undertaken across the country to redevelop contaminated sites in low-income communities and turn them into useable space, creating jobs and enhancing community development.

IMMIGRATION

Naturalization. Made naturalization a top priority of the Immigration and Naturalization Service in order to continue fostering legal immigration while combating illegal immigration.

Naturalized over one million individuals in 1996. The Administration continues to work to streamline and improve the naturalization process so that eligible individuals who have played by the rules can become full partners in America.

Responsible immigration reform. Worked to enact responsible immigration reform legislation by properly focusing on immigration enforcement and opposing severe reductions in legal immigration which were not consistent with pro-family, pro-worker and pro-naturalization principles.

Defended immigrant rights. The Administration defeated legislative efforts which would have significantly eroded health care for immigrants. The bipartisan agreement strengthened the sponsorship requirement while preserving the basic ability of families to reunify.

1/98

PRESIDENT CLINTON AND VICE PRESIDENT GORE Working on Behalf of the Hispanic Community

ECONOMY

Balanced the Federal budget -- The President's FY99 budget will be *the first balanced budget in a generation*, after inheriting a record \$290 billion deficit in 1992.

Over 14 million new jobs created. The economy has created more than 14 million new jobs during the Clinton Administration -- a faster annual rate of job growth (2.5 percent per year) than *any* Republican Administration since the Roaring 1920s.

Declining unemployment. The unemployment rate for Hispanics in December 1997 was 7.1 percent, down from 11.3 percent when President Clinton first took office.

Keeping inflation in check. Inflation has averaged 2.6 percent since President Clinton took office -- compared to 4.2 percent in the twelve years before the President took office.

Strong private sector growth. Over the past year, the private sector grew an impressive 4.6 percent. Since taking office, private sector has grown 3.6 percent per year under President Clinton.

Minimum wage increase. The President raised the minimum wage to \$5.15 an hour -- directly benefitting more than 1.6 million Hispanic workers.

Two and a half times more small business loans to Hispanic entrepreneurs. Between 1993 and 1997 the SBA approved nearly 15,000 loans to Hispanic entrepreneurs under the 7(a) and 504 loan programs. Last year alone, the Small Business Administration granted more than 3,300 loans, worth \$615 million, to Hispanic small business owners, two and a half times the number of loans granted in 1992.

Expanded investment in urban and rural areas. Created over 120 Empowerment Zones and Enterprise Communities and expanded access to capital through Community Development Banks and Financial Institutions.

FIGHTING FOR EQUAL OPPORTUNITY

Building One America. The President is leading the nation in an effort to become One America in the 21st Century: a place where we respect others' differences and, at the same time, embrace the values that unite us. AFL-CIO Executive Vice President Linda Chavez-Thompson serves on the Advisory Board to the President's Initiative on Race, which the President charged with overseeing this effort.

An Administration that looks like One America. Appointed the most diverse Cabinet and

Administration in history. 12 percent of the Clinton Cabinet are Hispanics, including: Secretary of Energy Federico Peña; Ambassador to the United Nations Bill Richardson; and Small Business Administrator Aida Alvarez.

Judicial appointments. Seven percent of all judicial appointments are Hispanics including Jose Cabranes, Judge, Second Circuit U.S. Circuit Court; David Briones, Judge Western Texas U.S. District Court; and Jorge Rangel, Judge-designee Fifth Circuit U.S. Circuit Court.

Senior level Administration appointments. Appointed more Hispanics to senior level positions than any President in American history, including U.S. Ambassador to Belize Carolyn Curiel, Overseas Private Investment Corporation (OPIC) President George Muñoz; Assistant to the President and Director of Public Liaison at the White House Maria Echaveste; Assistant to the President and Director of Intergovernmental Affairs at the White House Mickey Ibarra; Director of the United States Marshals Service Eduardo Gonzalez; and Commissioner of Bureau of Reclamation Department of Interior Eluid Levi Martinez. Significantly, many of these appointments are outside what had been considered the “traditional” Hispanic areas of interest.

Assessment of affirmative action programs. Ordered a comprehensive review of the government's affirmative action programs which concluded that affirmative action remains an effective and important tool to expand education and economic opportunity to all Americans.

Opposed California Prop 209. Filed *amicus* briefs opposing California Proposition 209, which would prohibit state affirmative action programs.

Election fairness. Prevented election day discrimination against minority voters and voter intimidation and harassment by monitoring polling place activities in a record number of states and counties. Continued enforcement efforts to ensure that citizens who rely on Spanish have the same opportunities to participate in voting-related activities as English-speaking voters.

Expanded voting rights. The Administration argued in federal court to expand the Voting Rights Act and defended racially fair redistricting plans. The National Voter Registration Act or “Motor Voter” law has registered at least nine million new voters and made voting easier for more than 20 million Americans.

Opposed California Prop 187. Opposed California's Proposition 187, which would have made illegal immigrants ineligible for public school education at all levels and ineligible for public health care services, because of its detrimental impact on children and its threat to public health.

Investigated discrimination. Authorized investigations into discrimination practices by lenders and property insurers to help end discrimination in the provision of home mortgages.

EDUCATION

Largest investment in education in 30 years. Maintaining his longtime commitment to education, the President enacted the largest investment in education in 30 years -- and the largest investment in higher education since the G.I. Bill -- by signing the 1997 Balanced Budget Act.

Increased funding for Hispanic-serving colleges. Last year, enacted an 11% increase for Hispanic-Serving Institutions (HSIs), colleges with at least 25% Hispanic enrollments.

Hispanic advisory commission. Established an advisory commission to oversee the improvement in education for Hispanics and to ensure that Hispanic-serving institutions will have more input regarding educational goals and issues of concern to Hispanics. The Commission's report identified contributing factors impacting attainment of educational excellence, corrective policy actions, and plans for program development and funding. (Executive Order on Educational Excellence for Hispanics)

Student Diversity Partnership Program. Partnered with Hispanic Association of Colleges and Universities, National Association for Equal Opportunity in Higher Education, an Indian Science and Engineering Society and the Center for the Advancement of Hispanics in Science and Engineering Education to implement the Student Diversity Partnership Program. This program will ensure an adequate supply of diverse and qualified scientists and engineers for the 21st century.

AmeriCorps college support. Since 1993, more than 100,000 people have had the opportunity to serve through AmeriCorps, with Hispanics comprising 13 percent of all participants (1996 data). This year alone, nearly 50,000 young people will take advantage of the opportunity to serve and will earn an award of up to \$4,725 to pay for college or repay student loans.

Increased bilingual education by 35%. Last year, enacted a 35% increase in bilingual and immigrant education secured by the President in the Balanced Budget Agreement. The bilingual education funding will help school districts teach English to more than a million limited English proficient children, as well as provide some 4,000 teachers with the training they need to do their jobs better. The Immigrant Education program will help more than a thousand school districts provide supplemental instructional services to 875,000 recent immigrant students.

Helping more children in elementary and secondary schools. In 1994, President Clinton reformed Title I -- the major elementary and secondary program for disadvantaged children -- clearing away barriers that had prevented limited-English proficient children from getting help. Now Hispanics are 32% of the children served in Title I, the largest share of all communities.

Automated Records Management System
Hex-Dump Conversion

CHILDREN AND FAMILIES

Focused health efforts. Established the Office of the Minority Health Research and Alternative Medicine at the National Institutes of Health. Helped communities develop culturally-competent systems of care for children with serious emotional disturbances through the Comprehensive Mental Health Services for Children and Families program. Negotiated agreements with hospitals and nursing homes to eliminate barriers to equal access for minorities based on language.

Increasing home ownership. Launched a program to increase the home ownership rate of Hispanics in the U.S. through advertising, education and counseling programs and working with lending institutions to better serve the Hispanic community. Progress has been made, 3.7 million Hispanics, or 43.3 percent, now own their homes.

FIGHTING CRIME

White House Conference on Hate Crimes. President Clinton announced the first White House Conference on Hate Crimes, which examined laws and remedies that can make a difference in preventing hate crimes, highlighted solutions that are working in communities across the country, and continued the frank and open dialogue needed to build One America.

Enhanced penalties for hate crimes. As part of the historic 1994 Crime Act, the President signed the Hate Crimes Sentencing Enhancement Act which provides for longer sentences where the offense is determined to be a hate crime. In 1996 alone, 27 cases received enhanced sentences.

SAFE AND CLEAN ENVIRONMENT

Environmental justice and redevelopment. Issued an Executive Order on Environmental Justice, ensuring that low income citizens and minorities do not suffer a disproportionate burden of industrial pollution. Identified pilot projects to be undertaken across the country to redevelop contaminated sites in low-income communities and turn them into useable space, creating jobs and enhancing community development.

IMMIGRATION

Fairness for immigrants. The President worked with Congress to correct the most egregious impacts of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996. As a result, almost a million people will be able to proceed with legalizing their immigration status under the former standards of immigration law and not the new, stricter and more burdensome standards enacted last year.

Restored benefits to legal immigrants. When the President signed the 1996 Welfare Reform Law, he pledged to go back and change provisions he opposed regarding the cutting off of benefits to legal immigrants. Critics said the changes would never be made. However, in 1997,

the President followed through on his pledge -- and won most of the changes he sought in the 1996 law. The President fought for and won \$11.5 billion in SSI and Medicaid benefits for legal immigrants. He won changes that protect those immigrants now receiving assistance, ensuring that they will not be turned out of their apartments or nursing homes or otherwise left destitute. And immigrants in this country as of August 22, 1996, but not receiving benefits who subsequently become disabled will be eligible for SSI and Medicaid.

Naturalization. Made naturalization a top priority of the Immigration and Naturalization Service in order to continue fostering legal immigration while combating illegal immigration. Naturalized over one million individuals in 1996. The Administration continues to work to streamline and improve the naturalization process so that eligible individuals who have played by the rules can become full partners in America.

Defended immigrant rights. The Administration defeated legislative efforts which would have significantly eroded health care for immigrants. The bipartisan agreement strengthened the sponsorship requirement while preserving the basic ability of families to reunify.

AMERICAN LEADERSHIP

Democracy for Cuba. Increased efforts to promote a peaceful, democratic transition in Cuba by toughening sanctions after the brutal shoot down of U.S. civilian aircraft over international waters and signing the Helms-Burton Act to penalize those who traffic in confiscated properties in Cuba. Awarded a landmark \$500,000 grant to Freedom House to assist human rights activists in Cuba.

Support our closest neighbors. Took decisive action in assembling a financial support package for Mexico. The President's leadership prevented a prolonged financial crisis in Mexico and its spread to other Latin American countries.

PRESIDENT CLINTON AND VICE PRESIDENT GORE:

Supporting Women and Families

EXPANDING ECONOMIC OPPORTUNITIES:

- **Passed the Family & Medical Leave Act (FMLA).** Family and Medical Leave enables workers to take up to 12 weeks unpaid leave to care for a new baby or ailing family member without jeopardizing their job. Twelve million families have already benefited from FMLA since its enactment. And the President proposed expanding the Family & Medical Leave Act to allow workers up to 24 hours per year of unpaid leave for parent-teacher conferences or routine medical care for a child.
- **Cut taxes for 15 million working families** by extending the Earned Income Tax Credit.
- **Increased the Minimum Wage from \$4.25 to \$5.15**, giving 6 million women a raise.
- **Narrowed the wage gap.** Last year, the median earnings of women working full-time increased 2.4%. In 1996, the median earnings of women represented 74% of the median earnings for men, the narrowest gap ever.
- **Highest home ownership rate in history.** There are 67.1 million American families, including 15.2 million households headed by women, who own homes, nearly 6 million new homeowners since the President took office.

MAKING OUR HOMES AND COMMUNITIES SAFER:

- **Putting 100,000 more police on the streets.** Because of President Clinton's Crime Bill, over 70,000 officers are already keeping our neighborhoods and communities safe, on the way to 100,000. And violent crime has dropped five years in a row - the longest period of decline in 25 years.
- **Signed the Assault Weapons Ban** into law as well as **the Brady Bill**, which has already kept guns out of the hands of 300,000 felons, fugitives and individuals under restraining orders related to domestic harassment. The President also signed into law an extension of the Brady Law, which prohibits anyone convicted of a domestic violence offense -- misdemeanor or felony -- from owning or possessing a firearm.
- **Signed Megan's Law** allowing community-notification of sex offenders.
- **Championed the Violence Against Women Act**, the cornerstone of the President's efforts to fight domestic violence, and created an office at the Department of Justice dedicated to combating violence against women.
- **More than tripled funding to domestic violence shelters** and instituted new penalties against men who stalk, threaten or abuse women across state lines.
- **Established nationwide 24-hour domestic violence hotline.** The hotline (1-800-797-SAFE) provides immediate crisis intervention, counseling and referrals for those in need. Since the hotline opened, there have been over 140,000 calls from all 50 States, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

INVESTING IN EDUCATION AND TRAINING:

- **Providing early education to more than 830,000 children with Head Start.** 200,000 more children are enrolled in Head Start today than in 1992.
- **Promoted national service** and educational opportunities through AmeriCorps.

