

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 081 - FOLDER -004

[08/02/1998 - 08/04/1998]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 2-AUG-1998 00:22:56.00

SUBJECT: DC charter schools

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

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

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

TEXT:

I think it would be extremely helpful to have a meeting on the DC charter school issue sometime before too late tomorrow afternoon. Elena, if you agree, could Laura set the mtg up?

I have heard no word yet from OMB whether Jack Lew has reached Alice Rivlin, and I am not completely certain how much urgency he or OMB may feel about making this call. Meanwhile, the Senate bill could still come up later this week, and the House full committee will mark up the appropriations bill on Thursday. We probably will need to agree on SAP language on these tomorrow afternoon, and agree on a strategy for dealing with the Senate. -- Jon

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 3-AUG-1998 10:11:23.00

SUBJECT: Draft shays-meehan letter -- short & to the point

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Lisa M. Brown (CN=Lisa M. Brown/O=OVP @ OVP [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

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

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

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

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

TEXT:

Dear [x]:

Today, the House of Representatives can make a bipartisan breakthrough in the effort to strengthen our democracy. The campaign finance reform legislation introduced by Representatives Christopher Shays and Martin Meehan is tough, fair, and would make a genuine difference in the way we pay for elections.

Passage of this legislation would end the soft money system, strengthen disclosure, and curb backdoor campaign spending. Just as important, it would show the American people that it is possible to make bipartisan progress on this most difficult of political reform issues. It would help make sure that our political system upholds the national interest, not narrow interests.

For years, the Congress has delayed, debated, and ultimately denied efforts to reform our campaign finance laws. A partisan minority continues to resist change. But today, the members of the House have a chance to change that pattern. I strongly urge you to vote for the bipartisan Shays-Meehan campaign finance reform legislation.

INS Reform
August 3, 1998

Background

The Administration has developed a plan to make federal immigration activities more effective by separating enforcement and service operations *within* INS -- from headquarters to the field -- while preserving the necessary integrating functions **for supporting and coordinating both operations**. Congressman Reyes developed an alternative proposal that was introduced by Rep. Rogers last week. This bill would create an agency within the DOJ that would handle all immigration enforcement; however, the Rogers bill does not address either reforms to the services operation or overall immigration policy coordination. Our legislation was recently transmitted to the Hill and was introduced by Senator Kennedy and Representatives Watt and Berman on Thursday, July 30th.

We -- along with the House Democratic leadership (including Rep. Becerras) -- have been trying to persuade Rep. Reyes to work with the Administration on a proposal that meets all of our goals.

Talking Points

- The focus of the Administration's reform effort is to untangle the INS's overlapping and frequently confusing organizational structure and replace it with two clear organizational chains of command -- one to provide immigration-related services and the other to accomplish its enforcement mission. This separation will result in an INS organization with better accountability and improved efficiency that allows each operation to focus on the unique management, knowledge, skills, and abilities of its function. The most dramatic feature of our reform plan is the elimination of the district system and the creation of local offices that are focused either on services or enforcement.
- We believe that the Commission on Immigration Reform (CIR) recommendation to disband the INS and reallocate its primary responsibilities to the Department of Justice (DOJ) and the Departments of State and Labor would only compound the current problems with the nation's immigration system. **To be most effective, all immigration policy and management should remain within one agency at the Justice Department.**
- The Administration did consider Congressman Reyes's proposal to pull enforcement operations out of INS into Main Justice. Consistent with Congressman Reyes's recommendation, our plan consolidates all enforcement operations to create a single point of responsibility and accountability. However, because of the variety of ways in which service officials depend on data collected by enforcement officers, and vice versa, to ensure the integrity and effectiveness of both functions -- as when, for example, a service officer discovers that a person has overstayed their visa and become an illegal alien -- we decided that both operations would work best when housed within a single entity.

**Section 377 -- Late Amnesty
August 3, 1998**

Background

The Immigration Control and Reform Act of 1986 (IRCA) legalized the immigration status of certain aliens who had been unlawfully present in the United States since before January 1982. IRCA provided for a one-year application period for this benefit, ending in May 1988. The INS's implementation of the legalization program was challenged on the ground that the INS dissuaded some individuals from applying within the requisite time period. Despite a 1993 Supreme Court decision severely limiting the class of those potentially harmed by INS's action, much class action litigation continued.

Section 377 of the 1996 Immigration Act brought this litigation to an end by removing federal court jurisdiction from cases where the claimant didn't actually file a legalization application within the specified period, or couldn't show that they attempted to file during the time period (by presenting a completed application and application fee) and were turned away. This provision was supported by the Administration because the Department of Justice believes that if an individual either did not file during the window period or cannot demonstrate that they attempted to file but were deterred, they are not entitled to relief under IRCA.

Many immigration advocates are concerned that hundreds of thousands of individuals who have resided legally in this country for years will become deportable in the near future as a result of this provision. Many of these individuals claim to have been in the United States since before January 1, 1982, and few would be able to secure any other form of relief from deportation (the standard for "cancellation of removal" under the 1996 Immigration Act is much stricter than the equivalent "suspension of deportation" standard that existed prior).

