

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 079 - FOLDER -006

[06/25/1998]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-JUN-1998 12:49:51.00

SUBJECT: EEOC Mtg

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

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

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

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

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

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

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

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

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

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

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

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

TEXT:

The above meeting is scheduled for Friday, June 26th at 4pm in Room 472.

We are hosting this meeting to discuss the EEOC's use of employment testers and will discuss the nominations.

Also in attendance:

Wade Henderson/LCCR

Judith Appelbaum/Natl Women's Law Center

Tom Henderson/Lawyer's Comm for Civil Rights Under the Law

Marisa Demeo/MALDEF

Kate Engustian/ACLU

Jocelyn Frye/Natl Partnership for Women & Families

Gautam Rana/Natl Asian Pacific American Legal Consortium

Michele Pollak/AARP

Todd Cox/NAACP Legal Defense Fund
Nancy Zirkin/AAUW

Please forward any other outside attendee information to me.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-JUN-1998 15:49:58.00

SUBJECT: H1B -- update

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,

The group (us, NEC, Commerce, Labor, OMB) decided to offer to Smith:

If the company has hired fewer than 20 H1B employees over the prior 3 years OR if the position pays < \$60K, the company is exempt from the recruit and retain attestation.

If no bites, will offer:

If <3% of the company's total domestic workforce is H1B, it is exempt from the recruit and retain attestation.

We'll see (the Reprs. are meeting again at 5pm today).

julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert N. Weiner (CN=Robert N. Weiner/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:25-JUN-1998 15:31:57.00

SUBJECT: Brief Description of Bragdon v. Abbott .

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

I was told earlier that I had two sentences, which are attached:

----- Forwarded by Robert N. Weiner/WHO/EOP on 06/25/98
03:41 PM -----

Robert N. Weiner

06/25/98 02:34:24 PM

Record Type: Record

To: Kevin S. Moran/WHO/EOP

cc:

Subject: Brief Description of Bragdon v. Abbott

BRAGDON v. ABBOTT

The Supreme Court, as urged by the Solicitor General, found that being HIV positive is a disability subject to the Americans with Disabilities Act, whether or not the individual is symptomatic, because the infection impairs a significant life activity, in this case, reproduction. The Court did not rule definitively that all people with HIV are protected by the ADA -- only those who can show that the disease impairs their ability to reproduce and bear children.

Update on Republican Patients' Bill of Rights. The public response to the Republican House Leadership's announcement of their intention (they provided no details) to introduce a Patients' Bill of Rights has been almost universally negative. The base Democrats, the consumer advocates and the providers have labeled it a "sham;" the insurers and big business community are criticizing it as overly regulatory. Notwithstanding the positioning nature of these reactions, it is remarkable how far the Republicans apparently have come toward your position. They reportedly have included most of the major protections you have called for and have actually acknowledged the need for some (although modest) remedies to enforce the protections.

We have taken the position that, while we welcome the fact that Republicans have finally affirmed your position that Federal legislation is needed, their product comes up far short of what is necessary. We have cited the fact that it does not include the access to specialists provision, the continuity of care provision (that allows patients to continue to see their physician if he or she is dropped from a plan in the middle of a treatment), and the type of strong remedy provisions that are necessary to assure that the Patients' Bill of Rights are truly enforceable. We have also been critical of the "poison pill" provisions (medical malpractice caps, a new Multi Employer Welfare Association provision that could destabilize the small insurance market and would pre-empt state-based patient protections, and a new Medical Savings Account provision), saying that they will weigh down the bill, rather than assure its passage.

The Democratic Leadership, sensing that they have a great issue, want to keep the bar extremely high and are clearly in the "issue not law" mode. Other Democrats and moderate Republicans would probably be generally supportive IF the poison pill provisions were dropped and some relatively modest consumer protections were added. We are now in the process of reviewing policy and strategic positioning options for your consideration.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-JUN-1998 12:36:52.00

SUBJECT: Income/poverty mtg

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

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

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

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

CC: Satish Narayanan (CN=Satish Narayanan/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

CC: Lisa D. Branch (CN=Lisa D. Branch/OU=CEA/O=EOP @ EOP [CEA])
READ:UNKNOWN

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

TEXT:

The next income/poverty meeting will be held Thursday July 9th at 11:00 am
in Sally's office, Room 231.

Please let me know of any conflicts.

Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-JUN-1998 11:46:12.00

SUBJECT: Weekly Health Care Strategy

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

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

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

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

TO: Christopher C. Jennings (CN=Christopher C. Jennings/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: Daniel N. Mendelson (CN=Daniel N. Mendelson/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: Rahm I. Emanuel (CN=Rahm I. Emanuel/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: Satish Narayanan (CN=Satish Narayanan/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

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

READ:UNKNOWN

TEXT:

We will be having the Health Care Strategy Meeting today at 4:00 p.m. in Bruce Reed's office. See you then.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-JUN-1998 10:44:34.00

SUBJECT: SENATE INTERIOR APPROPS LETTER - NEED CLEARANCE

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

TO: Kerri A. Jones (CN=Kerri A. Jones/OU=OSTP/O=EOP@EOP [OSTP])
READ:UNKNOWN

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

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

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

TO: Jeffrey M. Smith (CN=Jeffrey M. Smith/OU=OSTP/O=EOP@EOP [OSTP])
READ:UNKNOWN

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

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

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

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

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

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

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

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

CC: Judy Jablow (CN=Judy Jablow/OU=CEQ/O=EOP@EOP [CEQ])

READ:UNKNOWN

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

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

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

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

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

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

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

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

CC: Melissa G. Green (CN=Melissa G. Green/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

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

TEXT:

The Senate Full Committee is also marking up the Interior Appropriations bill today at 2pm; therefore, we need your comments/clearance no later than noon today. (Don't worry about spacing) Thanks.

The Honorable Ted Stevens
Chairman
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The purpose of this letter is to provide the Administration's views on the Department of the Interior and Related Agencies Appropriations Bill, FY 1999, as reported by the Senate Subcommittee. As

the Committee develops its version of the bill, your consideration of the Administration's views would be appreciated. These views are based on incomplete information and are, therefore, necessarily preliminary. Based on preliminary information, due to inadequate funding levels for priority programs and unacceptable language riders, discussed below, the Secretaries of the Interior, Agriculture, and Energy would recommend that the President veto the bill if it were presented to him as approved by the Subcommittee.

The Administration appreciates efforts by the Subcommittee to accommodate certain of the President's priorities within the 302(b) allocation. However, the allocation is simply insufficient to make the necessary investments in programs funded by this bill. The only way to achieve the appropriate investment level is to offset discretionary spending by using savings in other areas. The President's FY 1999 Budget proposes levels of discretionary spending for FY 1999 that conform to the Bipartisan Budget Agreement by making savings in mandatory and other programs available to help finance this spending. In the recently enacted Transportation Equity Act, Congress -- on a broad, bipartisan basis -- took similar action in approving funding for surface transportation programs together with mandatory offsets. The Administration urges the Congress to consider such mandatory proposals for other priority discretionary programs.