- **Striving for excellence with national education standards and signed Goals 2000** establishing world-class educational standards.
- **Fought for passage of education tax breaks to promote lifelong learning.** Representing the largest single increase in higher education since the G.I. Bill, the Balanced Budget includes a \$1,500 Hope Scholarship to make the first two years of college universally available, and a 20-percent tuition tax credit for college juniors, seniors, graduate students, and working Americans pursuing lifelong learning.

CARING FOR OUR CHILDREN:

- **Held First-Ever White House Conference on Child Care and White House Conference on Early Child Development and Learning.** In April 1997, the President and First Lady held the White House Conference on Early Child Development and Learning to highlight the benefits of early nurturing by parents. And in October 1997, the White House Conference on Child Care began a dialogue on the child care challenges facing parents today -- availability, affordability, and assuring safety and quality.
- **Proposed the largest single investment in child care in the nation's history.** Between FY93 and FY97, federal funding for child care has increased by nearly 79%, providing child care services for over one million children. The President's new \$20 billion child care proposal will double the number of children receiving child care subsidies to more than two million and increases tax credits for three million working families to help them pay for child care.
- **Extended health care to millions of children with the Children's Health Initiative,** the single largest investment in Health Care for children since 1965. The President fought to ensure that the Balanced Budget included \$24 billion to provide meaningful health care coverage to millions of uninsured children.
- **Fought for and won \$500 child tax credit for 27 million families with 45 million children under age 17.** Thirteen million children from families with income below \$30,000 will receive the child tax credit as a result of the President's efforts.
- **Signed Landmark Adoption and Safe Families Act.** This law will help thousands of children waiting in foster care move more quickly into safe and permanent homes.
- **Signed the Comprehensive Childhood Immunization Initiative.** Thanks to President Clinton, immunization rates among two-year-olds have reached historic highs.
- **Launched new strategies to reduce the high rate of teen pregnancies.** Teen births have fallen six years in a row, by 7.4 percent from 1991 to 1996.
- **Imposed strict measures to keep cigarettes out of the hands of our children** by restricting youth-targeted advertising; and the FDA made 18 the minimum age to purchase tobacco products nationwide, requiring photo I.D.s for anyone under the age of 27.

EXPANDING ACCESS TO QUALITY HEALTH CARE:

- **Protected Medicare.** Protected, modernized and extended the Medicare trust fund for at least a decade while offering new options for patient choice and preventive care.
- **Increased funding for breast cancer research** by 86% -- from \$276 million in FY93 to \$513 million in FY97 -- and implemented the Mammography Quality Standards Act to ensure the quality of mammograms.
- **Ended drive-thru deliveries.** Proposed and signed into law legislation requiring insurers to cover at least 48 hours of a post-natal hospital stay (72 hours for a Cesarean).
- **Fought for greater health security for America's families.** The President signed into law the

Health Insurance Portability and Accountability Act which includes important new protections for an estimated 25 million Americans who move from one job to another, who are self-employed, or who have pre-existing medical conditions.

- **Endorsed legislation that would ban drive-thru mastectomies**, allowing women to stay in the hospital at least 48 hours following a mastectomy. And the President has also endorsed legislation that will **prevent health plans from discriminating on the basis of genetic information**.

PROMOTING REPRODUCTIVE HEALTH SERVICES FOR WOMEN:

- **Reversed the "Gag Rule"** limiting the information federally funded family planning clinics could give to women.
- **Increased Funding for Title X.** The President's FY99 proposal will increase Title X Family Planning grants by \$15 million -- a 46% increase since FY92.
- **Signed the Freedom of Access to Clinic Entrances Act**, establishing a safety-zone around women's health clinics.

GENERATING MORE BUSINESS OPPORTUNITIES FOR WOMEN:

- **Women are starting businesses at twice the rate of all businesses.** There are nearly 8 million women-owned businesses in the U.S., generating nearly \$2.3 trillion in sales. The Small Business Administration's Office of Women's Business Ownership is working to foster this growth.
- **Tripled the Number of Small Business Loans to Women Entrepreneurs.** Between 1993 and 1997 the SBA approved nearly 50,000 loans to women entrepreneurs under the 7(a) and 504 loan programs. Last year alone, the Small Business Administration granted more than 10,000 loans, worth \$1.67 billion, to women small business owners, triple the number of loans granted in 1992.
- **Conducted a survey over 250,000 working women** to learn more about their workplace experiences.

WOMEN AS PARTNERS IN DECISION MAKING:

- **41 percent of Administration appointees are women**, by far the highest percentage appointed by any previous President. And women hold 29 percent of the top positions requiring Senate confirmation (PAS).
- **Appointed the first women ever** to serve as Attorney General, Janet Reno, and Secretary of State, Madeleine Albright. Including the Attorney General and Secretary of State, women make up 27 percent of the Clinton Cabinet: Alexis Herman, Secretary of Labor; Donna Shalala, Secretary of Health and Human Services; Carol Browner, Administrator of the Environmental Protection Agency; Janet Yellen, Chair of the Council of Economic Advisors; and Charlene Barchevsky, United States Trade Representative.
- **A third of all judicial nominees are women**, the highest proportion ever.
- **Nominate the second woman to serve on the Supreme Court.** During his first year in office, President Clinton nominated Ruth Bader Ginsberg to the United States Supreme Court. Justice Ginsburg is only the second woman to serve on the nation's highest court.

**PRESIDENT CLINTON'S PROPOSALS:
STRONGER MORE ACCESSIBLE EDUCATION FOR ALL**

President Clinton is proposing new initiatives that will dramatically strengthen elementary and secondary education. These proposals will help ensure that all students start out in a small class with a good teacher, in a safe, modern school. They will also help ensure that students, especially in high poverty urban and rural areas, attend schools where high standards are taken seriously and kids are given the help they need to succeed. The President's proposals will dramatically expand access to safe havens for after-school learning, and ensure that low-income students receive the support and encouragement to finish school and continue on to college.

Reducing Class Size in Grades 1-3 to a Nation-Wide Average of 18. President Clinton is proposing a \$12.4 billion initiative over 7 years (\$7.3 billion over 5 years) to help local schools provide small classes with qualified teachers in the early grades. This initiative will help ensure that every child receives personal attention, learns to read independently, and gets a solid foundation for further learning. The new initiative will reduce class size in grades 1-3 to a nationwide average of 18, providing funds to help local school districts hire an additional 100,000 well-prepared teachers. The initiative will also provide funds to states and local school districts to test new teachers, develop more rigorous teacher testing and certification requirements, and train teachers in effective reading instruction practices. School districts will be accountable for demonstrating gains in reading achievement. These steps will help ensure that first through third grade students are receiving high-quality reading instruction in smaller classes from competent teachers.

Modern School Buildings to Improve Student Learning. For students to learn, schools must be well-equipped and able to accommodate smaller class sizes. To address these and other critical needs, President Clinton is proposing federal tax credits to pay interest on nearly \$22 billion in bonds to build and renovate public schools. This initiative provides more than double the assistance proposed last year --half the interest on an estimated \$20 billion in bonds. The tax credits will cost the Treasury \$5 billion over 5 years and more than \$10 billion over ten years. Of the \$22 billion in bond authority, nearly \$20 billion is for new School Modernization Bonds. Half of this bond authority will be allocated to the 100 school districts with the largest number of low-income children, and the other half will be allocated to the States. In addition, the President is proposing a more than \$2.4 billion expansion of Qualified Zone Academy Bonds, school-business partnerships that will include funding for school construction and renovation.

Education Opportunity Zones: Helping Students in Poor Communities Reach High Standards. This initiative will strengthen public schools and help students master the basics where the need is the greatest: in high poverty urban and rural communities where low expectations, too many poorly prepared teachers, and overwhelmed school systems create significant barriers to high achievement. The Education Department will select approximately 50 high poverty urban and rural school districts that agree to: (1) use high standards and tests of student achievement to identify and provide help to students, teachers and schools who need it; (2) prevent students from falling behind by ensuring quality teaching, challenging curricula, and extended learning time; and (3) end social promotion and turn around failing schools. Added investments in these communities will accelerate their progress and provide successful models of system-wide, standards-based reform for the nation. The President's initiative will invest \$200 million in FY99, and \$1.5 billion over 5 years, to raise achievement and share lessons learned with school districts around the country.

Expanding Access to Safe After-School Care. To help create safe, positive learning environments for American school-age children who lack adult supervision during a typical week, the President has proposed to expand the 21st Century Learning Center Program to reach half a million children annually by investing \$1 million over five years. The program will support school-community partnerships that expand or establish programs providing after-school care.

Early Intervention to Promote College Attendance. President Clinton will soon announce a long-term effort to make college opportunity real for children in high-poverty areas by giving their families early information about financial aid and academic preparation, and using mentors and other support services to help the children stay on track through high school graduation and into college.

**TALKING POINTS
STATE OF THE UNION ADDRESS**

January 26, 1998

**THE PRESIDENT'S STATE OF THE UNION ADDRESS IS A CONCRETE PLAN OF ACTION
THAT IDENTIFIES OUR PRIORITIES AND APPROACHES TO KEY ISSUES**

- **We have a unique moment in time to prepare America for the 21st Century. Under President Clinton's leadership, America has achieved an unprecedented period of peace and prosperity:**
 - the strongest economy in a generation;
 - the first balanced budget in a generation;
 - crime rates at their lowest levels in 24 years;
 - welfare rolls down by 4.3 million people;
 - unemployment at its lowest level in more than two decades;
 - deficit cut by more than 90 percent;
 - unrivaled world leadership.

- **This is an opportunity for action. The President's State of the Union address will challenge us to use this unique moment in time as an opportunity to prepare for the next century. It builds on the new kind of government President Clinton is creating -- a leaner, more flexible government. One that does not try to do everything. One that gives Americans the tools and conditions needed to make the most of their own lives.**

- **At the center of President Clinton's vision for a stronger America are three goals:**
 - an economy that honors opportunity;
 - a society rooted in responsibility;
 - and, a nation that lives as a community.

**HERE IS HOW THESE GOALS FIT INTO PRESIDENT CLINTON'S VISION OF
A STRONGER AMERICA IN THE 21ST CENTURY:**

- **An Economy that offers more opportunity. The President will outline a plan for building a stronger, more prosperous America. Central to his strategy is:**
 - **Driving the budget deficit down to 0. During the first 5 years -- by making tough choices and fiscally responsible policies -- President Clinton took the nation's budget deficit down from \$290 billion to \$23 billion. This year, President Clinton will make history and give the American people their first balanced budget in 30 years.**

 - **Reserving any budget surplus until Social Security is reformed. President Clinton is deeply committed to ensuring that Social Security remain a viable,**

effective program, providing retirement security for all Americans in the 21st century. That is why he is calling on Congress to secure Social Security for future generations as a first priority.

- **Investing in the American people through education and training.** Education is the key to opportunity. Tomorrow, President Clinton will ask us to make our public elementary and secondary schools the best in the world -- by raising standards, raising expectations and raising accountability. He will call for:
 - voluntary national testing;
 - 100,000 new teachers in grades 1-3;
 - a School Construction Tax Cut to help rebuild, modernize, and build new schools;
 - a mentoring program;
 - continued college access expansion, so that every American who wants to can go to college.

- **Tearing down trade barriers to open new markets for American products and workers.** The President's plan seeks to renew his negotiating authority to open even more foreign markets to American goods and services. When countries hurt by economic instability are willing to undertake serious efforts to put their own economic houses in order, the President's plan calls for responsible action to give them a chance to implement their reforms. It also includes initiatives to enable all Americans to share in the prosperity of the global marketplace. Building on the funding for training we have provided to dislocated workers, the President will challenge Congress to pass the GI Bill for Workers to give workers a simple grant so they can move more quickly to newer, better jobs.

- **A Society that Acts Responsibly.** The President is intent on helping create a society that acts responsibly. To enforce this commitment, the President's plan will:
 - **Continue moving people from welfare to work.** Challenge thousands more businesses to join the 3000 companies already in our welfare-to-work partnership.

 - **Health Care Consumer Bill of Rights.** The President called on Congress to pass federally enforceable consumer health care protections before it adjourns this year. This Health Care Bill of Rights should contain a range of protections, including guaranteed access to needed health care specialists to ensure that patients are provided appropriate high quality care and access to emergency room services when and where they need it.

 - **Access to affordable, quality health care.** Providing new options for Americans ages 55 to 65 to obtain Health Insurance, including opportunities to buy into Medicare.

