

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 039 - FOLDER -002

[10/07/1998 - 10/08/1998]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 18:26:18.00

SUBJECT: Tomorrow am meeting

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

My updates are just updates of my note yesterday:

1. The Administration has officially said we will veto the ag. approps bill, passed yesterday, because the disaster provisions are "totally inadequate."
2. Rep. Etheridge's (D-NC) staff is still pushing the idea of lifting the ban on US government involvement in promoting exports of tobacco leaf. They say Etheridge is still planning on calling Erskine very soon. He will likely ask Erskine for the Administration to at least stay neutral. They continue to say they are faxing the language they are asking Glickman to agree to, Dallas has said Glickman wouldn't do it without WH sign off.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 20:31:41.00

SUBJECT: H2A -- recruitment

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

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

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

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

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

TEXT:

AgNet

At today's H-2A meeting, we went over the AgNet proposal that was developed by OMB. The proposal is attached.

The group agreed that AgNet should be presented as a tool to help formalize the recruitment process for growers. The key differences between this proposal and the Wyden-Graham registry are: (1) this would not replace the growers's positive recruitment requirements; (2) it would not serve as a verification system (to verify authorization to work); and (3) it requires active searching on the system by growers for workers and allows workers a way to search for growers; under the registry system, the govt. had the responsibility to match workers to growers on the system.

This system could be up and running in about a month, but would take longer to perfect. If we proposed this, we would likely want it to be evaluated after five years, to determine if it useful to growers and workers. USDA and DOL agreed that growers could be required to participate in AgNet in order to participate in the H-2A program. The success of the program rests heavily on getting the participation of large numbers of growers and workers.

Verification Issue

Though all agree that the AgNet system could prove very helpful for growers and workers, it does not solve the fundamental issue of how to better determine if workers are authorized to work. The America's Job Bank folks oppose the system being used, in part, to feed a verification system. They see AJB (and the proposed AgNet) as an information sharing network -- not as an enforcement tool of the government. No other checks of this kind are done on those who post for jobs. In fact, the AJB folks have argued that the less this looks like the government, the more likely we will get large numbers of participants. In addition, it may be problematic to require verification for workers who participate in AgNet, but not for workers who participate in other parts of America's Job Bank.

The INS does operate employment verification pilots that could be modified to effectively verify farmworkers. However, Ceci and I (and OMB) continue

RECRUITMENT PROPOSAL

“AMERICA’S AGRICULTURAL LABOR NETWORK (AGNET)”

Problem -- Federal government recruitment assistance.

Growers are required under the H-2A program to conduct positive recruitment efforts prior to applying for foreign workers. One aspect of this requirement is to post the job opportunity with the local Employment Service office.

Unfortunately, less than 2% of agricultural job placements are through the local Employment Service office. Between June 1995 and July 1996, about 190,000 migrant and seasonal farm workers sought employment through the U.S. Employment Service State offices and only about 65,000 were actually placed in agricultural jobs. This method of placement has become increasingly ineffective for this industry which has become more reliant on using private sector intermediary labor brokers -- farm labor contractors. The Federal government should re-target its resources to more effectively aid growers and workers in finding labor and employment.

Proposal -- America’s Agricultural Labor Network (AgNet).

The majority of farm workers find employment through a kinship/friendship network. One problem with this method is that it spawns and reinforces illegal migration to the U.S.; another is that it is highly inefficient in a geographically diffuse labor market. Workers spend time trying to locate employment when they could be earning money. The Federal government could serve as an information broker by developing a system that allows growers to find workers and workers to find employment opportunities that meet their needs (e.g., location, duration, type of crop, etc.). This would benefit growers and workers by having an efficient alternative mechanism to match workers with employment opportunities.

Model -- America’s Job Bank.

America’s Job Bank (AJB) is a partnership between the U.S. Department of Labor and the state-operated public Employment Service. AJB links these state offices electronically through an Internet web site. There is no charge to employers or job seekers to use this service.

- For job seekers, AJB provides a nationwide listing of job opportunities and allows them to file a resume that enables employers to find them.
- For employers, AJB provides a quick way to list job openings, national exposure, and an easily accessible applicant pool.

Approximately 900,000 jobs are listed in AJB on an average day.¹ It takes about 72 hours to

register with AJB and about 24 hours to list a job vacancy. These times will improve over the coming year as the software is updated.

America's Agricultural Labor Network (AgNet).

What is AgNet? America's Agricultural Labor Network (AgNet) would be an information system devoted to the agriculture industry which would contain job opportunities and worker resumes. AgNet would be based on AJB, but would be a separate web site. The two sites would be linked so basic information in AgNet is automatically placed in AJB.

The State Employment Service would serve a similar function, as in AJB, to scan listings for obvious problems prior to posting on the Internet. This provides some basic quality control. However, this is not a process for verifying an applicant's immigration status.

What information will be available in AgNet? The job listing would provide the conditions of employment including location, crop, duration of employment, wages, skills requested, and whether housing and/or transportation is provided. In addition, it would include information on how to contact the employer and the required worker disclosures. The worker resumes would include, among other things, qualifications, desired location and crop, and information on how to be contacted. The contact and hiring arrangement is between the grower, or FLC, and the worker, not the government. Examples from AJB are attached. The specific information included in the system would be modified to reflect the agriculture industry.

The system must meet the challenges of helping workers gain access to it and connecting English-speaking growers with many Spanish-speaking workers. The system will initially be in English but to address this concern will eventually be designed in Spanish as well.

Who can use it? This system would be accessible to the public generally including growers, workers, farm labor contractors, community based organizations² (CBOs), and unions. Browsing the system is anonymous. CBOs could serve as a point of contact for workers or growers. The system could be designed to have "counselor/broker accounts" to allow an organization to search for jobs for multiple workers or list jobs for multiple growers. Such a design change would likely not be available until later in 1999.

How will workers and growers gain access to the system? Given this is a low-wage industry, gaining access to AgNet will be a challenge. Some places that may be able to provide access include local libraries, CBOs, unions, State Employment Service offices, and U.S. Department of

¹ Very few of these listings are for agricultural jobs, with only 479 such listings nationwide on October 5, 1998.

² Community based organizations include churches, farm labor organizations, and agricultural grower organizations.

Agriculture extension offices.

What are the benefits of AgNet? AgNet would be a free service provided to workers and growers. Ideally, workers would be able to plan their entire employment cycle using this system. For example, the worker could line-up jobs from Florida up to New York. This would provide more control and stability for the worker.

Growers would benefit by gaining access to a two-sided recruitment system. Now, growers file requests for workers with the Employment Service and wait for referrals -- a one-sided system. Under this system, growers would be able to search for, identify, and contact qualified, available workers in addition to listing their job openings. Also, the grower would gain exposure to a national audience of workers. With electronic posting, the grower would have complete control of his/her job postings and would be expected to suspend them once his/her jobs had been filled.

Who will own AgNet? AgNet will be owned and operated by a partnership. The partnership will consist of farm worker and grower organizations, supported by the U.S. Department of Labor and U.S. Department of Agriculture. The partnership will determine the final design of the system. Due to the time it would take to establish a partnership, initial implementation of the system will be through the current AJB partnership between the State Employment Service and the U.S. Department of Labor.

How will growers and workers learn about the system? The critical link to the success of this system is buy-in by the farm worker and grower organizations. Given most workers find jobs through word of mouth, the partnership will have to conduct extensive outreach. In addition to fliers and newspaper ads, public service announcements on Spanish radio could serve as a good median. The Federal government could also conduct outreach efforts through its programs including the U.S. Department of Agriculture extension offices.

