

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 080 - FOLDER -003

[07/16/1998 - 07/17/1998]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-JUL-1998 03:29:53.00

SUBJECT: OFCCP and testers

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

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

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

TEXT:

Also FYI. Livingston did not offer a rider re: testers to the Labor/HHS appropriations bill yesterday.

jf

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-JUL-1998 08:30:14.00

SUBJECT: Child Custody Protection Act

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

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

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

TEXT:

The CCPA passed in the House by a vote of 276-150. I prepared a draft
q&a, in case we need it.===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D52]MAIL495783698.126 to ASCII,
The following is a HEX DUMP:

[Draft]
Q&A
July 15, 1998

Q. What is your reaction to the House vote (276-150) on the Child Custody Protection Act ?

A. We are disappointed that the House chose to reject the changes that we proposed to this legislation. We have repeatedly stated that we would support properly crafted legislation that would make it illegal to transport minors across state lines in order to avoid parental involvement requirements.

We asked the House to amend the bill to exclude close family members from criminal and civil liability. Under the legislation, grandmothers, aunts and siblings could face criminal prosecution for coming to the aid of a relative in distress. We also asked the House to amend the bill so that individuals who provide only information, counseling, referral, or medical services to the minor cannot be subject to liability. Finally, the Department of Justice recommended changes to address constitutional problems raised by the legislation.

These proposed changes would preserve the goal of the legislation to prevent the circumvention of state parental involvement laws, while both ensuring that minors are not isolated from close family members and preserving healthy family communications.

Q. Would the President veto the bill if it is sent to him in its current form?

A. We strongly oppose the bill in its current form. If Congress is truly interested in passing legislation, and not creating another partisan political issue, it will amend the bill as we requested.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-JUL-1998 09:00:39.00

SUBJECT: H1-B mtg

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

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

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

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

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

TEXT:

The H1-B meeting will begin today at 11:15 in Room 239.

Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-JUL-1998 10:12:33.00

SUBJECT: Today's patients' bill of rights talking points

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

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

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

TO: Lawrence J. Haas (CN=Lawrence J. Haas/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

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

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

TO: Eli G. Attie (CN=Eli G. Attie/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

TO: Janet Murguia (CN=Janet Murguia/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: 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

TEXT:

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D43]MAIL49643569E.126 to ASCII,
The following is a HEX DUMP:

FF5750433C060000010A02010000000205000000D0240000000200000E438EF612B507C8C5FA71
616096B707606920DECB025917A8D7BD3C0E495EA659BE2920FC141125BB21F3E72461ED346F8F

**PRESIDENT MEETS WITH REPUBLICANS AND DEMOCRATS IN SUPPORT OF
PASSING A STRONG PATIENTS' BILL OF RIGHTS**

July 16, 1998

Today, the President joined Republicans and Democrats on the Hill to support passing a strong bipartisan patients' bill of rights this year. Following his meeting yesterday with families, doctors, and nurses at the AMA, today the President reiterated his call on Congress to pass this legislation before adjournment. **The Dingell/Ganske patients' rights legislation underscores the need to address health challenge in a bipartisan manner. Today:**

The President reiterated his call on Congress to pass a strong enforceable patients' bill of rights before they adjourn. For nine months the President has been calling on Congress to pass a patients' bill of rights that includes: guaranteed access to needed health care specialists; access to emergency room services when and where the need arises; continuity of care protections to assure patient care will not abruptly change if their provider is dropped; access to a timely internal and independent external appeals process for consumers to resolve their differences with their health plans; a limit on financial incentives to doctors; assuring that doctors and patients can openly discuss treatment options; assuring that women have direct access to an OB-GYN. Any bill of rights should include an enforcement mechanism that ensures recourse for patients who have been maimed or who have died as a result of health plan actions. A right without a meaningful remedy is simply not a right.

The Republicans in the House and the Senate have outlined proposals that fall far short of providing patients' the protections they need. After nine months of ignoring the President's call for a strong, enforceable, bipartisan patients' bill of rights, the Republican Leadership has responded with a rhetoric-laced, partisan proposals that places the interests of insurers above the needs of patients. The fact that Republicans have yet to introduce a bill with less than 40 days left in this Congress raises serious questions as to whether they are truly committed to passing a bill of rights or selling a bill of goods American public. The Republican proposals fall short in many areas. For example, they:

- **Do not guarantee access to specialists. We have heard again and again about patients who could not see oncologists or specialists to treat heart conditions or diabetes. The Republican proposals do not assure that patients with critical health needs have access to the specialists they need.**
- **Do not limit or require disclosure of financial incentives for doctors. Patients should not be put at risk by unknown destructive financial incentives to limit patient care.**
- **Do not compensate patients who are maimed or who die as a result of a wrongful health plan action. A right without a remedy is simply not a right. The Republican Leadership proposals do not have adequate recourse for patients who are maimed or injured by their health plans.**

The Senate Republican proposal introduced yesterday contains even fewer patient protections than the House proposal. It:

- **Does not provide over 100 million Americans all of the patient protections they need.** The Senate Republican proposal only applies to Americans in self-insured plans and excludes the majority of Americans. Therefore, those tens of million of Americans excluded from these protections would only have the rights they need if every state passed every protection into law.
 - **States patients' rights laws do not provide the protections patients need.** As a new report released by today Families USA highlights, no state has passed all of the protections in the patients' bill of rights, and most states have passed only a few of the protections.
 - **Unfair to Americans in small businesses.** Most Americans who work in small businesses would not be protected by the Senate Republican proposal. The plan explicitly excludes these Americans from these protections and holds them hostage to the hope that every state will some day pass these protections.
 - **Inconsistent with the bipartisan Kassebaum-Kennedy law.** Rejects bipartisan Kassebaum-Kennedy approach that guarantees insurance protections are extended to all Americans.
- **Does not provide any enforcement provision.** This is even worse than the House proposal which contained a weak enforcement mechanism.

The President Remains Committed to Passing a Strong, Enforceable Patients' Bill of Rights in This Congress. The President is committed to working with the Congress to pass bipartisan legislation to provide patients the protections they need.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-JUL-1998 10:49:37.00

SUBJECT: School discipline

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

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

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

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

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

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

TEXT:

The attached document contains talking points/factoids on our school uniforms/curfews/truancy initiatives. There still may not be enough "there" there, but I think it compiles the high points of what we have received so far from the agencies. We're still waiting on some additional info from Great City Schools on school uniforms.

Please take a look and let me know if you have any questions or suggestions.

Thanks,
Leanne

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D59]MAIL47194569Y.126 to ASCII,
The following is a HEX DUMP:

FF575043B0040000010A02010000000205000000EF26000000020000FE30EE87EA566542D50CCC
E7569B7550628E612C93E79D9D441C380E4494C51F5511A211FBCB5D85E755AD7E694B1E3941EE
CC5D835F1C82633A3072667CC17937E8539C6DFDB5E28C281D96FAC4C8750F418B798F62B45632

Promoting Discipline in Our Schools

School Uniforms

- **Spreading school uniform policies across the country.**

Recent push by schools to adopt uniform policies. Since President Clinton highlighted school uniforms in 1996, a large number of schools and school districts have adopted uniform policies to improve student discipline, attendance, and school climate.

The Department of Education's National Center for Education Statistics estimates that 34% of public schools with mandatory uniform policies initiated their policy in the 1996-97 school year.

The 1998 NAESP survey of principals in 10 states shows that 11% of elementary schools require uniforms, and 15% are considering a policy. Almost two-thirds of schools with policies adopted them in the last two years.

In March 1998, the Education Commission of the States reported that 26 states have school uniform or dress code policies -- nearly double the number in 1996 (14). These policies allow school districts to institute uniform or dress code policies.

Many of nation's largest school districts moving first on uniforms. Some of the nation's largest cities have adopted school uniform policies, including: New York City, Dade County, San Antonio, Houston, Chicago and Boston. In New York City alone, this will mean 560,000 elementary school students in the nation's largest school system will have school uniforms by fall of 1999.

- **School uniforms are helping to improve school attendance and school safety in Long Beach, CA:**

School attendance hits all-time high. In the 1995-96 school year -- the third year school uniforms were required -- attendance at the Long Beach Unified School District K-8 schools reached the highest point ever recorded during the 17 years the district compiled these statistics. With excused absences for illness added in, attendance exceeded 99%.

School crime dramatically reduced. Between the 1993-94 school year (before uniforms were required) and the 1996-97 school year, total school crime plummeted 76%. Fighting dropped by 51%; sex offenses declined by a stunning 93%; robbery/extortion decreased by 85%, chemical substances are down by 72%; and weapons offenses decreased by 83%.

Youth Curfews

Automated Records Management System
Hex-Dump Conversion

- **Keeping kids off the street -- and out of trouble -- with community curfews.** Curfews are designed to help keep children out of harm's way, enhance community safety, and give parents an important tool to impart discipline, respect, and rules.
- **A key part of a community effort to keep our children safe.** In May 1996, President Clinton released a Justice Department report on curfews which shows that curfews, when backed by a community of support and are part of a larger plan to help fight juvenile crime, can play an important role in keeping our children safe. The Justice report reviewed the impact of curfews in 7 selected jurisdictions (Dallas, Phoenix, Chicago, New Orleans, Denver, North Little Rock, and Jacksonville). Highlights include:

The New Orleans program combines a curfew, a summer jobs program and the revitalization of recreation program -- and resulted in a 27% reduction in juvenile crime during curfew hours in 1994, compared with the previous year.

The Dallas program allows for fines of both parents and children. Juvenile arrests during curfew hours decreased 14.6%.

North Little Rock, provides sports activities and academic tutoring. Juvenile violent arrests during curfew hours decreased 12%.

Denver's curfew program works in partnership with 234 different community programs. The law enforcement community believes it contributed significantly to the 11% drop in serious crime during the program's first two years.

- **Curfews are in effect in a majority of the Nation's largest cities.** In a December 1997 survey released by the U.S. Conference of Mayors, 276 -- 80% -- of 347 cities surveyed had youth curfew laws, up from 70% in 1995. A 1998 update surveyed 18 cities with curfews in place for two years or less. The survey found:

55% report a decrease in crime since curfew implementation, with an average 26.8% decrease in crime during enforcement hours.

88% believe that curfews are a useful tool in curbing juvenile crime. Some of the reasons cities cited are that curfews: provide police with authority to remove juveniles from the streets, allow parents to set standards and police to monitor juvenile activity, and prevent youth from becoming perpetrators or victims of crime.

72% of cities report no problems with implementation of the curfew, and 77% responded that there were no new costs associated with enforcing the curfew.

- **Truancy is a gateway to crime, drugs, and alcohol.** High truancy rates are linked to high rates of daytime burglary and vandalism. The Office of Juvenile Justice and Delinquency Prevention Study Group on Serious and Violent Juvenile Crime found that truancy is one of the major risk factors leading to serious and violent crime. The Justice Department's 1997 annual report on Drug Use Forecasting from the Arrestee Drug Abuse Monitoring Program reported that drug use is higher among detained male juveniles who were not in school, with higher rates of marijuana and cocaine use, as compared to juvenile males still in school.
- **Anti-truancy efforts can have an impact on absenteeism, classroom-related incidents, and crime.** In furtherance of the President's effort to focus national attention on anti-truancy measures, the Education Department provided several grants to local school districts to develop innovative truancy prevention programs in the 1996-97 school year. Highlights from the anti-truancy efforts include:

Los Angeles Unified School District. The Truancy Prevention and Dropout Recovery Project is in effect in 24 schools in the district. During the first full year of the program, the attendance level jumped two full percentage points to 90.1, as compared to the 1995-96 school year. This means that 400* more kids were in class -- and not unsupervised.

Roanoke, VA. This program is a collaborative effort between the City Public Schools, City Department of Social Services, and Juvenile and Domestic Relations Court. During the first year of the project, the number of students missing school for 25 or more days in the targeted schools decreased by an average of 35%. During the second year, the number decreased by 28%.

Philadelphia School District. The Weapons Reduction and Truancy Help (WRATH) initiative helped to increase school attendance by over two percentage points in the 1997-98 school year. In addition, the number of students arrested for weapons offenses dropped by nearly 40% -- from 194 in 1995 to 119 in 1998.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-JUL-1998 10:57:23.00

SUBJECT: Re:

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

FYI

----- Forwarded by Edward W. Correia/WHO/EOP on 07/16/98
10:46 AM -----

Edward W. Correia

07/16/98 10:51:42 AM

Record Type: Record

To: Maria Echaveste/WHO/EOP

cc:

Subject: Re:

I have some more information on the Indianapolis desegregation case and the NYT times story that is in process. The reporter is Pam Belluck from the Chicago Bureau. DOJ (Tom Perez) has spoken to her at length, so DOJ's side is surely being heard.

The case is really an interesting example of the difficulties in this area. This is a rare case where there clearly was an inter-district violation, extending beyond the boundaries of a single district. The major violation was a decision by government officials to create a metropolitan area government, but leave an exception for education. It is clear this was done to avoid metropolitan-wide desegregation, including bussing. It didn't work.

Bussing across the metropolitan area was ordered, beginning in 1981. Recently, however, the 7th Circuit had suggested that this remedy would have to end at some point. Moreover, the district court found the Indianapolis district itself was no longer segregated. The question, then, was how far DOJ should go in attempting to preserve a metropolitan-wide remedy and whether a settlement would be better than what could result from litigation. The settlement provides for a long phaseout of bussing, over about 17 years. In place of bussing, the settlement hopes to encourage housing integration by creating an entity to assist minority families in finding housing.

