

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 073 - FOLDER -003

[02/24/1998 - 02/25/1998]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:24-FEB-1998 15:30:13.00

SUBJECT: Cloning update.

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

READ:UNKNOWN

CC: Lucia A. Wyman (CN=Lucia A. Wyman/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

I had sent this note while you were away.

----- Forwarded by Jerold R. Mande/OSTP/EOP on 02/24/98
03:24 PM -----

Jerold R. Mande

02/18/98 04:34:52 PM

Record Type: Record

To: Elena Kagan/OPD/EOP

cc:

Subject: Cloning update.

I want to revisit a decision we made last week not to reach out to groups. I have heard that the Rs are hard at work. In meetings, they have made it clear they will bring cloning up again as soon as they can regroup. The Rs have also begun leaning on the groups that worked our side of the issue and reminding them who controls the fate of the rest of the groups' legislative agendas. I recommend that we convene a meeting of the groups to rally continued support and brief them on issues such as FDA jurisdiction. Let me know if you agree, and I will work with OPL to set this up. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:24-FEB-1998 19:02:42.00

SUBJECT: Re: Gil Gallegos

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

TEXT:

I think Rahm wants this mtg. w/ Gil to happen, but karen does not think Erskine should meet with him. Both Karen and Rahm want your advice if Erskine should meet w/ Gil or not. Expect a call from Karen.

----- Forwarded by Laura Emmett/WHO/EOP on 02/24/98 07:00 PM -----

Michelle Crisci

02/24/98 07:00:17 PM

Record Type: Record

To: Laura Emmett/WHO/EOP
cc:
Subject: Re: Gil Gallegos

----- Forwarded by Michelle Crisci/WHO/EOP on 02/24/98 06:40 PM -----

Karen Tramontano

02/24/98 01:06:20 PM

Record Type: Record

To: Carole A. Parmelee/WHO/EOP
cc: Elena Kagan/OPD/EOP, Christa Robinson/OPD/EOP, Michelle Crisci/WHO/EOP
Subject: Re: Gil Gallegos

I don't think a meeting is a good idea -- Erskine has nothing to tell him -- I am going to talk w/ Elena to get her views. thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:24-FEB-1998 15:06:45.00

SUBJECT: Food Safety 90-Day Report

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

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

CC: Jerold R. Mande (CN=Jerold R. Mande/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

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

TEXT:

Elena--

Unless you have any major objections to it, I going to tell Karen Houlebak at FDA that Dr. Friedman could mention that the food safety 90-day report is completed and set to go out during his congressional testimony on Wednesday. Wendy Taylor at OMB said that would be ok. The final copy with the transmittal letter is being delivered this afternoon. Let me know, Mary

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Richard L. Hayes (CN=Richard L. Hayes/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:24-FEB-1998 13:19:50.00

SUBJECT: Benchmarking Meeting

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

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

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

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

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

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

TO: Dawn M. Chirwa (CN=Dawn M. Chirwa/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

CC: Patricia E. Romani (CN=Patricia E. Romani/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

READ:UNKNOWN

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

CC: Phyllis Kaiser-Dark (CN=Phyllis Kaiser-Dark/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TEXT:

Attached is the most recent version of the rollout plan for affirmative action which we will be discussing at our 3 p.m. meeting today with Sylvia.

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D38]MAIL41564645Q.026 to ASCII,
The following is a HEX DUMP:

FF575043B5130000010A02010000000205000000B86800000002000055ACC03983F3671A1F14A8

**AFFIRMATIVE ACTION PROCUREMENT
REFORM ROLL-OUT AND AMPLIFICATION**

OBJECTIVES

- *Illustrate the President's on-going commitment to affirmative action*
- *Present an accurate and complete portrayal of the what the President has done to "mend affirmative action" procurement programs to the media and public*
- *Ramp up Federal government efforts to implement the reform program*
- *Illustrate other things federal agencies and the private sector are doing to promote diversity*

Week of February 23-27, 1998

Briefings:

- POTUS Chuck Ruff/Other Staff
- Staff from Senator Kennedy/Daschael/Gephardt/Leahy/Bacus/
DPC offices WH
- Wade Henderson, Nancy Zirkin, Weldon Latham,
Harold McDougall, Tom Henderson, Penda Hair, Elaine Jones,
Tony Robinson, Cobbie DeGraft, Joann Payne, and Helen Norton WH
- Bill Lee hearing Justice

Materials:

- Verify methodology for benchmarks and price credits Commerce
- Finalize Federal Acquisition Regulations (FAR) OIRA
*[Note: There will be two FAR rules published one-day apart:
The first one will offer price credits for SDBs, effective May 7, 1998; and
the second rule, which will modify the first rule, will offer subcontracting
credits for prime contractors, effective September 1, 1998.]*
- Finalize SBA regulations SBA/OIRA
*[Note: There will be two SBA rules: The first one will make changes to
the 8(a) program; and the second rule will establish the SDB
certification program.]*
- Revise benchmarks technical paper, talking points and Q&As Commerce/Justice/WH
- Draft implementation plan for agency procurement officials OFPP
- Revise *Federal Register* notice announcing benchmarks and
price credits OFPP/WH
- Revise press plan/message Ann Lewis
- Finalize SDB Certification talking points Richard Hayes
- Finalize regulatory analysis and "emergency" paperwork
clearance forms SBA/OIRA
- Develop constituency/outreach lists OPL/Intergovernmental
- Relevant FY '99 budget materials (e.g., civil rights enforcement) OMB
- Draft Presidential letter to agencies Hayes/Weiner/Chirwa

Week of March 2 - 6, 1998

Materials:

- Send FAR rules to *Federal Register* on March 3 for publication, March 9 and 10, 1998 OFPP/FAR
- Send SBA rules to *Federal Register* on March 3 for publication, March 9, 1998 OFPP/FAR
- Reproduce all materials (benchmarks technical paper, talking points, Q&As, accomplishments, etc.) OPL
- Distribute materials to surrogates/validators Hayes
- Draft/circulate POTUS remarks Speech writers
- Finalize Presidential letter to agencies Hayes/Weiner/Chirwa

Briefings:

- Cabinet Erskine/Ruff
- Aida Alvarez's House and Senate testimony SBA
- Congressional Black Caucus Surrogates: TBD
- Congressional Hispanic Caucus Surrogates: TBD
- Congressional Asian Pacific American Caucus Surrogates: TBD
- Native American Caucus Surrogates: TBD
- Blue Dog Coalition Surrogates: TBD
- New Democrats Surrogates: TBD
- Gephardt's Affirmative Action Task Force Surrogates: TBD
- House and Senate Appropriations Subcommittee on Commerce, Justice, State, the Judiciary and Related Agencies WH/SBA Leg. Affairs/Justice
- House and Senate Small Business Committees WH/SBA Leg. Affairs
- House Judiciary Subcommittee on the Constitution (Minority Staff) WH/SBA Leg. Affairs
- Senator Carol Mosely Braun WH/SBA Leg. Affairs
- Senator Kay Bailey Hurdchinson WH/SBA Leg. Affairs
- Senator Pete Domenici WH/SBA Leg. Affairs
- Senator Frank Lautenberg WH/SBA Leg. Affairs

Print:

- Mail materials to minority and speciality press Communications
- Conduct background interview with Jon Peterson Surrogates: TBD

Week of March 9-13, 1998

Briefings:

- WH announcement Surrogate: TBD
- Agency General Counsels Justice/Counsel to the President

- Chiefs-of-Staff Cabinet Affairs
- Agency procurement officials/OSDBUs OFPP/Justice
- Two briefings in Room 450 for civil rights, minority business and women's community OPL/Intergovernmental
- One way conference call with key leaders around country OPL/Intergovernmental
- President's Initiative on Race Advisory Committee and staff Surrogate: TBD
- WH Press Corps Surrogate: TBD

Print:

- Conduct interviews with major press outlets (N.Y. Times, Washington Post, Chicago Sun Times, Wall Street Journal) Surrogate: TBD
- Conduct interviews with press outlets in targeted Cities Surrogate: TBD
- Conduct interviews with minority and speciality press Surrogate: TBD
- Mail materials to top 250 editorial boards Communications

Television:

- BET Public Affairs show Surrogate: TBD
- Both Sides with Jessie Jackson Surrogate: TBD
- Univision's Temas y Debates Surrogate: TBD
- Spanish Language Network Surrogate: TBD

Radio:

- Urban Radio Network Surrogate: TBD

Cabinet Travel:

- Tuesday, Wednesday, Thursday or Friday - TBD

People to be active:

- Cabinet members TBD
- WH Senior Staff TBD
- Local Elected Officials TBD
- Surrogates Constituency Leaders: TBD
Validators (Wade Henderson, Deval Patrick, Weldon Latham, Elaine Jones, Nancy Zirkin, Marcia Greenberger, Chris Edley, Joann Payne, Jessie Jackson, Anthony Robinson, Georgina Verdugo, Karen Naraski, more - TBD)
Republicans/moderates - TBD
Real people - TBD

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Lucia A. Wyman (CN=Lucia A. Wyman/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:24-FEB-1998 18:44:47.00

SUBJECT: Cloning

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

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

TO: Jerold R. Mande (CN=Jerold R. Mande/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

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

TEXT:

concerns

if we receive a bill that impedes research but has a grandfather clause or someother type of softener, do we sign? this would be a frist/bond bill w/changes. in a war of words, what is an embryo, we lose. when is an embryo an embryo (we lose). i'm beginning to think, if there is no middle ground and i don't think there is, we should consider a clean fight.

i keep hearing from the hill that the repubs are trying to peel off the research community. if this is the case, we need to regroup.

rachel levinson will be back on friday. can we regroup then? elena, what's a good time?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Richard L. Hayes (CN=Richard L. Hayes/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:24-FEB-1998 10:02:20.00

SUBJECT: Benchmarking meeting

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

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

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

TO: Dawn M. Chirwa (CN=Dawn M. Chirwa/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

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

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

TO: Ruby Shamir (CN=Ruby Shamir/OU=WHO/O=EOP @ EOP [WHO])
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TO: Patricia E. Romani (CN=Patricia E. Romani/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

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

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

READ:UNKNOWN

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

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

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

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

TEXT:

Attached is the latest revision of the rollout and amplification plan for discussion at today's benchmarking meeting.

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D9]MAIL447784450.026 to ASCII,
The following is a HEX DUMP:

FF575043B5130000010A02010000000205000000B268000000020000298B2346D810AFC234EA67

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Harold McDougall, Tom Henderson, Penda Hair, Elaine Jones,
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Materials:

- | | |
|--|---------------------|
| • Send FAR rules to <i>Federal Register</i> for publication
March 9 and 10, 1998 | OFPP/FAR |
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talking points, Q&As, accomplishments, etc.) | OPL |
| • Distribute materials to surrogates/validators | Hayes |
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| • Finalize Presidential letter to agencies | Hayes/Weiner/Chirwa |

Briefings:

- | | |
|--|---------------------------------|
| • Cabinet | Erskine/Ruff |
| • Aida Alvarez's House and Senate testimony | SBA |
| • Congressional Black Caucus | Surrogates: TBD |
| • Congressional Hispanic Caucus | Surrogates: TBD |
| • Congressional Asian Pacific American Caucus | Surrogates: TBD |
| • Native American Caucus | Surrogates: TBD |
| • Blue Dog Coalition | Surrogates: TBD |
| • New Democrats | Surrogates: TBD |
| • Gephardt's Affirmative Action Task Force | Surrogates: TBD |
| • House and Senate Appropriations Subcommittee
on Commerce, Justice, State, the Judiciary and
Related Agencies | WH/SBA Leg. Affairs/
Justice |
| • House and Senate Small Business Committees | WH/SBA Leg. Affairs |
| • House Judiciary Subcommittee on the Constitution
(Minority Staff) | WH/SBA Leg. Affairs |
| • Senator Carol Mosely Braun | WH/SBA Leg. Affairs |
| • Senator Kay Bailey Hurdchinson | WH/SBA Leg. Affairs |
| • Senator Pete Domenici | WH/SBA Leg. Affairs |
| • Senator Frank Lautenberg | WH/SBA Leg. Affairs |

Print:

- | | |
|---|-----------------|
| • Mail materials to minority and speciality press | Communications |
| • Conduct background interview with Jon Peterson | Surrogates: TBD |

Week of March 9-13, 1998

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- | | |
|---------------------------|-------------------------------------|
| • WH announcement | Surrogate: TBD |
| • Agency General Counsels | Justice/Counsel to the
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Republicans/moderates - TBD
Real people - TBD

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:24-FEB-1998 19:57:26.00

SUBJECT: WEEKLY RACE INITIATIVE COORDINATING MEETINGS

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

TO: Maurice Daniel (CN=Maurice Daniel/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Audrey M. Hutchinson (CN=Audrey M. Hutchinson/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

TO: Michael J. Sorrell (CN=Michael J. Sorrell/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

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

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

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

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

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

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

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

TEXT:

FROM JUDITH WINSTON & MINYON MOORE

On Thursday, Feb. 26th at 4:00 p.m. (room tbd) the White House/PIR staff will begin weekly Race Initiative coordinating meetings to assess the status of various projects as we move forward in the upcoming weeks and months. The purpose of the meetings will be to have a central reporting mechanism for staff members who are working on various projects relating to the Initiative. These meetings will also allow you the opportunity to

provide input and (red flag) any issues that might present a political problem for the PIR or the White House. It is extremely important that you attend these meetings or designate a representative who can provide a report on your assignment. The meeting will last 1 hour. If you have any questions, do not hesitate to call Judy or myself. Angelique will e-mail you with a room and send a reminder e-mail. Thanks for your time, energy and cooperation.

(JW & MM)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Melissa N. Benton (CN=Melissa N. Benton/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:24-FEB-1998 14:24:21.00

SUBJECT: HUD and Justice letters on H.R. 3206, the Fair Housing Amendments Act of 1

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

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

TO: Joseph F. Lackey Jr. (CN=Joseph F. Lackey Jr./OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

TO: Alan B. Rhinesmith (CN=Alan B. Rhinesmith/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TEXT:

LRD is in the process of circulating two bill reports--from HUD and Justice--to the Constitution Subcommittee of House Judiciary regarding H.R. 3206, the Fair Housing Amendments Act of 1998. Both are due this

afternoon (HUD at 4, Justice at 4:30).

Because the Subcommittee will be marking the bill up tomorrow, the deadline is firm. Please call me if you have any questions or have not received the draft reports. Thanks!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:24-FEB-1998 15:20:58.00

SUBJECT: 4th Circuit News Flash

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

READ:UNKNOWN

TO: Donald H. Gips (CN=Donald H. Gips/O=OVP @ OVP [UNKNOWN])

READ:UNKNOWN

TO: Christopher C. Jennings (CN=Christopher C. Jennings/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: Toby Donenfeld (CN=Toby Donenfeld/O=OVP @ OVP [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

DoJ reports that Judge Russell has died of lung cancer and Judge Hall is quite ill. These are the two judges who were leaning against us. There is no way to know what stage the decision is at. It could be at the printers or the case might be reassigned and the case may have to be reargued.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:24-FEB-1998 14:03:03.00

SUBJECT: Weekly Tobacco Strategy Meeting

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

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

TO: Daniel K. Tarullo (CN=Daniel K. Tarullo/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

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

TO: Donald H. Gips (CN=Donald H. Gips/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

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

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

TO: Toby Donenfeld (CN=Toby Donenfeld/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Jerold R. Mande (CN=Jerold R. Mande/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

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

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

CC: Dan J. Taylor (CN=Dan J. Taylor/O=OVP @ OVP [UNKNOWN])

READ:UNKNOWN

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

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

CC: Jill M. Pizzuto (CN=Jill M. Pizzuto/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

CC: weinstein_dena (weinstein_dena @ ustr.gov @ INET @ VAXGTWY [UNKNOWN])
READ:UNKNOWN

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

TEXT:

There will be a weekly Tobacco Strategy Meeting on Thursday, February 26,
at 2:45 p.m. in Room 211, OEOP.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Essence P. Washington (CN=Essence P. Washington/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:24-FEB-1998 14:38:22.00

SUBJECT: Weekly Crime Meeting

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TO: Charles A. Blanchard (CN=Charles A. Blanchard/OU=ONDCP/O=EOP @ EOP [ONDCP])

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

TEXT:

MEMORANDUM TO DISTRIBUTION LIST

FROM: Bruce Reed
Assistant to the President for Domestic Policy

SUBJECT: February 25,1998 CRIME MEETING

On Wednesday, February 25, at 10:00 a.m. in Room 211 of the Old Executive Office Building, we will hold the Weekly Crime Meeting.