How long will it take to set up AgNet? The system could be activated in approximately one month after initial design modifications are made. It will take additional time to implement further design changes, requested by the partnership, that reflect this industry's needs. The goal would be to have xx,000 job opportunities in AgNet by the end of January, 1999.

Who will pay for AgNet? The Federal government will provide this service through a grant to the partnership. Initial funding will be provided to the State Employment Service until the partnership is formed. Given the software for the labor network has already been developed, it will cost a minimal amount of money to activate this system. Additional customizing of the system (e.g., Spanish language version or adding the "counselor/broker" features) will cost a relatively small amount of money. There will be a separate cost for training and outreach to the various CBOs and unions.

Preliminary estimates:

Year 1:	\$	25,000 (annual system costs)
	\$	150,000 (design changes)
	\$??? (training and outreach) *
Year 2:	\$	25,000 (annual system costs)
	\$	100,000 (additional design changes)
	\$??? (training and outreach) *
Year 3: and out-years	\$	25,000 (annual system costs)
	\$??? (national outreach)

* This funding level would provide:

- grants to CBOs and unions for equipment and advertising;
- funds for computer related training of CBOs and unions; and,
- national outreach to workers and growers.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: June Shih (CN=June Shih/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 7-OCT-1998 14:45:26.00

SUBJECT: HMO-MEDICARE statement. Comments ASAP

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

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

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

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

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

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

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

TEXT:

Draft 10/7/98 1 pm

Shih

PRESIDENT WILLIAM J. CLINTON

HMO ANNOUNCEMENT

THE WHITE HOUSE

OCTOBER 8, 1998

For a generation, Medicare has been more than just a program; it is the way we as a nation have honored our parents and grandparents -- and protected our families. Strengthening Medicare for the 21st Century has been one of my administration's top priorities. Last year, we took historic action to improve benefits and extend the life of the Medicare Trust Fund to at least the year 2010. We also expanded coverage choices by giving seniors the option of enrolling in managed care programs.

Today, 6.5 million Medicare beneficiaries rely on HMOs for medical care and treatment. But in recent weeks, some two dozen of these HMOs have gone back on their word, announcing plans to drop Medicare patients by the end of the year unless they are allowed to raise premiums and reduce benefits. These decisions have brought uncertainty, fear and disruption into the lives of more than 325,000 senior citizens all across America. As they scramble to find new coverage, many will be forced to leave behind the doctors and nurses they gotten to know in their HMOs. Still others will have to stretch already-tight budgets to pay for needed prescriptions

covered by their old HMOs.

These HMOs say they are just looking after their bottom line. Well, I believe the health of our parents must be America's bottom line. I am determined to do everything in my power to make sure that no senior dropped by an HMO is stranded without the medical care and coverage he or she needs. Today, we are taking three steps:

First, we will do everything we can to ensure new HMOs quickly and efficiently enter those markets abandoned by managed care. While the overwhelming majority of seniors affected will be able to join other Medicare HMOs in their areas, more than 30,000 Americans will be left without a single Medicare managed care alternative. Beginning immediately, the Health Care Financing Administration, under the leadership of Nancy-Ann Min, will give first priority in its review and approval process to all HMOs applying to serve seniors in deserted markets.

Second, I am asking Secretary Shalala to develop new laws to make sure no one will ever have to suffer another disruption in coverage like the one we are seeing this fall. I am asking the Secretary to consider all possible legislative solutions that can be included in the next budget I send to Congress.

Finally, I am launching a comprehensive public information campaign to make sure all affected seniors understand the new options that are already available to them. We will bring together a broad public and private coalition -- from AARP to the AFL-CIO to the Social Security Administration to local offices on aging -- to help seniors understand that they are still eligible for the traditional fee-for-service program as well as our Medigap policies.

Protecting all Americans in an age of managed care is one of the most important things we can do to strengthen our nation the 21st Century. That is why I call on this Congress to pass the important health care legislation that is already on the table. We are literally out of time. In these last days before it adjourns, Congress must progress before partisanship, and act decisively to protect the American people by passing the Patients' Bill of Rights.

More than thirty years ago, Congress was able to put progress before partisanship, and passed the Medicare program. The result: Millions of older Americans have been able to live healthier and happier lives. It is one of the signal achievements of this century. Let us stay on leave behind partisanship and stay on the path of progress to keep America moving forward into the 21st Century.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 18:56:41.00

SUBJECT: Interior bill -- Native Americans

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

There are still two issues on the table (the other three have been dropped or resolved). The two remaining issues, at this point, are the Bureau of Indian Affairs and Indian Health Service Tribal Contract moratorium and the Enzi/Sessions Amendment on Indian Gaming. The contract moratorium would interfere with tribal self-determination by prohibiting tribes that want to contract for their own health services or other services. The gaming provision prevents Interior from promulgating gaming provisions for the tribes.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 15:36:59.00

SUBJECT: H2A

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

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

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

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

TEXT:

John Fraser is doing revisions to the demonstration program paper that you have (as a possible back-up offering). Barbara Chow has asked that he do two versions: one that lays out the areas where pilots are authorized (similar to the version you have) and one that just references pilots generally. John is currently in a meeting, but he will fax the revised versions to you as soon as he can.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 19:51:11.00

SUBJECT: You'll Be Happy to Know

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

READ:UNKNOWN

TEXT:

fyi...jc3

----- Forwarded by Jose Cerda III/OPD/EOP on 10/07/98
07:50 PM -----

Jordan Tamagni

10/07/98 07:49:05 PM

Record Type: Record

To: Jose Cerda III/OPD/EOP

cc:

Subject: You'll Be Happy to Know

That there is no policy in this speech, unless you know something I don't know. Waldman and Elena just talked, and tell me that he's just there to say a few nice things about the cops and then talk about the approps process.

So, I don't know what, if anything, you can give me, except your thoughts on the best way to talk about the crime record in way that segues well with the approps stuff ... and your forgiveness.

Yours in struggle.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 11:32:46.00

SUBJECT: Ed-Flex

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

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

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

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

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

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

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

TEXT:

As you know, the states "going home" issues are:

1. The Enzi amendment on Indian Gaming (we are on opposite side)
2. Tobacco recoupment (I have little sense that they will make progress on this)
3. Internet Tax (We will sign any bill - weather or not it enjoys states support)
4. Cost Allocation on Medicaid (still outstanding - but the Hall of the States crowd says that the Hill Republicans are going for it and blaming it on us since it was in our budget).
5. Ed-Flex.

In short, I really need us to step up our commitment on Ed Flex - or else I probably have little positive to show my guys. Can we push this up our priorities in the closing negotiations? It is hard for me - after POTUS lead with it in the Governors Roundtable meeting at NGA last Feb. - to explain our perceived passivity (fair claim or not) on this.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 11:20:17.00

SUBJECT: School Safety Conference Communications Strategy Meeting

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

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

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

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

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

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

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

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

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

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

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

TO: Michael Cohen (CN=Michael Cohen/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: Paul E. Begala (CN=Paul E. Begala/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: Jonathan E. Smith (CN=Jonathan E. Smith/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Thursday, October 8th at 12 noon. Ann Lewis' office. This is an internal WH meeting.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 19:44:51.00

SUBJECT: President's Trip to New York, Florida

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TO: allen.kent (allen.kent @ mail.va.gov @ inet [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

TEXT:

On Monday, October 12, the President will travel to New York City to attend a lunch for Peter Vallone, a DSCC dinner/dessert for Charles Schumer, and a charity dinner. He then will travel to Palm Beach, Florida where, on Tuesday, October 13, he will attend a Unity lunch. He then will travel to Miami for a Social Security event, a Unity reception, and a Unity dinner. Deadlines for the President's trip book are as follows:

Background Memos (NY, FL): DUE FRIDAY, OCTOBER 9, 6:00 P.M.

