

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 044 - FOLDER -004

[02/05/1999]

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Tracy Pakulniewicz to Elena Kagan and Laura Emmett. Subject: Gift. (1 page)	02/05/1999	P6/b(6)
002. email	Tracy Pakulniewicz to Elena Kagan. Subject: Gift. (1 page)	02/05/1999	P6/b(6)
003. email	Ron Klain to Elena Kagan re: Tomorrow (1 page)	02/05/1999	P6/b(6)
004 004. email	Beverly Barnes to Elena Kagan re: MSNBC Chat with Elena, Promo Page. (1 page)	02/05/1999	P6/b(6)

COLLECTION:

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

FOLDER TITLE:

[02/05/1999]

2009-1006-F

bm93

RESTRICTION CODES

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

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

- 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]

- 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]

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.

Withdrawal/Redaction Marker

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-FEB-1999 09:23:10.00

SUBJECT: HHS Meeting

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:

Elena... I understand that we are going to put on a meeting this afternoon to discuss the HHS law suit, but that you need to hold a few discussions first. Do you have any preference for when we schedule the meeting? Also, can you send me a list of the folks you'd recommend we include? Thanks a lot. k

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-FEB-1999 09:41:21.00

SUBJECT: AP story

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

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

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

CC: Lee Ann Brackett (CN=Lee Ann Brackett/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

CC: edahl (edahl @ os.dhhs.gov @ inet [UNKNOWN])
READ:UNKNOWN

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

TEXT:

Here's the full transcript from Cuomo's speech.

It does appear the quotes were somewhat out of context. As the excerpt below shows, he talked about successes in welfare reform, challenges remaining, and then about how it had become a political issue when it went to Congress, with demonizing the victim. But, as the bold sentences show, it's possible to see how the reporter could write what she did.

Welfare reform is, welfare reform is the topic of the conference a stepping off point and I think it serves that very well. If you take welfare reform as the specific a lot of success has been achieved through welfare reform. The economy has been going great guns since then. But a lot of success has been achieved. If you look at the numbers on welfare reform, welfare rolls down 44 percent. Single women down 20 percent. Earned income for family is up. All the numbers speak of good story of success. At the same time you can see real challenges within welfare reform. The same time you have the great numbers of success, you also have more cities saying the demand for emergency services is going up. And the numbers tend to show that while there has been a reduction in the welfare rolls, those who have left were the most mobile anyway, and those that are being left on the rolls are the hardest to reach. Well the existing welfare rolls, the remaining welfare rolls are becoming more and more minority. Hispanics are now the growing, largest growing percent within the welfare population, more urban. So a great story of success on the numbers but real challenges lie ahead.

And I think the reason why welfare is an appropriate stepping, stepping off point is because it's the truth about welfare reform, and the reason it's a good metaphor for what's going on now, is welfare reform was never about a policy debate. I was on the Welfare Reform Task Force for President Clinton, believe me it had nothing to do with any form policy debate once the issue got to the United States Congress, it was a political debate. No one would say, how do we really help people on welfare. Let's design an intelligent program to move people from welfare to

work, that wasn't the discussion. It was a political discussion and we were demonizing the people on welfare. They were the enemy and this was a retaliation against the enemy. That was what welfare reform was all about, that was the engine driving it. I would like to say that this was our nation at its best, saying we want to help the people on welfare, we want to invest in the people on welfare, that was not the discussion. It was a Congress pandering to some of the worst sentiment in the American people.

And the welfare recipient was really the icon for the enemy. Welfare recipient was a metaphor for the stereotypes. You know who gets welfare those lazy welfare mothers. We're suppose to give them money so they can sit home on a couch and make babies. All the ugly mean stereotypes, that's what welfare was really about. And welfare reform then meant punish that person who has gotten away with it for too long. I would also like to say that was a unique circumstance, the debate over welfare, but it wasn't, it wasn't. That anger, that mean spiritedness is to all common. Welfare became the hot button for it. It became the vent for it, but it is there day-to-day. I would also like to be able to say well it was a problem of the Congress, elect a new Congress and we'll solve the problem, but frankly it's not that simple either, because Congress was only a mirror reflecting back what the people were showing to the Congress. We should have more leadership from a Congress, we should have more strength from the Congress. But it was a mirror, that's what the representatives gave us back, the anger that they saw coming from the American people. ===== ATTACHMENT 1 =====

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

TEXT:

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□?□"NATIONAL SUMMIT ON CHURCHES AND WELFARE REFORM

□?

□J"SECRETARY CUOMO'S SPEECH□

*Taken on the date:

"TUESDAY, FEBRUARY 2, 1999

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF THE ASSISTANT SECRETARY FOR PUBLIC AFFAIRS
451 7TH STREET, NORTHWEST, ROOM 10132
WASHINGTON, D.C. 20410
(202) 7080980\$'H&H&@□"NATIONAL SUMMIT ON CHURCHES AND WELFARE REFORM

J"SECRETARY CUOMO'S SPEECH

"TUESDAY, FEBRUARY 2, 1999

□?F□(□START OF AUDIOTAPE□)

(MUSIC)

MALE SPEAKER:□□&Good afternoon. As always there is an announcement. Many of you have asked about the audio tapes of these terrific sessions we've been having and you'll be happy to know that everything has been taped. So audio tape is

on video tape, is on sale. I am told in the recreation area, didn't know we had a recreation area, maybe registration area. And there are order forms you can

get an mail for tapes. B. J. after we spoke this morning we so impressed by the program he said maybe we can get some money from Brookings to transcribe these

things and make resources out of them, I said that's a good idea.

I'm very happy to welcome Andrew Cuomo to be with us today. We have been, we just met, sharing back behind the stage a little bit about who we are and what we

are doing. I use the English metaphor, legs, these people are legs in the neighborhoods across this country. Nonprofit organizations have good legs in the

neighborhoods and the religious community often has some of the strongest

legs. But mere people who know we are not just service providers, our vocation as religious

folk has a prophetic vocation as well. And so we want to speak

to the issues of justice and we're glad that Secretary of HUD is one who has

a sensitivity to those issues of justice. We are anxious to form more effective

working partnership with our friends in the public sector on every level, local, state and federal.

And so we are glad for this chance to meet together today

and listen to Andrew Cuomo.

Long before Andrew Cuomo became Secretary of the Department of Housing and Urban Development in 1997 he

was building affordable housing and leading urban development

movements. In fact, he was the first

Secretary in HUD's history to have

built an operative

housing development before taking office. So he knew some

thing about the job before they gave him a job. In 1986 Secretary Cuomo founded Housing Enterprise for the Less Privileged or HELP, HELP. HELP provided more than shelter from the elements, but a range of services that moved homeless people from the streets to self-sufficiency. The organization went on to become the nation's largest private provider of transitional housing for homeless people. Many people in this room spend their lives and time working with homeless people. Since 1993 the Secretary has led the way to creating a host of innovative programs dealing with community and economic development, job creation, affordable housing, and homelessness. But most important to us, most important to me is the strong commitment to encourage new partnerships with faith communities. Under Secretary Cuomo's leadership HUD more than any other agency within the Federal Government has reached to us in the faith community. Father Joe Hakula (phonetic sp.) who is an old friend of mine and many of us are a sort of our subversive agent inside the Federal Government, radical Jesuit character down here, Father. Who we've known for many years with many movements and struggles been shouldered and shouldered. Joe is involved with the Secretary and Center for Community and Interfaith Partnerships. There is now a concerted effort to recognize what we've known all along, the faith-based community organizations have for years been the heart of the cry for social justice.

So I think we are kindred spirits with you today, Mr. Secretary, and we welcome to you, this is a wonderful election of faith-based organizers, these are organizers, these are activists who do the work on the ground and on the street, and they want to partner with you as much as we can find to do that. So we welcome you and are very happy that you are with us today. Thank you.

SECRETARY CUOMO: Thank you very much. Good afternoon to all of you.
 PARTICIPANTS: Good afternoon.
 SECRETARY CUOMO: Oh, it's a better afternoon than that. It's a great afternoon, isn't it.

PARTICIPANTS:☐☐&Yes.

SECRETARY CUOMO:dd+First, Mr. Jim Wallace, God
 bless you, Jim, for everything y
 ou do and for this
 convening with more for your inspiration. You couldn't
 have
 a better individual or better call then the call
 for renewal and Jim Wallace's
 leadership at this time in
 our history. And Jim, I just want to thank you ver
 y\$'H&H&@much. Carol Finley, I've worked with her for more years
 then I choose

to remember, God bless you for organizing
 this convention and for all you do,
 Carol, thank you,
 it's a pleasure to be here. And Jim introduced our
 radical J
 esuit resident at HUD, Father Joseph Hakula,
 why don't you standup you radical
 you. Father Hakula
 is the only priest who is a political appointee of the
 Clin
 ton Administration so he very much is the radical.
 And we couldn't have him at
 a better place than HUD.

I have two basic messages for you today. First
 message is that if we're going
 to make the kind of
 projects we're going to make the Government has to
 listen a
 nd hear the message, listen and hear. There is
 a difference between listening
 and hearing when you say
 something to someone, that is listening, hearing is in

taking the words and absorbing them and acting on them.
 Government must liste
 n and hear. And the second message
 is, that ultimately it's going to be up to
 you to make
 the difference and up to you to catalyze and facilitate
 public opin
 ion and public action in your community,
 those are the two messages.

Two stories about the two messages. First on the\$'H&H&@@differences between li
 stening and hearing. For those
 who hear the (indiscernible) in the confessiona
 ls. You

know the fellow goes into the confessionals, forgive me
 Father I have
 sinned it has been six months since my
 last confession, here are my sins. Fath
 er, I stole
 lumber. Father says, you stole lumber? Yes, I've stole
 lumber, Fa
 ther. Father says, okay, two Hail Mary's, to
 Our Father's that's your penance.

The fellow leaves the
 confessional, does the penance. Next week the same
 fel

low comes back to the confessionals, forgive me
Father for I have sinned, yes.

Father I stole lumber,
stole lumber. Okay. Five Hail Mary's and five Our
Fat
her's, that's your penance. Young man leaves the
confessional, next week the y
oung man comes back,
forgive me Father for I have sinned, Father I've stolen
lu
mber. Father said, well, wait, we have a
communication problem here now. Let
me put it this way
because I have given you penance and it hasn't made a
differ
ence, do you know how to make a Novina. He says,
no Father I don't know how to
make a Novina but if you
can get the building plans I can get the lumber. The

difference between listening and hearing. Government\$'H&H&@@has to listen but
Government also has to hear a change.
The second message is ultimately it's up to you.
The story of the farmer and t
he flood. Farmer down
south is on his farm and it starts to rains. And it's
r
aining, and it's raining, and the rain is nearing
biblical proportions and the
authorities now are afraid
of floods. They come out with a large truck and the
y go
out to the farm and they say to farmer, come on get in
the truck, it's rai
ning and the word is coming from the
county they are talking about flooding and
we want to
bring you to safety. The farmer says, no, I'm a God
fearing man, I
go to church every Sunday, the Lord will
take care of it. The authorities are
frustrated but
they leave. And the rain keeps coming, the rain keeps
coming a
nd now it's about six feet deep, the water, and
the authorities come back in a
boat and they say to the
farmer, we told you, now get in the boat, the rain is
coming, the floods are coming, we'll take you to safety.
The farmer says, no,
I'm a God fearing man, I go to
church every Sunday, the Lord will take care of
me.
They say, we know that, that's nice, but get into the
boat and we'll take
you to safety. And he says, no, the\$'H&H&@@Lord will provide.
Well the rain keeps coming, the rain keeps coming
and now the farmer is standin
g on the roof of the farm
house and the water is up to the farmers neck and the