Thank You.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:24-FEB-1998 13:38:53.00

SUBJECT: H1-B rewrite from Labor

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Elena,

This is the most recent version of the Labor testimony on H1B. Ingrid has received comments from Defense, Office of Science & Technology Policy, and the National Science Foundation. Defense and OSTP were unhappy that they were not included in the working group. I told Ingrid that she should send me their calls, and I will make sure to include them next time.

Ingrid is faxing me the written comments on the testimony (I think the only written comments were from the NSF). I will forward them to you as soon as I have them. Also, according to Ingrid, OSTP has long been opposed to the Administration's proposed reforms in this area, and wanted to use this opportunity to try to open up the box again.

Julie

----- Forwarded by Julie A. Fernandes/OPD/EOP on 02/24/98
01:44 PM -----

INGRID M. SCHROEDER
02/24/98 01:32:44 PM
Record Type: Record

To: Julie A. Fernandes/OPD/EOP
cc:
Subject: H1-B rewrite from Labor

This is the Labor rewrite. OMB's comments will follow and I will fax over the other comments.

----- Forwarded by Ingrid M. Schroeder/OMB/EOP on
02/24/98 01:32 PM -----

INGRID M. SCHROEDER
02/24/98 10:09:38 AM
Record Type: Record

To: Debra J. Bond/OMB/EOP@EOP
cc:
Subject: H1-B rewrite from Labor

According to Labor - this rewrite is based on a meeting with DPC/NEC at

2:30pm yesterday. The changes are in redline/strikeout.

STATEMENT OF RAYMOND J. UHALDE
ACTING ASSISTANT SECRETARY OF LABOR
before the
THE SENATE JUDICIARY COMMITTEE

February 25, 1998

Mr. Chairman and Members of the Committee:

Let me begin today, Mr. Chairman, by expressing my sincere appreciation to you for affording me this opportunity to share the views of the Administration regarding immigration, labor market conditions in high-technology industries, and possible reforms in the H-1B nonimmigrant visa program. The Administration shares your interest in the information technology industry, as evidenced by our participation in a recent convocation in Berkeley that addressed Information Technology (IT) work force needs. Further, as you know from Administration proposals advanced beginning in 1993, we believe that the H-1B program needs reform. This employment-based visa program is seriously flawed in its current form and urgently requires the attention of Congress. I would like to commend the Committee for its interest in these issues.

Tight Labor Markets and IT Skills Shortages

It is clear that IT employment is growing rapidly, IT labor markets are tight, and they are likely to remain so. Although this is true for the nation as a whole, given our sustained economic expansion and low national unemployment rate, IT labor markets appear to be particularly affected. Employment of computer systems analysts, engineers, and scientists has been growing by 10% a year -- well above the growth of comparable occupations -- and is expected to continue growing at a comparable rate through 2006. BLS projects that the U.S. will require more than 1.3 million new workers in IT core occupations between 1996 and 2006 to fill job openings projected to occur due to growth and the need to replace workers who leave the labor force or transfer to other occupations.

The IT skills shortage issue is very controversial. Industry advocates say that hundreds of thousands of jobs cannot be filled and that these vacancies are hurting U.S. competitiveness. Critics say the IT industry: (1) drastically overstates any problem by producing inflated job vacancy data and equating it to skills shortages; (2) continues to lay off tens of thousands of workers (e.g., AT&T recently announced large lay-offs); and (3) fails to tap reservoirs of talent available by using unnecessarily specific recruitment requirements and not providing more training to current IT workers.

One point of contention is the confusion between job vacancies and actual skills shortages. Even if the latest industry survey, which found nearly 350,000 job vacancies in the IT industry is accurate, it does not mean that there is a skills shortage of that same magnitude. Nearly all industries and firms, particularly those with rapid employment growth and high worker turnover, will have large numbers of jobs openings or vacancies without experiencing skills shortages.

Evidence from perhaps the best predictor of skills shortages -- wage growth -- does not suggest acute skills shortages nationwide in the IT industry, but may be consistent with skills shortages in specialized occupational areas and selected local areas. Broad-based Bureau of Labor Statistics (BLS) surveys show increases in IT wages in 1996 and 1997 that are only modestly above comparable occupations, while more specialized industry surveys show much larger wage increases in more specialized, high-skills occupations.

Educating and Training U.S. Workers

The Administration believes it is essential, regardless of the magnitude of the problem, to shape public policy to assure that IT meet the workforce needs of the IT industry, as well as those of any other industry, through the education and training of U.S. workers. but that increased immigration should be the last -- not the first -- public policy response to skills shortages. Our first response should be to provide the needed skills to U.S. workers to qualify them for IT jobs. Increased immigration should be the last -- not the first -- public policy response to skills shortages.

Tight labor markets and skills shortages create incentives for employers and workers to behave in ways needed to achieve many of the Administration's top priorities: moving welfare recipients, out-of-school youth, and workers dislocated by trade into jobs; providing greater opportunities for lifelong learning; and raising wages and reducing income inequality. Reliance on increased immigration, however, would undercut these market incentives and adversely affect our ability to upgrade the skills of U.S. workers to meet emerging skills shortages.

The existence of a tight labor market causes employers to raise wages, improve working conditions, and provide increased training to enable currently employed workers to keep pace with technology and induce more workers to enter the labor market. The increased demand for trained workers induces educational and job training institutions to teach new skills. With more opportunities for training, workers acquire skills needed to obtain better, higher-paying and more secure jobs, thereby creating open jobs and career ladders for those just entering or reentering the labor market -- young people, welfare recipients, displaced workers, and other disadvantaged groups.

Labor markets are sometimes slow to respond to skills shortages. In these circumstances, it is often argued that foreign temporary workers are needed in the short-term to provide necessary skills while the labor market adjusts and provides U.S. workers with the requisite training. Without needed foreign temporary workers, some argue that the IT industry may adjust to skills shortages in ways that do not serve the short-term or long-term priorities of the country, either by reducing job creation or by moving jobs overseas. Further, it is argued that IT industries are so critical to our competitive edge in an array of industries and services that disproportionate harm could come to the U.S. economy.

Even in such circumstances, however, the use of foreign temporary workers will interfere with labor market adjustments and makes achieving our other priorities more difficult. It dampens the market signals of increased wages, improved working conditions, and enhanced job security and growth potential so that fewer U.S. workers will be induced to acquire new skills, and fewer employers and institutions will be induced to provide more training and education.

Our primary public policy response to skills mismatches due to changing technologies and economic restructuring must be to prepare the U.S. workforce to meet new demands. Importing needed skills should usually be a short-term response to meet urgent needs while we actively adjust to quickly changing circumstances.

The Administration already has taken significant steps to increase our capacity for increasing workforce skills. The President continues to pursue comprehensive reform of the Nation's employment and training system by working with Congress to enact the principles embodied in his GI Bill proposal. Moreover, in the historic balanced budget agreement of last summer, the President insisted on and achieved the largest increase in 30 years in the Federal investment to expand the skills of American workers, including:

-- the largest Pell Grant increase in two decades -- boosting the

maximum from \$2,700 to \$3,000;

- a \$1,500 Hope Scholarship to make the first two years of school universally available through tax credits;
- the Lifelong Learning Tax Credit for the last 2 years of college and continuing adult education and training to upgrade worker skills;
- a 10 percent increase in employment and training resources for dislocated workers and disadvantaged workers and youth to over \$5 billion; and
- a \$3 billion program to help move 1 million people from welfare to work.

Further, the Administration announced several new efforts at the recent Berkeley Convocation to help address the growing demand for information technology workers:

- A Labor Department Technology Demonstration project to test innovative ways of establishing partnerships between local workforce development systems, employers, training providers and others to train dislocated workers in needed high tech skills;
- The expansion and integration of America's Job Bank and America's Talent Bank by the Labor Department to allow employers and workers to list and access job openings and worker resumes in one integrated system.

A Commerce Department grant program to bring information technology to low-income persons, particularly to enhance education and life-long learning;

The convening of four town hall meetings by the Commerce Department to discuss IT workforce needs, identify best practices, and showcase successful models; and

A joint Education and Labor grant program to expand employer involvement in high technology school-to-work programs.

We think that there is more that we can do to move U.S. workers into high technology jobs, and we welcome the discussions that may be sparked by this hearing. We are committed to pursuing a continued dialogue with the major stakeholders in the IT workforce issue -- government, industry, workers, and education and training institutions -- to better define the workforce needs of the IT industry and develop appropriate solutions to meet these needs involving commitments from each of the stakeholders. Such a dialogue is critical because increased immigration, if needed, can be only a small part of the solution to the workforce needs of the IT industry.

Given this broader context, let me turn to the need for reform of the H-1B nonimmigrant program.

H-1B Nonimmigrant Program

The H-1B program allows the admission of up to 65,000 workers each year (to stay for as long as six years), ostensibly to meet short-term, high-skills employment needs in the domestic labor market. In principle, this can be an appropriate purpose, consistent with our overall goal of giving priority to improving the skills of U.S. workers.

In practice, however, employers do not have to demonstrate any type of employment need or domestic recruitment prior to getting a foreign worker. Exacerbating this problem, the Labor Department is limited strictly in its ability to enforce the minimum standards that employers must adhere to. Employers obtain H-1B foreign workers by filing a labor condition application with the Department affirming that they have complied with four requirements:

- that a wage (not less than the local prevailing rate) will be paid to the foreign workers;
- that no strike or lockout exists;
- that notification has been provided to U.S. workers and their unions; and
- that the employment of H-1B nonimmigrants will not adversely

affect the working conditions of U.S. workers similarly employed. By law, the Labor Department can do no more than review these attestations for completeness and obvious inaccuracies -- to determine whether an employer checked all of the boxes, made no flagrant errors, and signed the attestation. Once the Department has reviewed the attestation, its enforcement has been limited by the fact that foreign worker is unlikely to make a complaint.

Our experience with the practical operation of the H-1B program has raised serious concerns that what was conceived as a means to meet temporary business needs for unique, highly-skilled professionals from abroad is, in fact, being used for a totally different purpose. Some employers -- though a minority of those who use the H-1B program -- seek admission of foreign workers to compete with qualified U.S. workers because temporary foreign workers are tied to one employer and are likely to be willing to work for lower wages and under less favorable working conditions. As a result, relatively large numbers of foreign workers who may well be displacing U.S. workers and eroding employers' commitment to the domestic workforce.

Many employers, to be sure, use the H-1B nonimmigrant program for its stated purpose: to provide U.S. businesses with timely access to the "best and the brightest" in the international labor market to meet urgent but generally temporary business needs. I want to emphasize that the Administration recognizes the need for this legitimate use of the program. But reform of the H-1B program is needed because it does not provide the needed balance between timely access to the international labor market and adequate protection of U.S. workers' job opportunities, wages and working conditions.

Greater protections for U.S. workers are needed because many employers use the H-1B program to employ not the "best and the brightest," but rather entry-level foreign workers who compete with U.S. workers. Minimum education and work experience qualifications for H-1B jobs are quite low -- a 4-year college degree and no work experience, or the equivalent in terms of combined education and work experience. Thus, a foreign worker with the equivalent of a community college degree and a few years of experience can compete with U.S. workers. These low educational requirements result in nearly 80 percent of H-1B jobs paying less than \$50,000 a year and more than 70 percent of the jobs being in computer-related occupations, physical therapists, and other health-related occupations.

The H-1B program is broken in several respects. First, current law does not require any test for the availability of qualified U.S. workers in the domestic labor market. Therefore, many of the visas under the current cap of 65,000 can be used lawfully by employers to hire foreign workers for purposes other than meeting a skills shortage. Second, current law allows a U.S. employer to lay off U.S. workers and replace them with H-1B workers. Third, current law allows employers to retain H-1B workers for up to 6 years to fill a presumably "temporary" need. We simply do not believe this is right. The H-1B program does almost nothing to encourage U.S. employers to develop U.S. workers to perform the jobs for which they are seeking nonimmigrants, or to limit their dependency on a nonimmigrant workforce.

As a result of these weaknesses in the program, it has become increasingly evident that the H-1B program is being utilized by some as the basis for building businesses dependent on the labors of foreign workers in relatively low-level computer-related and health care occupations. This is a clear example of companies using H-1B visas for foreign workers that are not needed to meet skills shortages. Such businesses are, in some cases, in unfair competition with U.S. workers and those U.S. businesses that employ mostly U.S. workers. The existence of "job contractors" with work forces composed predominantly or even entirely

of H-1B workers, which then lease these employees to other U.S. companies or use them to provide services previously provided by laid off U.S. workers, is cause for serious concern.

Mr. Chairman, the Administration asked the Congress in 1995 to amend the H-1B nonimmigrant program to address these problems. Unfortunately for many U.S. businesses and workers, these amendments were not enacted. The amendments requested in 1995 were carefully designed to assure continued business access to needed high-skills workers in the international labor market while decreasing the H-1B program's susceptibility to misuse to the detriment of U.S. workers and the businesses which employ them. Briefly stated, the amendments would require employers which seek access to temporary foreign "professional" workers to attest that:

-- they have not laid off or otherwise displaced U.S. workers in the occupations for which they seek nonimmigrant workers in the periods preceding and following their seeking such workers; and,

-- in certain circumstances, they have taken timely and significant steps to recruit and retain U.S. workers in these occupations. In addition, the Administration urged enactment of another amendment to reduce the allowable period of stay under the H-1B program from six to three years to better reflect the "temporary" nature of the presumed employment need.

Enactment of these amendments will help employers actually facing skills shortages, including those in the IT industry, obtain needed workers through the H-1B program. Under existing program rules, employers facing skills shortages are disadvantaged because they must compete for available visas (up to the cap of 65,000) on a first-come, first-served basis with other employers that do not face such shortages. Enactment of the proposed amendments would reduce pressure on the visa cap by screening out employers that are not faced with skills shortages and have no interest in recruiting U.S. workers.

A significant number of such employers use the H-1B program as a probationary program for foreign students who graduate from U.S. colleges, without a market test for U.S. workers, to determine if they want to sponsor the foreign student for permanent immigration status. By reducing the use of the H-1B for such purposes; more visas would be available for employers who need to use the H-1B program for its original purpose -- bringing in foreign workers to fill a temporary, critical need that cannot be met by U.S. workers.

Conclusion

Mr. Chairman, let me conclude by restating that the workforce needs of the IT industry can only be met if we take the steps needed to fully develop and utilize the skills of U.S. workers. Increased immigration can only be a very small part of the solution and must be viewed as a minor complement to the development of the U.S. workforce. Further, let me repeat that reform of the H-1B program is integral and essential to eliminating abuses under the program and providing greater protections for U.S. workers. At a bare minimum, we must not expand a program as fundamentally flawed as the H-1B nonimmigrant visa program. Further, enactment of these reforms would effectively allocate a greater share of H-1B visas to employers facing actual skills shortages.