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

Event Memos: DUE SUNDAY, SEPTEMBER 20, Noon

- Peter Vallone Lunch (NY)
- Charles Schumer Dinner/Dessert (NY)
- Charity Dinner Drop-By (NY)
- Unity Lunch (Palm Beach)
- Social Security Event (Miami)
- Unity Reception (Miami)
- Unity Dinner (Miami)

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

--David Goodfriend

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 11:52:42.00

SUBJECT: Medicare Statement Scheduled for tomorrow

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

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

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

TEXT:

Briefing: 11:15am

Statement: 11:45am

Speaking Participants: Nancy Ann, Shalala, POTUS

There will be a meeting in Ann Lewis' office at 1pm today to discuss the photo and whether we should invite Members, Seniors, or anyone at all to the statement. Feel free to come, or I will send an email afterwards.
Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 11:03:00.00

SUBJECT: Has there been a decision on HMO/medicare statement?

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

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

TO: Karin Kullman (CN=Karin Kullman/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:

If we want to do this tomorrow, Chris Jennings wants to begin Congressional calls immediately. Please let us know. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 13:33:18.00

SUBJECT: Treas-Postal conferees dropped all controversial riders, including contrac

TO: CYNTHIA B (Pager) #DAILARD (CYNTHIA B (Pager) #DAILARD [UNKNOWN])
READ:UNKNOWN

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

TEXT:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 13:14:20.00

SUBJECT: Haitians

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

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

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

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

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

TEXT:

I just heard from DOJ that the Treasury/Postal report was reported out of conference without the Haitian language.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 12:22:34.00

SUBJECT:

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

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

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

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

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

TEXT:

Could we get to closure on FICA this week? - it would be a timely deliverable....

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 09:40:31.00

SUBJECT: D.C. Tobacco Amendments

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

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

TEXT:

OMB staff called me last night to check our position on two D.C. related tobacco amendments. Eleanor Holmes Norton had asked the Administration to support the first and oppose the second, which comports with positions we've taken.

1) The amendment to allow D.C. to hire a law firm on a contingency basis (which we already had told OMB we support)

2) The amendment to impose community service and fines on underage teens who smoke (which I reminded them we had already opposed in a SAP on the grounds of D.C. micromanagement, saying that while we support the objectives we should not legislate for D.C. and not all states.)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 17:08:02.00

SUBJECT: gary black

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

TEXT:

Closing The Renegade Rift

Why RJR and B&W Came Back To The Table
Outperforms MO, RN.

Gary Black (212) 756-4197

Jon Rooney (212) 756-4504

October 6, 1998

HIGHLIGHTS

1. Sources indicate that RJR and B&W returned to the settlement talks after Philip Morris agreed to their

demands that renegade credits be allocated on the basis of actual share lost, rather than average share as

Philip Morris had proposed. Philip Morris apparently believes that renegade credits will never become an

issue, given incentives that strongly encourage states to pass licensing fees, combined with an innovative

proposal that should convince even the smallest manufacturers to embrace the deal.

2. Specifically, would-be renegades are likely to be offered a carve-out that allows them to join the deal, and

make no payments unless their share rises above 1998 levels. Share above the 1998 level would be subject

to the same per pack payment as incurred by the majors. Renegades who don't sign up would be subject to

state licensing fees on all share, rather than just marginal share.

3. We now understand why it has taken so long for this deal to surface:

The parties are trying to assemble a

critical mass of 30-35 AGs in a position to embrace the deal when it is announced, to send a clear message

to AGs who might be on the fence or hostile to the deal that the settlement offer is final, and that it would

be futile to attack the deal as not strong or expensive enough. We believe the opt-in period will be

relatively short (7-14 days); the longer the opt-in period, the more time open for criticism.

4. Some on the AG side also believe it may be helpful to hold off announcing any deal until after Congress

adjourns for the year -- likely this Friday, but could be delayed

until Monday, October 12. With prospects

for the income tax cut (already passed by the House) now dead in the Senate, any risk of an excise tax

increase on cigarettes (to help fund the income tax cut) is also dead.

5. The terms of the deal are largely what we have outlined before:

\$196.5 billion pro-rated for 46 states over 25

years (\$.35/pack price hike); includes \$10 billion in up-front payments, spread over 3-4 years; marketing

restrictions similar to Minnesota (bans on billboards, branded merchandise, product placements in movies,

plus ban on most sponsorships; no FDA or lookback provisions).

6. The renegade multiplier is set at 3x (any share lost to

non-signatories would be multiplied by 3x and

credited to the industry against the annual payments). Sources suggest that renegade credits would only

be "paid" by those states who do not pass licensing fee statutes -- which effectively forces all states to

adopt licensing plans or become one of a dwindling number of states who would share the burden of the

renegade credits. Any settlement payments would be credited toward licensing payments.

INVESTMENT CONCLUSIONS

We reiterate outperform ratings on MO, RN, and UST. While we are pleased that RN and B&W have returned to

the settlement talks, most investors still likely need to see evidence that substantially all states will sign up for the

deal before bidding up valuations further. Since we believe substantially all of the remaining 46 states will embrace

this settlement within the opt-in period following announcement

(Massachusetts, Wisconsin, Michigan, and

Maryland seem likely exceptions), we would continue to be buyers of all tobacco stocks going into the deal

announcement. If, during the deal announcement, the lead AGs indicate that 35-40 states are already on board,

and if the opt-in period is only 7-14 days, we may never see the sell-off we were anticipating last week at this time.

If, on the other hand, the announcement does not mention how many states are on board, or if the opt-in period is

long (30-45 days), tobacco investors are likely to take some profits off the table. We expect Philip Morris to

resume its \$8 billion buyback in early November at the rate of \$1 billion per quarter. We expect UST to announce

the recapitalization of its balance sheet (\$1 billion over 3 years) -- also in early-November. We continue to await

the Maryland Supreme Court ruling decertifying the Richardson class action (any day). A final catalyst may be

Election Day itself: If Republicans get a filibuster-proof majority of 60 seats in the Senate (now 55R, 45D; 1/3 seats

up for reelection), tobacco stocks are likely to move sharply higher as investors anticipate tort reform.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 17:51:32.00

SUBJECT: Schedule Update

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

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

TO: Essence P. Washington (CN=Essence P. Washington/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

TO: WEINSTEIN_PA1@CD@VAXGTWY (WEINSTEIN_PA1@CD@VAXGTWY @ VAXGTWY [UNKNOWN]) (O
READ:UNKNOWN

TEXT:

10/8 HMO/Medicare Statement (Oval Office)
10/9 NAPO Top Cops (Rm 450 OEOB)
Radio Address - on current budget fights

10/12 Departure Statement TBD (WH)
10/13 Social Security Roundtable (Palm Beach)
10/14 OPEN for message event/bill signings
10/15 WH Conference on School Safety (East Room)
Begin Mid East Peace Talks (Maryland)
10/16 Economic Statement on COLAs (DC or Chicago)

10/19 DAY OFF
10/20 Departure Statement TBD (WH)
10/21 OPEN for Message Event (Sacramento)
10/22 HOLD/OFF
10/23 HOLD/OFF
10/24 Live Radio Address

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 16:35:34.00

SUBJECT: Haitians

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

There has been much confusion between DOJ and OMB. I have finally gotten solid confirmation on this: there is not Haitian language in the conference report. The Rules committee is meeting at 5pm to decide on the rule to bring the conference report to the House floor. It may come to floor as early as tonight.

julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 12:15:39.00

SUBJECT: Just fax'd letters on TANF/SSBG rider. Call if questions. Andrea

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

READ:UNKNOWN

TEXT:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 13:47:25.00

SUBJECT: draft paper for tomorrow's announcement

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D93]MAIL44756318Q.226 to ASCII,
The following is a HEX DUMP:

