

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 040 - FOLDER -011

[11/20/1998]

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Phone No. (Partial) (1 page)	11/20/1998	P6/b(6)

COLLECTION:

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

FOLDER TITLE:

[11/20/1998]

2009-1006-F

kc186

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-NOV-1998 19:52:13.00

SUBJECT: executive memorandum

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Elena, we have been holding back sending the draft executive memorandum to Staff Secretary for clearance purposes and to Beverley Barnes for leak-pitching purposes for your sign-off. FYI, the important paragraph directing HHS to develop this plan was highly litigated (we think we did the best we can do), but we are happy to discuss over the weekend if you have questions. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-NOV-1998 17:29:12.00

SUBJECT: Weekly

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

TEXT:

As discussed, I suggest deleting what is written under rape and insert:

" Rape. There was a minor decrease in forcible rapes of less than one percent between 1996 and 1997. "

One more thing should be added to the entry, probably somewhere up at the top: "While cities experienced a 3 percent decrease in crime overall, rural areas saw a one percent increase in crime."

Withdrawal/Redaction Marker

Clinton Library

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001. email	Phone No. (Partial) (1 page)	11/20/1998	P6/b(6)

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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

[001]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-NOV-1998 07:54:50.00

SUBJECT: NBAC response -- NYT

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

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

CC: Holly L. Gwin (CN=Holly L. Gwin/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

CC: Rachel E. Levinson (CN=Rachel E. Levinson/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

CC: Neal Lane (CN=Neal Lane/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

CC: Joanne S. Tornow (CN=Joanne S. Tornow/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

CC: Clifford J. Gabriel (CN=Clifford J. Gabriel/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

TEXT:

Chris -- Nicholas Wade, the NYT reporter on this stem cell/cow/human story, called yesterday indicating he wants to do a follow-up story on NBAC's response. I stalled by saying I thought NBAC was still working on its draft reply, but that there might well be some activity on Friday.

We could try to repeat the process that resulted in the positive story in last Sunday's NYT (maybe also give it to the WP's Rick Weiss). Wade said as much that he felt his mid-week story fell short of the mark, but blamed it on a Miami stringer.

Wade's numbers are: 212/556-4302 (o), P6(b)(6) (h)

Let us know how, or if we can help.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jefferson B. Hill (CN=Jefferson B. Hill/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:20-NOV-1998 16:09:28.00

SUBJECT: Family Assessments

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Donald R. Arbuckle (CN=Donald R. Arbuckle/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

The Omnibus Appropriations codified E.O. 12606, which directs agencies to assess the impact of new policies and regulations on "the family". The statute took effect on October 21. Both OMB (subsection (d)(2)) and OPD ((d)(3)) have statutory roles.

I have been working with agency attorneys (the Reg Working Group Seconds), and we have come to a consensus on the approach taken in the attached.

It is our plan to issue this as an OMB Memorandum. Agencies are asking us to issue this as soon as we can, to ensure that the agencies take a uniform approach.

We seek your views and comments (and concurrence). If you have questions as to what this says and why, please give me a call (x53176).===== AT
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D36]MAIL43404742M.326 to ASCII,
The following is a HEX DUMP:

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```

DRAFT (November 20, 1998)

AGENCY ASSESSMENT OF FEDERAL REGULATIONS AND POLICIES ON FAMILIES

All agencies need to be aware of the recently enacted provision regarding the "Assessment of Federal Regulations and Policies on Families." This provision, Section 654 of the Treasury and General Government Appropriations Act, 1999, is reprinted in the attachment. This government-wide provision applies to Executive departments, Government corporations, and independent establishments (including the independent regulatory agencies covered by 44 U.S.C. 3503(5)). Section 654 went into effect on October 21, 1998, at the time that the Appropriations Act was signed into law. Accordingly, Section 654 applies to proposed policies and regulations that are under consideration.

Section 654 calls upon agencies to conduct an assessment of those proposed "policies and regulations" that "may affect family well-being." A "family" is defined as "a group of individuals related by blood, marriage, adoption, or other legal custody who live together in a single household;" and any "related" individual over half supported by "such group." "Before implementing" such a policy or regulation, the agency is to assess it in light of seven issues; "submit a written certification" to OMB and to Congress "that such policy or regulation has been assessed;" and provide an "adequate rationale" for implementing a policy or regulation that "may negatively affect family well-being."

Section 654 is not a new provision. It is intended to reinstate Executive Order 12606, "The Family," that President Ronald Reagan signed on September 2, 1987. In order to ensure that agencies carry out Section 654 assessments in appropriate circumstances, it may be beneficial for an agency to look back to the experience it gained in implementing E.O. 12606.

It may also be beneficial for an agency to conduct an up-front review of its various program areas to identify those areas that are most likely to involve, and are also likely not to involve, policies and regulations that may affect the well-being of the family. Depending on the particular program areas of an agency, it may even be possible to identify more specific categories of policies and regulations for which an assessment would likely be appropriate and those for which an assessment would not likely be appropriate. For example, a policy or regulation that is directed at or regulates the family, the marital relationship, or subjects involving the exercise of parental authority would be appropriate for a family assessment. An existing example would be 29 C.F.R. Part 825, "The Family and Medical Leave Act of 1993," which enables workers to take up to 12 weeks unpaid leave to care for a new baby or ailing family member without jeopardizing their job.

For those regulations for which a family assessment is appropriate, agencies should discuss the family assessment in the preamble to both the NPRM and the final rule; a certification is required only for a final rule that may affect the well-being of the family. As agencies submit their final rules to Congress under the Congressional Review Act (5 U.S.C.

Chapter 8), a statement of the certification in the preamble to the final rule should suffice in satisfying the requirement in Section 654(d)(1)(A) for submitting the certification to Congress.

Since OMB is required to submit to Congress each year copies of agencies' certifications (together with any rationales for implementing a policy or regulation that "may negatively affect family well-being"), we ask that you also prepare each certification as a free-standing document. Certifications should be submitted to the Office of Information and Regulatory Affairs (OIRA). Please start with the title, "Family Assessment Certification," and then include with the certification the name of the policy or regulation that is the subject of the family assessment, the agency program with which the policy or regulation is associated, the name of the responsible agency/component, and the name and telephone number of an agency contact. In the case of regulations that are subject to review under Executive Order 12866, the certifications should be included as part of the agency's regulatory package submission to OIRA. Other certifications should be submitted directly to the OIRA desk officer for the agency.

If your staff have any questions concerning Section 654, they may contact Mr. Jefferson Hill at (202) 395-3176.

Attachment

Sec. 654. Assessment of Federal Regulations and Policies on Families.

- (a) Purposes.--The purposes of this section are to--
- (1) require agencies to assess the impact of proposed agency actions on family well-being; and
 - (2) improve the management of executive branch agencies.
- (b) Definitions.--In this section--
- (1) the term "agency" has the meaning given the term "Executive agency" by section 105 of title 5, United States Code, except such term does not include the General Accounting Office; and
 - (2) the term "family" means--
 - (A) a group of individuals related by blood, marriage, adoption, or other legal custody who live together as a single household; and
 - (B) any individual who is not a member of such group, but who is related by blood, marriage, or adoption to a member of such group, and over half of whose support in a calendar year is received from such group.
- (c) Family Policymaking Assessment.--Before implementing policies and regulations that may affect family well-being, each agency shall assess such actions with respect to whether--
- (1) the action strengthens or erodes the stability or safety of the family and, particularly, the marital commitment;
 - (2) the action strengthens or erodes the authority and rights of parents in the education, nurture, and supervision of their children;
 - (3) the action helps the family perform its functions, or substitutes governmental activity for the function;
 - (4) the action increases or decreases disposable income or poverty of families and children;
 - (5) the proposed benefits of the action justify the financial impact on the family;
 - (6) the action may be carried out by State or local government or by the family; and
 - (7) the action establishes an implicit or explicit policy concerning the relationship between the behavior and personal responsibility of youth, and the norms of society.
- (d) Governmentwide Family Policy Coordination and Review.--
- (1) Certification and rationale.--With respect to each proposed policy or regulation that may affect family well-being, the head of each agency shall--
 - (A) submit a written certification to the Director of the Office of Management and Budget and to Congress that such policy or regulation has been assessed in accordance with this section; and
 - (B) provide an adequate rationale for implementation of each policy or regulation that may negatively affect family well-being.
 - (2) Office of management and budget.--The Director of the Office of Management and

Budget shall--

(A) ensure that policies and regulations proposed by agencies are implemented consistent

with this section; and

(B) compile, index, and submit annually to the Congress the written certifications received pursuant to paragraph (1)(A).

(3) Office of policy development.--The Office of Policy Development shall--

(A) assess proposed policies and regulations in accordance with this section;

(B) provide evaluations of policies and regulations that may affect family well-being

to

the Director of the Office of Management and Budget; and

(C) advise the President on policy and regulatory actions that may be taken to strengthen the institutions of marriage and family in the United States.

(e) Assessments Upon Request by Members of Congress.--Upon request by a Member of Congress relating to a proposed policy or regulation, an agency shall conduct an assessment in accordance with subsection (c), and shall provide a certification and rationale in accordance with subsection (d).

(f) Judicial Review.--This section is not intended to create any right or benefit, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers, or any person.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-NOV-1998 12:03:05.00

SUBJECT: latest: 34 of 46, incl. Conn.

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:

States Face Tobacco Deal Deadline

By SKIP WOLLENBERG
AP Business Writer

NEW YORK (AP) -- More than two-thirds of the 46 eligible states had agreed to the \$206 billion tobacco deal as today's midday deadline approached for taking a position on the proposal.

Connecticut, Georgia, Indiana, Kansas and Maine announced their support for the settlement today, raising to 34 the total of states backing the deal.

The settlement calls for companies to make payments to 46 states over 25 years and finance antismoking programs in exchange for resolving remaining state claims for the cost of treating sick smokers.

"Quite frankly, there are many things that this agreement accomplishes, particularly in the public health arena, that we could not achieve through our lawsuit in Georgia," state Attorney General Thurbert Baker said today. Georgia would get about \$4.8 billion over 25 years.

Maine Attorney General Andrew Ketterer announced his state's plans and said it would get about \$1.4 billion under the deal.

All eyes were on Massachusetts and Maryland, two states considered to have strong cases and still undecided going into the final hours.

Michigan had also been in the group, but was among 11 states declaring Thursday they planned to sign the deal rather than fight on in court. No State has yet rejected the proposal.

Four states had reached settlements for a combined \$40 billion before this proposal was created.

The cigarette makers say they need a sufficient number of states to sign if they are to proceed with

what would be the biggest U.S. civil settlement. The industry has declined to be more specific on how many states would constitute a sufficient number.

"I am optimistic that everyone will sign on," said Christine Gregoire, the attorney general from Washington state who led a team of eight states through five months of negotiations with four big tobacco companies.

But she told reporters in a conference call Thursday the industry "made clear to us that no one state or couple of states would have veto power over an agreement."

Other states announcing support for the settlement on Thursday were Alaska, Kentucky, Missouri, Montana, New Hampshire, New Jersey, Rhode Island, South Dakota, Tennessee, and West Virginia. Washington D.C. also announced its support late Thursday.

In exchange for payments over 25 years starting in the year 2000, the states would drop suits that had posed an enormous legal and financial threat to the tobacco industry.

In addition to paying the states, the tobacco companies will spend \$1.7 billion to study youth smoking and finance antismoking advertising and accept curbs on marketing practices that critics say appeal to children.

Those practices include putting cartoon characters in ads, advertising on billboards and putting cigarette brand names on shirts, hats and other merchandise.

Antismoking advocates were unhappy that the deal extracted fewer concessions from the industry than a broader \$368.5 billion agreement reached in 1997 that later died in Congress. The American Lung Association released a copy of a letter from former U.S. Surgeon General C. Everett Koop urging Maryland's attorney general to reject the settlement.

But some of them felt the latest proposal was a step in the right direction and began pushing Congress to enact legislation that would among other things give the Food and Drug Administration authority over cigarettes.

For state attorneys general, the choice was to take the deal with the billions of dollars that would come with it or fight the tobacco companies in court for a better deal while risking the chance of losing.

The companies waiting word from the states are Philip (NYSE:MO - news) Morris Inc., R.J. Reynolds Tobacco Co., Brown and Williamson Tobacco Corp. and the Lorillard Tobacco Co.

Other states that already have agreed to the terms are Alabama, Arizona,

Arkansas, California,
Colorado, Hawaii, Idaho, Iowa, Nebraska, New York, North Carolina, North
Dakota, Ohio,
Oklahoma, Pennsylvania, Utah, Washington and Wisconsin. States that settle
d earlier are Florida,
Minnesota, Mississippi and Texas.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-NOV-1998 08:31:43.00

SUBJECT: Paper for VP's WTW Event

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

TEXT:

VP Press Release (may have changed slightly since this)

Q&A

Latest Welfare Reform accomplishments document

We got good commitments from Cabinet Secretaries/officials to amplify release of grants Cuomo doing interviews for Chicago papers, HUD Dep Sec doing Texas; Alvarez doing Hispanic press; Slater doing release in Miami; USDA Dep Sec and Undersecs doing rural grants in CA, ME, MO and Gary, IN; GSA release in Denver; ED dep sec doing Bennett College in NC.

Profile of grants (also included in final Q&A):

Q: What do these new grants look like and where are they going?

A: The 75 grants cover a wide range of geographic areas, target populations, challenges, and partners:

69 single site grants and 6 multi-site grants

44 states -- single-site grants in 41 states, with multi-site grants in another 3 states

41 are in Empowerment Zones/Enterprise Communities

46 urban areas (61%), 11 rural areas (15%), and 18 areas (24%) that include urban and rural communities

43 serve non-custodial parents (some focus exclusively on this population, but most serve a mix of non-custodial and custodial parents)

26 emphasize transportation

19 focus on child care

41 focus on serving public housing residents

16 serve people with learning and other disabilities

34 provide substance abuse services

9 focus on non-traditional occupations for women

7 feature microenterprise development

5 include labor organizations

2 Historically Black Colleges and Universities, 1 Hispanic Association of Colleges and Universities, and 1 tribal college

3 focus on Native Americans
3 feature a community saturation strategy
2 focus on homeless individuals
2 grantees are faith-based organizations (with other grantees partnering with faith and community based organizations)
Approximately half are going to private organizations and half to public organizations.===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT: [ATTACH.D34]MAIL42428042V.326 to ASCII,
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THE WHITE HOUSE
Office of the Vice President

For Immediate Release:
Friday, November 20, 1998
456-7035

Contact:
(202)

VICE PRESIDENT GORE ANNOUNCES \$273 MILLION
IN WELFARE-TO-WORK COMPETITIVE GRANTS

Event Marks the Sixth Meeting of His Welfare to Work Coalition to Sustain Success

WASHINGTON, D.C. -- Vice President Gore announced today the awarding of \$273 million for 75 federal Welfare-to-Work Competitive grants to fund innovative local projects helping people move from welfare to work and retain good jobs.

The projects -- run by local governments as well as business, labor, educational, and other groups -- will address the need for jobs, child care, transportation, basic skills, and English proficiency as well as substance abuse and mental health issues that some individuals face as they move from welfare to work. The grants, which come from \$3 billion in Welfare-to-Work funds that the President won in the 1997 Balanced Budget Act, will go to communities in 44 states, with 61 percent for urban areas, 15 percent for rural areas, and 24 percent for areas that include both urban and rural communities.

"I congratulate these communities for helping welfare recipients across this country move off welfare into good jobs -- **this is civic commitment at its best,**" Vice President Gore said.

"For our country to continue to prosper," he added, "we must continue to work with our communities to help our long-term welfare recipients break the cycle of dependency and become productive workers, creating a brighter future for themselves and their families," Gore said at a town hall meeting where he was joined by Labor Secretary Alexis Herman, Health and Human Services Secretary Donna Shalala, employers, former welfare recipients, grant recipients, and members of the Vice President's Welfare to Work Coalition to Sustain Success -- a broad-based group of non-profit, faith-based, and civic organizations helping families move from welfare to work through mentoring and other critical support services.

Today's town hall meeting marked the Vice President's sixth event with his Welfare-to-Work Coalition to Sustain Success, which he launched in May 1997 to help those moving from welfare to work succeed on the job. Charter members include the Boys and Girls Clubs of America, the Baptist Joint Committee, Goodwill, Salvation Army, the United Way, the YMCA, the YWCA, Women's Missionary Union and Women and Community Service.

With the President leading efforts to reform welfare, caseloads have fallen dramatically and are at their lowest level in 29 years. To build on this success, the President and Vice President have led a multi-faceted effort that includes participation by the private, non-profit, and religious communities and the federal government.

Automated Records Management System
Hex-Dump Conversion

The Vice President, for instance, is working with Cabinet secretaries to ensure that the federal government hires at least 10,000 former welfare recipients; the government is 80 percent of the way toward reaching its goal.

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Automated Records Management System
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Welfare to Work Q&As
November 20, 1998

Q: What did the Vice President announce today?

A: Vice President Gore announced \$273 million for 75 federal Welfare-to-Work grants to fund innovative local projects to help people move from welfare to work and retain good jobs. The projects -- run by local governments as well as business, labor, educational, and other groups -- will address the need for jobs, child care, transportation, basic skills, English proficiency, substance abuse, mental health and other issues faced by some individuals moving from welfare to work. The grants, which come from \$3 billion in Welfare-to-Work funds that the President won in the 1997 Balanced Budget Act, will go to communities in 44 states, with 61 percent for urban areas, 15 percent for rural areas, and 24 percent for areas that include both urban and rural communities.

Q: Do you think welfare reform is a success? What is the Administration doing to ensure that welfare recipients get jobs and don't just get cut off by time limits?

A: Since the President signed the Welfare Reform law in August 1996, caseloads have fallen dramatically and are now at the lowest level in 29 years and an increasing number of welfare recipients are going to work. To ensure the success of this historic effort, the Administration has:

- Encouraged the business community to hire from the welfare rolls, launching the Welfare to Work Partnership, which now has over 7,000 business members;
- Mobilized the civic, religious and non-profit community through the Vice President's Coalition to Sustain Success;
- Committed to hire our fair share of welfare recipients into the federal government -- at least 10,000 welfare recipients by the 2000 -- and under the Vice President's leadership and the commitment of Cabinet Secretaries, we're already over 80% of the way to this goal;
- Fought successfully to provide \$3 billion for the Welfare to Work grants for those communities and individuals who might need additional help to make the transition to work (some of these grants are being announced today);
- Encouraged states to use all available resources -- TANF, Welfare-to-Work, and state funds -- to provide all families on the welfare rolls with the opportunity for work and self-sufficiency.
- Expanded and extended tax credits for employers who hire long term welfare recipients and other disadvantaged individuals;
- Obtained \$283 million in FY 1999 for 50,000 new welfare-to-work housing vouchers to help families who need housing in order to get or keep a job;
- Enacted \$75 million in FY 1999 for transportation grants to local communities who develop innovative ways to expand transportation options for families moving from welfare to work and other low income workers;
- Increased child support collection by 68 percent since 1992;
- Signed into law just at the end of this Congress a new Individual Development Account program to help low income families save for a first home, higher education, or to start a new business.