Talking Point

- The Justice Department supported the enactment of Section 377 in an effort to bring an end to lengthy litigation covering individuals without bona fide claims to legalization. However, I have asked my staff to look into this further and welcome your thoughts on this matter.

“Parity” for Salvadorans and Guatemalans
August 3, 1998

Background

The Nicaraguan Adjustment and Central American Relief Act (NACARA), enacted during the last session of Congress, authorized the more lenient (pre-1996 Act) rules for suspension of deportation to apply to pending cases of Guatemalans and Salvadorans, but provided amnesty (automatic “green cards”) for Nicaraguans and Cubans. The Hispanic Caucus and many Central American advocates have urged the Administration to implement NACARA in a way that would achieve “parity” between all Central American groups affected by the legislation. In addition, since last fall, Congressmen Gutierrez and Becerra have advocated strongly for amnesty for Salvadorans and Guatemalans (equivalent to that received by the Nicaraguans and Cubans). Also, Congressman Gutierrez has introduced a bill that would give amnesty to Salvadorans, Guatemalans, Haitians and Hondurans. We have consistently taken the position that Hondurans are not similarly situated to the Central American groups covered by NACARA, and thus have opposed special relief for this group.

Talking Points

- I share your concern about the disparities in treatment in NACARA. As I indicated in my signing statement, we are seeking to minimize these disparities in the implementation process.
- In this regard, the Attorney General has authorized a new administrative procedure for adjudicating the cases of Salvadorans, Guatemalans, and Eastern Europeans covered by NACARA. This procedure will empower INS asylum officers to decide the suspension claims of these individuals (in addition to the review currently available by immigration judges). This modified procedure will be less adversarial than immigration court and will thus lessen the need for representation by an attorney, thus reducing the cost.
- Also, the INS will issue a regulation that codifies existing case law on adjudication of the “extreme hardship” standard to ensure that there is fair and consistent interpretation of the case law as it applies to this class of applicants.
- We expect that these changes will result in a generous approval rate.
- I am generally supportive of efforts to achieve parity among similarly situated groups -- however, I would have to review any proposed legislation before deciding whether to support it.

INS Naturalization -- Backlog Reduction Strategy
August 3, 1998

Background

Many immigration advocates have expressed serious concerns over the naturalization backlog and INS' proposed immigration service fee increases -- primarily for naturalization. The dramatic increase in naturalization applications (from 540,000 in FY 1994 to almost 1.6 million in FY 1997), along with a greater focus on the integrity rather than the speed of the naturalization process, has resulted in an increase in the number of pending applications. As of the end of May 1998, nearly 1.9 million applications were pending. Currently, most applicants are experiencing a wait of 18-24 months.

Talking Points

- **I agree that the growing backlog is unacceptable. My Administration is committed to both management reforms and providing the resources necessary to reduce waiting times. In the past year, the INS has implemented several reforms to the naturalization process that are designed to expedite processing, while maintaining integrity. We recognize, however, that INS's efforts to date represent just the first steps in a long road -- enormous challenges lie ahead, and we are committed to meeting those challenges expeditiously.**
- **As you may be aware, my 1999 budget proposed reducing the average waiting time for applications to 10 to 12 months by the end of 1999 and 6 to 8 months by the end of 2000. It was based on INS' projections showing an average of 1.6 million new applications in FY 1999. The INS now estimates that it will receive 46% fewer applications than prior estimates. Fewer applications are a double-edged sword: while INS staff must process fewer new applications, INS also loses fee revenues.**
- **In light of the new INS projections, we have developed a new plan to meet the backlog reduction targets outlined in the Budget. The plan provides a package of management reforms, process improvements, and additional resources that together will reduce the backlog and improve customer service.**
- **Under the new plan, INS will:**
 - a. **implement management improvements by establishing a new Deputy Executive Associate Commissioner for Immigration Services who will focus exclusively on benefits service delivery with a mandate to reduce the naturalization backlog, continue reengineering of adjudications processes, and improve customer service.**
 - b. **establish backlog reduction teams comprised of adjudicators dedicated to naturalization application processing. The teams will be concentrated in the five cities that represent 65% of the backlog -- Los Angeles, San Francisco, New York, Miami, and Chicago.**

- c. **implement reengineering improvements (recommended by Price Waterhouse Coopers) including implementing a comprehensive national phone center, consolidating medical waiver and complete file review at service centers, and implementing the *Guide to Naturalization* ensuring standard procedures across the agency.**
- d. **receive an additional \$148 million in FY 1999 dedicated to reduce the backlog;**
- e. **implement the immigration services fee increases, including a fee waiver policy, in October, 1998, to better reflect the true cost of naturalization.**

State & local law enforcement performing immigration functions

Background

The 1996 Immigration Act permits the Attorney General to delegate certain immigration functions to state or local law enforcement officers. The immigrant advocacy community is very concerned about this level of cooperation between the INS and local law enforcement. They fear that this delegation will lead to violations of civil and constitutional rights on the part of insufficiently trained and perhaps wrongly motivated local police. Advocates are also concerned that this delegation will make immigrants fearful of cooperation with local police departments on other law enforcement matters.