FF5750433C060000010A02010000000205000000381F00000002000000C027AC7B6E7EEFEBD6BC5
E2263DB2750E6C9B0F0B8BCDA64A248CB3E981E38FC428EEFEB10CE509E1816DF1E844C8DD9F3A
4B86CEBA9F9CCD1781D92D81A9304E741DB6E577E057118C52B814F440E36D32DA26A181D2FEE7
63765815A236AE82E191B3B7788E3F0E24FDE884F22DFD91EC929F8B25FF41DBEC7554B164CAA1
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46452A27DCC9D57110EE89D51465FC69FB096DBD96E75B2537A6F056E580B7E0097A7A4B2810B6

**PRESIDENT CLINTON ANNOUNCES NEW INITIATIVE TO HELP MEDICARE
BENEFICIARIES DROPPED BY THEIR HMOs AND TAKES STEPS TO PREVENT IT
FROM HAPPENING AGAIN**

October 8, 1998

Today, the President unveiled a three-part initiative to respond to decisions by some Health Maintenance Organizations (HMOs) to drop out of the program. The Department of Health and Human Services' preliminary analysis indicates that because of these withdrawals a relatively small number of Medicare beneficiaries currently in HMOs (one percent of the .5 million beneficiaries in managed care plans -- 50,000 enrollees) will have no managed care alternative in their area. However, the President stated his concern for any beneficiary who has lost their HMO option because of the decisions by some of these plans. Addressing the action taken by selected HMOs, the President:

- **Criticized health plans for abandoning their commitment to Medicare beneficiaries but reiterated that the Administration would not grant the industry's request to raise premiums and reduce benefits for all Medicare beneficiaries in HMOs.** The President underscored that Medicare should not -- and will not -- be held hostage to threats by HMOs to leave the program unless they can increase cost-sharing and reduce benefits to Medicare beneficiaries.
- **Initiated a new Medicare campaign to help beneficiaries understand their rights and options.** To reassure Medicare beneficiaries affected by HMO withdrawals, that they are automatically eligible for traditional fee-for-service Medicare and that the law guarantees them access to a number of Medigap policies which help fill Medicare's coverage gaps, HHS will:
 - Enlist a wide range of public and private partners that represent tens of millions of older Americans to provide their members with the information they need through newsletters, conferences, training partners, and conducting targeted information campaigns. These partners include AFL-CIO, American Association of Health Plans, American Association of Retired Persons, the Leadership Council of Aging Organizations, National Council of Senior Citizens, and National Rural Health Association, as well as the Social Security Administration, HCFA Regional Offices, and State Health Insurance Assistance Programs;
 - Post new information about plan withdrawals on the Medicare Internet cite that provides commonly asked questions and answers for Medicare beneficiaries, their families, and insurance counselors;
 - Update Medicare.gov to ensure accurate information is available for each local area on any changes in plan options, resulting from these HMO withdrawals;
 - Distribute a model letter to all health plans that have chosen to drop out of the program to help notify beneficiaries of their options.
- **Announced a new policy to encourage health plans to enter markets that have been abandoned and to expedite their approval.** HCFA will expedite its review and approval of HMOs seeking to enter markets that have been left without a managed care option. Any such applications will receive first priority for review and HCFA will seek to expedite their entrance into the market as long as they meet necessary solvency, quality, and other standards that protect beneficiaries. The President emphasized that plans that withdraw from these would not be eligible for this option this year.

- **Directed Secretary Shalala to develop new legislative options to help assure beneficiaries are protected from these types of withdrawals in the future.** The President emphasized his determination that the Administration and the Congress should work together to take all possible actions to help assure an adequate range of health plan options for beneficiaries and reduce the likelihood that beneficiaries will face this kind of turmoil in the future. To that end, he asked the Secretary to recommend specific legislative proposals to be included in the President's next budget that are designed to enhance plan participation and beneficiary protections.
- **Highlighted the need for Congress to reauthorize the Older Americans Act.** One of the most important ways that older Americans get critical information they need during times of turmoil like this one is through essential programs provided by the Older Americans Act. Today, the President sent a letter to Senator Lott and Speaker Gingrich urging them to reauthorize the Older Americans Act before Congress adjourns. **He emphasized that failure to do so would call into question our nation's commitment to the OAA and the vital services it provides to millions of older Americans.**

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 16:21:57.00

SUBJECT: Haitians

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

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

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

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

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

TEXT:

Contrary to my earlier report, OMB now tells me that the Hatian language is in the Treasury/Postal conference report. I have now seen the language and it is amnesty.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 12:04:55.00

SUBJECT: Update: Child Care Legislation

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

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

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

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

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

TEXT:

For those of you who may be working on Treasury-Postal and/or omnibus appropriations, I wanted to provide the following update about the "Improving Federal Child Care Act," in the hopes that, in the last days of negotiations, we may get this important bill passed.

The bill, sponsored by Jeffords in the Senate and Morella/Gilman in the House, improves federally-sponsored child care through a number of measures, including allowing agencies to provide child care subsidies to low-income federal workers and giving the General Services Administration greater oversight of federal child care facilities, specifically directing GSA to develop health and standards and holding federal facilities accountable to these standards or to state standards, which ever is more rigorous.

In the Senate, the full bill was attached by voice vote to Treasury-Postal. We understand, however, that in conference this bill may be stripped of its authorizing amendments, including this piece. In the House, the full bill was voted unanimously out of committee and headed for suspension calendar consideration, but was side-tracked by last minute objections by Reps. Hoekstra and Thomas, and Ron Haskins of the House Ways and Means Committee, who argued that the bill would be a slippery slope to national standards. Because of these objections, the House on Monday passed on suspension only the subsidy piece, which is Morella's bill, and did not consider the quality piece, which was Gilman's bill. GSA, HHS, and CDF have been working hard to convince these members of the importance of improving the quality of federal child care and holding the centers to some reasonable standards of health and safety.

As final negotiations proceed, there is likely to be a renewed attempt by Jeffords and others to attach this bill to an omnibus appropriations package, and, if possible, we should weigh in to support that effort. We should, however, support passage of the entire bill, not just the subsidy piece.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 09:33:51.00

SUBJECT: Anti-Gay Riggs Amendment Dumped

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

TEXT:

----- Forwarded by Richard Socarides/WHO/EOP on 10/07/98
09:33 AM -----

Doug.Case @ sdsu.edu
10/06/98 07:02:00 PM

Record Type: Record

To: Stuart D. Rosenstein, Richard Socarides
cc:
Subject: Anti-Gay Riggs Amendment Dumped

HUMAN RIGHTS CAMPAIGN
919 18th Street NW
Washington, DC 20006
website <http://www.hrc.org>
phone 202 628 4160
fax 202 347 5323HRC News

Tuesday, October 6, 1998

ANTI-GAY RIGGS AMENDMENT DUMPED FROM VA-HUD CONFERENCE REPORT

HOPWA Funding To Increase by \$11 Million According to VA-HUD Conference Committee Report

WASHINGTON -- The House overwhelmingly passed the VA-HUD Appropriations Conference Committee report today, by a vote of 409 - 14. The report did not include the controversial anti-gay Riggs Amendment. If enacted, the Riggs Amendment would have prohibited the city of San Francisco from using any VA-HUD funds to enforce that part of its anti-discrimination ordinance which requires city contractors to offer domestic partnership benefits to its unmarried employees. The conference report also dropped the Hilleary amendment, which sought to freeze spending on the Housing Opportunities for People With AIDS (HOPWA) program at FY '98 levels. The final VA-HUD bill increases HOPWA funding by \$11 million. The HOPWA program helps people living with HIV and AIDS find housing.