I appreciate the interest shown by the Committee Members and staff in our views, and your thoughtful consideration of them. The Department looks forward to continuing to work closely and cooperatively with you and your staff on these issues. Mr. Chairman, that concludes my prepared statement.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:24-FEB-1998 12:11:21.00

SUBJECT: Weekly Education Strategy Meeting

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

READ:UNKNOWN

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

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

We will be having the Weekly Education Strategy Meeting on Thursday,
February 26, at 5:15 p.m. in Bruce Reed's office, 2 Fl/WW.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:24-FEB-1998 16:07:59.00

SUBJECT: Updated List of Tobacco Hearings

TO: Toby Donenfeld (CN=Toby Donenfeld/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Thomas L. Freedman (CN=Thomas L. Freedman/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: Jerold R. Mande (CN=Jerold R. Mande/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

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

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

CC: Jill M. Pizzuto (CN=Jill M. Pizzuto/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

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

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

TEXT:
Attached is an updated tobacco hearing schedule -- the main change is
identification of witnesses at the Tauzin hearing tomorrow. Thanks, Mary=====

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D69]MAIL406357454.026 to ASCII,
The following is a HEX DUMP:

FF575043AD060000010A0201000000020500000008350000000200000AE56244C25F5AF6AA6DF
68CF862821A5E9F07C4480A2FC4B3BC78ABE59A866FBA748F56C9A17E8BE9337BF457A471FD482

MEMORANDUM

TO: **PHIL BARTZ** **DOJ** **FAX: 305-3138**
 KEVIN BURKE **HHS** **FAX: 690-7380**
 DAVE CARLIN **USDA** **FAX: 720-8077**
 JIM O'HARA **HHS** **FAX: 690-6960**
 DAVID OGDEN **DOJ** **FAX: 514-1724**
 PAM SMITH **DOJ** **FAX: 514-9149**

FROM: **MARY L. SMITH**

RE: **TOBACCO HEARINGS SCHEDULE**

DATE: **FEBRUARY 24, 1998**

Attached is tobacco hearing schedule, which I plan to send out whenever I receive updates. Whenever you have any updates, changes, or additional information, please let me know at 456-5571. We are trying to keep this list as up-to-date and as comprehensive as possible. Thank you in advance for your assistance.

TOBACCO HEARING SCHEDULE
March 19, 2010 (8:48AM)

Tuesday, February 24

Tobacco Control and Public Health

The Senate Labor and Human Resources Committee (Chairman **Jeffords (R-VT)**) will hold hearings on the public health aspects of pending tobacco regulation legislation, including the roles of the Food and Drug Administration, Centers for Disease Control and Prevention, Agency for Health Care Policy and Research, and the National Institutes of Health.

Witness:

-Charles N. Jeffress, Assistant Secretary for Occupational Safety & Health, U.S. Dept. Of Labor

PANEL

Lewis Grossman - assistant law professor, American University

Jack E. Henningfield -vice president for research and health policy, Pinney Associates

PANEL

Richard M. Cooper - Williams & Connolly (representing Philip Morris)

Richard Levinson - associate executive director of programs and policy, American Public Health Association

PANEL

Jon Hanson - law professor, Harvard University

Kyle Logue - law professor, University of Michigan

Comprehensive Tobacco Legislation

The Senate Commerce, Science and Transportation Committee (Chairman **McCain (R-AZ)**) will hold hearings on proposed comprehensive tobacco-control legislation. No HHS witnesses have been invited to testify.

Witnesses:

-Geoffrey C. Bible - chairman and CEO, Philip Morris Companies, Inc.

-Nicholas G. Brooks - chairman and CEO, Brown and Williamson Tobacco Corp.

-Steven F. Goldstone - chairman and CEO, RJR Nabisco, Inc.

-Laurence A. Tisch - co-chairman of the board and co-CEO, Loews Corp.

-Vincent A. Gierer Jr. - chairman and CEO, UST. Inc.

Wednesday, February 25

The House Trade and Consumer Protection Subcommittee (Chairman **Tauzin (R-LA)**) is

scheduled to hold a hearing on the view of businesses excluded from the tobacco settlement.

Witnesses

- Carl Bolch, Jr. - CEO, RaceTrac Petroleum, Inc.
- Jeffrey L. Schlagenhauf - President, Smokeless Tobacco Council, Inc.
- Norman F. Sharp - President, Cigar Association of America
- Kay Jackson - American Vending Company, Inc.
- Steven Bailey - Vice President, S&M Brands, Inc.

Thursday, February 26

Comprehensive Tobacco Legislation

The Senate Commerce, Science and Transportation Committee (Chairman **McCain (R-AZ)**) will hold hearings on proposed comprehensive tobacco-control legislation. No HHS witnesses have been invited to testify.

Witness (Proposed)

- David Ogden, DOJ
- Richard Scruggs
- AGs?

Tuesday, March 3

Comprehensive Tobacco Legislation

The Senate Commerce, Science and Transportation Committee (Chairman **McCain (R-AZ)**) will hold hearings on proposed comprehensive tobacco-control legislation.

Witnesses

- The Administration will probably send a panel.

Wednesday, March 4

Indian Provisions of Tobacco Legislation

The Senate Indian Affairs Committee (Chairman **Campbell (R-CO)**) will hold a **full committee markup** on the provisions of comprehensive tobacco-control legislation that affect Native American populations.

Agenda:

- S1414 A bill to reform and restructure the processes by which tobacco products are manufactured, marketed, and distributed, to prevent the use of tobacco products by minors, to redress the adverse health effects of tobacco use, and for other purposes.
- S1415 A bill to reform and restructure the processes by which tobacco products are manufactured, marketed, and distributed, to prevent the use of tobacco products by minors, to redress the adverse health effects of tobacco use,

and for other purposes.

S1530 A bill to resolve ongoing tobacco litigation, to reform the civil justice system responsible for adjudicating tort claims against companies that manufacture tobacco products, and establish a national tobacco policy for the United States that will decrease youth tobacco use and reduce the marketing of tobacco products to young Americans.

Tuesday, March 17

Comprehensive Tobacco Legislation

The Senate Commerce, Science and Transportation Committee (Chairman **McCain (R-AZ)**) will hold hearings on proposed comprehensive tobacco-control legislation.

Tuesday, April 21

Comprehensive Tobacco Legislation

The Senate Commerce, Science and Transportation Committee (Chairman **McCain (R-AZ)**) will hold hearings on proposed comprehensive tobacco-control legislation.

PAST HEARINGS

Tuesday, February 10

Tobacco Control and Public Health

The Senate Labor and Human Resources Committee (Chairman **Jeffords (R-VT)**) will hold the first of two hearings on the public health aspects of pending tobacco regulation legislation, including the roles of the Food and Drug Administration, Centers for Disease Control and Prevention, Agency for Health Care Policy and Research, and the National Institutes of Health. HHS witnesses from FDA, CDC, the ASSIST program, the Health Care Policy Group, and NIH have been invited to testify.

Tobacco Control and Civil Liability

The Senate Judiciary Committee (Chairman **Hatch (R-UT)**) will hold a hearing on tobacco control legislation and civil liability. No HHS witnesses have been invited to testify.

Thursday, February 12

Indian Provisions of Tobacco Legislation

The Senate Indian Affairs Committee (Chairman **Campbell (R-CO)**) will hold a hearing on the provisions of comprehensive tobacco-control legislation that affect Native American populations.

W. Craig Vanderwagen, Associate Director, Office of Health Programs, Indian Health Service, HHS will testify.

Agenda:

- S1414 A bill to reform and restructure the processes by which tobacco products are manufactured, marketed, and distributed, to prevent the use of tobacco products by minors, to redress the adverse health effects of tobacco use, and for other purposes.
- S1415 A bill to reform and restructure the processes by which tobacco products are manufactured, marketed, and distributed, to prevent the use of tobacco products by minors, to redress the adverse health effects of tobacco use, and for other purposes.
- S1530 A bill to resolve ongoing tobacco litigation, to reform the civil justice system responsible for adjudicating tort claims against companies that manufacture tobacco products, and establish a national tobacco policy for the United States that will decrease youth tobacco use and reduce the marketing of tobacco products to young Americans.

Thursday, February 19

Field Hearing

The Senate Labor and Human Resources Committee (Chairman **Jeffords (R-VT)**) is scheduled to hold a field hearing on state and local views of proposed national tobacco policy. 10am

Auditorium E, Dartmouth-Hitchcock Medical Center, Lebanon, N.H.

Witnesses:

PANEL

- Philip T. McLaughlin - Attorney General, State of New Hampshire
- William H. Sorrell - Attorney General, State of Vermont
- Jan K. Carney - Commissioner, Vermont Health Department

PANEL

- Albee Budnitz - Board member, New Hampshire Medical Society and American Lung Association of New Hampshire
- Judy Rivers - Board member, New England Board of the American Cancer Society
- William W. Fenniman, Jr. - Chief of Police, Dover, N.H.
- John R. Hughes - Professor of Psychiatry, University of Vermont

ENACT Coalition

The Effective National Action to Control Tobacco (ENACT) Coalition will sponsor a briefing for health staff on comprehensive, sustainable, effective and well-funded national tobacco control legislation.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:24-FEB-1998 16:12:51.00

SUBJECT: H1B memo

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

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

TEXT:
Elena,

Here is a draft of the H1-B memo. It incorporates NEC (including Sally) and my comments.

Julie

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D47]MAIL46755745N.026 to ASCII,
The following is a HEX DUMP:

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3FF549AC1CC0C62F31CEE2810941AACF12A0F6580B6F9402316F18FF479744D430F22BB177AFF6

INFORMATION

Draft February 24, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING, BRUCE REED

RE: ADMINISTRATION POLICY ON SKILLED TEMPORARY FOREIGN WORKERS

We are providing you with this informational memo on the "H1-B visa" issue because the *New York Times* recently ran a story on the basis of a leaked internal Administration options memo, and because this is an important topic to Silicon Valley companies. During your trip to California later this week, you will be interacting with high-tech CEOs and may get asked about this. A suggested Q&A is attached.

Current U.S. law permits 65,000 H1-B visas each year for skilled (BA or equivalent) temporary foreign workers. The computer and health care industries are the primary users of the H1-B program. The annual 65,000 visa cap was met for the first time in FY 1997. This year, we expect to reach the limit in May or June -- several months before the end of the current fiscal year. Accordingly, the cap is likely to become a legislative issue in this session of Congress.

The information technology (IT) industry, along with Senator Abraham, Representative Zoe Lofgren, and other members of Congress, support either the removal of or a significant increase in the H1-B cap. Unions, other worker organizations, Senator Kennedy, Congressman Dingell, and other members of Congress are likely to oppose any increase.

A DPC/NEC working group with representatives from Labor, Commerce, State, and INS has started to meet to develop Administration policy on:

1. Steps we can take to work with industry and institutions of higher education to address the shortage of workers with IT skills;
2. Reforms of the H1-B program (e.g., a prohibition against laying off U.S. workers to replace them with foreign workers); and
3. Whether or not to increase the H1-B cap from its current level of 65,000.

We have tentatively decided that in addressing shortages of workers within the IT industry, we should focus on increased training, education and recruitment of American workers -- not on an increase in the cap for temporary foreign workers. We intend to initiate a partnership with the IT industry to make this happen. We have, in at least one similar context, used such a partnership to effectively address perceived labor shortages. We successfully addressed concerns about the shortage of shipbuilder workers in Louisiana by bringing together industry, labor, and state and local elected officials. Through this partnership, it was ultimately determined that the temporary shortage that existed within this industry was 1,000 workers, rather than the 10,000 originally claimed.

The interagency group is willing to consider, if necessary, an increase in the H1-B cap as part of an overall package that includes industry commitments to training, education and recruitment and reform of the H1-B visa program. However, we do not recommend starting our discussion with the cap increase on the table. Moreover, any increase in the H1-B cap (even a 20,000 to 35,000 increase) is not likely to address either the short or long term problem of IT worker shortages, given the projected growth in demand for workers with IT skills.

Our next step is to meet with high-tech industry executives to develop an "action plan" that builds on a series of announcements that the Departments of Commerce, Education and Labor made at a January 1998 conference in Berkeley, California.

Q. Mr. President, will your Administration grant more visas to high-skilled foreign workers who are in demand by high-tech industries?

We have made no decision on this issue. In reviewing our options, my Administration's first priority will be to ensure that American workers have the skills they need to fill these jobs, and that they have priority over any foreign workers with similar training. The growing demand for workers with high-tech skills shows how critical my agenda for life-long learning is -- HOPE scholarships to open the doors of college, tax credits for employer investment in life-long learning, and making sure that all of our children are technologically literate.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Melissa N. Benton (CN=Melissa N. Benton/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:24-FEB-1998 16:40:27.00

SUBJECT: Reminder--comments on HUD and Justice letters on H.R. 3206, the Fair Housi

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

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

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

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

TO: Joseph F. Lackey Jr. (CN=Joseph F. Lackey Jr./OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

TO: Alan B. Rhinesmith (CN=Alan B. Rhinesmith/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TEXT:

This is a reminder that your comments on the subject bill reports are due.

If we do not hear from you by 5 p.m., we will assume you have no comments and will clear the reports.

Please call if you have any questions (5-7887). Thanks!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:24-FEB-1998 18:00:09.00

SUBJECT: New Political Affairs State Breakout

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

TO: Allison Balderston (CN=Allison Balderston/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: William R. Kincaid (CN=William R. Kincaid/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

TEXT:

----- Forwarded by Christa Robinson/OPD/EOP on 02/24/98
05:59 PM -----

Cynthia M. Jasso-Rotunno
02/24/98 04:47:50 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: New Political Affairs State Breakout

FYI...Attached is a list of states and Office of Political Affairs staff members assigned to those states. This list was emailed to the administrative contact person in your office for distribution. Could you please ensure that the appropriate staff gets this?

Thank you very much.

Message Sent

- To: _____
- Cecily C. Williams/WHO/EOP
 - Anthony R. Bernal/WHO/EOP
 - David S. Beaubaire/WHO/EOP
 - Patricia Solis-Doyle/WHO/EOP
 - Evan Ryan/WHO/EOP
 - Marie-Therese Dominguez/WHO/EOP
 - Douglas J. Band/WHO/EOP
 - Richard Socarides/WHO/EOP
 - Maurice Daniel/OVP @ OVP
 - Kimberly H Tilley/OVP @ OVP
 - Kim B. Widdess/WHO/EOP
 - Jeffrey A. Forbes/WHO/EOP
 - Stacie Spector/WHO/EOP
 - Brian A. Barreto/OPD/EOP
 - Christa Robinson/OPD/EOP
 - Joshua Silverman/WHO/EOP

Jonathan Murchinson/WHO/EOP
Estela Mendoza/WHO/EOP
Cathy R. Mays/OPD/EOP
Robin J. Bachman/WHO/EOP
Miguel M. Bustos/OVP @ OVP
Alejandra Y. Castillo/ONDCP/EOP
Tania I. Lopez/WHO/EOP
Nelson Reyneri/WHO/EOP

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D62]MAIL43430845I.026 to ASCII,
The following is a HEX DUMP:

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White House Office of Political Affairs - State Breakout

Craig Smith, Dir. x61125	Chris Lavery, Spec. Asst. To Dir., x61125	Minyon Moore, Dep. Dir. x67910 (Angelique)	Karen Skelton, Dep. Dir. x67910 (Angelique)	Linda Moore, Dep. Dir. & Mid-Western Pol. Dir. x65247	Cynthia Jasso-Rotunno, Chief of Staff & South x65245	Craig Hughes Eastern Pol. Dir. x66257	Mona Pasquil Western Pol. Dir. x65240
Arkansas	Connecticut	D.C.	California	Indiana	Alabama	Colorado	Alaska
	Maryland	Illinois	Tennessee	Iowa	Georgia	Delaware	Arizona
	Massachusetts			Kentucky	Mississippi	Florida	Democrats Abroad
	New Hampshire			Louisiana	North Carolina	Maine	Hawaii
	Vermont			Michigan	South Carolina	New Jersey	Idaho
				Minnesota	Texas	New York	Kansas
				Missouri		Pennsylvania	Montana
				Ohio		Rhode Island	Nebraska
				West Virginia		Virginia	Nevada
				Wisconsin			New Mexico
							North Dakota
							Oklahoma
							Oregon
							South Dakota
							U.S. Territories
							Utah
							Washington
							Wyoming

Automated Records Management System
Hex-Dump Conversion

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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:24-FEB-1998 19:36:34.00

SUBJECT: crime meeting agenda

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

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

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

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

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

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

TEXT:

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D24]MAIL463448452.026 to ASCII,
The following is a HEX DUMP:

FF575043B0040000010A02010000000205000000041200000002000003DA951A3F6793AE83B6C5

**Crime Meeting Agenda
February 25, 1998**

Automated Records Management System
Hex-Dump Conversion

Pending Events

- * Possible Drunk Driving Event
 - Call on Congress to pass .08 BAC legislation.
 - Timing of NEXTEA

- * 3/14 Tentative Assault Weapons Radio Address
 - Release date for report

Legislative Update

- * Juvenile crime
 - Model Juvenile Handgun Legislation

- * Drugs
 - Crack cocaine: Abraham bill
 - ONDCP Reauthorization
 - Drug Strategy Resolution

- * Miscellaneous
 - 1) Crimes against children package (missing children, Internet stalking)
 - 2) Witness protection
 - 3) Bailey fix
 - 4) Durbin bill on handgun sale waiting period

Other Potential Events

- * Youth gun violence event with National Association Attys General (3/13)

- * Gun Trafficking (Schumer legislation)

- * Money Laundering/ Final GTO Regulation

- * School Violence Report Card possibly released mid-March.