Departments of the Interior and Agriculture

The Administration objects to inadequate funding provided by the Subcommittee for high priority programs, including:

the Millennium program protecting artifacts of our National heritage;

land acquisition providing protection for the Everglades;

facilities maintenance providing safe visits to national parks and other Federal lands;

the Clean Water Action Plan to clean up America's ground and surface waterways;

the Disaster Information Network providing enhanced data to protect Americans;

the Endangered Species Programs, including landowner incentive grants; and,

BIA education operations and the Indian Country law enforcement initiative providing both opportunities and protection to tribal members, particularly children.

We stand ready to work with the Congress to achieve sufficient offsets to support these investments with proposed savings identified in the President's budget.

The Administration urges the Committee to report a clean bill that does not attempt to roll back environmental protections and circumvent the public hearing process by attaching riders to appropriation bills. Unfortunately, based on our preliminary review, the Subcommittee bill contains a number of problematic language riders. The Administration strongly objects to language of the Subcommittee bill that would:

unwisely terminate the Interior Columbia Basin Ecosystem Management

Project in six Northwest States;

require timber sales from national forests to be 3.8 billion board feet rather than the 3.4 billion board feet assumed in the FY 1999 Budget, thereby increasing timber sale administrative funding at the expense of other priority programs;

mandate a high timber sale level on the Tongass National Forest in Alaska, which would supersede environmental laws;

establish an easement across the Izembek National Wildlife Refuge and wilderness area in Alaska;

prohibit Grizzly Bear reintroduction into the Selway-Bitterroot area of Idaho and Montana;

means-test tribes as a basis for redistributing Tribal Priority Allocation funding;

prohibit the regulation of commercial fishing in Glacier Bay National Park in Alaska;

place unnecessary limits on Federal land acquisitions in Alaska;

delay or prohibit dam removals on the Elwha, Columbia, and Snake Rivers in the Pacific Northwest; automatically extend the term of grazing leases that are undergoing review by the Bureau of Land Management; and, delay implementation of environmental protections for hardrock mining reclamation on Federal lands.

Department of Energy

While higher than the House Subcommittee mark, the Senate Subcommittee's funding level represents a very objectionable \$161 million reduction to the President's request for Energy Conservation. The Subcommittee mark would be particularly damaging to the Partnership for a New Generation of Vehicles and to new efforts to develop clean diesel engines for light trucks. It would also impede valuable cooperation with industry on improved industrial energy efficiency.

The President's budget requests \$36 million for payment to the State of California for the Retired Teachers System, which is not included in the Subcommittee bill. The Administration prefers that this payment be appropriated consistent with P.L. 104-106.

Indian Health Service

The Administration is concerned that the increases requested for the President's Race Initiative, alcohol and substance abuse initiative, and for first-year construction of the Fort Defiance Health Facility, is not included. The Administration intends to work with the Committee to fund these important initiatives within funds available for IHS.

Cultural Agencies

The Administration appreciates the Subcommittee's commitment to funding for the National Endowment for the Arts (NEA). We urge the Committee to provide funding for NEA and NEH at the President's requested level of \$136 million each and for the Institute for Museum and Library Services at the requested level of \$26 million.

Likewise, the Administration appreciates the Subcommittee's support for the other cultural agencies funded by this bill, including funding for the National Museum of the American Indian and restoration of the Star Spangled Banner in the Smithsonian Institution, and the full request for the National Gallery of Art, the Holocaust Museum, and the Kennedy Center for the Performing Arts. However, the Administration urges the Committee to provide the full \$40 million request for repair and restoration in the Smithsonian Institution, in order to allow the Institution to proceed with its plans for addressing critical deficiencies, particularly in the Natural History Museum, the American Art Museum and Portrait Gallery, the Arts and Industries Building, and the Smithsonian Castle.

We look forward to working with the Committee to address our mutual concerns.

Sincerely,

Jacob J. Lew
Acting Director

Identical Letter Sent to The Honorable Ted Stevens,
The Honorable Robert C. Byrd, and The Honorable Slade Gorton

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-JUN-1998 12:17:19.00

SUBJECT:

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

TEXT:

call Rob Weiner & Todd Summers at 66295 re: Braggdon Abott case stmt- to
put out or not

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:25-JUN-1998 12:24:17.00

SUBJECT: It would be helpful to get a read from you on this in the next few days

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

READ:UNKNOWN

CC: 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:

It's OK with Eddie Correia and Cynthia.

----- Forwarded by Diana Fortuna/OPD/EOP on 06/25/98

12:23 PM -----

Diana Fortuna

06/19/98 05:16:16 PM

Record Type: Record

To: Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP, Edward W. Correia/WHO/EOP

cc: Laura Emmett/WHO/EOP

Subject: Just when you thought this civil rights guidance on welfare reform thing was resolved...

HHS had a counter-suggestion to our suggestion. Actually, I'm not sure it's so bad. HHS's concern about our suggested language was that it appeared too much to invite racially neutral criteria with a disproportionate impact. But their new effort is more positive than their old. I think it's OK, although maybe I'm just getting tired. Is this OK with everyone?

Intro:

The Act imposes a 5-year limit on receipt of TANF benefits. However, a state may allow hardship exemptions from the time limit for up to 20% of its caseload.

DPC Suggestion:

A racially neutral criterion that excludes a disproportionately greater number of minorities than non-minorities is permissible, so long as there is a substantial and legitimate justification for this criterion and there is no comparably effective alternative that excludes fewer minorities.

HHS Counter-Suggestion:

States should take care in establishing the criteria for allowing such exemptions particularly where racially neutral criteria exclude a disproportionately greater number of minorities than non-minorities. Neutral criteria that cause a significantly disproportionate exclusion are permissible, only so long as there is a substantial and legitimate justification for these criteria and there is no comparably effective alternative that excludes fewer minorities.

[For those who want to cast their minds back, here is HHS's original version that we didn't like, FYI.]

HHS Original Version:

States and counties may not use a racially neutral criterion that, nevertheless, excludes a disproportionately greater number of minorities than non-minorities to determine who will be granted this exemption, unless there is a substantial and legitimate justification for this criterion. Even if there is such a justification, this criterion cannot be used if there is a comparably effective alternative to identify persons who qualify for this exemption that excludes fewer minorities.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL).