"The Riggs Amendment represented an unprecedented federal intrusion into local affairs. Today's elimination of the Riggs Amendment was a responsible action by House and Senate conferees who did not want the federal government to micro manage local affairs and impose narrow beliefs

in far away cities," said HRC political director Winnie Stachelberg.

The Committee's \$11 million increase of HOPWA brings total funding for the program to \$215 million and will help thousands of people with HIV/AIDS find adequate housing.

"This was a major victory that will save lives. It is nearly impossible for people living with HIV/AIDS to remain healthy without adequate housing and today's bill will help a lot of people. We will now work with Senate leaders to have the Senate vote on this report as soon as possible," said HRC senior health policy advocate Seth Kilbourn.

House VA-HUD Subcommittee leader Rep Louis Stokes (D-OH), Rep. Jerry Lewis (R-CA), and Representative Nancy Pelosi (D-CA) were instrumental in eliminating both the Riggs Amendment and increasing HOPWA funding. Minority leader Richard Gephardt (D-MO), Sen. Barbara Boxer (D-CA), San Francisco mayor Willie Brown, and White House staff were also key in prevailing on conferees to eliminate these provisions in the bill. In July, the Hilleary amendment, sponsored by Tennessee Republican Van Hilleary, passed the House by a vote of 231-200 and the Riggs amendment, sponsored by Congressman Frank Riggs (R-CA), passed the House by a vote of 214-212.

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

- 30 -

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

TEXT:

RFC-822-headers:

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Received: from Storm.EOP.GOV by PMDF.EOP.GOV (PMDF V5.1-9 #29131) with ESMTMP id <01J2NQX2LSMO00CPDX@PMDF.EOP.GOV>; Tue, 06 Oct 1998 18:00:55 -0400 (EDT)

Received: from mail.sdsu.edu ([130.191.25.1]) by STORM.EOP.GOV (PMDF V5.1-12 #29131) with ESMTMP id <01J2NQWDEA32000REC@STORM.EOP.GOV>; Tue, 06 Oct 1998 18:00:21 -0400 (EDT)

Received: from [130.191.242.121] ([130.191.242.121]) by mail.sdsu.edu (8.8.7/8.8.7) with ESMTMP id OAA27609; Tue, 06 Oct 1998 14:58:34 -0700 (PDT)

X-Sender: dcase@mail.sdsu.edu

=====
 END ATTACHMENT 1

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-OCT-1998 16:48:57.00

SUBJECT: Info you Requested re: Adding Tobacco Control to the McCain menu

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

CC: Jeanne Lambrew (CN=Jeanne Lambrew/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

This reflects our conversations with Chris and Jeanne. ===== ATTACHME

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D98]MAIL403585183.226 to ASCII,

The following is a HEX DUMP:

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DA24C08D6675CA7C8B373A39BAB2E4F9DE0AEF930AAAC3083B29544841318823047C1A2250EDD7

October 7, 1998

NOTE TO BRUCE AND ELENA

FROM: Cynthia Rice and Cynthia Dailard
CC: Chris Jennings and Jeanne Lambrew
SUBJ: Adding Tobacco Control to McCain Menu

We have attached three versions of legislative language that could be used to add state tobacco control efforts to the McCain menu of items on which states must spend half of their settlement funds. (These edits would add an eighth option to the menu; to require a certain percentage of the restricted funds to be used for tobacco control efforts, section 452(b)(2) listed below would also have to be amended).

The options vary from least to most detailed. The first version is based on Hansen-Meehan, the second is a very slimmed down version of McCain, and the third is a somewhat slimmed-down version of the McCain language. The most detailed option is the Conrad proposal (not attached) which incorporates all the McCain language. HHS has not yet reviewed these options.

Chris has made a strong argument that we should not be the ones to propose dropping anything that was on the McCain menu, but that we should instead wait to see if others propose to do so.

Overall, an amendment would need to have the following pieces:

I. Waiver of Medicaid Recovery (To be drafted by Hill)

Should include:

- A. Requirements on State Spending as a Condition of Waiver
- B. Requirements to Contribute Share of Federal Costs as Condition of Waiver

II. Use of State Settlement Funds (See options below)

Should include:

- A. What Percent of Funds Restricted
- B. Menu of Program Upon Which Restricted Funds Can Be Spent
- C. Children's Outreach Options

III. Payfor Language (To be drafted by Hill)

Should require states to pay:

- A. Amount CBO expects federal government to recover from state tobacco settlements
- B. Amount CBO expects federal Medicaid costs will increase due to use of new Medicaid outreach options

Proposal Based on Hansen-Meehan

Add the following to the state menu listed under McCain sec. 452(b)(2)

(H) state tobacco control activities, which include:

- (i) public awareness campaigns to discourage the use of tobacco products;
- (ii) child-oriented and community-based programs to discourage the use of tobacco products; and
- (iii) tobacco use cessation programs, which are consistent with the most recent tobacco use cessation guidelines issued by the Agency for Health Care Policy Research or are approved as safe and effective for tobacco use cessation by the Food and Drug Administration.

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Proposal Based on McCain

Add the following to the state menu listed under McCain sec. 452(b)(2)

(H) state tobacco control activities, which include:

- (i) a media-based counteradvertising campaign to discourage the use of tobacco products;
- (ii) state, community and school-based education and prevention programs to discourage the use of tobacco products;
- (iii) evidence-based tobacco use cessation programs, consistent with the most recent tobacco use cessation guidelines issued by the Agency for Health Care Policy Research or are approved as safe and effective for tobacco use cessation by the Food and Drug Administration; and
- (iv) activities to enforce youth access restrictions in order to reduce the sale and distribution of tobacco products to individuals under 18 years of age.

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Hex-Dump Conversion**

Proposal Based on McCain

Add the following to the state menu listed under McCain sec. 452(b)(2)

(H) state tobacco control activities, which include:

- (i) evidence-based activities for tobacco use prevention and control, including state, community and school-based initiatives;
- (ii) a statewide campaign to reduce tobacco usage through media-based (such as counter-advertising campaigns) and non-media based education, prevention and cessation campaigns designed to discourage the use of tobacco products by individuals, to encourage those who use such products to quit, and to educate the public about the hazards of exposure to environmental tobacco smoke;
- (iii) evidence-based cessation activities, which are consistent with the most recent tobacco use cessation guidelines issued by the Agency for Health Care Policy Research or are approved as safe and effective for tobacco use cessation by the Food and Drug Administration, including:
 - (aa) evidence-based programs designed to assist individuals to quit their use of tobacco products;
 - (bb) training in cessation methods for health professionals;
 - (cc) programs to encourage health insurers and health plans to provide coverage for evidence-based tobacco use cessation interventions or therapies; and
- (iv) implementing and enforcing a tobacco retailer licensing program in a manner that can reasonably be expected to reduce the sale and distribution of tobacco products to individuals under 18 years of age.

McCain Bill State Spending Language

SEC. 452. GRANTS TO STATES.

(a) **Amounts.** From the amount made available under section 451(a) for each fiscal year, each State shall receive a grant on a quarterly basis according to a formula.

(b) **Use of Funds.**

(1) **Unrestricted funds.** A State may use funds, not to exceed 50 percent of the amount received under this section in a fiscal year, for any activities determined appropriate by the State.