- * 4th Anniversary of AG's Violent Crime Initiative

Miscellaneous/ Pending Items

- * Update from DOJ on drug testing and driver's licenses funding issue.
- * NIJ Gang Report -- postponed
- * Any other pending events/releases--DOJ Reports
- * 2/28 is 4th anniversary of Brady implementation (Holder remarks at availability).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Richard L. Hayes (CN=Richard L. Hayes/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:24-FEB-1998 13:37:02.00

SUBJECT: FAR/SBA Affirmative Action Rules

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

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

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

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

TEXT:

fyi

----- Forwarded by Richard L. Hayes/WHO/EOP on 02/24/98 01:36 PM

Jefferson B. Hill
02/24/98 01:16:12 PM
Record Type: Record

To: Richard L. Hayes/WHO/EOP
cc: See the distribution list at the bottom of this message
Subject: FAR/SBA Affirmative Action Rules

You asked, under the Congressional Review Act, to which committees the SBA and FAR rules go. You also asked the process for Congress voting on them during the 60-day hold-over period.

Under the Congressional Review Act (CRA), the agency is to send the rule to the Speaker of the House, the President of the Senate, and the GAO. The Speaker/President is to send the rule to the "standing committee of jurisdiction", i.e., the authorizing committees.

The SBA rules, I assume but do not know, go to the House and Senate Small Business Committees.

The FAR rules, issued jointly by DOD, NASA, and GSA, would presumably go to the pertinent authorizing committees -- namely, Senate Armed Services (DOD), Senate Commerce, Science, and Transportation (NASA), Senate Governmental Affairs (GSA), House Government Reform and Oversight (GSA), House National Security (DOD), and House Science (NASA).

The OFPP publication of the Commerce Dept. bench marks would also have to go to the Speaker and the President of the Senate, and then to Senate Governmental Affairs and House GRO as well..

The timing of what happens under the CRA is a bit tricky.

First, the 60-day delay in effective date for a "major" rule is calendar days, and has nothing, statutorily, to do with when Congress can vote to disapprove a regulation. (Statutorily, the delay in effective date and the disapproval procedures are not linked. In practical terms, it presumably is easier to disapprove a rule that has not yet taken effect.)

The expedited procedures under which Congress can vote to disapprove a regulation are a bit tricky. (Congress is always able -- under the normal legislative process -- to vote any disapproval it wants, e.g., the nullification of the long-time-ago FDA saccharine prohibition.)

In summary, if the applicable deadlines are met, the Senate can move free of a filibuster; the House has no special procedures until the Senate passes a resolution of disapproval..

A Member of either House has 60 days (excluding any days that either House is adjourned for more than 3 days during a session of Congress) to introduce a joint resolution of disapproval. (Joint resolutions are like legislation, in that they are submitted to the President for signing or possible veto.)

((I ignore the special procedures available for regulations submitted to Congress 60 session or legislative days before the end of a Congressional session -- roughly late April to early June, depending on the date of final recess)).

Then, in the Senate, there are expedited procedures which need to be implemented within "60 session days" of the submission of the rule to Congress (or publication of the rule in the Federal Register, whichever is earlier).

In other words, a "major" rule cannot take effect for 60 days of submission of the text to the Senate, the House, and GAO (or publication in the Federal Register) or publication in the Federal Register, which ever is later. For a period somewhat longer than that, a Member is able to introduce a joint resolution of disapproval, which -- to avoid a possible Senate filibuster -- has to move ahead within 60 session days of the submission date (generally earlier than publication date -- because agencies generally send the final rules to the Congress and the Federal Register on the same date). Given current timing, Congress would have to move by relatively late this Session to disapprove these rules under the expedited procedure. ((By June or so, the disapproval process presumably would roll over until next year.))

How, exactly, all this would happen is not clear -- Congress has not yet tried to implement the detailed procedures.

If you have any questions about this, please call (395-3176).

Message Copied

To: _____

Steven L. Schooner/OMB/EOP
Linda G. Williams/OMB/EOP
Victoria Wassmer/OMB/EOP
Peter N. Weiss/OMB/EOP
Donald R. Arbuckle/OMB/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:24-FEB-1998 13:41:43.00

SUBJECT: H1-B rewrite from Labor

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Elena,

Sorry for the piecemeal nature of this. The attached are the comments from the Labor person at OMB.

jf

----- Forwarded by Julie A. Fernandes/OPD/EOP on 02/24/98
01:50 PM -----

INGRID M. SCHROEDER

02/24/98 01:33:06 PM

Record Type: Record

To: Julie A. Fernandes/OPD/EOP

cc:

Subject: H1-B rewrite from Labor

----- Forwarded by Ingrid M. Schroeder/OMB/EOP on
02/24/98 01:32 PM -----

Debra J. Bond

02/24/98 11:21:43 AM

Record Type: Record

To: Ingrid M. Schroeder/OMB/EOP@EOP

cc: Larry R. Matlack/OMB/EOP@EOP, Maureen H. Walsh/OMB/EOP@EOP, Daniel J. Chenok/OMB/EOP@EOP

Subject: H1-B rewrite from Labor

Below are our suggested edits to the H-1B testimony. We do not think that any substance is lost. Our changes attempt to make the testimony more concise. The changes also qualify some of the statements because DOL does not provide any evidence. Please let me know if there are any questions about our edits. Thanks--

STATEMENT OF RAYMOND J. UHALDE

ACTING ASSISTANT SECRETARY OF LABOR

before the

THE SENATE JUDICIARY COMMITTEE

February 25, 1998

Mr. Chairman and Members of the Committee:

Let me begin today, Mr. Chairman, by expressing my sincere appreciation to you for affording me this opportunity to share the views of the Administration regarding immigration, labor market conditions in high-technology industries, and possible reforms in the H-1B nonimmigrant visa program. The Administration shares your interest in the information technology industry, as evidenced by our participation in a recent convocation in Berkeley that addressed Information Technology (IT) work force needs. Further, as you know from Administration proposals advanced beginning in 1993, we believe that the H-1B program needs reform. This employment-based visa program is seriously flawed in its current form and urgently requires the attention of Congress. I would like to commend the Committee for its interest in these issues.

Tight Labor Markets and IT Skills Shortages

It is clear that IT employment is growing rapidly, IT labor markets are tight, and they are likely to remain so. Although this is true for the nation as a whole, given our sustained economic expansion and low national unemployment rate, IT labor markets appear to be particularly affected. Employment of computer systems analysts, engineers, and scientists has been growing by 10% a year -- well above the growth of comparable occupations -- and is expected to continue growing at a comparable rate through 2006. BLS projects that the U.S. will require more than 1.3 million new workers in IT core occupations between 1996 and 2006 to fill job openings projected to occur due to growth and the need to replace workers who leave the labor force or transfer to other occupations.

The IT skills shortage issue is very controversial. Industry advocates say that hundreds of thousands of jobs cannot be filled and that these vacancies are hurting U.S. competitiveness. Critics say the IT industry: (1) drastically overstates any problem by producing inflated job vacancy data and equating it to skills shortages; (2) continues to lay off tens of thousands of workers (e.g., AT&T recently announced large lay-offs); and (3) fails to tap reservoirs of talent available by using unnecessarily specific recruitment requirements and not providing more training to current IT workers.

One point of contention is the confusion between job vacancies and actual skills shortages. Even if the latest industry survey, which found nearly 350,000 job vacancies in the IT industry is accurate, it does not mean that there is a skills shortage of that same magnitude. Nearly all industries and firms, particularly those with rapid employment growth and high worker turnover, will have large numbers of jobs openings or vacancies without experiencing skills shortages. An industry association survey of job vacancies indicates that there may already be a shortage of 350,000 workers in the IT industry. However, this may not be a signal that there is a shortage of skilled workers. Most industries and firms have job openings at any point in time reflecting worker turnover and employment growth.

Evidence from perhaps the best predictor of skills shortages -- wage growth -- does not suggest acute skills shortages nationwide in the IT industry, but may be consistent with skills shortages in specialized occupational areas and selected local areas. Wages growing substantially faster than average can be a reliable indicator of skill shortages, but the wage growth record for the IT industry is mixed. Broad-based Bureau of Labor Statistics (BLS) surveys show increases in IT wages in 1996 and 1997 that are only modestly above comparable occupations, while more specialized industry surveys show much larger wage increases in more

specialized, high-skills occupations. BLS wage trends for broad computer-related categories show average wage growth between 1988 and 1997 for all categories, but with above-average growth in wages for 1996 and 1997 in the lower-skill computer-related categories, particularly programmers. At the same time, a variety of industry wage surveys show larger wage increases in 1996 and 1997 in more specialized, high-skill occupations.

Educating and Training U.S. Workers

The Administration believes it is essential, regardless of the magnitude of the problem, to shape public policy to assure that IT meet the workforce needs of the IT industry, as well as those of any other industry, through the education and training of U.S. workers. but that increased immigration should be the last -- not the first -- public policy response to skills shortages. Our first response should be to provide the needed skills to U.S. workers to qualify them for IT jobs. Increased immigration should be the last -- not the first -- public policy response to skills shortages. Accordingly, care must be taken before turning to immigration to expand the supply of workers.

The existence of a tight labor market causes employers to raise wages, improve working conditions, and provide increased training to enable currently employed workers to keep pace with technology and induce more workers to enter the labor market. The increased demand for trained workers induces educational and job training institutions to teach new skills. With more opportunities for training, workers acquire skills needed to obtain better, higher-paying and more secure jobs, thereby creating open jobs and career ladders for those just entering or reentering the labor market -- young people, welfare recipients, displaced workers, and other disadvantaged groups. [from below]

Therefore, tight labor markets and skills shortages create incentives for employers and workers to behave in ways needed to achieve many of the Administration's top priorities: moving welfare recipients, out-of-school youth, and workers dislocated by trade into jobs; providing greater opportunities for lifelong learning; and raising wages and reducing income inequality. Reliance on increased immigration, however, would undercut these market incentives and adversely affect our ability to upgrade the skills of U.S. workers to meet emerging skills shortages.

The existence of a tight labor market causes employers to raise wages, improve working conditions, and provide increased training to enable currently employed workers to keep pace with technology and induce more workers to enter the labor market. The increased demand for trained workers induces educational and job training institutions to teach new skills. With more opportunities for training, workers acquire skills needed to obtain better, higher-paying and more secure jobs, thereby creating open jobs and career ladders for those just entering or reentering the labor market -- young people, welfare recipients, displaced workers, and other disadvantaged groups.

However, labor markets are sometimes slow to respond to skills shortages. In these circumstances, it is often argued that foreign temporary workers are needed in the short-term to provide necessary skills while the labor market adjusts and provides U.S. workers with the requisite training. Without needed foreign temporary workers, some argue that the IT industry may adjust to skills shortages in ways that do not serve the short-term or long-term priorities of the country, either by reducing job creation or by moving jobs overseas. Further, it is argued that IT industries are so critical to our competitive edge in an array of industries and services that disproportionate harm could come to the U.S. economy.

Even in such circumstances, however, the use of foreign temporary workers will may interfere with labor market adjustments and may makes achieving our other priorities more difficult. It dampens the market signals of

increased wages, improved working conditions, and enhanced job security and growth potential so that may reduce the incentive for fewer U.S. workers will be induced to acquire new skills, and fewer employers and institutions will may be induced to increase provide more training and education.

Our primary public policy response to skills mismatches due to changing technologies and economic restructuring must be to prepare the U.S. workforce to meet new demands. Importing needed skills should usually be a short-term response to meet urgent needs while we actively adjust to quickly changing circumstances.

The Administration already has taken significant steps to increase our capacity for increasing workforce skills. The President continues to pursue comprehensive reform of the Nation's employment and training system by working with Congress to enact the principles embodied in his GI Bill proposal. Moreover, in the historic balanced budget agreement of last summer, the President insisted on and achieved the largest increase in 30 years in the Federal investment to expand the skills of American workers, including:

- the largest Pell Grant increase in two decades -- boosting the maximum from \$2,700 to \$3,000;
- a \$1,500 Hope Scholarship to make the first two years of school post-secondary universally available through tax credits;
- the Lifelong Learning Tax Credit for the last 2 years of college and continuing adult education and training to upgrade worker skills;
- a 10 percent major increase in employment and training resources, including increases for dislocated workers and disadvantaged workers adults and youth to over \$5 billion; and [note: these increases were not realized in FY 1998 appropriations which were 6% above FY 1997]
- a \$3 billion program to help move 1 million people from long-term welfare recipients secure lasting, unsubsidized employmentwelfare to work

Further, the Administration announced several new efforts at the recent Berkeley Convocation to help address the growing demand for information technology workers:

- A Labor Department Technology Demonstration project to test innovative ways of establishing partnerships between local workforce development systems, employers, training providers and others to train dislocated workers in needed high tech skills;
- The expansion and integration of America's Job Bank and America's Talent Bank by the Labor Department to allow employers and workers to list and access job openings and worker resumes in one integrated system.

A Commerce Department grant program to bring information technology to low-income persons, particularly to enhance education and life-long learning;

The convening of four town hall meetings by the Commerce Department to discuss IT workforce needs, identify best practices, and showcase successful models; and

A joint Education and Labor grant program to expand employer involvement in high technology school-to-work programs.

We think that there is more that we can do to move U.S. workers into high technology jobs, and we welcome the discussions that may be sparked by this hearing. We are committed to pursuing a continued dialogue with the major stakeholders in the IT workforce issue -- government, industry, workers, and education and training institutions -- to better define the workforce needs of the IT industry and develop appropriate solutions to meet these needs involving commitments from each of the stakeholders. Such a dialogue is critical because increased immigration, if needed, can be only a small part of the solution to the workforce needs of the IT industry.

Given this broader context, let me turn to the need for reform of the H-1B nonimmigrant program.

H-1B Nonimmigrant Program

The H-1B program allows the admission of up to 65,000 workers each year (to stay for as long as six years), ostensibly to meet short-term, high-skills employment needs in the domestic labor market. In principle, this can be an appropriate purpose, consistent with our overall goal of giving priority to improving the skills of U.S. workers.

In practice, however, employers do not have to demonstrate any type of employment need or domestic recruitment prior to getting a foreign worker. Exacerbating this problem, the Labor Department is limited strictly in its ability to enforce the minimum standards that employers must adhere to. Employers obtain H-1B foreign workers by filing a labor condition application with the Department affirming that they have complied with four requirements:

-- that a wage (not less than the local prevailing rate) will be paid to the foreign workers;

-- that no strike or lockout exists;

-- that notification has been provided to U.S. workers and their unions; and

-- that the employment of H-1B nonimmigrants will not adversely affect the working conditions of U.S. workers similarly employed.