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

CREATION DATE/TIME:25-JUN-1998 10:57:39.00

SUBJECT: stmnt by the president: pulse check

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

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

TEXT:

we got this to ONDCP for 11:00 briefing

----- Forwarded by Michelle Crisci/WHO/EOP on 06/25/98
10:56 AM -----

Elizabeth R. Newman
06/25/98 10:50:36 AM
Record Type: Record

To: Michelle Crisci/WHO/EOP, Charles A. Blanchard/ONDCP/EOP
cc:
Subject: stmnt by the president: pulse check

THE WHITE HOUSE

Office of the Press Secretary
(Xian, People's Republic of China)

For Immediate Release
25, 1998

June

STATEMENT BY THE PRESIDENT

Last week's PRIDE survey showed that we are beginning to change the attitudes and behavior of our children, and that is a step in the right direction. Today's Pulse Check shows that the work of America's parents, teachers, and public officials is far from done. America's young people need to hear a single, unambiguous message: drugs are wrong and dangerous, and they can kill you. This survey also indicates that we must continue our efforts to toughen drug enforcement and to get hardened drug users off the street and into mandatory testing and treatment.

-30-30-30-

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-JUN-1998 13:19:44.00

SUBJECT: "Er" Hours and counting

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

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

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

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

TO: Jeffrey M. Smith (CN=Jeffrey M. Smith/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

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

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

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

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

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

READ:UNKNOWN

TO: Carole A. Parmelee (CN=Carole A. Parmelee/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: Jeffrey A. Forbes (CN=Jeffrey A. Forbes/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

TEXT:

TWO HOURS AND COUNTING... for Daily Report submissions.

(In Chinese the word for "two" is pronounced is pronounced "er."
"Shr er" (ten-two) means "twelve". "Er shr" (two-tens) means "twenty".
"Er shr er" (two-ten-two) means "twenty-two".)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-JUN-1998 10:31:58.00

SUBJECT: CHINA DAILY REPORTS

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

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

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

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

TO: Jeffrey M. Smith (CN=Jeffrey M. Smith/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

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

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

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

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

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

READ:UNKNOWN

TO: Carole A. Parmelee (CN=Carole A. Parmelee/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: Jeffrey A. Forbes (CN=Jeffrey A. Forbes/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

TO: Eleanor S. Parker (CN=Eleanor S. Parker/OU=WHO/O=EOP @ EOP [WHO])
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TO: Melissa G. Green (CN=Melissa G. Green/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

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

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

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

TEXT:

Did you know:

- 1) That Xian and the surrounding area are considered the cradle of Chinese civilization, and that it served as the capital of the tang dynasty between (618 and 907 AD)?;
- 2) That Xian is a mid-sized industrial city that has about 2.6 million people?;
- 3) That China is 12 hours ahead of us?; and
- 4) That bullets for today's daily report MUST be submitted to me by 3 PM for us to get the Report to the road in time for the trip's morning meeting?

SEND ME YOUR BULLETS via e-mail, the sooner the better. Call if you have questions.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-JUN-1998 14:29:54.00

SUBJECT: NYT & Food Safety

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

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

TEXT:

Marion Burros at the New York Times -- 862-0347 -- is doing a story on the food safety appropriations and whether the administration will fight for this money. She wants a defense of the Administration policy, including our request to impose user fees which has been a non-starter in Congress. She'd like to talk to someone by tomorrow. She's especially interested in talking to the VP -- I'll tell Morely.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-JUN-1998 10:29:44.00

SUBJECT:

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

READ:UNKNOWN

TEXT:

I have a crime statement for your review ASAP that McCaffrey will be at a
11:00 press conference -Laura

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-JUN-1998 10:10:08.00

SUBJECT:

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

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

CC: Leanne A. Shimabukuro (CN=Leanne A. Shimabukuro/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.D22]MAIL40079467X.126 to ASCII,
The following is a HEX DUMP:

FF57504370040000010A020100000002050000004B070000000200004E3F596863544A8001A425
E21FC350DCEBDF860EAB583D7402B361203C9898A42C36E6AEF850B5DB0E2EB7B019A8013A4B35

Statement by the President

Last week's PRIDE survey showed that we are changing the attitudes and behaviors of some of our children, and that is step in the right direction. But today's Pulse Check shows that we must continue to reinforce the message to all of our young people that drugs are dangerous, drug are wrong, and drugs can kill you. It shows that we must keep up tough drug enforcement and get hard drug users off the street and into treatment

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-JUN-1998 12:05:10.00

SUBJECT: Q&A on patients' bill of rights

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:

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D0]MAIL45290667B.126 to ASCII,
The following is a HEX DUMP:

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1DC5491CAAD95B8D0DDA78A09F7BB8336D51C223333FC6B50D5B94016DD1B3AC6E0A0E8794DB01

Q: What is the Administration's response to the patients' bill of rights proposal unveiled by the House Republicans yesterday?

A: President Clinton has repeatedly called on this Congress to pass a patients' bill of rights -- so crucial medical decisions are made by doctors, not accountants. We welcome the fact that the House Republicans have finally entered this debate by announcing their intention to introduce long-overdue legislation on this issue. Their announcement explicitly affirms the President's longstanding position that Federal legislation is needed.

However, the Republican proposal clearly does not provide all the protections that Americans need and deserve. For example, it does not guarantee patients access to the specialists they need, such as heart specialists or oncologists. It does not ensure continuity of care -- so that vulnerable patients do not have their care changed abruptly if their provider is dropped from a health plan. It does not include strong remedies for people who are seriously injured or who die because a health care plan wrongly denied them care.

In addition, the Republican proposal includes poison pill provisions, such as multiple employer welfare arrangements (MEWAs) and arbitrary caps on medical malpractice awards that supersede state laws. These provisions are apparently designed to stall the progress on a patients' bill of rights.

Without important protections and with added poison pills, the Republicans' patients' bill of rights is nothing more than a bill of goods. However, we remain committed to working together to pass a strong, bipartisan bill before this Congress adjourns.

Background: Important patient protections that are not included in the Republicans' patients' bill of rights and poison pill provisions, include:

- **Access to specialists.** Again and again we have heard about cancer patients who are denied access to an oncologist or patients who have died prematurely because they never saw a heart specialist until it was too late. Assuring access to needed specialists is absolutely essential to providing millions of Americans essential care and much-needed peace of mind.
- **Continuity of care protections.** This assures some of the most vulnerable patients -- such as pregnant women or the chronically ill -- that their care will not change abruptly if their provider is unexpectedly dropped from a health plan.
- **A strong, workable enforcement provision that is essential to ensure that these protections are real.** A right is simply not a right without a remedy.
- **Poison pill provisions, including malpractice caps and multiple employer welfare associations, that appear to be designed to stall this important legislation.**

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-JUN-1998 17:40:23.00

SUBJECT: For the income and poverty group

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

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

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

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

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

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

CC: Satish Narayanan (CN=Satish Narayanan/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

TEXT:

Any and all comments are welcome. Please send to Ceci next week.
Thanks.

----- Forwarded by Shannon Mason/OPD/EOP on 06/25/98
06:51 PM -----

Cecilia E. Rouse
06/25/98 05:32:28 PM
Record Type: Record

To: Shannon Mason/OPD/EOP
cc:
Subject: For the income and poverty group

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D35]MAIL46095867U.126 to ASCII,
The following is a HEX DUMP:

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8E930D8EE2D846752CB7E337A23C0D4858A70F004289E0CA3C43478BF37F4A9B56362D7CF703E1

June 25, 1998

DRAFT MEMORANDUM FOR EOP PRINCIPALS MEETING

FROM: ???