If one were to quarrel about the settlement, one could point to the fact that the settlement did not require the city to contribute funds to help subsidize housing. In order to address this point, DOJ is working with HUD to target some assistance in that area. WE CAN BE HELPFUL ON THIS BY TALKING WITH HUD OURSELVES. I would be happy to follow up on that, if you like.

Overall, the case to me shows that housing integration is at the bottom of the problem. What do we do to encourage integrated housing? The federal government surely bears some responsibility through a history of

subsidizing housing in the inner city. But, there are powerful social trends at work that are hard to counter. For example, even middle class suburbs tend to be segregated. Chris has suggested having a session on integration, so this is a good case study to help focus on the problem.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-JUL-1998 11:05:00.00

SUBJECT: Re:

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

READ:UNKNOWN

TEXT:

o you are well within your rights to say 'i told you so'...mazel tov
:)

(this is a hip e-mail symbol)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Barry J. Toiv (CN=Barry J. Toiv/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:16-JUL-1998 11:09:36.00

SUBJECT: coverdell veto

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

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

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

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

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

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

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

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

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

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

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

TEXT:

I get the sense that we are not really focusing on when to do the Coverdell veto. I don't have a particular opinion -- other than, if we do it as an event, we don't do it at the AFT event or any other union-related event. But you might want to adjust the timing to avoid those events. Deadline is July 25.

Is somebody thinking about this?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Audrey T. Haynes (CN=Audrey T. Haynes/O=OVP [UNKNOWN])

CREATION DATE/TIME:16-JUL-1998 11:31:07.00

SUBJECT: FMLA

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

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

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

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

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

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

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

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

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

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

TEXT:

I had a lengthy conversation this morning with Donna Lenoff from the National Partnership for Women and Families. The Labor Cabinet and the groups are wanting us to have a FMLA 5th Anniversary event either the last couple days of July or first of August.

Deliverables could be: Support for expansion legislation since we have not discussed since State of Union Announcement; we could possibly announce an educational campaign targeted at small business between SBA and Labor for voluntary compliance; and support for study of the National Academy of Sciences' work on how to make FMLA more affordable for working Americans.

Also, the Families and Work Institute has a new study about business benefits vs. cost which is very positive. So that could be released.

Anyway, I'm trying to gauge the possibility of the President or Vice President doing this.
I'm happy to put forth the request and see if we can work this through, but I'd like some feedback. thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-JUL-1998 11:55:06.00

SUBJECT:

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

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

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

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

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

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

TEXT:

I have a briefing tomorrow with the Demo Govs staff in preparation of NGA at the end of the month. Among the major questions will be FLSA. I am trying to convince them to help us kill an NGA statement critical of us on this. They won't settle for "its coming" Are we ready yet?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-JUL-1998 11:59:12.00

SUBJECT: REVISED VA/HUD FLOOR SAP

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

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

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

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

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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

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H.R. 4194 DEPARTMENTS OF VETERANS AFFAIRS AND
HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS
BILL, FY 1999

(Sponsors: Livingston (R), Louisiana; Lewis (R),
California)

This Statement of Administration Policy provides the Administration's views on H.R. 4194, the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Bill, FY 1999, as reported by the House Appropriations Committee. Your consideration of the Administration's views would be appreciated.

The Administration appreciates efforts by the Committee 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. As a result, critical programs are not funded or are underfunded, in particular, key Presidential priorities such as funding for National Service, Superfund, and climate change. Furthermore, the Administration is very concerned that the Committee has included problematic language regarding the Kyoto Protocol and other issues. Finally, the Administration understands that an amendment will be offered to include unacceptable provisions now contained in H.R. 2, such as those relaxing income targeting. If the bill were presented to the President without responding to these concerns, the President's senior advisers would recommend that he veto the 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 Transportation Equity Act, Congress -- on a broad, bipartisan basis -- took similar action in approving funding for surface transportation programs paid for with mandatory offsets. We want to work with the Congress on mutually agreeable mandatory and other offsets that could be used to increase high-priority discretionary programs, including those funded by this bill.

Below is a discussion of our specific concerns with the Committee bill. We look forward to working with the House to resolve these concerns as the bill moves forward.

Corporation for National and Community Service

The Administration strongly objects to the termination of the Corporation for National and Community Service, one of the Administration's top priorities. Eliminating funding for the Corporation would deny more than 49,000 Americans the opportunity to serve as AmeriCorps members in projects such as America Reads, the Administration's effort to raise student literacy through the use of tutors to supplement the school day activities. In addition, over one million students of all ages would forego the chance to participate in service learning activities in their schools and neighborhoods. The funding level in the Committee bill for the Corporation for National and Community Service is unacceptable.

Environmental Protection Agency

The Administration has several major concerns with the Committee's mark for the Environmental Protection Agency. In particular,

the Administration strongly objects to the \$593 million, or 28-percent, reduction to the President's request for Superfund, which would delay cleanups at sites nationwide and needlessly jeopardize public health. In addition, the Administration opposes the \$16 million, or 18-percent, reduction to the request for brownfields funding as well as restrictive bill language that would hamper achievement of brownfield cleanups by preventing their use for removals, cleanups, and revolving loan funds. The Administration urges the House to restore Superfund to the requested level and to delete the restrictive brownfields language.

The Administration strongly opposes the Committee's \$106 million reduction in EPA funding for the Climate Change Technology Initiative. This high-priority program should be funded fully to cut energy usage, save consumers money, and reduce greenhouse gas emissions. We will work with the Congress to restore requested funding as the bill moves forward.

The Administration strongly opposes bill and report language relating to the Kyoto Protocol that applies to the EPA and the Council on Environmental Quality. While the Administration could not and would not implement the Protocol until it is ratified, the bill language could be interpreted broadly to prevent activities that limit greenhouse gases -- for example, through enhancing energy efficiency -- but that are authorized under current law. The report language also inappropriately purports to prevent the Executive Branch from engaging in educational and outreach activities related to treaty negotiations and other aspects of climate change. The Administration opposes this and other riders because they inappropriately use the legislative process by denying the public and Members of Congress the opportunity to examine and debate these proposals openly.

The Administration appreciates the Committee's providing full funding for the President's Clean Water Action Plan, which is designed to prevent pollution run-off and protect public health. The Administration urges the Committee to provide the full \$50 million request to help improve water quality in Boston Harbor and prevent beach closings.

The Administration is concerned with the large number of unrequested, earmarked projects in the Committee mark for EPA, particularly when the Committee has reduced several other high-priority Administration initiatives, including right-to-know programs, Montreal Protocol, GLOBE, and Mexican border wastewater treatment funding.

Department of Housing and Urban Development

The Administration understands that an amendment will be offered to add H.R. 2, the Public Housing Reform and Responsibility Act of 1997, to the bill. H.R. 2 includes unacceptable provisions. For example, by changing the income targeting at admission for public and Section 8 assisted housing, H.R. 2 would shift subsidies from the poorest families, many of whom are working, to families with incomes sufficient to have greater housing choices. Such provisions would increase homelessness and hardship at a time when record numbers of Americans cannot afford even basic housing. The Administration supports reasonable measures to encourage a range of incomes in public housing and thereby reduce concentrations of poverty. The Administration can find no rationale, however, for relaxing the income targeting of Section 8 subsidies that can be used throughout a community. We must not allow those with the most desperate housing needs to be left out in the name of housing reform.

The Administration is concerned about the funding levels provided

for key programs of the Department of Housing and Urban Development, particularly for welfare-to-work housing vouchers and other programs, such as the Community Empowerment Fund, that would expand job opportunities.

The Administration appreciates the Committee's decision to fund 17,700 incremental "Welfare-to-Work" housing vouchers. The Administration would strongly support an amendment to increase the number of welfare-to-work housing vouchers to help more families get or keep a job. Indeed, with millions of families needing to make the transition from welfare to work, and in light of recent studies that show historically high unmet housing needs among very low-income Americans, the Administration believes it is critical for the Congress to fund the entire 50,000 welfare-to-work housing vouchers provided for in the President's request. Welfare-to-work housing vouchers will support implementation of welfare reform by assisting those welfare recipients who need housing assistance to get or keep a job.

The Administration also encourages the Congress to fund fully the President's request for \$400 million for an Economic Development Initiative Community Empowerment Fund to generate jobs in distressed communities. The Committee has cut the request by \$350 million, providing only \$50 million, as a set-aside within the existing CDBG program.

The Administration appreciates the Committee's decisions to fund a number of programs at the levels requested, including the Partnership for Advancing Technologies in Housing (PATH) initiative, and to renew all expiring Section 8 contracts. The Administration is encouraged that the Committee has provided funding for half the President's request for Regional Opportunity Counseling, a voluntary effort to expand the housing and employment opportunities available to low-income families. We urge full funding of the President's request for this program. We are also pleased by the Committee's decision to provide \$80 million for the Office of Lead Hazard Control, to reduce the risk of childhood lead poisoning and other health hazards. The Administration encourages the Congress to fund fully a number of other areas -- Homeless Assistance, Brownfields, and Regional Connections--and to end the ninety-day delay in reissuing of Section 8 certificates/vouchers on turnover.

The Administration is very concerned that the Subcommittee has not included language extending the repeal of one-for-one replacement for public housing. Without this language, the bipartisan goal of demolishing 100,000 of the worst public housing units by FY 2003 may not be achieved.

The Administration is pleased with the Committee's decision to support an audit-based enforcement initiative for the Fair Housing Initiatives program. We urge the Congress to fund fully this critical fair housing initiative to reduce the level of housing discrimination.

The Administration urges the Congress to adopt the Administration's proposal to reform HUD's single-family property disposition program, which would produce substantial savings by improving the efficiency of FHA's property disposition processes and would permit the Committee to provide additional resources to critical Committee programs. Finally, the Administration understands that there will be an effort to eliminate the provisions in the bill that increase the FHA loan limit. The Administration strongly opposes such an effort. The Administration urges the Congress instead to provide greater homeownership opportunities by increasing the FHA loan limit to the "conforming" limit.

Council on Environmental Quality

The Administration appreciates the modest increase over the FY 1998 level provided for the Council on Environmental Quality (CEQ). However, we strongly believe that in order to allow CEQ to carry out its environmental mission and reinvention efforts, the full requested level should be provided, and language prohibiting use of detailees should be deleted.

Community Development Financial Institutions Fund

The Administration strongly urges the Committee to fund the Community Development Financial Institutions Fund at the requested level. The Committee's decision to reduce the request by \$45 million would severely reduce the Fund's ability to leverage investments, loans, and financial services in the country's most distressed commu

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-JUL-1998 11:59:12.00

SUBJECT: REVISED VA/HUD FLOOR SAP

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

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

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

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HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS
BILL, FY 1999

(Sponsors: Livingston (R), Louisiana; Lewis (R),
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Community Development Financial Institutions Fund

The Administration strongly urges the Committee to fund the Community Development Financial Institutions Fund at the requested level. The Committee's decision to reduce the request by \$45 million would severely reduce the Fund's ability to leverage investments, loans, and financial services in the country's most distressed communities.

National Aeronautics and Space Administration

The Administration is concerned with the Committee's reductions to the requests for the International Space Station, Space Shuttle, and Earth Science programs. Full funding in FY 1999 for Space Station is critical as the United States and our International Partners are in a peak period of development and integration, and proceeding toward First Element Launch later this year. Further, the Administration is particularly concerned about bill language prohibiting the use of funds for the Triana project. Triana offers a unique opportunity to educate and engage students in all phases of the mission. Its observations could potentially be used in meteorology and environmental monitoring, as well as for commercial purposes. The Administration will work with the Congress to enable restoration of funding for these priority programs as the bill proceeds. The Administration is also concerned over the large number of unrequested site-specific earmarks, which would have the effect of circumventing the competitive, peer review process and are paid for, in part, with serious reductions to priority programs.

Federal Emergency Management Agency

The Administration appreciates the level of funding provided by the Committee for the Federal Emergency Management Agency. However, we believe that the \$20 million reduction to the President's request for pre-disaster mitigation grants is shortsighted. These grants would help reduce the cost of future disasters by leveraging local and private-sector support for enhanced mitigation efforts at the State and community level. We urge the Committee to fund fully the President's request for this important initiative. In addition, we urge the Committee to approve our recent request for funding to help States and communities prepare for potential terrorist incidents involving chemical and/or biological weapons.

National Science Foundation

Given the budget constraints facing the Committee, the Administration appreciates the effort to provide a \$268 million increase over the FY 1998 level for the National Science Foundation (NSF). Nevertheless, the Administration is concerned with the reduction to the request for education and human resources and the elimination of funds for the proposed Polar Cap Observatory and NSF funds for the GLOBE program. The Administration is firmly committed to NSF's research and education activities, which not only promote scientific advancement but also contribute to economic development. We strongly urge the Congress to provide the full increase requested for NSF for its research, equipment,

and education activities.

Neighborhood Reinvestment Corporation

The Administration is pleased by the Committee's decision to provide the President's full request for the Neighborhood Reinvestment Corporation (NRC). The NRC has a proven, successful record of leveraging private sector resources to promote homeownership and helping strengthen America's communities. This funding would provide an additional \$25 million for a homeownership initiative that seeks to create 10,000 new homeowners through FY 2000.