By law, the Labor Department can do no more than review these attestations for completeness and obvious inaccuracies -- to determine whether an employer checked all of the boxes, made no flagrant errors, and signed the attestation. Once the Department has reviewed the attestation, its enforcement has been limited by the fact that foreign worker is unlikely to make a complaint.

Our experience with the practical operation of the H-1B program has raised serious concerns that what was conceived as a means to meet temporary business needs for unique, highly-skilled professionals from abroad is, in fact, being used for a totally different purpose. Some employers -- though a minority of those who use the H-1B program -- seek admission of foreign workers to compete with qualified U.S. workers because temporary foreign workers are tied to one employer and are likely to be willing to work for lower wages and under less favorable working conditions. As a result, relatively large numbers of foreign workers who may well be displacing U.S. workers and eroding employers' commitment to the domestic workforce. Unfortunately, in some cases the H-1B program appears not to operate as a temporary workers program with workers coming to this country for a short duration and then returning to their home country. Instead, it operates as a "probationary" employment program where employers bring workers to the US and, if they perform well, sponsor them for permanent admission to this country. Thus, in some instances, the US worker is never afforded the opportunity to compete for the job.

Many employers, to be sure, use the H-1B nonimmigrant program for its stated purpose: to provide U.S. businesses with timely access to the "best and the brightest" in the international labor market to meet urgent but generally temporary business needs. I want to emphasize that the Administration recognizes the need for this legitimate use of the program. But reform of the H-1B program is needed because it does not provide the needed balance between timely access to the international labor market and adequate protection of U.S. workers' job opportunities, wages and working conditions.

Greater protections for U.S. workers are needed because many employers use the H-1B program to employ not the best and the brightest, but rather entry-level foreign workers who compete with U.S. workers. Minimum education and work experience qualifications for H-1B jobs are quite low -- a 4-year college degree and no work experience, or the equivalent in terms of combined education and work experience. Thus, a foreign worker

with the equivalent of a community college degree and a few years of experience can compete with U.S. workers. These low educational requirements result in nearly 80 percent of H-1B jobs paying less than \$50,000 a year and more than 70 percent of the jobs being in computer-related occupations, physical therapists, and other health-related occupations.

The H-1B program is broken in several respects. First, current law does not require any test for the availability of qualified U.S. workers in the domestic labor market. Therefore, many of the visas under the current cap of 65,000 can be used lawfully by employers to hire foreign workers for purposes other than meeting a skills shortage. Second, current law allows a U.S. employer to lay off U.S. workers and replace them with H-1B workers -- although employers do attest to no strike or lock-out at the time of the application. Third, current law allows employers to retain H-1B workers for up to 6 years to fill a presumably "temporary" need. We simply do not believe this is right. The H-1B program does almost nothing to encourage U.S. employers to develop U.S. workers to perform the jobs for which they are seeking nonimmigrants, or to limit their dependency on a nonimmigrant workforce.

As a result of these weaknesses in the program, it has become increasingly evident that the H-1B program is being utilized by some as the basis for building businesses dependent on the labors of foreign workers in relatively low-level computer-related and health care occupations. This is a clear example of companies using H-1B visas for foreign workers that are not needed to meet skills shortages. Such businesses are, in some cases, in unfair competition with U.S. workers and those U.S. businesses that employ mostly U.S. workers. The existence of "job contractors" with work forces composed predominantly or even entirely of H-1B workers, which then lease these employees to other U.S. companies or use them to provide services previously provided by laid off U.S. workers, is cause for serious concern.

Mr. Chairman, the Administration asked the Congress in 1995 to amend the H-1B nonimmigrant program to address these problems. Unfortunately for many U.S. businesses and workers, these amendments were not enacted. The amendments requested in 1995 were carefully designed to assure continued business access to needed high-skills workers in the international labor market while decreasing the H-1B program's susceptibility to misuse to the detriment of U.S. workers and the businesses which employ them. Briefly stated, the amendments would require employers which seek access to temporary foreign "professional" workers to attest that:

-- they have not laid off or otherwise displaced U.S. workers in the occupations for which they seek nonimmigrant workers in the periods preceding and following their seeking such workers; and,

-- in certain circumstances, they have taken timely and significant steps to recruit and retain U.S. workers in these occupations. In addition, the Administration urged enactment of another amendment to reduce the allowable period of stay under the H-1B program from six to three years to better reflect the "temporary" nature of the presumed employment need.

Enactment of these amendments will help employers actually facing skills shortages, including those in the IT industry, obtain needed workers through the H-1B program. Under existing program rules law, employers facing skills shortages are disadvantaged because they must compete for available visas (up to the cap of 65,000) on a first-come, first-served basis with other employers that do may not face such shortages. Enactment of the proposed amendments would reduce pressure on the visa cap by screening out employers that are not faced with skills shortages and have no interest in recruiting U.S. workers.

A significant number of such employers use the H-1B program as a

probationary program for foreign students who graduate from U.S. colleges, without a market test for U.S. workers, to determine if they want to sponsor the foreign student for permanent immigration status. By reducing the use of the H-1B for such purposes, more visas would be available for employers who need to use the H-1B program for its original purpose -- bringing in foreign workers to fill a temporary, critical need that cannot be met by U.S. workers.

Conclusion

Mr. Chairman, let me conclude by restating that the workforce needs of the IT industry can only be met if we take the steps needed to fully develop and utilize the skills of U.S. workers. Increased immigration can only be a very small part of the solution and must be viewed as a minor complement to the development of the U.S. workforce. Further, let me repeat that reform of the H-1B program is integral and essential to eliminating abuses under the program and providing greater protections for U.S. workers. At a bare minimum, we must not expand a program as fundamentally flawed as the H-1B nonimmigrant visa program. Further, enactment of these reforms would effectively allocate a greater share of H-1B visas to employers facing actual skills shortages.

I appreciate the interest shown by the Committee Members and staff in our views, and your thoughtful consideration of them. The Department looks forward to continuing to work closely and cooperatively with you and your staff on these issues. Mr. Chairman, that concludes my prepared statement.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-FEB-1998 10:46:41.00

SUBJECT: URGENT -- Treasury (Larry Summers) testimony for today.

TO: Richard P. Emery Jr. (CN=Richard P. Emery Jr./OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

TO: Donald H. Gips (CN=Donald H. Gips/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Jerold R. Mande (CN=Jerold R. Mande/OU=OSTP/O=EOP@EOP [OSTP])
READ:UNKNOWN

TO: Christopher C. Jennings (CN=Christopher C. Jennings/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: Edward M. Rea (CN=Edward M. Rea/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: Alan B. Rhinesmith (CN=Alan B. Rhinesmith/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: Toby Donenfeld (CN=Toby Donenfeld/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

READ:UNKNOWN

CC: Jill M. Blickstein (CN=Jill M. Blickstein/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

CC: James C. Murr (CN=James C. Murr/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TEXT:

A copy of Larry Summers' testimony on the tax proposals in the President's budget is being faxed/delivered to you. The testimony is for the Ways and Means Committee and is to be delivered at 1 PM today. Obviously, comments are due ASAP.

Call (53386) or fax (53109) any comments to me.

Note tobacco settlement references on page 4.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-FEB-1998 14:29:44.00

SUBJECT: Draft PIR / Phoenix Letter - Report

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

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

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

TEXT:

You will recall that we have begun a process whereby after each Board Meeting, Dr. Franklin has sent a letter-report to the President (drafted by PIR staff) on behalf of the Board making certain recommendations in the issue area of the previous meeting. Attached is the Employment letter relating to the Phoenix meeting, in draft form. Following our receipt of the final letter it becomes public and we draft a response on behalf of the President.

----- Forwarded by Richard Socarides/WHO/EOP on 02/25/98
02:24 PM -----

John M. Goering
02/25/98 09:54:24 AM
Record Type: Record

To: Richard Socarides/WHO/EOP
cc:
Subject: Your review of Draft Phoenix Letter

Greetings. I look forward to learning your thoughts and suggestions on the attached draft letter to the President re the Phoenix meeting. (I'm sure Judy mentioned she, in general, likes the letter but don't let that sway you). John Goering

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D59]MAIL48266655U.026 to ASCII,
The following is a HEX DUMP:

FF57504370040000010A020100000002050000008C2C0000000200002210D6852341C4504DAA80
DE41FF173E05C21CFA0A012382FA118E1222CC32E43F9D3E3A397BB2EC73A194EF9220DFAE289

President William J. Clinton
The White House
Washington, DC 20503

Dear Mr. President:

I am pleased to be able to provide you with an overview of the key issues and recommendations which emerged from your Advisory Board's two days of meetings in Phoenix, Arizona on January 13 and 14th, 1998. I will briefly highlight the key findings and reactions which I and other Board members had as well as our recommendations.

The subject of the two days of meetings was Race in the Workplace. We used the opportunity to visit several promising practices in the local area as well as to convene a major panel discussion with experts on the subject of disparities and opportunities in employment. We also convened, for the first time, a Community Forum which permitted residents from the Phoenix community to share their race-related concerns and recommendations with the Board. Each of the meetings and activities we engaged in were successful in pointing towards improved approaches to and strategies for equal opportunity and racial reconciliation.

Central to our findings and appreciation of race in America are the major ways in which all racial minorities experience some basic and comparable racial disadvantages, such as discrimination in employment, and the concomitantly strong commitments all persons of color have to achieve and succeed. There is firm and lasting commitment to the ideals of equal opportunity even amongst those long deprived of its full realization and a powerful commitment to the goals of civil rights for all.

We were, once again, struck by the incredible commitment, pride, and energy which the young people of America, including representatives of all minority groups, make to the issue of racial progress and achievement. For example, at the Opportunities Industrialization Center in Phoenix we met individuals from the Latino, American Indian, and African American communities who have made effective use of job training programs to make significant economic progress in their lives.

Virtually all of the people with whom we met stressed that truly effective job and career training requires counseling efforts aimed at addressing the professional

needs and deficits of each client. Employment training and counseling appears to be most effective when the total circumstances and needs of the individual and their family are considered and addressed. In addition, it is critical that the design of such programs be sensitive to the different strengths and needs which different racial and ethnic communities can bring to such programs. While there are of course substantial commonalities among all racial and ethnic groups, there are some notable differences in the ways in which neighborhood associations, churches, and other non-profit groups work to assist local clients in their search for improved employment training and opportunities. Given the critical importance of welfare-to-work training programs, I am sure that agencies such as the Department of Health and Human Services and the Department of Labor are planning evaluations of the relative effectiveness of various employment training programs for different minority and immigrant communities that will highlight the commonalities and, where they exist, the differences in their training needs.

We were also impressed by the powerful role which television and the media in general play in creating perceptions and biases about race which affect workplace opportunities. A black fireman in Phoenix, for example, told us that when he joined the Department, 26 years ago, he was the first minority person his co-workers had ever met and that the only images they had of blacks were previously gained through movies, television, and rumors. Programs that were established to help integrate employment settings in Phoenix have served to dispel some of the misperceptions and myths carried through the media about people of color. The steady progress which the Phoenix black firefighters union has made in advancing an affirmative employment position in Phoenix is a credit to the city.

The meeting we held with regional American Indian tribal leaders highlighted for us the powerfully important difference which their sovereign status plays in thinking about economic development options. There is a clear feeling that one of the major forms of racism that American Indians experience is a result of the lack of respect, in both the public and private sector, for their governments. Of particular concern to us is the considerable difficulty which tribes interested in economic development and access to credit continue to face, even today, in gaining access to credit and investment resources due to confusion by investors about the jurisdictional rules or conditions for adjudicating mortgages and foreclosure procedures. It appears imperative for the Bureau of Indian Affairs to make every effort to address this issue through the voluntary cooperation of major lenders and secondary market actors, including Fannie Mae and Freddie Mac. Memoranda of Understanding could be executed with major tribal associations, as well as

individual tribes, which foster the necessary long-term process of building programs to inform and educate investors and lenders about the range of realistic, culturally sensitive lending and investment opportunities available in Indian Country.

The Advisory Board is concerned by the complexity and persistence of disadvantages in Indian country. We ask that you recommend that the Bureau of Indian Affairs fund a major, independent assessment of the fairness and effectiveness of all federal program resources intended to assist tribes and Alaska Native villages with their economic future. This assessment should also address the possibility that a single centralized, independent agency might provide a better method of resolving the high levels of poverty and disadvantage in Indian country than the current system which divides program responsibilities among several federal agencies, such as the Department of the Interior, the department of Housing and Urban Development and the Indian Health Service.

We began our meetings on January 14th with very useful information on race and the labor market presented to us by Dr. Janet Yellen. Dr. Yellen provided us a compelling portrait of both improvements and continuing disparities affecting most minority groups. One clear shortcoming of the data presented was the lack of systematic information on many key measures for Asian Americans and American Indians. The information Dr. Yellen was able to make use of, from the U.S. Census and other Federal surveys, is based heavily on data from African-Americans and Hispanics, but lacks systematic information on many key measures of the labor market, income, and other socio-economic characteristics for Asians and American Indians. We therefore recommend that all Federal statistical data gathering agencies make every effort to create large enough periodic samples of all minority groups so that post censal information on race is systematically available for all groups. This could be achieved by over-sampling Asians and American Indians as part of such key annual data series as the Current Population Surveys.

Following Dr. Yellen's presentation, we held a spirited, analytic discussion of Race in the Workplace involving such experts as Glenn Loury, Harry Holzer, Paul Ong, Jose Juarez, and James Smith, as well as program directors such as Claudia Withers, from the Washington Fair Employment Council, and Ms. Lorenda Sanchez, of the California Indian Manpower Coalition. All of the speakers agreed that racial and ethnic discrimination continues to play a role in limiting people's ability to obtain employment. They also agreed that this fact points to the need for increased or strengthened enforcement by such agencies as the Equal Employment

Opportunity Commission and the Office of Federal Contract Compliance Programs at the Department of Labor. We commend you for your recently announced increase in funding for these two agencies and their testing programs. We also commend and support the forthcoming conference on racial discrimination and testing in the areas of employment, housing, credit and other areas of social life to be convened on March 6, 1998 by the Urban Institute, with funding and support from HUD.

We ended our two days of meetings with a very useful forum which permitted local residents to express their fears, anger and concerns about a variety of race related issues of local concern. We in particular learned of an on-going investigation of allegations of mistreatment of American citizens of Hispanic descent by the Immigration and Naturalization Service and local police in Chandler, Arizona. This investigation is, I understand, still several weeks away from completing its initial report but we are certain the Justice Department will carefully and fully investigate this case and will make general policy recommendations that will help avoid the actual or perceived misuse of police and Border Patrol authority in the future.

My best wishes.

Yours truly,
John Hope Franklin

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Richard L. Hayes (CN=Richard L. Hayes/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:25-FEB-1998 14:18:14.00

SUBJECT: Affirmative action rollout

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Attached are draft materials that we are preparing to support the opportunities/affirmative action announcement rollout . As you will see, they are too long and need to be edited down. Please send me any comments or edits you might have and I will incorporate them. I also have attached Ann's draft one pager. We are also preparing a brief (english) description of the model and results, as well as a longer technical paper that will not be generally circulated. If you can think of anything else that would be useful to have, e.g., charts, figures, etc., please let me know. Thanks.