SUBJECT: BENCHMARKING THE NRC-BASED INCOME AND POVERTY
MEASURES

As discussed at the last EOP Principals meeting, in early 1999 the Census Bureau will publish an analysis of alternative measures of poverty based on the proposals contained in the 1995 National Research Council (NRC) report, *Measuring Poverty: A New Approach*. Because OMB is the statutory arbiter of the "official" poverty measurement methodology, the Census Bureau has asked for advice on the proposed alternative measures to be highlighted (among many that will be published as part of the analysis). Currently, the Census Bureau plans to benchmark all of its highlighted poverty estimates to a recent (likely 1997) poverty rate. (Note, however, that non-benchmarked estimates will appear in the analysis portion of the report.)

The purpose of this meeting is to decide whether we want to advise Census to highlight a few series that are not benchmarked, to advise that only benchmarked estimates be highlighted, or simply to remain silent on the issue (which will likely result in only benchmarked estimates being highlighted). This decision does not settle the issue of whether we should not benchmark the official poverty measure, but it would make selecting a non-benchmarked alternative more difficult.

In order to develop fully the issues involved, this memo has two parts. The first part explains the concept and presents the pros and cons of benchmarking. Much of this information was contained in the background memo for the last Principals meeting, however we include it here for ease of access. The second part outlines the potential implications of advising the Census Bureau to highlight some series that are not benchmarked.

Part I: Background on Benchmarking

Poverty measurement involves two concepts: (1) a definition of family resources, and (2) a "threshold" against which resources are compared to determine if a family is poor. The NRC panel recommends basing the threshold on expenditures on "necessities" (food, shelter, and clothing) plus a little more. However, the NRC panel cautioned that setting the level below which a family is considered poor is more of an art than a science. The panel therefore suggested a range of alternatives and left it to policymakers to determine the most appropriate levels. Specifically, the NRC panel recommends selecting the 30th to 35th percentile in the distribution of annual expenditures on food, shelter, and clothing among families of four (two adults and two children), and then multiplying this expenditure level by between 1.15 and 1.25. Thresholds for other family sizes and types would be determined by an equivalency scale calculation.

Because there is some discretion in the setting of the poverty threshold, Table 1 shows poverty rates between 1991 and 1996 using the current methodology (column 1) and using three alternative ways to determine the threshold for the NRC experimental measure -- one benchmarked and two not benchmarked:

- The “Benchmarked” measure is the NRC measure benchmarked to the 1996 poverty rate; in this case the thresholds are “backed out” by first setting the new aggregate poverty rate to the current rate and then setting the thresholds at the level that achieves this rate given the new resource definitions. In this case, the threshold falls to approximately the 25th percentile in the distribution of expenditures.
- The “NRC Experimental (midpoint)” (column 3) is based on selecting approximately the 32.5 percentile in the distribution of annual expenditures and then multiplying this expenditure by approximately 1.2 -- the midpoints of the NRC recommendations;
- The “NRC Experimental (lower bound)” (column 4) is based on selecting the 30th percentile in the distribution of annual expenditures and then multiplying this expenditure by 1.15 -- the lower bound of the NRC recommendations;

Both the NRC Experimental “midpoint” and “lower bound” estimates would not match the current overall poverty rate and thus would be considered “not benchmarked.”

It is important to understand that benchmarking only assures that the aggregate poverty rate is identical for the official and the alternative measure in the benchmarked year. However, the distribution of poverty among subgroups will change whether or not the estimates are benchmarked (see Table 2). In general, working families and families with large out-of-pocket medical expenses would more likely be measured as poor, and nonworking families with substantial in-kind benefits would less likely be measured as poor with the NRC experimental series. This would have geographic as well as subgroup poverty rate implications. For example, even though the relative proportion of poor who are Black declines under both alternatives (not shown in Table 2), the estimated Black poverty rate falls with benchmarking but rises or stays constant with a non-benchmarked measure. Similarly, both historical and future trends would differ. For instance, the benchmarked measure would be identical to the current rate in 1996 but higher in 1991. (The faster fall using the alternative measure is largely due to the expansion in the EITC.)

Pros and Cons of Benchmarking and Not Benchmarking

Pros of benchmarking:

- May provide an easier transition to the new official measure of poverty because there will not be a change in the overall level of poverty. (Critics, of course, will still charge that this level is arbitrary.) In addition, with a benchmarked measure it may be easier to implement changes in the poverty guidelines issued by HHS for program purposes.
- Focuses the arguments on the relative distribution of who is poor rather than on how

many people are poor; experts would say that the results on the distribution of who is poor are more objective and scientific than those on the total number of poor.

Cons of benchmarking:

- Violates the NRC recommendation that the threshold should be based on the 30th-35th percentile in the expenditure distribution. In order to benchmark, the threshold falls to about the 25th percentile of expenditures on food, shelter, and clothing. This may cost us the political cover of following a nonpartisan expert panel, and may raise questions of motive.
- Will highlight the distributional consequences of moving to an NRC-based alternative more clearly than under the non-benchmarked alternatives (although they have the same distributional consequences); for instance the poverty rate for some groups would fall in absolute terms with benchmarking.
- There is a perceived illogic in using an overall poverty rate from a method we say is flawed to determine a key part of a methodology we say is better.

Pros of not benchmarking:

- Incorporates the recommendations of the NRC panel, based on their professional judgement from the best available evidence (though, as noted, this judgement is subjective), and therefore provides some limited political cover.

Cons of not benchmarking:

- Results in a higher poverty rate (although the trends over time are similar.)

Part II: Key Decision for this Meeting

There are basically three options: (1) Advise the Census Bureau to highlight some non-benchmarked estimates along with benchmarked estimates; (2) Actively advise the Census Bureau to highlight only benchmarked estimates; (3) Remain silent on the issue (with the likely result that Census will only highlight benchmarked estimates).

Pros of advising the Census Bureau to highlight some non-benchmarked estimates

- Keeps the option of non-benchmarked estimates in the public dialog, which may preserve the option of not benchmarking when and if we decide to move to a new official measure of poverty.
- Narrowing the range of options in any dimension may be perceived as moving us closer to a final decision, and might limit our flexibility.
- The Census report may appear more credible if it includes a non-benchmarked

alternative, given that the NRC's recommendation did not involve benchmarking.

- If we decide to change to an NRC-based measure as the official measure of poverty and if we decide to benchmark the official measure, it may make the change look small compared to selecting the non-benchmarked alternative. It gives us an ability to look "reasonable" by adopting a less extreme change.

Cons of advising the Census Bureau to highlight some non-benchmarked estimates

- Even if we're not certain that we want to change the official measure of poverty, we may be held accountable for estimates that poverty is really higher than the current rate.
- Even if the non-benchmarked estimates are simply among those highlighted, people could focus on them and create an "uproar." Alternatively, some of our traditional allies may like the non-benchmarked estimates and feel abandoned should we ultimately choose to benchmark.