farmer has his hands above the water and everything,
 there is water, just his
 head is above the water. And
 he's looking up and out of the clouds appears a
 h
 elicopter and the helicopter throws down a rope and
 they say to the farmer, gra
 b the rope we can still save
 you, it's not too late, grab the rope. And the fa
 rmer
 looks up, he says, no, I'm a God fearing man, I go to
 church every Sunday,
 the Lord will take care of me.
 They said, grab the rope for crying out loud,
 he says,
 no.
 Next scene the farmer is at the pearly gates of
 heaven. And he meets our Lord
 and the farmer says,
 Lord, I'm a little confused, I was a God fearing man, I
 we
 nt to church every Sunday, I thought you would take
 care of me, what happened?
 Our Lord look back and said,
 you're confused, I'm confused. I sent a truck, I
 sent a
 boat, I sent a helicopter. Ultimately it's up to you.
 Those two stori
 es in mind, let me make a couple of\$ 'H&H&@@points and see if there is any poss
 ible relevance to
 them.
 Welfare reform is, welfare reform is the topic of
 the conference a stepping off
 point and I think it
 serves that very well. If you take welfare reform as
 the
 specific a lot of success has been achieved through
 welfare reform. The econo
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the existing welfare rolls, the remaining welfare rolls are becoming more and more minority. Hispanics are now the growing, largest growing percent within the welfare\$ 'H&H&@population, more urban. So a great story of success on the numbers but real challenges lie ahead. And I think the reason why welfare is an appropriate stepping, stepping off point is because it's the truth about welfare reform, and the reason it's a good metaphor for what's going on now, is welfare reform was never about a policy debate. I was on the Welfare Reform Task Force for President Clinton, believe me it had nothing to do with any form policy debate once the issue got to the United States Congress, it was a political debate. No one would say, how do we really help people on welfare. Let's design an intelligent program to move people from welfare to work, that wasn't the discussion. It was a political discussion and we were demonizing the people on welfare. They were the enemy and this was a retaliation against the enemy. That was what welfare reform was all about, that was the engine driving it. I would like to say that this was our nation at its best, saying we want to help the people on welfare, we want to invest in the people on welfare, that was not the discussion. It was a Congress pandering to some of the worst sentiment in the American\$ 'H&H&@people. And the welfare recipient was really the icon for the enemy. Welfare recipient was a metaphor for the stereotypes. You know who gets welfare those lazy welfare are mothers. We're suppose to give them money so they can sit home on a couch and make babies. All the ugly mean stereotypes, that's what welfare was really about. And welfare reform then meant punish that person who has gotten away with it for too long. I would also like to say that was a unique circumstance, the debate over welfare, but it wasn't, it wasn't. That anger, that mean spirit, that mean spirit is to all common. Welfare became the hot button for it. It became the

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ave more leadership from a
Congress, we should have more strength from the
Cong
ress. But it was a mirror, that's what the
representatives gave us back, the a
nger that they saw\$□'H&H&@@coming from the American people.
Now why the anger? Why the anger? We are
essentially a nation that believes i
n the judaic
Christian tradition. We go to church on Sunday, we go
to temple o
n Saturday and we preach one set of values,
we preach community and we preach c
ompassion and we
preach civility, but then why do we live such a
different set
of values, because that's all this thing
called Government winds up being, it's
just the common.
It is a vehicle for the common will. Why the anger,
when it
is so opposite of all the virtues we espouse.
I think it's important to understand what's driving
the anger, because unless w
e find what is causing it we
will not be able to stop it. And unless we stop i
t we
won't be able to get the progressive government to the
scale that we're go
ing to need it. Because there is no
doubt that we are doing the right things i
n communities
all across the nations. There is also no doubt that
we're not do
ing enough of it and that we have to bring
those efforts up to scale, and to br
ing those efforts up
to scale we're going to have to bring the American
people
with us. So your charge is twofold, not just to\$
'H&H&@@do the good work that
you're doing within your own
sphere, but to increase your sphere to bring more
people
to bring that political will so that Congress which is a
mirror is will
then reflect that.
Why the anger? Why the anger? Complex set of
briefs, we've been working on it
for months at HUD. One

reason I think is a sense that Government has failed.

Government tried and Government failed. And the anger is a resentment towards

Government for that failure and I'm not going to have Government try again because it

failed once before. And the truth is there is some truth to that. Gov

ernment did fail in some cases. Not across the board, it's not a total failure, but in some

cases it failed. Good intent gone awry. And we were too late as

a Government in recognizing that failure.

Where at HUD we do public housing. Talk about an icon of Government failure.

People take public housing and would use it as an illustration of this anger.

You

want more money for the HUD budget, why, so you can build more public housi

ng. You know what public housing

did, we had a nice neighborhood, everything was fine,

then they came in with public housing, they built these high rises, or if you are out west or down south,

these long complexes that went on block after block.

And you took a good neighborhood and you destroyed it, and

then you crammed people into the public housing, and you made their lives wor

se, not better, and the taxpayer paid the bill. Some truth to it.

Welfare system 20 years later we said, oops, we made a mistake. We wind up the

in blaming the victim.

The Government failures were not the problem of the recipient

but the Government that designed the programs in the first place. What t

he programs really did was

disincentivized and penalized all the values and virtues

that we espouse as American citizens. Look what the programs did, disince

ntivized ownership. Public

housing, put people in the housing unit and said, it

doesn't matter how you treat the unit, doesn't matter how you maintain the un

it, rent doesn't go up, rent

doesn't go do, you can never buy it, you can never sell

it. That is an unnatural experience for us as

Americans. Disincentivize

d ownership, disincentivized

marriage it's what the welfare system did. Disinc

entivized marriage, disincentivized, disempowered the male, her wage ear

ner. And then we wound up penalizing and blaming the people who participated in the program. But the aftermath, the leftovers, American public now says public failed and I'm not so quick to reinvest.

Why else the anger? Sorry to say, but I believe racism plays a part. You look at a poor people in this nation. It's very too often, it's too often synonymous with minority people in this nation. And it's therefore someone else's problem. It's their problem, it's someone different, and racism which is very much alive and well in America then plays a role in this problem. It's about an economic selfishness. All those years we heard about a deficit, this great deficit and we couldn't afford to reach out and help anyone else. Now there is a sense that the economy is going well and people are doing well, and it's okay for me, it must be okay for everyone. And on a higher level I believe this is something I refer to as an aspiration deficit. Which is somehow we got to a place as a people where we no longer to aspire for better. We somehow say, maybe this is all it can be. Maybe this is as good as gets and we shouldn't even try to be any better as a people. An aspiration deficit. We don't even dream a bolder vision or a brighter future. It is a complacency, it is an anger which is pervasive and which is the real obstacle towards long term Government and political action.

We've got to knock down that obstacle. How do we do it? Well the truth is, we do have the answers but we're going to have to make the case. The truth is Government did make mistakes in the past, but we've learned from those mistakes and we now know the right way to do it.

We have Government programs that work because Government realizes that Government can't do it, you can do it. And the Government program that works best is the Government program that puts out its hand and says, let's do this in partnership. You community based organization, you faith based organization, we're not, this is not about an

institution that is going to be able to do this, it's
g
ing to be person to person community, the community.
Community based organizations are the vehicle for
change. Faith based organizations are the vehicle for
change. When you are going to help a person, or help a
neighbor, help a community you talk about holistic
change. Unless you can not only help the bo
dy, but also
the sole and the spirit you won't really solve the
problem.
And we know the kind of programs that we have to
have that will make a difference. We know that work
works. We know the best thing we can do is get a person
into a job, give them that pride and dignity and sense
of self that comes from
their earning and they have a
future ahead of them. We know, by the way, that
that's
all the person wanted on welfare to begin with. Welfare
reform is the
person wanted the welfare check and you
have to pull it out of their hands. I'
ve been all
across this nation, I never once have had a person come
up to me an
d say, Mr. Cuomo, do me a favor, help me get
a welfare check. Help me get a jo
b, help me get dreams,
help me get transportation, but that's what people
reall
y wanted. Get those jobs programs, get the
training, get private businesses lo
cated back into
community. Understand that you're going to have to
incentivize
the private businesses to get them back
there, otherwise they will not go. Th
at's where the Government can play a role. That's what empowerment
zones ar
e all about.
President Clinton APIC, APIC, American Private
Investment Corporation in the St
ate of the Union and
investment bank for poorer communities. We can
subsidize
development overseas. Why don't we subsidize
the Government right here at home
(indiscernible). We
know that homeownership works, homeownership works.
Givi
ng a person a stake in the community. Getting
people out of rental housing and
into ownership where
they have equity, they have control. We know that that
w
orks. And we know that partnership with faith based

and community based organizations where Government provides resources, but the community based organizations provide the programs and the initiative and the incentive, that's how it works. That has to be the formula for the future. It's not going to happen otherwise, this is not about Federal, State, and local government anymore. It's community by community, making the organizations that are there grow and blossom. That's what we are trying to do at HUD. That's what at Father Joe Hakula is all about at HUD. That's what the incentive for

community and faith based organizations are all about. Think about it, HUD today has no relationship with community based organizations. We've talked either to governments, city governments, state governments or what they call public housing authorities. But there was no venue, there is no seat at the table for community based organizations, not for profits. That was yesterday, that is not tomorrow.

You are the vehicle of tomorrow and that's what the Center for Community Based Partnerships is all about. Now we have 28 billion dollars per year in funding, 28 billion, that's billion with a "B", that is a lot of money. This year the President proposed the largest increase in the HUD budget in the past 15 years. We can make a real difference with these funds, but only if you are at the table, only if you are part of the program, part of the initiative. We have programs that can build housing, programs that can create jobs, programs that can do transportation, programs that can do welfare to work. But it's up to you, the farmer and the flood, we're there, Joe Hakula is there, we have our hand out, but let's form those partnerships and let's go forward together. And as we are building the programs let's also remember the second goal and the longer term goal, which is we're also going to have to change that public opinion. We're going to have to end the anger. We're going to have to end the apa

thy. We're going to end the complacency and let people know that we can actually solve these problems that have defined resolution for so long. We're going to have to let people know that we can do better as a nation and as a people than we are now doing. This nation is not a success where it stands today and people know it. All this talk about the economy is going great, 18 million new jobs, lowest interest, poverty down, unemployment down, all of which is true, all of which is success on one level. It does not mean we as a nation are successful. And something within people tells them that. They don't feel that we are a success. They see real problems all around them. They just have to know that it can be better than this. They have to know there is still a possibility that we can aspire to a higher place. We don't judge each other. We have never said that we are a success by the size of our bank account. We said we are a success as individuals by the way we treat one another, by what we believe, by our values. Well then it's also true we judge a nation as a whole. The DOW Jones hitting record heights doesn't mean we're a success. The stock market hitting a new high doesn't mean we're a success. Tell me how you treat one another, tell me how you live and I'll tell you whether or not you're a success. My job to visit places that it's not even close. And to the Colonias (phonetic sp.) on the Texas, Mexico borders, people live in hell holes. The (indiscernible) Greens, public housing in Chicago. People wouldn't let their poodle live in apartments that we have children living in. You go to the inner city (indiscernible) you go to the inner cities in Bedford Heights (phonetic sp.) and you see the same type of poverty, the same type of hopelessness that we saw 20 years ago. And you say, well, you know the economy is doing great in America, I don't know if you noticed 18 million new jobs. They

didn't notice and it doesn't mean anything. You could be talking about a different planet. When you have those pocket of poverty, where you have that kind of need and you have that kind of despair then you are not a success.

We pride ourselves as a nation of laws, as a nation of justice. Central to our concept we are a nation of justice. Look what they are doing in this town today in the name of justice. The United States Congress consumed with justice. They want justice, they are going to have a trial. They are going to call witnesses, they are going to take depositions to find out if we are just as a society, because they want justice with this President. That's not justice, that is not justice, that is an injustice because it is a distraction. To call that justice, that is not the justice that the bible talks about, that is not the justice the great thinkers talked about, that's not the justice that the great leaders talked about. They talked about a higher form of justice. How about economic justice, that's justice. We have the greatest economy in history on the planet but you still have one out of five children tonight sleeping in poverty. Is that your definition of justice. How about social justice. Where we've gotten to a place as a people where we can have our homeless brothers and sisters sleeping on the street, 600,000 of them, and it doesn't even phase us anymore. We've gotten to a place where it is okay, where we can now walk down the street and just walk by them and not even see them anymore. Where we've gotten to a place as a people, as a community where we'll pick up trash, we'll pick up an aluminum can to recycle before we bend down to help our brother and sister. That is not justice.

