

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 076 - FOLDER -006

[05/06/1998 - 05/07/1998]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-MAY-1998 14:39:05.00

SUBJECT: Organic memo

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

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

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

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

TEXT:

here is nother draft of the organic memo. I tinkered in three places: 1. Glickman's office called to say he really hates the idea of asking for comment on cretaing a private organic standard and Lisa Grove at OMB didn't care -- I removed it from our recommendations; 2. I added some support for OMB's argument on organics aren't safe to balance the memo; 3. I clarified that Glicikman wants to repropose the rule.

Arbuckle at OMB agreed with the recommendation -- I'm not sure Sally would, if the memo is to come jointly from NEC, DPC the tone of the memo would have to change.===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D85]MAIL40846552V.126 to ASCII,
The following is a HEX DUMP:

FF57504370040000010A020100000002050000009E19000000020000C2FB5A7B5771567B0F0824
5B2B536887D5349E7A76B6B33EB113DFF2EBA1FAF552F95E35A409201F43DFC8E030B4B85DCFA4

DRAFT

May 5, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: BRUCE REED
ELENA KAGAN

SUBJECT: USDA's Proposed Organic Rule

In 1990, Congress passed the Organic Food Production Act which required the Department of Agriculture (USDA) to establish a national standard defining the use of the term "organic" for use on food products. In December 1997, USDA published a proposed regulation to establish a national organic standard. Since that time, the proposed rule has been the subject of extensive criticism.

The primary complaint concerning the proposed rule has been that it does not explicitly prohibit the use of genetically modified organisms, irradiation, and biosolids (sludge) in food that could be labeled "organic." In the preamble to its proposal, USDA had requested comments as to whether foods using any of these techniques could be considered as organic. In response, USDA says it has received almost 200,000 comments regarding the proposed rule, the most ever received for a USDA rulemaking. The rule has also been the subject of unfavorable editorials in many newspapers including the New York Times, the Washington Post, the Chicago Tribune, and the Los Angeles Times. (Sample "Organic Hash From the USDA Kitchen"). Finally, 47 members of the House and 30 Senators have signed letters to Secretary Glickman expressing concern about the proposed rule.

Current Status

Secretary Glickman proposes to issue a press release this Friday, May 7th, indicating that USDA will repropose the rule and "make fundamental changes in the new proposed rule on organic standards." Specifically, the statement would indicate that biotechnology, irradiation, and biosolids are "being taken off the table and will not be included in our new proposal." Articles in the last week in USA TODAY, and the Washington Post have indicated that USDA is preparing such a statement.

Representatives of OMB and NEC have expressed disagreement with USDA's plan to issue a statement taking these techniques "off the table." These agencies argue that consumers will view a product labeled as organic as safe, despite the fact that there is not evidence to demonstrate that organic food is any safer than non-organic food, or that genetically modified, irradiated, or food grown using sludge is unsafe. OMB points out that organic material might be even worse in terms of some microbiological hazards, and supposedly organic foods have been

and may in the future be linked to illnesses such as occurred in the Odwalla juice outbreak. OMB notes a possible contradiction in Administration policy in areas such as biosolids (sludge) in which the Administration is on record supporting the safety of the product. These agencies have alternately suggested that the organic label be modified to include a provision stating something along the lines of "organic food may be no more or less safe than non-organic food" or that USDA continue its comment review process and not prematurely prohibit using the term organic for food using any of the three disputed techniques.

USDA responds that the organic label is not intended to signify the overall safety of the food, only the methods by which the food was produced. USDA argues that the disputed techniques are not in keeping with the public's expectation of what constitutes organic. The Food and Drug Administration has expressed support for USDA's position.

Recommendation

We recommend that Secretary Glickman issue a clear statement taking biotechnology, irradiation, and sludge off the table for purposes of the new rulemaking. In addition, after discussions with OMB, OSTP, NEC, FDA and USDA we have agreed upon a series of actions to ameliorate some of OMB's concerns. These include (1) having USDA and FDA conduct a survey on consumer attitudes towards organic food to determine whether consumers purchase organic products on the basis of unproven safety claims, and (2) having USDA insert in the preamble of its new rule language indicating that the National Organic Standard Board should report regularly to the Secretary on possible uses of new technologies and whether they might meet an organic standard.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Peter Rundlet (CN=Peter Rundlet/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 6-MAY-1998 17:35:32.00

SUBJECT: Benchmarking Meeting

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

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

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

TEXT:

You should have been included on the below. Please come if possible.

----- Forwarded by Peter Rundlet/WHO/EOP on 05/06/98
05:34 PM -----

June G. Turner

05/05/98 12:06:53 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc: Shannon Mason/OPD/EOP, Aimee M. Malnati/OVP @ OVP
Subject: Benchmarking Meeting

Sylvia Mathews will host a Benchmarking meeting on Friday, May 8 at 2pm in the Roosevelt Room.

Attendees:

Sylvia Mathews
Sally Katzen
Rob Weiner
Dawn Chirwa
Peter Rundlet
Eddie Correia
Tracey Thornton
Susan Liss
Nancy McFadden (DOT)
Mark Gross (Justice)
Fran Allegra (Justice)
Richard Hayes (SBA)

Message Sent

To: _____
Sally Katzen/OPD/EOP

Robert N. Weiner/WHO/EOP
Dawn M. Chirwa/WHO/EOP
Peter Rundlet/WHO/EOP
Tracey E. Thornton/WHO/EOP
Susan M. Liss/OVP @ OVP
Edward W. Correia/WHO/EOP
Richard.Hayes @ SBA.GOV @ inet

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-MAY-1998 17:00:09.00

SUBJECT: What Glickman says

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: 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:

On the three issues in dispute, Eric says the Secretary (1) was very strongly against including the survey in the preamble -- he believes it infuses safety issues into the rule; (2) he is admantly against including anything on consumer education associated with the survey; and (3) he will remove the "take off the table" phrase -- but feels strongly that the Adminstration needs something clear: he wants the "food produced with these products practices will not be allowed to bear the organic label." Eric will fax a revised copy of the release to us.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Mindy E. Myers (CN=Mindy E. Myers/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 6-MAY-1998 19:04:47.00

SUBJECT: Follow up Child Care mtg -4pm Thursday

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

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

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

TEXT:

The Dem. Caucus has scheduled a 4pm follow up child care mtg with Members. Would either (or both) of you be able to attend w/ Janet?