Pros of advising the Census Bureau to highlight only benchmarked estimates

- It may raise less of a political "uproar." This would be particularly valuable if we believe we are likely to benchmark any new official measure anyway.

Cons of advising the Census Bureau to highlight only benchmarked estimates

- It may make it more difficult not to benchmark in the future.
- If Census does not closely follow the NRC recommendation, it may appear that they had been inappropriately influenced by political considerations, particularly since non-benchmarked estimates are already in the public domain.

Pros of remaining silent on the issue of benchmarking

- Given that, at this point, Census plans to only highlight benchmarked estimates this contains all of the advantages of advising Census to only present benchmarked estimates outlined above.
- In addition, it may give us political cover by allowing another, independent statistical, agency to make the judgement about how the level of poverty should be determined.

Cons of remaining silent on the issue of benchmarking

- Likely (because Census currently plans to only highlight benchmarked estimates) contains all of the cons of advising Census to present only benchmarked estimates.
- We may not want Census to make the decision that non-benchmarked estimates will not be highlighted without our input.

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Table 1. Poverty Rates and Thresholds under Alternative Measures, 1991-96, CPS

	Official measure	Benchmarked to 1996	NRC Experimental (midpoint)	NRC Experimental (lower bound)
Poverty Rates				
1991	14.2	14.5	18.9	16.7
1992	14.8	15.3	19.6	17.4
1993	15.1	15.7	20.2	18.0
1994	14.6	14.7	19.0	16.8
1995	13.8	13.8	18.2	16.0
1996	13.7	13.7	18.0	15.8
Thresholds for 2 adults and 2 children (in dollars)				
1991	13,812	11,891	13,891	12,883
1992	14,228	12,249	14,309	13,270
1993	14,654	12,616	14,738	13,668
1994	15,029	12,938	15,115	14,018
1995	15,455	13,305	15,543	14,415
1996	15,911	13,698	16,002	14,840

Table 2. Poverty Rates under Alternative Measures, 1996, CPS

	Official measure	Benchmarked NRC to 1996	NRC Experimental (midpoint)	Experimental (lower bound)
All persons	13.7	13.7	18.0	15.8
Children	20.5	18.1	23.8	20.9
Nonelderly adults	11.4	11.5	15.0	13.2
Elderly	10.8	15.6	20.4	18.0
White	11.2	11.8	15.6	13.7
Black	28.4	25.2	32.0	28.5
Hispanic origin	29.4	28.5	37.7	33.1
One or more workers	9.5	10.0	13.6	11.8
Persons in family of type:				
Married couple	6.9	7.8	11.1	9.5
Female householder	35.8	32.3	40.4	36.3
Geographic regions:				
Northeast	12.7	14.3	18.8	16.5
Midwest	10.7	10.3	13.8	12.1
South	15.1	14.2	18.3	16.2
West	15.4	16.1	21.0	18.5
Metropolitan/Central City	19.6	19.2	24.7	21.8
Not Central City	9.4	10.6	14.1	12.4
Nonmetropolitan	15.9	13.5	17.5	15.5

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-JUN-1998 17:23:49.00

SUBJECT: Here's what I propose we send to answer Erskine's questions

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

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

TEXT:

This summarizes OMB and Treasury's analyses, and includes an updated side by side. I will fax to Laura the original memos from Gotbaum and Gruber should you need them.

Remember, Erskine's note also asked about "what we would need to do to change Hatch."

You may wish to write a cover memo to discuss that, or to send this and send a cover memo later. ===== ATTACHMENT 1 =====

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D96]MAIL49244867B.126 to ASCII,
The following is a HEX DUMP:

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Review of Hatch Analysis

OMB and the Treasury Dept. disagree with the Hatch's analysis as shown in the table below:

	Hatch Estimate (25 year cost, real 1999\$)	OMB/Treasury Estimate (25 year cost, real 1999\$)
McCain Base Payment	\$574 billion	\$408 billion
McCain Lookback Surcharges*	\$132 billion	\$59 billion
Total McCain	\$706 billion	\$467 billion
Hatch Base Payment	\$408 billion	\$291 billion
Hatch Lookback Surcharges	\$204 billion	\$80 billion
Hatch Total	\$612 billion	\$371 billion

* These figures are for the lookback surcharges before the Durbin amendment. With the Durbin amendment, Hatch thinks the surcharges raise \$236 billion and Treasury thinks they raise \$94 billion.

The Hatch analysis overstates the gross payments manufacturers will make by:

- Confusing real and nominal payments in their comparisons. For example, the equivalent of the proposed settlement's \$368 billion and Hatch's \$408 billion is \$516 billion for McCain, not \$574.
- Ignoring the effects of the volume adjustment and the price cap agreed to by McCain, which would reduce the 25-year payments from \$516 billion (in 1999 dollars) to \$408 billion.
- Ignoring the fact that net receipts available to the government will be reduced by lost income and excise taxes and other offsets. As a result, it overstates the funds that will be available under the Hatch/Feinstein proposal.

With the volume adjustments, OMB believes that Congressional scorekeepers would estimate the 25-year gross payments as \$267 billion for the proposed settlement (64 cents per pack) \$291 billion for Hatch (66 cents per pack) and \$408 billion for McCain (\$1.10 per pack).

There are several problems with Hatch's analysis of lookback surcharges. The most significant is that it assumes that the companies will pay the maximum lookback surcharge and that they will do so every year. Both we and CBO/JCT think that is extremely unlikely.

Also attached is a more detailed financial comparison prepared by OMB staff of the Hatch, McCain, and proposed settlement (excluding lookback surcharges), as well as a side-by-side summarizing the policy provisions of the three proposals.

Comparison of the S. 1415, the AG/Company Proposal, and Hatch-Feinstein
5-year totals in billions nominal \$, except where noted

	<u>S.1415</u>		<u>AG/Company Proposal</u>				<u>Hatch/Feinstein</u>			
	%	\$	Min Civil Judgments		Max Civil Judgments		Min Civil Judgments		Max Civil Judgments	
			%	\$	%	\$	%	\$	%	\$
Estimated Net Receipts		59		40		40		46		46
Uses										
Judgments	0%	0	0%	0	33%	13	0%	0	36%	17
States	40%	24	66%	27	44%	18	42%	19	27%	12
Public Health	22%	13	25%	10	17%	7	21%	10	13%	6
Research/NIH	22%	13	9%	4	6%	2	20%	9	13%	6
Farmers	16%	9	0%	0	0%	0	17%	8	11%	5
Tax Cuts	0%	0	0%	0	0%	0	0%	0	0%	0
	100%	59	100%	40	100%	40	100%	46	100%	46
Gross Payments (Billions 99\$, 25 yrs)		408		267		267		291		291
% Change from S. 1415				-35%				-29%		
Add'l Cost/Pack in 2003 (99\$)		\$1.10		\$0.64		\$0.64		\$0.66		\$0.66
% Change from S. 1415				-42%				-40%		

Assumptions

Receipts are based on OMB's estimate of likely CBO/JCT scoring
Judgment payments limited to 1/3 of total and are paid first (AG/Company, Hatch).