There are higher forms of justice. There is educational justice, educational justice. We said there should be justice in our education system, which is why we have two educational systems right now. We have a private education system and

eal and we can make it real. We can be better than
 we are. We have to dare to
 aspire. We have to dare to
 dream. And you have to be the prophets and the ch
 ange
 changers for that inspiration. Because if we don't
 change the American pe
 ople we will never change the
 political will and we'll never change this nation
 , it
 can't be done, people want it to be done, people want it
 to be done. You
 can see the void, you can hear the
 vacuum, just give them the hope, the sense o
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 possibility that it can be real. With that sense of
 justice that is politica
 l TNT. You put those together
 and there will be a real explosion in this natio
 n for\$'H&H&@@the better. Make it happen. Thank you very much.

(MUSIC)

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CERTIFICATE OF AGENCY

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 ertify that the forgoing transcription contains a full,
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 furnished, to the best of our ability.

CAROL J. SCHWARTZ

PRESIDENT

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OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Friday, February 5, 1999

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

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

OMB CONTACT: Melissa N. Benton
PHONE: (202)395-7887 FAX: (202)395-6148

SUBJECT: LABOR Draft Bill on Unemployment Compensation Amendments of 1999

DEADLINE: Noon Wednesday, February 10, 1999

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

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 Amendments of 1999

RESPONSE TO
 LEGISLATIVE REFERRAL
 MEMORANDUM

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

You may also respond by:

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

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

TO: Melissa N. Benton Phone: 395-7887 Fax: 395-6148
 Office of Management and Budget
 Branch-Wide Line (to reach legislative assistant): 395-7362

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

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

- _____ Concur
- _____ No Objection
- _____ No Comment
- _____ See proposed edits on pages _____

DRAFT 2/4/99

SUBTITLE D-UNEMPLOYMENT COMPENSATION AMENDMENTS OF 1999

SECTION 1. SHORT TITLE.

This subtitle may be cited as the "Unemployment Compensation Amendments of 1999".

SEC 2. AMENDMENTS TO EXTENDED BENEFIT PROGRAM.

(a) REPEAL OF CERTAIN STATE LAW REQUIREMENTS.-

(1) Section 202(a) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) is amended by striking paragraphs (3),(4),(5),(6), and (7).

(2) Subsection (c) of section 202 of such Act is repealed.

(b) ESTABLISHMENT OF MANDATORY TRIGGERS BASED ON TOTAL UNEMPLOYMENT.-

(1) Section 203(d) of such Act is amended to read as follows:

“(d) For purposes of this section--

“(1) There is a State “on” indicator for a week if --

“(A)(i) the average rate of total unemployment in such State (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all States are published before the close of the week equals or exceeds 7.5 percent, and

“(ii) the average rate of total unemployment in such State (seasonally adjusted) for the 3-month period referred to in clause (i) equals or exceeds 110 percent of such average for either (or both) of the corresponding 3-month periods ending in the two preceding calendar years;

or

“(B) the average rate of total unemployment for such State (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all States are published before the close of the week equals or exceeds 10 percent.

“(2) There is a State “off” indicator for a week unless the requirements of subparagraphs (A) or (B) of paragraph (1) are satisfied.”.

(2) Section 203(e) of such Act is amended--

(A) by amending the heading to read “DETERMINATION OF RATES OF TOTAL UNEMPLOYMENT AND INSURED UNEMPLOYMENT”, and

(B) in paragraph (1) by--

- (i) striking “subsection (d)” and inserting “subsection (f)(2)”,
- (ii) redesignating subparagraphs (A) and (B) as clauses (i) and (ii), and
- (iii) redesignating paragraph (1) as paragraph (2)(B);

(C) in paragraph (2) by--

- (i) by striking “subsection (d)” and inserting “subsection (f)(2)”, and
- (ii) by redesignating paragraph (2) as paragraph (2)(C); and

(D) by inserting the following new paragraphs (1) and (2)(A):

“(1) For purposes of this Act, determinations of the rate of total unemployment in any State for any period (and of any seasonal adjustments) shall be made by the Secretary.

“(2)(A) For purposes of subsection (f)(2), the rate of insured unemployment for any thirteen-week period shall be determined by reference to the average monthly covered employment under the State law for the first four of the most recent completed six calendar quarters.”.

(c) REQUIREMENTS FOR SUPPLEMENTAL BENEFITS DURING HIGH

UNEMPLOYMENT PERIODS.-Section 202(b)(3)(B) of such Act is amended to read as follows:

“(B) For purposes of subparagraph (A), the term “high unemployment period” means any period during which an extended benefit period would be in effect if--

“(i) section 203(d)(1)(A)(i) was applied by substituting “10 percent” for “7.5 percent”;

“(ii) section 203(d)(1)(B) was applied by substituting “12.5 percent” for “10 percent”; or

“(iii) in the event a State has enacted the indicator specified in section 203(f)(1), section 203(f)(1)(A)(i) was applied by substituting “8 percent” for “6.5 percent”.

(d) AMENDMENTS TO ALTERNATIVE TRIGGER-Section 203(f) of such Act is amended--

(1) in paragraph (1), by striking “ Effective with respect to compensation for weeks of employment beginning after March 6, 1993, the” and inserting “ In lieu of applying the indicator specified in subsection (d)(1)(A), a”;

(2) by amending paragraph (2) to read as follows:

“(2) A State may by law provide for the purpose of beginning or ending any extended period under this section that, in addition to the indicators specified in subsection (d) and paragraph (1) of this subsection, there is a State “on” indicator for a week if the rate of insured unemployment under State law for the period consisting of such week and the immediately preceding twelve weeks equals or exceeds 6 percent.”.

SEC. 3. SPECIAL DISTRIBUTIONS TO THE STATES.

Section 903(a)(3) of the Social Security Act (42 U.S.C. 1103(a)(3)) is amended--

(1) in subparagraph (A), by amending clauses (i) and (ii) to read as follows:

“(i) be subject to subparagraphs (B) and (C) to the extent such amounts are not in excess of the sum of--

“(I) \$20,000,000, plus

“(II) the amount determined by the Secretary of Labor to be the difference between--

“(aa) the amount necessary for the proper and efficient administration of the unemployment compensation program for the succeeding fiscal year (taking into account workload and other appropriate factors), and

“(bb) \$2,419,000,000;

“(ii) be subject to subparagraph (D) to the extent such amounts are in excess of the sum of subclauses (I) and (II) of clause (i).”;

(2) in subparagraph (B) by striking “(A)(i)” and inserting “(A)(i)(II)”;

(3) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(4) by inserting the following new subparagraph (B):

“(B) The Secretary of Labor shall reserve the amount specified in subparagraph (A)(i)(I) (at the close of fiscal years 1999, 2000, and 2001) to award grants to the States in fiscal years 2000, 2001, and 2002 to assist in the implementation of alternative base periods for

determining the eligibility of claimants. Such alternative base periods shall reduce the period of time between the end of the base period for a claimant and the filing of a claim for compensation.

The amounts reserved pursuant to this subparagraph shall be available to the Secretary of Labor for obligation through fiscal year 2002.”.

SEC.4. SOLVENCY REQUIREMENTS.

Section 903(b) of the Social Security Act (42 U.S.C. 1103(b)) is amended by adding the following new paragraph:

“(3)(A) If the Secretary of Labor finds that on December 31, 2001, a State has not achieved, or made substantial progress towards achieving, the solvency target established pursuant to subparagraph (B), then, subject to the limitation described in subparagraph (C), the amount available under this section for transfer to such State account for the succeeding fiscal year shall, in lieu of being so transferred, be transferred to the States meeting the requirements of this subsection. The transfers shall be made to such States based on the share of funds of each such State under subsection (a)(2), except that for purposes of this subparagraph the ratio under subsection(a)(2) shall be adjusted by excluding the wages attributable to the States failing to meet the requirements of this subparagraph.

“(B)(i) For December 31, 2001, the solvency target shall be an average high cost multiple of 1.0. For purposes of this subparagraph, the average high cost multiple represents the number of years a State could pay unemployment compensation (based on the reserve ratio of such State) if the State paid such compensation at a rate equivalent to the average benefit cost rate such State paid in the three calendar years during the

preceding 20 calendar years (or, if longer, during the period consisting of the preceding three recessions as determined by the National Bureau of Economic Research) that the benefit cost rates were the highest. For purposes of making this determination--

“(I) the term “reserve ratio” means the ratio determined by dividing the balance in the State account at the end of the calendar year by the total covered wages in the State for such year;

“(II) the term “benefit cost rate” means the rate determined by dividing the unemployment compensation paid during a calendar year by the total covered wages in the State for such year; and

“(III) the ratio and rates determined under subclauses (I) and (II) shall exclude the wages and unemployment compensation paid by employers covered under section 3309 of the Internal Revenue Code of 1986.

“(ii) For December 31, 2001, substantial progress towards achieving the solvency target shall mean that a State has reduced any difference between 1.0 and the average high cost multiple of such State (if such multiple is less than 1.0) that the Secretary found to exist on December 31, 1998, by an amount equal to or exceeding 5 percent of such difference.

“(iii) The Secretary may adjust the solvency target specified in clause (i), or the criteria for determining whether there is substantial progress towards achieving the solvency target specified in clause (ii), for States that experience significant increases in unemployment during the period between December 31, 1998 and December 31, 2001. The Secretary shall establish objective criteria for making such adjustments.

“(iv) A State shall include, as part of the annual State plan relating to the administration of grants under this title, such information as the Secretary may request relating to the manner in which the State intends to achieve the solvency target established pursuant to this paragraph.

“(C) The requirements of subparagraph (A) shall apply to excess amounts (referred to in subsection (a)(1)) remaining in the employment security account at the close of fiscal year 2002 that are equal to or less than \$2,900,000,000. Such requirements shall not apply to any such excess amounts that are greater than \$2,900,000,000.”.

SEC.5. TREATMENT OF SHORT-TIME COMPENSATION PROGRAMS.

(a) GENERAL RULE.-- Section 3306 of the Internal Revenue Code of 1986 (26 U.S.C. 3306) is amended by adding at the end thereof the following new subsection:

“(u) SHORT-TIME COMPENSATION PROGRAM.-- For purposes of this chapter, the term ‘short-time compensation program’ means a program under which--

“(1) the participation of an employer is voluntary;

“(2) an employer reduces the number of hours worked by employees in lieu of temporary layoffs;

“(3) such employees whose workweeks have been reduced by at least 10 percent are eligible for unemployment compensation;

“(4) the amount of unemployment compensation payable to any such employee is a pro rata portion of the unemployment compensation which would be payable to the employee if such employee were totally unemployed;

“(5) such employees are not required to meet the availability for work or work search test requirements while collecting short-time compensation benefits, but are required to be available for their normal workweek;

“(6) eligible employees may participate in an employer-sponsored training program to enhance job skills if such program has been approved by the State agency;

“(7) the State agency may require an employer to continue to provide health benefits and retirement benefits under a defined benefit pension plan (as defined in section 414(j)) to any employee whose workweek is reduced pursuant to the program as though the workweek of such employee had not been reduced;

“(8) the State agency may require an employer (or an employers’ association which is party to a collective bargaining agreement) to submit a written plan describing the manner in which the requirements of this subsection will be implemented and containing such other information as the Secretary of Labor determines is appropriate; and

“(9) the program meets such other requirements as the Secretary of Labor determines are appropriate.”.

(b) CONFORMING AMENDMENTS.--

(1) Subparagraph (E) of section 3304(a)(4) of such Code (26 U.S.C. 3304(a)(4)(E)) is amended to read as follows:

“(E) amounts may be withdrawn for the payment of short-time compensation under a short-time compensation program (as defined under section 3306(u));”.

(2) Paragraph (5) of section 3306(f) of such Code (26 U.S.C. 3306(f)(5)) is amended to read as follows:

“(4) amounts may be withdrawn for the payment of short-time compensation under a short-time compensation program (as defined under subsection (u));”.