Welfare-to-Work Program and Grants

Q: What is the Welfare-to-Work Program?

A: The grants announced today are part of the \$3 billion Welfare-to-Work program the Administration fought for in the 1997 Balanced Budget Act to help states and communities move long term welfare recipients, and certain non-custodial parents, into lasting unsubsidized jobs. These funds are administered by the Department of Labor. **Seventy-five percent of the \$3 billion Welfare-to-Work funds are distributed by formula to the states, and in turn to local communities, based on their share of individuals receiving welfare and individuals living in poverty. In addition 25 percent of funds are available on a competitive basis to innovative programs. In May, the President announced the first round of Welfare to Work competitive grants--49 grants totaling nearly \$200 million (subsequently, 2 of these split into separate grants, so there are now 51 1st round grantees). Today the Vice President is announcing the second round -- 75 grants totaling over \$250 million.**

Q: What do these new grants look like and where are they going?

A: The 75 grants cover a wide range of geographic areas, target populations, challenges, and partners:

- 69 single site grants and 6 multi-site grants
- 44 states -- single-site grants in 41 states, with multi-site grants in another 3 states
- 41 are in Empowerment Zones/Enterprise Communities
- 46 urban areas (61%), 11 rural areas (15%), and 18 areas (24%) that include urban and rural communities
- 43 serve non-custodial parents (some focus exclusively on this population, but most serve a mix of non-custodial and custodial parents)
- 26 emphasize transportation
- 19 focus on child care
- 41 focus on serving public housing residents
- 16 serve people with learning and other disabilities
- 34 provide substance abuse services
- 9 focus on non-traditional occupations for women
- 7 feature microenterprise development
- 5 include labor organizations
- 2 Historically Black Colleges and Universities, 1 Hispanic Association of Colleges and Universities, and 1 tribal college
- 3 focus on Native Americans
- 3 feature a community saturation strategy
- 2 focus on homeless individuals
- 2 grantees are faith-based organizations (with other grantees partnering with faith and community based organizations)
- Approximately half are going to private organizations and half to public organizations.

Q: What did the first round of competitive grants accomplish? How many people benefited?

A: The first round of competitive grants represent 51 innovative laboratories. Through the operation of these projects we are learning how transportation, child care, substance abuse treatment, and other activities can best be integrated into creative community strategies for changing welfare checks into pay checks. Through these grants we are also learning what works best for serving noncustodial fathers, individuals with disabilities, public housing residents and people requiring treatment for substance abuse in order to be employed. The first round grants are still in their early stages. The task of using welfare-to-work dollars as “glue” for building new community partnerships for bringing together a variety of existing federal, state and local programs takes time. DOL expects to serve over 49,000 people through these round 1 grants.

Q: Why aren't more people being served?

A: Individuals who are eligible to be served by Welfare-to-Work grants (whether state formula or local competitive grants) are the most difficult to employ recipients of Temporary Assistance for Needy Families (TANF). These are individuals who have no high school diploma or GED, who have a poor work history, who have low reading and math levels, who require substance abuse treatment, who have been receiving TANF for at least 30 months, exhausted their benefits or who have characteristics predictive of long term welfare dependence. The purpose of the program is to have these individuals not only get a job, but to also receive the services they need to retain it and move upward into self-sufficiency. This kind of intervention requires time and close attention even after an individual is already placed into a job.

Q: What's the difference between these grants and formula grants?

A: DOL is finding that State formula grants (85% of which must be passed down to the local level) are generally broad in their scope. Competitive grants, on the other hand, tend to focus on a particular population (such as noncustodial fathers), or theme (transportation, child care, rural services, technology etc.). To receive a formula grant a State must match every \$2 of federal funding with \$1 of its own. Competitive grants do not require match so it is easier for a local community to step forward and take a risk with innovation.

Q: How many applications did the Department of Labor receive for WtW competitive grants, and how many were funded?

A: In Round # 1 there were 621 applicants, of which 220 were deemed to be in the “competitive range” when scored against the criteria. Of these, 51 awards were made. In Round # 2 there were 680 applicant, of which 340 were in the “competitive range” and 75 are being announced today. Of those 75 successful Round # 2 applicants, 25 were in the competitive range in Round # 1 but were not funded.

Q: If someone did not get a grant this time can he/she reapply?

A: Yes. For example, 25 applicants that were not successful in Round # 1 reapplied under Round # 2 and will receive awards. When an applicant is not successful, he/she receives a letter from DOL outlining the strengths and weaknesses of the proposal. During the next competition, the Department will hold technical assistance "bidder's conferences" to provide potential applicants with lessons learned from previous applications and to cover a number of other topics to assure that all who may wish to apply--including community-based organizations and others who are not familiar with federal grant requirements-- have the best information possible in order to submit a strong application.

Q: What criteria was used to select the winners?

A: The grant applications were judged using the following criteria: (1) Relative need for assistance, (2) Innovation, (3) Outcomes, (4) Local Collaboration and Sustainability, and (5) Demonstrated Capacity.

Q: How many more competitions will there be and when will the next one begin?

A: The next competition will begin in late January of 1999. There may be one additional competition after that.

Q: Why didn't all states accept Welfare-to-Work formula funds in FY 1998?

A: In FY 1998, six states (OH, ID, MS, UT, SD, WY) chose not to use these funds to help find jobs for hard-to-employ, long-term welfare recipients in areas with high concentrations of poverty, such as Cleveland, Toledo and Youngstown. States that did not apply in FY '98 may apply in FY '99 as well. In addition, the fact that the Department of Labor received over 1,300 competitive grant applications from public and private organizations, indicates the high level of interest in and need for these resources.

Vice President's Welfare to Work Coalition to Sustain Success

Q: What is the Coalition?

A: In May 1997, the Vice President launched the Welfare-to-Work Coalition to Sustain Success, a coalition of several dozen national civic, service, and faith-based organizations that work with state and local agencies and employers to help those moving from welfare to work succeed on the job. This will be the sixth issues forum the Vice President has convened with the Coalition to help them share successful. Charter members of the Coalition include such groups as the Boys and Girls Clubs of America, the Baptist Joint Committee, Goodwill, Salvation Army, the United Way, the YMCA, the YWCA, the Women's Missionary Union, who provide mentoring, job training, child care, transportation, and other support to get and keep good jobs.

Q: What is the difference between the Welfare to Work Coalition and the Welfare to Work Partnership?

A: The Coalition, launched by the Vice President in May 1997, consists of national civic, service, and faith-based organizations whose local chapters work closely with public sector agencies and employers to help individuals making the transition from welfare to work succeed on the job. The Partnership, launched by the President in May 1997, is a private organization consisting of thousands of businesses (currently 7,000) who have pledged to hire at least one welfare recipient.

Federal Welfare to Work Hiring

Q: How many welfare recipients has the federal government hired?

A: According to the Office of Personnel Management, the federal government has hired 8,462 welfare recipients since April 1997 when the federal hiring initiative was launched. This is 80 percent of our goal of 10,000 hires by the year 2000. As a part of this effort, the White House pledged to hire six welfare recipients and has already hired eight.

Q: How were the hiring goals set -- were the agencies assigned quotas?

A: Each agency was asked to develop a goal that made sense given the nature of its workforce and its hiring needs. We established an overall federal commitment of 10,000 hires as the federal government's fair share of helping fulfill the President's pledge to move 2 million people off welfare by the year 2000 (The Federal government is approximately 1.5 percent of the nation's workforce. To meet its portion of the President's challenge to move 2 million people off welfare by the year 2000 -- which amounts to moving about 700,000 adults into the workforce -- the Federal government ought to hire about 10,000 welfare recipients.)

Q: How can you hire welfare recipients when government is downsizing and budgets are tight? Are you creating special preferences for welfare recipients?

A: It is true that the government is downsizing. Since the President took office, he has actually shrunk the Federal government to its smallest size in three decades. However, downsizing does not mean there are no jobs to fill. As in any organization, there is a natural amount of turnover in jobs at all levels. The Federal agencies have committed to reaching out specifically to the welfare population to fill those positions. We are not creating any preference such as the one that exists for veterans. We are encouraging the departments to use existing hiring authorities, including programs that allow departments to cut through red tape and hire entry-level workers quickly and easily. We are also encouraging outreach efforts to our federal contractors, grantees and partners.

Q: Why are some agencies doing so much better than others in meeting their goals?

A: Different agencies have pursued different strategies and they are continually sharing information to learn from each other about what works. Most federal agencies have responded enthusiastically to this challenge, are on target to meet or exceed their hiring goals, and have been rewarded with productive and enthusiastic new workers. In April, the Vice President prepared a first annual report for the President, in which he identified keys to success including: leadership, recruitment, retention, and leveraging networks of contractors and partners to encourage them to join the federal agencies in this effort. The Department of Commerce set a goal of 4,180, with most of these hires related to the 2000 Census and planned for 1998 and 1999. They are already at 48% of their goal.

Welfare Caseloads

Q: You say caseloads are at their lowest in 29 years. How many people are on the rolls?

A: The latest caseload numbers, released in August, show that welfare caseloads fell by 5.7 million since President Clinton took office and 3.8 million since he signed the welfare reform law. The new figures, from June 1998, show 8.4 million people on welfare, a drop of more than 41 percent from January 1993. This historic decline occurred in response to the Administration's grants of Federal waivers to 43 states, the provisions of the new welfare reform law, and the strong economy.

The latest data from the Census Bureau shows that the percentage of people who were on welfare in one year and working the following year increased by 28% from March 1996 to March 1998 (from 26.5% to 33.8%).

Q: The New York Times has reported that minorities are being left behind in increasing numbers on the welfare rolls as caseloads decline. What are you doing to address this issue?

A: We believe these trends merit close attention. Further analysis reveals that much of the disparity reflects changes in the population as a whole--specifically, population growth explains nearly two-thirds of the difference in caseload decline between Hispanics and whites and nearly half the difference between blacks and whites. In addition, minorities are more likely to be on welfare in the first place, and more likely to end up as long-term recipients once they go on the rolls. They tend to have lower educational levels, marriage rates, and larger families than whites, and are more than twice as likely to live in central cities and areas of concentrated poverty. **This is exactly why the President fought for and won the \$3 billion Welfare-to-Work grants which states and cities can use to create job opportunities for welfare recipients, particularly targeted at hard-to-employ individuals in high poverty areas, some of which are being announced today.** Our initiatives on welfare-to-work transportation and welfare-to-work housing vouchers will also help people in isolated areas get to where the jobs are.

Benefits for Legal Immigrants

Q: When the President signed the welfare reform law he pledged to fix the cuts to legal immigrants. Has he fulfilled this promise?

A: The President believes that legal immigrants should have the same opportunity, and bear the same responsibility, as other members of society. Upon signing the 1996 welfare law, he pledged to work toward reversing the unfair cuts in benefits to legal immigrants that Congress had added to the bill that had nothing to do with moving people from welfare to work and under his leadership many of these cuts have been restored. As part of last year's Balanced Budget Act (BBA), Medicaid and Supplemental Security Income (SSI) were restored to hundreds of thousands of disabled and elderly legal immigrants. The Agriculture Research bill, which the President signed into law in June, restored Food Stamp benefits to vulnerable groups of legal immigrants. And, the bill he signed on October 28th will ensure that thousands of elderly and disabled legal immigrants can continue to receive SSI and Medicaid.

Welfare Reform in New York City

Q: Is it true as reported in The New York Times that the U.S. has launched an inquiry into whether the application procedures in New York City's job centers violate federal Medicaid and Food Stamp law?

A: The Department of Health and Human Services and the U.S. Department of Agriculture are requesting information from city and state officials about Medicaid and Food Stamp application procedures to ensure that these federally guaranteed programs serve all qualified applicants, as required by federal law. This information-gathering process is currently at its earliest stages. As you may know, during the consideration of welfare reform legislation, the President insisted on maintaining the federal Medicaid and Food

Stamps guarantee, and we are committed to working with the States to ensure this guarantee remains in place.

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CLINTON-GORE ACCOMPLISHMENTS

REFORMING WELFARE

On August 22, 1996, President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act, fulfilling his longtime commitment to 'end welfare as we know it.' As the President said upon signing, "... this legislation provides an historic opportunity to end welfare as we know it and transform our broken welfare system by promoting the fundamental values of work, responsibility, and family."

TRANSFORMING THE BROKEN WELFARE SYSTEM

- **Overhauling the Welfare System with the Personal Responsibility Act:** In 1996, the President signed a bipartisan welfare plan that is dramatically changing the nation's welfare system into one that requires work in exchange for time-limited assistance. The law contains strong work requirements, performance bonuses to reward states for moving welfare recipients into jobs and reducing illegitimacy, state maintenance of effort requirements, comprehensive child support enforcement, and supports for families moving from welfare to work -- including increased funding for child care. State strategies are making a real difference in the success of welfare reform, specifically in job placement, child care and transportation.
- **Law Builds on the Administration's Welfare Reform Strategy:** Even before the Personal Responsibility Act became law, many states were well on their way to changing their welfare programs to jobs programs. By granting Federal waivers, the Clinton Administration allowed 43 states -- more than all previous Administrations combined -- to require work, time-limit assistance, make work pay, improve child support enforcement, and encourage parental responsibility. The vast majority of states have chosen to continue or build on their welfare demonstration projects approved by the Clinton Administration.
- **Largest Decline in the Welfare Rolls in History:** The President has announced that we've met -- two years ahead of schedule -- the challenge he made in last year's State of the Union to move two million more Americans off of welfare by the year 2000. The latest caseload numbers, released in August, show that welfare caseloads fell by 5.7 million since President Clinton took office and 3.8 million since he signed the welfare reform law. The new figures, from June 1998, show 8.4 million people on welfare, a drop of more than 41 percent from January 1993. This historic decline occurred in response to the Administration's grants of Federal waivers to 43 states, the provisions of the new welfare reform law, and the strong economy.

MOVING PEOPLE FROM WELFARE TO WORK

- ***Two Years Later, Millions of Welfare Recipients are Working.*** In August 1998, the President released the First Annual Report to Congress on the Temporary Assistance for Needy Families program showing a dramatic increase in the number of welfare recipients who have gone to work since he signed the welfare law in August 1996. Data from the Census Bureau's Current Population Survey show that the rate of employment of individuals on welfare in one year who were working in the following year increased by nearly 30 percent between 1996 and 1997. As a result, 1.7 million adults on welfare in 1996 were working in March 1997.
- **Mobilizing the Business Community:** At the President's urging, the Welfare to Work Partnership was launched in May 1997 to lead the national business effort to hire people from the welfare rolls. Founded with 105 participating businesses, the Partnership grew to 5,000 within one year, and now includes over 7,000 businesses. In 1997, just 3,200 of these businesses hired 135,000 welfare recipients and the President has challenged them to double their efforts to 270,000 in the next year. The Partnership provides technical assistance and support to businesses around the country, including: a toll-free number, a web site, a quarterly newsletter, and a "Blueprint for Business" hiring manual. The Partnership also published *The Road to Retention*, a report of companies that have found higher retention rates for former welfare recipients for other new hires, and strategies they used to achieve this success.
- **Connecting Small Businesses with New Workers:** The Small Business Administration is addressing the unique and vital role of small businesses who employ over one-half of the private workforce, by helping small businesses throughout the country connect with job training organizations and job-ready welfare recipients. In addition, SBA provides training and assistance to welfare recipients who wish to start their own businesses. SBA provides assistance to businesses through its 1-800-U-ASK-SBA number, as well through its network of small business and women's business centers, one-stop capital shops, district offices, and its home page.
- **Mobilizing Civic, Religious and Non-profit Groups:** The Vice President created the Welfare to Work Coalition to Sustain Success, a coalition of national civic, service, and faith-based groups committed to helping former welfare recipients succeed in the workforce. Working in partnership with public agencies and employers, Coalition members provide mentoring, job training, child care, transportation, and other support to help these new workers with the transition to self sufficiency. Charter members of the Coalition include: Alpha Kappa Alpha, the Boys and Girls Clubs of America, the Baptist Joint Committee, Goodwill, Salvation Army, the United Way, Women's Missionary Union, the YMCA, the YWCA, and other civic and faith-based groups.
- **Doing Our Fair Share with the Federal Government's Hiring Initiative:** Under the Clinton Administration, the Federal workforce is the smallest it has been in thirty years. Yet, this Administration also believes that the Federal government, as the nation's largest employer, must lead by example. The President asked the Vice President to oversee the

Federal government's hiring initiative in which Federal agencies have committed to directly hire at least 10,000 welfare recipients in the next four years. Already, the federal government has hired nearly 8,500 welfare recipients, 80 percent of its planned hires. As a part of this effort, the White House pledged to hire six welfare recipients and has already exceeded this goal.

- **\$3 Billion to Help Move More People from Welfare to Work:** Because of the President's leadership, the 1997 Balanced Budget Act included the total funding requested by the President for the creation of his \$3 billion welfare to work fund. This program will help states and local communities move long-term welfare recipients, and certain non-custodial parents, into lasting, unsubsidized jobs. These funds can be used for job creation, job placement and job retention efforts, including wage subsidies to private employers and other critical post-employment support services. The Department of Labor provides oversight but most of the dollars will be placed, through the Private Industry Councils, in the hands of the localities who are on the front lines of the welfare reform effort. In addition, 25 percent of the funds are awarded by the Department of Labor on a competitive basis to support innovative welfare to work projects. The President announced the first round of 49 competitive grants in May, and the Vice President announced the second round of 75 competitive grants in November.
- **Tax Credits for Employers:** The Welfare to Work Tax Credit, enacted in the 1997 Balanced Budget Act, provides a credit equal to 35 percent of the first \$10,000 in wages in the first year of employment, and 50 percent of the first \$10,000 in wages in the second year, to encourage the hiring and retention of long term welfare recipients. This credit complements the Work Opportunity Tax Credit, which provides a credit of up to \$2,400 for the first year of wages for eight groups of job seekers. The President's proposed to extend both credits in his FY 1999 budget and the Omnibus Budget Act includes an extension through June 30, 1999.
- **Welfare-to-Work Housing Vouchers:** In his FY 1999 budget, the President proposed \$283 million for 50,000 new housing vouchers for welfare recipients who need housing assistance to get or keep a job, and Congress approved full funding for this new initiative. Families will use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. Nearly all of these vouchers will be awarded to communities on a competitive basis, to communities who create cooperative efforts among their housing, welfare and employment agencies to assure the most effective use of this flexible new tool to help people make the transition from welfare to work.
- **Welfare-to-Work Transportation:** One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding transportation to get to jobs, training programs and child care centers. Few welfare recipients own cars. Existing mass transit does not provide adequate links to many suburban jobs at all, or within a reasonable commute time. In addition, many entry level jobs require evening or weekend hours that are poorly served by existing transit routes. To help those on welfare get to work, President Clinton proposed a \$100 million a year welfare to work

transportation plan as part of his ISTEA reauthorization bill. The Transportation Equity Act for the 21st Century (TEA-21) authorizes \$750 million over five years for the President's initiative and reverse commute grants. Of this amount, \$50 million is guaranteed funding in FY 1999, rising to \$150 million in 2003. The Omnibus Budget Act includes \$75 million for this program in FY 1999 and applications are due to the Department of Transportation by December 31, 1998. The Job Access competitive grants will assist states and localities in developing flexible transportation alternatives, such as van services, for welfare recipients and other low income workers.