Consumer Product Safety Commission

The Administration opposes bill language that would block the Consumer Product Safety Commission's ability to promulgate rules to reduce the flammability of upholstered furniture. This language intrudes upon CPSC's ability, as well the ability of other agencies, to carry out their responsibilities. Furthermore, these efforts to block the development of a new safety standard represent a threat to public health.

Potential Amendment Related to Peer Review

The Administration strongly opposes an amendment that may be offered mandating peer review of scientific data supporting final regulations. The Administration is committed to using the best possible science and peer review for rule-making. However, this amendment is unnecessary, inappropriate, and wasteful. Peer review is currently incorporated in the Government-wide rule-making process, where it is needed, through extensive outreach, public comment, and scientific advisory boards. As drafted, this amendment would mandate a one-size-fits-all requirement that would serve only to delay important government action, in particular, rules designed to protect health safety and the environment. It would impose a costly additional step in the regulatory process and could cover a large, heterogeneous set of rules, as diverse as meat and poultry inspection rules, airplane and automobile safety standards, FDA drug and device approvals, and rules to ensure safe drinking water and clean air. This would impose an undue burden on numerous final rules by requiring substantial personnel and other resources and could result in significant delays on important public health and safety rules.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: June Shih (CN=June Shih/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:16-JUL-1998 14:13:48.00

SUBJECT: final tobacco

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

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

TO: 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:

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D80]MAIL44876079T.126 to ASCII,
The following is a HEX DUMP:

FF5750437E040000010A020100000002050000002C2800000002000081DAAF333282A542504FF2
D39B4FB806D9073C61F869A073204AB87C376A8FBEEAFED898F86BB99FE1E55323579435F70F05
4C3A7B727DEA7582EE30113AB10CF037F06585183530B7388EE824EC3A8A82622E33AED46CF89D
5BB843F7C421EDF094426A58E951060C0B5AD119A982394B903B901E0AE243993DEB4338C97F1A

Draft 7/16/98 1:45 p.m.
June Shih

**PRESIDENT WILLIAM J. CLINTON
REMARKS BEFORE GIRLS' NATION
THE WHITE HOUSE
JULY 17, 1998**

Acknowledgments: AG Reno; Sec. Shalala; My Deputy Director of Legislative Affairs, Janet Murguia, who represented the great state of Kansas in the Girls' Nation Class of 1977; Alana Aldag, President, Girls' Nation 1998; Jennifer Hall, Vice-President.

Welcome to the White House. I hope you've had a good week in Washington. Later, I will be attending the 35th reunion of my own Boys Nation class. It's difficult for me to believe that so many years have passed since that summer. The people I met then -- from my fellow Boys Nation senators to President Kennedy -- made me believe that anything was possible -- that by staying involved in our communities and in our democracy, we could change the world.

I believe this is true for you, too. You are living in a time of even greater possibility, perhaps the most exciting in the history of America. Just think of all the revolutionary changes that have taken place over the course of your short lifetimes: The Cold War, which cast a shadow over your parents and older siblings' childhoods, has ended. Technology has advanced at a breathtaking pace -- fundamentally altering the way we all live, work, and learn. A typical laptop computer today has more computer power in it than the world's largest supercomputer did in the year you were born.

And so many of the barriers that kept women from making the most of their potential and contributing their talents to our society have fallen away: Today, a lawyer in America is 12 times more likely to be a woman than a lawyer in 1963 -- the summer I was a Boys Nation Senator. Women are earning more college degrees than men and even outnumber them in graduate school. Women-owned businesses are growing faster than the national economy. 41% of my own administration appointees -- beginning with Sec. Shalala and Atty. Gen. Reno -- are women, by far the highest percentage of any Presidency. And I look forward to the day when I read in the paper that America's new president has invited her own Girls Nation class for a reunion celebration at the White House.

We must seize this moment of unprecedented opportunity to strengthen America for the 21st Century. Today, I want to talk to you about our shared responsibility to fight one of the greatest threats to the future of our young people -- the national epidemic in teen smoking. I want to talk about what my administration will do and what you, as some of America's leading young people, can do to win this fight.

Every day, 3,000 young people take up smoking. 1,000 of them will die early as a result. Today, millions of young people will never reach their greatest potential because of a deadly addiction that could easily have been prevented.

That is why we cannot rest until we have passed comprehensive, bipartisan legislation to raise the price of cigarettes, give the FDA the authority to regulate tobacco as a drug, stop

tobacco companies from marketing to teens, launch new anti-smoking research and education drives, and protect farmers and farming communities. And that's why, even as I work to pass this legislation, I'm going to do everything I can as President to stop teen smoking.

For decades, the tobacco companies have sought to hide the truth about the dangers of smoking and about their own efforts to target children. Even as they publicly denied the addictiveness of nicotine, they conducted secret research in their labs, devised secret marketing strategies in their boardrooms to addict children to smoking for life. How do we know this? Because the tobacco company executives and scientists left a paper trail of memos and reports detailing these strategies and findings --- never thinking that they would see the light of public scrutiny.

With the help of the courts, these documents are becoming public. The documents tell us -- in the tobacco companies' own words -- how children and minorities became pawns in their efforts to recruit new customers. There are memos admitting in plain English that "the base of our business is the high school student." Memos saying that "creating a fad [in the 14-20 year old] market can be a great bonanza" for the tobacco company. And even as industry spokespeople insisted that young people were off-limits for advertising strategies, one company document from 1984 recommended targeting "younger adult smokers" because they were the only source of "replacement smokers" in the future.

Let's agree on at least one thing: Children are not the future of our tobacco companies. They are the future of America. And we must not let their future, or America's future, go up in smoke.

These documents contain a treasure trove of information -- information that can be used to save lives. Public health experts can design more effective anti-smoking strategies by studying the marketing plans in the documents. Scientists can look to the documents for findings that can aid their research into nicotine addiction and tobacco-related illnesses. And all Americans can understand the role the tobacco industry has played in hooking our children to the deadly habit of smoking.

There are tens of millions of pages of these documents. While some of them are already posted on the Internet, most are stored in depositories all across the country -- and as far away as England. They are not easy to find. That is why I am directing the Secretary of Health and Human Services to report back to me within 90 days with a plan to make these documents more accessible to all Americans. The plan should include a strategy for indexing the documents and for making that index -- as well as the documents themselves -- widely available to the public through the Internet and other methods. The plan should also propose a strategy for a broad and rigorous analysis of the information contained in these documents.

I am also pleased to announce that the Attorney General will file a brief in support of the State of Minnesota's efforts to make the tobacco industry's own, currently-existing, computerized index to these documents available to the public.

We must lift the tobacco industry's veil of secrecy so that all Americans can know the origins of our epidemic of teen smoking -- and the history of our national addiction to tobacco. Let us use the industry's darkest secrets to save a new generation of children from this deadly habit. Armed with the facts, we can and will win this fight.

So I want you to know that this administration and so many of our nation's leaders are working to make sure this -- and all the other challenges of our time, from global warming to greater access to education to Social Security -- do not become the intractable problems of your future. But let me also say that you, too, can also make sure they don't diminish your futures by taking action today. Many of you are already very involved in your communities -- as mentors, Big Sisters, math and reading tutors, Sunday School teachers -- it's one of the reasons you were chosen for Girls' Nation. I encourage you to stay involved and get even more involved -- help raise public awareness of the issues you care about, propose solutions to our challenges, lobby your elected leaders and participate in our political process. Our democracy is only as strong as our citizens.

As you have seen firsthand during your week in here Washington -- this is a city of monuments to America's greatest heroes. Washington. Jefferson. Lincoln. FDR. Very few Americans will ever be able to match their accomplishments, to leave behind as many gifts for generations to come. But every American has the same capacity to love this country, to believe in, to take part, to serve our democracy as much as they did. I call on you to love, to believe, to serve America. Have faith that you, too, can make this world a better place.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-JUL-1998 14:47:24.00

SUBJECT: Wellstone alternatives

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

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

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

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

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

TEXT:

Here are the options we've come up with. We'd like feedback today as to which to put in the weekly.

1. Agree to Wellstone's concept of 24 months of college counting under the voc ed cap, but limit the number of hours of college that count as work. Since the number of hours of work the law requires grows over time (20 hrs per week in '98, 25 hrs in '99, and 30 hrs in 2000 and thereafter), the options are many: We could say students always have to work at least 5 or 10 hours a week; or we could say 10 or 20 hours per week of college counts.

Pro's: Keeps principle that people are working, just for fewer hours while bettering themselves.

2. Agree to Wellstone, but say that vocational education would remain limited to 12 months per person, even though college would count for up to 24 months. (This could be combined w/#1.)

Pro's: Corrects Wellstone mistake of loosening up on voc ed and allowing people to cycle through such programs for up to 2 years.

3. Agree to Wellstone, but say that only part of the 30% ed cap can be college -- i.e., one-third or one-half.

Pro's/con's: Would limit the damage, but any sub-limit has the disadvantage of seeming pretty arbitrary.

4. Use the back-door route of easing up on separate state programs for college. The NPRM says that if we prove that a state is diverting non-working people into separate state programs so that they can make the work participation rate, we reserve the right to add back those separate state program people in computing the participation rate, potentially subjecting the state to a penalty. We could now say that, if we find they're not working because they're in college, we won't add them back in.

Pro's: Maintains our rhetoric that we are not weakening the federal work requirements.

Con's: could be bigger exemption than Wellstone;
confusing;
creates precedent on separate state programs;
procedurally complex, since the NPRM is is our creation
and is only a proposed rule; could we announce this in
advance of the final TANF rule?

5. Agree to Wellstone's 24 months for voc ed, but not for college, on the theory that there is some overlap between community college and voc ed anyway, and that this language would allow for career-oriented community college degrees.

Pro's: Appears more limited

Con's: Doesn't get credit for college change, while opening up potential voc ed abuses

6. Amend the law to allow waivers of the work requirement for college.

Pro's: Very limited

Con's: Not clear if we are saying this needs to be tested via demonstrations, or that we think we need to look over states' shoulders as they do this, raising specter of the bad old days of federal oversight. Plus Cynthia hates it.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Daniel N. Mendelson (CN=Daniel N. Mendelson/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:16-JUL-1998 15:11:55.00

SUBJECT: Viagra Position

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

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

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

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

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

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

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

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

TEXT:

Below is an assessment of the prohibition on funding for Viagra in Medicaid adopted in the House full Appropriations Committee mark-up of the Labor/HHS bill this week, and a proposed position of opposition. I have discussed this with HCFA, HHS, and Chris. Please comment. We have more background materials if you need them.

Background

The full House Appropriations Committee passed an amendment on Tuesday, July 14 to prohibit the Medicaid program from reimbursing States for the costs of the drug Viagra, except in cases of post surgical treatment.

Up to \$100 million of the savings from the prohibition would be made available for Children's Mental Health Services in SAMHSA, based on savings "estimated by the Office of Management and Budget and scored by the Congressional Budget Office."

A related amendment adopted by the Committee would prohibit the use of any funds made available in the L/HHS act to take administrative action against States that do not provide Medicaid coverage for Viagra or any other drug or device used to treat erectile dysfunction.

While we have not made a final determination on scoring, we believe that the Federal share of savings from such a provision may be about \$15 million in FY99. More on this to follow.

Proposed Position

The amendment sets a dangerous precedent for the selective choosing of drugs that can be covered by Medicaid. For instance, states may try to extend such language to exclude coverage of protease inhibitors for AIDS treatment. Many states were initially resistant to covering this drug because of its costs.

The Secretary currently has the authority to limit coverage of Viagra if the use of the drug is subject to clinical abuse or inappropriate use. Thus, under current law, should research show the drug is being used inappropriately, the Secretary can limit its availability. We can and would use this authority if we get evidence that Viagra is being used inappropriately.

States currently have broad latitude to limit the use of these drugs under federal law through drug utilization review and prior authorization programs. They use this authority frequently (e.g., for drugs prone to abuse, such as human growth hormone).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Donna L. Geisbert (CN=Donna L. Geisbert/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:16-JUL-1998 18:08:33.00

SUBJECT: Conference Call on Workfare

TO: Diana Fortuna (CN=Diana Fortuna/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

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

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

TEXT:

This is scheduled for Friday, 7/17, 4:30-5:30, w/Marvin Krislov (DOL).
Please call Diana to be conferenced in, there were no lines available.
Thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-JUL-1998 19:10:05.00

SUBJECT: BR LOOK AT THIS -Choice of quotes on young female smokers

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

Bruce you asked if we could find quotes from company documents about young females and smoking. Jerry has turned up several -- do you like any of them?

1984 RJ Reynolds document:

1) "The dominant trend in the younger adult smoker market over the last 50 years has been the rising importance of females."

2) "Younger adult female smokers were the key growth sector in the 1970's and 1980's."

3) A 1976 Philip Morris document examined a "profile of the teen-age girl smoker" done by Yankelovich for the American Cancer Society. No quotes stand out except maybe

"The profile of the teen-age girl smoker counters the image of a socially ill-at-ease youngster turning to cigarettes as a means of being thought of as more sophisticated or as a needed prop for handling social situations. Instead it is the teen-age girl smoker who is at ease socially, very put together, and with full confidence in herself."