 - **An historic child care initiative.** To improve child care for America's working families the President is proposing approximately \$20 billion over five years for child care, including elements to help working families

- pay for child care, build a good supply of after-school programs, improve the safety and quality of care, and promote early learning.
- **Fighting juvenile crime and drugs.** With murder, robbery, assault and burglary down all across the nation, President Clinton is calling for a special focus on addressing juvenile crime -- providing more resources to crack down on gangs, guns, and drugs. When coordinated with the support provided by the largest anti-drug budget in history and with the outstanding leadership General McCaffery brings to our national drug policy, these new efforts are sure to keep drug use on decline.
 - **Ensure our commitment to world leadership.** The President is committed to keeping America strong by maintaining our role as the world's indispensable nation. This includes:
 - building an undivided, democratic Europe by expanding NATO;
 - remaining a force for peace throughout the world;
 - moving strongly against new threats to our security;
 - reducing the threat of weapons of mass destruction.
 - **Strengthening Our Communities.** The President's plan helps strengthen America's communities by:
 - **Investing in our cities,** giving them the tools and opportunities they need to continue an urban renaissance. President Clinton firmly believes that the best community development program, the best anti-poverty program, and the best jobs program is a growing economy. The President's plan helps our inner cities by:
 - helping bring private enterprise into the inner city;
 - increasing funding for **empowerment zones**;
 - increasing funding for **community development banks**, to spur more investment and loans;
 - providing tax incentives to develop affordable low income housing.
 - **Protecting the environment,** ensuring a cleaner, healthier planet for our children. The President's plan invests:
 - through \$6 billion in tax cuts to businesses and individuals, the President's Climate Change Plan finds a way to grow the economy and reduce greenhouse emissions at the same time;
 - large increases in research and development so we can find more and more innovative ways to continue cleaning the environment while keeping the economy strong.
 - **Helping the country become One America for the 21st Century.** The goal of the President's Initiative on Race is to create a more just and fair society that underscores our shared strengths, instead of focusing on our differences. President Clinton is determined to continue his commitment with the Race Initiative in 1998 -- emphasizing that our national diversity is our greatest strength.
 - **Preparing for the Millennium.** In conclusion, the President will talk of the importance of the Millennium and the opportunity it presents us to honor the past,

and imagine the future.

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**PRESIDENT CLINTON'S PROPOSALS:
HEALTH CARE THAT STRENGTHENS AMERICA'S FAMILIES**

Passing Comprehensive Bipartisan Tobacco Legislation That Reduces Teen Smoking and Changes the Way Tobacco Companies Do Business. Every day 3,000 young people start smoking and 1,000 of them will die prematurely from a tobacco-related disease. The President called on Congress to pass comprehensive national bipartisan legislation that includes five key principles: (1) it must mandate the development of a comprehensive plan to reduce teen smoking, including raising the cost of cigarettes by \$1.50 per pack over the next 10 years as necessary to meet youth smoking targets; (2) it must affirm the FDA's full authority to regulate tobacco products; (3) it must include measures to hold tobacco companies accountable, especially for marketing products to children; (4) it must include concrete measures to improve public health, from investing in research to reducing second-hand smoke to expanding smoking cessation; and (5) it must protect the financial well-being of tobacco farmers and their communities from the loss of income caused by our efforts to reduce smoking.

Protecting Patients Through a Consumer Bill of Rights and Genetic Screening Protections. The President called on Congress to pass federally enforceable consumer health care protections before it adjourns this fall. This Health Care Bill of Rights should contain a range of protections, including guaranteed access to needed health care specialists to ensure that patients are provided appropriate high quality care --a particularly important protection for people with disabilities, access to emergency room services when and where the need arises, an assurance that medical records are confidential, and access to a meaningful internal and external appeals process for consumers to resolve their differences with their health plans and health care providers. The nation's health care system has changed dramatically, with more than 100 million Americans now in managed care plans. This legislation will ensure that whether Americans have traditional health insurance or managed care, they are assured quality care. And to ensure that new advances in genetics are used to improve health rather than to discriminate, the President has called for legislation prohibiting the use of genetic screening to discriminate in health insurance and employment.

Providing New Options for Americans Ages 55 to 65 to Obtain Health Insurance, Including Buying Into Medicare. Americans ages 55 to 65, particularly those with disabilities or preexisting conditions, are one of the most difficult-to-insure populations: they have less access to and a greater risk of losing employer-based health insurance; and they are twice as likely to have health problems as the population generally. The President's proposal gives this vulnerable population three new ways to gain access to health insurance by: (1) allowing Americans ages 62 to 65 to buy into Medicare, through a premium that ensures that this policy is self-financed; (2) assisting vulnerable displaced workers 55 and over by offering those who have involuntarily lost their jobs and health care coverage a similar Medicare buy-in option; and (3) giving Americans 55 and over who have lost their retiree benefits access to their former employers' health insurance.

Creating a Historic "21st Century Research Fund" With Unprecedented Increases in Biomedical Research at the National Institutes of Health (NIH). Scientists are on the cusp of important new breakthroughs in biomedical research, which could revolutionize the way medical experts understand, treat, and prevent some of our most devastating diseases. To promote this progress, the President's budget contains a historic upfront investment in biomedical research --a 1.15 billion increase in FY 1999 --and proposes an increase in NIH funding of more than 50 percent over the

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next five years. Under the President's proposal, the NIH will devote over \$20 billion to biomedical research in 2003.

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**PRESIDENT CLINTON'S PROPOSAL:
CHILD CARE THAT STRENGTHENS AMERICAN FAMILIES**

"I am proud to propose the single largest child care investment in the history of our nation. It is a comprehensive and fiscally-responsible plan to make child care more affordable and accessible, to raise the quality and assure the safety of care for millions of American families. This is an issue that touches nearly every family, one that should rise above politics and partisan interests."

**President Bill Clinton
January 7, 1998**

President Clinton announced an historic initiative to improve child care for America's working families. The initiative proposes \$21.7 billion over five years for child care, to help working families pay for child care, build a good supply of after-school programs, improve the safety and quality of care, and promote early learning.

ENSURING AFFORDABLE, ACCESSIBLE, SAFE CHILD CARE. The President's child care initiative responds to the struggles our nation's working parents face in finding child care they can afford, trust and rely on. The new initiative:

Makes child care more affordable for working families. To help working families struggling to meet the costs of child care, the initiative invests \$7.5 billion over five years to double the number of children receiving child care subsidies to more than two million by the year 2003. The initiative also invests \$5.2 billion over five years to increase tax credits for child care for three million families and provides a new tax credit for businesses that offer child care services to their employees.

Increases access to and promotes early learning and healthy child development. To improve early learning, the initiative includes \$3 billion over five years to establish an Early Learning Fund that helps local communities improve the quality and safety of child care for children ages zero to five. The initiative also increases investment in Head Start and doubles the number of children served by Early Head Start to 80,000.

Improves the safety and quality of child care. To help ensure safe, quality child care, the initiative: steps up enforcement of state health and safety standards in child care settings, facilitates background checks on child care providers, increases scholarships and training for child care providers, and invests in child care research and evaluation

Expands access to safe after-school care. To help create safe, positive learning environments for American school-age children who lack adult supervision during a typical week, the initiative increases the 21st Century Learning Center Program by \$800 million over five years to provide after-school care for up to half a million children a year. The initiative will also improve coordination of federal after-school initiatives to help communities

Child Care Block Grant Increase	\$7.5 billion over five years
Child and Dependent Tax Credit Reform	\$5.2 billion over five years
Tax Credit for Businesses	\$500 million over five years
After-School Program	\$800 million over five years
Early Learning Fund	\$3.0 billion over five years
Head Start Increase	\$3.8 billion over five years
Standards Enforcement Fund	\$500 million over five years
Child Care Provider Scholarship Fund	\$250 million over five years
Research and Evaluation Fund	\$150 million over five years
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TOTAL: \$21.7 billion over five years

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

TEXT:

Encoded Data Checksum Mismatch - Attachment may be corrupted: Could not detach to file.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:28-SEP-1998 14:38:36.00

SUBJECT: Re: Funding for IDA demonstration

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

TEXT:

Assuming we concur w/ NEC, I think OMB may suggest unspent WTW funds. I think we should ask them for other alternatives (which I did once but got no response), and WTW should only be a last resort.

----- Forwarded by Andrea Kane/OPD/EOP on 09/28/98 02:33 PM -----

Jonathan Orszag
 09/28/98 02:25:02 PM
 Record Type: Record

To: Barbara Chow/OMB/EOP
 cc: Barry White/OMB/EOP, Larry R. Matlack/OMB/EOP, Andrea Kane/OPD/EOP
 bcc:
 Subject: Re: Funding for IDA demonstration

Gene believes that we should try to get funding for FY99. While Gene doesn't think we need the full \$25 million this year, he wants us to get the program started now.

Barbara Chow
 09/28/98 01:56:56 PM
 Record Type: Record

To: Jonathan Orszag/OPD/EOP
 cc: Barry White/OMB/EOP, Larry R. Matlack/OMB/EOP, Andrea Kane/OPD/EOP
 Subject: Re: Funding for IDA demonstration

I believe the IDA money in the Senate bill is earmarked within the welfare research account, a position which we oppose. If it is provided on top of the welfare research we would probably not oppose it but would need to determine how it is financed. Another alternative is to simply support

2000 funding for IDAs and kick this issue until next year.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:28-SEP-1998 09:44:39.00

SUBJECT: OMB Letter to Conferees on Bankruptcy Bills -- comments due today by 3:00

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

READ:UNKNOWN

TO: Michele Ahern (CN=Michele Ahern/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: Toni S. Husted (CN=Toni S. Husted/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: 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: Robert L. Nabors (CN=Robert L. Nabors/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

NO HARD COPY OF THE ATTACHED WILL BE SENT -- please respond even if you have no comments

Total Pages: _____

LRM ID: REJ602
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Monday, September 28, 1998

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

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

OMB CONTACT: Ronald E. Jones
PHONE: (202)395-3386 FAX: (202)395-3109

SUBJECT: OMB Report on S1301 Consumer Bankruptcy Reform Act of 1998

DEADLINE: 3:00 PM today Monday, September 28, 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 expect additional letters from DOJ, Interior, and Treasury.
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Debra J. Bond
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Toni S. Hustead
Janet E. Irwin
Michele Ahern
LRM ID: REJ602 SUBJECT: OMB Report on S1301 Consumer Bankruptcy Reform 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: 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

LETTER TO CONFEREES TO BE SENT TO EACH HOUSE AND SENATE CONFEREE. CONSIDER WHETHER, SIMULTANEOUSLY WITH CONFEREE LETTER, THE WHITE HOUSE SHOULD RELEASE SHORT STATEMENT FROM PRESIDENT PRAISING SENATE VOTE AS A RESOUNDING CALL FOR MODERATION AND URGING CONFEREES TO ADOPT SENATE APPROACH.

September 28, 1998 -- DRAFT

Dear _____:

I write to share the Administration's views on H.R. 3150 and S. 1301 -- the two bankruptcy reform bills before the conference committee.

The President shares the Congress's concern about the sharp increase in consumer bankruptcy filings -- an especially puzzling increase in the face of our extraordinarily strong economy. However, the President rejects any attempt to scapegoat American consumers. There is evidence of abuse by both debtors and creditors, but many others factors also may be involved in the stark rise in bankruptcies. The President hopes we can avoid finger pointing and instead focus on completing a bill that will best serve the American people.

The American people will be best served by reform that is both balanced and moderate -- addressing the abuses of both creditors and debtors, making prudent, well conceived improvements to our Bankruptcy system, and protecting and enhancing the collection of debtors', child support and alimony in the context of bankruptcy. Thus, essential reforms contained in the Senate bill include:

- a discretionary approach to, and higher thresholds for, shifting borrowers from Chapter 7 to Chapter 13;
- new nondischargeable debts limited only to debts incurred with an intent to defraud or for luxuries immediately preceding bankruptcy;

adequate protection against coercive reaffirmations; and disclosure requirements to ensure that consumers receive the information they need to manage their budgets.

The extraordinary bipartisan support for the Senate bill was a unified endorsement of balance and moderation. Unfortunately, the House bill fails to meet this standard. If the House bill were sent to the President, his senior advisors would recommend that he veto the bill.

The Administration cannot support a bill that includes a rigid and arbitrary approach to determining whether a debtor can use Chapter 7 or must establish a repayment plan under Chapter 13. We should deny access to Chapter 7 only to those who genuinely have the capacity to repay a portion of the debts successfully under a Chapter 13 plan. Thus, bankruptcy courts must have discretion to consider the specific circumstances of a debtor in bankruptcy, and the thresholds they consider should be high enough to ensure that only those with a strong likelihood of success are affected. If we deny access to Chapter 7 to the wrong debtors, and those debtors fail to complete required repayment plans, they will return to Chapter 7 with a diminished ability to repay their nondischarged debt -- including child support and alimony.