Thanks-
Mindy

PS Just to give you the heads up, there are rumors that they'll adjourn by early. If that's the case this mtg may not happen.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-MAY-1998 08:32:51.00

SUBJECT:

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

READ:UNKNOWN

TEXT:

Please call 65584 w/ Bill Corr holding ASAP ASAP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-MAY-1998 15:07:22.00

SUBJECT: The President's trip to DE

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Joshua Silverman (CN=Joshua Silverman/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

TO: Sarah J. Reber (CN=Sarah J. Reber/OU=CEA/O=EOP @ EOP [CEA])
READ:UNKNOWN

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

TO: Russell W. Horwitz (CN=Russell W. Horwitz/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

TO: Shelley N. Fidler (CN=Shelley N. Fidler/OU=CEQ/O=EOP @ EOP [CEQ])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

TEXT:

On Friday, May 8, 1998, the President will travel to Dover, Delaware, to address the State Legislature, tour Dover Air Force Base, and speak to Base personnel. Deadlines for the President's trip book are as follows:

Background Memos:

DUE THUR., MAY 7, AT 6:00 P.M.

- Political Memo
- CEQ Hot Issues
- Cabinet Affairs Hot Issues

- Economic 1-Pager
- Accomplishments

Event Memos:

DUE THUR., MAY 7, AT 6:00 P.M.

- Address to the Legislature
- Tour of Dover AFB & Remarks to Personnel

Please call or e-mail me if you have any questions. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-MAY-1998 18:35:41.00

SUBJECT: Women's Mtg

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

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

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

TO: 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: 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: Mindy E. Myers (CN=Mindy E. Myers/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: 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 Mtg on Thursday at 9am in Room 100. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-MAY-1998 18:27:41.00

SUBJECT: Native American Public Health Provisions in McCain Bill

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

READ:UNKNOWN

TEXT:

The Indian Health Service has received inquiries from McCain's, Inouye's, and Conrad's staffs regarding our position on the Native American provisions in the McCain bill related to public health (not to the Gorton amendment). We had some staff level policy changes (which we haven't sent in yet), but with those changes, HHS, DOJ, OMB, and Interior were all fine with the provisions in the McCain bill.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-MAY-1998 14:42:40.00

SUBJECT: Statement of Administration Policy on HR2888 Sales Incentive Compensation

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Sarah S. Lee (CN=Sarah S. Lee/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: Daniel J. Chenok (CN=Daniel J. Chenok/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Debra J. Bond (CN=Debra J. Bond/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Total Pages: _____

LRM ID: MNB161

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

Washington, D.C. 20503-0001

Wednesday, May 6, 1998

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

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

OMB CONTACT: Melissa N. Benton

PHONE: (202)395-7887 FAX: (202)395-6148

SUBJECT: Statement of Administration Policy on HR2888 Sales Incentive Compensation Act

DEADLINE: 2 p.m. Thursday, May 7, 1998

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

COMMENTS: This bill may be considered next week by the House under suspension of the rules.

DISTRIBUTION LIST

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61-JUSTICE - Ann Harkins - (202) 514-2141

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LRM ID: MNB161 SUBJECT: Statement of Administration Policy on HR2888 Sales Incentive Compensation Act

RESPONSE TO

LEGISLATIVE REFERRAL

MEMORANDUM

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

message with a legislative assistant.

You may also respond by:

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

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

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

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

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

- _____ Concur
- _____ No Objection
- _____ No Comment
- _____ See proposed edits on pages _____
- _____ Other: _____
- _____ FAX RETURN of _____ pages, attached to this response sheet

DRAFT -- NOT FOR RELEASE

May 6, 1998
(House)

H.R. 2888 - Sales Incentive Compensation Act
(Fawell (R) IL and 23 others)

The Administration has concerns about H.R. 2888, which could weaken existing Fair Labor Standards Act (FLSA) provisions that limit excessive overtime and guarantee just compensation for overtime hours worked. In addition, the Administration believes that the multi-test exemption in the bill as reported is ambiguous, and that determining how and when it applies will likely be difficult for employers, employees, and the Department of Labor.

* * * * *

(Do Not Distribute Outside Executive Office of the President)

This position was developed by LRD (Benton) in consultation with HRD (Matlack/Bond). The Departments of Labor (), Justice (), and Commerce () have reviewed the proposed position and have either no comment or no objection.

Legislative History

H.R. 2888 was introduced on November 7, 1997. On March 5, 1998, H.R. 2888 was approved by the Workforce Protections Subcommittee by voice vote, with an amendment in the nature of a substitute that made a number of technical and clarifying changes to the bill. On April 1, 1998, the Education and the Workforce Committee ordered the bill reported as amended. The Committee report has not been filed to date.

Administration Position to Date

The Department of Labor sent a letter to Reps. Ballenger and Andrews on March 4, opposing H.R. 2888 as introduced. In its letter, Labor stated that the bill's expansion of the FLSA sales exemption "would weaken a basic principle of the FLSA--to limit excessive hours of work by employees and provide them just compensation for working overtime."

Labor sent a virtually identical letter to Rep. Goodling on March 31, 1998, prior to the full Committee's consideration of the bill.

Background and Summary of H.R. 2888 as Reported

Under the Fair Labor Standards Act of 1938 (FLSA), sales personnel who work away from their employer's premise ("outside sales" employees) are exempted from the Act's overtime and minimum wage requirements.

The sponsors of H.R. 2888 argue that the bill is necessary to accommodate changes in the workplace since the FLSA's 1938 enactment. They assert that the advent of technology has led to the transition of many sales jobs from outside to inside sales positions. These positions, the sponsors argue, have the same characteristics as outside sales jobs (e.g., irregular hours in response to customer needs), and should thus receive the same treatment under the FLSA.

The bill would amend section 13(a) of the FLSA (29 U.S.C. 8213(a)) to add a new exemption from the FLSA's minimum wage and overtime compensation requirements for "inside sales" employees meeting certain requirements. The bill would exempt any employee in a sales position if all of the following conditions are met:

- (1) The employee has specialized or technical knowledge related to the products or services being sold.
- (2) The position requires a detailed understanding of the needs of those to whom the employee sells.
- (3) The position requires the employee to exercise discretion in offering a variety of products and services.
- (4) The employee's sales are predominantly to individuals or entities to whom the employee's position has made previous sales and the position does not involve initiating sales contacts.

(5) The employee receives at least a specified minimum base compensation. The bill would require base compensation of at least 2,080 times the minimum wage (currently \$10,712).

(6) The employee receives a specified minimum level of sales-based compensation. The bill would require the employee's sales-based compensation to be at least 40 percent of 1.5 times the minimum wage multiplied by 2,080 (currently \$6,427). The bill would also require the rate of compensation for sales above this minimum level to be at least equal to the rate of compensation for sales up to this level--a requirement intended to ensure that employers do not pay sales employees a commission only up to the minimum level.

(7) The employee is not employed as a route sales driver.

Pay-As-You-Go Scoring

According to HRD (Bond), H.R. 2888 would not affect direct spending or receipts; therefore, it is not subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. CBO concurs.

LEGISLATIVE REFERENCE DIVISION DRAFT
May 6, 1998/2 p.m.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-MAY-1998 15:06:38.00

SUBJECT: Marti Thomas

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

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

TEXT:

Marti said that Linda Robertson confirmed with Hatch's lead guy that Friday is OK for a response to his questions.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-MAY-1998 10:54:53.00

SUBJECT:

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

READ:UNKNOWN

TEXT:

I would like a heads up when AGs come in to meet -OK?

Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-MAY-1998 16:38:17.00

SUBJECT: Organics draft memo

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

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

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

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

TEXT:

This memo is revised to include some of the changes from this afternoon's meeting. 1. The intro includes some background on how the industry wanted the bill, 2. the language is made to suggest NEC/OMB/DPC are in agreement, 3. OMB's argument is beefed up somewhat.

I talked to Eric about the changes we want: 1. he wants to ask Glickman about including the survey somewhere in text (the preamble?); 2. he is certain the secretary will object to any language about education as follow up to the survey; 3. I say in the memo we want to remove the phrase "take off the table" from the press release. Eric knows he agreed to this, but didn't mention it to the Secretary and will now. ===== ATT
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D22]MAIL45453652P.126 to ASCII,
The following is a HEX DUMP:

FF57504370040000010A020100000002050000007A1C000000020000F86637FB51798C5D464C5B
C8F46B75BB6485B1549D026B14D27FB632586BFBD6DF9220D3128CBE850F7DBCAD6C8532DB47A1

DRAFT

May 5, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: ELENA KAGAN
SALLY KATZEN

SUBJECT: USDA's Proposed Organic Rule

In 1990, Congress passed the Organic Food Production Act which required the Department of Agriculture (USDA) to establish a national standard defining the use of the term "organic" for use on food products. The legislation was strongly supported by the organic industry which sought to involve the federal government in creating a unified organic standard, rather than the myriad of private and state-endorsed definitions. In December 1997, USDA published a proposed regulation to establish a national organic standard. Since that time, the proposed rule has been the subject of extensive criticism.

The primary complaint concerning the proposed rule has been that it does not explicitly prohibit the use of genetically modified organisms, irradiation, and biosolids (sludge) in food that could be labeled "organic." In the preamble to its proposal, USDA had requested comments as to whether foods using any of these techniques could be considered as organic. In response, USDA says it has received almost 200,000 comments regarding the proposed rule, the most ever received for a USDA rulemaking. The rule has also been the subject of unfavorable editorials in many newspapers including the New York Times, the Washington Post, the Chicago Tribune, and the Los Angeles Times. (Sample "Organic Hash From the USDA Kitchen"). Finally, 47 members of the House and 30 Senators have signed letters to Secretary Glickman expressing concern about the proposed rule.

Current Status

Secretary Glickman plans to issue a press release this Friday, May 7th, (attached), indicating that USDA will repropose the rule and "make fundamental changes in the new proposed rule on organic standards." Specifically, the statement would indicate that biotechnology, irradiation, and biosolids are "being taken off the table and will not be included in our new proposal." Articles in the last week in USA TODAY, and the Washington Post have indicated that USDA is preparing such a statement.

Representatives of OMB and NEC have been concerned about USDA's plan to issue a statement taking these techniques "off the table." These agencies argue that consumers will likely view a product labeled as organic as safe, despite the fact that there is not evidence to demonstrate that organic food is any safer than non-organic food, or that genetically modified,

irradiated, or food grown using sludge is unsafe. OMB points out that organic material might be even worse in terms of some microbiological hazards, and supposedly organic foods have been and may in the future be linked to illnesses such as occurred in the Odwalla juice outbreak. OMB notes the danger of contradiction in Administration policy in areas such as biosolids (sludge) in which the Administration is on record supporting the safety of the product. OMB suggested that USDA consider modifying the organic label to include a provision stating something along the lines of "organic food may be no more or less safe than non-organic food" or that USDA continue its comment review process and not prematurely prohibit using the term organic for food using any of the three disputed techniques.

USDA felt strongly that the label should not be modified and that a statement announcing a reproposal needs to be made promptly. USDA states that the organic label is not intended to signify the overall safety of the food, only the methods by which the food was produced, and that it will not advertise the label as having anything to do with safety. USDA notes that the disputed techniques are clearly not in keeping with the public's expectation of what constitutes organic. The Food and Drug Administration has expressed support for USDA's position.

Recommendation

We recognize the need for USDA to clarify its position on organics, and recommend that Secretary Glickman issue a statement indicating that biotechnology, irradiation, and sludge will not be part of the revised proposal. We suggest USDA not include the phrase "taken off the table," however, which may imply they could never be considered. In addition, after discussions with OMB, OSTP, NEC, FDA and USDA we have agreed upon two additional measures that could ameliorate some concerns over safety. These include (1) having USDA and FDA conduct a survey on consumer attitudes towards organic food to determine whether consumers purchase organic products on the basis of unproven safety claims, and (2) having USDA insert in the preamble of its new rule language indicating that the National Organic Standard Board should report regularly to the Secretary on possible uses of new technologies and whether they might meet an organic standard.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-MAY-1998 09:48:35.00

SUBJECT: I liked the New Republic piece.

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

READ:UNKNOWN

TEXT:

Who's doing your press?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Mindy E. Myers (CN=Mindy E. Myers/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 7-MAY-1998 11:35:03.00

SUBJECT: Dem. Caucus Child Care

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

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

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

TEXT:

The Dem. Caucus is checking out a couple of times for a Child Care mtg w/ Members next week. They have offered 10:30am - 11:30am or 2:00pm - 3:00 pm on Thursday (5/14). Please let me know which time might work better for you.

Additionally, Janet and Gephardt's staff are trying to schedule a staff level mtg for Tuesday or Wednesday. Would 1:30 pm on Tuesday (5/14) work? If not, please offer some other times. (Are you in on Tuesdays, Jenn?)

Thanks-
Mindy

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Miriam H. Vogel (CN=Miriam H. Vogel/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 7-MAY-1998 16:43:58.00

SUBJECT: Bilingual Ed Mtg

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: Mindy E. Myers (CN=Mindy E. Myers/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: Allison Balderston (CN=Allison Balderston/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Maria would like to hold a strategy meeting in her office next Wednesday, May 20th, at 3pm in her office.

Please let me know if this time does not work for you-

Thanks!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-MAY-1998 22:00:07.00

SUBJECT: Gun-Free Schools Report Q&A

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

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

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

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

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

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

TEXT:
EK:

I apologize for not getting this over to you sooner. Ed didn't have the report and their info over here until well after 8pm. Most of the info in these Q/As is from education, with a bit of tweeking from us.

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D2]MAIL47979762K.126 to ASCII,
The following is a HEX DUMP:

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FB27A36E615459074F8395B34646BE9737921D4B179CA90050879D152C2CABB45D037CDAC2762F

**Report on Gun-Free Schools
Questions and Answers
May 8, 1998**

Q: What is the Gun-Free Schools Act?

A: Enacted on October 20, 1994, as part of the Improving America's Schools Act, the Gun-Free Schools Act (GFSA) requires each state receiving Federal funds under the Elementary and Secondary Education Act (ESEA) to have in effect a state law requiring Local Educational Authorities (LEAs) to expel for a period of not less than one year any student who is determined to have brought a firearm to school. These policies are more commonly referred to as "zero tolerance" gun policies.