S. 1415:

Excludes Gramm, Coverdell, Lugar, and Veterans amendments
Assumes price caps rising to \$1.10 per pack

AG/Tobacco Company:

Spending percentage based on Center on B&PP estimates

Hatch/Feinstein:

\$46 billion is spending for the first 5 years; the 25-year stream is \$408 billion

\$5.5 billion liability cap per year with a liability payment credit

Spending for farmers assumes higher payments in the first five years for Lugar.

In the maximum liability case, the amount of the liability credit is included in net revenues, gross payments, and cost per pack.

Comparison of McCain, Hatch and Settlement
June 25, 1998

	McCain	Hatch	Settlement
Total Payments over 25 Years* (real 99\$)	\$408 billion (after volume adjustment). Payments continue after 25th year.	\$291 billion after volume adjustment (Originally reported as \$428.5 billion, and \$408 in bill, but these exclude volume adjustment). 25 years only.	\$267 billion after volume adjustment (\$368.5 billion if no drop in consumption). Payments continue after 25th year.
Net Available Receipts* (nominal \$ over 5 years).	\$59 billion (excludes Gramm, Coverdell, Lugar and Veterans amendments)	\$47 billion	\$40 billion
Price Increase*	\$1.10 per pack	66 cents per pack	64 cents per pack
Lookback Surcharges: Industry	\$40 million for the first five percentage points by which the industry misses the youth smoking reduction target, and \$120 million for each point missed thereafter. Penalties are capped at \$2 billion. (Durbin amendment).	Years 1-5: \$100 million for each percentage point missed for the first five points missed, \$200 million for each percentage point missed (for 6-10 points missed), \$300 million for each percentage point missed (for 11 or more points missed). Surcharges are capped at \$5 billion per year. After year 5: \$250 million for each percentage point missed for the first five points missed; \$500 million for each percentage point missed for 6 points missed or above. Surcharges are capped at \$10 billion per year. The proposal's so-called "double-counting adjustment" means that the actual surcharges imposed	\$80 million for each percentage point by which the industry misses the youth smoking reduction target. Penalties are capped at \$2 billion annually.

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	McCain	Hatch	Settlement
		<p>are in most years substantially below the amounts per percentage point presented (e.g., the effective charge is about \$140 million per point not \$500 million).</p> <p>Companies may have these surcharges abated if they acted in good faith and complied with the law.</p>	
Lookback Surcharges: Company Specific	\$80 million per percentage point for the first 5 percentage points, and \$240 million per percentage point thereafter. This figure represents approximately 2.5 times the forgone profits for the first five percentage points, and about 7.5 times the forgone profits for the next 19 percentage points. Penalties are capped at \$5 billion. (Durbin amendment).	None.	None.
Youth Smoking Reduction Targets	Reduce youth smoking by 67% over 10 years.	Reduce youth smoking by 60% over 10 years.	Reduce youth smoking by 60% over 10 years.
Full FDA Authority	Provides full authority in a separate title.	Provides authority in a separate title with significant limitations. Bill contains many procedural hurdles and other barriers that would constrain FDA's ability to regulate tobacco products: congressional approval is required if FDA wants to reduce nicotine levels to zero or ban a tobacco product; FDA could not require manufacturers to modify products to make them safer; FDA would not have premarket approval authority for new or unconventional	Provides full authority in the device title. (However, FDA could not ban nicotine for 12 years and procedural hurdles such as formal rulemaking requirements would hinder FDA activity to modify tobacco products).

	McCain	Hatch	Settlement
		products.	
Advertising and Access Provisions	Codifies advertising and access provisions in the FDA rule and adds additional restrictions through a consent protocol.	Repeals advertising restrictions in 1996 Rule, but includes them in the consent protocol along with the additional restrictions contained in the settlement. (Because they are contained only in the protocol, they will apply only to manufacturers, but not to distributors or retailers). The bill reaffirms the youth access restrictions, but denies the FDA the authority to modify them. Denies FDA the authority to impose civil monetary penalties for retailer violations of access restrictions; provides only for injunctive relief and criminal penalties.	Codifies advertising and access provisions in the FDA rule and adds additional restrictions.
Protections of Tobacco Farmers	Includes Sen. Ford's LEAF Act which continues a price support program and includes compensation (buyout option) for producers (\$2.1 billion per year for 10 years; \$28.5 billion over 25 years). Also contains a competing proposal by Senator Lugar to end the tobacco program (\$18 billion over 3 years for buyout).	Ends the tobacco program along the lines of the Lugar bill, but over a longer period of time. Provides \$17.35 billion over 7 years (\$18.6 over 25 years) to compensate farmers and fund economic development programs.	None.
Public Health	\$13B over 5 years (22%) before taking into account Gramm and Coverdell and Vets amendments (even with these amendments, probably funding is probably higher than Hatch, although due to Coverdell, anti-drug uses compete with public health.)	\$6-\$10B over 5.	\$7-10B over 5.
Research	\$13B over 5 years (22%) before	\$6-\$9B over 5.	\$2-\$4B over 5.

	McCain	Hatch	Settlement
	taking into account Gramm and Coverdell and Vets amendments (even with these amendments, probably funding is probably higher than Hatch). Mostly NIH, but includes CDC/AHCPR.		
State Funds	\$24B over 5 before taking into account Gramm and Coverdell and Vets amendments (even with these amendments, probably funding is probably higher than Hatch). 50% restricted to menu of child care and other uses.	\$13-\$19B over 5. Forty percent of a state's funds are completely unrestricted. The other sixty percent is effectively unrestricted, although states must submit a plan showing how they will spend these funds on cessation and anti-smoking activities.	\$18-\$27B over 5. Unrestricted.
Environmental Tobacco Smoke Provision	Includes provisions to protect against environmental tobacco smoke; allows states to opt out only if they have state laws that are equally protective. Enforcement is by OSHA and civil actions. Exempts the hospitality industry (e.g., bars, restaurants).	Includes provisions to protect against environmental tobacco smoke. There is no Federal enforcement mechanism, only state enforcement. The bill exempts bars, but not restaurants.	Includes provisions to protect against environmental tobacco smoke. Exempts the hospitality industry (e.g., bars, restaurants).
Liability Protections for Industry:			
1. Liability Cap	None (Gregg amendment struck the \$8 billion cap).	\$5.5 billion per year.	\$5 billion per year.
2. Bar on Class Actions	None.	Yes.	Yes.
3. Bar on Punitive Damages	None.	Yes.	Yes.
4. Credit Against Base Payments	No.	Yes. 80% credit (could be 36% of all uses).	Yes. 80% credit.
Antitrust Exemption	No	Yes -- limited.	Yes.
Anti-drug Provisions	At their option, states could use their	None.	None.