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

TEXT:

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TALKING POINTS
AFFIRMATIVE ACTION IN FEDERAL PROCUREMENT

February 24, 1998 Draft

THE CLINTON ADMINISTRATION HAS TAKEN ANOTHER STEP FORWARD IN REFORMING AFFIRMATIVE ACTION. WE WILL SOON ANNOUNCE SEVERAL PROPOSALS THAT WILL MODIFY THE WAY IN WHICH THE GOVERNMENT CAN USE RACE-BASED AFFIRMATIVE ACTION MEASURES IN OBTAINING GOODS AND SERVICES FROM CONTRACTORS

- **President Clinton's efforts to mend affirmative action programs. Under President Clinton's leadership, his administration has considered carefully existing federal affirmative action programs to make sure that they are fair, effective and balanced. In July 1995, the President called for America to "mend not end" affirmative action programs and for the Justice Department to ensure that Federal procurement programs comply with strict judicial scrutiny, as required by the Supreme Court's Adarand decision, while preserving his commitment to enhancing equal opportunity.**

- **Affirmative action still needed. After more than two years of careful study, that review has concluded that:**
 - **affirmative action is still necessary to expand economic and educational opportunity and that societal discrimination has had and continues to have a profound impact on minorities' opportunities in the private sector and has affected their ability to participate in government procurement.**
 - **Currently, only about 7 percent of the value of all federal contracts with private firms (\$10 billion of \$151 billion) goes to small disadvantaged businesses. Research conducted by the U.S. Department of Commerce shows that the gaps between the amount of contracting dollars awarded to small disadvantaged businesses, in the competitive process, and the average size of contracts typically won by firms of their size and age, can be large.**
 - **Barriers to entry, like discrimination in the credit market, may also have reduced the presence of minority firms in some industries. The existence of ongoing discrimination justifies the government's interest in race-conscious decisionmaking, but government efforts to remedy past discrimination must be narrowly tailored.**

- **Measured, government response to the lingering effects of racial discrimination. With these challenges in mind, the President is announcing four (three?) narrowly tailored proposals, targeted to areas in which disparities, arising from discrimination, continue to exist. His proposals are intended to:**
 - help small businesses become successful entrepreneurs;
 - improve and strengthen the Small Business Administration 8(a) business development program;
 - restore opportunities to small businesses' own and controlled by disadvantaged individuals;
 - and help small businesses in distressed communities (do we want to save this until later?)

*HERE IS HOW THE PRESIDENT'S PROPOSALS WILL HELP
RESTORE OPPORTUNITIES*

- **Helping small businesses become successful entrepreneurs. To make the dream of being a successful entrepreneur a reality, President Clinton will issue an Executive Order directing the Vice President in his capacity as chair of the Community Empowerment Board to oversee an Administration-wide initiative to develop and promote Federal government efforts on business mentoring. Lead by Treasury Secretary Rubin and Small Business Administration Administrator Alvarez, this initiative will also seek to:**
 - encourage more private-sector businesses across the country to partner with small businesses and to bring to bear on government programs the field's best practices.
 - help locally owned businesses in distressed communities and provide them with a wide a range of badly needed support, from management consulting, and one-on-one technical assistance, to peer group support and subcontracting opportunities.
- **Improve and strengthen the Small Business Administration 8(a) program. President Clinton strongly supports the 8 (a) program, and believes that it significantly increases opportunities for the more than 6,000 firms in the program seeking to develop their competitive skills. The 8(a) program is a business development program designed to help eligible small firms reach a point of self-sufficiency and competitive viability and eligibility for the program is not limited to members of minority groups. The President's proposals build upon efforts SBA has already instituted to strengthen and improve its effectiveness in encouraging firms to develop in ways that will ensure their success in the competitive marketplace after program completion. His plans include:**
 - encouraging more equitable distribution of 8(a) contracts by placing a limit on the

amount
of sole-source contracting any single firm can receive and also encouraging
participating 8(a) firms to compete more effectively for contracts.

- waiving restrictions against small businesses seeking to affiliate with other companies to create joint ventures on particular procurements, and in doing so, enhance their ability to obtain larger prime contracts than they would otherwise qualify for and still be viewed as small businesses for purposes of qualifying for the 8(a) program.
 - add significant developmental assistance for 8(a) firms by establishing a mentor-protégé program. Firms in the early years of 8(a) program participants will be able to tap into the expertise and capital of 8(a) graduates or more experienced firms and take advantage of their knowledge and practical experience, thus enhancing their abilities to be viable businesses after they leave the 8(a) program.
 - Streamline the operation of the 8(a) program by standards set by the National Partnership for Reinventing Government, to ease certain restrictions perceived to be burdensome on program participants, and deleting obsolete regulations. We are also changing the program's eligibility requirements to permit more non-minorities to qualify for the program.
- *Restoring government opportunities.* To enable minority firms to compete in industries in which the data show that the procurement playing field is still not even, the President will build on a successful Department of Defense program, first authorized by Congress in 1994, and extend to other federal agencies the use of price evaluation credits to help increase minority procurement.
- To ensure the program passes Constitutional muster, the Justice Department is requiring:
- federal agencies avoid any undue burden on nonbeneficiaries of the program.
 - federal agencies to use race-neutral means such as outreach and technical assistance to increase opportunities for minorities in federal procurement to the maximum extent possible.
- action
- stepped up enforcement to crack down on individuals who misrepresent their disadvantaged status or their ownership and control of a business to ensure that the benefits of affirmative go only to individuals and businesses that are deserving.
 - that race not be relied upon as the sole factor in SDB procurement decisions. Firms, obtaining federal contracts, have to demonstrate that they are qualified to perform the work.
 - that the U.S. Department of Commerce identify and target those industries where the effects of discrimination continue to marginalize minority firms — to ensure that race-conscious procurement is not used unnecessarily.
 - that firms seeking to be recognized under this program certify to the Small Business

Administration that the firm is indeed owned and controlled by one or more disadvantaged persons before the government awards then a contract. Also, future uses of the 8(a) program will be guided by the Commerce Department's analyses.

▪ *These procurement reforms represent real and substantial change.* This program will expand the government's use of price evaluation credits to help restore opportunities for small businesses owned and controlled by socially and economically disadvantaged persons, who are seeking to be government contractors. Any credits provided to these firms would be available to SDBs in industries in which SDBs are demonstrably underutilized, as judged by a set of industry-specific benchmarks prepared by the U.S. Department of Commerce.

➤ **Eligibility for a price credit.** To be eligible for a price credit, an offeror must submit a certification, obtained within the past three years, that the business is owned and controlled by one or more socially disadvantaged persons. Members of designated minority groups seeking to participate in SDB programs fall within the statutory presumption of social and economic disadvantage established in Section 8(d) of the Small Business Act. Offerors who do not fall within the statutory presumption can qualify by proving their social and economic disadvantage based on a preponderance of evidence -- instead of the current clear and convincing standard. This change will open SDB participation to more women and nonminorities.

➤ **Benefits will go only to those who are eligible.** SBA's Office of Government Contracting and Minority Enterprise Development will certify all qualified concerns requesting SDB certification before a contract award being made. SBA will also:
 -- decide protests and appeals;
 -- establish and oversee a nationwide network of private certifiers who will help SBA process applications, ensure that they are complete and correct in form, and determine that the applicant firm is in fact owned and controlled by the individuals identified as the owner; and
 -- maintain a national public on-line registry of certified SDBs.

➤ **Benchmarks to measure the capacity of minority firms to undertake government contracts.** To ensure that race-conscious procurement is not used unnecessarily, the Commerce Department has estimated a set of benchmarks for each of 72 two-digit major industrial

groups. In developing the capacity estimates, **the U.S. Department of Commerce gathered federal lost benchmarks businesses: dollars dollars** data from three sources on firms that were ready and willing to contract with the government in fiscal year 1996: a representative sample of firms that either won or bids on competitive government contracts; all other firms that had a new definitive contract action let in that year, and; all firms certified for participation in the Small Business Administration's 8(a) program for 1996. For each industry, the measure the "capacity" compared to the "utilization" of small disadvantaged

-- The "capacity of small disadvantaged businesses is their share of contracting typically obligated in 1996 to firms, ready and willing to contract with the federal government, controlling for the size and age of the firms.

-- "Utilization" is the actual small disadvantage business's share of contracting obligated.

- Provide price credits in those industries where the government's utilization of minority firms in a given industry fall below the industry benchmark. The program will work as follows:
- in competitive, negotiated competitions, contracting officers will be able — but not required — to award a contract to an SDB if the SDB is qualified to perform the work and its bid is within a certain percentage of the fair market value of the contract. The Federal Acquisition Streamlining Act passed by Congress in 1994 authorizes credits of up to 10 percent.
 - the bids of qualified SDBs will be adjusted from 0 to 10 percent of fair market value, depending upon the analysis conducted by the U.S. Department of Commerce and published by the Office of Federal Procurement Policy.
 - prime contractors, who commit to using SDB subcontractors, may also be eligible to receive an adjustment based on an analysis Commerce is now undertaking.
 - **the industries in which price credits are authorized will be adjusted annually and** as small disadvantaged businesses are more successful in obtaining federal contracts, reliance on the price credit will decrease automatically.
 - The Administrator of SBA will review the benchmarks and determine how to implement them for the 8(a) program. For example, if the level of minority contracting in an industry exceeds the benchmark calculation, the SBA Administrator could take several steps, including limiting entry of new firms into the program in that industry for some time, accelerating graduation for firms that do not need the full period of sheltered competition, or limiting the number of 8(a) contracts awarded in particular industries or in specific geographic areas where contracts may be unduly concentrated.

- **Helping Distressed Communities.** (Do we want to save this until later?) Last year, the President issued his Executive Order on Empowerment Contracting aimed at helping disadvantaged people

and distressed communities. Implementing his order, the Administration is sending to Federal Register proposed regulations launching the HUBZone program, that will provide federal procurement opportunities for small businesses that do significant business in, hire significant numbers of residents from, or directly generate economic activity in general areas of economic distress. The program will serve as a supplement — and not compete with — existing federal procurement programs, such as the 8(a) program.

- As we approach the 21st century, the President believes we must restore the American dream of opportunity; find common ground amid our great diversity of opinion and experience; and strengthen the American commitment to equal opportunity for all, special treatment for none.

- **We believe that these carefully crafted policies will enable us to meet the challenges articulated by the Supreme Court about when the federal government is justified in using affirmative action in federal procurement. Simultaneously, these policies reaffirm the President's long standing personal commitment to close the opportunity gap by adopting policies aimed at ensuring a fundamental fairness in the marketplace so that all Americans have a chance to participate in our nation's economy.**

AFFIRMATIVE ACTION PROCUREMENT REFORM Q&As

Q. WHAT IS THE PURPOSE OF THE CLINTON ADMINISTRATION'S NEW REGULATIONS TO REFORM AFFIRMATIVE ACTION IN FEDERAL PROCUREMENT?

A. These regulations are a serious and thoughtful effort to ensure that federal affirmative action procurement programs comply with the standards set in the Supreme Court's 1995 decision in *Adarand v. Peña*. They also fulfill the President's commitment to "mend, not end" these programs. These regulations continue this country's efforts to eliminate the effects of past and continuing discrimination against minority-owned firms lawfully, without eliminating affirmative action entirely.

Q. HOW DOES THIS NEW PROGRAM DIFFER FROM THE SDB PROGRAMS PREVIOUSLY IN EFFECT?

A. There are several significant differences. First, the proposal would tighten certification requirements for SDB's. Second, agencies would be required to implement procurement mechanisms that do not rely on race to broaden the opportunities for small, minority firms. Third, a series of "benchmarks" estimated by the Department of Commerce would tie the use various SDB procurement mechanisms to statistical data demonstrating that minority-owned firms have been disadvantaged in particular industries. The proposed system would only use SDB set-asides as a last resort. Instead, contracts would be open to all firms and agencies would be able to use price evaluation adjustments as part of the bidding process, a tool that was previously authorized only at the Department of Defense.

Q. DOESN'T THE SUPREME COURT'S *ADARAND* DECISION PROHIBIT THIS TYPE OF AFFIRMATIVE ACTION PROGRAM?

A. No. The Supreme Court confirmed that the federal government can use affirmative action to remedy the effects of racial discrimination, but held that we must narrowly tailor such programs to serve a compelling government interest. After a thorough review of federal affirmative action programs and the legislative history and justifications for them, the Justice Department concluded that there still exists a compelling need for federal procurement programs that benefit disadvantaged minority businesses. However, agencies must change the manner in which they use affirmative action in federal procurement to meet the requirements of *Adarand*.

Q. WHAT MAKES THIS NEW SYSTEM NARROWLY TAILORED?

A. The Supreme Court identified six relevant factors when using race and ethnicity to award federal contracts, which these regulations address.

- First, agencies must always use race-neutral alternatives, such as outreach and training, to the maximum extent possible.

- Second, race cannot be the sole factor in SDB procurement decisions — all firms obtaining federal contracts, must show that they qualify to perform the work.
- Third, SDB procurement mechanisms will be used only when the data on procurement show that the effects of discrimination against minority businesses continue.
- Fourth, the authorized SDB procurement mechanisms and price evaluation adjustment percentages, by major SIC group, will be based on an annual analysis of the use of SDB firms as related to the number of qualified SDBs to perform the work in question.
- Fifth, as SDB firms are more successful in obtaining federal contracts, the authorized price evaluation adjustment level will decrease automatically and end altogether, as the effects of discrimination dissipate in various sectors of the economy.
- Finally, the new program will not over burden non-SDB businesses. The overwhelming percentage of federal procurement money will continue to flow, as it does now, to non-minority businesses.

Q. IS THERE REALLY ANYWAY TO JUSTIFY A “RACIAL PREFERENCE” PROGRAM?

A. This is **not** a racial preference program. Minority firms are not getting a price credit to help them win more contracts than similar firms are winning. Price credits merely help level the playing field for small disadvantaged firms, where data suggested that they continue to suffer the effects of discrimination, and are not winning a fair share of contract dollars.
[Affirmative action programs are race-based not to show preference for one race over another but to resolve that problem.]

Q. WHAT DO THE BENCHMARKS MEASURE?

A. For each industry, the benchmarks measure the “capacity” compared to the “utilization” of small disadvantaged businesses. ~~The “capacity of small disadvantaged businesses is their share of contracting dollars typically obligated in 1996 to firms, ready and willing to contract with the federal government, controlling for the size and age of the firms. “Utilization” is the actual small disadvantage business’s share of contracting dollars obligated.~~

The capacity of small disadvantaged businesses is their share of firms ready, willing, and able to contract with the Federal government, controlling for the size and age of the firms. Utilization is the SDB’s actual share of contract dollars received in any given fiscal year.

Q. WHAT FIRMS WERE THE SMALL DISADVANTAGED BUSINESSES COMPARED TO?

A. The U.S. Department of Commerce gathered data from three sources on firms that were ready and willing to contract with the federal government in fiscal year 1996: a representative sample of firms that either won or lost bids on competitive government contracts; all other firms that had new definitive contract actions let in that year; and all firms certified for participation in the

Small Business Administration's 8(a) program for 1996.

Q. IF THERE IS A DIFFERENCE BETWEEN THE DOLLARS WON BY SMALL DISADVANTAGED BUSINESSES, AND THE DOLLARS THEY WERE EXPECTED TO WIN, DOES THAT MEAN THE FEDERAL GOVERNMENT IS DISCRIMINATING AGAINST SMALL DISADVANTAGED BUSINESSES?

A. No. Differences between dollars won, and dollars typically awarded to firms of similar size and age, likely reflect the effects of discrimination in the private sector on the competitiveness of small disadvantaged businesses in the federal sector.

Q. COULD THE DIFFERENCES BETWEEN SMALL DISADVANTAGED BUSINESSES AND OTHERS, IN THEIR FEDERAL CONTRACTING EXPERIENCE, BE THE RESULT OF GREATER EFFICIENCY FOR OTHER FIRMS? AND IF SO, IS THIS PROGRAM JUST REWARDING THE INEFFICIENCY OF SMALL DISADVANTAGED FIRMS?

A. No. The program is aimed at leveling the playing field for small disadvantaged businesses. Because the benchmarks compare firms of equal age, and size, any remaining differences in the amount of government contract bids won between small disadvantaged firms and others, are likely to be related, directly or indirectly, to some factor of discrimination like access to working capital or price discrimination from suppliers.

Q. WHY SHOULD THE GOVERNMENT CARE IF THIS PARTICULAR GROUP OF FIRMS IS "UNDERUTILIZED," AS OPPOSED TO ANY OTHER GROUP OF FIRMS?

A. The President is committed to removing any remaining vestiges of racial discrimination, that block full participation of all Americans in our society and economy.