Q: What does the GFSA Report tell us about implementation of the GFSA?

A: This report provides the first comprehensive information about expulsions under the GFSA. With all states now having passed legislation requiring zero tolerance policies, the report's primary finding is that of the 51 students million in elementary and secondary schools, 6,093 were expelled last year for bringing a firearm to school. Most of these were high school students (56%), and most cases involved handguns (58%). Also, most of the students expelled (56%) were placed in an alternate school or placement.

The GFSA report further breaks down the data by state, school level, type of firearm and expulsions that were shortened.

Q: Does this represent an increase or decrease in expulsions?

A: It is difficult to compare the estimated number of expulsions last year with this year's report. Although we estimated that a similar number of students -- about 6,000 -- were expelled for bringing a weapon to school last year, fewer states had submitted data -- and the data were also less specific. This year's report is really the first comprehensive picture we have of expulsions under the GFSA.

Whether expulsions are up or down, however, is much less important than the fact that more than 6,000 students bringing a firearm to school is unacceptable. And the more detailed information we have about this problem, the better we will be able to address it.

Q: Do you believe that the GFSA is making our schools safer?

A: Absolutely. As a result, all of the states have passed and are now enforcing zero tolerance polices that have disciplined and/or removed more than 6,000 dangerous students from our schools. Zero tolerance for firearms is now an important component of school safety throughout the country, and that will make a difference. As the

Superintendent of the Alexandria, Virginia Public Schools recently told the President in a White House event, strict enforcement of zero tolerance causes students to change their behaviors. In Alexandria, zero tolerance initially resulted in increased suspensions and disciplinary actions, but the number of suspendable offenses have now dropped by 40%.

But we need more than zero tolerance policies to make and keep our schools safe. We need more resources for after school programs to keep children safe and supervised. And we police, parents and other responsible adults to be involved with their schools.

Q: What happens to students that are expelled?

A: The majority of expelled students are being sent to alternate schools, and the number of these schools has nearly tripled over the past decade (from 894 to 2,604). However, the report seems to indicate that some of these students are not being placed in alternative schools, and that is troubling. The Administration supports the growing movement to develop alternative schools, many of which tend to be charter schools.

Q: Why were some of the expulsions in the GFSA report shortened?

A: For one of two reasons: first, the GFSA generally allows the chief educational officer at the local level to modify expulsions on a case-by-case basis; and, second, this flexibility allows children with disabilities to be disciplined under the provisions of another law -- the Individuals with Disabilities Education Act (IDEA). Under the IDEA, disabled children may be suspended for not more than 10 school days or removed to an alternative setting for up to 45 days.

Q: The District of Columbia has indicated in the GFSA report that, although it is currently implementing its GFSA policy, it did not do so during the 1996-1997 school year. What does this mean for DC?

A: The District is currently enforcing the GFSA. In fact, four students have already been expelled this year for bringing a firearm to school. Also, the District is currently conducting a school-by-school survey to determine whether individual schools expelled any students for bringing a firearm to school during the 1996-1997 school year. The Department of Education is working closely with the incoming school superintendent, Arlene Ackerman, to make sure that the District continues to comply with the GFSA.

Q: Is DC in danger of losing its funding because of this?

A: Under the GFSA, any state that does not comply with the GFSA could lose its ESEA formula grants funds -- or \$31 million in the District's case. We know that the District is now enforcing the law. We are beginning an investigation, with the full co-operation of the incoming superintendent, to understand why the law was not enforced during the 1996-1997 school year. We expect to have some preliminary answers within the next 30 days.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Mindy E. Myers (CN=Mindy E. Myers/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 7-MAY-1998 12:45:24.00

SUBJECT: Child Care mtg w/ Staff

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

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

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

TEXT:

Andi King/Gephard and Janet spoke. They have set the Child Care staff mtg for 2:00pm on Tuesday (5/12).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-MAY-1998 14:15:48.00

SUBJECT: Organics Memo

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

TO: Sally Katzen (CN=Sally Katzen/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: 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:

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D26]MAIL44947562R.126 to ASCII,
The following is a HEX DUMP:

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DE047F9E90CE6566A2BBBE20E680E619E1357883CD8818281546B9160FC11056133D8822410F9A

May 6, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: ELENA KAGAN
SALLY KATZEN

SUBJECT: USDA's Proposed Organic Rule

In 1990, Congress passed the Organic Food Production Act, which required the Department of Agriculture (USDA) to establish a government certification program and national standard defining the use of the term "organic" for use on food products. The legislation was strongly supported by the organic industry which sought to involve the federal government in creating a unified organic standard, rather than the myriad of private and state-endorsed definitions.

In December 1997, USDA published a proposed regulation to establish a national organic standard. It has been the USDA position that the standard is solely a marketing description. The Secretary has emphasized that the organic designation is not intended to convey information about the safety, nutritional value, or environmental benefits of organic products and practices. In some tension with this approach, the Administration has long promoted food safety and there is a serious question whether an organic label will be construed as an indication of the improved safety of the product.

Since the publication of the proposed rule, it has been the subject of extensive criticism. USDA has received almost 200,000 comments regarding the proposed rule, the most ever received for a USDA rulemaking. The rule has also been the subject of unfavorable editorials in many newspapers including the New York Times, the Washington Post, the Chicago Tribune, and the Los Angeles Times. Finally, 47 members of the House and 31 Senators have signed letters to Secretary Glickman expressing concern about the proposed rule. The primary complaint has been that the proposed rule does not explicitly prohibit the use of genetically modified organisms, irradiation, and biosolids (sludge) in food that could be labeled "organic." In the preamble to its proposal, USDA had requested comments on these products and practices because of their possible safety benefits and consistency with Administration policy.

Current Status

Secretary Glickman plans to issue a press release this Friday, (attached), indicating that USDA will repropose the rule and "make fundamental changes in the new proposed rule on organic standards." Specifically, the statement would indicate that biotechnology, irradiation, and biosolids "will not be included in our revised proposal, and food produced with these products and practices will not be allowed to bear the organic label." Articles last week in USA

TODAY and the Washington Post have indicated that USDA is preparing such a statement.

Representatives of OMB (Don Arbuckle), NEC (Sally Katzen), and DPC (Elena Kagan) have been concerned about USDA's approach to this issue. OMB has argued that consumers will likely view a product labeled as organic as safe, even though there is no evidence to demonstrate that organic food is any safer than non-organic food, or that genetically modified, irradiated, or food grown using sludge is unsafe. To the extent that consumers read an organic label as demonstrating safety, they may be misled. OMB points out that organic material might be even worse than non-organic food in terms of some microbiological hazards. Organic foods fertilized with manure have been and may in the future be linked to illnesses such as occurred in the Odwalla juice outbreak. By contrast, foods using the three disputed techniques (e.g., irradiation) may have actual safety benefits. OMB and NEC therefore have suggested that USDA consider modifying the organic label to include a provision stating something along the lines of "organic food may be no more or less safe than non-organic food" or that USDA continue its comment review process and not prematurely prohibit using the term organic for food using any of the three disputed techniques.