Here's what the speech has now:

With the help of the courts, these documents are becoming public. The documents tell us -- in the tobacco companies', own words -- how children and minorities became pawns in their efforts to recruit new customers. There are memos admitting in plain English that "the base of our business is the high school student." Memos saying that "creating a fad [in the 14-20 year old] market can be a great bonanza" for the tobacco company. And even as industry spokespeople insisted that young people were off-limits for advertising strategies, one company document from 1984 recommended targeting "younger adult smokers" because they were the only source of "replacement smokers" in the future.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-JUL-1998 19:27:51.00

SUBJECT: POTUS Choice Letter

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

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

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

TEXT:

Here is the latest draft for your review. Maria, once you have spoken with John tomorrow and you and Elena have agreed on the final, Cynthia will get it to Staff Secretary for circulation. They will send it to the President over the weekend.

If anyone needs me, I can be reached at 203-461-9665. ===== ATTACHM
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D44]MAIL44128779G.126 to ASCII,
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I am writing to express my concern over the Congress's unprecedented effort in recent weeks to restrict safe reproductive choices for women. It is regrettable that some Members of Congress have chosen to pursue a series of initiatives designed to create a political issue at the risk of increasing unintended pregnancies and abortions and of compromising women's health and safety.

I have long said that I believe abortion should be safe, legal, and rare. All of the proposals being offered would restrict safe medical choices. Some would actually restrict access to family planning information and services and could have the perverse effect of increasing the number of unintended pregnancies and abortions. I urge the Congress to put partisan politics aside and instead put women's health and safety first.

First, I am very disappointed that the House struck Congresswoman Lowey's proposal to require health plans participating in the Federal Employees Health Benefits Program to cover all FDA approved prescription contraceptives. The Lowey proposal would have improved basic health care coverage for many women and helped reduce unwanted pregnancies and the need for abortion.

Second, I strongly object to the amendment to impose restrictions on international family planning programs. By prohibiting foreign non-governmental organizations from receiving United States funds if the organization uses any non-US government funds for abortion-related services, the amendment jeopardizes funding to health care providers who are working to meet the growing demand for family planning and other critical health services in developing countries. Moreover, requiring recipients of US funds to refrain from advocating changes or even calling attention to alleged defects in abortion law would interfere with lawful free speech and the ability of organizations to participate in the democratic processes of their own countries. Ultimately, the result of this amendment's provisions could also be an increase in unintended pregnancies, abortions, and maternal and infant death.

Third, I find it deeply disturbing that Congress would take the unprecedented step of intervening in the Food and Drug Administration's drug approval process by banning funding for the approval or testing of drugs such as RU-486. For years, the FDA has used vigorous testing and the highest scientific standards to protect public health. This amendment substitutes political ideology for sound science. It would restrict scientific research that can protect women's lives and offer them safe medical choices.

Fourth, I am disappointed that the House chose to reject the changes that I proposed to the Child Custody Protection Act. As my Administration conveyed to Congress, I would support properly crafted legislation that would make it illegal to transport minors across state lines for the purpose of avoiding parental involvement requirements. I have repeatedly stated that I would sign a bill if it were amended to exclude close family members from criminal and civil liability and to ensure that individuals who provide only information, counseling, referral, or medical services to the minor cannot be subject to liability. As amended in this way, the legislation would prevent the circumvention of state parental involvement laws, while ensuring healthy family communications. Unfortunately, the Congress has ignored these proposed changes, as

well as those designed to address constitutional infirmities in particular provisions identified by the Department of Justice. In doing so, this Congress has demonstrated that it is not truly interested in passing legislation, but only in creating another partisan political issue.

Finally, Congress is again indicating that it will turn the difficult debate over so-called partial birth abortions into an opportunity to score political points, rather than to pass legislation restricting this procedure. I have long opposed late term abortions, and I believe that we generally should prohibit the use of this procedure. I have insisted, however, on exempting those few but tragic cases in which this procedure is necessary to save a woman's life or to protect her against serious injury to her health. I again call upon Congress to add such a narrow, tightly drawn exception to this bill, so that I can sign it and put an end to all other uses of this procedure.

I urge Congress to move beyond ideology and political maneuvering, to abandon extremism, and to protect women's lives and health, while reducing the need for abortion. Congress's current course would remove appropriate reproductive choices for women, seriously jeopardize their health, and very possibly increase the frequency of abortions. I will strongly oppose these efforts.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-JUL-1998 19:50:51.00

SUBJECT: PIR Advisory Board Information--Race Report

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: Sidney Blumenthal (CN=Sidney Blumenthal/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

edley (edley @ law.harvard.edu @ inet [UNKNOWN])

READ:UNKNOWN

TEXT:

To ensure that we are all engaged in the development of the policy and budget ideas, if any, for the Race Report, I would like to schedule a meeting for Tues 7/21 or Weds 7/22. What I thought we could do is to have the PIR summarize the list of ideas that have come out of the Advisory Board meetings and other work. Below is that summary as an attachment. We could, if all read the summary, use that as a starting point to discuss ideas and ensure that the policy/budget process will be working on things that can then fed into the report, if appropriate. We also should ask the policy shops for ideas to add to the mix. It would seem to me that we need OPL, PIR, DPC, NEC, OMB and Counsel's office. Does anyone think we need to include any other office at this time--which is really the preliminary, brainstorming period? After this initial meeting, the policy/budget shops could probably continue the work, periodically coming back together so we're all on the same team.

----- Forwarded by Maria Echaveste/WHO/EOP on 07/16/98

06:37 PM -----

Robert Wexler

07/15/98 07:43:33 PM

Record Type: Record

To: Maria Echaveste/WHO/EOP, Minyon Moore/WHO/EOP

cc: Judith A. Winston/PIR/EOP, Audrey M. Hutchinson/PIR/EOP

Subject: PIR Advisory Board Information

Since Audrey is on vacation, Judy asked me to forward you the following information:

- 1. ABRECS.WPD is a summary of Advisory Board policy recommendations to date, provided to the POTUS via letters from the Advisory Board.
- 2. POTUSLET.WPD is the planned schedule for completion of the outstanding letters from the Advisory Board to the POTUS: administration of justice, June meeting, health, and immigration.
- 3. OUTLINE.WPD is the working outline for the document that the Advisory Board will submit to the POTUS in September. The schedule for completing this document is as follows:

July 31	Complete draft and send to Advisory Board
for comment.	
Aug 7	Deadline for receiving comments, other
information from	members of the
Advisory Board.	
Aug 19	Complete revisions and send to AB for final
comments.	
Aug 24	Deadline for receiving final AB comments.
Wk of 8/24	Send document out to put in camera-ready format.
Sept 1	Send out for publication.
Sept 15(?)	Present document to POTUS.

If you have any questions or need to reach me for any other reason while Audrey is out, my phone number is 395-1016. Rob

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D60]MAIL47567000H.226 to ASCII,
The following is a HEX DUMP:

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833AC7C627DF35324D9107D56AD5072AF134C107CA60B24220AF6AD55450551AD507081A584BE1

**Very Rough Draft Outline for
One America in the 21st Century:
Report of the Advisory Board to the President's Initiative on Race**

Note: This is a very brief outline of subjects for the Advisory Board report which would accompany individual Board members' contributions. We hope that this outline will help focus Board members on the areas in which we believe the Advisory Board can make the greatest contributions to the President's final report to the American People. It may also help organize individual members' ideas for what they might structure their own reports.

Chapter 1. Introduction: The Advisory Board to the President's Initiative on Race

- Why the President appointed an Advisory Board to his Initiative on Race - its mission
- Who are the individuals on the Advisory Board and their collective agenda
- What the Advisory Board set out to do during the Initiative year - challenges and opportunities, early decision to focus on education and economic opportunities, dialogue, promising practices, etc.
- Context that the Advisory Board is one element of a much larger Presidential Initiative which is lead personally by the President, involving the White House as well as the entire Administration

Chapter 2. Advisory Board activities over the past year and lessons learned.

Collective

- Advisory Board meetings - WH Conference Center, Mayflower, College Park, Fairfax County, Phoenix, San Jose, Denver, Newark, and Boston
- Little Rock Central High School
- Santa Fe Congress of American Indians
- University of Mississippi
- Children's Defense Fund
- Carnegie Meeting

Individual

- Two to three compelling examples from each board member

Lessons Learned (interspersed with events above)

- Complexity of issues, their range and their interconnectedness
- Summary of some of the most compelling facts and analysis from meetings dealing with education, economic opportunities, and stereotype issues
- Personal stories of challenges overcome and opportunities expanded

Chapter 3. Promising Practices and Dialogues.

Promising Practices

- Brief description of some promising practices site visits in Phoenix, San Jose, Denver and LA
- Some common factors for why they work
- Programs may help shed light on larger policy prescriptions to improve race relations or reduce racial disparities
- Continuation or expansion of these program in the future to increase positive outcomes

Dialogue

- Brief description of most compelling public or private conversations that help advance state of race relations
- Elements that contribute to successful dialogues and strategies for replication
- Efforts to expand opportunities for productive dialogues that lead to concrete actions
- Reasons by dialogue leading to action is important

Chapter 4. Policy Recommendations.

- Broadly, the 3-4 priority policy areas which most dramatically reduce disparities and promote equal opportunities (not specific or targeted program recommendations). This section will draw heavily from the existing letters from Dr. Franklin to the President following each of the Advisory Board meetings in the last 8 months. Additional ideas from the June meeting will also be incorporated in this section. Some examples may include:
 - Continuing FY99 increases for anti-discrimination enforcement strategies which include periodic audits of how the country is doing in areas such as housing, employment and public accommodations; vigorous educational efforts to prevent discriminatory practices and to increase victims' awareness of the laws; and expansion of existing prosecution efforts;
 - Closing the education gap through focus on some areas of K-12 education such as teacher training, early childhood education, language acquisition or mentoring;
 - Increasing opportunities for overall employment and economic growth through macroeconomic policies which sustain the current economic trends. In order to reduce racial disparities in economic opportunities, policy solutions must be broadly constructed to incorporate employment, housing, community development, transportation, training, child care and other related structural issues. Concentrated poverty issues must also be dealt with separately to help the most disadvantaged members of our society;
 - Reducing health disparities which most fundamentally affect people's chances to learn and earn

Chapter 5. Next Steps.

- Some options for next steps may include:
 - Recruitment and engagement of leaders, both existing and new, who can continue the work started by Advisory Board members in the past year and how we can sustain and nurture their work;
 - Council for One America
 - Continuation of promising practices identification
 - Private foundation for One America
 - One America community partnerships
 - Advisory Board members' personal pledge to continue as advocates for the President's vision for One America
 - Challenge and opportunity of government to government relationship on American Indian issues
 - Other ideas for President on what he can ask of others when he reports to the American people at the end of the year

Chapter 6. Conclusion.

- Unprecedented Presidential effort provided Board members incredible opportunities to travel country and touch people's hearts - Thank you to the President
- Have done a lot of work in this year - more than some expected, less than others
- But much more work remains which must involve President, Federal, state, and local governments, private sector, religious communities, schools, and individuals
- Towards a more perfect union - why the country will be better off in the next year and over the next 50 years because of what was started this year compared to not having this initiative

Letters from Dr. Franklin to the President - Schedule

Letter Topics	Meeting Dates	First Draft by	Review and Comment by	Signature by	To WH by
Administration of Justice and Race	May 22	Completed	July 17	July 22	July 24
General Advisory Board Meeting	June 18	Completed	July 24	July 29	August 3
Race and Health	July 10	July 22	August 5	August 10	August 12
Race and Immigrants	July 13	July 24	August 7	August 12	August 14

Draft/June 24, 1998

**Summary of Policy Recommendations from
Advisory Board Letters to POTUS**

Following each meeting of the President's Advisory Board on Race, Dr. John Hope Franklin, Chairman of the Advisory Board, has sent a letter to the President on behalf of the full Board reporting on the meeting and providing preliminary policy recommendations on the substantive issues discussed. To date, Dr. Franklin has sent **six letters** to the President concerning the following substantive areas:

1. Civil Rights Enforcement (November 1997 meeting/College Park, Md)
2. Race and Education (December 1997 meeting/ Fairfax, Va)
3. Race and Employment (January 1998 meeting/Phoenix)
4. Race and Poverty (February 1998 meeting/San Jose)
5. Race and Stereotypes (March 1998 meeting/Denver)
6. Race and Housing (April 1998 meeting with HUD/Newark)

In addition, Dr. Franklin will likely send **additional letters** to the President in the following substantive areas:

- Race and Criminal Justice (May 1998 meeting)
- Follow-Up on Education, Economic Development, Leadership, and Vision (June 1998 meeting)
- Race and Health (July 1998 meeting with HHS)
- The Immigrant Experience

In September, the Advisory Board will forward to the President its **final report**, which will likely reiterate, expand, and supplement the Board's initial, preliminary recommendations in the above critical areas.

The major preliminary recommendations made in the seven letters that have been sent to the President are summarized below:

1. Civil Rights Enforcement (November 1997 Meeting)

- **Strengthen Civil Rights Enforcement:** "The data we have received and reviewed makes it clear that actionable illegal discrimination on the basis of race and national origin is still active and the source of harmful consequences. . . . [F]or the last two decades, civil rights enforcement agencies have had their budgets and staffing reduced while many of their responsibilities have been increased. . . . Strengthen[] civil rights enforcement throughout the United States: in the FY 1999 budgets, help create partnerships with States and localities that enforce comparable laws. . ." The Board has also recommended devoting additional resources to training staff and offering technical assistance to recipients of Federal funds to help prevent discrimination.
- **Expand Data Collection on Racial/Ethnic Discrimination:** "Expand[] and strengthen[] the Federal government's ability to collect, analyze, and disseminate reliable data on the nature and extent of discrimination based upon race and national origin. . ."
- **Implement Initiatives from White House Hate Crimes Conference:** "Implement[] fully the series of bold new initiatives announced at the White House Hate Crimes Conference aimed at better data collection, enforcement, and prevention."