	McCain	Hatch	Settlement
	restricted funds for Substance Abuse Treatment and Prevention programs and Safe and Drug Free Schools; authorizes a number of drug programs that will compete with public health funding for counteradvertising, smoking cessation, licensing and enforcement (Coverdell amendment).		
Cap on Attorneys' Fees	Set by court, but cannot exceed: \$4000 per hour for actions filed before 12/31/94, \$2000 per hour for actions filed between 12/31/94 and 4/1/97, \$1000 per hour for actions filed between 4/1/97 and 6/15/98, and \$500 for actions filed after 6/15/98.	Arbitration panel to determine attorneys' fees; total fees subject to cap of 5% of industry payments. Fees to be paid by manufacturers outside of the payments required under the bill.	None.
Tax Cut	Gramm amendment would provide tax relief to married couples earning less than \$50,000, and a health insurance tax cut for the self-employed. Cost: \$16 billion over 4 years, \$30 billion over following 5 years, and one-third of tobacco trust fund revenues (plus other non-tobacco funds) thereafter. (If youth smoking targets are met and youth smoking declines by 67% over the next decade, the tax cut can use a larger share of the tobacco trust fund dollars.)	None.	None.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-JUN-1998 15:14:22.00

SUBJECT: Updated Welfare Reform Accomplishments document

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

TO: Joanne.Whitman (Joanne.Whitman @ npr.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: dana.colarulli (dana.colarulli @ sba.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: corine.hegland (corine.hegland @ ost.dot.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Paul_A. Leonard (Paul_A. Leonard @ HUD.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Jlombard (Jlombard @ acf.dhhs.gov @ inet [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

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

TO: susan.valaskovic (susan.valaskovic @ npr.gsa.gov @ inet [UNKNOWN])
READ:UNKNOWN

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

TO: Julie.Anderson (Julie.Anderson @ ost.dot.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: linda.lawson (linda.lawson @ ost.dot.gov @ inet [UNKNOWN])
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TO: mkharfen (mkharfen @ acf.dhhs.gov @ inet [UNKNOWN])
READ:UNKNOWN

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

READ:UNKNOWN

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

TO: Maureen H. Walsh (CN=Maureen H. Walsh/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Emil E. Parker (CN=Emil E. Parker/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: Lee Ann Brackett (CN=Lee Ann Brackett/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

TEXT:

Here is a revised version of our accomplishment document, updated to reflect passage of TEA-21, and signing of Ag Research and Deadbeat Parent bills. Please let me know if you have any comments. Lynn and Lee Anne, this is good to go for Texas event. Chandler, please update the link on our web site to this revised document.

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D36]MAIL47543767H.126 to ASCII,
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CLINTON-GORE ACCOMPLISHMENTS

REFORMING WELFARE

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

TRANSFORMING THE BROKEN WELFARE SYSTEM

- **Overhauling the Welfare System with the Personal Responsibility Act:** In 1996, the President signed a bipartisan welfare plan that is dramatically changing the nation's welfare system into one that requires work in exchange for time-limited assistance. The law contains strong work requirements, performance bonuses to reward states for moving welfare recipients into jobs and reducing illegitimacy, state maintenance of effort requirements, comprehensive child support enforcement, and supports for families moving from welfare to work -- including increased funding for child care. State strategies are making a real difference in the success of welfare reform, specifically in job placement, child care and transportation.
- **Law Builds on the Administration's Welfare Reform Strategy:** Even before the Personal Responsibility Act became law, many states were well on their way to changing their welfare programs to jobs programs. By granting Federal waivers, the Clinton Administration allowed 43 states -- more than all previous Administrations combined -- to require work, time-limit assistance, make work pay, improve child support enforcement, and encourage parental responsibility. The vast majority of states have chosen to continue or build on their welfare demonstration projects approved by the Clinton Administration.
- **Largest Decline in the Welfare Rolls in History:** The President has announced that we've met -- two years ahead of schedule -- the challenge he made in last year's State of the Union to move two million more Americans off of welfare by the year 2000. The latest caseload numbers, announced May 27th, show that welfare caseloads fell by 5.2 million since President Clinton took office and 3.3 million since he signed the welfare reform law. The new figures, from March 1998, show 8.9 million people on welfare, a drop of more than 37 percent from January 1993. This historic decline occurred in response to the Administration's grants of Federal waivers to 43 states, the provisions of the new welfare reform law, and the strong economy.

MOVING PEOPLE FROM WELFARE TO WORK

- **Mobilizing the Business Community:** At the President's urging, the Welfare to Work Partnership was launched in May 1997 to lead the national business effort to hire people from the welfare rolls. Founded with 105 participating businesses, the Partnership has grown to 5,000 businesses within one year. In 1997 these businesses hired 135,000 welfare recipients and the President has challenged them to double their efforts to 270,000 in 1998. The Partnership provides technical assistance and support to businesses around the country, including: a toll-free number, a web site, a "Blueprint for Business" manual, and a new report called The Road to Retention on businesses whose retention rates for former welfare recipients are higher than the retention rates for other new hires.
- **Connecting Small Businesses with New Workers:** The Small Business Administration is reaching out to small businesses throughout the country to help them connect with job-ready welfare recipients. In addition, SBA assists welfare recipients who wish to start their own businesses.
- **Mobilizing Civic, Religious and Non-profit Groups:** The Vice President created the Welfare to Work Coalition to Sustain Success, a coalition of civic groups committed to helping former welfare recipients stay in the workforce and succeed. Tailoring their services to meet welfare recipients needs and the organizations' strengths, the Coalition focuses on providing mentoring and other support services. Charter members of the Coalition include: the Boys and Girls Clubs of America, the Baptist Joint Committee, the United Way, the YMCA, and other civic and faith-based groups.
- **Doing Our Fair Share with the Federal Government's Hiring Initiative:** Under the Clinton Administration, the Federal workforce is the smallest it has been in thirty years. Yet, this Administration also believes that the Federal government, as the nation's largest employer, must lead by example. The President asked the Vice President to oversee the Federal government's hiring initiative in which Federal agencies have committed to directly hire at least 10,000 welfare recipients in the next four years. Already, **the federal government has hired over 4,811 welfare recipients, 45 percent of its planned hires.** As a part of this effort, the White House pledged to hire six welfare recipients and has already exceeded this goal.
- **\$3 Billion to Help Move More People from Welfare to Work:** Because of the President's leadership, the 1997 Balanced Budget Act included the total funding requested by the President for the creation of his \$3 billion welfare to work fund. This program will help states and local communities move long-term welfare recipients, and certain non-custodial parents, into lasting, unsubsidized jobs. These funds can be used for job creation, job placement and job retention efforts, including wage subsidies to private employers and other critical post-employment support services. The Department of Labor provides oversight but most of the dollars will be placed, through the Private Industry Councils, in the hands of the localities who are on the front lines of the welfare reform effort. In addition, 25 percent of the funds will be awarded by the Department of Labor on a competitive basis to support innovative welfare to work projects. The

President announced the first round of 49 innovative competitive grants on May 27th.