USDA felt strongly that the label should not be modified and that a statement announcing a reproposal needs to be made promptly. USDA states that the organic label is not intended to signify the overall safety of the food, only the methods by which the food was produced, and that it will not advertise the label as having anything to do with safety. USDA notes that the disputed techniques are clearly not in keeping with the public's expectation of what constitutes organic. The Food and Drug Administration has expressed general support for USDA's position.

Recommendation

We recognize the need for USDA to clarify its position on organics, and recommend that Secretary Glickman issue a statement indicating that biotechnology, irradiation, and sludge will not be part of the revised proposal. We are still discussing with Secretary Glickman's office the precise language of this statement, but think we can work out this issue. In addition, after discussions with OMB, OSTP, FDA and USDA we have agreed upon two additional measures that could ameliorate some concerns over safety. These include (1) having USDA and FDA conduct a survey on consumer attitudes towards organic food to determine whether consumers purchase organic products on the basis of unproven safety claims, and (2) having USDA insert in the preamble of its new rule language indicating that the National Organic Standard Board should report regularly to the Secretary on possible uses of new technologies and whether they might meet an organic standard.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-MAY-1998 20:58:52.00

SUBJECT: Class size q& a

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

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

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

TEXT:

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D87]MAIL428277626.126 to ASCII,
The following is a HEX DUMP:

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0E05DFA2DC9FCC2C58EAAF90C114276F7D26627B23E942156574E9C43F2D40417B0789B3B3C02C

Class Size Q's and A's

Q. The Senate already rejected a class size amendment several weeks ago when it took up the Coverdell bill, along with other key parts of the President's education agenda, such as school construction. What do you expect Congress to do with the legislation the President transmitted today?

A. We expect the Congress to take this proposal up, and we will fight to get it passed in both the House and Senate and to the President's desk for his signature. The fact that the Senate has turned this down as an amendment to the Coverdell bill does not predict how it will fare when it is fully considered on its own terms. As we learned in 1996, as we get closer to the Fall elections, Congressional interest in doing things that will have a tangible benefit for education increases. Reducing class size and modernizing school buildings are among the most important and tangible things this Congress could do to improve our schools.

This proposal is an important part of the President's overall effort to strengthen public education. Parents and teachers know that children will learn more in smaller classes, and the report released by the Education Department backs that up with solid research evidence. This national effort to reduce class size in the early grades will help significantly improve the quality of our public schools.

Smaller classes should not be a partisan issue. It isn't a partisan issue outside of Washington, where governors of both parties (e.g., Wilson in CA, Gilmore in VA, Carper in DE) have launched their own efforts to reduce class size. Mayors of both parties, who met with the President just yesterday, support federal funding to help reduce class size. We hope the Congress will join with parents, educators and elected officials to support this effort on a bipartisan basis.

Q. The President has proposed to pay for this class size reduction initiative out of funds from the proposed tobacco settlement. Yet in an interview (with Al Hunt) last week, the President said he would be willing to let Congress give states more flexibility in how to spend tobacco money. How hard is the President going to fight for this proposal?

A. The primary focus on tobacco legislation right now appropriately is to make sure that any legislation meets the principles the President has laid out for preventing teen smoking and promoting public health. As the legislative process progresses, we will work closely with the Congress to ensure that the President's priorities are reflected in how tobacco revenue is spent. The President is going to fight hard for this proposal, as he has been doing for all of his education proposals. That's why he went to Delaware today--to continue to make the case for his proposals throughout the country.

Q. The President has proposed to pay for this class size reduction initiative out of funds

from the proposed tobacco settlement. If the Congress doesn't pass tobacco legislation will the President be forced to drop this proposal, or is there another funding source for this?

A. We expect the Congress to pass tobacco legislation before _____; the President is working very hard to help make that happen, and he believes the chances are good that such legislation will pass. So it is premature to speculate about hypothetical situations.

Q. Delaware is trying to pass its own legislation to reduce class size in the early grades. Why should the federal government do the same thing, if states are already doing it?

A. First, there are many states and many communities which are not yet working to give students small classes, so it is a mistake to assume that because some states are working to lower class size that all are. Second, while it is very important to give students smaller classes, it is also expensive to do this. The President has called for national effort to create smaller classes, and for creating a partnership between federal, state and local governments to accomplish this goal. The President's proposal provides significant resources to help states and communities reduce class size.

Q. California already has a major initiative to reduce class size to 19 students in grades 1-2. If the President's proposal passes, wouldn't a state like California simply stop spending its own money on this, and use federal money instead?

A. Like most federal education programs, the President's proposal would require states to continue its own efforts and not simply substitute federal funds for state funds. But, California could use the funds under this program to further reduce class size in the early grades--say to 15 students. Or, it could use these funds to expand its efforts to additional grades.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-MAY-1998 12:07:43.00

SUBJECT: MN settlement talks with industry end

TO: Richard J. Turman (CN=Richard J. Turman/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: Elena Kagan (CN=Elena Kagan/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: Joshua Gotbaum (CN=Joshua Gotbaum/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

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

TEXT:
fyi.

Settlement Talks Break Off as Tobacco Trial Nears End

Talks for a \$5 billion-plus settlement of Minnesota's tobacco lawsuit have broken off, both sides said on Thursday.

The impasse was reported hours after a judge presented jury instructions seen as damaging to the tobacco companies, and as the companies prepared to deliver their closing arguments in the closely watched case.

Andy Czajkowski, chief executive of Blue Cross and Blue Shield of Minnesota, which is suing the companies along with the state, said talks had ended and described as ``extremely slim'' the chances

of a settlement.

Closing arguments were planned for Thursday and Friday. .

The state and Blue Cross filed the lawsuit in 1994 to recover the \$1.77 billion they say they have spent treating smoking-related diseases. They are also seeking punitive damages.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Scott R. Palmer (CN=Scott R. Palmer/OU=PIR/O=EOP [PIR])

CREATION DATE/TIME: 7-MAY-1998 10:32:38.00

SUBJECT: Boalt Hall's 1998 Admissions Numbers

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

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

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

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

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

TEXT:

FYI: Attached is an article from yesterday's LA Times reporting that Boalt Hall's admissions of minority students have increased from last year (the first year of the ban on affirmative action) apparently as a result of increased outreach and private scholarship incentives.

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D11]MAIL42171462X.126 to ASCII,
The following is a HEX DUMP:

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9E28B7BA6B3785EE4E752844E1E596ECD28DBE4D7E7EB6A0794A2FB1BF4E5877B020BF17B9D8AB

Los Angeles Times
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Wednesday, May 6, 1998

Metro Desk

California and the West Boalt Hall Accepts More Blacks, Latinos Education:
Figures for Berkeley law school rebound from last year, when affirmative action
was scrapped.