- ***Eliminating Anti-Work and Anti-Family Rules that Denied Families Health Coverage:*** In August 1998, the President eliminated a vestige of the old welfare system by announcing that the Department of Health and Human Services will revise its regulations to allow all states to provide Medicaid coverage to working, two-parent families who meet State income eligibility. Under the old welfare regulations, adults in two-parent families who worked more than 100 hours per month could not receive Medicaid regardless of income level, while there were no such restrictions on single-parent families. Because these regulations provided disincentives to marriage and full-time work, the Administration allowed a number of states to waive this rule. The new regulation eliminates this rule for all States, providing health coverage for more than 130,000 working families to help them stay employed and off welfare.

PROMOTING PERSONAL RESPONSIBILITY

- **Enforcing Child Support -- 68% Increase in Collections:** The Clinton Administration collected a record \$13.4 billion in child support in 1997 through tougher enforcement, an increase of \$5.4 billion, or 68% since 1992. Not only are collections up, but the number of families that are actually receiving child support has also increased. In 1997, the number of child support cases with collections rose to 4.2 million, an increase of 48% from 2.8 million in 1992. In addition, a new collection system proposed by the President in 1994 and enacted as part of the 1996 welfare reform law located one million delinquent parents in its first nine months of operation. This National Directory of New Hires helps track parents across state lines by enabling child support officials to match records of delinquent parents with wage records from throughout the nation. Approximately one-third of all child support cases involve parents living in different states. In June 1998, the President signed the Deadbeat Parents Punishment Act, a law based on his 1996 proposal for tougher penalties for parents who repeatedly fail to support children living in another state or who flee across state lines to avoid supporting them. This new law creates two new felonies, with penalties of up to two years in prison, for egregious child support evaders who travel across state or country lines to evade child support obligations, or who have an unpaid obligation to a child living in another state that is more than \$10,000 or has remained unpaid for more than two years.

Increasing Parental Responsibility: The President's unprecedented and sustained campaign to ensure parents financially support their children is working. Paternity establishment, often the crucial first step in child support cases, has dramatically

increased, due in large part to the in-hospital voluntary paternity establishment program begun in 1994 by the Clinton Administration. In 1997, the number of paternities established or acknowledged rose to a record 1.3 million, two and a half times the 1992 figure of 512,000. In addition to tougher enforcement including a strong partnership with states, President Clinton has taken executive action including: directing the Treasury Department to collect past-due child support from Federal payments including Federal income tax refunds and employee salaries, and taking steps to deny Federal loans to any delinquent parents. The welfare reform law contains tough child support measures that President Clinton has long supported including: the national new hire reporting system; streamlined paternity establishment; uniform interstate child support laws; computerized state-wide collections; and tough new penalties. These five measures are projected to increase child support collections by an additional \$24 billion over the next ten years.

- **Breaking the Cycle of Dependency -- Preventing Teen Pregnancy:** Significant components of the President's comprehensive effort to reduce teen pregnancy became law when the President signed the 1996 Personal Responsibility Act. The law requires unmarried minor parents to stay in school and live at home or in a supervised setting; encourages "second chance homes" to provide teen parents with the skills and support they need; and provides \$50 million a year in new funding for state abstinence education activities. Since 1993, the Clinton Administration has supported innovative and promising teen pregnancy prevention strategies, including working with boys and young men on pregnancy prevention strategies. The National Campaign to Prevent Teen Pregnancy, a private nonprofit organization, was formed in response to the President's 1995 State of the Union. In 1997, the President announced the National Strategy to Prevent Teen Pregnancy, mandated in the welfare reform law. The first annual report on this Strategy reported that HHS-supported programs already reach at least 31 percent or 1,470 communities in the United States. Notably, data shows we are making progress in reducing teen pregnancy -- teen births have fallen six years in a row, by 15 percent from 1991 to 1997. And, teen pregnancy rates are at their lowest level in 20 years.

RESTORING FAIRNESS AND PROTECTING THE MOST VULNERABLE

The President made a commitment to fix several provisions in the welfare reform law that had nothing to do with moving people from welfare to work. In 1997, the President fought for and ultimately was successful in ensuring that the Balanced Budget Act protects the most vulnerable. In 1998, the President continued to reverse unfair cuts in benefits to legal immigrants.

- **Restoring Food Stamp Benefits for Legal Immigrants:** In June 1998, the President signed the Agricultural Research Act into law, which restores food stamp benefits to 250,000 elderly, disabled, and other needy legal immigrants, including 75,000 children, who lawfully resided in the U.S. as of August 22, 1996 and lost assistance as a result of cuts in the 1996 welfare law that had nothing to do with welfare reform. It restores benefits to Hmong immigrants from Laos who aided our country during the Vietnam War and extends the period during which refugees and asylees may qualify for Food Stamps while they await citizenship. This law funds a significant part of the President's 1999 budget proposal to restore food stamp benefits to 730,000 legal immigrants, but the President's budget proposal would go further by covering families with children regardless of the date they entered the U.S. This restoration builds on the President's success last year in restoring SSI and Medicaid to 420,000 legal immigrants whose benefits were also terminated in welfare reform (see below). In addition, in late October the President signed into law a bill which will ensure that thousands of elderly and disabled legal immigrants who are dependent on SSI and Medicaid will continue to receive such services.
- **Protects Legal Immigrants Who Become Disabled and Those Currently Receiving Benefits:** The Balanced Budget Act of 1997 restored \$11.5 billion in SSI and Medicaid benefits for legal immigrants whose benefits were also terminated in welfare reform. This law protects those immigrants now receiving assistance, ensuring that they will not be turned out of their apartments or nursing homes or otherwise left destitute. And for immigrants already here but not receiving benefits, the BBA does not change the rules retroactively. Immigrants in the country as of August 22, 1996 but not receiving benefits at that time who subsequently become disabled will also be fully eligible for SSI and Medicaid benefits.
- **Protects Children by Keeping the Medicaid Guarantee:** The BBA preserved the Federal guarantee of Medicaid coverage for the vulnerable populations who depend on it, and contains additional investments to extend coverage to uninsured children. It also ensures that 30,000 disabled children losing SSI because of the new tighter eligibility criteria keep their Medicaid coverage.
- **Helps People Who Want to Work but Can't Find a Job:** The Balanced Budget Act (BBA), as amended by the Agricultural Research Act, also restored \$1.3 billion in food stamp cuts. The welfare reform law restricted food stamps for able-bodied childless adults to only 3 out of every 36 months, unless they were working. This move ignored the fact that finding a job often takes time. The BBA provided funds for work slots and food stamp benefits to help those who are willing to work but, through no fault of their

own, have not yet found employment. In addition, the BBA allows states to exempt up to 15 percent of the food stamp recipients (70,000 individuals monthly) who would otherwise be denied benefits as a result of the "3 in 36" limit.

11/18/98

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-NOV-1998 15:05:59.00

SUBJECT: Work-Site Schools memo

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

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

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

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

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

TEXT:

Attached is a draft memo that lays out a proposal for work-site schools.

Under the "Funding" section, two options are presented for how a tax credit might be structured for businesses providing facilities for work-site schools. One option is to give a credit to all businesses that open qualifying facilities. Another is to limit the overall number of credit available each year.

Treasury needs to do some analysis in order to develop a cost estimate for this initiative and prefers to limit the number of credits available in order to more accurately produce a cost estimate. Chuck Marr has asked Treasury to complete the cost projections for all of the tax-side initiatives by early next week.

Treasury needs some immediate direction as to how we would like to structure these tax credits.===== ATTACHMENT 1 =====
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TEXT:

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***DRAFT* MEMORANDUM**

FROM:

SUBJECT: Work-Site Satellite School Design Issues

The purpose of this memo is to provide you with some detail about the critical design issues in the Work-Site Satellite Schools.

I. Background

The purpose of this initiative is to broaden the choices available in the public school system by increasing the number of satellite public elementary schools located at work sites. About 30 of these schools have been constructed since 1987, and most operate as public-private partnerships. Typically, the employer pays for the school facility, utilities, and maintenance. The district provides the teachers, curriculum and instructional materials. The work-site schools are paired with "host" neighborhood elementary schools that provide administrative support and often share art and music teachers. Through such arrangements, districts can increase parent involvement leading to higher academic achievement, relieve overcrowding, promote diversity (as workplaces are often more diverse than neighborhoods), offer smaller class sizes and save on facilities and transportation costs. Companies can enjoy greater productivity and offer the school as a family-friendly employee benefit.

More specifically, this initiative will provide tax credits to participating businesses and planning grants to school districts in order to increase the number of satellite work-site schools. Much as the charter schools initiative offered start-up assistance to school developers and led to an increase in the number of charter schools from 1 to nearly 1,000 (and to 3,000 by 2002), this initiative will increase the number of work-site satellite schools from 30 to 1,000 by early in the next century. In designing it, we have been guided by several considerations.

First, research evidence suggests that a primary benefit of work-site satellite schools is an extraordinary increase in the levels of parental involvement leading to higher levels of academic achievement for students across varying racial and socio-economic backgrounds. This parental involvement is facilitated by the high number of parents working at the same location at the school site. Although some enrollment is drawn from the surrounding neighborhoods, a large majority of the children should have parents working at the sponsoring company. This also ensures that businesses have an incentive to donate facilities, maintenance and upkeep.

Second, while enrollment has been, and should be, primarily geared to the children of employees of the participating business(es), the schools should reflect the racial and socio-economic diversity of the company and surrounding district. In order to avoid the creation of elite company schools, it is critical that these schools be racially balanced and accessible to all levels of employees from executive to clerical and including contractor employees.

Third, the experience of Florida and California show that work-site satellite schools that maintain close relationships with the "host" neighborhood schools are mutually beneficial: costs are kept low since the satellite shares administration with the main - or neighborhood campus, satellites can take advantage of special education and bilingual resources at the host school and the enhanced parental involvement at the satellite school can lead to increased parental participation at the neighborhood school.

Fourth, planning for these schools must make provisions to accommodate changes in corporate management structures (mergers, takeovers, large-scale downsizing) with the least possible disruption to students and teachers in the satellite school.

II. Funding Issues

The budget will include tax credits for businesses that provide school facilities to be used as work-site satellite schools: two options on the structure of those credits are described below. The FY 2000 budget will also include \$20 million for grants to be distributed to local school districts for planning and start-up costs.

A. Tax Credits for Business

Businesses that **provide facilities for use as a public school or operate existing facilities will be eligible for a tax credit covering 25% of qualified costs, not to exceed \$150,000 per year.¹ Qualified costs include: the value of property that the business has built, leased, or donated for use as a public school. In order to be eligible for this credit the work-site school must be open to children of all employees of the company (or contractor of that company), allow students from surrounding districts to fill remaining slots in school and allow all students to complete the academic year regardless of changes in their parents employment. Businesses that provide the school facility as part of a consortium will also be eligible for this credit.²**

There are two options for how this credit would be distributed:

**(1) Credit available to all business that request credit and have qualified costs:
Under this option, any business providing facilities for a work-site school, that met the above criteria, would be eligible for a 25% credit of qualified costs up to**

¹Modeled on the tax credit for businesses that provide daycare facilities. The cost was estimated at \$500 million over 5 years. This would presumably cost less because there are far fewer businesses with work-site schools, as compared to those with daycare centers.

² (We are still determining how this would work, but each business would probably be eligible for its pro rata share of the first \$150,000 in qualified expenses.)

\$150,000.

Pros:

-Growth is not limited. Incentive is provided for as many businesses as are interested.

-Doesn't require new administrative mechanism, businesses that are eligible simply take the credit as part of their tax filing.

Cons:

-It is difficult to predict the likely number of participants and, therefore, estimate the cost of this proposal.

(2) Credits available to a limited number of businesses (up to 1,000 in 5 years):

Under this option, a limited number of business that provide facilities for a work-site school, that met the criteria above, would be eligible for the 25% credit of qualified costs up to \$150,000. In year 1 up to 60 businesses would be able to take this credit. In subsequent years, the limits would be as follows: Year 2 - 120; Year 3 - 240; Year 4 - 480; Year 5 - 1,000.

Pros:

-It is easy to calculate the cost of providing this credit because the maximum number of applicants is known.

Cons:

-Puts limits on what could be a very popular initiative.

-An agency (Ed/Treasury) would have to develop mechanism to distribute the credits.

B. Planning Grants

Grants of up to \$500,000 will be distributed competitively to 20-40 school districts. These grants will support planning and start-up activities for the development of work-site satellite schools, including: **staff training, coordination between the district, employers, work-site and neighborhood host schools**, and coordination between districts for satellite schools drawing students from multiple districts, staff planning with businesses on changes to facilities prior to service as public school, information meeting with affected neighborhood schools and potential business partners, transfers of meal and resource (art/music) services between satellite and main host school and other start-up costs.

Grants may be used to support planning and start-up activity with businesses that agree to: (1) provide the facility to be used; (2) make enrollment equally available to all students whose

parents work at the participating business and its contractors; (3) allow remaining spaces to be used by students in the surrounding school districts; and (4) allow all students to complete the academic year regardless of changes in their parents employment status.

School districts must also show how the school(s) will achieve a racial/ethnic balance reflective of the community it serves or within the racial/ethnic range of other public schools in the same school district.³

D. Accountability

Local districts will be required to report on the number of satellite schools created and to provide data on the achievement at satellite schools for research and evaluative purposes. Because these schools will actually be part of an existing elementary school, they should be required to follow whatever reporting requirements (including Title I assessments) that are applicable at the main campus. Any assessment information should be broken out to reflect scores at the satellite school.

³This is a requirement in Florida (which has the largest number of work-site schools). Schools report the diverse make-up of the workforce enables the work-site schools to be easily meet this requirement.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-NOV-1998 15:55:18.00

SUBJECT:

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: 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

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

TEXT:

Attorney General Gregoire just let us know that all 46 states have signed onto the tobacco deal.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-NOV-1998 15:42:27.00

SUBJECT: bullet

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.D78]MAIL493117421.326 to ASCII,
The following is a HEX DUMP:

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08F240B6F16B6038FBF6F852FFA7D2FA8F2C0A61565D2EEB3AFD1B1546311C65AF20C06C2A2422
3B0D2133DB53FDDE369BCDD86FD5E4D97480136774D3F91006515BC2DEB366B852EFE2998EAE41

Tobacco -- State Tobacco Settlement: Christine Gregoire has reported to us that all 46 states agreed to the proposed tobacco settlement by today's noon deadline. Several states apparently waived until the end, under pressure from some health advocates. Drs. Koop and Kessler have come out strongly against the settlement, saying the public health would be better served if the states took their cases to trial. Other groups are being more pragmatic -- the American Cancer Society, for example, is now focusing its attention on working with each state to make the best use of these funds (the deal sets aside \$1.45 billion for counteradvertising and public education and \$250 million for a research foundation, but states will choose how to spend most of the remaining funds).

Crime -- Final 1997 FBI Crime Statistics: On Sunday, the FBI will release the final 1997 Uniform Crime Report (UCR), which will show crime down for the sixth year in a row. Overall crime fell 2 percent from the 1996 level, and is 7 percent lower than in 1993 -- with all regions of the country reporting declines in crime rates from 1996 levels.

(1) Violent Crime: Violent crime fell 3 percent, with all categories of violent crime declining in volume and rate between 1996 and 1997. Murder: The murder rate in 1997 hit the lowest point in 30 years. Between 1996 and 1997, the number of murders fell by an additional 7 percent -- 26 percent fewer murders than in 1993. About 77 percent of murder victims, and 90 percent of murder offenders were male. Whites were 48 percent of murder victims and 45 percent of murder offenders. Blacks were 49 percent of murder victims and 53 percent of murder offenders. Nearly half (48 percent) of murder victims knew their assailants; among female murder victims, 29 percent were killed by husbands or boyfriends. Rape: There were over 96,000 forcible rapes reported in 1997, with a decline in rate of one percent from 1996. Robbery: declined 7 percent as compared to 1996 levels. Street or highway robberies accounted for half of the nearly 500,000 robberies nationwide. Forty percent of all robberies were committed using firearms. Aggravated assaults: declined by 1 percent from the 1996 total.

(2) Property Crime. Property crime fell 2 percent between 1996 and 1997, with all categories of property crime decreasing in both volume and rate. Burglaries and larceny-theft declined by 2 percent each, motor vehicle theft declined by 3 percent, and arson offenses declined 7 percent.

(3) Hate Crime. In 1997, a total of 9,861 hate crimes were reported -- 5,898 were motivated by racial bias; 1,483 by religious bias; 1,375 by sexual-orientation bias; 1,083 by ethnic bias; 12 by disability bias; and 10 were multiple bias offenses. Crimes against persons were 70 percent of the total number of hate crimes reported. Among crimes against persons, 55 percent were intimidation, simple and aggravated assault were 26 percent and 18 percent, respectively, and murder and rape were less than 1 percent each.

(4) Juveniles. Juvenile arrests for violent crime declined for the third year in a row, dropping an 4 percent in 1997. In addition, arrests for juvenile murders dropped 16 percent between 1996 and 1997.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-NOV-1998 11:10:30.00

SUBJECT: Re: Irish Deportees

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

READ:UNKNOWN

TEXT:

Under the INA the AG does not have discretion to allow those who have been convicted of aggravated felonies to adjust their status (to become an legal permanent residents or citizens). However, the AG has wide discretion to grant stays of deportation. The Irish advocates want us to support legislation that would create an exception for these folks -- thus allowing them to become legal permanent residents or citizens.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sandra Yamin (CN=Sandra Yamin/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:20-NOV-1998 18:14:37.00

SUBJECT: TANF/SSBG one-pager

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

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

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

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

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

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

TEXT:

----- Forwarded by Sandra Yamin/OMB/EOP on 11/20/98 06:08 PM -----

From: Matthew McKearn on 11/20/98 06:03:37 PM
Record Type: Record

To: Barbara Chow/OMB/EOP@EOP, Barry White/OMB/EOP@EOP
cc: Jack A. Smalligan/OMB/EOP@EOP, Sandra Yamin/OMB/EOP@EOP, Jennifer Friedman/OMB/EOP@EOP, Anil Kakani/OMB/EOP@EOP
Subject: TANF/SSBG

Barbara--I got your message and incorporated the change. I've attached a revised version of the paper.