Last year, the Attorney General agreed to conduct a one-year pilot project to implement this provision in Salt Lake City, Utah. After negotiations among the Department of Justice (including INS, the Civil Rights Division and the Community Relations Service) and the local police department, local police and community representatives, an MOU was prepared and is ready to be executed by the INS and the local mayor, pending city council approval. A companion MOU between INS and Salt Lake County is being negotiated, and is tentatively scheduled for signature on the same day.

The Salt Lake City MOU allows a small group of selected, trained, and supervised police officers to conduct immigration-related questioning and arrests after a lawful arrest has been made on state criminal grounds or repeat municipal offenses. After the pilot is completed and evaluated, the INS will propose a plan for full implementation of this provision and publish this plan in the Federal Register for comment.

Talking points

- The Department of Justice is taking careful steps to implement this provision of the 1996 Act.
- As in other areas, we want to promote the use of tools that assist local law enforcement in doing their jobs effectively, while maintaining vigilance in protecting people's civil rights.
- The Attorney General will initiate a pilot project to implement this provision in Salt Lake City. The development of this pilot was done in conjunction with the local police department, community advocates and civil rights groups. We hope that the pilot will assist us in identifying how best to implement this provision, consistent with protecting the civil rights of those affected.
- I welcome your input throughout this process.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 3-AUG-1998 19:23:16.00

SUBJECT: POTUS memo for Native American conference

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

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

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

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

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

TEXT:

Here is a draft memo for the President on the Native American conference.
Could you please review it so we can get this memo to him by Tuesday?
Jeanne and Chris will are still working on the CHIP announcement. Thanks,
Mary===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D78]MAIL41155191D.226 to ASCII,
The following is a HEX DUMP:

FF575043D50D0000010A02010000000205000000BF5E0000000200002CD08373A988FEC651143F
55C77B497C724CD41ADE597F8EE08381FFC74696E450D1A240B792F8D7325C4B32C81291622FD1
9F01D80AADEE24BCF21E1480E9F73530C86113C67E5D9B204C990BAF0642EB6F81A292623D57D3

August 4, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
MICKEY IBARRA
ELENA KAGAN
LYNN CUTLER

SUBJECT: NATIVE AMERICAN ECONOMIC DEVELOPMENT CONFERENCE

On Thursday, April 6, you will attend a conference at the Grand Hyatt Hotel in Washington, D.C., sponsored by the White House (Domestic Policy Council and Office of Intergovernmental Affairs) and 15 federal agencies, entitled "Building Economic Self-Determination in Indian Communities." This memorandum provides some background on the conference as well as some statistics about American Indians and Alaska Natives. At the conference, you will make several policy announcements in the areas of education, economic development, and health care for Native Americans. This event is the first time you have spoken in front of Native Americans since your meeting with tribal leaders in 1994. During this conference, you will reaffirm your commitment to protecting tribal sovereignty and reaffirm the government-to-government relationship between the United States and tribes. Finally, you will promote and encourage economic self-determination in Indian country.

Purpose and Structure of the Conference

This conference grew out of your meeting with tribal leaders on April 29, 1994, and the establishment of the Domestic Policy Council's (DPC) Working Group on American Indians and Alaska Natives. In addition, as a result of the government-wide survey of activities in relation to Indian country and your suggestion that initiatives be developed around economic development, the DPC's subgroup on economic development started planning this conference several months ago.

This conference will take place on August 5-6 at the Grand Hyatt Hotel in Washington, D.C. The event is sponsored by the White House (Office of Intergovernmental Affairs and the Domestic Policy Council), the Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Housing and Urban Development, Interior, Justice, Labor, State, Transportation, the Treasury, and the Comptroller of the Currency and the Small Business Administration. Secretary Babbitt, Secretary Daley, Secretary Glickman, Secretary Herman, Attorney General Reno, and Administrator Alvarez will speak at the conference.

The conference will have approximately 800 participants including tribal leaders

and members, businesses, and federal agency personnel. This conference will cover topics such as commerce in Indian country; building infrastructure and positive climate for business; tribal self-government and economic self-determination; agriculture and economic development; rural business; community development in Indian country; electronic commerce; welfare to work initiatives; and tourism.

Background on American Indians and Alaska Natives

Indian America is made up of more than 550 tribes, with a total population of approximately 2.4 million. Approximately forty percent of all American Indians and Alaska Natives are under the age of twenty. About twenty percent of the total American Indian and Alaska Native population resides on 314 reservations, Indian lands, and in Alaska Villages that make up Indian country. American Indians and Alaska Natives have a land base of approximately 3,615,210 square miles. It is made up of American Indian and Alaska Native trust lands totaling approximately 56,000,000 acres and Alaska Native lands totaling approximately 44,000,000 acres.

While economic conditions in Indian country have improved in recent years, American Indian and Alaska Native communities continue to lag behind the rest of the United States with respect to social, economic, and educational attainment levels. Income levels of American Indians and Alaska Natives are substantially below those of all other Americans, and about 34 percent continue to live below the poverty level. In comparison, the national poverty level is about 14 percent. Complicating factors such as geographical isolation, under developed infrastructures, and demographics, add to the challenges confronting tribes as they work toward a better standard of living and quality of life for tribal peoples.