2. Race and Education (December 1997 Meeting)

Draft/June 24, 1998

- **Promote Teacher Equity and Preparation:** “There seems to be substantial agreement that high-quality teachers are our most valuable educational resource. However, the data show that lesser-qualified teachers are overrepresented in high-poverty, high-minority communities. In addition, teachers are often ill-prepared to promote high expectations for students of all races, to create settings in which students of all races can learn effectively, and to teach in increasingly diverse environments. We recommend that you look at ways that the federal government can help bridge racial disparities in student access to quality teachers and support the professional development of teachers to serve minority students better.”
- **Develop Education Pipeline Programs:** “It is our understanding that programs that expose students at an early age to future educational opportunities and that provide mentoring, tutoring, and other support for students who aspire to take advantage of those future opportunities have shown positive results in improving educational outcomes for minority youth. We understand that you are presently considering a proposal to expand existing pipeline programs, such as the TRIO programs, and to promote new programs, such as college-school partnerships, to increase expectations, improve achievement, and increase college access for minority students. We want to offer our support for such a proposal.”
- **Teach Racial Understanding Through Diversity:** “As we saw firsthand during our visit to Annandale High School, many of our schools are rapidly becoming more racially diverse. This diversity can be a great asset in teaching students how to get along with people different than themselves and about how our cultural diversity enriches America. We have had the opportunity to learn about many programs, several of which the Initiative has featured as promising practices, that are working in our schools to teach children the tolerance and understanding necessary for them to function as good citizens in our multicultural, democratic society. . . . We must think of creative ways that the federal government can further support primary and secondary schools in their efforts to implement such programs and to promote understanding through diversity.”
- **Enhance Public School Choice:** “While many of us have substantial concerns about using public school money to fund private schools, there seemed to be some consensus among Board members and panel participants on the efficacy of exploring public school choice as one strategy for increasing educational opportunity and overcoming racial disparities in education. I know that you are a strong proponent of public school choice. We wish only to offer our support for your continuing efforts in this regard.”
- **Other Recommendations:** Other recommendations made more briefly included the need to **promote school construction** and the need to **address Hispanic dropout rates**, both of which are issues that the Advisory Board has focused on more urgently since the December meeting.

3. *Race and Employment (January 1998 meeting)*

- **Evaluate the Effectiveness of Job Training Programs:** The Board recommended that the Department of Health and Human Services and the Department of Labor evaluate the relative effectiveness of various employment training programs for different minority and immigrant communities that will highlight the commonalities and, where they exist, the differences in their training needs.
- **Support Multiple Forms of Testing to Create a Citizens’ Progress Report on Race:** The Board lent its support for a HUD-funded project to systematically measure racial discrimination

Draft/June 24, 1998

through testing in the areas of employment, housing, credit and other areas of social life so that there is a periodic progress report on racial disadvantage and disparities.

- **Improve Racial Data Collection:** The Board advised that Federal statistical data gathering agencies make every effort to create large enough periodic samples of all minority groups so that post-censal information on race is systematically available for all groups. This could be achieved by over-sampling Asian-Americans and American Indians as part of such key annual data series as the Current Population Surveys.
- **Require the Bureau of Indian Affairs to Address Indian Economic Development Needs:** Of particular concern to the Board was the difficulty that tribes interested in economic development and access to credit continue to face in gaining access to credit and investment resources due to confusion by investors about the jurisdictional rules or conditions for adjudicating mortgages and foreclosure procedures. The Bureau of Indian Affairs needs to make every effort to address this issue through the voluntary cooperation of major lenders and secondary market actors, including Fannie Mae and Freddie Mac. Memoranda of Understanding could be executed with major tribal associations, as well as individual tribes, which foster the necessary long-term process of building programs to inform and educate investors and lenders about the range of realistic, culturally sensitive lending and investment opportunities available in Indian Country.
- **Other Recommendations:** The Advisory Board also recommended that the Bureau of Indian Affairs fund a major, independent assessment of the fairness and effectiveness of all federal program resources intended to assist tribes and Alaska Native villages with their economic future.

4. *Race and Poverty (February 1998 meeting)*

- **Examine Income Inequality:** The Board heard evidence about long term patterns of income inequality and suggested that the President initiate discussions among senior policy makers and Congressional leaders, as well as the private sector, as to potentially available means to reduce the extremes of this persistent pattern of inequality that so notably limits this country's ability to reduce systemic poverty and concomitant racial disadvantage.
- **Support Supplements for SBA Programs:** The Board learned of the importance of strong encouragement for tax credits and supports for corporations to provide philanthropic support for micro-credit development programs. Such financing is critically important since many, if not all, of the clients for such programs bring with them damaged or limited credit histories that prevent them from seeking funding from regular lending institutions or from the Small Business Administration.
- **Use the Current Economic Boom to Provide Necessary Job Training and Minimum Wage Increases:** The Board found that it is important to take advantage of the current economic boom to reach out to, educate, train, and place as many people as possible for positions in the new economy as additional efforts aimed at welfare to work transition are put into place along with a commitment to ever higher minimum wages.

Draft/June 24, 1998

- **Evaluate Anti-poverty Program Effectiveness:** The Board recommended the establishment of a White House task force involving those Federal agencies engaged in addressing various aspects of the anti-poverty problem to have them carefully and jointly assess and evaluate which of these current programs, or those programs which have recently lapsed, have proven utility in successfully reducing poverty on a sustained basis. They should use available data to assess whether programs are equally effective for all minority groups, and if they are not to seek answers to the question of why they are not succeeding. This cross-agency evaluation would assess how better to coordinate or integrate local level programs so that tools managed by different agencies could have a better, cumulative impact when targeted in tandem rather than in isolation.

5. *Race and Stereotypes (March 1998 meeting)*

- **Hold a Presidential Event On Stereotypes and What Can Be Done About Them:** “The issue of racial stereotypes is a core element of the problems of racial division and the lack of inclusion. Stereotypes influence how people of different races and ethnicities view each other, and as a consequence, treat each other. . . . As the nation’s leader and as a leading authority figure, you are in a unique position to underscore the link between racial discord in society and the stereotypes that lurk in the very private realm of our hearts and minds. . . . The event -- whether a speech, fireside chat, or other format -- would need to include a call to action. This call to action would remind people that all of us -- especially local leaders -- are in a position to advocate for changes in the ways that stereotypes become unconsciously institutionalized into virtually every organization in society.”
- **Institutionalize the Administration’s Promotion of Racial Dialogue:** “In a variety of ways, the Initiative is promoting involvement in small group racial dialogue. . . . In addition to helping Americans learn more about racial issues, these efforts help reduce stereotypes by creating interdependencies and a common mission between people of different racial groups. We urge you to continue your commitment to racial dialogue so that it is institutionalized after the end of the Initiative.”
- **Convene a High-Level Meeting on the Problem of Racial Stereotypes with Leaders from the Media:** “The primary purpose of the meeting would not be to assign blame, but rather to focus Presidential and public attention on the role of the media in both helping and hindering societal progress about the issue of stereotypes. . . . During the meeting, you could encourage participants to pursue a number of strategies so that the media could play a more positive role with respect to stereotypes.”
- **Promote Inclusion of the American Indian Community:** The Board also made several recommendations to promote inclusion of American Indians in the Initiative and beyond, including conducting a **Presidential visit to an Indian reservation**, convening a **White House Conference on economic development in Indian country**, and/or convening a **report on American Indian issues**.

6. *Race and Housing (April 1998 meeting with HUD)*

- **Continue to Use Testing to Develop Evidence of Continuing Discrimination:** The Board noted the persistence of discrimination in housing and the important role which Federally funded testing

Draft/June 24, 1998

programs have played in combating overt and subtle forms of disparate treatment. The Board supports HUD's decision to double housing complaints processing by the year 2000.

- **Highlight Housing Integration Efforts:** The Board learned of a small number of non-profit organizations dedicated to promoting integration through non-race based strategies of outreach, and the Board recommends that these efforts be highlighted in the final report.
- **Support the Increase and Targeting of Federal Funds for Urban Revitalization:** The Board supported the recommendations of the Eisenhower Foundation that stress the importance of linking federal and private sector funds to rebuild the core of inner city neighborhoods, many of which are home to minority and low-income families. The Board supported the type of targeting in HUD's HOME program and recommended an increase in overall levels of funding to meet the needs of such programs.
- **Support Community Development Corporations:** The Board is convinced that local neighborhood community development corporations offer key, sensible, cost-effective and locally legitimate programs that can improve conditions in minority communities in our inner cities.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-JUL-1998 19:52:46.00

SUBJECT: VP briefing

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 VP's office has asked me to be present at his briefing tomorrow morning at (before his meeting with the Hispanic Caucus). The Caucus has an interest in several immigration issues, but have a particular interest in naturalization backlog reduction. Please let me know if this is not o.k.

julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-JUL-1998 19:52:21.00

SUBJECT: Military Construction Appropriations Conference Letter

TO: RUDMAN_M@A1@CD@VAXGTWY (RUDMAN_M@A1@CD@VAXGTWY [UNKNOWN]) (NSC)
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: John Podesta (CN=John Podesta/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

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

CC: FARRAR_J@A1@CD@VAXGTWY (FARRAR_J@A1@CD@VAXGTWY [UNKNOWN]) (NSC)
READ:UNKNOWN

CC: Adrienne C. Erbach (CN=Adrienne C. Erbach/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

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

CC: Robert L. Nabors (CN=Robert L. Nabors/OU=OMB/O=EOP@EOP [OMB])
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:

Below is the conferees letter on Military Construction FY99 Appropriations. House & Senate action is possible next week. Please review the draft and provide comments/clearance by 2:30pm tomorrow. We

aim to send the letter Friday afternoon. Thanks.

The Honorable Bob Livingston
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The purpose of this letter is to provide the Administration's views on H.R. 4059, the Military Construction Appropriations Bill, FY 1999, as passed by the House and by the Senate. As you develop the conference version of the bill, your consideration of the Administration's views would be appreciated.

The Administration is disappointed that the House and Senate have chosen to increase funding above the level requested for the Military Construction Appropriations Bill, while reducing the President's request for national defense programs funded by the Department of Defense Appropriations Bill and the Energy and Water Development Appropriations Bill.

Unrequested Projects

The House has added \$575 million to the President's request for 89 unrequested projects and unrequested increases in funding for several programs, partially offset by \$130 million in reductions to requested items. The Senate has added \$846 million to the President's request for 104 unrequested projects, partially offset by \$150 million in reductions to requested items. Though much of the unrequested funding is for items that are funded in DoD's Future Years Defense Program (FYDP), \$203 million for 32 projects in the House bill and \$99 million for 14 projects in the Senate bill would be used for items that are not in DoD's FYDP. Although many of these projects may have some military utility, they are of much lower priority than the projects requested in the FY 1999 Budget and contained in DoD's FYDP.

Funding Priorities

The Administration urges the conferees to reconsider the funding added by the House and Senate for unrequested projects, especially those not in the FYDP, and to redirect this funding to requested programs both in the Military Construction and the Defense appropriations bills.

The Administration is particularly concerned about the reductions from requested military construction funding levels for:

Advance Appropriations. Neither the House bill nor the Senate bill provides the advance appropriations of \$568.6 million requested for a number of large construction projects, especially ammunition demilitarization facilities. Advance appropriations would ensure that full funding is available to complete projects before construction begins. Without full funding, it is difficult to optimize planning, scheduling, and cost control. The Administration opposes incremental funding of these projects and urges the conferees to provide the advance appropriations as requested.

Chemical Demilitarization Construction Program. The Senate would cut \$50 million from the \$125 million requested. A reduction of this magnitude

would extend the construction schedules at Pine Bluff, Umatilla, Aberdeen, and Newport and increase life-cycle costs. The Administration is committed to meeting the Chemical Weapons Convention 2007 deadline for the destruction of U.S. chemical stockpiles and to developing alternatives to current incineration technology. To support these objectives, the Administration urges the conferees to approve the House funding level for this important program.

NATO Security Investment Program. The House would cut \$16 million from the \$185 million request, and the Senate would cut \$32 million. Although the House level is preferable to the Senate level, we urge the conferees to provide the full amount requested.

Language Issues

The Administration is concerned with the language in the Senate bill that would restrict the use of NATO construction funds. In addition, the Administration urges the conferees to provide the requested transfer authorities.

Restriction on the use of NATO Security Investment Program (NSIP) funds. The Senate bill would prohibit the use of NSIP funds for Partnership for Peace programs or to provide support to non-NATO countries. No NSIP funds have been, or are proposed to be, spent on projects that do not have direct military benefit to the Alliance. Indeed, NSIP-funded proposals for projects that happen to be located in non-NATO countries must meet the same NATO military criteria as NSIP projects located in the 16 NATO member nations. The Alliance must have the flexibility to allocate NSIP funds as needed to satisfy NATO military requirements. Restrictions of the type included in the Senate bill could invite other NATO members to restrict their NSIP contributions according to narrow national concerns. The restriction could adversely affect future NATO-led military operations. The Administration urges the conferees to remove this restriction from the bill.