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

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

TEXT:

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Restoring Funding for SSBG in the President's FY 2000 Budget

OMB is recommending funding the Social Services Block Grant (SSBG) at the fully authorized level of \$2,380 million, an increase of \$471 million over the FY 1999 enacted level. Last year's President's Budget assumed a similar reduction in FY 2000. OMB proposes to offset the cost of restoring SSBG in FY 2000 by: (1) capping TANF transfers at the level set by TEA-21; and (2) advance funding a portion of the Head Start program year 2000 - 2001 budget authority in FY 2001. The cap on TANF transfers produces estimated outlay savings in FY 2000, without reducing TANF budget authority. Advance appropriating Head Start provides the budget authority needed to restore SSBG, without reducing the number of children that can be added by Head Start in FY 2000.

Need for SSBG. SSBG funds child and adult protective services, child care, family support and preservation, home-based services and special services for the disabled. It serves low-income children, families, the disabled and the elderly--individuals with significant, documented needs. The inherent flexibility of the SSBG block grant enables States to support a wide range of programs serving diverse groups of individuals. The types of services provided and groups of individuals served vary considerably among States. A wide range of groups have presented evidence that SSBG cuts will seriously restrict State efforts to serve low-income individuals.

TANF Transfers. In FY 2000 States may shift up to 10 percent of the \$16.5 billion Temporary Assistance to Needy Families (TANF) grant to SSBG for services provided to children and families below 200 percent of the poverty line. Beginning in FY 2001, TEA-21 caps the amount of funds that a State may transfer from TANF to SSBG at 4.25 percent.

During the first three quarters of FY 1998, 24 States transferred over \$600 million (3.6 percent) from TANF to SSBG. Although final transfer data will not be available until January, we estimate that total transfers could be as high as \$1 billion (6.1 percent) for FY 1998 and that in FY 2000, most States will take full advantage of the transfer authority. It is likely State transfers increased in the final quarter of FY 1998 because Appropriation Committees in both the House and Senate proposed to cap State transfers of FY 1999 TANF funds at the FY 1998 actual levels.

At Administration request, the Omnibus 1999 Appropriations Act restored the 10 percent transfer cap for FYs 1999 and 2000.

The Administration opposed capping transfers at the actual FY 1998 levels because the SSBG reduction created a void in services that TANF transfers could help fill. If we restore the SSBG reduction in FY 2000, and cap TANF transfer, we believe that the net effect would be increased service levels in SSBG.

Head Start Advance Funding. Because the TANF transfer cap provides only outlay savings, it is necessary to find additional BA savings to support the SSBG restoration. We propose to do this by reducing Head Start BA in FY 2000 by advance appropriating \$.5 billion of the FY 2000 BA in FY 2001. While this BA is needed to support program year 2000 - 2001 Head Start activities, delaying the availability of funds until the beginning of FY 2001 will have no effect on Head Start service levels. During the FY99 appropriations debate, the Senate proposed to

meet its BA shortfall by advance appropriating 29 percent of program year funds (\$1.365 billion) for Head Start after having set its program year level and thus committing the outlays for FY99. Head Start operates on a school year basis, causing a large portion of money to outlay in the second year. Because that form of advance appropriation would have no effect on outlays, HHS agreed that it would not harm program operations. The OMB proposal would advance appropriate approximately 10 percent of the total program year funds.

Automated Records Management System
Hex-Dump Conversion

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-NOV-1998 10:22:44.00

SUBJECT: FBI Statement

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

This includes a combination of EK's and BR's edits. Please have EK review one last time. Once she's okay with it, can you get this to the road for release, Laura? Thanks.

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D90]MAIL457823424.326 to ASCII,
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Statement by the President
(Embargoed until 9:00 am, Sunday, November 22, 1998)

The 1997 Uniform Crime Report released by the FBI today shows that murder, rape, robbery, assault, and even juvenile crime fell across the board last year. Serious crime has now fallen for six years in a row. With the murder rate down by more than 25 percent since I took office, and now at its lowest level in three decades, Americans are safer today than they have been in many years. Our strategy of putting more police on the beat and getting guns off the street is working. Americans have taken back their neighborhoods, and proved that rising crime and deadly violence need not be tolerated. But in far too many communities, crime remains a serious problem, and our work is far from done. We must continue the job of putting 100,000 more police on our streets, tougher laws on our books, and more effective crime prevention in our schools. With these efforts, we can keep driving down the crime rates -- and keep tipping the scales of justice in favor of law-abiding Americans.

Automated Records Management System
Hex-Dump Conversion

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-NOV-1998 18:34:20.00

SUBJECT: Complete Weekly Report 11/23

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:

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The following is a HEX DUMP:

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November 20, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed -
Elena Kagan

RE: DPC Weekly Report

Education -- GAO Report on Goals 2000: GAO issued a report on the implementation of Goals 2000, requested by Goodling, Hoekstra and Riggs. Perhaps to their surprise, GAO's findings were quite positive; GAO found that Goals 2000 funds were used by states and school districts for a wide range of reforms (e.g., developing academic standards, updating curriculum frameworks, providing professional development, technology acquisition and training) that were aligned with and supported state education reforms initiatives based on high standards. GAO reported that State officials believed that the flexible funding design in Goals 2000 helped them strengthen state and local education reform initiatives, and that a number of State officials were concerned that Congressional proposals to fold Goals 2000 into a block grant could increase the risk that the funds would not be spent on education reform.

Education -- Bingaman Proposal for Education Summit: In a speech to a conference on NAEP and NAGB, Sen. Bingaman proposed that you convene an Education Summit with the governors to mark the 10 year anniversary of the Charlottesville education summit and to again set National Education Goals. While we have not yet determined the best course of action for you to take as we approach the summit anniversary and 2000, we do not believe that another summit with the Governors will be either workable or productive. In addition, the NGA Executive Committee considered this issue at its meeting last week. We have learned that the Republican governors are not interested in associating themselves with National Education Goals or developing new one, and that Gov. Carper's plans are limited to devoting some time at the NGA Summer meeting to this topic.

Education -- Class Size Implementation: DPC staff held a series of meetings with the Washington staff of governors, mayors and other state and local education officials, and with Congressional staff. All urged that the Education Department quickly issue implementation guidance, and that the Department provide local communities with the maximum flexibility possible, consistent with the goal of reducing class size in the early grades, to deal with such issues as space and facilities limitations, difficulties of recruiting qualified teachers, and the need to effectively integrate these new funds with state and local

class size reduction initiatives. Democratic Congressional staff strongly supported this view, but also urged that we be careful not to lose our focus on reducing class size in the early grades, and that we together work to ensure that local communities hire a critical mass of new teachers for the next school year. Mr. Goodling's staff has urged the Education Department not to issue any form of guidance, on the grounds that we will not interpret provisions of law in the same way that they would, and that we do nothing to lead the field to believe that Congress has made more than a one-year commitment to this effort.

We have rejected their proposal that we not issue guidance, and have assured them that the guidance will make clear that there is at present a one-year funding commitment, and will make equally clear that we intend to press the Congress to put this program on stable, long term footing.

Education -- Rand Corporation Study of State Education Reforms.: The National Education Goals Panel released a study by the Rand Corporation of education reform strategies in North Carolina and Texas. These states were selected because they arguably are the most successful states in terms of improving student achievement overall and particularly for minority students. They had the largest average gains on NAEP reading and math assessments from 1992-1998 among all states, and had comparable gains on state achievement tests. In addition, in Texas minority students made larger gains than White students, while in North Carolina African American students improved at the same rate as White students, though Hispanic students improved at a slower rate. The study attributed success in these states to the education reform strategies that are also at the heart of your reform strategies, as incorporated in Goals 2000 and other initiatives. In particular, success in Texas and North Carolina are attributed to the states' efforts to (1) set clear, high grade-by-grade academic standards for all students, (2) measure students against these standards each year, (3) hold schools accountable for results by rewarding success and intervening in low performing districts, (4) increase local flexibility, (5) and target resources to schools with disadvantaged students. Finally, while many states have adopted similar policies, the study credits success in Texas and North Carolina to sustained political and business leadership.

Political Reform -- Gore Commission: As a result of our conversation in the Oval Office, Paul Weinstein of the DPC talked with co-chair Norm Ornstein to discuss the Gore Report. He relayed your serious concerns about the proposed reports recommendations regarding free television time for candidates for political office. Ornstein indicated he was very familiar with your views on the subject. In response to your concerns, there is a voluntary commitment by the broadcasters to provide five minutes of free TV for political discourse between 5:00 pm and 11:35 pm over the last thirty days of a campaign. While Ornstein agrees with us that the report does not go as far as it should, he feels he has pushed the broadcasting industry as far as he can without destroying the consensus of Commission members. More importantly, he believes the commitment of broadcasters to voluntary free TV time will and should be seen as a major victory -- he has indicated to us that Paul Taylor is pleased with the commitment of the broadcasters. We believe you should issue a statement on December 18, when the report is released, praising the broadcaster's commitment, challenging them to act in a timely manner, and reminding them that we will use our authority to implement the agreement if

they do not. Ornstein would like to work with the Administration and Senator McCain -- Ornstein has gotten agreement from Senator McCain to hold hearings on the report -- to insure broadcaster fulfillment of this voluntary commitment. Although the report falls short on the education front, we have taken the lead on making certain that public broadcasting will thrive in the digital era with your proposal for \$400 million to help PBS transition to digital television. In addition, the Commission report will include a critical reporting requirement on broadcasters that effectively strengthens the three hour rule agreement you secured from them in 1996.(ELENA: I put my name because I would like to get a little credit for the work I have done on this. Bruce concurs.)

Health -- Update on Embryonic Stem Cell Research Issues: On November 14, 1998, you requested your National Bioethics Advisory Commission (NBAC) to consider immediately the ethical, medical, and legal implications associated with the recently reported creation of an embryonic stem cell that was part human and part cow. After discussing the issue at their meeting in Miami this week, NBAC members agreed with you that profound ethical concerns are involved, and that any attempt to create a child by combining a human cell and a non-human egg should not be permitted. The Commission is drafting a detailed response, expected to be sent tomorrow; they are also preparing to address the broader issues associated with embryonic stem cell research in general.

Children and Families -- New Statistics on Violence Against Women: On Tuesday, November 17th, the National Institute of Justice and the Centers for Disease Control released a report which found disturbing rates of violence against women, based on the results of a nationally representative telephone of 8,000 women and 8,000 men. The report found that 52% of women surveyed had been physically assaulted in their life time (physical assault was defined to include behaviors ranging from slapping and hitting to the use of a gun). Based on these estimates, approximately 1.9 million women are physically assaulted annually in the United States. In addition, 18% of women surveyed said they experienced a completed or attempted rape at some time in their life. The report particularly highlighted the real problem of violence against girls: of the women who reported being raped at some point, 54% were under 17 years old when they were first raped -- 22% were under 12 years old, and 32% were 12 to 17 years old. Finally, the survey found that violence against women is primarily partner violence: 76% of women who were raped or physically assaulted since age 18 were assaulted by a current or former husband, cohabiting partner or date, compared with 18 percent of the men.

Children and Families -- Adoption Event: On Tuesday, you will join the First Lady for an East Room event celebrating National Adoption Month, where you will announce an executive memorandum to HHS to expand the use of the Internet as a tool to find homes for the 100,000 children waiting in foster care for adoptive homes. The memorandum will direct Shalala to report back to you with a plan to develop this national Internet-based registry. The White House event will also serve as the first-time venue for D.C. Adoption Day, an annual event in which the D.C. Superior Court finalizes a number of adoptions to mark National Adoption Month. There will be about 20 new adoptive families from D.C. at the event.

Community Empowerment -- Empowerment Zones: HUD and USDA are now reviewing 160 applications from distressed urban and rural communities for designation as one of 20 Empowerment Zones. There are applications from 42 states and the District of Columbia. Announcements will be made in late December or January.

Automated Records Management System
Hex-Dump Conversion

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-NOV-1998 16:49:12.00

SUBJECT: Title IX, single sex education

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Norma Cantu cannot be at the 11/24 meeting and strongly requests that it be put off. Is 2:00 on 11/30 OK with you?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-NOV-1998 17:59:16.00

SUBJECT: Food Safety and OMB issues

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Here are the agencies' cross cut and how they want to pitch its utility -- there are a couple of other OMB budget issues that may bump up to your level:

1. Food Safety. We've conceptualized it as a policy to create a seamless national system which the agencies are enthusiastic about. However, USDA says that if they get user fees for their budget again, the Secretary will not want to do a food safety initiative this year. (OMB is saying there will be some user fees in the passback.) The other proposed actions are: moves to encourage full adoption of the model Food Code for restaurants; developing performance standards for food service workers; and legislation that will give USDA the authority to issue mandatory recalls and impose civil penalties for unsafe meat and poultry.

2. Equal Pay. We asked for \$30 million. OMB sources say they want to keep focusing on reducing the backlog of cases. When pressed in a meeting with Sylvia, EEOC said if they had to choose they'd rather have the backlog reduced. I don't think \$30 million is enough to force them to choose, and that equal pay is popular enough that the Hill would add it to the on-going backlog reduction effort. I am making that argument but, if you agree, contacting folks on your level would be helpful.

3. Imported Food Reg. at FDA. I discussed with Elena the idea of doing our legislation on imported food standards as an agency regulation -- FDA thought they could get 75% done without a bill. Schultz at FDA now feels that Senator Collins is sympathetic to this as a bill, doesn't want to alienate Collins, and would rather try and get it as a bill. Should we push him?

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

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President's Food Safety Initiative

Joint Budget Submission

FY 2000

Department Of Health And Human Services

and

Department Of Agriculture



Automated Records Management System
Hex-Dump Conversion

PRESIDENT'S FOOD SAFETY INITIATIVE
FY 2000 Budget Request
Executive Summary

Introduction

This document represents a joint effort among CDC, FDA, and USDA to coordinate agency budget requests for the President's Food Safety Initiative. The document is structured as follows: A) An Executive Summary that provides an overview of the importance of this initiative, highlights major accomplishments to date, including establishment of the President's Council on Food Safety, and summarizes the fiscal year 2000 budget requests for each agency. It also highlights the three integrated components essential for a strong and effective food safety system: 1) sustained progress toward a seamless, science-based food safety system; 2) enhanced public health surveillance, and increased speed and efficiency in responding to outbreaks of foodborne illness; and 3) greater emphasis on the control of foodborne hazards in the pre-harvest phase of the farm-to-table continuum; B) An integrated budget table showing dollars for fiscal years 1998, 1999, and 2000, by agency, and by food safety category (surveillance, coordination, inspections, education, research, and risk assessment); and C) Narrative descriptions of activities planned with the requested funding for fiscal year 2000, including specific budget tables for each.

Overview

For the third consecutive year, the Department of Health and Human Services (HHS) and the Department of Agriculture (USDA) have coordinated a multi-agency effort to protect the health of the American public by improving the safety of the Nation's food supply. Through joint planning, agencies can maximize the use of their resources and achieve the greatest improvements in food safety. This process began with the May 1997 report to the President, entitled, Food Safety from Farm-to-Table: A National Food Safety Initiative. The report recognized foodborne illness as an emerging public health hazard that required aggressive government action, identified critical gaps in the food safety system for controlling or eliminating foodborne pathogens from the food supply, and proposed a strategy for closing those gaps.

The 1998 and 1999 budgets included additional funding to address the need for critical new investment in the food safety system as identified in the May 1997 report. The 1998 budget initiative brought much-needed new resources to enhance surveillance of foodborne disease and outbreaks and better coordinate our response to outbreaks, improve inspections and compliance, target important new research and risk assessment to critical scientific gaps, and expand education and training especially of those who handle food at critical points from the retail setting to the home.

Also, in 1998 the President's Council on Food Safety and the Joint Institute for Food Safety Research were created through two Executive Orders to develop strategic plans for coordinating food safety activities. The Secretaries of HHS and USDA play a major role in both of these organizations.

The 1999 initiative builds on gains made in these areas, and places increased emphasis on ensuring the safety of domestic and imported fresh produce and imported foods; targets retail food safety education; transforms traditional meat and poultry inspection systems to science-based HACCP systems; and develops scientific information and tools to control a greater range of food safety hazards. These activities have laid the foundation for building a strong, scientific base for a farm-to-table food safety system that protects public health by monitoring and addressing a broad range of food safety hazards.

For the 2000 budget, the agencies are requesting an increase of \$86.2 million of the fiscal year 1999 President's Budget for the Food Safety Initiative. These funds will be used to build on the foundation established in 1998 and 1999 and will target resources to: (1) further develop a nationally integrated food safety system by expanding and strengthening the partnership between Federal, state, and local agencies; (2) continue enhancing surveillance for foodborne diseases and increasing the speed and efficiency of responses to outbreaks of foodborne illness; and, (3) put greater emphasis on the control of foodborne hazards in the pre-harvest phase of the farm-to-table continuum. Only through continued investment can the Administration realize the President's goal of establishing a seamless, science-based food safety system.

President's Council on Food Safety

Through the ongoing process of working together under the President's Food Safety Initiative, the agencies (FDA, CDC of HHS, USDA, and EPA) have identified new opportunities to improve food safety, avoid duplication, and leverage agency resources. This process will be greatly enhanced by the President's Council on Food Safety (the Council) and the Joint Institute for Food Safety Research (JIFSR). By creating the Council and JIFSR, the President has re-emphasized the importance of establishing a seamless, science-based food safety system. This represents an efficient and effective way to ensure the implementation of a farm-to-table food safety strategy that reduces the level of foodborne illness in the most effective way possible. The definition of an effective system is embodied in the principles and goals of the Food Safety Initiative and the mission statement of the Council:

“One that is based on an integrated system of government regulatory oversight; operated in collaboration with the industry and public; based on the best knowledge of risk and its mitigation that current science can provide; that keeps the numbers of injuries and illnesses from food as low as feasible.”

This vision also reflects the findings from the National Academy of Sciences (NAS) report "Ensuring Safe Food from Production to Consumption," that an effective food safety system is an interdependent system composed of Government agencies at all levels, as well as other stakeholders. NAS found that the successful integrated operation of a food safety system requires officials at all levels of Government to work together in support of common goals of a science-based system.

Throughout 1999, the Council will work to meet the President's goal of developing a comprehensive food safety strategy and coordinating food safety budgets that will result in further improvements in the safety of the food supply and ensure the most effective use of Federal resources. The strategic plan will take into consideration the findings and recommendations of the NAS report and input from the public. Upon completion of its evaluation of the current food safety system, the Council will make additional recommendations on how to advance the efforts identified in the President's Food Safety Initiative.