The Administration does agree that a creditor should be permitted to bring a motion under Section 707(b) to ask the court to determine whether a debtor has the capacity to repay, provided that protections against coercive reaffirmations are included in the bill. However, the Administration cannot support a bill that allows unrestricted creditor motions based on traditional 707(b) allegations of abuse, which may be more subjective than a test for one's capacity to repay. Allowing these motions could make more unequal the balance of power and information between creditor and debtor, especially for lower income debtors who would have the least power to defend themselves against unjustified motions.

The Administration also cannot support legislation that creates new, nondischargeable debts that could pit, post-bankruptcy, credit card debt against child support, alimony, educational loans, and taxes. For debt incurred to pay nondischargeable debt, the Senate bill appropriately makes the debt nondischargeable only when a court finds that the debtor intended to avoid the debt through bankruptcy. Similarly, for debt incurred within 90 days of bankruptcy, the Senate bill makes the debt nondischargeable only if there is more than \$400 of debt to a single creditor for luxury goods or services. Making debt for necessities subject to a cap, as does the House bill, is simply unacceptable. [CHECK FINAL SENATE BILL LANGUAGE.]

Finally, the Administration cannot support legislation that does not curb abuse by creditors as well as debtors. Greater competition and dramatic changes in how creditors grant credit, while beneficial for many, have allowed more consumers to get in over their heads. In response, credit card companies must give consumers more and better information so that they can understand and better manage their debts. Similarly, we must protect debtors against predatory creditor tactics to coerce inappropriate and unwise reaffirmations of unsecured debt and secured personalty debts for items that are likely to have little resale value.

This letter sets for our views on some of the central consumer bankruptcy issues in these bills. However, the bill contain hundreds of provisions on which we have views. We will supplement this letter with additional comments as the process moves forward.

We look forward to working with the Congress to enact moderate and balanced bankruptcy reform legislation.

Sincerely,

Jack Lew

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:28-SEP-1998 12:51:21.00

SUBJECT: Memo on Minority Caseloads

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Here's the memo to the President for your review. It's restuctured to have 3 pages of narrative and summary points, with tables moved to the back. Once it's been cleared by you, we thought the back part could then be shared with HHS, DOL and others in EOP who have been involved in the issue so we're all working off the same info.

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D41]MAIL40273807L.226 to ASCII,
The following is a HEX DUMP:

FF575043D90F0000010A02010000000205000000CF92000000020000056F7810863810588EE2D46
AF551CFF68E748ADBAC5D97A25EE206F75938F41B5217037F5408C837AE6C26807B26DD6B49BCA
91357D43B75B4B5A91AB28ABAE9BF9F5D473540539F4B889B37316C00068EB8DEE24A55E5669DA
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2EAD3F083AF6FE200011813EFEB257D935B00809ABC77F29D46998BED756803385271F82769969

September 28, 1998 (draft)

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed

SUBJECT: Minority Welfare Caseloads

You asked us to evaluate recent reports that African American and Hispanic families are leaving welfare more slowly than whites, and to consider what more we could do to ensure all welfare recipients are making the successful transition from welfare to work. Below we summarize the trends (a more detailed analysis is attached) and describe the new ideas we are developing for consideration in your FY 2000 budget.

Trends

We have worked closely with NEC, CEA, OMB, HHS, and the Census Bureau to examine the most recent welfare caseload data (generally through 1997). As detailed in the attached analysis, the data show:

1. While the number of families receiving welfare has dropped for all groups (whites, blacks, and Hispanics) since 1994, the rate of decline for whites (26 percent) has far outpaced that of blacks (18 percent) and Hispanics (9 percent). (See Table 1).
2. Despite these different rates of caseload decline, the composition of the welfare caseload has remained relatively constant since 1994, with whites declining from 37 to 35 percent of the caseload, blacks increasing from 36 to 37 percent, and Hispanics growing from 20 to 23 percent. (See Table 2.)
3. Most of the changes in the welfare caseload can be attributed to changes in the composition of the population as a whole -- specifically, population growth explains nearly two-thirds of the difference in caseload decline between Hispanics and whites and nearly half the difference between blacks and whites. When population growth is taken into account, the difference in the caseload reduction figures, which had ranged from 9 percent for Hispanics to 26 percent for whites before adjusting for population, narrows to 20 to 26 percent. Changes in welfare caseload composition have in fact roughly mirrored overall demographic changes over the last 25 years. (See Table 3.)
4. Welfare dependency is declining for all populations. For example, 1.4 percent of whites were on welfare in 1997, a drop of 26 percent from 1994; the percentage for blacks dropped 21 percent, from 10.9 to 8.6, and for Hispanics by 20 percent, from 7.0 to 5.6. (See Table 4.)

5. Minorities on welfare are more likely to have characteristics that make it harder to leave the rolls. Compared with whites, blacks and Hispanics on welfare tend to have lower educational levels, marriage rates, and larger families. Hispanics also have less recent work history than whites or blacks. However, the most striking difference may be the geographic disparities -- blacks and Hispanics are more than twice as likely to live in areas of concentrated poverty and in central cities where there are fewer job opportunities. Overall, minorities are more likely to be long-term recipients. (See Table 5.)
6. There is encouraging evidence that the employment rates of minority welfare recipients is catching up with the employment rate for whites. Between 1996 and 1998, the percentage of all prior year welfare recipients who were employed in the next year increased by 28%. The increase was highest for Hispanics (49%), followed by blacks (44%) and whites (5%). (See Table 6.)
7. The trends in marriage rates and births to unmarried women could contribute to an increasing proportion of minority families on welfare. While the proportion of never-married single mothers is increasing for the entire population, the rate of increase is largest for Hispanic women. Also, the birth rate to unmarried teenagers remains much higher for blacks and Hispanics than for whites and is increasing for Hispanics while declining for whites and blacks. (See Table 7.)
8. The fact that child only cases -- which are decreasing more slowly than others -- are disproportionately minority may contribute to the increasing proportion of minorities on the rolls. (See Table 8.)

Given these data, we believe many of the initial reports about these caseload trends exaggerated their significance, primarily by ignoring the extent to which they were related to overall population trends. However, these data do underscore that many blacks and Hispanics on the welfare rolls face greater obstacles to independence. Below we discuss the initiatives we already have underway to assist those who may need more help in moving from welfare to work, and some new ideas we are currently developing.

Current Initiatives

As you know, several of our current initiatives are targeted at the hardest to serve welfare recipients and those living in concentrated areas of poverty. These initiatives were implemented in 1998, too late to influence 1994-1997 trends outlined above.

- The \$3 Billion Welfare-to-Work Fund you fought for in the Balanced Budget Act is designed specifically to help long-term welfare recipients living in high poverty areas, and the fathers of their children, obtain jobs and move up a career ladder. While it is too early to have demographic data on the individuals served by these funds, the factors in the distribution formula and the individual eligibility criteria are likely to result in most of these funds being spent on minorities. The first of these funds were awarded in January 1998 and are just now starting to provide individual services.

- The Welfare to Work Transportation Funds enacted in the TEA-21 transportation reauthorization bill will help welfare recipients and low income workers get to where the jobs are, often in suburban areas not served by public transportation. The law guarantees \$50 million this coming year, and we're urging the appropriators to provide a total of \$100 million.
- The Welfare-to-Work Housing Vouchers we've proposed will help families in isolated urban or rural areas move closer to job opportunities. While the HUD/VA appropriations bill is still in conference, we believe they will at least fund the House level of 18,000 vouchers (far short of our 50,000 request, but a decent first step).
- Community Empowerment Initiatives. The Administration's Community Empowerment initiatives to spur economic development and job creation in distressed neighborhoods will also help address the geographic isolation faced by minorities on welfare.

New Initiatives

As part of the FY 2000 budget development process, we are considering options to further address the particular challenges faced by minorities in making a successful transition from welfare to work including:

- Increasing investments in English-language and literacy training. This could be done by expanding existing Department of Education adult education programs and/or by dedicating Welfare-to-Work funds for job-related literacy and ESL programs, provided either in the workplace or at community organizations preparing individuals for employment.
- Expanding work-focussed drug treatment. Since many of those remaining on welfare suffer from drug or alcohol dependencies, we are exploring ways to tie drug treatment efforts to work and increase their availability.
- Ensuring Welfare-to-Work funds are targeted to the toughest areas. While the current Welfare to Work formula favors high poverty areas, we are going to examine whether the funds could be even more targeted.
- Increasing work and child support among noncustodial fathers. We are examining ways to increase the employment and child support payments of noncustodial parents.

In sum, we recognize the critical importance of ensuring that all individuals on welfare have the tools they need to make the transition to the workforce, and intend to continue to devise strategies which, while not explicitly targeted at minorities, are aimed at those barriers disproportionately faced by minorities on the welfare rolls.

Minority Caseloads Analysis

Table 1: Rate of Caseload Decline

The number of families receiving welfare has dropped for whites, blacks and Hispanics since 1994 (when caseloads peaked nationally), but the rate of decline for whites has far out paced that of others, particularly Hispanics.

Table 1: Number of Families on AFDC/TANF by Race/Ethnicity

Race/Ethnicity	1994	1997*	Percent Change
White	1.9 million	1.4 million	-26%
Black	1.8 million	1.5 million	-18%
Hispanic	1.0 million	.9 million	-9%

* We do not yet have more recent data, or state-specific data, that we consider accurate. In July, The New York Times reported more recent data provided by some states, but HHS believes that data, particularly for New York and California, may contain significant reporting errors due to states implementation of the new TANF data reporting system.

[NOTE to BR/EK: still trying to get data from HHS to back out child only cases for 1994]

Table 2: Overall Composition of Caseload

Despite these different rates of caseload decline, the composition of the welfare caseload has remained relatively constant, at least on a national basis.

Table 2: Composition of AFDC/TANF Caseload by Race/Ethnicity

Race/Ethnicity	1994	1997
White	37 percent	35 percent
Black	36 percent	37 percent
Hispanic	20 percent	23 percent

Asians, Native Americans, and those designated "Unknown" comprise the rest of the caseload.

Table 3: Effects of Changes in Overall Population

There are a number of factors that appear to contribute to the different rates at which caseloads are declining for different racial and ethnic groups. The most important appears to be the disparate rates of population growth for the different racial and ethnic groups. Controlling for population trends greatly diminishes the difference between the welfare caseload declines for

minorities and whites. Specifically, between 1994 and 1997, population growth explains nearly two-thirds of the difference in caseload decline between Hispanics and whites and nearly half the difference between blacks and whites. In other words, if all three groups had experienced the same rate of population growth, their rate of welfare caseload decline would have been much more similar. Adjusted for population growth, the Hispanic caseload drop would have been 20 percent rather than 9 percent, and the black rate would have been 21 percent rather than 18 percent.

Table 3: Percent Change in Overall Population by Race/Ethnicity 1994-1997

Race/Ethnicity	AFDC/TANF cases	Population Aged 15-49*	Population-Adjusted (Cases/Population)
White	-25.8%	-0.1%	-25.7%
Black	-17.6%	4.4%	-21.1%
Hispanic	-9.1%	13.0%	-19.5%
Total	-19.1%	1.9%	-20.6%

* The trends in population aged 15-49 is used here because this is the age group most likely to be a welfare head of household, whose race/ethnicity would be counted when tallying the case demographics.

The racial/ethnic composition of welfare caseloads has been changing gradually over the last 25 years, roughly mirroring overall demographic trends. Whites gradually declined from 38 percent to 35 percent in 1997. The proportion of blacks has generally declined, from 46 percent in 1973 to 37 percent in 1997. The most significant trend is the increase in the Hispanic portion of the caseload, from 13 percent in 1973 to 23 percent in 1997.

Table 4: Welfare Dependency

While minorities are more likely to be on welfare, this rate has dropped significantly for all three groups since 1994. Again, the rate of decline is fastest for whites and slowest for Hispanics.

Table 4: AFDC/TANF Cases as Percent of Population by Race/Ethnicity (ages 15-49)

Race/Ethnicity	1994	1997*	Percent Change
White	1.91	1.42	-25.7%
Black	10.93	8.63	-21.1%
Hispanic	6.97	5.61	-19.5%

* These data are only available through June 1997.

Table 5: Characteristics of Minorities on the Caseload

Minorities on welfare disproportionately share characteristics that make it harder to leave the rolls. Compared with whites, blacks and Hispanics on welfare tend to have lower educational levels, marriage rates, and larger families. Hispanics also have less recent work history than whites or blacks. However, the most striking difference may be the geographic disparities -- blacks and Hispanics are more than twice as likely to live in areas of concentrated poverty and in central cities where there are fewer job opportunities.