Statistics Relating to American Indians and Alaska Natives

- There are 2.4 million American Indians and Alaska Natives in the United States according to the March 1997 Current Population Survey. Almost nine hundred thousand (899,783) American Indians and Alaska Natives live in rural America.
- Thirty-four percent of rural American Indians and Alaska Natives live in poverty compared with 14 percent of other Americans.
- American Indians and Alaska Natives make up a majority of the population in 22 counties. In these counties, over half of the American Indians and Alaska Natives (51 percent) lived in poverty at the time of the last census. Income growth in these majority American Indian and Alaska Native counties has been below the national average (6.4 percent from 1989-1996 compared with the national average of 7.7 percent).
- In 1996, per-capita income in the American Indian and Alaska Native majority counties stood at \$12,493, barely half the national average of \$24,436. The unemployment rate last year in these counties was 12.5 percent compared with the national unemployment

rate of 4.9 percent.

Note: County-based per-capita income statistics are based on the Bureau of Economic Analysis Regional Economic Information System 1996 Income file. Income change from 1989 to 1996 was adjusted for inflation using the Personal Consumption Expenditure implicit deflator. (Economic Research Service, July 1998).

Government-to-Government Relationship and Tribal Sovereignty

The relationship between the tribes and the United States is one of a government to a government. This principle has shaped the entire history of dealings between the federal government and the tribes, and is lodged in the Constitution of the United States. Most recently, you reaffirmed this government-to-government relationship in your May 14, 1998 Executive Order, "Consultation and Coordination with Indian Tribal Governments." This executive order requires each agency to consult with representatives of tribal governments on matters that significantly or uniquely affect Native American communities.

Executive Actions Relating to Native Americans

Below are the major executive actions you have undertaken with respect to Native Americans:

- **Government-to-Government Relations with Native American Tribal Governments**, Memorandum for the Heads of Executive Departments and Agencies (April 29, 1994). This memorandum directs agencies to consult, to the greatest extent practicable and to the extent permitted by law, with tribal governments prior to taking actions that affect federally recognized tribal governments. In addition, this memorandum requires agencies to assess the impact of federal government plans and activities on tribal trust resources and assure that tribal government rights and concerns are considered.
- **Indian Sacred Sites**, Executive Order No. 13007 (May 24, 1996). This executive order requires federal agencies to accommodate access to and ceremonial use of Indian sacred sites by Indian religious practitioners and to avoid adversely affecting the physical integrity of such sacred sites.
- **Tribal Colleges and Universities**, Executive Order No. 3021 (October 19, 1996). This executive order aims to ensure that tribal colleges and universities are more fully recognized as accredited institutions, have access to the opportunities afforded other institutions, and have Federal resources committed to them on a continuing basis.
- **Consultation and Coordination with Indian Tribal Governments**, Executive Order No. 13084 (May 14, 1998). This executive order strengthens and makes effective across Administrations the 1994 Government-to-Government memorandum. **This executive**

order serves to establish regular and meaningful consultation and collaboration with Indian tribal governments in the development of regulatory practices on Federal matters that significantly or uniquely affect their communities, to reduce the imposition of unfunded mandates upon Indian tribal governments; and to streamline the application process for and increase the availability of waivers to Indian tribal governments.

Your Participation at the Conference

You will make remarks in the afternoon of August 6, which is the second day of the conference. You will speak to approximately 800 tribal leaders and representatives, business leaders, and federal agency personnel. The following person will introduce you:

- Dominic Ortiz, student, 21 years old, University of Kansas, Lawrence, Kansas. As a member of the Prairie Band Potawatomi Nation, Mr. Ortiz attended Haskell Indian Nations University, one of the tribal colleges. Currently, he attends the University of Kansas. While at Haskell, Mr. Ortiz founded and served as president of the Haskell chapter of the American Indian Business Leaders (AIBL). Through the guidance and mentoring he received from AIBL, Mr. Ortiz started his own business, Potawatomi Traders, which sells Native American jewelry at the wholesale level. Potawatomi Traders helps to sustain 200 Native American artists whose jewelry is sold at 15 retail sites in 4 states. Mr. Ortiz uses profits from his business to fund his education.

Following your remarks, you will sign at the conference a Native American education executive order, which is described below.

Policy Announcement to be Made at the Conference

We recommend that you make the following policy announcements at the conference, which focus on economic development, education, and health care. As obtaining an education and receiving quality health care are building blocks of economic self-determination, announcements in these areas will complement your economic development announcements.

Education

- Native American Education Executive Order. **This executive order is designed to improve the academic performance of American Indian and Alaska Native students in grades K-12. The order focuses special attention on the following five goals: (1) improving student achievement in reading and mathematics; (2) increasing high school completion and post-secondary attendance rates; (3) reducing the influence of long-standing factors that impede educational performance, such as poverty and substance abuse; (4) creating strong, safe, and drug-free school environments conducive to learning; and (5) expanding the use of science and educational technology. This order is structured to address Indian educational needs through**

participation at the federal, state, and local levels. At the federal level, the order establishes an Interagency Task Force which will plan budget initiatives, develop an education resource guide, and assist in implementing a comprehensive research agenda on Indian education. At the regional level, the order mandates a series of regional forums to be convened to identify promising practices. Finally, at the local level, this executive order sets up pilot sites which will receive comprehensive technical assistance in support of the goals of the order.