Accomplishments to Date

In the first two years of the President's Food Safety Initiative, HHS and USDA have focused on building a strong, scientific foundation for a farm-to-table food safety system. The coordinated activities have greatly enhanced the capacities of the states and Federal government to monitor the incidence of specific foodborne diseases; rapidly respond to outbreaks of foodborne illness and prevent future outbreaks; identify foodborne hazards that pose the highest public health risks and direct resources to minimize those risks; and develop safe food practices education programs aimed at improving food safety for Americans.

Significant gains have already accrued with direct benefits to the public health:

More rapid identification of foodborne illness and containment of outbreaks

PulseNet (DNA fingerprinting) and FoodNet (monitoring of foodborne illness) together strengthen the ability of the nation's public health officials to rapidly detect and limit the health consequences of foodborne illness and make it possible to estimate more accurately the true magnitude of foodborne illness in the United States.

This technology has already been used in several instances to reduce outbreaks. PulseNet data were used several times to detect and limit the size of foodborne illness outbreaks, e.g. for alfalfa sprouts, mesclun lettuce mix, ground beef, cheese curds, and *Salmonella* Agona in cereal. While we cannot quantify the number of illnesses prevented, by identifying and stopping pathogens much earlier than we otherwise would have, we have definitely reduced the number of potential illnesses in these particular cases.

FoodNet sites were able to identify *Campylobacter* as the most common cause of foodborne disease, although it has rarely caused outbreaks of illness since the 1980s. These findings led to new interagency efforts in research and surveillance to better understand how this pathogen enters the food chain and how to control it. Within FoodNet, there are now special studies to determine which foods and behaviors are associated with *Campylobacter*, *E. coli* O157:H7, and some *Salmonella*.

PulseNet, data allowed for the rapid identification and subsequent traceback from two independent *E. coli* O157:H7 outbreaks to a common source of alfalfa sprouts in Michigan. In another incident *E. coli* O157:H7 contaminated mesclun lettuce mix implicated in illnesses in two different states was identified as having the same pathogenic fingerprint and quickly traced back to the common packer. Because of the PulseNet data FDA was able to more rapidly identify, respond, and effectively limit the extent of illness.

In Wisconsin, epidemiological and PulseNet data were used to confirm that approximately 50 cases of *E. coli* O157:H7 were attributed to cheese curds manufactured by a specific facility. Initial follow-up inspections by the state did not reveal the source of contamination. However, because DNA fingerprints of isolates from the curd matched DNA fingerprints of isolates from ill individuals, the state, with FDA, pursued the investigation at the firm and found inadequate separation of raw and pasteurized milk products. FDA is currently conducting research on cheese fermentation at the National Center for Food Safety and Technology to determine the survivability of pathogens, including *E. coli* O157:H7 in cheese.

PulseNet and epidemiological data were used to correlate *E. coli* O157:H7 outbreaks from ground beef to particular processors. USDA then did further sampling and was able to identify other processors and their products. The processors voluntarily recalled their products from the market, preventing illnesses.

PulseNet data combined with epidemiological data were able to differentiate several discrete outbreaks among multiple clusters of *E. coli* O157:H7 that occurred in June, 1998, in the Northeast United States. The majority of the clusters were associated with ground beef consumption, however, many of the clusters have an unknown vehicle and are still being investigated.

In the recent *Salmonella* Agona outbreak associated with toasted oat cereal, FoodNet detected an increase in the number of *Salmonella* Agona cases across the United States. PulseNet determined that the majority of the *Salmonella* Agona

isolates were indistinguishable and through epidemiological investigation were associated with a common vehicle. Without the FoodNet and PulseNet data, linking of the outbreaks across the U.S. and identification of the source of the pathogen would have taken far longer and been complicated by the other, non-associated *S. Agona* outbreaks at the time. With FoodNet and PulseNet, public health officials were able to quickly focus on the outbreaks associated with the cereal and its removal from the market, preventing additional illnesses.

FDA, CDC, USDA/ARS and USDA/APHIS collaborated in response to an outbreak of salmonellosis among residents of a Vermont dairy farm. This illness was caused by *Salmonella* Typhimurium DT104, a multi-resistant pathogen, on the farm and in the surrounding area. The National Antibiotic Resistance Monitoring System (NARMS) facilitated the recognition that *Salmonella* Typhimurium DT104 was widespread in the U.S. which prompted CDC to warn state health departments of its presence and provide preventive steps to minimize its spread. Expansion of NARMS under the NFSI and better coordination between the agencies provided this resource.

Collection of better, more reliable surveillance data on the occurrence and source of major foodborne disease through FoodNet, PulseNet, and the National Antimicrobial Resistance Monitoring System (NARMS), providing a baseline for measurement of public health benefits of food safety activities and improved early warning of outbreaks.

FoodNet has provided, in addition to better more reliable data about foodborne illness in the population in general, specific information about the prevalence of certain pathogens that is being used to put preventive measures in place, e.g., for *Campylobacter*.

A new tool for modeling the behavior of *Salmonella* in raw and cooked poultry products.

Systematic surveillance for antibiotic resistance in foodborne pathogens to identify new resistant strains and comparison of resistance in strains isolated from ill humans with those isolated from animals and foods.

Prevention of *Salmonella* contamination in food products from poultry with the development and commercialization of a competitive exclusion culture (CEC) to control *Salmonella* on commercial broiler farms. Advances were also made in methods to reduce *Salmonella* levels in the air with electrostatic ionization during times when birds are highly susceptible to the spread of the pathogen, such as, shortly after hatch and during an induced molt.

- A new rapid method for the detection of *E. coli* 0157:H7 which is sensitive to low numbers of bacteria, inexpensive, and user-friendly. Also, advances in irradiation technology that offers opportunities to significantly reduce pathogens in certain food commodities, which increase shelf life and maintain freshness -- all major consumer demands.
- New techniques for the rapid detection of *Campylobacter*.

Better Coordination Among Food Safety Agencies/Benefit of Faster Response to Foodborne Outbreaks

- Definition of core capacities for all state health departments for the surveillance and investigation of foodborne diseases, and efforts to assure those capacities are in place, to facilitate rapid and uniform response to outbreaks.
- Development and utilization of uniform procedures for more rapid containment of foodborne illness outbreaks. The establishment of FORCG to review and suggest improvements in actions of federal and state representatives in response to outbreaks.
- Coordination of an interagency food safety research plan for fresh produce and work on an interagency food safety research inventory and plan for all food safety research among the federal agencies developed under auspices of the Office of Science and Technology Policy.
- Foundation for a consistent, uniform approach to developing microbial risk assessment techniques in the U.S. and internationally by the Risk Assessment Consortium.
- Within the framework of the initiative, additional funds helped establish the successful working relationships for implementing FoodNet, PulseNet, NARMS, FORCG, the Risk Assessment Consortium, the Joint Institute for Food Safety Research, and the Partnership for Food Safety Education.
- Creation of the President's Council on Food Safety and the Joint Institute for Food Safety Research.

Seamless Food Safety System

- A meeting of representatives of federal food safety agencies with state and local departments of health and agriculture 50 states, Puerto Rico and the District of Columbia to develop recommendations and implementation plans for a national, integrated food safety system encompassing all levels of government.

The partnerships established under the President's Food Safety Initiative have contributed to the ability of Federal food safety agencies to leverage resources, avoid duplication, and provide the basis for an integrated and seamless food safety system. Further improvements will be made in 1999 with funds provided for the distribution of computers and technical assistance to State meat and poultry inspection programs.

Preventive Controls/Allows for Better Targeting of Resources

- Implementation of science-based preventative systems for foods associated with foodborne illness, including Hazard Analysis and Critical Control Point (HACCP) systems for seafood, meat, and poultry, voluntary Good Agricultural/Good Manufacturing Practices guidance for fresh fruits and vegetables, warning labels on fresh packaged juices, and proposed HACCP for juices.
- Enhanced State public health and regulatory laboratory capabilities, State and local epidemiologic capabilities, State inspector HACCP training, and automated systems in the 25 State meat and poultry inspection programs to ensure uniform Federal and State implementation of HACCP regulations.
- Development of rapid detection methods and technology for the control of foodborne hazards, including methods for *E. Coli* 0157:H7, a competitive exclusion spray to prevent *Salmonella* in chicks, and antimicrobial treatments for poultry.
- Completion of the first farm-to-table quantitative risk assessment for a pathogen -- *Salmonella* -- in eggs.
- A measurable decline in the prevalence of *Salmonella* contamination in pork and broiler chickens as a result of implementation of HACCP in large meat and poultry establishments.
- Research to develop fundamental knowledge of pathogens, expand available predictive microbiology models to account for additional microbiological attributes, develop food handling and preservation technologies for reducing or eliminating foodborne contamination from the farm to the table.
- Research that indicates decreased *E. coli* numbers in cattle hay. Additional studies will be conducted to determine whether feeding hay to cattle prior to slaughter will significantly reduce post harvest contamination by pathogenic *E. coli*.
- An instrument to assure levels of chlorine in disinfection water are proper.

- Better tools for understanding the basis for microbial attachment and detachment to animal carcasses.
- Research that has found naturally occurring food additives that block the attachment of *E. coli* to bovine meat tissue.
- Increased ability to detect emerging pathogen and identify relationships between animal and human isolates.
- Approval of irradiation for certain commodities, such as red meat.
- Research begun to validate the effectiveness of various interventions techniques, such as washing, antimicrobial rinses, and non-thermal processes, on pathogens in juices.

Outreach to Consumers

- These activities have already resulted in measurable, positive changes in consumer behavior with regard to food safety issues.
- Improved consumer and food service worker awareness of safe food preparation practices through the Partnership for Food Safety Education and the Food Service Training and Education Alliance, respectively.
- Increased information for producers on safe food production practices and how to reduce the risks of pathogenic organisms during production.
- Workshops that will teach farmers the principles of safe food production and how to reduce the risks of pathogenic organisms on the fruits, vegetables, meat, and poultry.
- Development of the national “Fight BAC!” campaign to promote consumer use of safe food practices.
- Life-size “BAC” character and puppets to deliver messages to adults and school age children.
- 30-second television public service announcements, New web site (www.fightbac.org) where consumers, health professionals, educators, and the media can learn the latest news about preventing foodborne illness, and information kits for supermarket consumer affairs professionals (e.g., Wegman’s) and community action groups.

- More than 100 national, state and local organizations from the public health, government, consumer and industry sectors have agreed to support the "FIGHT BAC!" campaign and disseminate educational materials. These "BAC Fighters" will maximize the campaign's national outreach and provide important links into thousands of communities nationwide.

Outreach to Industry

- A national food safety database containing educational materials and resources for use by a variety of audiences and the Food Animal Residue Avoidance Databank (FARAD). FARAD is a central and unique source of residue avoidance information for producers, veterinarians, and regulatory agencies working with food animal products.
- Created an industry/National Center for Food Safety and Technology task force on sprout safety and research plans to validate the effectiveness of interventions such as antimicrobial rinses.
- Publication of the Annual Report "FDA/USDA/CDC National Antimicrobial Susceptibility Monitoring Program- Veterinary Isolates, April 1, 1998," has provided the animal production industry with national salmonella susceptibility data from food animals. The publication of this report has initiated activities between producers, the AVMA, veterinarians and the pharmaceutical industry. Producers are increasingly aware of the food safety issues associated with antimicrobial resistance and as a result are developing studies to identify prudent and judicious antimicrobial use practices, interventions and mitigations for extant resistance in organisms of concern, and determine other husbandry practices that reduce the need for antimicrobials in food animal production. An effective response on the part of industry will ensure that drugs necessary for the treatment of food animals will remain effective longer and that foodborne pathogens will be less likely to be resistant to antimicrobials.

These accomplishment, taken as a whole, point to significant gains for public health from just this initial investment. The fiscal year 2000 request, builds upon 1998 and 1999 and seeks to establish the next segments needed for improving the overall safety of the food supply.

Progressing Toward A Seamless, Science-Based Food Safety System

Only through stronger partnerships among Federal, State and local food safety agencies can the goal of reducing foodborne illness to the fullest extent possible be realized. First, as identified in the farm-to-table strategy, steps must be taken at each point of the farm-to-table continuum where hazards can occur to improve the safety of foods. Because the States are involved in all facets of food production, Federal agencies must work closely with the various State agencies that have the authority, and the responsibility, for food safety. Second, partnerships enable food safety

agencies to use scarce resources more efficiently and to avoid duplication. Third, food safety officials are becoming increasingly more aware that one level of the farm-to-table chain affects another. For example, the requirements being set within meat and poultry plants under the HACCP rule have repercussions at the animal production level, where producers must be prepared to supply animals that meet HACCP system requirements for incoming raw materials. Fourth, distinctions between the segments of the farm-to-table chain are becoming indistinguishable. For example, many retail food operations, such as supermarkets, are now engaged in food preparation like smoking fish or roasting chickens, but are not subject to Federal inspection. For these reasons, it is clear that Federal agencies must work more closely with all involved State agencies.

From the outset of the President's Food Safety Initiative, the Administration has recognized the need for strengthening partnerships between Federal agencies and State and local public health agencies. In the first two years of the Food Safety Initiative, additional funds were provided to improve coordination between all agencies involved in the food safety system. Within the framework of the initiative, additional funds helped establish the successful working relationships for implementing FoodNet, PulseNet, NARMS, FORCG, the Risk Assessment Consortium, and the Partnership for Food Safety Education. In addition, Food Safety Initiative funds have enabled food safety agencies to provide training and materials to State and local agencies for expanding and improving their on-going inspection and compliance capabilities, food safety education efforts, and foodborne illness surveillance capabilities.

Great progress has also been made by cooperative Federal agencies in implementing HACCP systems for seafood, meat, and poultry and a comprehensive initiative for ensuring the safety of fruits and vegetables. Other efforts include the coordination of activities for ensuring the safety of food during transportation and at the retail level. These are complex issues involving numerous Federal, State, and local officials. The partnerships established and strengthened under the President's Food Safety Initiative have contributed to the ability of Federal food safety agencies to leverage resources, avoid duplication, and provide the basis for an integrated and seamless food safety system. Further improvements will be made in 1999 with funds provided for the distribution of computers and technical assistance to State meat and poultry inspection programs. Additional partnerships will be formed with the states to increase the number of high risk, non-meat and poultry, food inspections and to enhance the capabilities of states to improve food safety at the retail level.

In September, 1998, representatives of food safety agencies from of all 50 states, Puerto Rico, and the District of Columbia met with HHS and USDA in Kansas City to discuss how federal, state, and local food safety activities could be better integrated to provide a more effective and efficient food safety system. The State representatives strongly support the concept of a nationally integrated food safety system building on the current Federal-State partnerships. The 2000 budget proposal includes funds for HHS, with USDA, to accelerate their planning with the

states, including opportunities for public input, so as to be fully prepared to begin implementing such a system. To further foster progress toward a seamless, science-based food safety system, the 2000 budget includes funds to enable USDA and HHS to develop stronger ties with State food safety agencies.

USDA is currently providing the training and equipment necessary to State personnel in the 25 State meat and poultry inspection programs to assure that State programs implement meat and poultry HACCP requirements that are 'at least equal to' the Federal program of continuous inspection. Providing the 25 State meat and poultry inspection programs access to Federal computer networks will facilitate the coordination of inspection coverage between the two programs and ensure a consistent approach to inspection and an efficient allocation of resources. In addition, legislation will be proposed to authorize the Secretary of Agriculture to enter into Federal-State cooperative agreements that provide for State meat and poultry inspection programs to enforce Federal meat and poultry inspection laws and regulations with their State as part of a seamless national inspection program. Products shipped under such new Federal-State cooperative agreements would be permitted to enter interstate commerce.

Another major aspect of the 2000 budget proposal is to significantly increase HHS efforts to coordinate its Federal inspection responsibilities with State and local agencies. Through grants, contracts, and other mechanisms, FDA will utilize State-conducted inspections to increase the frequency of coverage for domestic firms. With the additional resources, HHS estimates that a combination of Federal and State inspectors will be able to reduce the existing inspection cycle from once seven years for any particular establishment to a risk-based approach that enables highest risk operations to be inspected once a year.

Encouraging the use of preventive control measures, such as HACCP and the Food Code, by the retail food industry will be the third major focus of cooperative federal-state activity. HHS and USDA, have worked, through the Conference for Food Protection (a forum for all stakeholders to have input into the code development process), with the states to promote use of safe practices in retail food operations and adoption of Food Code provisions, including HACCP. The Food Code is a model that provides scientifically sound technical and legal basis for regulating the retail segment of the food industry. It is the Federal government's best advice on a comprehensive system of regulation to ensure food in restaurants, retail food stores and institutional establishments is safe. The target audience of the Food Code is the 75 State and territorial agencies and over 3,000 local agencies directly regulating over one million retail operations. In 2000, the agencies will continue to work with and provide training, assistance, and resources to improve the safety of food products at retail.

HHS, with the assistance of USDA, will also work cooperatively with foreign governments to evaluate foreign food production and inspection systems. Under the initiative, HHS and USDA will increase the number of international arrangements for assuring food safety to facilitate the

mutual understanding of the risks associated with foreign products, exclusive of meat and poultry, and the control measures necessary to reduce those risks. FDA will also follow-up on foodborne illness outbreaks associated with imported products and work toward equivalence determinations for other countries.

Enhancing Surveillance and Increasing the Speed and Efficiency of Responses to Foodborne Illness Outbreaks

Foodborne surveillance data are critical for both USDA and HHS to define the burden of specific foodborne diseases on the public health, to detect outbreaks rapidly so they can be brought under control; and to monitor the success of long-term control measures. The 2000 budget proposal will continue to enhance surveillance, harnessing new biotechnologies and electronic communications to protect the public health. Surveillance data on foodborne diseases will continue to improve, by promoting better surveillance in all states, and by more detailed investigations through FoodNet. Collaborative epidemiologic investigations conducted in FoodNet sites will expand to include outbreaks of unknown cause, and will continue to define the principal sources, and likely control points for the major foodborne infections. PulseNet, the molecular sub-typing network, will be expanded to more pathogens providing rapid detection of outbreaks. Guidelines for its efficient use will be developed and made available. CDC is establishing the critical core capacities needed in all states to conduct surveillance of foodborne illness; the 2000 budget proposal will enhance these capacities nationwide. Foodborne outbreak reports will be made electronically. The results will then be made available quickly by tracking the trends on sources of outbreaks, the effectiveness of existing prevention measures, and the need for any new preventive controls.