Small disadvantaged businesses play a significant role in making the competitive bid process more competitive.

➤ SDB firms represent about 16 percent of all firms in the competitive bid process, with higher shares in some industries

➤ In many industries, SDB presence is vital to the competitive process. For instance, in the standard industrial code for repair services, almost 10 percent of solicitations would have resulted in only one bidder, if SDB firms had not also bid.

Q. GIVEN THE SMALL BUSINESS ADMINISTRATION'S 8(a) PROGRAM, DOESN'T THIS PROGRAM CREATE ADDITIONAL ADVANTAGES FOR THE SAME FIRMS?

A. No.

➤ We have taken 8(a) contracts into account in determining whether the level of minority participation in government contracting in each industry justifies using price credits. Basically, if 5 percent of contracts in an industry went to SDBs under 8(a), that would

be included in utilization.

- The price credit program will be offered to a set of small disadvantaged business owners virtually distinct from the set of firms in the 8(a) program. Fewer than 10 percent of the small disadvantaged businesses who bid on contracts, outside the 8(a) program, are 8(a) firms.
- Slightly more small disadvantaged businesses are participating in the competitive bid process (estimated to be about 7,000, excluding 8(a) firms that participate in the non-8(a) competitive bid process) than are in the 8(a) program (around 6,200).
- While still small, these non-8(a) small disadvantaged businesses, tend to be larger, slightly older, and appear to have higher productivity than 8(a) firms.

Q. WHY HAVE TWO PROGRAMS AIMED AT MINORITY BUSINESSES? CAN'T THIS PROGRAM JUST REPLACE THE SMALL BUSINESS ADMINISTRATION'S 8(a) PROGRAM?

A. No. The price credit addresses fair utilization of existing disadvantaged businesses. The 8(a) program seeks to foster new minority competitors. It addresses the low number of minority firms. Because the problems faced in firm creation are different from the problems existing firms face in being successful, one program is not suitable for both.

Q. DOESN'T THIS PROGRAM CREATE NEEDLESS ARGUMENTS OVER RACE, WHEN THE GAPS IN CONTRACTING FACED BY MINORITY FIRMS IS SMALL?

A. No. The gaps between the amount of contracting dollars awarded to small disadvantaged businesses, and the average size of contracts typically won by firms of their size, can be large. For instance, in the industrial classification for engineering, accounting and management related services, SDBs won about x percent of contracting dollars, though given their firm size, SDBs might have won about x percent of contracting dollars. On a national scale, SDBs won about x percent of contract dollars in competitive bids for general construction, while given their firm size they might have won about x percent.

Q. WON'T THIS PRICE CREDIT MEAN THE COST TO THE FEDERAL GOVERNMENT WILL BE HIGHER?

A. No.

- ~~The price credit may make all firms bid more competitively. The experience—the Department of Defense had with its authority to use a price credit showed that in the industries, where we are applying the price credit, the price credit did not increase costs for the Department of Defense for the contracts won by small disadvantaged businesses. Almost all small disadvantaged businesses that won contracts were the low bid.~~

The price credit may make all firms bid more competitively. The DOD experience with its price credit authority reveal that the price credits did not increase costs in contracts won by small

disadvantaged businesses. Almost all small disadvantaged businesses that won contracts were the low offeror.

- Price is only one factor in determining a winning contractor. The low price is not the automatic winning offer. Only a small share of government contracting is subject to full, and open competition bids where award is based on low price.
- Over time, the government's interest is in maintaining a competitive process. Small disadvantaged firms have proven themselves important to keeping the process competitive. So, in the end, a viable, small disadvantaged business community helps keep costs down.

Q. WHY DO MINORITY FIRMS GET PRICE CREDITS IN INDUSTRIES WHERE THEY ALREADY MAKE UP A LARGE SHARE OF CONTRACTS, FOR INSTANCE, AS IN STANDARD INDUSTRY CODE 73?

A. This program is **not** a racial preference program, and it is **not** a racial quota. The price credits are being used to level the playing field for small disadvantaged firms, where the data show they are not winning their fair share of contract dollars, when compared to otherwise similar firms. The purpose of the benchmarks is not to preordain a limit on minority contracting, but to establish a fair and level playing field. On that fair and level playing field, minority contracting may be at a high, or a low level. Overall, small disadvantaged firms make up 25 percent of the firms identified in the data base used to create the benchmarks. Adjusting for the age and size of those firms, it could be expected that they could handle 12 percent of all contracting. So, in some industries that number will be higher, and in other industries it will be lower.

~~Minority firms face discrimination that makes the type of industries they start businesses in differ from the types of industries non-minorities start businesses. Minority firms face discrimination that make the type of businesses they start different from the type of businesses non-minorities start.~~

Consequently, they will be more concentrated in some industries than others. Because of differences in access to clients, perhaps because of overt discrimination, perhaps because of differences in the ability to network, minority firms can also have different attitudes toward public sector contracting than non-minority firms. Unlike employment, civil rights laws do not cover business contracts with other businesses. Because the public sector is so small compared to the private sector, minority firms may show up as a disproportionate share of businesses in the public sector.

Q. WON'T THIS PROGRAM RESTRICT OPPORTUNITIES FOR NON-DISADVANTAGED FIRMS?

A. No.

- In 1996, only 6.4 percent of the federal government's purchasing was conducted with disadvantaged businesses even with the use of affirmative action programs. Thus, 93.5 percent of the government's business goes to non-SDB firms. The President's review of affirmative action programs did find that the use of set-asides has created some concentrations of SDB awards in some industries and regions. The Defense department

suspended use of the rule of two set-aside program in October 1995.

- The new regulations open participation in the SDB program to more women and nonminorities.
- Second, firms that do not participate in SDB programs received more than 94 of the government's contracting business in FY 1996, and that will likely continue under the new proposal.
- Third, contracts will be awarded in competitive bidding, with price evaluation adjustments, rather than being set aside for bidding only by SDB firms.
- Finally, the regulations are designed to ensure that SDB awards will not be unduly concentrated in particular industries and geographic markets. The benchmark limitations will limit the use of SDB procurement mechanisms to circumstances where discrimination has reduced SDB participation in contracting.

Q. WE HAVE HAD AFFIRMATIVE ACTION IN FEDERAL PROCUREMENT FOR TWO DECADES. WHY DO WE STILL NEED MINORITY BUSINESS PROGRAMS? DO THEY REALLY SERVE A "COMPELLING INTEREST?"

A. Yes. In the 1970's, small minority-owned firms received only 1 of the federal contracting dollar. With affirmative action programs, small minority businesses have been able to make progress in breaking into a government procurement system that had effectively locked them out before. The evidence today demonstrates, however, that discriminatory practices continue to create additional hurdles for minority firms competing for government contracts. The available evidence of discrimination paints a compelling picture for remedial action in government procurement, a need that was reaffirmed by Congress in 1994 when it enacted FASA.

Q. WHAT EVIDENCE DO YOU HAVE TO BACK UP YOUR CONTENTION?

- A. The evidence is overwhelming and has been thoroughly documented in an analysis of the legislative history and available empirical data conducted by the Department of Justice. For example,
- the typical white-owned business receives three times as many loan dollars as the typical black-owned business with the same amount of equity capital.
 - In construction, white-owned firms receive fifty times as many loan dollars as black-owned firms with identical equity. Once formed, the exclusion of minority firms from "old boy" business networks deprives them of critical information about potential contracts and places them at a competitive disadvantage.
 - Difficulties in obtaining bonding also hinder minority firms who want to participate in

government procurement. One Louisiana study found that minority firms were nearly twice as likely to be rejected for bonding, three times more likely to be rejected for bonding for more than \$1 million, and on average were charged higher rates for the same bonding policies than white firms with the same experience level.

Q. IS THE SBA 8(a) BD PROGRAM AFFECTED BY THE NEW REGULATIONS?

A. Yes, but the 8(a) program would remain in effect. The 8(a) program is a business development program that is distinct from the other SDB programs.

➤ It is more narrowly tailored because of its more stringent requirements for eligibility and certification, especially with respect to whether participating firms are economically disadvantaged.

➤ Firms in the 8(a) program must develop business plans and may only stay in the program for a limited time. The Justice Department will continue to defend the constitutionality of the program on that basis.

Q. WHAT IMPACT WILL THE BENCHMARKS HAVE ON SBA'S 8(a) BUSINESS DEVELOPMENT PROGRAM?

A. The Administrator will review the benchmarks and determine how to implement them for the 8(a) program. For example, if the level of minority contracting in an industry exceeds the benchmark calculation, the SBA Administrator could take several steps, including: (1) limiting entry of new firms into the program in that industry for some time; (2) accelerating graduation for firms that do not need the full period of sheltered competition; or (3) limiting the number of 8(a) contracts awarded in particular industries or in specific geographic areas where contracts may be unduly concentrated.

Q. HOW WILL THE BENCHMARK LIMITATIONS WORK?

A. The benchmark limitations will represent the level of minority participation in federal procurement that would be expected in the absence of discrimination. They are a measure of the capacity of minority contractors to perform the work in a particular industry — or what it would be, absent discrimination. Benchmark limitations have been determined for major SIC groups at the two-digit (or, where appropriate four-digit) level and by region (if any). If in an industry, SDB participation/ utilization in federal procurement matches or exceeds the capacity of SDB firms to do the work, the authorized price evaluation would be eliminated or decreased.

Q. HOW WILL THE PRICE EVALUATION ADJUSTMENTS WORK IN PRACTICE?

A. In competitive, negotiated competitions, contracting officers will be able — but not required — to award a contract to an SDB if the SDB is qualified to perform the work and its bid is within a

certain percentage of the fair market value of the contract. The Federal Acquisition Streamlining Act ("FASA") passed by Congress in 1994 authorizes credits of up to 10 percent. Under the new regulations, price evaluation adjustments will be anywhere from 0 to 10 percent, depending upon the analysis conducted by the U.S. Department of Commerce. Prime contractors, who commit to using SDB subcontractors, may also be eligible to receive an adjustment based on an analysis Commerce is now undertaking.

Q. ARE THE BENCHMARK LIMITATIONS QUOTAS?

No. A quota is a fixed number that must be achieved despite the availability of qualified individuals. It lacks flexibility and disregards merit. The benchmark limitations are precisely the opposite. They impose limitations on the use of SDB procurement mechanisms. They provide a price credit, making race indirectly one of many factors considered in the award of a contract, and only then is ... there is a showing of discrimination. As minority firms are more successful in obtaining federal contracts, reliance on price credits will decrease. The benchmark limitations provide a means to measure success in providing opportunities for SDBs, but they do not set a minimum or a maximum level of minority contracting that must be achieved. An agency would never be required to award a contract to an unqualified firm simply to meet a benchmark.

Q. WILL SDB SET-ASIDES BE PERMITTED UNDER THESE REGULATIONS?

A. Agencies would only be authorized to award price evaluation adjustments under the new program. Only if these mechanisms do not eliminate the vestiges of discrimination in particular industrial sectors, will the use of set-asides then be considered.

Q. WHO IS ELIGIBLE TO PARTICIPATE IN THIS PROGRAM? IS THE PROGRAM RESTRICTED TO MINORITIES? HOW MANY FIRMS DO YOU EXPECT TO APPLY?

A. Any business owned and controlled by one or more socially and economically disadvantaged is eligible to participate in the program. Although the statute enacted by Congress presumes certain racial and ethnic minorities to be disadvantaged, the regulations permit others to be included as well. For example, a poor Appalachian white person who has never had a quality education or the ability to expand his or her cultural horizons may be eligible to participate. In order for a non-minority firm to establish their eligibility, the new regulations permit them to establish that they are socially and economically disadvantaged under a lower standard of proof — a preponderance of the evidence test rather than a clear and convincing test.

Q. WHAT IS THE PROCESS FOR CERTIFYING DISADVANTAGED AND ECONOMIC STATUS? WHAT EVIDENCE WILL SBA RELY UPON?

A. In determining whether an individual is socially disadvantaged, SBA will consider the totality of the circumstances experienced by the individual, such as their education, employment and business history, as it demonstrates such disadvantage. In evaluating whether an individual is

economically disadvantaged, SBA will consider the extent to which a disadvantaged individuals ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities.

Q. IS THE NEW PROGRAM A RETREAT FROM CURRENT AFFIRMATIVE ACTION PROGRAMS? WILL IT RESULT IN A REDUCTION IN MINORITY CONTRACTING?

A. The new regulations implement the authority extended to federal agencies by FASA to promote opportunities for SDBs, including the use of the measures such as price evaluation adjustments for SDB in a manner consistent with the Supreme Court's decision. Previously, only DoD had this authority. Agencies are also being encouraged to make even greater efforts to use tools that do not explicitly rely on race in procurement decisions, such as outreach and training for SDB contractors.

Q. WHAT EFFECT WILL THESE REGULATIONS HAVE ON WOMEN-OWNED BUSINESSES?

A. These new regulations may increase opportunities for women and other non-minorities. By lowering the standard of proof that women-owned businesses, among others, must meet to establish that they are socially and economically disadvantaged, qualifying as SDBs will be easier for them.

➤ This proposal does not alter the current goal for the inclusion of women in federal contracting, nor does it alter the Department of Transportation's Disadvantaged Business Enterprise program, which includes women in its procurement goals. Neither of these programs provide for price evaluation adjustments or sheltered competition.

Q. DOES THIS PROPOSAL ATTEMPT TO COMBAT FRAUD?

A. Yes.

➤ For the first time, firms must present a certification from entities approved by SBA that the identified socially and economically disadvantaged individuals in fact own and control the company.

➤ The new rules also require prime contractors to verify the SDB status of their subcontractors by consulting the SBA list of certified firms in order to receive a monetary incentive for exceeding the subcontract targets under the incentive subcontracting program.

➤ Also, the rules allow for challenges as to the veracity of a firm's representation of being an SDB.

➤ In addition, the Department of Justice and SBA are committed to identifying and prosecuting to the full extent of the law individuals who misrepresent their SDB status.

Q.. DOES THIS PROGRAM CREATE BENEFITS FOR UNQUALIFIED FIRMS?

A. No. Every firm is required to meet all quality and performance standards in order to be selected for any contract award.

Q. DO THESE NEW REGULATIONS AFFECT THE DEPARTMENT OF TRANSPORTATION'S DBE PROGRAMS?

No. DOT's DBE program is covered by a separate statute. The proposed regulation does not affect the Transportation Department's Disadvantaged Business Enterprise Program authorized by the Intermodal Surface Transportation Efficiency Act (ISTEA). Under this program, state and local recipients of federal highway, transit, and airport grants are required to establish affirmative action goals for the participation of DBEs in DOT-assisted contracting. The Transportation Department recently published a supplemental notice of proposed rulemaking that modifies the way that this program operates to help ensure that it too comports with Adarand, while improving its overall effectiveness and reduce burden.

Q. WON'T THESE REGULATIONS REPRESENT A GREAT DEAL OF ADDITIONAL WORK FOR PRIME CONTRACTORS?

A. No. These regulations will not require significant contractor investment or a long implementation period, nor will they be particularly complex to carry out, particularly for contractors who have experience dealing with DOD. Price credits have been used in DOD for some time. In extending the procurement mechanisms to civilian agencies, they have been simplified to the maximum extent possible and should not cause unnecessary difficulties as non-DOD contractors try to comply with them. Outreach and training of procurement officials and contractors will be essential to successful implementation of the SDB reform program.

Q. WHAT IS THE PROCESS FOR DETERMINING WHEN ADDITIONAL OR ALTERNATE SDB PROCUREMENT MECHANISMS WILL BE AUTHORIZED?

A. ~~If an agency feels a particular industry category to bear a disproportionate share of the contracts awarded by a contracting activity's goals for SDB concerns, requests for a determination, including supporting rationale, including any peculiarities related to industry, regions, or demographics, may be submitted to Commerce for a determination. If approved by commerce, a contracting office will be permitted to limit the use of the approved SDB mechanism in future solicitations.~~

~~Further, the Department of Commerce is not limited to the SDB procurement mechanism identified in this section where the Department has found substantial and persuasive evidence of (1) a persistent and significant underutilization of minority firms in a particular industry, attributable to past or present discrimination; and (2) a demonstrated incapacity to alleviate the problem by using those mechanisms.~~

Note: INSERT ANSWER FOR THE QUESTION THAT READS: WILL SDB SET-ASIDES BE PERMITTED UNDER THESE REGULATIONS.