Economic Development

- Executive Directive to Study Technology Infrastructure Needs in Indian Country and to Prepare a Strategic Plan to Coordinate Native American Economic Development. This memorandum will direct the Departments of Commerce and Interior, in cooperation with other agencies, to issue a report within 180 days on the technology infrastructure needs within Indian country, including distance learning facilities, telecommunications, and manufacturing facilities. In addition, this memorandum will direct the Department of Commerce, Department of Interior, and the Small Business Administration to develop, within 90 days, a strategic plan that will coordinate efficiently economic development programs across agencies for Native American and Alaska Native communities. The plan will build upon current efforts as well as look toward future efforts in collaborating on such matters as establishing programs, enhancing infrastructure, and developing software.
- One-Stop Mortgage Shopping Centers in Indian Country. The Department of the Treasury, along with HUD and Interior, will develop a pilot one-stop mortgage shopping center on the Navajo Nation. This one-stop center is needed because residents of Indian reservations encounter several unique issues when seeking to obtain a mortgage. Trust land status, tribal sovereignty, and requirements to gain clear title from the Bureau of Indian Affairs are examples of issues that lenders and borrowers must grapple with during the mortgage lending process. In addition, individuals seeking to acquire a homesite lease and a residential mortgage are required to obtain approval from several federal, tribal, state, and local agencies as well as private providers. This one-stop mortgage center would permit individuals seeking to acquire a homesite lease and residential mortgage to visit only one location that would coordinate with the required agencies and private providers. The basis for creating such an entity on the Navajo reservation already exists through an organization called the Navajo Partnership for Housing, which was created by the Neighborhood Reinvestment Corporation.
- Providing \$70 Million to Create Technology-Based Jobs in Indian Country. The U.S. Department of Agriculture (USDA), through its Bringing Rural America Venture Opportunities (BRAVO) initiative, will direct \$70 million of its contracting dollars through Fiscal Year 2000 to assist seven American Indian and Alaska Native tribes in establishing small start-up technology companies that will provide software development, maintenance, and technical support services. Through the 8(a) program, USDA, large

technology companies doing business with USDA, and the Tribal Colleges and other land-grant educational institutions will work with American Indian and Alaska Native tribes to mentor and assist them in setting up these businesses to bid on government contracts.

Health Care

- Support Elevating the Director of the Indian Health Service to an Assistant Secretary. You should call on Congress to pass legislation to elevate the Director of the Indian Health Service to an Assistant Secretary. This has been vetted through the Presidential Personnel Office and is supported by Secretary Shalala. The Administration will continue to work with Senator McCain and other members of the Congress to get this vital legislation passed. On matters of health care, the head of the Indian Health Service acts principally as the administrator of the vast Indian Health Service system, as well as an advocate on behalf of the needs of the Nation's more than 550 federally-recognized Indian tribes. Elevating the IHS Director to the position of Assistant Secretary will strengthen the government-to-government relationship; facilitate communication and consultation with the Tribes on matters of Indian health; and raise awareness of Indian health concerns throughout HHS and the entire federal government.. The current director, Dr. Michael Trujillo, would become only the second full-blooded Native American to be an Assistant Secretary.
- **Not completed yet** Enroll Native American Children in the CHIP program. Jeanne Lambrew and Chris Jennings suggested that we might be able to make an announcement that Indian children who receive health benefits from the Indian Health Service are not insured for purposes of the CHIP program, making them eligible for CHIP benefits. However, we would need to work out the funding -- money would be taken away from the states.

Attachments

- Conference Agenda
- The American Indian, Eskimo, and Aleut Population (U.S. Census Bureau)
- Key Facts About American Indian and Alaska Native Children and Youth (prepared by IHS)
- Testimony on Native American Economic Development Before the U.S. Senate Committee on Indian Affairs

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 3-AUG-1998 15:33:29.00

SUBJECT: bilingual revised

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

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

TEXT:

Bilingual Education: The English Fluency Act, introduced by Rep. Riggs, may come to the House floor this week. The bill would eliminate the existing Bilingual Education and Emergency Immigrant Education programs and replace it with a block grant requiring students to be placed in regular English-language classes after two years, and denying funds to districts for any children remaining in bilingual classes after three years. The bill would also eliminate funding for professional development programs, and would curtail the enforcement powers of the Education Department's Office of Civil Rights.

Members of the Hispanic Caucus have been concerned that you would couple opposition to the Riggs bill with a proposal of your own to reform bilingual education. They feel strongly that Congress should address the program during its scheduled reauthorization next year. Reps. Becerra, Hinojosa and Martinez were each told last week that the Administration did not intend to transmit an alternative to the Riggs bill, unless there was broad sentiment within the Democratic Caucus that one is needed. At present, there is no push from the Democratic Caucus for an alternative bill. We are preparing a SAP that will indicate strong opposition to Riggs, but will stop short of a veto threat. We do not believe we should issue a veto threat without an alternative bill to support. Further, since it is extremely unlikely that the Senate will take the bill up this session even if it passes in the House, as a practical matter a veto threat is unnecessary.

Talking Points:

I am opposed to the Riggs bill. It would arbitrarily cut off services to students who need them, retreat from our efforts to provide well-prepared teachers for bilingual education programs, and curtail efforts to protect the civil rights of LEP students.