Table 5: Characteristics of AFDC/TANF Recipients by Race/Ethnicity*

	TOTAL	WHITE	BLACK	HISPANIC
% without HS diploma	43%	30%	43%	64%
% never married	47%	33%	69%	43%
> 2 children	29%	20%	33%	39%
Worked during the year	45%	49%	48%	33%
Live in area w/ poverty rate > 20%	48%	29%	67%	58%
Live in central city	49%	29%	68%	60%

*These data are from the March 1998 Current Population Survey, showing characteristics of recipients in 1997.

Minorities are more likely to be long-term welfare recipients. For example, in 1997 20 percent of blacks on welfare have been on the rolls for at least five continuous years, compared to 19 percent for Hispanics and 14 percent for whites (data are for the first nine months of 1997).

Table 6: Employment Rate of Welfare Recipients

There is encouraging evidence that the employment rates of minority welfare recipients (people on welfare in one year who were working the following year) is catching up with the employment rate for whites.

Table 6: Employment Rate of Welfare Recipients

Automated Records Management System
Hex-Dump Conversion

Race/Ethnicity	1996	1998	Percent Change 96-98
White	36.4 %	38.2 %	5%
Black	23.1 %	33.2 %	44%
Hispanic	19.4 %	28.9 %	49%
All Recipients	26.5%	33.8%	28%

Table 7: Trends in Marriage Rates and Births

The trends in marriage rates and births to unmarried women could contribute to an increasing proportion of minority families going on welfare. While the proportion of never-married single mothers is increasing for the entire population, the rate of increase is largest for Hispanic women.

	1992	1997	% Change
% of all single mothers who were never married	30%	35%	17%
Never-married single mothers by race/ethnicity:			
White	17%	21%	24%
Black	51%	55%	8%
Hispanic	33%	42%	27%

Also, the birth rate to unmarried teenagers remains much higher for blacks and Hispanics than for whites. While the rate is decreasing for blacks and slightly for whites, it continues to increase for Hispanics. For example, between 1991 and 1996, the rate of births to unmarried teenagers decreased 18% for blacks and 4% for whites, but increased 3% for Hispanics.

Table 8: Child Only Cases

One of the factors which could contribute to the increasing proportion of minorities on the caseload is the fact that minorities are disproportionately represented in child-only cases, which are decreasing more slowly than cases headed by adults.

	FY 96 Child-only	FY 97* Child-only	Percent Change	FY 96 Adult-headed cases	FY 97* Adult-headed cases	Percent Change

	cases	cases				
TOTAL (All Races)	978,300	915,500	-6.4%	3,575,008	3,107,233	-13.1%
Percent White	28%	27%		38%	37%	
Percent Non-White	72%	73%		62%	63%	

* These data are only available through June 1997.

Between 1996 and 1997, the rate of decline for cases headed by an adult was at least twice that for child-only cases (Note: this understates the rate of decline because it is an average monthly figure based on only the first nine months of 1997, the most recent available data). Child-only cases are those in which the parent or adult is not part of the caseload for one of several reasons: e.g., adult is not a citizen but the child is; child is being cared for by a relative who is not part of the case (kinship care), etc. Child-only cases are not expected to decline due to welfare to work efforts.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:28-SEP-1998 19:27:19.00

SUBJECT: Alien smuggling

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Elena,

I attended an NSC meeting this afternoon re: alien smuggling and, in particular, how we (the federal government) can better handle situations where boat loads of Chinese are found off the western coast. These migrants sometimes head for Mexico (from where they will be smuggled to the U.S.) and sometimes head for the U.S. Thus, it is a law enforcement issue for both countries.

The only immigration issue discussed was whether INS's expedited removal procedures could be adapted to better handle boat loads of Chinese. Under the current system, a person who arrives in the country without proper immigration papers is immediately deported, unless that person can make a threshold claim of asylum. The DOJ and INS have worked hard to make this process as fair as possible and have erred on the side of making the threshold showing fairly low. The DOJ believes that, in general, the use of a low threshold works well to carry out its mandate to deport easy cases and detain for investigation border-line cases. DOJ and INS strongly support how expedited removal is being implemented.

However, b/c of this low threshold and a recent change in the law that allows credible fear of persecution to be established based on the birth control policies of the migrant's home country, more than 90% of Chinese who arrive on boats are able to make the necessary threshold showing; thus, only a small percentage are quickly deported.

The State Department has asserted that our credibility in asking for greater cooperation from Mexico on this issue requires that we take greater steps to make the necessary changes in our laws so that the Chinese can be repatriated expeditiously from the U.S. However, DOJ does not think that there are regulatory or legislative changes that they would recommend.

However, DOJ is going to take a stab at it. They are preparing an options paper on what regulatory changes could be made to make expedited removal work better for Chinese arriving on boats, without making it worse for the vast majority of immigrants to whom it applies. We should get this in a couple of weeks.

Julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:28-SEP-1998 13:38:57.00

SUBJECT: Good News re: ABC is interested in the child support story

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

timing is uncertain

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:28-SEP-1998 20:46:36.00

SUBJECT: C/J/S; INTERIOR; DC APPROPS LETTERS

TO: Julie M. Anderson (CN=Julie M. Anderson/OU=WHCCTF/O=EOP@EOP [WHCCTF])
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: 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])
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TO: Joshua Gotbaum (CN=Joshua Gotbaum/OU=OMB/O=EOP@EOP [OMB])
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TO: John Podesta (CN=John Podesta/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

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

TO: Jonathan H. Schnur (CN=Jonathan H. Schnur/OU=OPD/O=EOP@EOP [OPD])
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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 are draft conferees letters for three appropriations bills: 1) C/J/S; 2) Interior; and 3) District of Columbia. We aim to send all three letters by cob Tuesday, 9/29. Please review & provide comments by 1pm, Tuesday. Thank you very much.

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D82]MAIL41138417T.226 to ASCII,
The following is a HEX DUMP:

FF5750433A090000010A02010000000205000000E0C000000002000000C39A6B5C1CE8A86DC04FF
417D1E8D91EF4EDD64B0C1D01F6658F57D9E37DD7B2A5236583F32CE1381A90CF9DA5AC25AC370

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

Dear Mr. Chairman:

This letter provides the Administration's views on the Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Bill, FY 1999, as passed by the House and by the Senate. As the conferees develop a final version of the bill, your consideration of the Administration's views would be appreciated.

The Administration appreciates the Congress' support for many of the President's priorities within the 302(b) allocation. For example, we appreciate the funding levels provided by both the House and the Senate for law enforcement programs in general and the COPS program in particular. Funding COPS at the requested level of \$1.4 billion is consistent with the Balanced Budget Agreement and would enable us to achieve the goal of hiring 100,000 additional police officers by the year 2000.

However, the allocation is simply insufficient to make the necessary investments in other critical programs funded by this bill. The only way to achieve the appropriate investment level 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 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. We want to work with the Congress on mutually agreeable mandatory and other offsets that would be used to increase high-priority discretionary programs, including those funded by this bill. In addition, we hope that the Congress will reduce funding for lower priority and unrequested discretionary programs, and redirect funding to programs of higher priority.

The Administration has very serious concerns, discussed below, with the Congress' inadequate funding of a number of priority programs, as well as with objectionable language provisions. If the bill presented to the President does not address these issues, the President's senior advisers would recommend that he veto the bill.

Legal Services Corporation

The Administration appreciates the funding level of \$300 million provided for the Legal Services Corporation (LSC) in the Senate bill. While we acknowledge the House amendment to increase funding above the House Committee level, the resulting House funding level for LSC remains unacceptable. The House version of the bill would fund LSC at \$250 million, \$33 million below the FY 1998 level and \$90 million below the President's request of \$340 million. The House level is 38 percent below the FY 1995 level of \$400 million and calls into question

the Government's commitment to ensure that all Americans have access to the judicial system. In addition, the Supreme Court's recent ruling that interest on lawyer trust accounts cannot be used to generate resources for civil legal services eliminates a funding source that provided LSC programs with more than \$57 million last year. We urge the conferees to fully fund the President's request.

Department of Commerce

Decennial Census. The language in the House bill that would release funds for only the first half of FY 1999 is unacceptable. It is critical that the Congress provide full-year funding for the Decennial Census without any restrictions on the use of statistical sampling. Delays or disruptions would unacceptably complicate the management of this massive operation. We strongly urge the conferees to remove the onerous House language restrictions and provide funding that will allow the Census Bureau to implement its current plan. This plan was developed by statistical experts and is based on recommendations from the National Academy of Sciences, which found that regardless of the resources committed, the methodologies employed in the past could not achieve satisfactory accuracy. The statistical methods incorporated in the Bureau's plan would produce the most accurate census possible and virtually eliminate the large undercounts of minorities, children, and other groups that occurred in the 1990 census.

National Oceanic and Atmospheric Administration. The Administration urges Congress to fully fund priority programs, including: the Clean Water Initiative, including the Coastal Non-point program, to protect coastal communities; the GLOBE program, to promote scientific discovery and student achievement; Endangered Species Act and Magnuson-Stevens Act implementation; the Global Change Program, to understand the implications of extreme weather events such as El Nino; and, the National Weather Service, to improve services that inform communities of severe weather.

The Administration objects to language in the House-passed bill that would impose severe personnel and funding limitations on NOAA's executive direction and central administrative support areas. These restrictions would result in a loss of accountability in the management of NOAA's operations.

The Administration urges the conferees to restore funding necessary to maintain existing contracts, particularly for geostationary spacecraft procurement and polar instrument development. Both the House and Senate bills fail to include adequate funding to fulfill contract obligations for the converged polar satellite program and the recently-awarded geostationary follow-on contract. Renegotiation of these contracts would jeopardize satellite continuity for both civilian and military weather operations and increase costs.

National Institute for Standards and Technology. The Administration is disappointed by reductions to the Advanced Technology Program (ATP), which fosters cutting-edge research. We urge the conferees to provide the President's request for new awards and to drop bill

language placing restrictions on new awards that reduce ATP's ability to manage carryover balances effectively. Also, the Administration is concerned that Congress' exclusion of the requested advance appropriation for the Advanced Measurement Laboratory would increase costs and delay completion of the facility by at least a year.

Statistics Initiatives. The Administration is concerned that both the House and Senate bills do not include adequate funding for high-priority statistical initiatives, particularly the improvement of National Account measures, the Poverty Measure initiative, and the Continuous Measurement program, which will provide annual demographic information on the population and eliminate the need for the "long form" in the 2010 Census.

National Information Infrastructure Program. The Administration urges the conferees to fully fund the President's request for the National Information Infrastructure Grants Program, which provides seed money for innovative projects that deploy, use, and evaluate advanced information technology.

Economic Development Administration (EDA). The Administration is concerned about the funding level for EDA in the Senate-passed bill. EDA assists distressed communities in dealing with the burdens imposed by industry downsizing and international trade agreements and has achieved significant results in creating jobs, leveraging private sector dollars, and increasing local tax bases.

Agricultural Guest Workers

The Administration strongly urges the conferees to delete provisions in the Senate-passed bill that would create a new agricultural guest worker program. We believe that the Agricultural Job Opportunity, Benefits, and Security Act of 1998 is likely to increase illegal immigration to the U.S., reduce job opportunities for legal U.S. farm workers, and depress wages and work standards for U.S. farm workers. These provisions, therefore, are unacceptable. Consistent with the findings and recommendations of two bi-partisan commissions -- the Commission on Immigration Reform and the Commission on Agricultural Workers -- the President opposes a new guest worker program. However, the Administration shares the goal of assuring an adequate, predictable labor supply of farm workers and will work with the Congress to develop reforms to the current program to ensure that it responds to agricultural needs while protecting U.S. farm workers.

Small Business Administration

The Administration strongly objects to the funding levels for Small Business Administration (SBA) disaster loans and operating expenses. We urge the conferees to restore funding so that SBA may continue to provide vital services to the Nation's small business community and assistance to the victims of natural disasters.

The House's funding level for SBA's Salaries and Expenses account regular operating expenses represents a 29-percent reduction from the President's request and includes a requirement that all of the reduction be taken from headquarters functions. This funding level would require a reduction in staff of more than 1,300 staff years through severe reductions-in-force. Not even the elimination of all headquarters employees would satisfy the House Report's requirement that all reductions be taken solely from non-district Offices.

The Senate mark of \$94 million to administer the Disaster Loan Program is a 43-percent reduction from the President's request. Such a drastic reduction in funding to originate and service disaster loans would result in the cessation of loans and services to the victims of natural disasters by the beginning of calendar year 1999.

Equal Employment Opportunity Commission

The Administration strongly urges the conferees to fully fund the President's request of \$279 million for the Equal Employment Opportunity Commission (EEOC), \$18.5 million above the House level and \$25.4 million above the Senate level. The additional resources are essential and would allow EEOC to reduce the backlog of pending complaints and implement much-needed reforms in the way all complaints are managed, including an enhanced alternative dispute resolution program. We look forward to working with the Congress to provide funding for EEOC and other programs included in the President's civil rights enforcement initiative.