(2) **Restricted funds.** A State shall use not less than 50 percent of the amount received under this section in a fiscal year to carry out additional activities or provide additional services under

(A) the State program under the maternal and child health services block grant under title V of the Social Security Act (42 U.S.C. 701 et seq.);

(B) the State program for child care under the funding for child care under section 418 of the Social Security Act, notwithstanding subsection (b)(2) of that section;

(C) the State program for child welfare and abuse under the Federally-funded child welfare and abuse programs under title IV-B of the Social Security Act;

(D) programs administered within the State under the authority of the Substance Abuse and Mental Health Services Administration under title XIX, part B of the Public Health Service Act;

(E) the Safe and Drug-Free Schools Program under title IV, part A, of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7111 et seq.);

(F) the Department of Education's Dwight D. Eisenhower Professional Development program under title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.); and

(G) the State Children's Health Insurance Program authorized under title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.), provided that the amount expended on this program does not exceed 6 percent of the total amount of restricted funds available to the State each fiscal year.

(c) **No Substitution of Spending.** Amounts referred to in subsection (b)(2) shall be used to supplement and not supplant other Federal, State, or local funds provided for any of the programs described in subparagraphs (A) through (G) of subsection (b)(2). Restricted funds, except as provided for in subsection (b)(2)(G), shall not be used as State matching funds. Amounts provided to the State under any of the provisions of law referred to in such subparagraph shall not be reduced solely as a result of the availability of funds under this section.

(d) Federal-State Match Rates. Matching requirements, as provided in the statutory authority for the programs described in subsection (b)(2), apply to each program listed under subsection (b)(2), except for the program described under subsection (b)(2)(B). For the program described under subsection (b)(2)(B), after an individual State has expended resources sufficient to receive its full Federal amount under section 418(a)(2)(B) of the Social Security Act (subject to the matching requirements in section 418(a)(2)(C) of such Act), the Federal share of expenditures shall be 80 percent.

(e) Maintenance of Effort. To receive funds under this subsection, States must demonstrate a maintenance of effort. This maintenance of effort is defined as the sum of

(1) an amount equal to 95 percent of Federal fiscal year 1997 State spending on the programs under subparagraphs (B), (c), and (D) of subsection (b)(2); and

(2) an amount equal to the product of the amount described in paragraph (1) and

(A) for fiscal year 1999, the lower of

(i) general inflation as measured by the consumer price index for the previous year; or

(ii) the annual growth in the Federal appropriation for the program in the previous fiscal year; and

(B) for subsequent fiscal years, the lower of

(i) the cumulative general inflation as measured by the consumer price index for the period between 1997 and the previous year; or

(ii) the cumulative growth in the Federal appropriation for the program for the period between fiscal year 1997 and the previous fiscal year.

The 95-percent maintenance-of-effort requirement in paragraph (1), and the adjustments in paragraph (2), apply to each program identified in paragraph (1) on an individual basis.

(f) Options for Children's Health Outreach. In addition to the options for the use of grants described in this section, the following are new options to be added to States' choices for conducting children's health outreach:

(1) Expansion of presumptive eligibility option for children.

(A) In general. Section 1920A(b)(3)(A)(I) of the Social Security Act (42 U.S.C. 1396r-1a(b)(3)(A)(I)) is amended

(i) by striking "described in subsection (a) or (II) is authorized" and inserting "described in subsection (a), (II) is authorized"; and

(ii) by inserting before the semicolon `` , eligibility for benefits under part A of title IV, eligibility of a child to receive benefits under the State plan under this title or title XXI, (III) is a staff member of a public school, child care resource and referral center, or agency administering a plan under part D of title IV, or (IV) is so designated by the State".

(B) Technical amendments. Section 1920A of that Act (42 U.S.C. 1396r-1a) is amended

(i) in subsection (b)(3)(A)(ii), by striking ``paragraph (1)(A)" and inserting ``paragraph (2)(A)"; and

(ii) in subsection (c)(2), in the matter preceding subparagraph (A), by striking ``subsection (b)(1)(A)" and inserting ``subsection (b)(2)(A)".

(2) Removal of requirement that children's health insurance program allotments be reduced by costs related to presumptive eligibility determinations.

(A) In general. Section 2104(d) of the Social Security Act (42 U.S.C. 1397dd(d)) is amended by striking ``the sum of_" and all that follows through the paragraph designation ``(2)" and merging all that remains of subsection (d) into a single sentence.

(B) Effective date. The amendment made by subsection (a) shall be deemed to have taken effect on August 5, 1997.

(3) Increased funding for administrative costs related to outreach and eligibility determinations for children. Section 1931(h) of the Social Security Act (42 U.S.C. 1396u-1(h)) is amended

(A) by striking the subsection caption and inserting ``(h) Increased federal matching rate for administrative costs related to outreach and eligibility determinations for children. _";

(B) in paragraph (2), by striking ``eligibility determinations" and all that follows and inserting ``determinations of the eligibility of children for benefits under the State plan under this title or title XXI, outreach to children likely to be eligible for such benefits, and such other outreach-and eligibility-related activities as the Secretary may approve.";

(C) in paragraph (3), by striking ``and ending with fiscal year 2000 shall not exceed \$500,000,000" and inserting ``shall not exceed \$525,000,000"; and

(D) by striking paragraph (4).

(g) Periodic reassessment of spending options. Spending options under subsection (b)(2) will be reassessed jointly by the States and Federal government every 5 years and be reported to the Secretary.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Clara J. Shin (CN=Clara J. Shin/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 8-OCT-1998 09:38:09.00

SUBJECT:

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

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

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

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

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

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

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

TO: Scott R. Palmer (CN=Scott R. Palmer/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

TEXT:

For your information, I am attaching the agenda for today's PIR transition meeting as well as the assignment list from last week's meeting. See you this afternoon. Please let me know if I have forgotten anyone. Thanks!

Clara Shin

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

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

TEXT:

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**PIR TRANSITION WORKING GROUP
OCTOBER 7**

1. Race Task Force
 - Staffing update

2. Race-Related Events
 - NRC conference press plan update
 - NAACP Supreme Court rally
 - Upcoming race-related events?

3. Cabinet Involvement
 - Race-related achievements/activities update

4. Appropriations Victories
 - Status update

5. Sector Plans
 - Higher ed update (ACE meeting)
 - Religion update
 - Corporate update
 - Youth update

6. Additional Discussion Items

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Hex-Dump Conversion

October 3, 1998

To: President's Initiative on Race (PIR) Transition Working Group Members

From: Maria Echaveste
Clara Shin

Subject: Working Group Assignments

Thank you for a productive PIR transition working group meeting on Friday. For your use, we have outlined below the tasks assigned during the meeting. If you have any questions, don't hesitate to contact Clara Shin at 6-5506. Your involvement in this process is much appreciated!

Task	Lead Person(s)	Deadline
Task Force <ul style="list-style-type: none">Provide Maria Echaveste with candidates for staffing the Task Force.	Minyon Moore Elena Kagan	ASAP
Race-Related Events <ul style="list-style-type: none">Identify race-related events with which the President/White House should be involved.Generate ideas re: Presidential involvement in MLK Day (1/18).Develop a press plan for the NRC Conference.	Working Group Working Group Beverly Barnes	Weekly 10/22 10/8
Appropriations Victories <ul style="list-style-type: none">Identify race-related appropriations victories.Identify a date for the President to announce such victories.	Jon Orszag Jon Orszag	10/13 10/13
Cabinet Involvement <ul style="list-style-type: none">Continue to include race-related achievements/activities in the weekly Cabinet reports.	Thurgood Marshall	Weekly
Sector Plans <ul style="list-style-type: none">Organize a meeting (mid- to late-Nov.) of the President with the higher education coalition, possibly including Bowen and Bok.Develop and implement sector plans for religion, corporate, and youth.	Chris Edley/Scott Palmer Maureen Shae (religion) Cheryl Carter (corporate) Iliia Velez (youth)	Ongoing Ongoing

Addressees:

Thurgood Marshall
Elena Kagan
Minyon Moore
Andrew Mayock
Lynn Cutler
Chuck Ruff
Eddie Correia
Ann Lewis
Jon Orszag
Broderick Johnson
Trooper Sanders
Chris Edley

Automated Records Management System
Hex-Dump Conversion

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-OCT-1998 14:49:23.00

SUBJECT: Section 377

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

I just received a copy of a letter that MALDEF sent to Sen. Hatch requesting that he support an adjustment of the registry to prevent the deportation of those affected by Section 377. So much for not linking the two.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-OCT-1998 15:50:48.00

SUBJECT: URGENT: DRAFT SAP FOR HR 10

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

TO: Alice H. Williams (CN=Alice H. Williams/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

TEXT:

It is possible that HR 10 - Financial Services Act will be on the Senate floor anytime now. Please review the SAP and provide comments/clearance by cob today. This SAP should be shared with all of the principals. The position: if the bill is presented to the President in its current form, he would veto it. Thank you.