I do not plan to transmit an alternative to the Riggs bill during this session of Congress. I believe we must strengthen our efforts to help LEP students learn English and succeed in academic subjects, and plan on sending a proposal to Congress next year, as part of the reauthorization of the Elementary and Secondary Education Act.

I have asked the Education Department and my Domestic Policy Council staff to consult with the Hispanic Caucus as we develop our proposal for reauthorization of the Bilingual Education program and other programs in the Elementary and Secondary Education Act (ESEA). I hope we can work together on this.

If you are asked if you will veto the Riggs bill, we recommend the

following response:

I do not believe that the Riggs bill will come to my desk, because it is very unlikely that the Senate will even take it up. However, I will watch this bill very closely, and if the situation changes will make my decision at the appropriate time.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 3-AUG-1998 17:00:01.00

SUBJECT: potus talking pts. -- nats

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

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

TEXT:

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D13]MAIL429257818.226 to ASCII,
The following is a HEX DUMP:

FF5750434E070000010A020100000002050000001414000000020000A92FA9CA0785A3FCC6006F

**INS Naturalization -- Backlog Reduction Strategy
August 3, 1998**

Background

Many immigration advocates have expressed serious concerns over the naturalization backlog and INS's proposed immigration service fee increases, which primarily go toward naturalization. The dramatic increase in naturalization applications (from 540,000 in FY 1994 to almost 1.6 million in FY 1997), along with a greater focus on the integrity rather than the speed of the naturalization process, has resulted in an increase in the number of pending applications. As of the end of May 1998, nearly 1.9 million applications were pending. Currently, most applicants are experiencing a wait of 18-24 months.

Talking Points

- I agree that the growing backlog is unacceptable. My Administration is committed to making management reforms and providing the resources necessary to reduce waiting times. In the past year, the INS has implemented several reforms to the naturalization process that are designed to expedite processing, while maintaining integrity. We recognize, however, that INS's efforts to date represent just the first steps in a long road -- enormous challenges lie ahead, and we are committed to meeting those challenges expeditiously.
- Over the next few months, the INS will implement a set of management and process reforms designed to increase the focus on backlog reduction in the district offices, streamline the processing of applications, and improve customer service. We are also committed to providing the INS with an additional allocation of funding specifically targeted to backlog reduction efforts.
- We continue to believe that an increase in the fee for naturalization is necessary in order effectively implement and sustain necessary management and process reforms over the long-term. However, we will postpone implementation of the fee increase until January 1999, in order to demonstrate our good faith as we move forward.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 3-AUG-1998 19:00:39.00

SUBJECT: Revised Riggs SAP

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

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

TEXT:

H.R. 3892 -- English Language Fluency Act
(Rep. Riggs (R) CA and 3 others)

The Administration strongly opposes H.R. 3892, which would significantly amend the Bilingual Education Act. While there is a serious need to strengthen programs designed to help students with limited English proficiency learn English, meet challenging standards in academic subjects and successfully move into mainstream classes, this bill would not accomplish these purposes. It is a step in the wrong direction.

H.R. 3892 would force school districts to arbitrarily cut off services to students who need them, and would deny funds to school districts if they fail to do so. It would eliminate professional development programs that focus on the preparation of teachers, and would therefore seriously exacerbate the current shortage of qualified bilingual and English-as-a-second language teachers nationwide. By replacing the current competitive grants program with a State block grant, the bill would no longer target limited Federal funds to the school districts with the greatest need and the highest quality programs. Further, the bill lacks maintenance of effort or supplanting provisions to prevent states and school districts from reducing their financial support for educating students with limited English proficiency, as a result of receiving Federal funds. Finally, the bill would curtail needed efforts by the Education Department to protect the civil rights of LEP students. It would generate costly and time-consuming law suits for local education agencies and deny them the ability to resolve Title VI compliance issues on a voluntary basis.

The President has defined (articulated?) principles to guide efforts to strengthen education programs for limited English proficient students. This bill does not reflect those principles, and will not improve education programs for LEP students. It will not help them learn English more rapidly, nor help them meet challenging standards in academic subject areas. Therefore, the Administration strongly opposes H.R. 3892.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Adrienne C. Erbach (CN=Adrienne C. Erbach/OU=OMB/O=EOP { OMB })

CREATION DATE/TIME: 3-AUG-1998 18:11:59.00

SUBJECT: INS talking points for your review

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

TEXT:

Sylvia asked me to send to you these INS talking points for your review. Janet -- she wants to know if you think these reflect the conversation with Cong. Becerra.

Thanks.===== ATTACHMENT 1 =====

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D3]MAIL41589091Q.226 to ASCII,
The following is a HEX DUMP:

FF575043E5060000010A02010000000205000000821F0000000200007D206788B6653A7DB46EA8
8899990E0184653A7D07AD7A090F592F8B158E3592393FF0459126EEF0C0DD03880B557AF15C1C

INS Naturalization -- Backlog Reduction Strategy
August 3, 1998

Background

Many immigration advocates have expressed serious concerns over the naturalization backlog and INS' proposed immigration service fee increases -- primarily for naturalization. The dramatic increase in naturalization applications (from 540,000 in FY 1994 to almost 1.6 million in FY 1997), along with a greater focus on the integrity rather than the speed of the naturalization process, has resulted in an increase in the number of pending applications. As of the end of May 1998, nearly 1.9 million applications were pending. Currently, most applicants are experiencing a wait of 18-24 months.