Department of Justice

The Administration appreciates the Congress' continued support for law enforcement and other Department of Justice activities. However, as discussed below, we are concerned about Congress' action in a number of areas.

Imposition of State Ethics Rules. The House-passed bill includes unacceptable language that would impose State ethics rules on Federal attorneys and establish an independent board that could fire Federal agents, prosecutors, and civil law enforcement attorneys. These provisions would undermine Federal law enforcement by subjecting Department of Justice attorneys to multiple and inconsistent State rules of conduct, transferring to the States the authority to regulate the conduct of Federal attorneys in the performance of their Federal law enforcement duties. For example, this legislation would hamper investigations of drug operations across State lines as well as other multi-jurisdiction investigations such as the Oklahoma City bombing investigation.

Brady Act Implementation. The Senate bill contains unacceptable language that would undermine implementation of the Brady Act and the National Instant Check System. The Administration urges the conferees to reject this language and to continue to work with the Administration to keep guns out of the hands of criminals, the mentally unstable, and other prohibited purchasers.

Immigration and Naturalization Service Examination and User Fees. The Senate bill inappropriately diverts \$166 million in receipts from the Immigration and Naturalization Service's (INS's) Immigration Examination and User Fee accounts for expenses not directly related to the immigration services for which they are assessed. In addition, the Department of Justice has forwarded a reprogramming action for \$171 million to address a funding shortfall in the Examination Fee account and provide necessary resources to reduce the citizenship application backlog and implement management reforms. The Senate recommendation would exacerbate this funding shortfall. The Administration urges the conferees to ensure that immigration fees are used to reduce the backlog of pending citizenship applications, as well as to approve the reprogramming of departmental resources for naturalization process reengineering and application backlog reduction.

Winstar. The Justice Department critically needs resources to fund the Winstar litigation, in which the Department is defending against \$20 to \$30 billion in claims against the Government. The Administration appreciates the Senate's willingness to fund Winstar, but opposes the Senate's approach to funding for Winstar, which would require substantial reductions to the litigating divisions' other activities, including Civil Rights, Civil, Criminal, and other legal divisions.

Title V -- At-Risk Children's Grant Program. The Administration urges the conferees to provide the \$95 million requested for the At-Risk children's proposal. The At-Risk proposal supports community programs that prevent young people from becoming involved in the criminal justice system, including mentoring, truancy prevention, and gang intervention.

Drug Testing and Intervention. The Administration urges the conferees to provide the \$85 million requested for the drug testing and intervention program. Systematic drug testing is a proven, cost-effective means of using the coercive power of the criminal justice system to move non-violent offenders into drug treatment programs.

Protection Against Chemical and Biological Weapons. We appreciate the Congress' support of the Administration's efforts to combat terrorism, particularly the use of chemical and biological weapons. However, we encourage the conferees to fully fund all of the items requested by the Administration, and, in particular, detection equipment for State and local bomb squads.

Protection Against Attacks on Critical Infrastructure. The Administration urges the conferees to provide the full \$34 million requested for expenses related to protection of the Nation's critical infrastructure, including funding for potential transfer to the Department of Commerce's Critical Infrastructure Assurance Office and for the FBI's National Infrastructure Protection Center. Failure to provide requested funding for these initiatives would endanger the Government's efforts to fight cybercrime.

Indian Country. While the Senate mark for Indian Country criminal justice assistance is preferable to the House level, we urge the conferees to fully fund the Administration's request, including FBI and U.S. Attorneys resources. This initiative seeks to provide much-needed funds to address a serious public safety crisis.

International Affairs Programs

On September 22nd, the President transmitted an FY 1998 emergency supplemental funding request to address urgent needs relating to the terrorist bombings of the U.S. embassies in Nairobi, Kenya and Dar Es Salaam, Tanzania. In consultation with Congress, the Administration has prepared this request and looks forward to working with Congress to enact this proposal as quickly as possible. We are encouraged by the strong bipartisan support and commitment to protect U.S. citizens and U.S. interests around the world including our overseas official presence. In this regard, the Administration urges support for the FY 1999 request for various operating accounts, which are needed in addition to the Emergency Supplemental to support our overseas presence and provide the annual funds for security programs and other activities.

State Department Operations. The Administration appreciates the Congress' support for the Department of State's Diplomatic and Consular Programs and Salaries and Expenses accounts. However, both versions of the bill include reductions to, or unrequested earmarks in, these accounts totaling over \$30 million. Such reductions would prevent the Department from meeting expected wage and price increases, covering critical overseas staffing gaps, and addressing other infrastructure shortfalls. Further, the exclusion of \$38 million from the House-passed bill for information technology improvements in the Capital Investment Fund would jeopardize the Department's effort to achieve Y2K compliance. In addition, the administration supports the Senate's permanent extension of the Machine Readable Visa authority and opposes the cap on this authority in the House-passed bill. The House version would limit the Department's ability to execute the President's Border Security Program.

International Organizations and Peacekeeping. The Administration is concerned that funding reductions and earmarks, especially in the Senate version, for the Contributions to International Organizations (CIO) and Contributions for International Peacekeeping Activities (CIPA) accounts would increase arrears and impair the ability of the United States to address foreign policy interests through the mechanism of U.N. peacekeeping. Given uncertainties in the Balkan region and elsewhere, the Administration urges that the CIPA request level be provided. **The Administration is also concerned that the CIO account be crafted in a manner that allows sufficient payments to be made to the United Nations before December 31st in order to avoid a loss of vote by the United States in the U.N. General Assembly.**

The Administration appreciates the steps the Congress has taken to fund the request for arrearage payments this year. We want to work with the Congress to ensure that these funds are available in a timely fashion to retain our influence in these organizations and to identify reform

measures that further U.S. interests. However, we strongly oppose the authorization requirement in both versions of the bill that is intended to subject this important foreign policy measure to the unrelated issue of family planning policy.

The Administration strongly believes that activities relating to the Comprehensive Nuclear Test Ban Treaty should be funded at the \$29 million level, as requested in the Nonproliferation, Anti-terrorism, Demining, and Related Programs account. We oppose the House-passed bill's proposal to provide up to \$15 million for these needs by transfer from the CIO account without any increase in funding.

United States Information Agency. The Administration is very concerned about reductions to the United States Information Agency (USIA), which both the House and Senate fund below the President's request, by \$30 million and \$68 million, respectively. Given that the USIA request is virtually at the FY 1998 level, any reductions would hurt core public diplomacy activities, Year 2000 compliance, critical broadcasting activities, including broadcasting to Africa, and important grant programs. The Senate-passed version of the bill is particularly problematic because it severely underfunds international information programs by \$35 million (most of which is due to the bill's omission of funding for overseas administrative costs) and broadcasting programs by \$46 million. For broadcasting, the reduction would require a personnel reduction-in-force, eliminate broadcast language services, and defer necessary capital and technical radio modernization improvements.

Jerusalem. The Administration strongly objects to provisions in the Senate bill concerning Jerusalem that would intrude impermissibly upon the President's constitutional authority to conduct diplomacy and determine recognition and would undermine ongoing efforts to promote a peaceful resolution of the Arab-Israeli conflict.

Anti-Ballistic Missile Treaty. The Administration strongly opposes the House provision that seeks to curtail funding for U.S. participation in the Anti-Ballistic Missile Treaty's Standing Consultative Commission (SCC). The Administration has made clear that the 1997 Memorandum of Understanding (MOU) referred to in the House language will be sent to the Senate for advice and consent as soon as Russia ratifies START II; while we will continue to meet with other states in the SCC to discuss Treaty-related issues, the MOU will not be implemented without Senate approval. (Twice-yearly meetings of the SCC are required under the Treaty, which was ratified by the Senate in 1972 by a vote of 96 to 3. The SCC deals with Treaty related issues and works to resolve disputes and ensure compliance.)

Property Claims. The Administration strongly opposes language in the House-passed bill that would prevent intervention by the Justice Department and other agencies in certain U.S. court proceedings to seize property of foreign governments designated as state sponsors of terrorism. Such a measure likely would result in seizures of property in direct violation of U.S. statutory and treaty law and in giving priority to certain U.S. claimants over long-standing, legitimate claims by other U.S. citizens. It could also lead to costs incurred by the United States

in the event of judgments for foreign governments, retaliation against U.S. diplomatic properties abroad, and seizure of property where the United States is claiming an interest in actual ownership of the property. Moreover, this provision would undermine the Administration's ability to protect the interests of the United States in U.S. courts.

International Emergency Economic Powers Act. The Administration opposes language in the Senate-passed bill that would limit the President's ability to impose sanctions under the International Emergency Economic Powers Act. The provision would interfere with the President's authority to target sanctions in specific situations, restricting an important foreign policy tool.

Vietnam and Haiti. The Administration is concerned that language in both versions of the bill regarding Vietnam would unconstitutionally constrain the President's authority with respect to the conduct of diplomacy. In addition, language in the Senate-passed bill regarding Haiti purports, in some circumstances, to limit the President's unfettered constitutional authority to "receive ambassadors and other public ministers."

Federal Communications Commission

The Administration is concerned that both versions of the bill exclude funding for the Federal Communications Commission's (FCC's) scheduled move to the Portals complex, and that the House bill provides none of the FCC's requested increases. Denial of funding for Portals would impair the FCC's ability to implement the mandates of the Telecommunications Act of 1996 and carry out critical mission operations. The House's overall level could require an agency-wide furlough or reduction-in-force.

Internet Regulation

The Administration strongly supports the objectives of provisions in the Senate-passed bill regarding Internet regulation. However, the Administration has concerns about the provisions as currently drafted and urges the conferees to delete them. Instead, we look forward to working with Congress to develop legislation that will address our mutual goals through the authorization process. Specifically, the Administration supports legislation that would require every school and library using the e-rate to certify that it has developed a plan to protect its schoolchildren from inappropriate content. Such legislation cannot follow a "one-size-fits-all" approach that could interfere with local judgments about how to best address the problem. In addition, while we share the important goal of empowering parents and teachers to protect minors from harmful material that is distributed commercially over the World Wide Web, imposing Federal criminal penalties for such distribution is inadvisable at this time. Such a new criminal statute could divert investigative and prosecutorial resources from combating hard core traffickers in child pornography. Moreover, because such a provision could be subject to serious constitutional challenge, it is important to carefully address the constitutional questions before

enacting any Internet content regulation. Given the progress that the private sector has made and is continuing to make in empowering parents and teachers to protect minors from harmful material, there is no need to rush an appropriations rider now without due consideration of these issues.

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 to make Y2K funding available quickly and flexibly. Efforts to defer action on the emergency fund in the Treasury and General Government appropriations bill are very troubling, particularly in light of the fact that several appropriations bills -- including the House version of Commerce, Justice, State -- do not include funding for base Y2K requests.

Additional Administration concerns are contained in the enclosure. We look forward to working with the conferees to address our mutual concerns.

Sincerely,

Jacob J. Lew
Director

Identical Letter Sent to The Honorable Bob Livingston,
The Honorable David R. Obey, The Honorable Harold Rogers,
The Honorable Alan Mollohan, The Honorable Ted Stevens,
The Honorable Robert C. Byrd, The Honorable Judd Gregg,
and The Honorable Ernest F. Hollings

ADDITIONAL CONCERNS
H.R. 4276 -- DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE,
THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1999

(AS PASSED BY THE HOUSE AND BY THE SENATE)

Department of Commerce

- Minority Business Development Agency. Management reforms at the Minority Business Development Agency (MBDA) have improved delivery of programs and technical assistance, and MBDA has emerged as a stronger, more focused agency. The Administration objects to the reduction to MBDA's base made by both the House and the Senate and requests restoration of \$2.8 million.

Department of Justice

- Bureau of Prisons/Abortion. The Administration urges the conferees to strike language that would prohibit the Bureau of Prisons from funding abortions except in cases of rape or where the life of the mother is endangered.
- Juvenile Justice Block Grant. The Administration is concerned that the Juvenile Justice Block Grant program, funded at \$250 million in the House-passed bill and \$100 million in the Senate-passed bill, may authorize a broad and unfocused range of spending. We urge the Congress to provide funding for more targeted activities, including direct funds for local prosecutors to address juvenile and quality of life crimes.
- Narrowband Communications. The Administration is disappointed that neither version of the bill would provide the \$86 million requested to establish a fund for the consolidation and coordination of the Department's conversion to narrowband communications systems. We urge the conferees to establish such a fund and to restore the \$24 million in base resources.
- **Federal Bureau of Investigation.** The Administration asks that the conferees provide the \$50 million requested for the FBI's Information Sharing Initiative (ISI). The House level, \$20 million below the request, would prevent the FBI from improving its electronic case file information, thereby increasing the effectiveness and efficiency of the FBI's investigations. Furthermore, the House reporting requirement on ISI would impede the FBI's ongoing efforts to provide critical

information technology infrastructure support using existing resources.