General Transfer Authority. Neither the House nor the Senate bill includes the requested authority enabling the Secretary of Defense to transfer funds within the appropriation accounts in the Military Construction Appropriations Act. Similar transfer authority in Defense Appropriations Acts has been used with great success to meet unplanned requirements, without reducing the opportunity for congressional oversight.

Homeowner's Assistance Program Transfer Authority. The Administration supports the provision in the Senate bill that would provide authority to transfer funds from the Base Realignment and Closure account to the Homeowner's Assistance Program account. The provision would ensure that funds are available to assist Government employees who have to sell their homes in depressed real estate markets resulting from base closures.

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

Sincerely,

Jacob J. Lew
Acting Director

Identical Letter Sent to The Honorable Bob Livingston,
The Honorable David R. Obey, The Honorable Ron Packard,
The Honorable W.G. Hefner, The Honorable Ted Stevens,
The Honorable Robert C. Byrd, The Honorable Conrad Burns,
and The Honorable Patty Murray

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-JUL-1998 20:06:35.00

SUBJECT: Weekly on Food Safety

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

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

TEXT:

Food Safety Vote in the Senate

On Thursday afternoon, Senator Harkin offered an amendment to restore \$68 million for funding of your food safety initiative. The amendment received strong bi-partisan support and passed 66-33. We worked closely with the Senate and consumer groups in promoting the amendment, and the Los Angeles Times published a strong editorial in support of your program. Rahm worked with the press office to put out a statement emphasizing this as a victory for good government over partisanship, and we will continue to work with the news media to stress the importance of this issue in conference. Senator Harkin's amendment required USDA's tobacco program administrative costs to be fully-funded by the tobacco industry, and used the savings to offset the cost of expanded food safety programs for both USDA and FDA.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-JUL-1998 20:22:52.00

SUBJECT: Waxman's planning his tobacco/airline announcement for Monday

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

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

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

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

TEXT:

latest tally has 92 tobacco company corporate jet flights by Rs, 0 by Ds.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Barry J. Toiv (CN=Barry J. Toiv/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:17-JUL-1998 05:27:07.00

SUBJECT: Coverdell II

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

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

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

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

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

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

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

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

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

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

TEXT:

If we're going to do it for Boys Nation, does it matter that maybe some of these boys go to private schools? (I don't know that, just assume it.)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: June Shih (CN=June Shih/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:17-JUL-1998 06:22:26.00

SUBJECT: girls' nation/tobacco remarks

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

TO: Sidney Blumenthal (CN=Sidney Blumenthal/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: Paul E. Begala (CN=Paul E. Begala/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:

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D49]MAIL40640379J.126 to ASCII,
The following is a HEX DUMP:

FF57504370040000010A02010000000205000000462B000000020000B059AA6838FF8A1D49B482

Draft 7/16/98
June Shih

**PRESIDENT WILLIAM J. CLINTON
REMARKS BEFORE GIRLS' NATION
THE WHITE HOUSE
JULY 17, 1998**

Acknowledgments: AG Reno; Sec. Shalala; My Deputy Director of Legislative Affairs, Janet Murguia, who represented the great state of Kansas in the Girls' Nation Class of 1977. Janet tells me that she was inspired to go into public service because of Girls Nation.

Welcome to the White House. I hope you've had a good week in Washington. Later, I will be attending the 35th reunion of my own Boys Nation class. It's difficult for me to believe that so many years have passed since that summer. The people I met then -- from my fellow Boys Nation senators to President Kennedy -- made me believe that anything was possible -- that by staying involved in our communities and in our democracy, we could change the world.

I believe this is true for you, too. You are living in a time of even greater possibility, perhaps the most exciting in the history of America. Just think of all the revolutionary changes that have taken place over the course of your short lifetimes: The Cold War, which cast a shadow over your parents and older siblings' childhoods, has ended. Technology has advanced at a breathtaking pace -- fundamentally altering the way we all live, work, and learn. A typical laptop computer today has more computer power in it than the world's largest supercomputer did in the year you were born.

And so many of the barriers that kept women from making the most of their potential and contributing their talents to our society have fallen away: Today, America's lawyers are 12 times more likely to be women than in 1963 -- the summer I was Boys Nation Senator. Women-owned businesses are growing faster than the national economy. Women are earning more college degrees than men and outnumber them in graduate school. 41% of my own administration appointees -- beginning with Sec. Shalala and Atty. Gen. Reno -- are women, by far the highest percentage of any Presidency. And I look forward to the day when I read in the paper that America's new president has invited her own Girls Nation class for a reunion celebration at the White House.

We must take advantage of all these unprecedented opportunities and seize this wonderful moment in history to strengthen America for the future. Today, I want to talk to you about our shared responsibility to fight one of the greatest threats to the future of our young people -- the national epidemic in teen smoking. I want to talk about what my administration will do and what you, as some of America's leading young people, can do to win this fight.

Every day, 3,000 young people take up smoking. 1,000 of them will die early as a result. Today, millions of young people will never reach their greatest potential because of a deadly addiction that could easily have been prevented.

That is why we cannot rest until we have passed comprehensive, bipartisan legislation to raise the price of cigarettes, give the FDA the authority to regulate tobacco as a drug, stop

tobacco companies from marketing to teens, launch new anti-smoking research and education drives, and protect farmers and farming communities.

For decades, the tobacco companies have sought to hide the truth about the dangers of smoking and their own efforts to target children. Even as they publicly denied the addictiveness of nicotine, they conducted secret research in their labs, devised secret marketing strategies in their boardrooms to addict children to smoking for life. How do we know this? Because the tobacco company executives and scientists left a paper trail of memos and reports detailing these strategies and findings --- never thinking that they would see the light of public scrutiny.

With the help of the courts, these documents are becoming public. The documents tell us -- in the tobacco companies' own words -- how children and minorities became pawns in their efforts to recruit new customers. There are memos admitting in plain English that "the base of our business is the high school student." Memos saying that "creating a fad [in the 14-20 year old] market can be a great bonanza" for the tobacco company. And even as industry spokespeople insisted that young people were off-limits for advertising strategies, one company document from 1984 recommended targeting "younger adult smokers" because they were the only source of "replacement smokers" in the future.

Let's agree on at least one thing: Children are not the future of our tobacco companies. They are the future of America. And we must not let their future, or America's future go up in smoke.

These documents contain a treasure trove of information -- information that can be used to save lives. Public health experts can design more effective anti-smoking strategies by studying the marketing plans in the documents. Scientists can look to the documents for findings that can aid their research into nicotine addiction and tobacco-related illnesses. And all Americans can understand the role the tobacco industry has played in hooking our children to the deadly habit of smoking.

There are tens of millions of pages of these documents. While some of them are already posted on the Internet, most are stored in depositories all across the country -- and as far away as England. They are not easy to find. That is why I am directing the Secretary of Health and Human Services to report back to me within 90 days with a plan to make all these documents more accessible to all Americans. The plan should include a strategy for indexing the documents and for making that index, as well as the documents themselves, widely available to the public through the Internet and other methods. The plan should also propose a strategy for a broad and rigorous analysis of the information contained in these documents.

I am also pleased to announce that the Attorney General will file a brief in support of the State of Minnesota's efforts to make the tobacco industry's own, currently-existing, computerized index to these documents available to the public.

We must lift the tobacco industry's veil of secrecy so that all Americans can know the origins of our epidemic of teen smoking -- and the history of our national addiction to tobacco. Armed with the facts, we can and will win our fight against this deadly epidemic.

So I want you to know that this administration and so many of our nation's leaders are working to make sure this -- and all the other challenges of our time, from global warming to greater access to education to Social Security -- do not become the intractable problems of your

future. But let me also say that you, too, can also make sure they don't diminish your futures by taking action today. Many of you are already very involved in your communities -- as mentors, Big Sisters, math and reading tutors, Sunday School teachers -- it's one of the reasons you were chosen for Girls' Nation. I encourage you to stay involved and get even more involved -- help raise public awareness of the issues you care about, propose solutions to our challenges, lobby your elected leaders and participate in our political process. Our democracy is only as strong as our citizens.

As you have seen firsthand during your week in here Washington -- this is a city of monuments to America's greatest heroes. Washington. Jefferson. Lincoln. FDR. Very few Americans will ever be able to match their accomplishments, to leave behind as many gifts for generations to come. But every American has the same capacity to love this country, to believe in, to take part, to serve our democracy as much as they did. I call on you to love, to believe, to serve America. Have faith that you, too, can make this world a better place.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:17-JUL-1998 08:34:20.00

SUBJECT: choice letter

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

TEXT:

Last night, Lowey was able to rewrite her contraceptives amendment so that it was germane.

It passed 224-198. This means that we need to change the letter.

Suddenly Congress does

not appear quite as extreme as we portray them.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:17-JUL-1998 08:53:26.00

SUBJECT: revised choice letter

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

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

TEXT:

Last night, Lowey was able to rewrite her contraceptives amendment so that it was germane. It passed 224-198. I have revised the letter accordingly, taking out the paragraph on Lowey. The question is, given this vote, whether Congress is quite as extreme as we portray them. Certainly, the Mexico City Policy would still lead to more abortions and unintended pregnancies, so I left that in.===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D56]MAIL45647100J.226 to ASCII,
The following is a HEX DUMP:

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I am writing to express my concern over the Congress's unprecedented effort in recent weeks to restrict safe reproductive choices for women. It is regrettable that some Members of Congress have chosen to pursue a series of initiatives designed to create a political issue at the risk of increasing unintended pregnancies and abortions and of compromising women's health and safety.

I have long said that I believe abortion should be safe, legal, and rare. All of the proposals being offered would restrict safe medical choices. ~~Some~~ **One** would actually restrict access to family planning information and services and could have the perverse effect of increasing the number of unintended pregnancies and abortions. I urge the Congress to put partisan politics aside and instead put women's health and safety first.

~~First, I am very disappointed that the House struck Congresswoman Lowey's proposal to require health plans participating in the Federal Employees Health Benefits Program to cover all FDA approved prescription contraceptives. The Lowey proposal would have improved basic health care coverage for many women and helped reduce unwanted pregnancies and the need for abortion.~~

~~Second, First,~~ I strongly object to the amendment to impose restrictions on international family planning programs. By prohibiting foreign non-governmental organizations from receiving United States funds if the organization uses any non-US government funds for abortion-related services, the amendment jeopardizes funding to health care providers who are working to meet the growing demand for family planning and other critical health services in developing countries. Moreover, requiring recipients of US funds to refrain from advocating changes or even calling attention to alleged defects in abortion laws would interfere with lawful free speech and the ability of organizations to participate in the democratic processes of their own countries. Ultimately, the result of this amendment's provisions could also be an increase in unintended pregnancies, abortions, and maternal and infant death.

~~Third, Second,~~ I find it deeply disturbing that ~~Congress~~ **the House** would take the unprecedented step of intervening in the Food and Drug Administration's drug approval process by banning funding for the approval or testing of drugs such as RU-486. For years, the FDA has used vigorous testing and the highest scientific standards to protect public health. This amendment substitutes political ideology for sound science. It would restrict scientific research that can protect women's lives and offer them safe medical choices.

~~Fourth, Third,~~ I am disappointed that the House chose to reject the changes that I proposed to the Child Custody Protection Act. As my Administration conveyed to Congress, I would support properly crafted legislation that would make it illegal to transport minors across state lines for the purpose of avoiding parental involvement requirements. I have repeatedly stated that I would sign a bill if it were amended to exclude close family members from criminal and civil liability and to ensure that individuals who provide only information, counseling, referral, or medical services to the minor cannot be subject to liability. As amended in this way, the legislation would prevent the circumvention of state parental involvement laws, while ensuring healthy family communications. Unfortunately, the Congress has ignored these

proposed changes, as well as those designed to address constitutional infirmities in particular provisions identified by the Department of Justice. In doing so, this Congress has demonstrated that it is not truly interested in passing legislation, but only in creating another partisan political issue.

Finally, Congress is again indicating that it will turn the difficult debate over so-called partial birth abortions into an opportunity to score political points, rather than to pass legislation restricting this procedure. I have long opposed late term abortions, and I believe that we generally should prohibit the use of this procedure. I have insisted, however, on exempting those few but tragic cases in which this procedure is necessary to save a woman's life or to protect her against serious injury to her health. I again call upon Congress to add such a narrow, tightly drawn exception to this bill, so that I can sign it and put an end to all other uses of this procedure.

I urge Congress to move beyond ideology and political maneuvering, to abandon extremism, and to protect women's lives and health, while reducing the need for abortion. Congress's current course would remove appropriate reproductive choices for women, seriously jeopardize their health, and very possibly increase the frequency of abortions. I will strongly oppose these efforts.

*Automated Records Management System
Hex-Dump Conversion*

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:17-JUL-1998 08:55:23.00

SUBJECT: Privacy options paper

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

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

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

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

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

TEXT:

Below is the privacy options paper for the principals meeting on Monday,
July 20 at 11 am in the Roosevelt Room

----- Forwarded by Mary L. Smith/OPD/EOP on 07/17/98
08:55 AM -----

Thomas A. Kalil
07/16/98 10:11:14 AM
Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: Privacy options paper

Principals meeting is Monday at 11:00 in the Roosevelt Room.