As foodborne illness surveillance data becomes more timely and accurate, more outbreaks will be identified that require a rapid response, including emergency epidemiologic and traceback investigations to identify the food source. These epidemiologic investigations are critical to identify and control the source of the outbreaks rapidly, and also can provide invaluable information to prevent future outbreaks. New tools can greatly enhance these investigations. For example, PulseNet can quickly link apparently disparate outbreaks so that common sources can be identified, investigated, and controlled. We have successful examples of this in 1998 with the result that outbreaks were shortened. Most initial investigations are conducted by teams of epidemiologists, microbiologists, and sanitarians employed by local and state health departments. When needed, CDC provides additional epidemiologic and diagnostic assistance and coordination, and FDA and USDA provide technical assistance, traceback support, and implementation of emergency national control measures. Public health departments and food safety agencies at the federal, state, and local levels must have the capacity to respond rapidly and in a manner that provides consistent, high quality epidemiologic investigations to guide decision making about disease control. CDC is defining, with state partners, the critical capacities needed in all states to respond to outbreaks of foodborne illness. HHS is developing training materials to

improve the quality of efforts by the various team members in epidemiologic investigations. FORCG is in the process of refining, with States, the uniform procedures developed for all agencies to follow in coordinating outbreak investigations.

Continued enhancements to surveillance are needed because new foodborne diseases continue to be identified for which control measures remain unclear. Activities supported by the 2000 budget will continue to focus on achieving full utilization of State health laboratories, Federal food laboratories, and epidemiology departments to improve the accessibility and rapid analysis of surveillance systems now in place, and to expand the scope of these systems to be more comprehensive in the array of pathogens tracked. It will be critical to identify new and emerging foodborne contaminants, measure the risk they pose to the public, determine possible points of control, evaluate the effectiveness of prevention and control efforts, and target needed research and education efforts.

Global comparison of national surveillance data for *Salmonella* will mark the beginning of an international 'preparedness' strategy, providing early warning about potential outbreaks related to food in international trade. In another area of increasing public health concern, access to international databases linking veterinary and human databases will provide a basis for comparison that can guide strategies prolong the usefulness of antibiotics.

HHS and USDA will work with state health departments and other partners to further address the need for detailed information on the human illness impact of pathogens at varying doses. This dose-response information is critical to conduct quantitative risk assessments. Better information about the proportion of persons who become ill after eating food contaminated with different concentrations of pathogens can be obtained in several ways. Volunteer feeding trials are being conducted, as are animal model studies. Extremely useful information can also be generated in the occasional outbreak setting where the implicated food can be collected and analyzed meaningfully. Under these activities, food specimens would be collected as quickly as possible from patients with foodborne illness. These specimens would be sent immediately to appropriate laboratories for quantitative analysis to establish the concentration of the pathogen in the food.

Greater Emphasis on the Control of Foodborne Hazards in the Pre-Harvest Phase of the Farm-to-Table Continuum

In order to ensure effective control of microbiological contamination, the President's Food Safety Initiative addresses foodborne hazards throughout the farm-to-table continuum. A majority of Federal and state resources are allocated to the inspection of commercial food processors and handlers and improvement of food handling practices by consumers. In addition, a significant amount of research is aimed at developing analytical methods and prevention control programs for use in post-harvest operations.

Continued outbreaks of foodborne illness due to a variety of pathogens of fecal origin in various foods, including ground beef and other meats, poultry, eggs, and fresh fruits and vegetables, have sustained a high level of awareness among the public about the issue of food safety. Changes, such as the implementation of HACCP systems and the "Guide to Minimize Microbial Food Safety Hazards," have enhanced the awareness of the potential role of production practices in contamination of various food products. Producers of food animals, fruits, and vegetables must be much more involved in learning about opportunities to reduce the chance of contamination by pathogens of fecal origin, whether from domestic or wild animal species or human beings. This emphasis has brought more attention to management practices that will reduce the prevalence of pathogens, e.g., *Salmonella*, *E. coli*, and *Campylobacter*, as well as provide resources for educating producers on the implementation of such practices.

In 1999, the agencies will begin to address some of the producer needs under the President's Food Safety Initiative. Agencies will evaluate risk-based pathogen reduction strategies for producers and provide that information to them for use in running their operations. For 2000, a greater emphasis needs to be placed on the control of foodborne hazards in the pre-harvest phase of the overall food safety strategy. To achieve this, the 2000 budget will target additional research and risk-assessment activities to the development of effective, reliable, and cost-effective methods for controlling or eliminating pathogens in or on food products prior to harvest.

An interagency research planning process was initiated under the auspices of the Office of Science and Technology Policy. HHS and USDA accelerated research plan for fresh fruits and vegetables was developed and implemented, as were individual agency plans. All these research efforts will be coordinated by the new President's Council on Food Safety, established by Executive Order 13100 in July 1998.

Research projects supported by the 2000 budget will contribute to the development of effective methods of handling and treating poultry, swine, and cattle manure during production that prevent transmission of pathogens to agricultural lands and to crops used for human food. Control of animal production practices will also help prevent possible distribution of pathogens to crops or other animals from surface runoff and irrigation waters. For some foodborne illnesses, the causative agent is never identified. This may be due to the lack of a detection method for the pathogen or for the pathogen in the specific food. Improved detection methodologies will be developed to enable producers to monitor their production processes for contamination.

Antibiotic resistance is an important factor that must be controlled in both animal health and the use of animals and their products as foods. Research is needed to develop the knowledge to prevent the development of this antibiotic drug resistance. The development of resistant human pathogenic bacteria is closely associated with the use of antimicrobial agents in human medicine, but it is also likely that food producing animals are sources or vectors of resistant bacteria that

may be transmitted directly or indirectly to humans. Effective strategies must be devised to prevent both the emergence and the maintenance in food producing animals of pathogenic and non-pathogenic antibiotic resistant bacteria.

The interagency Risk Assessment Consortium was formed to provide a central forum for developing and using microbial risk assessment techniques, a first step toward providing uniform, standardized techniques and approaches to applying risk assessment to food safety issues. Risk assessment modeling supported by the 2000 budget for pre-harvest activities will evaluate the effects of various on-farm production practices, processing systems, and transportation systems on the contamination of food. The proposed research will result in improved information to base decisions on production practices that will result in fewer pathogens in food animals being presented for slaughter.

In support of the President's directive to ensure the safety of fruits and vegetables, a survey will be conducted of fruit and vegetable growers and packinghouse handling practices with regard to food safety. A primary use of these data would be to establish a baseline of agricultural practices related to microbial food safety and to provide a benchmark to measure future industry changes. Survey data reported by producers would inform domestic and international data users on U.S. grower food safety practices. The survey information would also be used to target specific industry educational outreach programs to increase fruit and vegetable industry awareness on microbial food safety.

Conclusion

Expected outcomes from the President's Food Safety Initiative for 2000 include a strengthened food safety foundation specifically in surveillance, inspections, research and risk assessment, education, and coordination of response to foodborne illness outbreaks. Progress will be made toward realizing the President's goal of establishing a seamless, science-based food safety system that involves all levels of government. Baselines for foodborne illness outbreaks will be established which will enable public health agencies to monitor the impact of prevention control interventions and more rapidly identify trends in emerging pathogens. Additional steps will be taken to make food inspection techniques consistent across the country, so that inspection results will be "interchangeable" among federal, state and local agencies. Risk assessment will be used to direct research, surveillance and other efforts. Research will facilitate the adoption of new methodologies for rapid identification of foodborne hazards and greater control of those hazards from farm-to-table. Educational programs will improve safe food practices and will provide necessary information to producers for responding to increased challenges for ensuring the safety of products during production.

**PRESIDENT'S FOOD SAFETY INITIATIVE
FY 2000 PROPOSAL**

<i>ACTIVITY</i>	<i>1997 Approp.</i>	<i>1998 Approp.</i>	<i>1999 Budget</i>	<i>2000 Proposal</i>	<i>Proposed Increase</i>
<i>Dollars in Thousands</i>					
<u>SURVEILLANCE:</u>					
USDA:					
Food Safety and Inspection Service	\$1,000	\$1,500	\$1,500	\$1,500	\$0
Economic Research Service	<u>32</u>	<u>32</u>	<u>285</u>	<u>285</u>	<u>0</u>
Subtotal, USDA	1,032	1,532	1,785	1,785	0
HHS:					
Food and Drug Administration Centers for Disease Control and Prevention	737	3,897	6,097	15,097	9,000
	<u>4,500</u>	<u>14,500</u>	<u>19,000</u>	<u>37,000</u>	<u>18,000</u>
Subtotal, HHS	<u>5,237</u>	<u>18,397</u>	<u>25,097</u>	<u>52,097</u>	<u>27,000</u>
Subtotal, Surveillance	6,269	19,929	26,882	53,882	27,000
<u>COORDINATION:</u>					
USDA:					
Food Safety and Inspection Service	0	0	0	1,450	1,450
HHS:					
Food and Drug Administration	<u>7,173</u>	<u>7,723</u>	<u>7,923</u>	<u>7,923</u>	<u>0</u>
Subtotal, Coordination	7,173	7,723	7,923	9,373	1,450
<u>INSPECTIONS:</u>					
USDA:					
Food Safety and Inspection Service	0	565	8,412	8,778	366
Foreign Agricultural Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>1,000</u>
Subtotal, USDA	0	565	8,412	9,778	1,366
HHS:					
Food and Drug Administration	<u>73,244</u>	<u>81,114</u>	<u>108,714</u>	<u>134,314</u>	<u>25,600</u>
Subtotal, Inspections	73,244	81,679	117,126	144,092	26,966
<i>ACTIVITY (Cont.)</i>	<i>1997 Approp.</i>	<i>1998 Approp.</i>	<i>1999 Budget</i>	<i>2000 Proposal</i>	<i>Proposed Increase</i>
<i>Dollars in Thousands</i>					

RISK ASSESSMENT:

USDA:

Agricultural Research Service	5,461	4,498	4,818	7,218	2,400
Cooperative State Research, Education, and Extension Service	145	150	1,962	1,962	0
Food Safety and Inspection Service	0	0	1,000	2,000	1,000
Economic Research Service	33	33	686	686	0
National Agricultural Statistics Service	0	0	0	2,500	2,500
Office of the Chief Economist	<u>62</u>	<u>60</u>	<u>158</u>	<u>158</u>	<u>0</u>
Subtotal, USDA	5,701	4,741	8,624	14,524	5,900

HHS:

Food and Drug Administration	<u>2,589</u>	<u>6,539</u>	<u>13,739</u>	<u>16,439</u>	<u>2,700</u>
Subtotal, Risk Assessment	8,290	11,280	22,363	30,963	8,600

EDUCATION:

USDA:

Cooperative State Research, Education, and Extension Service	2,365	2,365	7,365	8,287	922
Food Safety and Inspection Service	0	0	2,500	2,720	220
Food And Nutrition Service	0	0	2,000	2,000	0
Office of the Chief Economist	27	38	38	38	0
Economic Research Service	<u>420</u>	<u>420</u>	<u>420</u>	<u>420</u>	<u>0</u>
Subtotal, USDA	2,812	2,823	12,323	13,465	1,142

HHS:

Food and Drug Administration	4,800	6,870	10,470	15,170	4,700
Centers for Disease Control	<u>0</u>	<u>0</u>	<u>500</u>	<u>500</u>	<u>0</u>
Subtotal, HHS	4,800	6,870	10,970	15,670	4,700

Subtotal, Education	7,612	9,693	23,293	29,135	5,842
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RESEARCH:

USDA:

Agricultural Research Service	44,186	50,351	64,001	71,701	7,700
Cooperative State Research, Education, and Extension Service	3,724	6,250	10,438	12,151	1,713
Agricultural Marketing Service	<u>0</u>	<u>0</u>	<u>6,257</u>	<u>6,257</u>	<u>0</u>
Subtotal, USDA	47,910	56,601	80,696	90,109	9,413

HHS:

Food and Drug Administration	<u>20,793</u>	<u>27,193</u>	<u>36,393</u>	<u>43,293</u>	<u>6,900</u>
Subtotal, Research	68,703	83,794	117,089	133,402	16,313

TOTAL, INITIATIVE	<u>171,291</u>	<u>214,098</u>	<u>314,676</u>	<u>400,847</u>	<u>86,171</u>
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**PRESIDENT'S FOOD SAFETY INITIATIVE
FY 2000 PROPOSAL**

TOTAL INITIATIVE	<i>1997 Approp.</i>	<i>1998 Approp.</i>	<i>1999 Budget</i>	<i>1999 Enacted</i>	<i>2000 Proposal</i>	<i>Increase Over 1999 Budget</i>
<i>Dollars in Thousands</i>						
USDA:						
Agricultural Research Service	\$49,647	\$54,849	\$68,819	\$67,219	\$78,919	\$10,100
Cooperative State Research, Education, and Extension Service	6,234	8,765	19,765		22,400	2,635
Agricultural Marketing Service	0	0	6,257	24,765 a/	6,257	0
Food Safety and Inspection Service	1,000	2,065	13,412	2,831	16,448	3,036
Economic Research Service	485	485	1,391	18,352	1,391	0
Office of the Chief Economist	89	98	196	938	196	0
Foreign Agricultural Service	0	0	0	196	1,000	1,000
National Agricultural Statistics Service	0	0	0	0	2,500	2,500
Food and Consumer Service	0	0	<u>2,000</u>	0	<u>2,000</u>	<u>0</u>
<i>Subtotal, USDA</i>	57,455	66,262	111,840	116,481	131,111	19,271
HHS:						
Food and Drug Administration	109,335	133,335	183,335	158,335	232,335	48,900
Centers for Disease Control	<u>4,500</u>	<u>14,500</u>	<u>19,500</u>	<u>19,500</u>	<u>37,500</u>	<u>18,000</u>
<i>Subtotal, HHS</i>	<u>113,835</u>	<u>147,835</u>	<u>202,835</u>	<u>177,835</u>	<u>269,735</u>	<u>66,900</u>
<u>294,316</u>						
TOTAL, INITIATIVE	<u>171,290</u>	<u>214,097</u>	<u>314,675</u>	b/	<u>400,846</u>	<u>86,171</u>

a/ The Conference Report accompanying the Omnibus Appropriations Act for 1999 directs USDA to consult with the Food and Drug Administration regarding food safety research objectives of the agency and recommends that \$5.0 million of the funds provided to USDA for the food safety component of the National Research Initiative be used to meet those needs.

b/ The Conference Report accompanying the Omnibus Appropriations Act for 1999 (the Act) identifies the funding increases for activities identified under the President's Food Safety Initiative. The agencies are currently evaluating the Act to determine the final allocation of funds to support the various activities of the Initiative.

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FY 2000 Activities

Surveillance - FY 2000 Budget Request

FoodNet, PulseNet, and other improvements in national epidemiologic capacity funded by FSI funds in FY 1998 and 1999 are beginning to provide better, more reliable information about foodborne illnesses and outbreaks. Federal and state public health officials are now using this data to trace the causative agent of outbreaks back to the source. In FY 2000, these surveillance mechanisms will have established a baseline that will be used by the food safety agencies to identify outbreaks, evaluate the effect of interventions to reduce the number of illnesses, and to identify illnesses caused by emerging pathogens.

Increased reliability of FoodNet data will result in an increased number of foodborne outbreaks being identified. This will trigger an increase in the number of epidemiologic outbreak and traceback investigations that must be conducted to determine the source of the contamination and facilitate its removal from the marketplace. The capacity of state health departments to identify outbreaks and determine the pathogen involved will be expanded and enhanced to accommodate the increase. FY 2000 activities will continue to focus on achieving full capacity for state health laboratories, accessibility of surveillance systems now in place, and expanding the scope of the systems to be more comprehensive in the array of pathogens tracked. Information generated by these activities will be used to identify new and emerging foodborne contaminants, characterize consumer risk, determine possible points of control, evaluate the effectiveness of prevention and control efforts, and target needed research and education efforts.

An increased number of state health departments will be added to the pathogen DNA-fingerprint network, PulseNet, and data on *Salmonella* Typhimurium will be added to the database (the current database contains *E. coli* O157:H7 data), greatly extending its usefulness in epidemiologic and traceback investigations. Global surveillance for Salmonellosis will mark the beginning of a 'preparedness' strategy, providing early warning to U.S. food safety officials about the existence of potential safety concerns in countries importing products into the U.S. Likewise access to international databases linking veterinary and human databases will provide forewarning of the emergence and spread of antibiotic resistance.

Coordination Strategy

CDC, USDA, and FDA participate in working groups along with state representatives, such as the FORCG and the FoodNet working group, to provide guidance and direction on surveillance activities to meet each agency's needs. These working groups coordinate planning and prioritization of work to meet the needs of each agency, identifying gaps that must be filled, resources that must be developed, and complementary work to meet these needs.

FY 2000 Activities

Communicating outbreak data to federal and state public health authorities

- CDC will implement electronic reporting of foodborne outbreaks with rapid analysis to identify unusual patterns and to disseminate this information to USDA, FDA, and others for use in food safety policy decision-making and coordinating responses to outbreaks
- FDA, working with the states, CDC, and USDA will initiate development of electronic communication and data-sharing systems for use in federal-state monitoring and traceback investigations

Tracing foodborne illness to its source

- FDA, working with the states, will provide training and resources to states to strengthen outbreak response and traceback capabilities

International foodborne illness

- CDC in collaboration with the World Health Organization and other international partners, will begin global surveillance for Salmonellosis. This information will provide another type of early warning for U.S. food safety authorities to initiate appropriate oversight measures for imported foods.

Better, more reliable foodborne illness data about an increased number of pathogens:

- CDC, with support from FDA and USDA, will expand the scope of FoodNet to improve the qualitative and quantitative database for foodborne disease, i.e., to more fully reflect the cross-section of the U.S. population and to enhance the accuracy of data generated. CDC will also expand surveillance in FoodNet to include foodborne outbreaks and outbreak investigations.
- CDC will expand PulseNet to 30 state health departments with capacity for *E. coli* O157:H7 and *Salmonella* Typhimurium subtyping and begin addition of *Salmonella* Enteritidis. PulseNet data will be fully integrated into routine surveillance.
- CDC will expand the capacity of state and local health departments to test for Norwalk-like caliciviruses and initiate a surveillance network to monitor circulation of Norwalk-like virus strains in the U.S.
- CDC will evaluate the effectiveness of an algorithm for preventing illness among persons who potentially have been exposed to food service workers infected with hepatitis A.

Antibiotic resistance

- FDA, working with CDC, will expand and increase the overall capacity of NARMS and its geographic scope to assure a higher probability of detecting emerging resistant pathogens capable of animal to human transmission and to minimize the occurrence of

foodborne outbreaks including those from outside the U.S. By increasing the number of bacterial isolates from human and animal origin in the NARMS database from 2,000 and 3,000 to 4,000 and 7,000, respectively, we will be able to increase our probability of identifying potential outbreaks.