KENNETH R. WEISS
TIMES EDUCATION WRITER

UC Berkeley's Boalt Hall School of Law announced Tuesday that it has accepted 32 black students, more than twice as many as last year--when none of the students who had been accepted actually enrolled.

The number of Latino students also rebounded this year, with 60 Latinos accepted compared with 46 in 1997.

"It's marvelous," said Herma Hill Kay, dean of the law school. "We went to extraordinary lengths to overcome this negative image that Berkeley doesn't want African Americans."

To drum up applications, Boalt's admission director visited more historically black colleges than in the past. The black and Latino alumni joined in hosting receptions in Atlanta and other cities for prospective students, while current students visited California State University campuses in an outreach effort financed by the law school alumni.

Although encouraged by the numbers, Kay cautioned that the school won't know until August how many of the 32 students agree to sign up for fall classes.

Altogether, Boalt selected 857 students out of an applicant pool of 4,587. Law school officials expect that fewer than a third of those accepted will enroll. The school plans for a first-year class of 270 students.

Last year, none of 15 African Americans accepted to Boalt decided to enroll, prompting Kay to call the numbers "a total wipeout." One student who had deferred admission from the previous year became the lone African American in the first-year class of 270 students.

Kay said she hoped for a better showing this year. But she said that Berkeley often loses minority students to elite private law schools, such as Stanford and those in the Ivy League, which can afford to offer more enticing scholarships to promising students.

Boalt, as a public school, is prohibited from targeting scholarships by race, Kay noted, while private colleges are free to use affirmative action in all their decisions.

This is the second year in the post-affirmative-action era that Boalt and other UC graduate and professional schools have picked their first-year classes without any preferences for race or gender.

The new rules ending affirmative action in admissions were phased in this year for undergraduates, resulting in sharp drops in the number of blacks, Latinos and Native Americans accepted at the most competitive UC campuses.

Boalt accepted slightly fewer Asian Americans this year, 144, compared with 149 last year. The number of white students also declined--to 461, from 499 last year. The school accepted four Native Americans, compared with two last year. Blacks, Latinos and Native Americans are considered "underrepresented minorities," who once benefited from the school's affirmative action program.

The San Francisco Bar Assn. also joined the recruitment drive last week, saying that it would offer \$5,000 scholarships--enough to cover about half of Boalt's tuition--to half a dozen minority students. Because the bar association is a private organization, it is not covered by the state's ban on affirmative action.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-MAY-1998 11:09:12.00

SUBJECT: Draft Organic w/Sally K. additions

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

TEXT:

Sally's changes are in bold.===== ATTACHMENT 1 =====

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D59]MAIL46814462C.126 to ASCII,
The following is a HEX DUMP:

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5DA1D38490ED52DFA550FFAB41DF92842B3EAF892EDC2533950C31FA17

DRAFT (11:00 am)

Sally's additions are in bold.

May 6, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: ELENA KAGAN
SALLY KATZEN

SUBJECT: USDA's Proposed Organic Rule

In 1990, Congress passed the Organic Food Production Act which required the Department of Agriculture (USDA) to establish a national standard defining the use of the term "organic" for use on food products. The legislation was strongly supported by the organic industry which sought to involve the federal government in creating a unified organic standard, rather than the myriad of private and state-endorsed definitions.

In December 1997, USDA published a proposed regulation to establish a national organic standard. **It has been the USDA position that the standard is a marketing description of what is and is not organic. The Secretary has emphasized that the organic designation is not intended to convey information about the safety, nutritional value, or environmental benefits of organic products and practices. On the other hand, the Administration has long promoted food safety and some agencies have strong concerns that an organic label will inevitably be construed as an indication of the improved safety of the product.**

Since the publication of the proposed rule, it has been the subject of extensive criticism. The primary complaint has been that it does not explicitly prohibit the use of genetically modified organisms, irradiation, and biosolids (sludge) in food that could be labeled "organic." In the preamble to its proposal, USDA had requested comments as to whether foods using any of these techniques could be considered as organic. In response, USDA says it has received almost 200,000 comments regarding the proposed rule, the most ever received for a USDA rulemaking. The rule has also been the subject of unfavorable editorials in many newspapers including the New York Times, the Washington Post, the Chicago Tribune, and the Los Angeles Times. (Sample "Organic Hash From the USDA Kitchen"). Finally, 47 members of the House and 30 Senators have signed letters to Secretary Glickman expressing concern about the proposed rule.

Current Status

Secretary Glickman plans to issue a press release this Friday, May 7th, (attached), indicating that USDA will repropose the rule and "make fundamental changes in the new proposed rule on organic standards." Specifically, the statement would indicate that biotechnology, irradiation, and biosolids are "being taken off the table and will not be included in our new proposal." Articles in the last week in USA TODAY, and the Washington Post have

indicated that USDA is preparing such a statement.

Representatives of OMB and NEC have been concerned about USDA's plan to issue a statement taking these techniques "off the table." These agencies argue that consumers will likely view a product labeled as organic as safe, despite the fact that there is not evidence to demonstrate that organic food is any safer than non-organic food, or that genetically modified, irradiated, or food grown using sludge is unsafe. **To the extent that consumers read an organic label as demonstrating safety, they may be misled.** OMB points out that organic material might be even worse in terms of some microbiological hazards, and supposedly organic foods have been and may in the future be linked to illnesses such as occurred in the Odwalla juice outbreak. OMB notes the danger of contradiction in Administration policy in areas such as **genetically modified products** and biosolids (sludge) in which the Administration is on record supporting the safety of the practice. OMB suggested that USDA consider modifying the organic label to include a provision stating something along the lines of "organic food may be no more or less safe than non-organic food" or that USDA continue its comment review process and not prematurely prohibit using the term organic for food using any of the three disputed techniques.

USDA felt strongly that the label should not be modified and that a statement announcing a reproposal needs to be made promptly. USDA states that the organic label is not intended to signify the overall safety of the food, only the methods by which the food was produced, and that it will not advertise the label as having anything to do with safety. USDA notes that the disputed techniques are clearly not in keeping with the public's expectation of what constitutes organic. The Food and Drug Administration has expressed **general** support for USDA's position.

Recommendation

We recognize the need for USDA to clarify its position on organics, and recommend that Secretary Glickman issue a statement indicating that biotechnology, irradiation, and sludge will not be part of the revised proposal. We suggest USDA not include the phrase "taken off the table," however, which may imply they could never be considered. **In its place we suggest the phrase "we will be clear that the term 'organic' is not intended to encompass these products and practices."** In addition, after discussions with OMB, OSTP, NEC, FDA and USDA we have agreed upon two additional measures that could ameliorate some concerns over safety. These include (1) having USDA and FDA conduct a survey on consumer attitudes towards organic food to determine whether consumers purchase organic products on the basis of unproven safety claims, and (2) having USDA insert in the preamble of its new rule language indicating that the National Organic Standard Board should report regularly to the Secretary on possible uses of new technologies and whether they might meet an organic standard.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-MAY-1998 20:01:22.00

SUBJECT: Leahy has asked Justice if they want to be asked to testify at Judiciary

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

on Wednesday on constitutional issues and tobacco. Bruce, you sounded favorably inclined.