Q. HOW ARE YOU GOING TO KEEP PRIME CONTRACTORS FROM MISREPRESENTING THEIR SDB UTILIZATION?

A. These new regulations require firms claiming an SDB procurement benefit to be certified and included on a SBA-maintained register. By requiring prime contractors to check that register before treating their subcontractors as SDBs, they will know that they are using legitimate SDB firms. Moreover, the government will review the accuracy of any reports submitted by prime contractors as part of the normal contract oversight.

Q. DO THE BENCHMARKS FACTOR IN THE LEVEL OF SUBCONTRACTING? HOW IS THIS DONE, WHEN THERE IS NO SUCH DATA BASE TO DO IT WITH?

A. No. (Elaborate).

Q. IN ITS MAY 23, 1996 PROPOSED RULE, THE DOJ INDICATED IT INTENDED TO STEP UP OUTREACH AND TECHNICAL ASSISTANCE. ARE THERE ANY SUCH INITIATIVES BEING PURSUED?

A. ??????????????

Q. ARE AFFIRMATIVE ACTION PROCUREMENT PROGRAMS STILL NEEDED?

A. Yes. Disadvantaged business programs were enacted in response to specific findings that discrimination has impeded the ability of minority-owned and other disadvantaged firms from developing in our economy. Affirmative action has closed many gaps in economic opportunity, but the need remains. THIS QUESTION APPEARS TO BE DUPLICATIVE OF THE QUESTION THAT READS: We have had affirmative action in procurement for two decades. Why do we still need minority business programs? Do they really serve a compelling interests?

Q. AREN'T AGENCY GOALS FOR AWARDING CONTRACTS TO SDBS REALLY QUOTAS?

A. No. Goals are not a numerical straight-jacket -- they reflect an aspiration that a certain percentage of contracting will be with small disadvantaged firms, not a guarantee that it will happen. Indeed, until 1993, even the 5 goal was not achieved. The only consequence of failure to meet a goal is that an agency will be expected to continue to make a good faith effort. Similarly, the 5 goal is not a cap.

Q. WHAT OTHER CHANGES ARE YOU MAKING TO THE SBA 8(A) BD PROGRAM?

A. SBA is working hard to improve the efficiency of the program and have already carried out important changes in this regard. In the future, we hope the program can give meaningful help to a greater number of eligible participants. (More)

Q. WHAT MUST AN SDB DO TO BE ELIGIBLE FOR THE PROGRAM?

A. To be eligible for a price credit, an offeror must submit a certification, obtained within the past three years, that the business is owned and controlled by one or more socially disadvantaged persons. Members of designated minority groups seeking to participate in SDB programs fall within the statutorily mandated presumption of social and economic disadvantage established in Section 8(d) of the Small Business Act. Non-presumed offerors who do not fall within the statutory presumption can qualify by submitting evidence proving their social and economic disadvantage status.

Q. WHO IS RESPONSIBLE FOR CERTIFYING SDBS?

A. The Small Business Administration's Office of Government Contracting and Minority Enterprise Development will administer the new SDB Certification program. In particular, they will:

- certify all qualified concerns requesting SDB certification;
- decide protests and appeals;
- establish and oversee a nationwide network of private certifiers who will help SBA process applications, ensure that they are complete and correct in form, and make a determination that the applicant firm is in fact owned and controlled by the individuals identified as the owner; and
- maintain a national public on-line registry of certified SDBs.

Q. WHAT IS THE STATUTORY AUTHORITY FOR THE PRICE CREDIT PROGRAM?

A. Section 1207, Public Law 99-661 (10 U.S.C. 2323 (e)) authorizes awards to small disadvantaged

businesses (SDBs) at a price not exceeding fair market price (FMP) by not more than 10 percent.

- The price evaluation program is one of two prime contract tools authorized under the statute aimed at increasing awards going to SDBs. The other was the SDB set-aside (i.e., "Rule of Two" program) that was suspended in response to the Supreme Court's Adarand decision.
- Originally the program applied to DOD contract awards conducted under full and open solicitation procedures, based on price only. After suspension of the Rule of Two SDB set-aside, DOD expanded the program to include awards based on price and other factors (e.g., best value procurements).
- During fiscal years 1994, 1995, and 1996, DOD awarded \$356 million, \$215, and \$198 million, respectively, to SDBs under the evaluation program.
- Analysis of the FY 1994 data shows that DOD most often made SDB evaluation preference awards in connection with oil refining, engineering services, equipment maintenance and repair, and equipment installation contracts.

Ann Lewis draft, February 24, 1998/anmessag.wpd

President Clinton has directed his administration to consider carefully existing federal affirmative action policies, pursuant to his goal of “mend it, don’t end it” and recent Supreme Court rulings, such as the Adarand decision.

In accordance with that direction, the following recommendations represent narrowly tailored policies, targeted to areas in which disparities, arising from discrimination, continue to exist:

- Develop and expand mentoring programs, encouraging large businesses across the country to partner with smaller, locally owned businesses located in distressed communities to engage in a range of activities, from advice and guidance to subcontracting. As part of this process the President will issue an Executive Order directing the Vice President as chair of the Community Empowerment Board to oversee an administration-wide initiative to develop and promote the federal government’s efforts on mentoring.
- Strengthen and improve the SBA 8(a) process, including permitting two or more firms to jointly venture on particular procurements; establishing a new 8(a) mentoring program; and streamlining the 8(a) program to be more effective; clarifying eligibility, including permitting more non-minorities to qualify; and deleting burdensome and obsolete regulations.
- Build on the successful program enacted by the Congress and operated by the Department of Defense, which enables minority firms to compete in industries in which the data demonstrate that the procurement playing field is still not even, by expanding DoD’s price credits system to government wide use using market driven benchmarks to ensure appropriate targeting.

Note: What does market driven mean? Need to emphasize more the reform/mend it aspect of the proposal.

- Help distressed communities by publishing proposed regulations launching the HUBZone program, that will provide federal procurement opportunities for small businesses that do significant business in, hire significant numbers of residents from, or directly generate economic activity in general areas of economic distress. The program will serve as a supplement — and not compete with — existing federal procurement programs, such as the 8(a) program.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-FEB-1998 15:02:29.00

SUBJECT:

TO: JANET (Pager) #MURGUIA (JANET (Pager) #MURGUIA [UNKNOWN])
READ:UNKNOWN

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

TO: RICHARD "JAKE" (Pager) #SIEWERT (RICHARD "JAKE" (Pager) #SIEWERT [UNKNOWN])
READ:UNKNOWN

TO: DIANA (Pager) #FORTUNA (DIANA (Pager) #FORTUNA [UNKNOWN])
READ:UNKNOWN

TO: RUBY (Pager) #SHAMIR (RUBY (Pager) #SHAMIR [UNKNOWN])
READ:UNKNOWN

TO: WILLIAM (Pager) #WHITE (WILLIAM (Pager) #WHITE [UNKNOWN])
READ:UNKNOWN

TO: AMY (Pager) #WEISS TOBE (AMY (Pager) #WEISS TOBE [UNKNOWN])
READ:UNKNOWN

TEXT:

seniors outreach mtg now in ann lewis' office

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-FEB-1998 11:26:28.00

SUBJECT: Treasury (Larry Summers) testimony for today

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

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

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

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

TO: Richard P. Emery Jr. (CN=Richard P. Emery Jr./OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

TO: Donald H. Gips (CN=Donald H. Gips/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

TO: Jerold R. Mande (CN=Jerold R. Mande/OU=OSTP/O=EOP@EOP [OSTP])
READ:UNKNOWN

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

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

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

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

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

TO: Alan B. Rhinesmith (CN=Alan B. Rhinesmith/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

TO: Toby Donenfeld (CN=Toby Donenfeld/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

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

CC: Jill M. Blickstein (CN=Jill M. Blickstein/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

CC: Alice E. Shuffield (CN=Alice E. Shuffield/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

CC: James C. Murr (CN=James C. Murr/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TEXT:

We are advised that Summers' testimony has already been sent to the Hill. We would nevertheless appreciate hearing from you ASAP if you see any major inconsistencies between the testimony and the President's Budget. We will bring any major inconsistencies to the Director's attention as soon as possible.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-FEB-1998 18:35:53.00

SUBJECT: Women's Mtg

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

CC: Miriam H. Vogel (CN=Miriam H. Vogel/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

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

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

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

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

CC: Marjorie A. Black (CN=Marjorie A. Black/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

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

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

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

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

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

TEXT:

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-FEB-1998 17:24:25.00

SUBJECT: Auto Choice Memorandum

TO: Morley A. Winograd (CN=Morley A. Winograd/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

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

TEXT:

Here is the revised Auto Choice memorandum. Please make sure that the recommendation is consistent with your views. Thanks.

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D90]MAIL43795755A.026 to ASCII,
The following is a HEX DUMP:

FF575043B2080000010A02010000000205000000F927000000020000D83B9293B144FEA78A65E9

February 25, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Gene Sperling

SUBJECT: **Auto Choice**

Overview

The purpose of the memorandum is to provide you with information on auto-insurance reform and the "Auto Choice" legislation introduced last April by a bipartisan coalition of Members of Congress. Over the last several months, a NEC-DPC inter-agency working group has spent considerable time analyzing the Auto Choice proposal and reviewing other auto-insurance reform options. It is the strong view of the working group that the benefits of the various Auto Choice proposals considered by the working group do not justify the cost.

Despite the claims by proponents of Auto Choice that it will reduce insurance premiums by approximately \$250 per year for the average driver, the working group found little support that no-fault insurance would lead to lower rates. The three states that currently mandate insurance companies to offer no-fault insurance plans (New Jersey, Kentucky, and Pennsylvania), have some of the highest rates in the country. Auto Choice will also benefit bad drivers at the cost of good drivers. In addition, economists argue that if Auto Choice does induce some reduced premiums, more people will drive leading to more accidents, increased environmental degradation, and greater strain on our infrastructure.

Background

"No-fault" insurance, in its broadest sense, is defined as any auto insurance program that allows policyholders to recover financial losses *from their own insurance company, regardless of fault*. In its strictest form, no-fault applies only to state laws that both provide for the payment of no-fault first-party benefits *and* restrict the right to sue. "Pure" no-fault proposals go one step further, abolishing the right to sue in the majority of cases.

Under current state-level no-fault laws, motorists may sue for severe injuries and for pain and suffering only if the case meets certain conditions. These conditions, known as a "threshold," relate to the severity of injury. They may be expressed in verbal terms (a descriptive or verbal threshold) or in dollar amounts of medical bills (a monetary threshold). Some laws also include the days of disability incurred as a result of the accident.

Analysis

The working group has considered three options. The first is the Auto Choice legislation introduced by Senators McConnell and Moynihan and Representative Arney. Under this proposal, drivers in states who accept the new federal legislation have a choice between the existing system in their state and a strict no-fault plan (called 'personal protection insurance' (PPI). A driver who chooses the PPI option gets first-party coverage for economic damages (mostly medical and lost wages), without regard to fault; a PPI driver can sue or be sued for economic damages above policy limits. PPI drivers cannot sue or be sued for non-economic damages ('pain and suffering'), although exceptions are made for accidents involving drug or alcohol abuse. A driver who opts to stay in the state's current tort system must purchase tort maintenance coverage (TMC) to cover accidents with PPI drivers.

The second proposal was developed by CEA to achieve the same ends as Auto Choice -- lower premiums -- but to do so while reducing environmental and human costs. The CEA proposal would amend the Auto Choice to require insurance companies to offer premiums on a per-mile basis. Per-mile premiums would be charged based on an estimate of miles, with a rebate or surcharge issued every year after an odometer reading. Odometers could be read at existing emissions or safety inspections or by firms under contract with insurance companies. Insurance companies would compete in their per-mile premium, subject to current regulations; premiums would consequently vary with region, driving record, type of car, and safety features, much as premiums vary now.

The third proposal would attack the major reason for high insurance costs, fraud. Under this proposal, we would announce support for legislation that would 1) increase penalties on lawyers and doctors who participate in auto insurance fraud claims, including possibly taking away licenses to practice law or medicine; 2) encourage insurance companies to install V-Chips into odometers so they could check the mileage of drivers at random and reduce premiums for those who drive less and increase premiums for those who drive more.

One problem with all three proposals is that none of them guarantee that insurance companies will pass on savings to consumers. In many states that currently have no-fault insurance systems, there is little evidence that over the long-term consumers saved compared to the period when no-fault was not mandated. In addition, the Per-Mile Premium and V-Chip proposals could be perceived as big government intervention into insurance regulation while the Auto Choice and Per-Mile Premium proposals represent Federal involvement in an area that traditionally has been the responsibility of states governments.

The McConnell-Arney legislation will be strongly opposed by the trial lawyers, and possibly State governments. We expect environmentalists and auto safety groups to also oppose this legislation. Opponents may attack the legislation for creating a national auto insurance system like New Jersey's (with the highest rates in the country). Proponents of the legislation will argue the legislation will give every driver a \$200 break on their auto insurance rates.

Polling does not indicate strong support for Auto Choice legislation.

Recommendation

The NEC, DPC, Office of White House Counsel, and the Office of the Vice President recommend you withhold (oppose ?) support for Auto Choice legislation.

Decision

_____ Agree

_____ Discuss Further

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-FEB-1998 18:31:36.00

SUBJECT: More on Fatherhood Block Grants

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: Lisa M. Mallory (CN=Lisa M. Mallory/O=OVP @ OVP [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Apparently Ron Haskins is keeping this very close. He only mentioned it to Deborah Coulton at 4 p.m, who in turn mentioned it to HHS congressional office. Ron has promised to share a 2 pager with Deborah late tonight or first thing tomorrow a.m. She'll pass along to HHS who will share with us. The only new information is that the press conference will take place at a community center here in D.C. (possibly one of Charles Ballard's programs??).

Andrea Kane

02/25/98 05:38:21 PM

Record Type: Record

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

cc: Lisa M. Mallory/OVP @ OVP

Subject: Republicans to Announce Fatherhood Block Grants TOMORROW

I just heard that these will be unveiled at a press conference at 10 a.m. tomorrow ! Sounds like Shaw will introduce a bill, with strong encouragement from Archer. This comes as quite a surprise given that no one seems to have had any specifics as of a week ago. HHS Congressional folks are trying to track down more information.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-FEB-1998 18:32:05.00

SUBJECT: Justice Tobacco Antitrust Letter

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

TO: Donald H. Gips (CN=Donald H. Gips/O=OVP@OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

CC: Jill M. Pizzuto (CN=Jill M. Pizzuto/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

CC: James C. Murr (CN=James C. Murr/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

CC: Richard J. Turman (CN=Richard J. Turman/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TEXT:

I just faxed to you a redraft copy of the Justice tobacco antitrust letter. Please take a look at it and call me with your sign-off or any comments ASAP.

Justice wants this letter cleared for an antitrust hearing tomorrow, 2/26/98.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-FEB-1998 16:38:28.00

SUBJECT: Weekly Health Care Strategy Meeting

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

TO: Donald H. Gips (CN=Donald H. Gips/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

CC: Jill M. Pizzuto (CN=Jill M. Pizzuto/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

CC: Toby Donenfeld (CN=Toby Donenfeld/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

CC: Miriam H. Vogel (CN=Miriam H. Vogel/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

READ:UNKNOWN

CC: Dan J. Taylor (CN=Dan J. Taylor/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

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

TEXT:

We will be having the weekly Health Care Strategy Meeting tomorrow,
Thursday, February 26, at 4:00 p.m. in Bruce's office.