- CDC will collaborate with USDA in working with the international community to assess feasibility of international antimicrobial resistance databases. This collaboration will facilitate international response to resistance emergence and spread of antibiotic resistance throughout the world.

Summary Budget - Surveillance

	1998 <u>Approp.</u>	1999 <u>Budget</u>	2000 Proposal	Proposed Increase
Dollars in Thousands				
SURVEILLANCE				
USDA:				
Food Safety and Inspection Service	\$1,500	\$1,500	\$1,500	\$0
Economic Research Service	<u>32</u>	<u>285</u>	<u>285</u>	<u>0</u>
Subtotal, USDA	1,532	1,785	1,785	0
HHS:				
Food and Drug Administration	3,897	6,097	15,097	9,000
Centers for Disease Control and Prevention	<u>14,500</u>	<u>19,000</u>	<u>37,000</u>	<u>18,000</u>
Subtotal, HHS	<u>18,397</u>	<u>25,097</u>	<u>52,097</u>	<u>27,000</u>
TOTAL, Surveillance	<u>19,929</u>	<u>26,882</u>	<u>53,882</u>	<u>27,000</u>

Coordination - FY 2000 Budget Request

A national, rapid, effective response to foodborne illness outbreaks requires a coordinated effort that crosses agency lines, while recognizing the unique statutory responsibilities of each federal, state, and local agency involved. This requires agreement about the roles and responsibilities of federal, state, and local public health officials and the most expeditious manner of operating within those parameters in responding to outbreaks, collecting epidemiologic data, and quickly initiating traceback investigations.

FORCG has made significant strides toward a cohesive national outbreak response system, with the development of standard, uniform procedures, for use of federal, state, and local officials in responding to outbreaks, that reduce the time between identification of an outbreak and initiation of measures to contain the outbreaks and limit the number of illnesses. Work that will continue to refine the uniform procedures and build a nationally responsive system for rapid outbreak response is an integral part of a nationally integrated food safety system.

Coordination Strategy

FORCG is the primary point of coordination between federal agencies and state representatives. In responding to outbreaks, individual agencies in FORCG have identified gaps in resources or expertise that, if filled, would greatly strengthen their contribution to coordination, rapid response and containment of the outbreak. This budget request includes funding to meet these needs.

FY 2000 Activities

- CDC will meet with international health organizations to discuss the importance, as the national and international distribution of foodstuffs increases, of why the domestic food supply needs to remain safe.
- USDA will increase the number of District Epidemiology Officers in FSIS by 10, for a total of 18, to provide coverage for an increase in the number of product recalls. Product recalls have increased from 40 in 1996 to 50 in 1997.

Summary Budget - Coordination

	1998	1999 Budget	2000	Proposed Increase
COORDINATION				
	Dollars in Thousands			
USDA:				
Food Safety and Inspection Service	\$0	\$0	\$1,450	\$1,450
HHS:				
Food and Drug Administration	7,723	7,923	7,923	0
TOTAL, Coordination	7,723	7,923	9,373	1,450

Automated Records Management System
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Preventive Controls [Improved Inspections and Compliance] - FY 2000 Budget Request

A center point of inspection activities for FDA and USDA will be assistance to states to enhance their inspection capacity and to conduct inspections to augment federal inspections, particularly to verify implementation of HACCP regulations. Training, technical assistance, and grants to the states will be used. Increase coverage and frequency of coverage of domestic firms, with the highest risk firms (those firms producing, processing, or distributing high risk products) to be inspected once per year and lower risk firms less frequently, is a primary goal of FDA. Both agencies will also continue to work to eliminate barriers to cross-utilization of inspection resources. Use of preventive control measures, such as HACCP and the Food Code, by the retail food service industry will be a major focus of cooperative federal-state activity. FDA and USDA will work with states, providing resources and training to promote adoption of the Food Code by retail food service establishments.

Emphasis on development and use of food production preventive control measures will continue with evaluations of foreign food production systems, increasing the number of state and international arrangements for assuring food safety, and working with USDA and industry to develop additional measures. Evaluations of foreign food production systems will be conducted to follow-up on foodborne illness outbreaks associated with imported products, and to assure that food products imported into the U.S. meet the level of safety as foods produced in the United States. These evaluations will also be used to verify agreements between trading partners, such as Mutual Recognition Agreements (MRAs).

Coordination Strategy

FDA and USDA will continue to work closely together in providing state and local food safety officials and industry with the training necessary to effectively use preventive controls systems, such as HACCP, and to perform inspections of HACCP systems. The agencies also have in place several working groups considering how the agencies might more effectively use their inspection resources, as well as ensure compliance in transportation and food service operations.

FY 2000 Activities

State Inspections

- FDA will expand support, training, and guidance to our state counterparts (using partnerships, contracts, and other mechanisms), state inspection of FDA-regulated high risk establishments, following FDA guidelines and procedures.
- USDA will expand special assistance to states to implement Field Automation Information Management to provide FSIS off-shelf inspection automation infrastructure to provide the automated infrastructure for FSIS off-shelf inspection that will accommodate HACCP requirements, laboratory equipment for pathogen detection required by the HACCP final rules, and HACCP training for state inspectors.

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- USDA will conduct pathogen testing on 56,000 samples of state-inspected meat and poultry products in FSIS laboratories to determine the compliance of some 2,000 state inspected establishments with pathogen reduction performance standards, and will contract for comprehensive reviews and audits of 20 state laboratories to facilitate state implementation of HACCP and to permit state-inspected meat and poultry products to enter interstate commerce.
- FDA will hire individuals with expertise in epidemiology to assist in epidemiologic and environmental assessments of foodborne outbreaks.

Retail Foods

- FDA will work with States, providing training, training funds, and equipment to aid the retail food service industry in implementing HACCP, implementing use of food safety provisions in the Food Code, and in adoption of the Food Code.
- FDA and USDA will work with states to promote adoption of the Food Code by an increased number of states.

Imports

- USDA will facilitate the collection of data on agricultural practices in the U.S., report on good agricultural production and manufacturing practices within the food sector, and support FDA field staff visits to foreign countries, primarily in Latin American, South America, and Asia, associated with the GAP/GMPs.

Preventive Control Systems

- FDA and USDA will continue to provide HACCP training/assistance and inspection training to states, as appropriate, for seafood, meat, and poultry HACCP and FDA will implement HACCP for fruit and vegetable juices.
- FDA and USDA will increase the number of MRAs, equivalency, and other international agreements. FDA will increase the number of inspections of foreign food processors from 100 to 250 and will conduct evaluations of foreign food production systems to support its arrangements.
- USDA, with FDA and in cooperation with the Risk Assessment Consortium, will conduct international risk assessment workshops and other training activities for foreign governments to facilitate understanding of the risks associated with microbial contamination on food, particularly produce, and the control measures needed to reduce incidence of foodborne illness. These workshops and training sessions will be initiated by USDA with FDA, or done in cooperation with other organizations such as the International Institute for Cooperation in Agriculture, the Food and Agriculture Organization, and/or the World Health Organization as appropriate.

Summary Budget -- Preventive Controls Inspections and Compliance

INSPECTIONS	1998 Approp.	1999 Budget	2000 Proposal	Proposed Increase
Dollars in Thousands				
USDA:				
Food Safety and Inspection Service	\$565	\$8,412	\$8,778	\$366
Foreign Agricultural Service	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>1,000</u>
Subtotal, USDA	565	8,412	9,778	1,366
HHS:				
Food and Drug Administration	<u>81,114</u>	<u>108,714</u>	<u>134,314</u>	<u>25,600</u>
TOTAL, Inspections	<u>81,679</u>	<u>117,126</u>	<u>144,092</u>	<u>26,966</u>

**Automated Records Management System
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Education - FY 2000 Budget Request

Education is at the heart of translating science (including regulatory science), and scientific advances, into readily accessible, comprehensible information for use by industry, producers, health professionals, consumers, food service operations and others to change unsafe food practices and to respond appropriately when a foodborne illness occurs. To improve case identification and disease surveillance, educational materials will be produced for clinical and food microbiologists and for public health professionals based on research conducted in FY 1998 and 1999. Retail food service operations (including fast food restaurants, vending operations, institutional feeding operations such as schools, hospitals, and nursing homes) have been reported to be the source of a substantial number of foodborne illnesses. Federal agencies will cooperate with states and industry to provide training and educational materials geared toward use of safe food practices by food service workers and implementation of the food safety provisions of the Food Code.

To minimize the occurrence of animal drug residues in edible animal tissues, education programs will be targeted to veterinarians and food animal producers on proper drug use. Educational programs will be developed to train school personnel and health professionals on methods to prevent foodborne illness.

Further evaluation of the effectiveness of the national consumer education campaign, "Fight BAC!", in changing consumer food practices will be conducted with the refinement of messages and campaign methods.

The Partnership for Food Safety Education is a powerful model for the development of other alliances to leverage available resources in implementing the education and training programs a national food safety system will demand for success. By joining the expertise of federal, state, and local authorities with industry, academia, and consumer groups, partnerships allow expanded scope of education efforts beyond what any one entity can accomplish alone and, thus, will be the mainstay of education and training efforts for a national food safety program. Training and education programs for food service workers will also be developed and implemented through a recently formed public/private partnership and will be research and science-based.

Coordination Strategy

Coordination of education programs and setting priorities for future activities occurs through such public/private partnerships as the Partnership for Food Safety Education, the Food Service Training and Education Alliance, the Seafood HACCP Alliance, as well as interagency working groups and states.

FY 2000 Activities

Retail Food Service

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- FDA, USDA, and CDC will work with other Federal agencies, states, and local agencies to implement a national education and training program to ensure greater safety in retail food preparation practices, including use of HACCP principles in retail establishments, based on the results of the pilot program initiated in FY 1999.
- FDA and USDA will, through contracts and partnerships with states, industry, and others, conduct education activities promoting use of safe food preparation, storage, and distribution practices by retail food service workers and by the food transportation industry.
- FDA will evaluate food service HACCP pilots initiated in FY 1999, expand and refine this pilot program based on the evaluations, and conduct a pilot program using the recently developed Recommended National Retail Food Regulatory Program standards. These standards were developed in conjunction with the Conference of Food Protection which includes membership from all states, and the District of Columbia, as well as representation from industry and consumer groups.
- FDA will expand behavioral research, to identify barriers for safe food preparation practices by the retail food service industry, that can help guide the design of more effective training programs and materials. USDA will develop educational programs to provide Meat and Poultry HACCP education and training to small retailers.
- FDA and USDA will continue to form and support partnerships and alliances, such as the Partnership for Food Safety Education and the Food Service Training and Education Alliance.

Animal Drug Use

- FDA will develop and expand educational partnership agreements with state and local agencies to address appropriate use of drugs in food animals and disseminate materials developed in FY 1998 and 1999 on minimizing the occurrence of drug residues in edible animal tissues.
- FDA will work with veterinary practitioners, producer groups, and veterinary medical schools to increase awareness of food safety issues related to the use of animal drugs and feeds through exhibit programs, satellite teleconferences, town hall meetings, and industry workshops.
- FDA will work cooperatively with veterinarians, producers, and other stakeholders to encourage development of recommendations on prudent use of antimicrobials and support educational strategies to encourage implementation.

Consumers

- USDA and FDA will increase efforts to integrate research and education through technology transfer (see Research) and the development of educational programs that focus

on the adoption of recommended food safety practices consistent with the current knowledge base.

- USDA, FDA, and CDC will expand educational programs for consumers that focus on the role of the consumer in ensuring and improving the safety of the nation's food supply through the Partnership for Food Safety Education and other mechanisms. Efforts to reach vulnerable segments of the population with targeted education will be expanded.

Producers

- USDA, working with FDA, will increase efforts to provide domestic fruit and vegetable growers education and outreach on how to minimize contamination of their crops and use FDA's GAP/GMP guidance for the microbial risk from fresh fruits and vegetables.
- USDA and FDA will develop educational programs for veterinarians on how to function as auditors or certifiers of best management practices for livestock production units for pathogen reduction in animals.
- USDA and FDA will develop educational programs and provide them to producers on the management systems needed to reduce or eliminate specific pathogens that can cause human illness through contamination of food products.

Health Professionals

- CDC, working with FDA, will develop appropriate education and training materials based on analysis of the FY 1999 survey results of training needs for food safety professionals at state and local environmental health agencies and begin plans for delivery of needed training.
- CDC, working with FDA and USDA, will develop and deliver standardized distance-based training on food microbiology to laboratorians in states and territorial public health laboratories to assist in identification of foodborne pathogens associated with diarrheal illness through the National Laboratory Training Network in collaboration with the Association of Public Health Laboratories.
- CDC will provide distance-based training programs in foodborne disease prevention targeted to public health nurses nationwide through the Public Health Training Network.

School Children

- CDC, FDA, and USDA will broaden the dissemination of school-based food safety education programs and include teacher enhancement programs. Much of this will be done in cooperation with the Partnership on Food Safety Education.

Summary Budget -- Education

EDUCATION	1998 Approp.	1999 Budget	2000 Proposal	Proposed Increase
	Dollars in Thousands			
USDA:				
Cooperative State Research, Education, and Extension Service	\$2,365	\$7,365	\$8,287	\$922
Food Safety and Inspection Service	0	2,500	2,720	220
Food And Nutrition Service	0	2,000	2,000	0
Office of the Chief Economist	38	38	38	0
Economic Research Service	<u>420</u>	<u>420</u>	<u>420</u>	<u>0</u>
Subtotal, USDA	2,823	12,323	13,465	1,142
HHS:				
Food and Drug Administration	6,870	10,470	15,170	4,700
Centers for Disease Control	<u>0</u>	<u>500</u>	<u>500</u>	<u>0</u>
Subtotal, HHS	6,870	<u>10,970</u>	15,670	4,700
TOTAL, Education	<u>2,693</u>	<u>23,293</u>	<u>29,135</u>	<u>5,842</u>

*Automated Records Management System
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Research - FY 2000 Budget Request

Building on the progress made in research currently underway, research in FY 2000 will focus on filling gaps in data required to support development of additional preventive control mechanisms and on the development of more, rapid detection methods. Translation of science from theory to practice will be another focus. Working with the private sector, including academia, the agencies will develop, validate, and evaluate the safety of simple techniques for consumers, retail food service establishments, and small businesses to use in enhancing food safety. Producers of food animals and fresh fruits and vegetables are increasingly aware of the role production practices play in the safety of foods and that they must be more involved in reducing the opportunity for contamination by pathogens of fecal origin, whether from domestic or wild animal species or human beings. Effective methods of handling and treating poultry, swine, and cattle manure during production will prevent transmission of pathogens to agricultural lands and to crops used for human food, and will help prevent possible distribution of pathogens to crops or other animals from surface runoff and irrigation waters.

For some foodborne illnesses, the causative agent is never identified. This may be due to the lack of a detection method for the pathogen or for the pathogen in the specific food matrix. Research will be conducted to determine the proportion of outbreaks for which the etiologic agent remains unknown and create a research base to begin identifying the agents. Development of detection methods and preventive methods for foodborne pathogens will continue. The budget request will support research to develop and assess new technologies to prevent antibiotic resistance in pathogens and to develop methods to detect resistant pathogens in milk, meat, eggs, animal feeds, feces, and the environment.

The fundamental work in areas identified as critical to improving food safety will be expanded to develop more accurate, rapid detection methods for pathogens, particularly pathogens that no methods exist for, more effective intervention strategies to control microbial contamination, determine factors underlying microbial resistance to traditional preservation techniques and modify techniques accordingly, and understand and minimize the occurrence of antibiotic resistance in pathogens. Research associated with fresh produce will continue on its accelerated schedule as described in the interagency multi-year research plan.

Coordination Strategy

All food safety research will be coordinated through the Joint Institute on Food Safety Research which, it is anticipated, will become operational October 1, 1999. USDA, FDA, and CDC will continue to work with other food safety agencies, under the auspices of the Joint Institute on Food Safety Research, to develop and implement an overall interagency research plan that will be responsive to the public health needs of the regulatory agencies and improve the efficiency and effectiveness of foodborne outbreak response.

FY 2000 Activities

Improved Detection Methods

Automated Records Management System
Hex-Dump Conversion

- USDA and FDA will collaborate to: expand method development and prevention technology research; refine methods already developed to make them more user-friendly, adaptable to field-use situations, and better able to identify specific pathogens rather than just fecal contamination, as well as develop better sampling techniques to enhance detection of pathogens that occur sporadically at low levels on food.
- CDC, FDA, and USDA will further improve diagnostic methods for *Cyclospora*, *Cryptosporidium*, or *Campylobacter* and develop methods for other newly identified human foodborne pathogens and for Norwalk-like caliciviruses to support surveillance and targeted case-control studies.
- CDC will determine the proportion of foodborne outbreaks for which the causative agent is unknown, and create a research base to begin identifying the agents.
- USDA, working with FDA, will establish culture collections of resistant and non-resistant bacterial and fungal pathogens to facilitate identification and traceback of the pathogens to their source (e.g., environment, manure, water, animal feed).
- FDA will expand its ongoing research on the development of methods for detecting foodborne pathogens in animal feeds.
- CDC will define reservoirs or external life cycles of foodborne pathogens, including the reservoir of *Cyclospora*, as a basis for devising strategies for preventing pathogen contamination at the production level.

Technology Transfer

- FDA will collaborate with other agencies and the private sector, at the National Center for Food Safety and Technology (NCFST) and the Joint Institute for Food Safety and Applied Nutrition (JIFSAN) and with academia, to translate preventive technologies and techniques developed into appropriate versions for use by small industry and consumers.
- FDA, CDC, and USDA will expand mechanisms to transfer technologies to states, small and large industry, foreign governments, consumers, and others.

Antibiotic Resistance

- USDA and FDA will determine the concentration, length of use, and other selective factors or conditions favoring the acquisition and dissemination of resistance genes among pathogens and non-pathogens in food producing animals. Basic information will be developed using chemostat model systems, on the time and dose dependency of various antibiotics that favor the emergence of resistant organisms in the gastrointestinal tract of food animal species. The dynamics of development and persistence of antimicrobial (e.g.,

antibiotic) resistance in the food animal production environment will be confirmed and used to develop detection methods and preventive strategies.

- USDA and FDA will develop technologies and controls, including competitive exclusion, that will prolong the usefulness of antibiotics for both human and animal use, and prevent food products of animal origin from being carriers of resistant organisms.
- USDA and FDA will determine how antibiotic resistance in bacteria may be transferred among different bacterial populations.
- CDC will define reservoirs or external life cycles of pathogens, including the impact of low doses of antibiotics on the spread of Shiga toxin *E. coli* O157:H7 in cattle, as a basis for devising strategies for preventing pathogen contamination (including antimicrobial resistant pathogens in food animals) at the production level.
- USDA and FDA will determine the effectiveness of best management practices interventions in the production setting related to control of antibiotic usage in food animals. This knowledge will also be used to develop educational programs for producers (see Education).
- USDA will establish culture collections of resistant and non-resistant bacterial and fungal pathogens. These resources will be used to develop molecular characterization methods to facilitate the identification of the resistant bacterial pathogens detected in food products, and the tracing of these organisms to their source (e.g., environment, manure, water, animal feed).