(3) Section 303(a) (5) of the Social Security Act (42 U.S.C. 503(a)(5)) is amended by striking “the payment of short-time compensation under a plan approved by the Secretary of Labor” and inserting “the payment of short-time compensation under a short-time compensation program (as defined in section 3306(u) of the Internal Revenue Code of 1986).”.

SEC. 6. EFFECTIVE DATE

(a) IN GENERAL- Except as provided in subsection (b) , the provisions of this subtitle shall take effect on the date of enactment.

(b) EXTENDED BENEFIT AMENDMENTS.-

(1) Except as provided in paragraph (2), the provisions of section 2 of this subtitle shall take effect for the weeks beginning after the date that is two years after the date of enactment of this Act.

(2) Pursuant to the enactment of appropriate provisions of the State law the provisions of section 2 may take effect for weeks which begin earlier than the weeks specified in paragraph (1), but not earlier than 60 days after the enactment of this subtitle.

DRAFT 2/4/99

SECTION-BY-SECTION ANALYSIS OF SUBTITLE D
THE UNEMPLOYMENT COMPENSATION AMENDMENTS OF 1999

Section 1 provides that the short title is the "Unemployment Compensation Amendments of 1999".

Section 2 contains amendments to the Federal-State Extended Benefit (EB) program.

Section 2(a) amends the program to repeal certain special Federal requirements relating to eligibility of claimants for extended benefits. The effect of the repeal is to apply the State unemployment compensation law provisions regarding eligibility for regular compensation to the EB program.

Section 2(b) replaces the current "triggers" that result in the program taking effect in a State, which are based on the rate of insured unemployment (IUR), with triggers based on the total unemployment rate (TUR) of States. The rationale for this change is that the TUR better reflects the general labor market conditions in a State than the IUR, which is a measure limited to insured workers. Specifically, this subsection provides that a State is to trigger on the EB program if: (1) the State TUR for the most recent 3-month period equals or exceeds 7.5% and the TUR equals or exceeds 110 percent of the average TUR for either of the corresponding 3-month

periods in the two preceding years; or (2) the TUR for the most recent 3-month period equals or exceeds 10 percent.

Section 2(c) provides that during high unemployment periods in a State the EB program is to provide claimants with up to 20 weeks of extended benefits (under the regular triggers, claimants are eligible for up to 13 weeks of benefits). Currently, only claimants in States that have enacted an alternative TUR “trigger” under the program qualify for 20 weeks of benefits. This subsection therefore makes the 20-week benefit “tier” available in all States that meet the high unemployment period criteria. That criteria is defined as: (1) an average TUR for the most recent 3-month period of 10 percent (with a “lookback” requirement that such rate equal or exceed 110 percent of the rate for such period in either of the preceding two years); (2) an average TUR for the most recent 3-month period that equals or exceeds 12.5 percent; or (3) in those States that have enacted the alternative TUR trigger, an average TUR of 8 percent (with the 110 percent “lookback” for the two preceding years). This third measure is in current law.

Section 2(d) clarifies that States will continue to have the option of two alternative triggers for the EB program. The first alternative trigger is a TUR rate of 6.5 percent with 110 percent lookback (this would substitute for the 7.5 percent with the 110 percent lookback under section 2(b) of the bill). The second alternative trigger (which would be in addition to rather than in lieu of any other trigger) is an insured unemployment rate equal to or exceeding 6 percent for the previous 13-week period. (Under current law, States may add this 6 percent IUR trigger to the mandatory trigger, which is a 5 percent IUR with a two-year “lookback” of 120 percent.

Section 3 amends the Reed Act (section 903 of the Social Security Act) to facilitate full funding for the administration by the States of the unemployment compensation program for

fiscal years 2000-2002. It also provides for \$20 million in grants to the States in each of fiscal years 2000, 2001, and 2002 to assist in the implementation of alternative base periods for determining the eligibility of claimants. Under current law, most States have established the base period for determining whether a claimant has earned sufficient wages to qualify for unemployment compensation as the first four of the preceding five completed quarters. The effect of not including the more recent quarter's wages is to exclude many low-wage workers and new entrants to the workforce from eligibility. These grants are designed to assist States in voluntarily implementing a base period that will count those claimants more recent wages and thereby expand eligibility.

Specifically, section 3 amends the current Reed Act provisions that limit distributions to the States to \$100 million in fiscal years 2000-2002. This section would provide for a distribution that would equal the difference between the amount the Secretary estimates (based on workload projections and other factors) the States will need to administer the unemployment compensation program for each of the fiscal years 2000-2002 and \$2.419 billion, which was the amount requested on the discretionary side of the budget for fiscal year 2000 (after adjusting for special activities). This section also includes \$20 million in each of fiscal year 2000- 2002 to be used by the Secretary to award grants to States to assist in the implementation of alternative base periods.

Section 4 provides for the establishment of a solvency target for State accounts in the Unemployment Trust Fund.

Specifically, section 4 provides that a State is to meet, or make substantial progress in meeting, the solvency target established for December 31, 2001 in order to be eligible to receive

its share of the first \$2.9 billion in Reed Act distributions in the succeeding fiscal year (FY 2003). If a State fails to meet this requirement, its share of the distribution would be transferred to the States that meet the requirement.

For December 31, 2001 this section prescribes the solvency target as being an “average high cost multiple” of 1.0. The average high cost multiple represents the number of years a State could pay unemployment compensation (based on its “reserve ratio”) if the State paid such compensation at a specified “benefit cost rate.” The specified rate is the benefit cost rate that is the average of the three years during the previous 20 years (or, if longer, during the period consisting of the previous three recessions) in which the benefit cost rates were the highest. The “benefit cost rate” is determined by dividing the unemployment compensation paid during a calendar year by the total covered wages in the States for the same year. In essence, this formula is designed to determine whether there are sufficient funds in a State account to cover benefit payments during periods of high unemployment.

This section also prescribes what constitutes “substantial progress” towards meeting the solvency target for December 31, 2001. If by this date a State has reduced by 5 percent or more any difference between its average high cost multiple (if less than 1.0) and 1.0 that existed as of December 31, 1998, the State would be deemed to have made substantial progress and would be eligible for the fiscal year 2003 Reed Act distribution. In addition, this section provides that States are to include in the State Quality Service Plan, which is submitted pursuant to the administrative grants under this title, such information as the Secretary may request relating to the manner in which States intend to achieve the solvency target. Finally, this section provides that the solvency requirements apply to a State’s eligibility for the first \$2.9 billion in Reed Act

distributions for FY 2003, which is approximately one-half of projected total distribution for that year. The remainder would be distributed in accordance with current State eligibility requirements.

Section 5 clarifies the requirements relating to short-time compensation (worksharing) programs. Currently 18 States are carrying out such programs under which employers reduce the workweeks of employees in lieu of temporary layoffs, and the affected employees receive partial unemployment compensation for the reduction in hours. The authority for the program originated in 1982, but there has been some question as to the permissible elements of the program. This provision clarifies those elements in a manner consistent with the current State programs.

Section 6 provides that except for the amendments to the Extended Benefit program, the provisions of the subtitle will take effect on the date of enactment. The EB program changes, which require amendments to be made to State unemployment compensation laws, will take effect not later than 2 year after the date of enactment. States may implement the changes earlier than this date by enacting the necessary changes to their State laws.

DRAFT 2/4/99

**EXPLANATORY STATEMENT FOR POSSIBLE INCLUSION IN TRANSMITTAL
LETTER FOR SUBTITLE D- UNEMPLOYMENT COMPENSATION AMENDMENTS
OF 1999**

Subtitle D is entitled the "Unemployment Compensation Amendments of 1999." This legislation represents an important step toward ensuring that the unemployment compensation program fulfills its mission in today's changing economy and that it remains on a sound financial footing for the 21st Century.

The subtitle has several major components. First, the subtitle would provide incentives to States to implement administrative systems that will make the program more accessible to low-wage workers. By enhancing access for low wage workers, this proposal would assist in increasing the proportion of unemployed workers receiving unemployment compensation, which has declined from a high of 49% in the 1950s to 35% in the 1990s. This would not only strengthen the economic safety net for these workers, but would also enhance the ability of the unemployment compensation program to meet one of its major objectives -- economic stabilization. This proposal would provide \$20 million in grants to States in each of fiscal years 2000, 2001, and 2002 to voluntarily implement a base period for determining eligibility of certain claimants that takes into account the claimant's most recent earnings. Currently, most States do not include an individual's earnings from the most recent quarter in the base period, which results in excluding many low-wage workers and recent entrants to the labor market from eligibility for unemployment compensation.

Second, the subtitle would enhance the Federal-State Extended Benefit (EB) program by revising the program triggers to make extended benefits more readily available during a recession. In addition to providing important assistance to unemployed workers, this change is intended to avoid the situation that arose in the early 1990s when, despite a recession, so few States triggered on the EB program that Congress enacted five successive versions of an Emergency Unemployment Compensation program at a cost of \$28.5 billion, financed entirely at Federal expense. The proposal would use triggers based on total unemployment rates that are more responsive to rising State unemployment and more accurately reflect when it is most difficult to find work.

Third, the subtitle would encourage States to voluntarily improve the solvency of their unemployment trust fund accounts and thereby their ability to pay benefits if unemployment increases. Currently, State trust fund account balances represent a lower proportion of covered wages than in earlier periods. In the event of a recession, inadequate balances could lead to such actions by States as increasing taxes, reducing benefits, or significant borrowing of Federal funds. In order to avoid this result, the subtitle proposes to provide an incentive to States with

inadequate trust fund reserves to improve solvency by conditioning receipt of a portion of funds distributed under the Reed Act in fiscal year 2003 on State trust fund accounts meeting or making substantial progress towards a solvency target.

Fourth, the subtitle would strengthen the funding of the States for administration of the unemployment compensation program. There has been significant underfunding of administration for the program in recent years. This proposal would increase the amount of funding available to States under the Reed Act (which is on the mandatory side of the budget) for fiscal years 2000-2002 to an amount generally equal to the difference between the administrative needs of the States and \$2.419 billion, which is the amount requested on the discretionary side of the budget for such activities for fiscal year 2000. This would facilitate full funding, significantly improving the ability of States to effectively serve claimants.

Finally, the subtitle would also clarify the requirements relating to short-time compensation programs, under which employers reduce the workweek of their employees in lieu of temporary layoffs and the affected employees receive partial unemployment compensation.

In summary, the significant reforms proposed by this subtitle would result in increasing the access, equity and solvency of the unemployment compensation program.

In addition, as stated in the President's budget, the Administration is also interested in further discussions with stakeholders and the Congress to develop broader, bipartisan reforms to the Unemployment Compensation system which addresses the following principles: expanding coverage and eligibility for benefits; streamlining filing and reducing tax burden where possible; emphasizing reemployment; combatting fraud and abuse; and improving administration.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-FEB-1999 10:26:02.00

SUBJECT: Go team

TO: J. Eric Gould (CN=J. Eric Gould/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

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

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

TEXT:

American Cancer Society Statement on Clinton Budget
U.S. Newswire
3 Feb 15:09

American Cancer Society Statement on Clinton Budget Proposal
To: National Desk, Health Writer
Contact: Steve Rosa of the American Cancer Society, 202-661-5710

WASHINGTON, Feb. 3 /U.S. Newswire/ -- Following is a statement by Francis L. Coolidge, American Cancer Society board chair, regarding President Clinton's proposed FY 2000 budget:

"The president's FY2000 Budget provides important funding targeted at supporting tobacco prevention and reducing health disparities for medically underserved, but misses the mark on other critical cancer control programs.

"We are extremely pleased to see the ever increasing commitment of the White House to reducing tobacco use. With tobacco at the root of 30 percent of all cancers, there should be greater resources available to prevent our youth from ever beginning to use tobacco products. The administration has earmarked funds for increased tobacco control efforts, especially for the U.S. Food and Drug Administration and the Centers for Disease Control and Prevention's Office on Smoking and Health. This shows that the president is seriously committed to stopping tobacco-use among our youth. Additionally, we applaud the president's support of the federal suit against the tobacco industry to recover Medicare costs for tobacco-related disease.