Can Justice say yes? Elena -- this means that we need to review the written Q&A they've prepared in response to Ogden's last testimony.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-MAY-1998 11:09:00.00

SUBJECT: Background Paper for Press on Educ Opp Zones

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Attached is background paper for internal use only

(1) the Zones 2 pager is an update of the Zones paper we released in January -- goes into more detail on how the Zones work than today's event paper

(2) Q&A on specifically on Zones -- as opposed to POTUS q&A which is broader.

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D48]MAIL48883462Z.126 to ASCII,

The following is a HEX DUMP:

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**EDUCATION OPPORTUNITY ZONES:
STRENGTHENING URBAN AND RURAL SCHOOLS**

May 7, 1998

I challenge every school district to adopt high standards, to abolish social promotion, to move aggressively to help all students make the grade through tutoring, and summer schools, and to hold schools accountable for results, giving them the tools and the leadership and the parental involvement to do the job.

-- President Bill Clinton, October 28, 1997

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

ENDING SOCIAL PROMOTION, AND GIVING SCHOOLS THE TOOLS TO HELP EVERY CHILD MEET HIGH EXPECTATIONS. To be selected as Education Opportunity Zones, school districts will have to demonstrate that they are using their existing funds effectively to raise student achievement by: ■ holding schools accountable for helping students reach high academic standards, including rewarding schools that succeed and intervening in schools that fail to make progress; ■ holding teachers and principals accountable for quality, including rewarding outstanding teachers, providing help to teachers who need it, and fairly and quickly removing ineffective teachers; ■ ensuring students don't fall behind, by providing a rich curriculum, good teaching and extended learning opportunities; ■ ending social promotions and requiring students to meet academic standards at key transition points in their academic careers; and ■ providing students and parents with school report cards and expanded choice within public education.

EXTRA RESOURCES TO IMPROVE TEACHING, LEARNING, AND LEADERSHIP. School districts will use Education Opportunity Zone funds to support standards-based, district-wide reforms such as: ■ rewarding schools that make significant gains in student achievement; ■ turning around low-performing schools by implementing proven reform models, or closing them down and reconstituting them; ■ providing extra help to students who need it to meet challenging standards, through after-school, Saturday, and/or summer school programs; ■ building stronger partnerships between schools and parents, businesses, and communities; ■

implementing sound management practices and accountability systems; ■ providing intensive professional development to teachers and principals; ■ helping outstanding teachers earn master teacher certification from the National Board for Professional Teacher Standards and rewarding them when they do; and ■ implementing programs to identify low performing teachers, assist them to improve, and fairly remove them if they fail to do so.

COMPETITIVE GRANTS TO SUPPORT PROMISING MODELS. Districts will be selected as Education Opportunity Zones under a competitive, peer-review process. A mix of large and smaller urban areas will be selected to participate, as well as rural school districts and consortia. Each urban Education Opportunity Zone will receive a 3-year grant of \$10-25 million per year (depending upon size and proposed activities), and each rural Zone will receive from \$250,000 to \$3 million (for consortia). Zones will be selected in two rounds, the first in FY 1999, and the second in FY 2001. Successful applicants will have broad-based partnerships to support their reforms -- including parents, teachers, local government, business and civic groups, institutions of higher education and other key stakeholders. Successful applications will show how the district will use all available resources -- federal, state, and local, as well as any business or foundation funds -- to carry out its reform strategy and maintain it once these federal funds are no longer available.

REWARDS FOR DEMONSTRATED STUDENT ACHIEVEMENT GAINS. Each Education Opportunity Zone will agree to specific, ambitious, benchmarks for improved student achievement, lower dropout rates and other indicators of success, for districtwide performance and specific student subgroups. Districts may receive further support in years 4 and 5 only if they have demonstrated success in reaching those benchmarks.

GREATER FLEXIBILITY IN USING OTHER FEDERAL RESOURCES. All schools in an Education Opportunity Zone school district receiving Title I funds will become eligible for schoolwide flexibility in the use of federal education funds. Requirements pertaining to school accountability, as well as special education, health, safety, and civil rights, will continue to be met.

ASSISTANCE TO HELP DISTRICTS FIND AND SHARE WHAT WORKS. The Department of Education will offer technical assistance, use technology to help districts consult with each other, and disseminate lessons learned to communities nationwide. Special attention will be given to helping school districts design and implement strategies for providing students who need it with early intervention and extra help to enable them to meet promotion standards. In addition, a national evaluation of the Education Opportunity Zones will be conducted, with the results helping to inform the next reauthorization of the Elementary and Secondary Education Act.

BOLD ACTION TO HELP CHILDREN IN OUR CITIES AND RURAL AREAS. Education Opportunity Zones are part of a broader set of initiatives to help strengthen high-poverty urban and rural schools. President Clinton is also proposing new initiatives to reduce class size in the primary grades, modernize school buildings, recruit and prepare teachers

for underserved urban and rural areas, and dramatically expand the availability and quality of child care and after-school learning opportunities. These and other proposals will have a powerful impact on improving the prospects of children in some of our poorest communities.

EDUCATION OPPORTUNITY ZONES QUESTIONS AND ANSWERS

For internal use only -- May 7, 1998

What is the purpose of the Education Opportunity Zones?

This initiative will help accelerate and expand progress in high-poverty urban and rural school districts that are on the right track, and highlight models of success. Education Opportunity Zones will demonstrate how a serious approach to high standards benefits all students. Funds will be targeted to improve low performing schools, expand opportunities for student achievement, broaden choices for families, and hold schools, teachers, and students accountable for results.

How do the Zones relate to the President's other new initiatives?

Education opportunity zones are part of a broader set of initiatives to help strengthen urban and rural schools. President Clinton has also proposed new initiatives to reduce class size in the primary grades, modernize school buildings, recruit and prepare teachers for underserved urban and rural areas, and dramatically expand the availability and quality of child care and after-school learning opportunities. These and other proposals will have a powerful impact on improving the prospects of children in some of our poorest communities.

Are you proposing this initiative as an alternative to respond to Republican calls for vouchers?

The President is committed to strengthening public schools, not abandoning them. Along with other new initiatives that will help raise achievement for urban and rural students, like school construction and teacher recruitment and preparation, we are proposing Education Opportunity Zones in response to the clear need for sharp improvements in the nation's poorest school districts and to encourage and expand promising school reform efforts that are taking a disciplined, effective approach centered on high standards. The fact is that 90% of our students attend public schools, and our primary responsibility, especially with limited federal resources, is to make sure that the public schools they attend are among the best in the world. This means concentrating our time and money on raising academic standards, improving teaching, providing schools with technology and other up-to-date learning tools, and creating charter schools and other forms of choice within the public school system. In contrast to vouchers, the Education Opportunity Zones will support effective local efforts to improve education for all students in participating districts, rather than just a few.