Talking Points

- I agree that the growing **backlog is unacceptable**. My Administration is committed to both management reforms and providing the resources necessary to reduce waiting times. In the past year, the INS has implemented several reforms to the naturalization process that are designed to expedite processing, while maintaining integrity. We recognize, however, that INS's efforts to date represent just the first steps in a long road -- enormous challenges lie ahead, and we are committed to meeting those challenges expeditiously.
- **We are working with the caucus to develop a new plan with INS to meet the backlog reduction targets outlined in the Budget. The plan will provide INS with the means to reduce the backlog and improve customer service. The plan will include a package of management reforms and process reengineering improvements. These changes will be implemented over the next few months.**

* * * * *

NOTE: THE FOLLOWING IS NOT FOR RELEASE TO THE PUBLIC

The Hispanic Caucus is very concerned about the backlog and the Administration's plan to increase the naturalization fee, which funds the naturalization program. We have developed the following proposed plan to address the INS backlog and delay the naturalization fee increase (we will go forward with the other fee increases on schedule). The plan has been discussed with Congressman Becerra and agrees that we should not announce the plan at this time. The House is currently considering the Commerce, Justice, State appropriations bill, and announcement of this plan may jeopardize the funding for this initiative.

The proposed plan would

- **provide an additional \$171 million in FY1999 dedicated to reduce the**

backlog;

- **implement management improvements by establishing a new Deputy Executive Associate Commissioner for Immigration Services** who will focus exclusively on benefits service delivery with a mandate to reduce the naturalization backlog, continue reengineering of adjudications processes, and improve customer service;
- **establish backlog reduction teams** comprised of adjudicators dedicated to naturalization application processing. The teams will be **concentrated in the five cities that represent 65% of the backlog** -- Los Angeles, San Francisco, New York, Miami, and Chicago.
- **implement reengineering improvements (recommended by Price Waterhouse Coopers) including implementing a comprehensive national phone center, consolidating medical waiver and complete file review at service centers, and implementing the *Guide to Naturalization* ensuring standard procedures across the agency.**
- **implement the naturalization fee increase, including a fee waiver policy, effective January 1, 1999.** All other immigration services fee increases will be effective in October, 1998, **to better reflect the true cost of immigration services.**

Congressman Becerra and we believe that we must announce all the pieces of this plan together in an effort to protect funding and prevent Republican (Chairman Rogers) opposition. Therefore, we will wait and announce the plan later this week.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 3-AUG-1998 19:36:35.00

SUBJECT: Real Person for Welfare Event

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

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

TO: Rajiv Y. Mody (CN=Rajiv Y. Mody/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

TEXT:

Since we were not lucky enough to find another family to highlight at tomorrow's welfare event so far, we should plan on Vesta Kimble speaking. She is the Deputy Director of Social Services in Anne Arundel County and she will speak about how the Medicaid extension in Maryland has been instrumental in moving people from welfare to work. She refer to specific examples -- anonymously! Andrea and I will be working with her on her remarks. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 3-AUG-1998 19:42:18.00

SUBJECT: CJS -- Barr amendment

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

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

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

TEXT:

FYI: as of this evening, neither Kent Markus nor Joe Graupensberger (DOJ Leg Affairs) were aware of any letter from Barr indicating his intention to offer an amendment on the Brady fee issue.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 3-AUG-1998 19:31:45.00

SUBJECT: HR 2070 - Correction Officers Health and Safety Act

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

DOJ did send a letter with "oppose" on 5/7/98 regarding HR 2070. Our SAP elevated that to "strongly oppose". Please let me know if you didn't receive the copy that I faxed. When we prepared a revised SAP for the Senate, I will forward the draft for you to review. Thanks for your help on this one.

----- Forwarded by Kate P. Donovan/OMB/EOP on 08/03/98
07:28 PM -----

From: Ingrid M. Schroeder on 08/03/98 05:17:55 PM

Record Type: Record

To: Gordon P. Agress/OMB/EOP@EOP, Richard J. Turman/OMB/EOP@EOP, David J. Haun/OMB/EOP@EOP

cc: James J. Jukes/OMB/EOP@EOP, Ronald E. Jones/OMB/EOP@EOP, Kate P. Donovan/OMB/EOP@EOP

Subject: HR 2070 - Correction Officers Health and Safety Act

OMB/LA reports that HR 2070 passed by voice, before we were able to get the issue on the SAP resolved. Justice has heard that Hatch is interested in taking this bill up when the Senate returns. So although we have a few weeks to breathe on this, it looks like it is going to come up in the Senate. Stay tuned.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 3-AUG-1998 20:38:47.00

SUBJECT: Draft House Rules Labor/HHS/Ed SAP

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

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: RUDMAN_M@A1@CD@VAXGTWY (RUDMAN_M@A1@CD@VAXGTWY [UNKNOWN]) (NSC)

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: Rosemary Evans (CN=Rosemary Evans/OU=OMB/O=EOP@EOP [OMB])

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

House Rules is expected to meet Tuesday at 2:30pm on the Labor/HHS/Education Appropriations bill. Please note that we do not aim to provide a "road map" to the Administration's priorities listed under the Education section. Tomorrow morning, we will re-order the programs in "bill order." If you have a problem with this ordering - please let me know immediately. Otherwise, we will proceed with that route. Please review the draft SAP and provide comments/clearance by 11am Tuesday. Thanks.