"The president's budget provides for innovative approaches to reach the medically underserved. In order to cut down on cancer incidence, we must reach those traditionally unable to afford or participate in preventive and quality health care. The Society itself has an on-going commitment to addressing this important issue.

"The American Cancer Society commends the president for including the Medicare Clinical Trials Demonstration Project in the budget. This cancer treatment initiative is an important project to advance

knowledge of new ways to fight many cancers. The Society would like to see this benefit expanded to all Americans.

"Although there are many parts of the budget with which we agree, chronic disease and cancer research programs funding falls far short of the Nation's needs. These programs, administered mostly by the National Institutes of Health and the Centers for Disease Control and Prevention, are vitally important to the health and well-being of the Nation. As the baby boom generation ages, funding for chronic disease prevention and control must increase or we will be fighting a losing battle in containing health care costs and protecting the health of all Americans.

"On behalf of our 2 million volunteers and more than 19 million donors, the American Cancer Society will work with the president and the Congress to help finalize a budget which provides the necessary resources for preventing, detecting, treating and curing cancer."

--

(For more information on the specific proposals addressed in this statement, contact Susan Polan at 202-661-5716.)

ACS ANALYSIS OF President's 2000 Budget Blueprint

Tobacco Initiatives:

- Increases the federal tobacco tax by 55 cents-per-pack in an effort to reduce the rate of tobacco use by teens. Because all the revenues generated by this increased tax will be used to pay for the costs of tobacco-related diseases in federally funded programs like Veterans and federal employees benefits, it will not trigger the dollar for dollar offset that was part of the state settlement.
- Reaffirms the Food and Drug Administration's (FDA's) full authority to keep tobacco out of the hands of children and provides for an additional \$34 million for the FDA's tobacco enforcement budget (bringing the total funding level to \$68 million).
- Increase funding for the Centers for Disease Control's tobacco control efforts by one-third, from \$74 to \$101 million (\$27 million increase). The two anti-tobacco initiatives for States- ASSIST and IMPACT- will be combined into the National Tobacco Control Program. The grants to States will increase by 29 percent, from \$51 million in FY99 to \$66 million in FY2000.
- The president's budget assumes that the Federal Government can recoup its share of the State settlement based on their contention that U.S. taxpayers paid a substantial portion of the Medicaid costs that were the basis for much of the State settlement with the tobacco companies, the FY2000 Budget does not suggest that any portion of these funds should be spent during this fiscal year. In addition, the Administration noted they will work with the States and the Congress to enact tobacco legislation that, among other things, resolves these Federal claims in exchange for a commitment by the States to use tobacco money to support shared national and State priorities which reduce youth smoking, promote public health and children's programs, and assist affected rural communities.
- Contains \$20 million to pay for necessary legal costs for the Department of Justice's federal lawsuit against the tobacco industry to recover Medicare costs for tobacco-related disease. The administration will propose that recoveries will be used to enhance the security of Medicare for future generations.
- Includes funding for smoking cessation for veterans (was part of

a overall veterans health package; no dollar amount indicated).

Minority and Medically Underserved Populations:

-- Provides for a new public health initiative using of competitive grants. The program is designed to encourage local public officials and others to work closely with providers (estimated cost \$1 billion over five years):

1. to improve coordination of the delivery of services;
2. to establish accountability in the system for assuring adequate patient care;
3. and to increase the number of services delivered, ultimately improving the quality of care and expanding access for the uninsured.

-- Provides \$135 million for health education, prevention, and treatment services for minority populations (funding is dispersed into various agencies including CDC, AHCPR).

-- Proposes a four-pronged funding strategy for the Indian Health Service (IHS), which includes: 1) increased resources to \$170 million (8 percent increase) 2) a coordinated effort to ensure that HHS health grants provide assistance to Native Americans; 3) review of reimbursements from Medicaid and Medicare; and 4) increased vigilance to ensure that Federal funds are used properly. The budget makes note that the increased funding will help IHS to finance an additional 34,000 breast cancer screening mammographies for Native American women between ages 50 and 69, reduce incidence of complications related to chronic diseases such as diabetes and enable approximately 130 new community-based public health nurses to provide outreach activities, including home visitations, well-child examinations, immunizations, prenatal care, health fairs, follow-up visits, and missed clinical appointments.

Research:

-- National Institutes of Health: \$15.93 billion (\$320 million or 2.1 percent increase):

o National Cancer Institute- \$2.668 billion (\$65 million or 2.4 percent increase)

o Center for Complementary and Alternative Medicine- Includes \$50 million

-- Agency for Health Care Policy and Research- \$206 million (\$35 million, or 21-percent increase) The increase will go to enhance knowledge about how best to measure and improve the outcomes and quality of medical services and expand information on new priority health issues (e.g., vulnerable populations, the impact of managed care, pharmaceuticals research and other activities). Also includes \$10 million in research on eliminating health disparities for minority populations.

Clinical Trials:

-- The budget establishes a Cancer Clinical Trials Demonstration program for Medicare beneficiaries. The three year, \$750 million demonstration program will cover the patient care costs for beneficiaries who participate in certain cancer clinical trials. Funding priority will be given to trials that would most assist the Health Care Financing Administration (HCFA) in making future coverage policy decisions for cancer-related treatments and to substantive trials designed to address specific research questions. Although HCFA would run the demonstration, it would not draw upon Medicare's trust funds.

Centers for Disease Control and Prevention (CDC):

The CDC received \$3.1 billion (\$201 million or 7 percent increase). The president's efforts to provide substantial investments for the Bioterrorism Response Initiative and Infectious Diseases Control Efforts resulted in cuts to several programs and level funding in others.

-- Chronic Disease Control and Prevention (C&E): The C&E line, which hosts a variety of critical cancer control programs including prostate, skin & colorectal cancer awareness/ education programs, and environmental health lab, was level funded at \$80 million. While the cancer registries program, the breast and cervical cancer early detection program, and the Office on Smoking and Health are housed in the Chronic and Environmental Disease Control and Prevention Program, the president provided for separated lines for these programs (as indicated below):

1. The Office on Smoking and Health will receive an increase of \$27 million (bringing the total to \$101 million)
2. Breast and Cervical Cancer Early Detection Program was level funded at \$159 million.
3. Cancer Registries was level funded at \$24 million.

-- The Preventive Health Services Block Grant (all the small cancer programs) was reduced by \$30 million.

-- Race and Health Demonstration Programs (funding also incorporated in the president's efforts to provide health education, prevention, and treatment services for minority populations -- as noted above under Minority and Medically Underserved) was increased \$25 million (total \$35 million). CDC Prevention Health Research was level funded at \$15 million.

OTHER HEALTH CARE INITIATIVES IN BUDGET:

Investments in Long Term Care:

The budget includes: a \$6 billion initiative that includes a tax credit to compensate for the cost of long-term care services; a new National Family Caregivers Program; a national campaign educating Medicare beneficiaries about long-term care options; and a proposal to provide the authority to allow the Federal Government to offer private long-term care insurance to its employees at group rates. It also includes a new investment to strengthen nursing home quality; a housing initiative to create and integrate assisted living facilities and Medicaid home and community-based long-term care; and a new Medicaid option that equalizes eligibility for people with long-term care needs in community settings.

Improving Access to Health Coverage:

-- The president's budgets allows people between the ages of 62 and 65 to buy self-financing Medicare coverage.

-- The Budget offers the option of a Medicare "buy-in" to workers between the ages of 55 and 62 who have lost company-sponsored health care coverage because their hours were scaled back, or their employer relocated or stopped operations.

-- Also, requires employers to guarantee access to health insurance to retirees between the ages of 55 to 65, by providing these retirees the option to "buy in" to the company sponsored plan at a fair price.

-- Small Businesses with fewer than 25 employees will be provided a tax credit to join voluntary health purchasing coalitions (cost \$44 million).

-- The budget proposes to help the working poor, whose income makes them ineligible for the traditional Medicaid program, by allowing them to retain temporary health insurance through Medicaid

until they can secure private insurance.

Improving Medicare Managed Care:

The budget would help communities where the Medicare managed care plan companies have left by providing earlier notification, reducing administrative burden on health plans, and extending plan coverage proposal deadlines.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Mark D. Neschis (CN=Mark D. Neschis/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 5-FEB-1999 10:28:43.00

SUBJECT: The NRA and the Radio Address

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

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

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

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

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

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

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

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

TEXT:

fyi...The NRA is apparently having a "media availability" today to respond to the President's radio address.

thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-FEB-1999 11:24:53.00

SUBJECT: Comparable Worth & Podesta

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Caroline Fredrickson called last night to say Podesta was planning a meeting with Harkin (sponsor of a comparable worth bill) and leaders of the comparable worth movement for next week. These groups want to raise the bar and get the President to endorse comparable worth. The groups in one on one discussions have somewhat bought the argument that we need to take the obvious first step of moving Daschle and then engage eventually in talks about comparable worth. When they are all together, however, as they were for a meeting in the Women's Office last week, they tend to go towards a comparable worth mantra and say the Daschle bill is worthless. My instinct is that we would be better off without a meeting and that we keep talking to them one on one. If there must be a meeting, if it should be done with just Harkin and Podesta (or even better with Daschle planning how to keep a unified face on the equal pay issue). Otherwise the meeting is likely to become a forum for the Administration to get grilled on comparable worth and then promise to review it with the likelihood that we get into squabbles with the groups and lose our momentum.

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. email	Tracy Pakulniewicz to Elena Kagan. Subject: Gift. (1 page)	02/05/1999	P6/b(6)

COLLECTION:

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

FOLDER TITLE:

[02/05/1999]

2009-1006-F
bm93

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]

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. email	Ron Klain to Elena Kagan re: Tomorrow (1 page)	02/05/1999	P6/b(6)

COLLECTION:

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

FOLDER TITLE:

[02/05/1999]

2009-1006-F
bm93

RESTRICTION CODES

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dan Marcus (CN=Dan Marcus/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 5-FEB-1999 13:03:53.00

SUBJECT: Grijalva draft brief

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

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

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

TEXT:

I am sending the latest draft around to you. See pp. 18-26 for the revised (and beefed-up) state action argument. Reasons HHS and SG (I talked to Kneidler) think it's important to spell out state action point are (1) to make sure Sup Ct appreciates importance of this case and grants cert (rather than denying because it assumes there's state action here even if it finds there isn't in Sullivan); and (2) to influence Ct's writing of Sullivan opinion so that it doesn't say things that will promote arguments for a distinction.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Beverly J. Barnes (CN=Beverly J. Barnes/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 5-FEB-1999 13:14:25.00

SUBJECT: MSNBC Chat with Elena, Promo Page

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

Mark A. Kitchens (CN=Mark A. Kitchens/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TEXT:

i read this transcript last night from the little laptop they gave me to take home while i'm recovering. anyway, the point is you were absolutely 100 percent on the mark and entirely fantastic. your answers were informative and easy to understand without being lengthy. and, of course, you knew the policy inside out. thanks for doing the interview, elena. i am convinced you scored some points on the president's behalf. bb
----- Forwarded by Beverly J. Barnes/WHO/EOP on 02/05/99
01:10 PM -----

Mark A. Kitchens
02/02/99 06:06:54 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: MSNBC Chat with Elena, Promo Page

*You can view this page in HTML, pictures and all, by going to:
<http://msnbc.com/chat/elena.asp>

CHAT WITH ELENA KAGAN

Domestic Policy
President for Domestic
issues such as
Security. Many of the
President's budget are
"This interview
directly to the
policies and issues

Elena Kagan is Deputy Director of the
Council and Deputy Assistant to the
Policy. She advises the President on
Education, Crime, Health and Social
policy initiatives funded by the
developed by the Domestic Policy Council.
presents a unique opportunity to speak
American people about the important

says,
advocate of the use of
delighted to
format." Chat with

surrounding the President's Budget," Kagan
"President Clinton has long been an
innovative technologies so naturally I am
participate in this type of interview
Elena Kagan tonight at 7:30 p.m. ET.