*Automated Records Management System
Hex-Dump Conversion*

- **INS Border Management Strategy.** The Administration appreciates Congress' support for the Administration's border control initiative. However, both the House and Senate marks are insufficient to support our comprehensive, bipartisan border management and enforcement strategy. We urge the conferees to fully fund the President's request for the border infrastructure and technology, detention support, and interior enforcement initiatives.
- **Counterdrug Strategy.** The Administration strongly opposes Senate Report language that would direct the Attorney General to create a new interagency counterdrug strategy. The Director of National Drug Control Policy is mandated by statute to perform this function; it should not be transferred to the Attorney General. However, we understand from a colloquy on the Senate floor that the intent of this language is to encourage the Justice Department to work closely with ONDCP on implementing the National Drug Control Strategy and ONDCP's Performance Measures of Effectiveness. The Report language should be dropped or clarified consistent with the colloquy.
- **Controlled Substances Act.** The Administration has serious concerns about sections 118 and 119 of the Senate-passed bill, which would weaken the Drug Enforcement Administration's authority to regulate the flow of drugs classified as controlled substances. The provisions would allow relief for recordkeeping and reporting violations. Careless, negligent, or unknowing violations, which are properly subject to misdemeanor penalties under current law, create an opportunity to divert drugs to illicit channels just as do knowing or intentional violations.
- **Antitrust Division.** The Administration opposes the Senate-passed bill's provision prohibiting Antitrust Division personnel from traveling abroad to encourage a foreign country to take an antitrust action. This provision would infringe upon the President's constitutional authority to conduct the foreign relations of the United States.
- **Resources for Combating Terrorism.** Section 117 of the Senate bill sets forth requirements for reporting resources devoted to combating terrorism. The Administration is pleased to provide data on these very important efforts. However, the bill proscribes a format and detail that will be difficult and burdensome to provide. In addition, there are other statutory requirements for reporting resources devoted to combating terrorism. Flexibility is essential in order to develop a meaningful report that can satisfy multiple requirements.

Nursing Relief for Disadvantaged Areas

- The Administration opposes the Nursing Relief for Disadvantaged Areas Act of 1998, which has been included in the Senate-passed bill. This legislation is unnecessary, since

no national nursing shortage exists; it duplicates currently authorized employment visa programs; and, it fails to provide adequate protections for U.S. workers. We urge the conferees to drop this objectionable provision.

Environmental Riders

- The Administration objects to a provision of section 619 of the Senate bill that would require certain Exxon Valdez settlement funds to be spent only for grants for marine research and community and economic restoration. This language is contrary to the Clean Water Act and a court-ordered consent decree that require that the State and Federal natural resource trustees determine how these funds should best be used. In addition, section 208 of the Senate bill would create an executive committee within the North Pacific Research Board. The Board does not include a representative from the Department of the Interior. The Administration believes that the Department should be a member of the executive committee because of its major program responsibilities within the State of Alaska.

Department of State

- **Emergencies in the Diplomatic and Consular Service.** The Administration prefers the House version of the Emergencies in the Diplomatic and Consular Service and Representation Allowances accounts over the Senate version, which would transfer funds from the Emergencies account into the Representation Allowances account.
- Personnel Details. The Administration opposes language in the Senate report purporting to limit the detail of personnel by the Department of State. These details serve a variety of interests, including obtaining information on threats to U.S. missions abroad, recruiting of talented persons to the Foreign Service, and providing expertise to other agencies and offices in the U.S. Government that address foreign policy matters.
- U.N. Budget Certification. The Administration opposes the House version's semi-annual U.N. budget certification, which withholds \$100 million of the \$297 million payment to the U.N. which is funded in the CIO account. The withholding requirement is excessive and it exacerbates our funding problems with the U.N. The provision also ignores extraordinary requirements and is inconsistent with the U.N. budget process.
- **Certification on International Organizations.** The Administration opposes the certification process contained in the Senate report regarding the overhead costs of international organizations. The most critical work of many of these organizations is to support meetings of technical and policy experts from member states. This certification process could have the effect of creating additional arrears and detracting from the ability of the United States to achieve meaningful reforms. The Administration would consider an annual certification patterned after that

contained in H.R. 1757.

Office of the United States Trade Representative

- The Administration urges the conferees to provide the Senate level -- full funding of the President's request -- for the Office of the United States Trade Representative (USTR) and to restore bill language giving USTR no-year funding availability for up to \$2.5 million of the appropriation. In addition, we request that the conferees and strike the Senate provision directing four USTR employees to study the Canadian Wheat Board.

Other International Programs

- The Administration urges the conferees to provide the Senate-passed level for the Arms Control and Disarmament Agency and is concerned about potential reductions for the Asia Foundation, the American Institute in Taiwan, and the International Commissions. Such reductions would place a disproportionate burden on the operating budgets of these small agencies.

The Honorable David R. Obey
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Obey:

The Honorable Harold Rogers
Chairman
Subcommittee on Commerce, Justice,
State, and Judiciary Appropriations
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The Honorable Alan Mollohan
Subcommittee on Commerce, Justice,
State, and Judiciary Appropriations
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Mollohan:

The Honorable Ted Stevens
Chairman
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Automated Records Management System
Hex-Dump Conversion

The Honorable Robert C. Byrd
Committee on Appropriations

United States Senate
Washington, D.C. 20510

Dear Senator Byrd:

The Honorable Judd Gregg
Chairman
Subcommittee on Commerce, Justice,
State, and Judiciary Appropriations
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The Honorable Ernest F. Hollings
Subcommittee on Commerce, Justice,
State, and Judiciary Appropriations
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Senator Hollings:

Automated Records Management System
Hex-Dump Conversion

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. 4193 and S. 2237, the Department of the Interior and Related Agencies Appropriations Bill, FY 1999, as passed by the House and as reported by the Senate Appropriations Committee, respectively. As the conferees develop a final version of the bill, your consideration of the Administration's views would be appreciated. Due to inadequate funding levels for priority programs and at least 30 objectionable language riders, discussed below, the President's senior advisers would recommend that he veto the bill if it were presented to him as approved by the House and as reported by the Senate Committee.

The Administration appreciates efforts by the House and Senate to accommodate certain of the President's priorities within the 302(b) allocation. However, the allocation is simply insufficient to make the necessary investments in programs funded by this bill. The only way to achieve the appropriate **investment level 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 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 together 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. The Administration urges the conferees to consider such mandatory proposals for other priority discretionary programs, including those funded through this bill.

The Administration's specific concerns with funding and language provisions of the House-passed and Senate Committee-reported bills are discussed below. The Administration recognizes that negotiations are ongoing, and that some of these issues may be resolved prior to conference.

Departments of the Interior and Agriculture

The Administration strongly objects to inadequate funding provided by the House-passed and Senate Committee bills for high priority programs within these two departments, including:

- **Everglades restoration and other land acquisition funding from the Land and Water Conservation Fund;**
- **the Clean Water Action Plan to clean up America's ground and surface waterways;**
- **the Disaster Information Network providing enhanced data to protect Americans and reduce economic loss;**
- **BIA education operations and school construction, the Indian Country law enforcement initiative, and the land consolidation pilot project;**
- **Indian Trust System reforms under BIA and the Office of Special Trustee;**
- **the Endangered Species Programs, including landowner incentive grants;**
- **key Forest Service natural resource protection, road maintenance, and general administration programs, while increasing the timber program by \$12 million in the House-passed bill and \$20 million in the Senate Committee bill; and,**
- **finally, specific earmarks for many unrequested construction and land projects that would limit the land management agencies' ability to allocate funds for high priority needs.**

The Administration urges the conferees to report a clean bill that does not attempt to roll back environmental protections and circumvent the public hearing process by attaching riders to appropriation bills. Unfortunately, the House-passed bill and Senate Committee bill contain at least 30 objectionable riders, 28 in bill language and two in report language. The Administration strongly objects to such language, including provisions in both bills that would:

- **unwisely terminate the Interior Columbia Basin Ecosystem Management Project covering parts of six Northwest States;**
- **transfer the jurisdiction over the valued Land Between The Lakes National Recreation Area from the Tennessee Valley Authority, where it has been successfully managed for over 35 years, to the U.S. Forest Service, a disruptive change that would involve additional transition costs without**

improving service; and,

- establish specific terms and conditions for the abolishment of purchaser road credits, including the requirement to calculate payments to States based on the value of the road.

The Administration strongly objects to provisions of the House-passed bill that would:

- remove 75 acres in Florida from the coastal barrier protection system, providing taxpayer subsidies for private development of environmentally fragile barrier islands;
- impose a road easement across the Chugach National Forest in Alaska that is inconsistent with the 1982 agreement reached between the Government and the Chugach Alaska Corporation, thereby preventing the Government from making modifications to protect the environment while authorizing environmentally damaging management practices and undermining an ongoing discussion to determine road access options based on the latest survey and environmental analysis;
- shift \$67 million from the General Administration to Wildland fire suppression operations;
- prohibit improvements -- even planning or design of improvements -- to Pennsylvania Avenue in front of the White House; and,
- prevent the BIA and the Indian Health Service from entering into any new or expanded self-determination ("638") contracts or self-governance compacts with tribes, contrary to our government-to-government policy.

The Administration commends the Senate for addressing many of the problems with section 129 concerning Tribal Priority Allocations but strongly objects to provisions of the Senate Committee bill that would:

- establish an unprecedented easement for the community of King Cove for a road and utilities across a wilderness area in Alaska in the Izembek National Wildlife Refuge;
- mandate a high timber offer level on the Tongass National Forest in Alaska, regardless of environmental impacts, other resource priorities, and the ongoing public process for finalizing the Tongass Forest Plan;
- **continue to delay rules that would establish the fair market value for Federal and Indian oil leases, costing the Treasury \$64 million a year in underpaid royalties;**

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- **delay implementation of needed regulatory improvements of hardrock mining on public lands to protect the environment and the Federal treasury;**
- **amend an authorizing statute, the 1992 Elwha Act, to change significantly the congressionally approved plan for restoring Elwha River and Olympic National park and leave the National Park Service owning two non-compliant dams without the funds to remove them;**
- **hinder efforts to restore endangered and threatened Pacific salmon runs in the Columbia and Snake Rivers;**
- **require the Forest Service to maximize commercial wood harvesting before the agency conducts prescribed burning projects, effectively stopping most prescribed burns and endangering lives and property;**
- **prohibit Grizzly Bear reintroduction into the Selway-Bitterroot area of Idaho and Montana;**
- **prohibit the Secretary from promulgating and implementing regulations to provide procedures for class III casino operations on Indian lands and also prohibit the initiation of any new rule making (Senate floor amendment 3592);**
- **amend, in two different provisions, the National Forest Management Act, to prohibit forest plan revisions, thus requiring continued use of inadequate and dated forest plans -- even beyond their statutory 15 year lifespan;**
- **prohibit Park Service regulation of commercial fishing in Glacier Bay National Park in Alaska;**
- **place unnecessary limits on Federal land acquisitions in Alaska;**
- **prevent the Forest Service from charging fair market value for summer vacation homes in an Idaho national forest, undermining the current effort to reappraise all such leases nationwide;**
- **require the Forest Service to trade timber in return for restoration practices;**
- **require unauthorized four-wheel-drive roads to be obliterated before any other type of road can be decommissioned, virtually preventing work on regular roads that pose serious environmental and safety risks;**

- **waive environmental laws and automatically extend the term of grazing leases that are undergoing review by the Bureau of Land Management even though authority already exists to protect lease holders from termination of leases undergoing review;**
- **undermine the CFO Act and the responsibilities of USDA top management by encouraging the Forest Service to select and implement a financial computer system that is independent of the Department of Agriculture;**
- **force the Forest Service to sell all Alaskan timber sales using an outdated, impracticable appraisal method that undermines the public return on national forest management; and,**
- **prohibit the Department of the Interior from using FY 1999 funds to transfer land into trust status in Minnesota, setting a precedent for limitations on trust land acquisition.**

In addition, the Senate Committee Report includes objectionable language, including language that would:

- **require timber sale offers from national forests to be 3.8 billion board feet rather than the 3.4 billion board feet assumed in the FY 1999 Budget; and,**
- **direct the National Park Service to maintain aviation access to a gravel airstrip within the Denali National Park, effectively overturning a 1997 Environmental Impact Statement calling for eventually closing the airstrip and relying on a paved airstrip 10 miles away.**

Land and Water Conservation Fund

The House-passed and Senate Committee bills have underfunded land acquisitions to protect our national parks, forests, refuges, and public lands. The House-passed bill provides only \$139 million of the \$270 million requested, with Everglades land acquisition funds cut by half. The Senate Committee has provided \$233 million of the \$270 million requested. This reduction in funding would prevent the Administration from making significant land acquisitions such as Cumberland Island National Seashore in Georgia and West Eugene Wetland in Oregon. The Administration urges the conferees to provide full funding of this important priority.