I will be out today and Friday -- but am pagable
1-800-SKYPAGE pin # 2168029

Thanks!

Message Sent

To: _____
David W. Beier/OVP @ OVP
Thomas L. Freedman/OPD/EOP
Mary L. Smith/OPD/EOP
Jim Kohlenberger/OVP @ OVP
Ira C. Magaziner/OPD/EOP
Bruce W. McConnell/OMB/EOP

Robert N. Weiner/WHO/EOP

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

TEXT:

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The following is a HEX DUMP:

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MEMORANDUM

TO: Sally Katzen

FROM: Andrew Pincus

DATE: July 16, 1998

RE: Privacy – Legislative and Other Proposals

This memorandum outlines a series of Administration proposals for enhancing privacy protection by acting in the following areas:

- Federal Privacy Coordination Responsibility
- On-Line Collection of Information Generally (Commercial Marketing)
- On-Line Collection of Information from Children
- Government Information
- Medical Records
- Financial Records
- Profiling
- Identity Theft/Theft of Personal Information
- Protection of New Categories of Personal Information
- Public Education

These initiatives would follow-up on those announced by the Vice President on May 14, 1998 in his speech at New York University.

Automated Records Management System
Hex-Dump Conversion

FEDERAL PRIVACY COORDINATION RESPONSIBILITY

Concerns about privacy are shared across agencies. Some privacy activities are undertaken by many; others by no one. Early in the Administration, the President's Information Infrastructure Task Force (IITF) solicited and received public comments on whether there should be an entity within the executive branch to serve as a focal point for public and private sector privacy issues. The IITF reached no conclusion. This proposal concludes that work and responds in part to the July 1997 Presidential direction to develop recommendations as to the appropriate role of government in privacy.

Proposal

The President could assign coordination responsibility of privacy issues to the Administrator of the Office of Information and Regulatory Affairs (OIRA) of OMB. This assignment would strengthen the ability of the Administration to develop and implement effective privacy policy.

OMB recognizes that many agencies have expertise and responsibility for privacy in various areas, however, additional focus on privacy across the executive branch would be useful. This increased focus would be accomplished by the performance of four functions by OMB:

- *Coordination* - Assure that agencies address emerging privacy issues in their programs and policies, and promote greater consistency of Administration positions and policies.
- *Advice* - Drawing on agency expertise, provide advice on privacy policy questions to government agencies and the private sector.
- *Representation* - Explain and promote the Administration's privacy policy domestically and internationally.
- *Consumer Information* - Increase public awareness of privacy issues and the rights and responsibilities of consumers, industry, and government. Use the "bully pulpit" to encourage best practices and criticize bad actors.

Rather than create a new privacy office or entity, it is more appropriate to assign these functions to the Administrator of OIRA. Privacy concerns must usually be balanced with competing values, such as prosecution of criminals, identifying "deadbeat" parents, free speech, and the economic and commercial benefits that come from the free flow of information. OMB is the traditional coordinator of policy, regulatory and organizational issues, while OIRA is already responsible for other information policy matters and has expertise and authority in privacy under the Privacy Act. OIRA, therefore, is a logical place to assign the new responsibilities. To be an effective coordinator, additional resources would be required, however, minimal resources are necessary since the proposed role is primarily coordination, not operations.

ONLINE COLLECTION OF INFORMATION

Protection of privacy in the online environment was addressed in the *Framework for Global Electronic Commerce* released by the President on July 1, 1997. In that document, the Administration reaffirmed the importance of “assur[ing] personal privacy in the networked environment” and endorsed the Privacy Principles adopted in June 1995. The Administration “support[ed] private sector efforts now underway to implement meaningful, consumer-friendly, self-regulatory privacy regimes.” It cautioned that “[i]f privacy concerns are not addressed by industry through self-regulation and technology, the Administration will face increasing pressure to play a more direct role in safeguarding consumer choice regarding privacy online.”

In the year since the issuance of the *Framework*, the privacy issue has garnered significant public attention. The Administration has undertaken broad outreach efforts to urge industry to take up the challenge of self-regulation. Numerous media stories have addressed the threat to privacy in the online environment. And the Federal Trade Commission’s net survey demonstrated that -- as of March 1998 -- online enterprises were devoting insufficient attention to privacy concerns.

At the same time, there has been significant progress on industry self-regulation. On June 22, 1998 a group of 50 businesses and trade associations announced the formation of the Online Privacy Alliance. The Alliance adopted well-received guidelines for fair information practices applicable across a range of industries, including the marketing industry. The Direct Marketing Association, which represents over 3700 direct marketers, has endorsed the Alliance guidelines, and committed to require DMA members to comply with the guidelines as a condition of membership in the association.

The Alliance guidelines require members to adopt and implement a policy for protecting the privacy of individually identifiable information. An organization’s privacy policy must be easy to find and understand and must state clearly what information is being collected; the use of that information; possible third party distribution of that information; the choices available to an individual regarding collection, use and distribution of the collected information, as well as the consequences, if any, of an individual’s refusal to provide information. The policy should also include a clear statement of the organization’s accountability mechanism and information about how to contact the organization if a problem or complaint arises. At a minimum, individuals should be given the opportunity to opt out of uses that are unrelated to the purpose for which the information was collected. The Alliance guidelines also require data collectors to take appropriate steps to ensure the security, reliability and accuracy of personally identifiable information.

The Direct Marketing Association has imposed additional requirements specific to marketing activities. These include a mandatory participation in the “Telephone Preference Service” and the “Mail Preference Service” through which consumers can have their names placed on a national “do not solicit” list.

The Alliance has committed itself to announce its approach to enforcement -- the final element of its privacy protection program -- within the next ten days. Based on our understanding of the likely ingredients of the enforcement approach, we believe the Alliance plan will satisfy the Administration's privacy principles. The Alliance's membership constitutes between 80 and 90 percent of online traffic.

In addition, the Council of Better Business Bureaus (CBBB) announced on June 22, 1998, that it will develop and implement a major privacy program through its subsidiary, BBBOnLine. According to the CBBB press release, the online privacy program will feature: privacy standard-setting, verification, monitoring and review, consumer dispute resolution, compliance "seal", and educational components. The program is expected to "go live" in the fourth quarter of 1998.

TRUSTe is a not-for-profit organization based in the Silicon Valley. The TRUSTe program provides notice by Web sites of their information practices, verification and oversight of the claims made in the site's notice, and consumer recourse through which consumer complaints will be resolved. TRUSTe has been criticized for its failure to require adherence to fair information practices -- any practice is permitted, as long as it is disclosed. On June 24, 1998, however, TRUSTe announced that it would require all new and renewing licensees to adhere to the privacy guidelines announced by the Online Privacy Alliance.

Proposal

The Administration should commend the members of the Online Privacy Alliance and other groups for the progress on self-regulation. We should, however, make clear that substantial challenges lie ahead. First, the privacy protections promised by these organizations must be redeemed -- these new organizations must become functioning entities. Second, the private sector must work to expand membership in self-regulatory organizations so that privacy protection becomes ubiquitous in the online environment. Obviously the Administration will also play an important role in this effort. We should repeat the caveat in the *Framework* that the absence of continued real progress will cause the Administration to reexamine whether government must take a more direct role in privacy protection.

ON-LINE INFORMATION ABOUT CHILDREN

The solicitation of information from children presents a unique problem. Unlike adults, children generally lack the ability to provide legally binding consent and may not be cognitively capable of understanding the consequences of giving out personally identifiable information online. Many companies presently collect information from children for a variety of reasons -- to contact a child to verify that they may have won a prize, to monitor children in chat rooms, for statistical purposes or for direct marketing purposes.

On June 4, 1998, the Federal Trade Commission released a report to Congress, *Privacy Online*, which surveyed 1,400 Web sites. Eighty-nine percent of children's sites surveyed collect personal information from children. Although 54% of children's sites provide some form of disclosure of their information practices, the Commission found that few sites take any steps to provide for meaningful parental involvement in the process. They found that only 23% of sites even direct children to seek parental permission before providing personal information. Only 7% of the sites said they would notify parents of their information practices, and less than 10 % provide for parental control over the collection and/or use of information from children. The Commission recommended that Congress adopt legislation protecting children's privacy online.

Best Practices Model – Online Privacy Alliance

On June 22, 1998 the Online Privacy Alliance issued specific guidelines for the protection of children's' privacy online.

Alliance members that operate sites directed at children under 13 have agreed (1) not to collect online contact information from a child under 13 without prior parental consent or direct parental notification of the nature and intended use of this information, including an option for the parent to prevent the use of the information and participation in the activity; (2) to assure that information collected will only be used to directly respond to the child's request and will not be used to recontact the child for other purposes without prior parental consent; (3) not to collect individually identifiable offline contact information from children under 13 without prior parental consent; (4) not to distribute to third parties any personally identifiable information collected from a child under 13 without prior parental consent; (5) not to give children under 13 the ability to post or otherwise distribute individually identifiable contact information without prior parental consent – sites directed to children under 13 must take best efforts to prohibit a child from posting contact information; and (6) not to entice a child under 13 by the prospect of a special game, prize or other activity, to divulge more information than is needed to participate in that activity.

Proposal

The Administration already has endorsed the FTC's call for legislation with respect to protection of children's privacy in the online environment. The Administration should specify that this legislation should set forth the fair information practices applicable to the collection of information from children and grant the FTC authority to promulgate rules to implement these standards. The grant of authority to the FTC could include a safe harbor provision -- data collectors that belong to a self-regulatory organization that contains standards for collection of data from children acceptable to the FTC would be presumed to be in compliance with the statutory requirement and would not be subject to direct enforcement action by the FTC.

GOVERNMENT INFORMATION

Public records are a rich store of personal information. Federal, state and local governments require individuals to provide various types of information and are usually required to make such records available for public inspection. Public records include, but are not limited to real property records, marriage and divorce records, birth and death certificates, driving records, driver's licences, vehicle titles and registrations, civil and criminal court records, parole records, postal service change-of-address records, voter registration records, bankruptcy and lien records, incorporation records, worker's compensation claims, political contributions records, firearm permits, occupational and recreational licenses, filings pursuant to the Uniform Commercial Code and filings with the Securities and Exchange Commission.

These public records contain extensive and detailed information (e.g., race, gender, Social Security numbers, addresses, dates of birth, marriage, and divorce.) Social Security numbers, for example, are available from the records kept by dozens of government entities, such as motor vehicle bureaus -- many driver's license records make the individual's SSN, as well as their name, address, height, weight, eye color, gender, and date of birth available in one place. Dates of birth may be available from birth certificate and voter registration records, and land records typically include dates of sales, prices, size of mortgage amounts, and the property address and description, as well as the seller's and purchaser's names.

The U.S. Privacy Act, 5 U.S.C. Section 552a (1988) protects individuals from non-consensual government disclosure of confidential information. The Memorandum for Heads of Executive Departments and Agencies, signed by the President on May 14, 1998, directs agency heads to take specific action to assure that use of new information technologies sustain privacy protections provided by applicable statutes and that the information is handled in full compliance with the Privacy Act.

While the U.S. Privacy Act restricts the disclosure of personal information collected and maintained by the Federal government, many States do not have analogous privacy laws. Not only is the protection of information collected and maintained by State governments governed by an uneven patchwork of laws, but State freedom of information and public record laws, enacted before powerful information technology made collection and dissemination of information easy and efficient, allow many States to sell personal information. State records are the source of much of the personal information that, when disseminated, generates the greatest concern about privacy protection.

Issues around the collection, sharing and sale of personal information gathered by States are complicated by requirements under Federal law that States collect and provide certain information to the Federal government. These laws include transfer of information for tax purposes, to locate parents delinquent in their child support payments, and to determine food stamp and welfare eligibility.

Any effort to restrict State collection and sharing of personal information will raise significant federalism questions. For example, two states have successfully challenged the Drivers Privacy Protection Act on federalism grounds.

The Administration has already begun to address the issue of sharing of data by Federal agencies with State, local, and tribal governments in the President's Memorandum to Heads of Executive Departments and Agencies, signed on May 14, 1998.

Proposal

The Administration should create a Federal-State Task Force to initiate a "privacy dialogue" to analyze the privacy of personal information collected by governments. The dialogue could include a study of the State laws that require the collection of personal information and the Federal laws that require States to collect personal information and consider the desirability of:

1. State enactment of laws similar to the Privacy Act.
2. Extension of the Privacy Act protections to Social Security numbers collected by State governments.
3. Re-evaluation of the meaning of "public records" in light of new technology.
4. A requirement that States redact Social Security numbers and other personally identifiable information from documents before they are placed in the public domain.
5. An Executive Memorandum to State attorneys general reiterating obligations imposed by §7 of the Privacy Act with regard to the protections afforded the collection of Social Security numbers and the requisite notice requirements.

MEDICAL RECORDS/HEALTH INFORMATION

The confidentiality of health information is a matter of widespread national concern, and the protection of this information has been a priority of the Administration. On September 11, 1997, Secretary of Health and Human Services Donna Shalala recommended that Congress enact Federal legislation to protect the confidentiality of health information by imposing duties on those who hold such information and by providing rights to the subjects of the information. She proposed that the Federal law provide a floor of protection, and that States be permitted to, in addition, provide stronger protections.