END

Message Sent

To:

Jennifer M. Palmieri/WHO/EOP
crowley_p @ a1 @ cd @ lngtwy
wozniak_n @ a1 @ cd @ lngtwy
Elizabeth R. Newman/WHO/EOP
Julia M. Payne/WHO/EOP
Julianne B. Corbett/WHO/EOP
Megan C. Moloney/WHO/EOP
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Julie E. Mason/WHO/EOP
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Linda Ricci/OMB/EOP
Joseph C. Fanaroff/WHO/EOP
christopher s. lehane/ovp @ ovp

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004 004. email	Beverly Barnes to Elena Kagan re: MSNBC Chat with Elena, Promo Page. (1 page)	02/05/1999	P6/b(6)

COLLECTION:

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

FOLDER TITLE:

[02/05/1999]

2009-1006-F
bm93

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- 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: Record

To: See the distribution list at the bottom of this message

cc:

Subject: MSNBC Chat with Elena, Promo Page

*You can view this page in HTML, pictures and all, by going to:

<http://msnbc.com/chat/elena.asp>

CHAT WITH ELENA KAGAN

Domestic Policy

President for Domestic

issues such as

Security. Many of the

President's budget are

"This interview

directly to the

policies and issues

says,

advocate of the use of

delighted to

format." Chat with

Elena Kagan is Deputy Director of the

Council and Deputy Assistant to the

Policy. She advises the President on

Education, Crime, Health and Social

policy initiatives funded by the

developed by the Domestic Policy Council.

presents a unique opportunity to speak

American people about the important

surrounding the President's Budget," Kagan

"President Clinton has long been an

innovative technologies so naturally I am

participate in this type of interview

Elena Kagan tonight at 7:30 p.m. ET.

END

Message Sent

To:

Jennifer M. Palmieri/WHO/EOP

crowley_p @ al @ cd @ lngtwy

wozniak_n @ al @ cd @ lngtwy

Elizabeth R. Newman/WHO/EOP

Julia M. Payne/WHO/EOP

Julianne B. Corbett/WHO/EOP

Megan C. Moloney/WHO/EOP

Mark D. Neschis/WHO/EOP

Nanda Chitre/WHO/EOP

James M. Teague/WHO/EOP

Beverly J. Barnes/WHO/EOP

Mark A. Kitchens/WHO/EOP

Dag Vega/WHO/EOP

Anne M. Edwards/WHO/EOP

Brenda M. Anders/WHO/EOP

Jason H. Schechter/WHO/EOP

Dorinda A. Salcido/WHO/EOP
Sarah E. Gegenheimer/WHO/EOP
Julie B. Goldberg/WHO/EOP
Roger V. Salazar/WHO/EOP
Susanna B. McGuire/WHO/EOP
Julie E. Mason/WHO/EOP
Kevin S. Moran/WHO/EOP
nathan b. naylor/ovp @ ovp
Sharon K. Gill/WHO/EOP
bernstein_mj @ a1 @ cd @ vaxgtwy
Patrick E. Briggs/WHO/EOP
David C. Leavy/NSC/EOP
suntum_m @ a1 @ cd @ vaxgtwy
olcott_e @ a1 @ cd @ vaxgtwy
Heather M. Riley/WHO/EOP
Amy Weiss/WHO/EOP
jodi r. sakol/ovp @ ovp
patricia m. ewing/ovp @ ovp
alejandro g. cabrera/ovp @ ovp
Chandler G. Spaulding/WHO/EOP
Victoria L. Valentine/WHO/EOP
Michael A. Hammer/NSC/EOP
Jake Siewert/OPD/EOP
Linda Ricci/OMB/EOP
Joseph C. Fanaroff/WHO/EOP
christopher s. lehane/ovp @ ovp

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-FEB-1999 13:29:01.00

SUBJECT:

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:

EK:

Require gun show promoters to register with ATF. Promoters would be required to: provide the time and location of every gun show and a list of all vendors; ensure that all vendors are given information about their legal obligations; and require vendors to acknowledge receipt of it. Failure to fulfill these obligations could result in revocation or suspension of registration or civil or criminal penalties.

Report information on firearms sold to ATF's National Tracing Center. Gun dealers would be required to submit certain limited information (e.g., manufacturer, model, and serial number) on all firearms transferred at gun shows to ATF's NTC and to maintain files with additional information -- as gun dealers currently do with guns sold in stores -- to assist in future firearms trace requests by law enforcement.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-FEB-1999 13:42:25.00

SUBJECT: Davis Bacon

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

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

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

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

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

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

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

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

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

CC: Carolyn T. Wu (CN=Carolyn T. Wu/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

Sally Katzen will host a David Bacon meeting on school construction Thursday, February 11th at 4:30 in Rm 239. Please confirm your attendance. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-FEB-1999 13:48:46.00

SUBJECT: One holdout on our gun policy

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

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

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

TEXT:

Although Gov. Jesse Ventura (Reform-MN) "already had a permit to carry a gun,

state law banned him from packing heat in state buildings, including the Capitol." Until

2/5. Now Ventura's appointee as public safety commissioner, Charlie Weaver, "has

authorized the governor to carry a handgun in any state building." Weaver said he didn't

deal directly with Ventura. Rather, John Wodele, the governor's press sec., "told

Weaver that the governor needed the authorization, and Weaver complied." Wodele,

when asked why the governor sought the authorization: "The governor has no intention to

carry a weapon in any state building or the Capitol. This is merely a procedure that was

necessary to go through in case -- in case -- just for protection in case he ever forgot that

he was carrying and found himself in a state building. It is merely an insurance policy in

case he unintentionally carried into a state building. However, he has no intention to."

Carrying a concealed weapon in the Capitol or other state buildings without authorization

carries a fine of up to \$10K, prison time of up to five years, or both. Ventura "has

declined to say why he sought the gun-carrying permit or who issued it to him." Ventura

has said that he probably would carry his weapon only if he didn't have his State Patrol

security detail and if he was concerned for his safety (Whereatt, Minneapolis Star

Tribune, 2/5). (Back to Contents)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-FEB-1999 13:59:42.00

SUBJECT: DPC Team Leaders Meeting

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

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

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

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

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

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

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

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

CC: Teresa M. Jones (CN=Teresa M. Jones/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

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

TEXT:

The DPC Team Leaders meeting for next week will be held on Tuesday, February 9, at 9:15 a.m. in Bruce Reed's office.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Ron Klain (CN=Ron Klain/O=OVP [UNKNOWN])

CREATION DATE/TIME: 5-FEB-1999 14:37:37.00

SUBJECT: Re: Tomorrow

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

TEXT:

Nothing, I think we are fine.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Rebecca L. Walldorff (CN=Rebecca L. Walldorff/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 5-FEB-1999 15:02:55.00

SUBJECT: Legislative Rollout Meeting

TO: Jennifer R. Muller (CN=Jennifer R. Muller/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

TO: Cathy L. Millison (CN=Cathy L. Millison/OU=NSC/O=EOP @ EOP [NSC])
READ:UNKNOWN

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

TO: Nancy Marlow (CN=Nancy Marlow/OU=CEQ/O=EOP @ EOP [CEQ])
READ:UNKNOWN

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

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

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

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

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

READ:UNKNOWN

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

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

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

TEXT:

Just another email about the next Legislative Rollout meeting because I've updated the list. Steve will be holding the next meeting on Wed Feb 10 at 4PM in the Roosevelt Room.

Please feel free to email me with questions and conflicts.

Thanks again-

Rebecca

67288

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sean P. Maloney (CN=Sean P. Maloney/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 5-FEB-1999 16:00:38.00

SUBJECT: shalala Memo

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

READ:UNKNOWN

TEXT:

A few weeks back we sent up a memo from Sec'y Shalala on HHS' response to the president's July 1998 directive on the public availability of tobacco documents. Do you have a view about whether the president really needs to see this? We're inclined not to send it in, but defer to you guys.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-FEB-1999 16:16:41.00

SUBJECT: Davis Bacon

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

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

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

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

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

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

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

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

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

CC: Carolyn T. Wu (CN=Carolyn T. Wu/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

Due to many conflicts, this meeting will now be held on Friday, February 12th at 2:30 in Rm 472. Please reconfirm your attendance. Thanks
----- Forwarded by Shannon Mason/OPD/EOP on 02/05/99
04:10 PM -----

Shannon Mason
02/05/99 01:42:04 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc: Carolyn T. Wu/WHO/EOP, Sandra Yamin/OMB/EOP, Dario J. Gomez/WHO/EOP,
Laura Emmett/WHO/EOP
Subject: Davis Bacon

Sally Katzen will host a David Bacon meeting on school construction Thursday, February 11th at 4:30 in Rm 239. Please confirm your attendance. Thanks.

Message Sent

To:

Karen Tramontano/WHO/EOP

Barbara Chow/OMB/EOP

Charles M. Brain/WHO/EOP

Broderick Johnson/WHO/EOP

Elena Kagan/OPD/EOP

Charles R. Marr/OPD/EOP

February 6, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

Health Care -- Medicare Update: The Republicans have apparently decided that for the time being, they would be well advised to remain generally quiet about your proposal to dedicate surplus dollars to Medicare. They still do not feel comfortable contrasting Medicare with tax cuts and in fact, in a Ways and Means hearing on the budget, they did not raise the Medicare issue. Your speech to AARP effectively highlighted this issue, but it is clear that we will need to raise it repeatedly to ensure that it is able to break through to both the media and the public. The four Medicare principles you released comforted the Democratic base, but also succeeded in not alienating Senator Breaux. Senator Breaux has indicated that he believes the Commission's recommendations will meet these principles and is also suggesting that your comments raising the profile of the challenges facing Medicare have been constructive. We will have to follow the activities of the Medicare Commission extremely closely over the next few weeks, as its final reporting date is March 1st.

Health Care -- Hearing on Disability Bill: On Thursday, there was a hearing on the Jeffords-Kennedy-Roth-Moynihan Work Incentives Improvement Act that you included in your budget. There is growing bipartisan support for the bill, which was introduced on January 28 with 40 cosponsors, including about a dozen Republicans. Senator Kennedy, in his remarks, thanked you for your support of the legislation, your mention of this important issue in the State of the Union, and your other disability initiatives (tax credit, assistive technology increase, and long-term care initiative). Senator Dole, who also testified, made an appeal to the Republicans. He said that this is about "good government" in response to the prevalent criticism that this is an entitlement expansion. Tommy Thompson's Secretary of Health also testified in strong support of the bill. It is slated for a mark-up in the Finance Committee in early Spring, and possibly Nancy Johnson and Ben Cardin are planning to introduce it in the House.

Tobacco -- Medicaid Recoupment: As you know, current Medicaid law requires HCFA to recoup the federal share (on average 57 percent) of all Medicaid reimbursements from third party insurers or Medicaid-related lawsuits, such as the recent tobacco settlement. This week, a bipartisan group of 25 senators, led by Kay Bailey Hutchison (R-TX) and Bob Graham (D-FL), introduced legislation that would prevent the federal government from recouping tobacco settlement funds. A similar bipartisan bill introduced earlier in the House

by Rep. Michael Bilirakis (R-FL) now has 31 cosponsors. We have made clear that we oppose the legislation because it gives up the federal share of the states' tobacco settlement without any commitment by the states to use the funds to prevent youth smoking, protect tobacco farmers, improve public health, or assist children. We are working with the Hill and the public health community to stem support for the Hutchison/Bilirakis legislation and at the same time foster bipartisan legislation that would resolve the federal claim to settlement funds in exchange for a commitment by the states to use the federal share of tobacco settlement funds to support these shared state and national priorities.

Education -- New NAEP reading scores: The Education Department and National Center for Educational Statistics will announce next week small but statistically significant gains in reading since 1994 in 4th, 8th, and 12th grades, according to the 1998 National Assessment of Educational Progress. 4th and 12th grade scores returned to 1992 levels, after a drop between 1992 and 1994; but 8th grade scores have increased since 1992. Scores are up since 1994 for African-American students in 4th and 8th grade, and up for Hispanic students in 12th grade. The report also shows that 8th and 12th grade students are reading more pages per day, and that fewer students at each grade level are watching more than six hours of television a day, than in 1994.