October 8, 1998
(Senate)

H.R. 10 - Financial Services Act of 1998

(Leach (R) Iowa and 3 cosponsors)

The Administration strongly opposes H.R. 10, and if the bill were presented to the President in the form reported by the Senate Committee on Banking, Housing and Urban Affairs, he would veto it.

As reported by the Senate Banking committee, H.R. 10 would harm the safety and soundness of the national banking system and would reduce the role of this Administration, and any future Administration, in banking policy -- an important area of economic policy-making. In addition, the bill in its current form would have an adverse impact on the Community Reinvestment Act (CRA) and raises a number of other significant policy issues.

H.R. 10 would deny banking organizations the choice of how to structure their business by dictating that all new principal financial activities -- for example, securities underwriting and merchant banking -- be conducted exclusively in affiliates of banks rather than subsidiaries of banks.

In addition, H.R. 10 grants the Federal Reserve exclusive regulatory authority over a new type of financial institution, the wholesale financial institution (WFI). The bill also grants the Federal Reserve unprecedented authority to contravene the judgements of other banking regulators about the banks they regulate. The current and past three chairs of the Federal Deposit Insurance Corporation have each objected to this dictate on the grounds that the subsidiary structure better protects the safety and soundness of Federally insured banks and better shields the deposit insurance funds, and ultimately the taxpayer, from loss.

The bill would also have an adverse impact on the CRA, which has helped spur billions of dollars of loans to communities across the United States. First, the transfer of new financial activities out of bank subsidiaries will take those activities out of consideration under CRA, effectively reducing funds available to meet the needs of local communities. Second, the newly created WFIs will be exempt from CRA unless the institution chooses to have a federally insured affiliate. Given that some of the Nation's largest banks may become WFIs, their assets would be lost for CRA purposes.

The Administration urges the Senate not to move forward on this controversial, exceedingly complex, and harmful legislation.

Pay-As-You-Go-Scoring

H.R. 10 would decrease direct spending and decrease receipts; therefore it is subject to the pay-as-you-go requirements of the Omnibus Budget Reconciliation Act of 1990. OMB's preliminary scoring of the bill is that it would result in a net budget savings of \$333 million over FYs 1999-2003.

Fiscal Years

(In millions of dollars)

			1999	2000
2001	2002	2003		
Changes in Outlays		-70	-70	
-70	-70	-70		
Changes in Receipts		-1	-4	
-4	-4	-4		

* * * * *

(Do Not Distribute Outside Executive Office of the President)

This Statement of Administration Policy was developed by the Legislative Reference Division (Englund), in consultation with the Departments of Agriculture (Allen) and the Treasury (Dorsey), the US Trade Representative (Papovich), Farm Credit Administration (McMahon), Office of Personnel Management (Wolf), Small Business Administration (Cupp) and HTF (Enger/Veenstra).

OMB/LA clearance:

The Departments of Commerce, Housing and Urban Development, Labor, Justice, and State did not respond to our request for views on this SAP.

On May 13, 1998, H.R. 10 passed the House with an amendment in the nature of a substitute by a vote of 214 - 213.

On September 18, 1998, the Senate Banking Committee reported H.R. 10 with an amendment in the nature of a substitute.

Administration Position to Date

On August 7, 1998, the Chief of Staff sent a letter to the Chairman of the Senate Banking Committee stating that the President will veto H.R. 10 if it includes provisions that would "stifle innovation and efficiency in the national banking system and impose needless costs on small banks." In addition, the letter opposed H.R. 10 because it would deprive national banks of power and erode Executive Branch policy-making ability.

On June 17, 1998, the Department of the Treasury testified before the Senate Banking Committee in opposition to the House-passed version of H.R. 10.

On May 7, 1998, the Treasury sent a letter to the House Leadership and relevant Committee members restating that the Secretary would recommend that the President veto the Republican Leadership's version of H.R. 10 and included a copy of the House SAP.

The House SAP on H.R. 10, issued on March 31, 1998, stated that the Administration opposed H.R. 10 because it would: (1) stifle innovation and efficiency in the national banking system; (2) undermine the Community Reinvestment Act by forcing financial innovation to occur in holding company affiliates rather than in bank subsidiaries; (3) diminish the ability of communities and consumers to benefit from the financial system; (4) eliminate advantageous features of the current thrift charter; and (5) impose needless costs on small banks. The SAP also stated that if H.R. 10 were presented to the President in the form of the Republican Leadership substitute, the Secretary of the Treasury would recommend that it be vetoed.

Provisions of H.R. 10

Time did not permit a summary of the manager's amendment to H.R. 10.

The Small Business Administration advises that H.R. 4179, the Program for Investments in Microentrepreneurs Act of 1998 (PRIME Act), will be added to H.R. 10 as part of the manager's amendment. This bill would authorize

qualified organizations to provide technical assistance and capacity building services to microenterprise development organizations and programs and to disadvantaged entrepreneurs using funds from the Community Development Financial Institutions Fund.

Pay-As-You-Go Scoring

According to HTF (Enger) and BASD (Lee), H.R. 10 is subject to the pay-as-you-go (PAYGO) provisions of the Omnibus Reconciliation Act of 1990. H.R. 10 would decrease direct spending and decrease receipts and result in a net budget savings of \$333 million over FYs 1999-2003. CBO scores the bill as resulting in a net budget savings of \$337 million over FYs 1999-2003.

Legislative Reference Division
October 8, 1998

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Melissa G. Green (CN=Melissa G. Green/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 8-OCT-1998 15:02:11.00

SUBJECT: FYI:

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

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

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

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

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

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

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

TO: Laura Emmett (CN=Laura Emmett/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: Paul E. Begala (CN=Paul E. Begala/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: Ruby Shamir (CN=Ruby Shamir/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: Leanne A. Shimabukuro (CN=Leanne A. Shimabukuro/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

TO: Dorothy Robyn (CN=Dorothy Robyn/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: Bob J. Nash (CN=Bob J. Nash/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TO: Andrei H. Cherny (CN=Andrei H. Cherny/O=OVP @ OVP [UNKNOWN])

READ:UNKNOWN

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

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

TO: Robert M. Shireman (CN=Robert M. Shireman/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: Virginia N. Rustique (CN=Virginia N. Rustique/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

TO: Michael D. McCurry (CN=Michael D. McCurry/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: Bruce R. Lindsey (CN=Bruce R. Lindsey/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: Karin Kullman (CN=Karin Kullman/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

TEXT:

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D42]MAIL48797528G.226 to ASCII,
The following is a HEX DUMP:

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35B6C5BC6C2D825849176B61D7EF77F2CD163A450845D9E9A4FD4B3EA7311C9A1881CCD40FBFF7

SAVE SOCIAL SECURITY FIRST
by
Gene Sperling

In the Fall of 1997, when the prospects for the first budget surplus in a generation emerged, many members of Congress rushed out with expensive new ways to spend that surplus — from new spending on government programs to costly tax plans. But in his State of the Union address last January, President Clinton put America's long-run economic interests ahead of short-run politics by demanding that we reserve every penny of the budget surplus until we have strengthened Social Security for the 21st century. President Clinton's commitment to "save Social Security first" is right for our economy and right for our future.