Under the recommended legislation, health care providers, those who pay for health care, and those who get information from those entities would have to permit patients to see their own records, to keep records of disclosures and let patients know who has seen their records, and to permit patients to file proposals for correction of erroneous records. All entities collecting or maintaining information would have to advise patients clearly of their confidentiality practices and of the patients' rights.

Disclosures would be limited to those authorized by the patient, or those specifically permitted in the legislation, including disclosures for important public purposes, such as treatment and payment, research, public health, oversight of the health care system, and use in law enforcement or other legal proceedings if permitted by other law. There would be strict limitations on further disclosure in many of these instances. Within an organization, information could be used only for purposes reasonably related to the purposes for which it was gathered, and all disclosures would have to be limited to the minimum necessary to accomplish the purpose of the disclosure.

Entities receiving information pursuant to patient authorization would have to give patients a statement of their intended use of the information, and would be civilly liable for uses in violation of that statement.

There would be civil and criminal sanctions for violations, such as improper disclosure and obtaining information under false pretenses.

Congress is now considering the recommendations.

Legislative Proposal

HHS will provide additional proposals for Executive action in the area of medical records/health information.

FINANCIAL INFORMATION

The recent increase in cross-industry corporate mergers raise important privacy concerns with regard to the treatment of consumer information shared by affiliated companies. Such mergers may allow detailed and sometimes sensitive information about consumers, including medical and financial data, to be shared among newly related companies with relatively few restrictions. In the case of the recent merger of Citicorp and Travelers, for example, consumers might not anticipate that providing information for insurance underwriting purposes to one entity might later be used by the financial institution that is or becomes an affiliate.

Each of the nations' largest 25 banks has a securities affiliate, and banks of all sizes sell insurance. Affiliate information sharing already includes not only sharing of information for

marketing purposes (e.g., a credit card bank soliciting an affiliate broker-dealer's best customers for a new platinum card) but also for security purposes (e.g., tracking a credit card holder's spending patterns in order to detect immediately any unusual activity that might indicate fraud or theft) and increasingly for risk-management purposes (e.g., a customer's record of payment on a credit card apparently is quite useful in determining whether that customer is a good risk for auto insurance). Such practices can be expected to continue, as the lines between various types of financial services firms continue to blur and the firms continue to merge.

The Fair Credit Reporting Act (FCRA) governs activities of agencies that furnish consumer information to consumer reporting agencies and credit or "consumer" reports to third parties. The FCRA defines a consumer reporting agency as a person or entity that regularly assembles or evaluates consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties to be used as a factor in establishing the consumer's eligibility for credit, insurance, employment purposes, etc.

Companies that share consumer information with their affiliates are not subject generally to the controls of the FCRA. This exemption was created in the 1996 Amendments to the FCRA. The FTC raised concerns about exempting consumer information shared by affiliates from the protections of the FCRA. The banking industry was strongly opposed to extending the FCRA protections to consumer information shared by affiliates. In the end, affiliate sharing was permitted, but customers were granted an explicit right to opt out of affiliate information sharing of personal information other than "experience" or "transactional" information (which may be shared not only with affiliates but also third parties). For example, a customer can prevent personal information contained in an account application from being shared.

The 1996 Amendments to the FCRA also contains an odd provision prohibiting the banking agencies from examining for compliance with the Act; rather, they must await a complaint or other indication of trouble. The banking regulatory agencies also are prevented from issuing regulations under the Act, but the Federal Reserve may promulgate "interpretative" opinions in consultation with the other agencies. These provisions were included in 1996 because of banking industry concerns about regulatory burden, as part of the compromise that moved the bill forward. Banks see the prohibition on compliance examinations as putting them on the same footing as everyone else covered by the FCRA.

The OCC, which regulates national banks, has announced its intention to review the disclosure practices of national banks under the FCRA to ensure that the opt-out option is made evident to consumers. The Federal Reserve expects to issue an interpretation of the 1996 Amendments some time this summer that would clarify for all banks what information may be shared with affiliates and how specific and prominent each opt-out notice must be. Treasury has met with the Fed, FDIC and OTS to encourage joint action in this area, and they appeared receptive.

Proposals

a. The Administration could publicly prod action by national banks to make the opt-out options and notices evident to consumers.

b. The Administration could seek legislation repealing the exemption in the FCRA for affiliate data sharing by financial services firms, or scaling it back -- e.g., permitting information sharing for marketing purposes but not other purposes. (Sharing of the most sensitive type of information -- medical information -- is already addressed above.) For example, businesses could share consumer information among affiliates in connection with a credit card marketing campaign, but consumer information provided for insurance underwriting purposes to one entity could not be used by another entity to deny a person a loan without implicating the protections of the FCRA. This proposal may appease the banking industry, which uses the information mainly for marketing purposes, while still protecting the consumers. The FTC probably would support such action.

Note: Action in this area must be taken cautiously. The 1996 Amendments were the product of an intense, multi-year debate. Revisiting the affiliate sharing issue would most likely be strongly opposed by the banking industry and may be a sensitive issue on the Hill.

c. Authorize the appropriate agency to write enforceable rules in this area. Alternatively, give this authority to each of the appropriate agencies to be exercised jointly.

Study Proposals

a. As more databases are available directly to companies, and companies themselves share information directly, there is some concern that the FCRA may become outdated and obsolete. Companies, for example, will no longer purchase credit reports from a central bureau, but rather will obtain information directly from the individual sources and create their own internal credit reports. In the absence of traditional credit reporting agencies, the protections of the FCRA would evaporate. The Administration could undertake a study to determine whether the FCRA contains the protections needed in the electronic age.

b. The Administration could review whether the regulatory review process for mergers should include a consumer protection analysis. For example, in addition to Justice Department review of a proposed commercial merger, the regulating agency could review the proposed merger to determine whether the merger negatively affects consumers' privacy.

PROFILING

Commercial “profilers” build dossiers about individuals by aggregating information from a variety of database sources, including public and non-public records. Individual reference services, sometimes called look-up services, represent a sub-set of the profiling industry. These services provide information that assists users in identifying individuals, locating individuals, and verifying identities.

Although profiling plainly has legitimate purposes, the public also has legitimate concerns about the compilation of -- and access to -- dossiers that may contain a great deal of personal information about a given individual.

Best Practices Model – Individual Reference Services Group

On December 17, 1997, a group of 14 Individual Reference Services (the Individual Reference Services Group, IRSG) entered into an agreement on privacy practices which was submitted to the Federal Trade Commission. The IRSG program is based on compliance with certain principles, including notice, disclosure, choice, security, and public education. IRSG members agreed to acquire personal information only from reputable sources, to exclude marketing information as a source, to take reasonable steps to assure that data collected is accurate, complete and timely for the purpose for which it will be used, to correct non-public records when appropriate, and to limit distribution of non-public information to subscribers with appropriate intended uses.

The IRSG committed to implement a rigorous enforcement compliance method. The enforcement program has two prongs. First, signatories’ practices are subject to review by a “reasonably qualified independent professional service.” On the basis of established criteria, that entity determines whether a signatory is in compliance with IRSG principles. The results of the annual review are made public. Second, signatories who are information suppliers may not sell information to look-up services that do not comply with the IRSG principles.

The IRSG members agreed to provide individuals with access to information contained in services and products that specifically identify them, unless the information comes from a public record, in which case the companies will provide the individuals with guidance on how they can obtain the information from the original source. The FTC strongly disagreed with the limitation on the access provisions of the IRSG practices, and the Commission and IRSG agreed to allow 18 months before revisiting the access issue. On the basis of the IRSG program and the commitment to review access issues, the FTC advised the Congress that legislation on individual reference services was premature.

Proposal

The IRSG agreement is a good start, but it only covers one category of business involving the compilation of personal information -- traditional "look up" services like those offered by Lexis-Nexis. Other types of entities purchase information from one or more sources to create profiles. For example, some companies are in the business of compiling profiles and reselling them to industry users. Private investigation firms sell identifying and background information collected from public records, interviews, and other investigatory sources. Public records resellers sell public record information like driving and criminal records. List brokers like Metromail gather information in the aggregate from marketing transactions and rent the information typically used for marketing purposes.

The Administration should announce an effort, in conjunction with the FTC, to encourage these other types of entities to adopt self-regulatory principles analogous to those adopted by the IRSG and tailored to their line of business. (Private sector entities that create profiles based on information they collect themselves would be covered by the online privacy self-regulatory initiative discussed above.) The Administration could point out that addressing this issue is important to give individuals the security they need to do business in both the off-line and the on-line environment and that, as with online privacy generally, if the private sector fails to address the issue, the Administration will have to consider whether more direct government intervention is appropriate.

IDENTITY THEFT

The term **Identity theft** generally refers to the fraudulent use of another person's identity to facilitate the commission of a crime, such as credit card fraud. The criminal gathers information about a person and then uses the information to adopt the identity of a victim. The Secret Services reports that this type of offense is growing rapidly, and the victims have been the focus of intense media and Congressional interest.

Under existing law, identity theft offenses are clearly punishable to the extent that they include identification documents (i.e., forged or stolen documents) and an intent to defraud the United States. In other cases, however, there may be gaps in federal or state law that would permit or provide only minimal punishment for the practice.

Thus, it would be helpful to change the law to recognize the potential harm that could be done by offenders who commit identity theft with means of identification, and to address other problems that have emerged as a result of a dramatic increase in cases of identity theft. At the same time, legislation to criminalize identity theft must be carefully crafted to avoid problems that could arise from the federalization of a large new class of crimes.

Last week, Senator Kyl marked up his bill, S. 512, the Identity Theft and Assumption Deterrence Act of 1997. After raising initial concerns about the breadth of the bill, the Departments of Treasury and Justice worked with Kyl to produce a more narrowly focused bill.

Legislative Proposal

a. Assuming that the Kyl bill meets remaining Administration concerns, the Administration could endorse the Kyl bill, and work publicly with Senator Kyl and the banking industry (which strongly supports the bill) to see it enacted.

b. Merchants require check-writers to provide proper identification, which often includes a driver's license or other identification card with a social security number. Usually a merchant will record the identifying number onto the check to provide proof of the verification activity. This simple action can create a ream of problems. As a result of this activity, a person's check, which contains a person's name, address, and bank account number, now also contains the individual's social security number. By linking these pieces of personal information together on a single check a merchant has made this customer an even better target for identity theft.

The Administration could seek legislation that makes it illegal to record social security numbers on a check that is being approved for a purchase. This would mirror a law that was passed several years ago that prohibited the recording of a credit card number onto a check when the credit card was used as a piece of identification. Such legislation would neither make it illegal for a merchant to ask for the identification, nor indicate that such a check occurred. The law would merely prohibit writing the actual social security number on the check. Note, however, that modern "telecheck" technology permits merchants to ensure that a personal check is good without a Social Security number.

THEFT OF PERSONAL INFORMATION

Recent media reports and Chairman Leach have highlighted a problem related to identity theft, where an offender obtains information illegally but then uses it for a *legal* purpose -- e.g., pretends to be a customer in order to trick confidential information out of a bank, and then sells that information to a private investigator, perhaps in a divorce case involving the customer.

Option

Chairman Leach will be floating a bill this week to address this problem, and will hold hearings on July 28 in the Banking Committee. At this point, we do not know what the bill will contain, though his staff has promised to provide Treasury a copy as soon as it clears Legislative Counsel. If the bill is acceptable, the Administration could support the bill, and package the support with the Kyl "identity theft" bill.

PROTECTION OF NEW TYPES OF PERSONAL INFORMATION

The use of Social Security number by the private sector in connection with a variety of transactions allows profilers, marketers and others to combine discrete bits of information to create a portrait of an individual. These portraits have legitimate uses -- law enforcement, credit assessments, debt collection, etc. -- and we therefore must tread cautiously to avoid upsetting an information structure that is fairly well established. The FTC recently indicated to Congress that the use of a unique identifier like Social Security numbers may contribute significantly to the accuracy of these portraits. In addition, the FTC indicated that "the cat may be out of the bag" with respect to private sector use of social security numbers.

Section 7 of the Privacy Act makes it unlawful for any Federal, State or local government agency to deny to any individual any right, benefit, or privilege provided by law because of such individual's refusal to disclose his social security account number. The Act provides an exception that permits Federal, State or local governments to request disclosure of an individual's social security number. In such cases, the Act requires notice of whether the disclosure is mandatory or voluntary, by what statutory or other authority such number is solicited, and what uses will be made of it.

It seems unlikely that anything can be done with respect to limiting the use of social security numbers by the private sector -- they have become ubiquitous and any limitation could have significant economic implication. On the other hand, as technology provides new means of identification, such as biometrics, it is important to consider how to give individuals more control over these new categories of identifying information.

Proposal

The Administration could undertake a study (with or without public announcement) to determine whether any steps are necessary to allow individuals to exercise more control over the information that is relevant to new identification technologies.

PUBLIC EDUCATION

The U.S. approach to privacy focuses on choice -- individuals should have the choice to protect or disclose most personal information. Many Americans are unaware of how their personal information is used, and they do not understand how to protect themselves or exercise their ability to choose. Likewise, many businesses are unaware of consumer concerns about privacy and have not thought through their information handling practices in light of this concern.

Proposal

The Administration could identify private sector partners to develop an advertising campaign to inform individuals about how to exercise choice with respect to the collection and dissemination of their personally identifiable information. Such a campaign could include all advertising mediums – radio, television, print, and electronic.