What kind of support do you expect to receive in Congress?

We were pleased to note that when introduced in Congress by Senator Kennedy and Congressman Clay they were joined by TK co-sponsors in the House and TK co-sponsors in the Senate. Improving public schools in our most disadvantaged communities should be a bipartisan national priority. Lawmakers in both parties are keen on finding tough, effective ways to address low achievement in some of our largest cities, and we expect this proposal to gain strong bipartisan support.

How many grants are expected to be awarded and what will be their size?

The Zone initiative would invest approximately \$200 million in FY 99, and \$1.5 billion over five years. We expect to fund over 50 grants to urban and rural communities. The Zones will be selected in two rounds, the first in FY 1999, and the second in FY 2001. Grants will be awarded for 3 years. Districts may receive further support in years 4 and 5 only if they have demonstrated success in reaching the agreed benchmarks.

How do these new Zones differ from Empowerment Zones and Enterprise Communities?

The Education Opportunity Zones initiative and the EZ/EC initiative support one another, but are distinct. Education Opportunity Zones will consist of entire school districts or consortia of school districts. Empowerment Zones and Enterprise Communities are specific neighborhoods or regions that may or may not be contiguous with school districts. While both are in the spirit of bringing the community together behind focused efforts to address local challenges, Education Opportunity Zones are especially designed to address the educational needs of their communities and school districts, whereas the EZ/EC initiative is aimed at broader community revitalization strategies, which can include education but also extend to economic development, community development, and job training. Communities with a strong EZ/EC effort with a significant focus on education will be well-positioned to rally the community together behind the kinds of effective school reforms that will be supported by Education Opportunity Zones.

Do Zone districts have to participate in the national tests?

No. We are pleased that 16 major school districts have already made a commitment to take part in the national tests of 4th grade reading and 8th grade math, but participation in these tests is voluntary. However, successful Education Opportunity Zone applicants must show that they have firmly integrated challenging standards and tests (which could include state, local, or national assessments) into their strategies for raising student achievement.

Will Education Opportunity Zones receive a preference for other initiatives, such as school construction funding?

At this time, there are no plans to provide additional incentives for participation beyond in the Education Opportunity Zones initiative beyond the added funding and flexibility that all Zones will receive. However, other new initiatives will include features targeting assistance on the kinds of high poverty communities that the Zones are designed to assist.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Mindy E. Myers (CN=Mindy E. Myers/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 7-MAY-1998 11:09:01.00

SUBJECT: Dem. Caucus Child Care mtg CANCELLED

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

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

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

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

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

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

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

TEXT:

The Democratic Caucus called to tell us that the Child Care mtg scheduled for 4pm today is CANCELLED.

Sorry for any inconvenience-
Mindy

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-MAY-1998 11:36:58.00

SUBJECT: LRM #IMS319 - Statement of Administration Policy on S1723 American Competi

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

You will not receive a paper copy of this LRM.

Total Pages: _____

LRM ID: IMS319
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Thursday, May 7, 1998

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

FROM: James J. Jukes (for) Assistant Director for Legislative Reference
OMB CONTACT: Ingrid M. Schroeder
PHONE: (202)395-3883 FAX: (202)395-3109

SUBJECT: Statement of Administration Policy on S1723 American
Competitiveness Act

DEADLINE: Noon Friday, May 8, 1998

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

COMMENTS: S. 1723 is scheduled for Senate floor action during the week of May 11th. Please note the veto recommendation in the first paragraph of the SAP.

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LRM ID: IMS319 SUBJECT: Statement of Administration Policy on S1723
 American Competitiveness Act

RESPONSE TO
 LEGISLATIVE REFERRAL
 MEMORANDUM

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

You may also respond by:

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

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

TO: Ingrid M. Schroeder Phone: 395-3883 Fax: 395-3109
 Office of Management and Budget
 Branch-Wide Line (to reach legislative assistant): 395-3454

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

_____ (Telephone)

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

_____ Concur

_____ No Objection

_____ No Comment

_____ See proposed edits on pages _____

_____ Other: _____

_____ FAX RETURN of _____ pages, attached to this response sheet

DRAFT -- NOT FOR RELEASE

(Sen

May 7, 1998

S. 1723 - American Competitiveness Act
(Abraham (R) Michigan and 15 cosponsors)

S.1723, [The American Competitiveness Act,] is intended to respond to a reported skills shortage in the information technology industry by increasing the annual cap on the number of temporary visas for foreign [specialty] workers under the H-1B program. For the reasons outlined below, the Administration strongly opposes Senate passage of S. 1723. If S. 1723 were presented to the President, the Secretary of Labor would recommend that the bill be vetoed.

Regrettably, S.1723 emphasizes providing opportunities for foreign workers rather than providing opportunities for and protecting U.S. workers. The bill's temporary increase in the annual number of H-1B visas is too large (up to 115,000) and lasts too long (5 years). In addition, the bill does not help ensure that U.S. workers do not lose their jobs to temporary foreign workers and that qualified U.S. workers have the opportunity to fill a job before a temporary foreign worker is hired. Moreover, rather than strengthening program requirements and enforcement to prevent employer abuses of the H-1B program, S.1723 undermines some of the program's important enforcement provisions.

Since 1993 the Administration has sought reforms of the H-1B program, including requiring employers to make bona fide efforts to recruit and retain U.S. workers before hiring temporary foreign workers and prohibiting lay-offs of U.S. workers to replace them with foreign temporary workers. These reforms, if enacted, would help target H-1B usage to industries and employers that are experiencing skill shortages.

Also, the Administration believes that the first step in increasing the availability of skilled workers for industry must be increasing the skills of U.S. workers and helping the labor market work better to match employers with U.S. workers. Although S.1723 includes an authorization for a scholarship fund and a small fund to train dislocated workers, the Administration believes that increased training opportunities for U.S. workers should be funded through an H-1B application fee paid by employers.

Substantial additional efforts by industry to increase the skill level of U.S. workers and needed improvements in the H-1B program are necessary prerequisites for the Administration to support any short-term increase in the number of H-1B visas available for temporary foreign workers. The Administration wants to work with the Congress to develop a bill that addresses the growing demand for highly skilled workers, while effectively protecting and promoting the interests of U.S. workers and enhancing the international competitiveness of important U.S. industries.

* * * * *

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-MAY-1998 19:33:22.00

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TEXT:

In order to make the system work better, starting Monday, Christa, Laura, and I will talk each morning about what paper is due each day (weeklies, briefings, q&a, etc.) We will coordinate with staff to make certain the deadlines are kept.