Service -- Americorps Event: On Wednesday, February 10, you will go to the University of Maryland, in College Park to (1) mark the milestone of the 100,000th AmeriCorps member (2) launch AmeriCorps' Call To Service Campaign -- an unprecedented effort to ask young Americans to serve their community and country and (3) highlight the \$133 million increase in the budget to support 69,000 AmeriCorps members next year, growing to reach 100,000 members per year by 2002. You will be joined on stage by over 100 current and past AmeriCorps members -- some of whom will share their stories -- at a large youth-oriented Call to Service rally. The University of Maryland has a long history of service and involvement with the AmeriCorps program, and the state requires high school students to perform community service as a requirement of graduation.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan H. Schnur (CN=Jonathan H. Schnur/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 5-FEB-1999 19:38:31.00

SUBJECT: Bilingual education and other issues

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

TEXT:

I got word from the Education Department that they are waiting for White House clearance of the Secretary Riley's policy statement on bilingual education as part of his ESEA testimony next week. I will get a copy shortly and will send it to you, in case you don't already have it. And I'd be happy to send it to Maria, Mickey, and others if you want me to do so. Mike Cohen and I have been trading calls but have not yet spoken.

You may already know all of this, but I wanted to be sure you knew. Apparently, the major issue is whether the Secretary should reaffirm the Administration's commitment to a 3-year goal for LEP children learning English. When Education informed some of the Hispanic groups this week that the Secretary might make this statement, most of the groups were apparently extremely upset.

The groups are apparently objecting more to the use of language about the 3-year goal than the policy proposal currently envisioned by Education. Riley is getting briefed over the weekend and will meet with Hinajosa Monday. I am happy to help out in any way needed in my DPC capacity, and I also would be interested in participating in any discussions about this over the next couple of days wearing my VP hat.

More generally, this also raises questions for me about 1) how Tanya and I should be handling issues before Mike's replacement is hired, and 2) how I can best participate in policy discussions representing the VP on specific issues like bilingual or more general issues like the ESEA reauthorization. It'd be great to discuss these issues with you at your convenience. Have a good weekend! -- Jon

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Maureen A. Hudson (CN=Maureen A. Hudson/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 5-FEB-1999 20:17:41.00

SUBJECT: Congressional Request

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

READ:UNKNOWN

CC: Daniel W. Burkhardt (CN=Daniel W. Burkhardt/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Representative George Miller of California has written the President asking him to provide a message for "National Talking With Kids Awareness Week" -- the week of March 14. This apparently is a national campaign being promoted by Children Now and the Kaiser Family Foundation to encourage parents and caregivers to talk sooner and more often with their children about such tough issues as sex, AIDS, violence, drugs, and alcohol, and they would like the President to help raise public awareness of the campaign.

Do you recommend that we provide a message for this campaign, or do you think it's something we should turn down on the grounds that some parents would resent being told by the President when and how to discuss sensitive issues w/their children? Thanks for your help!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-FEB-1999 20:38:31.00

SUBJECT: Draft Drug Speech 8:45pm

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

TO: Ted Widmer (CN=Ted Widmer/OU=NSC/O=EOP @ EOP [NSC])
READ:UNKNOWN

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

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

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

TO: mpatrick (mpatrick @ os.dhhs.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Francis X. Kinney (CN=Francis X. Kinney/OU=ONDCP/O=EOP @ EOP [ONDCP])
READ:UNKNOWN

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

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

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

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

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

TEXT:

Revised Draft 2/5/99 8:00pm
Tamagni

PRESIDENT WILLIAM J. CLINTON
REMARKS FOR ANTI-DRUG EVENT
THE OLD EXECUTIVE OFFICE BUILDING
WASHINGTON, DC
February 8, 1999

Acknowledgments: VP Gore; AG Reno; Sec. Shalala; ONDCP Dir. Gen. McCaffrey
; Jessica Hulsey [HULL-see]; Rhode Island AG Sheldon Whitehouse.

I want to start by thanking Jessica Hulsey for sharing her story.
Just finding the courage and strength to survive and even thrive in a home
where drugs -- not parents -- are in control is remarkable. But your

commitment to make sure that no other child has to live through the fear and uncertainty you endured is an inspiration for us all. You are a truly exceptional young woman, and I thank you for being here today.

I know from my own experience what it feels like to have a family member caught in the deadly grip of drugs. My own brother nearly died of a cocaine addiction -- and I have asked myself hundreds of times why I didn't see it -- and what I could have done to stop it if I had. I know that my experience is not unique -- that thousands of families suffer through that nightmare of powerlessness and frustration.

But one of the most important things that Jessica's story and the ads from our media campaign teach us is that we do have the power to fight drugs. If each of us takes action, at every level of government, in every community, in every house of faith, and in every home ... if we reach out to our young people -- as parents, mentors, and peers -- before drug dealers reach them ... if we join forces, united and relentless in our determination to win this war, we can make our nation stronger than ever in the 21st Century.

For years, it seemed that crime was an insurmountable and ever-increasing problem. But we put in place a tough, smart anti-crime plan, with police, tougher punishment, and better prevention. Six years later, we know that our strategy is working -- beyond our expectations. Around the country, in cities large and small, crime is down to its lowest rates in 25 years.

We are beginning to win the war against crime, and we can win the war against drugs -- by marshaling the forces and resources of our nation. Year after year, my administration has secured the largest anti-drug budgets in history, with more money for drug enforcement agents, for border and customs control, for education and outreach, for treatment and prevention. Under the leadership of General Barry McCaffrey at the Office of National Drug Control Policy, our efforts have begun to pay off. Overall drug use by adults has dropped to more than half of its highest levels in 1979. Even drug use by our young people -- which seemed to be getting worse every year -- has finally begun to decline.

But when drug dealers still roam our streets and rob our children of their dreams, when drug-related crime still ravages our neighborhoods, we know we must do more. With our economy the strongest in a generation and our confidence rising, we have a rare opportunity -- and an obligation -- to redouble our efforts in the war against drugs.

We must start by recognizing that our nation's drug problem was not born in isolation and does not exist in a vacuum. It is an interconnected problem -- so our solutions must also be interconnected.

To deal with the drug problem, we need to do more to expand opportunity and create jobs for young people, especially in communities that have too often been passed by in good times. That means bringing the spark of enterprise to inner cities, with more tax incentives for businesses and investors, and expanded credit for low-income entrepreneurs. It means strengthening the summer jobs programs that help so many young people build a brighter future.

To deal with the drug problem, we need to do more to improve our schools and help all of our students to reach high standards. We need more afterschool and summer school programs to keep young people learning in the classroom in the hours between when school lets out and parents come home from work -- the hours when young people are more likely to fall prey

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And our plan is backed by the largest anti-drug budget ever presented to the Congress: My balanced budget for 2000 -- the first budget of the 21st Century -- includes nearly \$18 billion to keep drugs away from our borders, off of our streets, and out of our children's reach.

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Since we kicked off the campaign in July, we have reached literally millions of young people with a powerful message: drugs are illegal, drugs are wrong, and drugs can kill you. Although it is too early to fully measure our success, we are seeing evidence that our anti-drug message is getting through. And with ads in 10 languages, we are reaching young people of every ethnicity and national origin.

One big reason for this success is the remarkable response of the private sector to my challenge to join our fight against drugs. In six months, they have made more than \$165 million in matching contributions for paid anti-drug ads. Virtually every major network has produced high profile anti-drug public service announcements with their best known celebrities -- you just saw a few of those -- and donated air time to scores of non-profit organizations for their own anti-drug PSAs.

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I have asked Secretary Cohen to intensify his on-going efforts to use the unique capabilities of the Defense Department to support our drug law enforcement efforts, especially along our Southwest border.

And I have asked Secretary of State Albright to continue our partnership with other nations -- particularly in the Western Hemisphere Drug Alliance -- to fight the global drug problem.

Next week, I will travel to Mexico, one of our strongest and most important partners in the fight against drugs. A major portion of the drugs that come into our country come through Mexico, across the 2,000 mile border we share. This illegal drug trade endangers Mexicans and Americans -- and it is in our nations' mutual interest to work together to shut it down.

The Alliance Against Drugs that President Zedillo and I adopted together in 1997 is beginning to make progress -- and I am committed to building on that progress, sharing resources, information, and experience. I am very pleased that last Thursday, the Mexican government announced it will be spending \$400 to \$500 million over three years to buy new planes, ships, radar and law enforcement equipment. I look forward to discussing ways we can extend our cooperation when I meet with President Zedillo.

Our battle against drugs is a fight to the finish -- and it is not a job for government alone. It will take all of our efforts and energy, all of our courage and compassion. It will take every one of us, looking ahead to a day when the scourge of drugs no longer threaten our children, our communities, or our collective future. I believe that we will reach that day, working together, and build a stronger nation for the 21st Century.

Thank you.

###

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-FEB-1999 20:52:32.00

SUBJECT: With Slight Revisions

TO: Jeffrey K. Nussbaum (CN=Jeffrey K. Nussbaum/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

TO: Ted Widmer (CN=Ted Widmer/OU=NSC/O=EOP @ EOP [NSC])
READ:UNKNOWN

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

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

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

TO: mpatrick (mpatrick @ os.dhhs.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Francis X. Kinney (CN=Francis X. Kinney/OU=ONDCP/O=EOP @ EOP [ONDCP])
READ:UNKNOWN

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

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

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

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

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

TEXT:

Revised Draft 2/5/99 9:00pm
Tamagni

PRESIDENT WILLIAM J. CLINTON
REMARKS FOR ANTI-DRUG EVENT
THE OLD EXECUTIVE OFFICE BUILDING
WASHINGTON, DC
February 8, 1999

Acknowledgments: VP Gore; AG Reno; Sec. Shalala; ONDCP Dir. Gen. McCaffrey
; Jessica Hulsey [HULL-see]; Rhode Island AG Sheldon Whitehouse.

I want to start by thanking Jessica Hulsey for sharing her story. Just finding the courage and strength to survive and even thrive in a home where drugs -- not parents -- are in control is remarkable. But your commitment to make sure that no other child has to live through the fear and uncertainty you endured is an inspiration for us all. You are a truly exceptional young woman, and I thank you for being here today.

I know from my own experience what it feels like to have a family member caught in the deadly grip of drugs. My own brother nearly died of a cocaine addiction -- and I have asked myself hundreds of times why I didn't see it -- and what I could have done to stop it if I had. I know that my experience is not unique -- that thousands of families suffer through that nightmare of powerlessness and frustration.

But one of the most important things that Jessica's story and the ads from our media campaign teach us is that we do have the power to fight drugs. If each of us takes action, at every level of government, in every community, in every house of faith, and in every home ... if we reach out to our young people -- as parents, mentors, and peers -- before drug dealers reach them ... if we join forces, united and relentless in our determination to win this war, we can make our nation stronger than ever in the 21st Century.

For years, it seemed that crime was an insurmountable and ever-increasing problem. But we put in place a tough, smart anti-crime plan, with police, tougher punishment, and better prevention. Six years later, we know that our strategy is working -- beyond our expectations. Around the country, in cities large and small, crime is down to its lowest rates in 25 years.

We are beginning to win the war against crime, and we can win the war against drugs -- by marshaling the forces and resources of our nation. Year after year, my administration has secured the largest anti-drug budgets in history, with more money for drug enforcement agents, for border and customs control, for education and outreach, for treatment and prevention. Under the leadership of General Barry McCaffrey at the Office of National Drug Control Policy, our efforts have begun to pay off. Overall drug use by adults has dropped to more than half of its highest levels in 1979. Even drug use by our young people -- which seemed to be getting worse every year -- has finally begun to decline.

But when drug dealers still roam our streets and rob our children of their dreams, when drug-related crime still ravages our neighborhoods, we know we must do more. With our economy the strongest in a generation and our confidence rising, we have a rare opportunity -- and an obligation -- to redouble our efforts in the war against drugs.

We must start by recognizing that our nation's drug problem was not born in isolation and does not exist in a vacuum. It is an interconnected problem -- so our solutions must also be interconnected.

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Thank you.