The Administration objects to the House and Senate Appropriations Committees' continued inaction in not yet approving the release of a substantial portion of the FY 1998 Title V priority land acquisition funds. We would like to work with you to resolve this expeditiously.

Millennium Program

The Administration is concerned that the House-passed bill does not provide any of the \$50 million requested for the Millennium Program. The Administration appreciates very much the \$13 million provided by the Senate Committee to the National Park Service and the Smithsonian Institution for Millennium Program projects. We strongly urge the Senate to provide full funding with maximum flexibility and discretion for allocation in order to preserve other important cultural and historic treasures for the next millennium that are in danger of deteriorating beyond repair. Many of these projects are time-sensitive and cannot be delayed.

Department of Energy

The Administration objects to cuts to the request for Energy Conservation made by the House and by the Senate Committee -- \$177 million and \$162 million, respectively. These cuts would be damaging to progress in partnerships with industry on improved industrial energy efficiency, development of more efficient autos and trucks, and designs and materials for more efficient buildings.

The President's budget requests \$36 million for payment to the State of California for the Retired Teachers System associated with the sale of Elk Hills, which is not included in either the House or Senate bill. The Administration prefers that this payment be appropriated consistent with the FY 1996 Defense Authorization Act (P.L. 104-106).

The Administration would like to work with the conferees to restore funding to these important Department of Energy programs.

Indian Health Service

The Administration is concerned that the House-passed and Senate Committee bills do not include funding for many requested programs. In particular, neither the House nor Senate Committee bills include the \$4 million increase requested for an alcohol and substance abuse initiative, nor a \$10 million increase requested as a part of an HHS-wide effort to reduce health disparities in minority populations. In addition, the Senate Committee bill does not include the funding increase requested for first-year construction of the Fort Defiance Health Facility. We urge the conferees to provide the request levels for these activities.

The Administration strongly objects to the House and Senate's inclusion of authorizing language, without hearings or tribal consultation, that requires contract support costs to be distributed to tribes on a pro-rata (proportional) basis.

Cultural Agencies

The Administration appreciates the House and Senate's support for the National Endowment for the Arts (NEA). We urge the conferees to provide funding for NEA and the National Endowment for the Humanities at the President's requested level of \$136 million each and for the Institute for Museum and Library Services at the requested level of \$26 million.

Likewise, the Administration appreciates the House and Senate's support for the other cultural agencies funded by this bill, including the full request for the National Gallery of Art. However, the Administration urges the conferees to fully fund the John F. Kennedy Center for the Performing Arts and the Smithsonian's National Museum of the American Indian. The Administration also urges the conferees to provide the full \$40 million request for repair and restoration in the Smithsonian Institution and the requested funding for digitization of the Smithsonian collections.

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

Sincerely,

Jacob J. Lew
Director

Identical Letter Sent to The Honorable Bob Livingston,
The Honorable David R. Obey, The Honorable Ralph Regula,
The Honorable Sidney R. Yates, The Honorable Ted Stevens,
The Honorable Robert C. Byrd, and The Honorable Slade Gorton

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The Honorable David R. Obey
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Obey:

The Honorable Ralph Regula
Chairman
Subcommittee on Interior and
Related Agencies Appropriations
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The Honorable Sidney R. Yates
Subcommittee on Interior and
Related Agencies Appropriations
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Yates:

The Honorable Ted Stevens
Chairman
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The Honorable Robert C. Byrd
Committee on Appropriations
United States Senate
Washington, D.C. 20510

*Automated Records Management System
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Dear Senator Byrd:

The Honorable Slade Gorton
Chairman
Subcommittee on Interior and
Related Agencies Appropriations
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

*Automated Records Management System
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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. 4380 and S. 2333, the District of Columbia Appropriations Bill, FY 1999, as passed by the House and as reported by the Senate Appropriations Committee, respectively. As the conferees develop a final version of the bill, your consideration of the Administration's views would be appreciated.

The Administration commends the Senate for producing a bill that is consistent with the goals of the National Capital Revitalization and Self-Government Improvement Act of 1997 and that is free of extraneous micromanagement provisions that would impose the will of Congress on the Government of the District of Columbia. Regrettably, the House-passed bill contains numerous instances of congressional micromanagement, provides insufficient funding for the D.C. economic development initiative, and includes three highly objectionable provisions. We urge the conferees to adopt a bill that addresses these concerns.

Objectionable Provisions

The House-passed bill contains three provisions that would seriously undermine local control. If these provisions were included in the bill presented to the President, his senior advisers would recommend that the President veto the bill. These unacceptable provisions are:

- A provision to provide for the use of private school vouchers in the District. The Administration would strongly oppose any legislation allowing the use of Federal taxpayer funds for private school vouchers. Instead of investing additional resources in public schools, vouchers would allow a few selected students to attend private schools and would draw resources and attention away from the hard work of reforming public schools that serve the overwhelming majority of D.C. students. Establishing a private school voucher system in the Nation's Capital would set a dangerous precedent for using Federal taxpayer funds for schools that are not accountable to the public.
- A provision that would prohibit adoptions in the District by couples that are unmarried or not related by blood. The Administration supports section 149 of the Senate Committee bill, The District of Columbia Adoption Improvement Act of 1998. This legislation would provide much needed administrative and management reforms in the D.C. Child

and Family Services Agency, including requiring Family Services to contract with private service providers to perform adoption and recruitment services and eliminating all administrative barriers to adoption.

- A provision that would prohibit the use of Federal and local funds for needle exchange programs and would prohibit private agencies from supporting needle exchange programs if they receive Federal or local funds (even if the funds used for the needle exchange programs are their own).

Economic Development Initiative

The House-passed bill does not contain funding for critically needed management reforms or funding to capitalize the locally-chartered National Capital Revitalization Corporation (NCRC). The Senate Committee bill provides \$500,000 to conduct a study and prepare a report on the feasibility of an economic development corporation in the District and \$25 million in support of management reforms. Like the House, the Senate has not provided any of the \$50 million requested in the FY 1999 Budget to capitalize the NCRC. The Administration believes that an independent economic development corporation is essential in order to ensure effective management coordination and oversight of projects in the District. Further, we believe that it is critical to the District's economic future to capitalize the NCRC in FY 1999. The Administration strongly urges the conferees to allocate additional resources for economic development.

D.C. Charter Schools

The Administration appreciates the House's full support of charter schools and public schools in the District and supports the appropriation of \$32.6 million for D.C. charter schools. We are concerned that the Senate Committee bill does not provide sufficient funding to support educational services for all the students who wish to attend charter schools and other public schools in the District of Columbia. We look forward to working with the conferees and with D.C. Public Schools to ensure that there are adequate resources to allow all eligible charter schools and their students to receive sufficient funding.

Abortion

The Administration strongly opposes the language included in both the House-passed and Senate Committee-reported bills that would prohibit the use of Federal and local funds to pay for abortions in the District except in those cases where the life of the mother is endangered or in situations involving rape or incest. The Administration continues to view the prohibition on the use of local funds as an unwarranted intrusion into the affairs of the District and would support striking this provision.

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

Sincerely,

Jacob J. Lew
Director

Identical Letter Sent to The Honorable Bob Livingston,
The Honorable David R. Obey, The Honorable Charles H. Taylor,
The Honorable James P. Moran, The Honorable Ted Stevens,
The Honorable Robert C. Byrd, The Honorable Lauch Faircloth,
and The Honorable Barbara Boxer

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The Honorable David R. Obey
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Obey:

The Honorable Charles H. Taylor
Chairman
Subcommittee on District
of Columbia Appropriations
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The Honorable James P. Moran
Subcommittee on District
of Columbia Appropriations
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Moran:

The Honorable Ted Stevens
Chairman
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

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The Honorable Robert C. Byrd
Committee on Appropriations
United States Senate

Washington, D.C. 20510

Dear Senator Byrd:

The Honorable Lauch Faircloth
Chairman
Subcommittee on District
of Columbia Appropriations
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The Honorable Barbara Boxer
Subcommittee on District
of Columbia Appropriations
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Senator Boxer:

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

CREATION DATE/TIME:28-SEP-1998 11:20:50.00

SUBJECT: REVISED OMB LETTER ON BANKRUPTCY BILLS -- COMMENTS BY 1:00 PM PLEASE

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

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TEXT:

NO HARD COPY WILL BE SENT

Total Pages: _____

LRM ID: REJ606
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Monday, September 28, 1998

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

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

OMB CONTACT: Ronald E. Jones
PHONE: (202)395-3386 FAX: (202)395-3109

SUBJECT: REVISED Report on S1301 Consumer Bankruptcy Reform Act of 1998

DEADLINE: 1:00 PM TODAY Tuesday, September 29, 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: NEC has requested that this letter be sent to the conferrees prior to a meeting this afternoon. This includes NEC edits.
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 Michele Ahern
 Robert L. Nabors
 Linda Ricci

LRM ID: REJ606 SUBJECT: REVISED Report on S1301 Consumer Bankruptcy Reform 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: 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

LETTER TO CONFEREES TO BE SENT TO EACH HOUSE AND SENATE CONFEREE.
 CONSIDER WHETHER, SIMULTANEOUSLY WITH CONFEREE LETTER, THE WHITE HOUSE SHOULD RELEASE SHORT STATEMENT FROM PRESIDENT PRAISING SENATE VOTE AS A RESOUNDING CALL FOR MODERATION AND URGING CONFEREES TO ADOPT SENATE APPROACH.

September 28, 1998 -- DRAFT

Dear _____:

I write to share the Administration's views on H.R. 3150 and S. 1301 -- the two bankruptcy reform bills before the conference committee.

The President shares the Congress's concern about the sharp increase in consumer bankruptcy filings -- an especially puzzling increase in the face of our extraordinarily strong economy. The President supports reform that is both balanced and moderate -- addressing the abuses of both creditors and debtors, making prudent, well conceived improvements to our Bankruptcy system, and protecting and enhancing the collection of debtors' child support and alimony in the context of bankruptcy.

There is evidence of abuse by both debtors and creditors, but many others factors also may be involved in the stark rise in bankruptcies. We should avoid a bill that takes indiscriminate aim at debtors and fails to address some troubling practices of creditors.

The extraordinary bipartisan support for the Senate bill was a unified endorsement of balance and moderation. Unfortunately, the House bill fails to meet this standard. If the House bill were sent to the President, his senior advisors would recommend that he veto the bill.

The Administration cannot support a bill that includes a rigid and arbitrary approach to determining whether a debtor can use Chapter 7 or must establish a repayment plan under Chapter 13. We should deny access

to Chapter 7 only to those who genuinely have the capacity to repay a portion of the debts successfully under a Chapter 13 plan. Thus, bankruptcy courts must have discretion to consider the specific circumstances of a debtor in bankruptcy, and the thresholds they consider should be high enough to ensure that only those with a strong likelihood of success are affected. If we deny access to Chapter 7 to the wrong debtors, and those debtors fail to complete required repayment plans, they will return to Chapter 7 with a diminished ability to repay their nondischarged debt -- including child support and alimony.

The Administration does agree that a creditor should be permitted to bring a motion under Section 707(b) to ask the court to determine whether a debtor has the capacity to repay, provided that protections against coercive reaffirmations are included in the bill. However, the Administration cannot support a bill that allows unrestricted creditor motions based on traditional 707(b) allegations of abuse, which may be more subjective than a test for one's capacity to repay. Allowing these motions could make more unequal the balance of power and information between creditor and debtor, especially for lower income debtors who would have the least power to defend themselves against unjustified motions.

The Administration also cannot support legislation that creates new, nondischargeable debts that could pit, post-bankruptcy, credit card debt against child support, alimony, educational loans, and taxes. For debt incurred to pay nondischargeable debt, the Senate bill appropriately makes the debt nondischargeable only when a court finds that the debtor intended to avoid the debt through bankruptcy. For debt incurred within 90 days of bankruptcy, the Senate bill makes the debt nondischargeable only if there is more than \$400 of debt to a single creditor for goods or services reasonably necessary for the support of the debtor or a dependant child. While, at a minimum, the Senate provision should allow for debt reasonably necessary to support the debtor's household, the House provision, subjecting debt for necessities to a cap, is simply unacceptable

Finally, the Administration cannot support legislation that does not curb abuse by creditors as well as debtors. Credit card companies must give consumers more and better information so that they can understand and better manage their debts. Similarly, we must protect debtors against predatory creditor tactics to coerce inappropriate and unwise reaffirmations of unsecured debt and secured debts for personalty that are likely to have little resale value.

This letter sets forth our views on some of the central consumer bankruptcy issues in these bills. However, the Administration has other concerns about the many provisions in these bills. We will share additional comments as quickly as possible.

We look forward to working with the Congress to enact moderate and balanced bankruptcy reform legislation.

Sincerely,

Jack Lew