- **Tax Credits for Employers:** The Welfare to Work Tax Credit, enacted in the 1997 Balanced Budget Act, provides a credit equal to 35 percent of the first \$10,000 in wages in the first year of employment, and 50 percent of the first \$10,000 in wages in the second year, to encourage the hiring and retention of long term welfare recipients. This credit complements the Work Opportunity Tax Credit, which provides a credit of up to \$2,400 for the first year of wages for eight groups of job seekers. The President's FY 1999 budget extends these two important tax credits through April 2000.
- **Welfare-to-Work Housing Vouchers:** In his FY 1999 budget, the President proposes \$283 million for 50,000 new housing vouchers for welfare recipients who need housing assistance to get or keep a job. Families could use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. These vouchers, awarded to communities on a competitive basis, will give people on welfare a new tool to make the transition to a job and succeed in the work place.
- **Welfare-to-Work Transportation:** One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding transportation to get to jobs, training programs and child care centers. **Few welfare recipients own cars. Existing mass transit does not provide adequate links to many suburban jobs at all, or within a reasonable commute time. In addition, many entry level jobs require evening or weekend hours that are poorly served by existing transit routes.** To help those on welfare get to work, President Clinton proposed a \$100 million a year welfare to work transportation plan as part of his ISTEA reauthorization bill. The Transportation Equity Act for the 21st Century (TEA-21), which the President signed on June 9th, authorizes \$750 million over five years for the President's initiative and reverse commute grants. Of this amount, \$50 million is guaranteed funding in FY 1999, rising to \$150 million in 2003. The Job Access competitive grants will assist states and localities in developing flexible transportation alternatives, such as van services, for welfare recipients and other low income workers.

PROMOTING PERSONAL RESPONSIBILITY

- **Enforcing Child Support -- 68% Increase in Collections:** The Clinton Administration collected a record \$13.4 billion in child support in 1997 through tougher enforcement, an increase of \$5.4 billion, or 68% since 1992. Not only are collections up, but the number of families that are actually receiving child support has also increased. In 1997, the number of child support cases with collections rose to 4.2 million, an increase of 48% from 2.8 million in 1992. In addition, a new collection system proposed by the President in 1994 and enacted as part of the 1996 welfare reform law located one million delinquent parents in its first nine months of operation. This National Directory of New Hires helps track parents across state lines by enabling child support officials to match records of delinquent parents with wage records from throughout the nation.

Approximately one-third of all child support cases involve parents living in different states. In June 1998, the President signed the Deadbeat Parents Punishment Act, a law based on his 1996 proposal for tougher penalties for parents who repeatedly fail to support children living in another state or who flee across state lines to avoid supporting them. This new law creates two new felonies, with penalties of up to two years in prison, for egregious child support evaders who travel across state or country lines to evade child support obligations, or who have an unpaid obligation to a child living in another state that is more than \$10,000 or has remained unpaid for more than two years.

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

- **Breaking the Cycle of Dependency -- Preventing Teen Pregnancy:** Significant components of the President's comprehensive effort to reduce teen pregnancy became law when the President signed the 1996 Personal Responsibility Act. The law requires unmarried minor parents to stay in school and live at home or in a supervised setting; encourages "second chance homes" to provide teen parents with the skills and support they need; and provides \$50 million a year in new funding for state abstinence education activities. Since 1993, the Clinton Administration has supported innovative and promising teen pregnancy prevention strategies, including working with boys and young men on pregnancy prevention strategies. In 1997, the President announced the National Strategy to Prevent Teen Pregnancy, mandated in the welfare reform law. It reported that HHS-supported programs already reach about 30 percent or 1,410 communities in the United States. As part of this effort, the National Campaign to Prevent Teen Pregnancy, a private nonprofit organization, was formed in response to the President's 1995 State of the Union. Notably, data shows we are making progress in reducing teen pregnancy -- teen births have fallen five years in a row, by 12 percent from 1991 to 1996.

RESTORING FAIRNESS AND PROTECTING THE MOST VULNERABLE

The President made a commitment to fix several provisions in the welfare reform law that had nothing to do with moving people from welfare to work. In 1997, the President fought for and

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ultimately was successful in ensuring that the Balanced Budget Act protects the most vulnerable. In 1998, the President continues to reverse unfair cuts in benefits to legal immigrants.

- **Restoring Food Stamp Benefits for Legal Immigrants:** In June 1998, the President signed the Agricultural Research Act into law, which restores food stamp benefits to 250,000 elderly, disabled, and other needy legal immigrants, including 75,000 children, who lawfully resided in the U.S. as of August 22, 1996 and lost assistance as a result of cuts in the 1996 welfare law that had nothing to do with welfare reform. It restores benefits to Hmong immigrants from Laos who aided our country during the Vietnam War and extends the period during which refugees and asylees may qualify for Food Stamps while they await citizenship. This law funds a significant part of the President's 1999 budget proposal to restore food stamp benefits to 730,000 legal immigrants, but the President's budget proposal would go further by covering families with children regardless of the date they entered the U.S. This restoration builds on the President's success last year in restoring SSI and Medicaid to 420,000 legal immigrants whose benefits were also terminated in welfare reform (see below).
- **Protects Legal Immigrants Who Become Disabled and Those Currently Receiving Benefits:** The Balanced Budget Act of 1997 restored \$11.5 billion in SSI and Medicaid benefits for legal immigrants whose benefits were also terminated in welfare reform. This law protects those immigrants now receiving assistance, ensuring that they will not be turned out of their apartments or nursing homes or otherwise left destitute. And for immigrants already here but not receiving benefits, the BBA does not change the rules retroactively. Immigrants in the country as of August 22, 1996 but not receiving benefits at that time who subsequently become disabled will also be fully eligible for SSI and Medicaid benefits.
- **Protects Children by Keeping the Medicaid Guarantee:** The BBA preserved the Federal guarantee of Medicaid coverage for the vulnerable populations who depend on it, and contains additional investments to extend coverage to uninsured children. It also ensures that 30,000 disabled children losing SSI because of the new tighter eligibility criteria keep their Medicaid coverage.
- **Helps People Who Want to Work but Can't Find a Job:** The Balanced Budget Act (BBA) also restored \$1.5 billion in food stamp cuts. The welfare reform law restricted food stamps for able-bodied childless adults to only 3 out of every 36 months, unless they were working. This move ignored the fact that finding a job often takes time. The BBA provided funds for an estimated 235,000 work slots over 5 years and food stamp benefits to those who are willing to work but, through no fault of their own, have not yet found employment. In addition, the BBA allows states to exempt up to 15 percent of the food stamp recipients (70,000 individuals monthly) who would otherwise be denied benefits as a result of the "3 in 36" limit.

6/25/98