Pathogen Control, Reduction, and Elimination

- USDA will design effective control programs for zoonotic bacteria and parasites. This pre-harvest research will develop practical and economical pathogen reduction processes for manure from food producing animals. Different processes are needed and will be developed for each major type of animal production facility, and the processes will be suitable to farm size and manure production levels and have well-defined process parameters.
- USDA will determine how bacteria and fungi normally present on plants influence the growth and survivability of human pathogens that may be present. Data will be developed on the characteristics of fruits and vegetables, such as the presence of inhibitors of normal surface flora on fresh fruits and vegetables, associated with high quality products that resist growth of pathogens.
- USDA, through grants, will facilitate epidemiologic studies to determine risk factors in the production of livestock or fresh fruits and vegetables that are related to the presence of specific organisms in the digestive tract of animals and the subsequent shedding of these organisms in the feces. Further work will focus on the production management practices

that are determined to be most effective; field testing will be done and transfer of new methodologies facilitated through demonstration or extension efforts.

- FDA and USDA will expand research to develop technologies to control pathogens on fruits and vegetables, including proper handling procedures, rinses, and other procedures to reduce pathogen population on fresh-cut produce.

Food Handling, Distribution, and Storage

- USDA will investigate the ecology of foodborne pathogens during handling, distribution, and storage, particularly of fresh fruits and vegetables, to determine sources of contamination and factors that increase the risk of disease transmission.
- USDA will extend product contamination studies to the distribution and storage phase of the food supply, evaluate the management practices that are determined to be most effective in initial experiments by monitoring field experiments, and facilitate the transfer of new methodologies through demonstration or extension efforts.

Other

- CDC will evaluate the economic impact of foodborne illness by conducting studies to document the economic burden of foodborne illness.

Summary Budget -- Research

RESEARCH	1998 Approp.	1999 Budget	2000 Proposal	Proposed Increase
Dollars in Thousands				
USDA:				
Agricultural Research Service	\$50,351	\$64,001	\$71,701	\$7,700
Cooperative State Research, Education, and Extension Service	6,250	10,438	12,151	1,713
Agricultural Marketing Service	<u>0</u>	<u>6,257</u>	<u>6,257</u>	<u>0</u>
Subtotal, USDA	56,601	80,696	90,109	9,413
HHS:				
Food and Drug Administration	<u>27,193</u>	<u>36,393</u>	<u>43,293</u>	<u>6,900</u>
TOTAL, Research	<u>83,794</u>	<u>117,089</u>	<u>133,402</u>	<u>16,313</u>

Risk Assessment - FY 2000 Budget Request

Agencies will be conducting microbial risk assessments as a routine matter in making food safety policy decisions and prioritizing public health risks. In the pre-harvest production area, data will be generated on which to base predictive models for the risk of transmission of zoonotic pathogens through farm management systems to the presentation of the animals for slaughter and the transmission of zoonotic parasites through farm management systems, animal manure, and water run off. Work will be expanded in the collection of data about the number of microorganisms present in food associated with an outbreak and characteristics of individuals who ate the food, but did not become ill, in an effort to determine dose-response relationships for specific pathogens.

A study of production techniques used by fresh fruit and vegetable producers will produce some of the type of data needed for development of intervention technologies, as well as risk assessments to determine the need for more specific Good Agricultural/Good Manufacturing Practices guidance. Fundamental research to develop risk assessment techniques will expand as the growing use of strategies based on risk assessments alerts food safety officials to additional hazards in the food supply.

Coordination Strategy

The identification of critical information needs in risk assessment and setting methodological priorities will be coordinated through the interagency Risk Assessment Consortium formed in FY 1998.

FY 2000 Activities

Risk Assessment Consortium

- FDA, CDC, USDA and other participants, will continue to build and expand the cooperative base of the Risk Assessment Consortium to identify critical needs for development of microbial risk assessment techniques applicable to a wide range of foods and to meet the requirements of agencies participating in the consortium. The Consortium will evaluate how risk assessment can be used in priority setting, particularly for emerging pathogens.
- FDA, USDA, CDC and other participants will expand the risk assessment clearinghouse to better establish government, industry, academic partnerships.

Risk Assessments

- FDA will conduct risk assessments of priority microbiological safety concerns as a matter of routine.

- FDA will determine, based on technology transfer and research, how to most effectively integrate risk assessment into development of HACCP programs, as appropriate, for various commodities.
- FDA will increase the number of risk assessments performed for antimicrobial products as part of the pre-approval food safety evaluation from 2 to 3 per year.

Modeling

- FDA, USDA, CDC and other agencies at the Consortium will develop models suitable for answering complex questions related to food safety issues, such as evaluating the relative effectiveness of risk management options or regulatory policies.
- USDA will develop a system that will contain data banks with models for the growth rates, lag times, survival, thermal inactivation, and radiation inactivation, as appropriate for additional pathogens. For post-harvest operations, it will contain information on normal contamination levels in raw food ingredients and food composition parameters (pH, water activity and processing). For pre-harvest operations it will contain data describing risk of various food animal production and transportation practices and interventions. These data banks will be made available to other agencies.
- FDA will evaluate the effectiveness of integrating individual food production, processing, and consumption models to develop process pathway models for various foods.
- USDA and FDA will initiate studies and gather data on the incidence and number of pathogens on food producing animals at various critical stages in production and management systems. With this data the research will develop predictive models for the risk of transmission of zoonotic pathogens through farm management systems to the presentation of the animals for slaughter, and ultimately, to consumers. In addition to production practices, microbiological and animal behavioral data on various systems used for transporting swine will be generated and evaluated in relation to the subsequent contamination of the animals at slaughter. The research will also develop predictive models for the risk of transmission of zoonotic parasites through farm management systems, animal manure, and water run off.
- FDA will initiate mechanisms to transfer technologies and models developed for risk assessment to states, industry, foreign governments, and other users.

Dose-Response Assessments

- USDA will enter into cooperative agreements with 5 States to collect food specimens during investigations of foodborne disease epidemics. FDA will expand work to collect data about the level of contamination in foods associated with outbreaks and characteristics of people who ate the food but didn't become ill. Information at the local level is necessary to accurately determine the exposure to pathogens in suspect foods. USDA

specimens will be analyzed to identify and enumerate pathogens. FSIS will use this information to support selection of appropriate dose-response model forms that will be used to assist the agency in determining acceptable pathogen levels on/in regulated meat, poultry, and egg products.

Exposure Assessment

- FDA will continue to extramurally fund research that expands the scope of exposure assessment and dose-response and other types of research that feed into the development of risk assessment techniques and models.
- FDA will make available to the food safety community, through technology transfer mechanisms, user-friendly software developed for predictive microbiology and risk assessment as a result of work conducted at the Consortium.

Fruit and Vegetable Survey

- USDA will use as a base of data to establish a baseline of agricultural practices for fresh produce a FY 1999 pilot study to be conducted in California and New York, which will provide information for the final design of materials and plans. These two pilot States were chosen based on distinct differences in crops grown, growing conditions, and agricultural practices.
- USDA will conduct a statistical survey of approximately 10,000 fruit and vegetable growers, as well as fruit and vegetable packing houses, to establish a baseline for good agricultural practices as they relate to microbial food safety issues. It would be conducted in major fruit and vegetable States which account for nearly 85 percent of the nation's acreage. The survey would consist of core questions covering water, manure management, facility sanitation, worker sanitation and hygiene, and transportation practices. The survey would also include questions related to specific practices and the related cost data to allow the calculation of associated cost/benefit analyses.
- USDA will provide the statistical survey data to FDA for use in providing guidance to industry to reduce the microbial risk from fresh fruits and vegetables.

Summary Budget -- Risk Assessment

	1998 Appro.	1999 Budget	2000	Proposed Increase
Dollars in Thousands				
RISK ASSESSMENT				
USDA:				
Agricultural Research Service	\$4,498	\$4,818	\$7,218	\$2,400
Cooperative State Research, Education, and Extension Service	150	1,962	1,962	0
Food Safety and Inspection Service	0	1,000	2,000	1,000

Economic Research Service	33	686	686	0
National Agricultural Statistics Service	0	0	2,500	2,500
Office of the Chief Economist	<u>60</u>	<u>158</u>	<u>158</u>	<u>0</u>
Subtotal, USDA	4,741	8,624	14,524	5,900
HHS:				
Food and Drug Administration	<u>6,539</u>	<u>13,739</u>	<u>16,439</u>	<u>2,700</u>
TOTAL, Risk Assessment	<u>11,280</u>	<u>22,363</u>	<u>30,963</u>	<u>8,600</u>

Automated Records Management System
Hex-Dump Conversion

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Maureen T. Shea (CN=Maureen T. Shea/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:20-NOV-1998 11:30:15.00

SUBJECT: Meeting

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

TEXT:

Jenny Luray, the new director of the women's office, will start on November 30. As you probably know, she has been Rep. Lowey's legislative director. I am trying to set up a few meetings with key people for her that first week. Is there a time that would be good for you?

If you don't know her, she is terrific - and her appointment has been very well received in the women's community.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-NOV-1998 17:11:02.00

SUBJECT: Could you forward me the final version of the scheduling memo?

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

TEXT:

Also, should we add the FAA announcement? And, I assume we should take off or propose a replacement for the Dangerous Toys idea since that has been running on CNN all day today.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-NOV-1998 17:50:08.00

SUBJECT: Re: no weekly's

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

READ:UNKNOWN

TEXT:

I thought that we would put the Varmus update in next week's weekly b/c it would follow our conversation with him and would be in time to precede the actual testimony. Re Massachussetts, we do have the plan's submissions -- which have reduced (but not terrible) drug benefits, and we could do an insert. However, Kennedy's office is still trying to work out options with HHS to encourage wrap around drug benefits from either the HMOs or the Medigap market. In other words, the whole story has not been completed. Having said this, if you want a quick insert, i will do that for you. (In fact, assuming that you do, I will start one now.)

cj

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-NOV-1998 12:50:03.00

SUBJECT: Now AP says 36 states

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

More than three-quarters of
eligible states sign on to
tobacco deal

NEW YORK (AP) -- More than
three-quarters of the 46 eligible
states had agreed to the \$206 billion
tobacco deal as a deadline
approached Friday for taking a
position.

As of late morning, 36 states were
backing the proposal, including
seven that announced their support
today -- Indiana, Kansas, Virginia, South Carolina,
Georgia, Connecticut
and Maine.

The settlement calls for tobacco companies to make
payments to 46 states
over 25 years and finance antismoking programs in
exchange for resolving
remaining state claims for the cost of treating sick smo
kers.

"Quite frankly, there are many things that this
agreement accomplishes,
particularly in the public health arena, that we could
not achieve through our
lawsuit in Georgia," state Attorney General Thurbert
Baker said. Georgia
would get about \$4.8 billion over 25 years.

Maine Attorney General Andrew Ketterer announced his
state's plans and
said it would get about \$1.4 billion under the deal. In
Connecticut, Attorney
General Richard Blumenthal said the deal will mean more
money -- \$3.6
billion -- and more public health benefits than a state
lawsuit alone could
achieve.

All eyes were on Massachusetts and Maryland, two states
considered to

have strong cases and still undecided going into the final hours.

Michigan had also been in the group, but was among 11 states declaring Thursday they planned to sign the deal rather than fight on in court. No state has yet rejected the proposal.

Four states had reached settlements for a combined \$40 billion before this proposal was created.

The cigarette makers say they need a sufficient number of states to sign if they are to proceed with what would be the biggest U.S. civil settlement. The industry has declined to be more specific on how many states would constitute a sufficient number.

"I am optimistic that everyone will sign on," said Christine Gregoire, the attorney general from Washington state who led a team of eight states through five months of negotiations with four big tobacco companies.

But she told reporters in a conference call Thursday the industry "made clear to us that no one state or couple of states would have veto power over an agreement."

Other states announcing support for the settlement on Thursday were Alaska, Kentucky, Missouri, Montana, New Hampshire, New Jersey, Rhode Island, South Dakota, Tennessee and West Virginia. Washington, D.C., also announced its support late Thursday.

In exchange for payments over 25 years starting in the year 2000, the states would drop suits that had posed an enormous legal and financial threat to the tobacco industry.

In addition to paying the states, the tobacco companies will spend \$1.7 billion to study youth smoking and finance anti-smoking advertising. They will also accept curbs on marketing practices that critics say appeal to children.

Those practices include putting cartoon characters in ads, advertising on

billboards and putting cigarette brand names on shirts,
hats and other merchandise.

Anti-smoking advocates were unhappy that the deal
extracted fewer concessions from the industry than a broader \$368.5
billion agreement reached in 1997 that later died in Congress. The
American Lung Association released a copy of a letter from former U.S. Surgeon
General C. Everett Koop urging Maryland's attorney general to reject the
settlement.

But some of them felt the latest proposal was a step in
the right direction and began pushing Congress to enact legislation that would
among other things give the Food and Drug Administration authority over
cigarettes.

For state attorneys general, the choice was to take the
deal with the billions of dollars that would come with it or fight the tobacco
companies in court for a better deal while risking the chance of losing.

The companies waiting word from the states are Philip
Morris Inc., R.J. Reynolds Tobacco Co., Brown and Williamson Tobacco Corp.
and the Lorillard Tobacco Co.

In addition to the new states, the states that already
have agreed to the terms are Alabama, Arizona, Arkansas, California, Colorado,
Hawaii, Idaho, Iowa, Nebraska, New York, North Carolina, North Dakota,
Ohio, Oklahoma, Pennsylvania, Utah, Washington and Wisconsin.
States that settled earlier are Florida, Minnesota, Mississippi and
Texas.

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Bruce N. Reed
11/20/98 12:00:36 PM
Record Type: Record

To: Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP

cc:
Subject: latest: 34 of 46, incl. Conn.

States Face Tobacco Deal Deadline

By SKIP WOLLENBERG
AP Business Writer

NEW YORK (AP) -- More than two-thirds of the 46 eligible states had agreed to the \$206 billion tobacco deal as today's midday deadline approached for taking a position on the proposal.

Connecticut, Georgia, Indiana, Kansas and Maine announced their support for the settlement today, raising to 34 the total of states backing the deal.

The settlement calls for companies to make payments to 46 states over 25 years and finance antismoking programs in exchange for resolving remaining state claims for the cost of treating sick smokers.

"Quite frankly, there are many things that this agreement accomplishes, particularly in the public health arena, that we could not achieve through our lawsuit in Georgia," state Attorney General Thurbert Baker said today. Georgia would get about \$4.8 billion over 25 years.

Maine Attorney General Andrew Ketterer announced his state's plans and said it would get about \$1.4 billion under the deal.

All eyes were on Massachusetts and Maryland, two states considered to have strong cases and still undecided going into the final hours.

Michigan had also been in the group, but was among 11 states declaring Thursday they planned to sign the deal rather than fight on in court. No State has yet rejected the proposal.

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But she told reporters in a conference call Thursday the industry "made clear to us that no one state

or couple of states would have veto power over an agreement.''

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In exchange for payments over 25 years starting in the year 2000, the states would drop suits that had posed an enormous legal and financial threat to the tobacco industry.

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Those practices include putting cartoon characters in ads, advertising on billboards and putting cigarette brand names on shirts, hats and other merchandise.

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But some of them felt the latest proposal was a step in the right direction and began pushing Congress to enact legislation that would among other things give the Food and Drug Administration authority over cigarettes.

For state attorneys general, the choice was to take the deal with the billions of dollars that would come with it or fight the tobacco companies in court for a better deal while risking the chance of losing.

The companies waiting word from the states are Philip Morris Inc., R.J. Reynolds Tobacco Co., Brown and Williamson Tobacco Corp. and the Lorillard Tobacco Co.

Other states that already have agreed to the terms are Alabama, Arizona, Arkansas, California, Colorado, Hawaii, Idaho, Iowa, Nebraska, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, Utah, Washington and Wisconsin. States that settle earlier are Florida, Minnesota, Mississippi and Texas.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-NOV-1998 19:27:32.00

SUBJECT: i just did it. Oh well, your call.

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

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

TEXT:

Here you go.===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT: [ATTACH.D21]MAIL479351521.326 to ASCII,
The following is a HEX DUMP:

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Massachusetts HMO Withdrawl Drug Benefit Update. Because Senator Kennedy, Governor Cellucci, and the Department were unsuccessful at encouraging all participating Medicare HMOs to offer a comprehensive drug benefit by this past Tuesday, the HMOs chose to restructure and reduce their drug benefits to avoid adverse selection from the sickest of beneficiaries. As a result, while they will still offer drug benefits, they will no longer have comprehensive benefits that provide for open-ended coverage. Instead, they will offer extremely limited benefits with maximum pay-out provisions of between \$300 to \$800. The plans, particularly the one that ended up being the one hold-out to not joining the others who were willing to provide comprehensive coverage IF all plans did, are taking a public relations beating. However, for the short-term, they have obviously concluded the financial risks of providing better drug benefits (particularly in an environment when drug utilization trends are increasing at unprecedented levels) far outweigh any public perception problems. In the meantime, Senator Kennedy's office still holds out hope that they will be able to induce the companies to offer some additional wrap-around options to their enrollees, perhaps grandfathering just those elderly beneficiaries who had become dependent on the better benefits prior to this year's changes. We are providing Senator Kennedy's office with technical assistance and they remain appreciative of our role on this issue.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:23-NOV-1998 17:31:32.00

SUBJECT: Internet and tobacco

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

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

TEXT:

I was talking to Perrelli about the state of Florida information I'm going to send him tomorrow, and he mentioned he's coming over to discuss Internet and tobacco tomorrow. Should I try to be there?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:23-NOV-1998 14:21:14.00

SUBJECT: Maria's Deputies Meetings

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

READ:UNKNOWN

TEXT:

Maria Echaveste's office called me this morning because you were unable to make it to her 9:00 am monday Deputies meeting. They asked me if you could designate someone else (they suggested myself or Chris Jennings) to cover the meeting if you could not attend.

I advised them I would need to discuss with you. I would you like to handle? I am happy to fill in if you can't. You could just have Laura page me.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Shannon Mason (CN=Shannon Mason/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:23-NOV-1998 13:12:32.00

SUBJECT: Ag Safety Net meeting

TO: Rhonda Melton (CN=Rhonda Melton/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

TEXT:

Sally Katzen will host an Ag safety net meeting at 9:30 AM tomorrow (11/24) in Sally's office, Room 231.
Paper will be distributed later today.
Please confirm your attendance.
Thanks.