First, until we reach bi-partisan Social Security reform, no one knows how much of the surplus is needed to save the system. Reserving budget surpluses for that purpose gives us an additional resource to meet the costs of comprehensive reform. That is why President Clinton resisted all such proposals this year — from the hundreds of billions of dollars on a transportation bill to a \$700 billion tax-cut plan. If we relax that fiscal discipline before we save Social Security — even for an \$80 billion tax package — we will find ourselves on a slippery slope and end up squandering the surplus and weakening the prospects for bi-partisan Social Security reform.

Second, the budget surplus is fundamentally a Social Security surplus. Over the next 10 years, surpluses in the Social Security Trust Fund account for 98% of our overall projected surpluses. If nearly all the surplus comes from Social Security, doesn't it make sense to save the surplus until we know how much is needed to save Social Security?

Third, preserving the surplus helps create a strong incentive for actually getting Social Security reform done. It is normally impossible for our democracy — or any democracy — to tackle long-term problems while the crisis is still only on the horizon. Putting the surplus off-limits until we address saving Social Security provides a strong impetus for all of us to do something to solve a fiscal challenge early so we can prevent a crisis later. If we eliminate this incentive, we may jeopardize Social Security reform itself.

Finally, deviating from our successful policy of fiscal discipline would send the wrong message to the world. In 1993, when the President attended the G-7 Summit in Japan, the major economies of the world chastised the United States for letting its budget deficit grow so big. If Clinton had not moved quickly to cut America's budget deficit and help make our economy a bulwark of stability, the world economic situation would surely be much worse today. Nations and markets around the world now look to the United States for economic leadership. Any retreat from our fiscal discipline when we have still not solved the long-term challenge of Social Security would be the wrong signal at the wrong time to the global economy.

Six years ago, America's budget deficit was \$290 billion. This past year, we had an approximately \$70 billion budget surplus — the first surplus since 1969. We have fixed our fiscal deficit; now we must fix our generational deficit. We will have plenty of time to discuss whether to use the surplus for other purposes after we reform Social Security. Until then, though, we should save every penny of the surplus until we save Social Security.

Sperling serves as Assistant to the President for Economic Policy and as director of the President's National Economic Council.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-OCT-1998 07:02:51.00

SUBJECT: WOMEN'S MTG

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TEXT:

There will be a Women's Mtg TODAY at 9am in Room 100!!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jordan Tamagni (CN=Jordan Tamagni/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 8-OCT-1998 21:31:17.00

SUBJECT: Revised NAPO Remarks -- please note italicized language

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

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

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

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

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

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

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

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

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

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

TEXT:

Draft 10/8/98 9:00pm

PRESIDENT WILLIAM J. CLINTON
REMARKS FOR TOP COP EVENT
THE WHITE HOUSE
October 9, 1998

Thank you, Tom and Bob [Tom Scotto, NAPO President; Bob Scully, NAPO Executive Director], Attorney General Reno, Vice President Gore, and honored Top Cops. I am delighted to welcome all of you here today.

This July, I stood just a mile from here, in the Great Rotunda of the Capitol, humbled by the courage and the sacrifice of the two men we had come to honor -- Officer J.J. Chestnut and Detective John Gibson -- two law enforcement officers who literally threw themselves between an assailant's bullets and innocent bystanders ... and gave their lives to defend freedom's house.

The men and women we are honoring here this morning put on their badges every day, prepared to make the same sacrifice in their own communities. They are true American heroes. From crossing the line of

fire to rescue wounded fellow officers... to confronting criminals armed with assault weapons and body armor ... to nursing a seriously injured neighbor back to health ... the heroics -- and the basic humanity -- of these officers are an inspiration to us all. I congratulate 1998's Top Cops and I thank them on behalf of a grateful nation.

America owes an enormous debt of gratitude to all of our nation's police officers, who put their lives on the line to protect ours. But six years ago, law enforcement was not getting the tools it needed to reverse the trend of rising crime and fear in our communities. I took office determined to change that.

Together with NAPO, we have worked to take back our streets from crime and violence. We put in place a comprehensive plan based on what law enforcement officers were already trying to do in communities all across America -- to put tough new penalties on our books ... to help steer young people away from crime and gangs and guns ... to keep guns out of the hands of criminals ... and most important of all, to put 100,000 new police officers on the streets.

Six years ago, some said crime was a problem we just couldn't fix. Today, because of our efforts, crime has dropped across the board to its lowest level in a generation, and respect for the law is on the rise. Our nation's law enforcement officers are at the center of that extraordinary success. They are cracking down on gun traffickers and working to keep guns out of the hands of criminals. They are working with local school authorities to promote school safety. And they are walking the beat and working with residents to prevent crime from happening in the first place.

But you know better than I do that when it comes to fighting crime, we cannot afford to rest. Keeping our communities and our families safe requires eternal vigilance. So today, we are taking new steps to help our nation's police officers stand ready in our fight against crime.

First, we know what a difference more police have made in our communities. I am pleased to announce that we are awarding up to \$30 million in new grant money to help communities hire more police -- bringing the total number of police officers funded by our COPS initiative to more than 88,000 -- closer than ever to our goal of 100,000.

Second, we know what a difference Brady background checks have made to keep illegal guns off our streets. I am pleased to announce that we will give states over \$40 million to help them computerize the criminal history records they use to do those background checks -- a simple procedure that has already stopped a quarter million fugitives and felons from purchasing guns.

These steps will give law enforcement the tools they need to keep making a difference. That is why I am so pleased that last night, the Congress passed two bills that will build on our progress in both these areas. I will be proud to sign both these bills into law.

The first bill will help school systems to hire safety officers, and use the same community policing methods that have worked so well in neighborhoods all over the country. These school resource officers, as they are called, work with principals, parents, teachers and students to stop school violence before it happens.

I want to add that next week, on October 15th, we will hold the

first-ever White House Conference on School Safety, and I am looking forward to hearing from many groups -- especially law enforcement -- about how we can work together to meet this challenge.

The second bill will provide states with more than \$1 billion over the next five years to modernize not only their criminal records system, but also to upgrade their communications and criminal identification systems, as well. And it will also help us build a new electronic information sharing partnership with state and local law enforcement to keep our child care and elder care systems safe.

[I am pleased that Congress has put our families, security and our police officers, safety ahead of politics and sent me these bills. Now, we have to put progress ahead of partisanship, and pass a budget that's good for the American people. A budget that will set aside the surplus until we save Social Security for the future ... that will strengthen our economy at home by meeting our obligation to help the IMF stabilize the economies of our customers abroad ... a budget that will expand educational opportunity for our children and improve health care for our families ... that will protect our environment ... and a budget that will give law enforcement the tools it needs to keep our communities safe. These are the priorities that will strengthen America for the 21st century.]

Before we finish, I would like thank our Top Cops again for their remarkable achievements. I would also like to thank their families, because in so many ways, you have made those achievements possible. When we honor their bravery, we honor your own special brand of courage as well. When we honor their sacrifice, we remember the many things you give up to support their work. When we honor their strength, we pay tribute to the spirit in all of you that sustains it. I thank you for all that you have done, and will continue to do. And may God bless you all.

[And now, I will sign these bills.]