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-FEB-1999 22:53:41.00

SUBJECT: please review

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

TEXT:

One pager and Q&A attached for the drug event on Monday morning. McCaffrey will be briefing the press corps after the event. We are off the hook for the event brief - Cabinet Affairs/ONDCP are submitting it. Yipee.

Also, you should already have it, but the most recent version of the remarks are copied onto the bottom of this email.

Thanks,
Leanne

Revised Draft 2/5/99 9:00pm
Tamagni

PRESIDENT WILLIAM J. CLINTON
REMARKS FOR ANTI-DRUG EVENT
THE OLD EXECUTIVE OFFICE BUILDING
WASHINGTON, DC
February 8, 1999

Acknowledgments: VP Gore; AG Reno; Sec. Shalala; ONDCP Dir. Gen. McCaffrey ; Jessica Hulsey [HULL-see]; Rhode Island AG Sheldon Whitehouse.

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And I have asked Secretary of State Albright to continue our partnership

The 1999 National Drug Control Strategy **February 8, 1999**

Today at Presidential Hall, President Clinton will release the *1999 National Drug Control Strategy*, a comprehensive long-term plan to reduce drug use and availability to historic new lows. The *Strategy* is backed by a \$17.8 billion counter-drug budget -- the largest ever presented to Congress. The President will also highlight the extraordinary efforts of the private sector to join forces with the successful Youth Anti-Drug Media Campaign to get the right message to kids, parents, and teachers on drugs.

A long term commitment to fight drugs. Year in and year out, the Clinton Administration has proposed the largest anti-drug budgets ever, helping to increase federal counter-drug spending by nearly 40% between FY 93 and FY 99. Our sustained effort is having an impact: overall drug use is half the level it was at its peak in the 1970's; drug-related murders are down by 40 percent since 1992; the first-ever paid anti-drug media campaign has been launched nationwide; and youth drug use is on the decline for the second year in a row. The *1999 National Drug Control Strategy* builds on this progress and takes the next steps to reduce drug use and availability across the board.

Keeping kids the number one priority. If our children can make it to adulthood free of substance abuse, the vast majority will avoid addiction for the rest of their lives. That is why the first goal of the *Strategy* is to educate and enable kids to reject drugs. And while recent studies show declining youth drug use in 1997 and 1998, we have more work to do. The President's *Strategy* and FY 2000 budget reflect a strong commitment to meeting this challenge:

- **\$195 Million for National Youth Anti-Drug Media Campaign.** The President's budget continues this unprecedented, 5-year campaign to use the full power of the mass media to educate millions of young people, parents, teachers and mentors about the dangers of drugs. In just six months, the private sector has joined our national effort and made over \$165 million in matching contributions -- helping us to reach even more people by creating their own anti-drug ads, producing shows about drug prevention, and giving scores of non-profit organizations free air time to run their drug-related messages.
- **\$590 Million for Safe and Drug-Free Schools.** In addition to calling for increased funds, the President is committed to reforming the Safe and Drug-Free Schools Program to make it even more effective. The President's proposal will require schools to adopt rigorous, comprehensive school safety plans that include tough, but fair discipline policies; safe passage to and from schools; effective drug and violence policies and programs; annual school safety and drug use report cards; and links to after school programs.

Breaking the iron link between drugs and crime. A third of state prisoners and one in five federal prisoners commit their crimes under the influence of drugs. Nearly 20 percent of state prisoners and 15 percent of federal inmates commit their crimes to buy drugs. The President's budget provides new resources for states and localities to break crime-committing addicts of their

addictions and reduce recidivism:

- \$215 Million for Zero Tolerance Drug Supervision. The President proposes the most comprehensive drug supervision ever to help keep offenders drug- and crime-free: \$100 million in new funds to help states and localities to drug test, treat, and sanction prisoners, parolees and probationers; \$50 million to expand innovative drug courts; and \$65 million for residential drug treatment for prisoners with the most serious drug problems.

Strengthening law enforcement. One of the *Strategy's* goals is to increase the safety of America's citizens by substantially reducing drug-related crime and violence. To help keep crime coming down to record low levels, the President's budget includes:

- \$1.275 Billion for a 21st Century Policing Initiative, to help communities hire, redeploy and retain up to 50,000 law enforcement officers with an effort to target crime and drug "hot spots"; to equip officers with the latest crime-fighting technologies; and to engage entire communities to work together to prevent and fight crime.
- \$22 Million Increase for DEA Drug Intelligence, including \$13 million to assist the Drug Enforcement Agency (DEA) with its efforts to automate and improve access to critical law enforcement and intelligence information, and \$9 million to support investigations to dismantle drug trafficking organizations.

Closing the treatment gap. Dependence on drugs exacts an enormous toll in individuals, their families, businesses, communities, and the nation. Treatment can help end dependence on addictive drugs -- and its destructive consequences. To help make treatment available to more Americans in need, the President's budget provides:

- \$85 Million to Increase Drug Treatment. The President's budget provides an additional \$55 million in Targeted Capacity Grants to expand the availability of drug treatment to meet existing or emerging needs, and \$30 million more for the Substance Abuse Block Grant -- the backbone of federal efforts to help states and localities reduce the gap between those seeking treatment and the capacity of the public treatment system.

Stopping drugs at the border and breaking foreign sources of supply. The *Strategy* will help shield our borders and strengthen multinational cooperation on drugs by including:

- \$50 Million Increase for the Southwest Border. The President's budget includes additional funds for INS to deploy "force multiplying" technology, such as infrared and color cameras and ground sensors to aid Border Patrol enforcement and drug interdiction efforts.
- \$29 Million More for International Programs, to fund the State Department's International Narcotics Law Enforcement Affairs' efforts in the Andean countries, and Mexico, and to provide assistance to enhance multinational cooperation in our anti-drug efforts.

1999 National Drug Control Strategy
Questions and Answers
February 8, 1998

Q. What is the President announcing today?

- A. President Clinton will release the *1999 National Drug Control Strategy*. The ONDCP Reauthorization Act of 1998 requires the President to submit a long-term plan to reduce illegal drug use and availability and its consequences. Within the *Strategy* is a detailed report on the nation's drug abuse profile and a comprehensive plan to cut drug use by 50% by 2007.

The President will also highlight the extraordinary efforts of the private sector to join forces with the successful Youth Anti-Drug Media Campaign to get the right message to kids, parents, and teachers on drugs. In just six months, the private sector has committed \$165 million in matching contributions to our media campaign.

Q. What are the highlights of the new *Strategy*?

- A. The *1999 Strategy* builds on the President's previous national strategies. It refines the mid- and long-term targets presented last year for reducing drug use and availability by 50 percent by the year 2007. It also sets the target of reducing the criminal consequences of drug abuse by 30 percent and the health and social consequences by 25 percent by 2007. The *1999 Strategy* will serve as a strong guide in our national drug control efforts for the next five years.

Q. Why isn't the *Strategy* more ambitious? Can't we do better than cut drug abuse by 50 percent by 2007?

- A. Reducing and stopping drug use requires fundamental changes in the attitudes of millions of Americans, and that shift in attitude is more gradual than we would wish. The *Strategy* promotes a steady pressure against drug use and underscores why drug control must be lifted out of partisan conflict. The Administration's long-term plan to reduce drug use by 50 percent to the lowest levels ever in our national experience is based on an historical perspective that is essential in the campaign against drug abuse -- not on simplistic solutions and sound bites that won't impact this difficult problem.

Q. Doesn't your budget fall short of what is needed to implement your strategy and the corresponding performance measures?

A. No. The President's FY 2000 budget supports the goals and objectives of the National Drug Control Strategy through increases in areas identified as funding priorities. The proposed FY2000 anti-drug budget is \$17.8 billion-- \$735 million (+4.3) over FY 1999 regular, non-emergency appropriations. Our budget provides increases of \$210 million (+3.6 in FY 2000 over FY 1999 regular appropriations) to support drug education, prevention and treatment, and increases supply reduction programs by \$524.8 million (+4.7 in FY 2000 over FY 1999 regular appropriations). Interdiction resources, mostly for one-time capital acquisitions, will increase significantly in 1999 as the result of a Congressional appropriation of \$870 million for international drug-control and interdiction spending.

Q. Isn't this *Strategy* deferring accountability to future years? Why not issue an annual report card?

A. The *1999 Strategy* provides a detailed annual update on progress in reducing drug abuse and its consequences. Among the 1999 report's principal conclusions are that drug use among the general population remained statistically unchanged between 1996 and 1997. Drug use among 12-17 year olds declined slightly in 1997 and 1998. In 1996, drug-related deaths leveled off at about 9,300 after climbing throughout the 1990s. Drug-related medical emergencies remained near historic highs but were statistically constant in 1997. The costs of illegal drug abuse were estimated \$110 billion in 1995, 64 percent higher than in 1990. And consumer spending on drugs declined by 37.3 percent from \$91.4 billion in 1988 to \$57.3 billion in 1995.

Q. Can the federal government really accomplish these long-term targets established by this *Strategy*?

A. We can, but to do so, we will need the support of the fifty states and four U.S. territories as well as the thousands of city, county, and local governments threatened by illegal drugs. State governments, for example, have enormous potential for addressing the drug problem. They administer the school systems, exercise far-reaching jurisdictional power, channel money and resources to specific needs, and educate citizens about the dangers of illegal drugs. States' funds account for much of the spending on drug prevention and treatment, providing funds to thousands of community-based treatment programs and prevention providers. Counties and cities play an equally important role, providing essential services such as emergency medical care, education, and law enforcement. All levels of government must become partners with the federal government in countering illegal drugs.

Q. What makes you think you can cut drug use in half by 2007? Did you pick a ten year marker since President Clinton will no longer be in office by that time?

A. After much research and consultation, General McCaffrey recommended the goal of cutting drug use in half over ten years as a tough, but attainable goal. From 1979 to 1996, the number of people using drugs dropped by 49 percent, and the number using cocaine dropped by 70 percent. The critical part of meeting this goal is preventing the next generation of young people from ever starting to use drugs. If we can do this, we will achieve the goal. That is why the *Strategy* reflects the need for an enduring commitment. The long-term marker reflects the fact that there is no quick fix to America's drug problem. Studies show that drug use patterns occur within generational cycles -- drug use falls off, and unless there is ongoing education, young people forget the dangers of drugs. To help us chart these drug use patterns this *Strategy* includes -- as did the 1998 Strategy -- a report on the nation's drug abuse profile.

Q. Why doesn't the spending match the rhetoric? The *Strategy* identifies demand reduction as the priority, yet doesn't it invest more in supply reduction?

A. No. We hope that Congress will support this record drug-control budget. If enacted, spending on prevention will have increased by 53 percent since FY1996 while spending on treatment will have increased by 26 percent. Overall, spending on demand reduction will have increased by 36 percent and outpaced the growth of spending on supply reduction, which will have increased by 30 percent.

Q. Why are congressional critics saying that your drug-control budget doesn't invest sufficiently in supply reduction? And what about the charges that this failure is the reason why youth drug use increased during the 1990's?

A. We are continuing to seek increased funding to reduce the supply of drugs -- our FY 2000 request for supply reduction is over 30% more than in FY 1996. And though we have sought even greater increases during that same period for prevention -- our Strategy's top priority -- we believe that our proposal for supply reduction is more than sufficient. For instance, our Western Hemisphere cocaine control efforts have been extremely successful. Cocaine production in South America has plummeted by 280 metric tons (MTs) since 1995. Coca cultivation has declined by 56 percent in Peru. Expanded Colombian cultivation slightly offset significant reductions in Bolivia and Peru. In 1997, an estimated 289 MTs of cocaine were available in the U.S., the lowest amount since the 1980s and far below the peak of 529 MTs in 1992. And in 1998, 145 MTs of cocaine were seized en route to the U.S.

However, if you really believe that the ready availability of drugs fueled the 1992-1996

increase of drug use rates among 12-17 year-olds, you would target domestically grown marijuana, not South American cocaine. Just 0.6 percent of seventeen-year-olds were using cocaine in 1997, whereas marijuana usage accounts for about 90 percent of illegal drug use among juveniles.