H.R. 4274 -- DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 1999
(Sponsors: Livingston (R), Louisiana; Porter (R), Illinois)

This Statement of Administration Policy provides the Administration's views on H.R. 4274, the Labor, Health and Human Services, Education, and Related Agencies Appropriations Bill, FY 1999, as reported by the House Appropriations Committee. Your consideration of the Administration's views would be appreciated.

Due to the very serious funding and language issues present in the Committee bill, discussed below, the President would veto the bill in its current form.

The only way to achieve the appropriate investment level for programs funded by this bill 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 through user fees and certain mandatory programs 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 funding for high-priority discretionary programs, including those funded by this bill. In addition, we hope that the House will reduce funding for lower priority discretionary programs and redirect funding to programs of higher priority.

Department of Education

The Committee bill cuts \$2 billion from the President's overall request for education program funding. As a result, the bill does not adequately support the Nation's efforts to raise student achievement, make schools safe, and improve the capabilities of teachers. High priority programs inadequately funded include:

Goals 2000. Funding for Goals 2000 is cut \$255 million below the President's request, which would reverse momentum in all 50 States to raise academic standards and deny 6,000 schools serving over three million students the funds needed to implement innovative education reforms.

Title I (Education for the Disadvantaged) Grants to Local Educational Agencies. The Committee bill cuts \$392 million from the request, which would leave nearly 520,000 students in high-poverty communities without the extra help they need to master the basics and develop the capability to reach high academic standards.

Eisenhower Professional Development. The Committee's \$50 million reduction would leave over 100,000 teachers without the training they need to help them teach to rigorous academic standards.

America Reads. America Reads is denied the \$210 million provided in last year's Bipartisan Budget Agreement for children's literacy, which would prevent thousands of young children from receiving the extra help they need to learn to read well and independently by the end of the third grade.

Safe and Drug-Free Schools and Communities. The Committee's \$50 million reduction would deny funding for School Coordinators in nearly one-half of the Nation's middle schools needed to implement effective drug and violence prevention programs.

After School programs (21st Century Community Learning Centers). A \$140 million cut to this program, part of the President's child care initiative, would result in 3,000 fewer centers and no services to nearly 400,000 children.

Education Opportunity Zones. The Committee bill does not provide the requested \$200 million, which would deny high-poverty urban and rural districts the extra assistance they need to implement effective reforms with tough accountability for performance.

Technology in Education. The Committee's \$137 million reduction from the request would make it increasingly difficult for States to meet school children's education technology needs, especially in training teachers to integrate educational technology into their curriculum effectively.

School-to-Work. School-to-Work is cut by a total of \$100 million (between the Departments of Education and Labor) below the President's \$250 million request, which would seriously hamper all States' efforts to help young people of all backgrounds move from high school to careers or postsecondary training and education.

Bilingual Education. The Committee has cut by \$25 million the President's plan for training teachers to help limited-English proficient children.

Work-Study. Roughly 57,000 needy students would be denied the opportunity to work to finance their college education because of the Committee's \$50 million reduction.

Higher Education Initiatives. No funds are provided for three Presidential initiatives for which the President has requested \$237 million: High Hopes, to help prepare students at high poverty middle schools for college; Learning Anytime Anywhere Partnership grants for pilot projects using distance learning technology; and, teacher recruitment and preparation programs.

Civil Rights Enforcement. Ensuring that civil rights laws and regulations are adequately enforced is a fundamental responsibility of government. The Committee fails to provide the increase of \$6.5 million (for a total of \$68 million) requested by the Office for Civil Rights in the Education Department and reduced by \$2.4 million the request for \$67.8 million for the Labor Department's Office of Federal Contract Compliance. Both activities should be restored to the full requests.

In addition to inadequate funding for priority education programs,

the Administration is concerned with several language provisions of the Committee bill that would severely restrict the Administration's ability to continue the development of programs designed to raise academic standards.

National Tests. The Administration strongly objects to the language limitation and \$15 million funding cut that would bring a halt to the President's efforts to help States and parents raise academic standards through a voluntary national test. The Committee bill's language would prohibit the development, implementation, and administration of the tests unless explicitly authorized. The language prohibition should be deleted and the funding restored.

Unfocused Block Grants. The Administration strongly objects to language that would, in effect, turn the Goals 2000 and the Eisenhower Professional Development programs into block grants by allowing those funds to be used under the broad Title VI block grant authority. Title VI has no performance or accountability standards. The language should be deleted so that these Federal funds can address national needs and continue to be guided by strong accountability measures.

Special Education (Individuals with Disabilities Education Act -- IDEA). The bill contains two objectionable IDEA riders. One would undermine the due process protections and parental rights for disabled students who are regarded as violent. The other would, in effect, allow States to discontinue special education services for youth ages 18 to 21 in adult prisons, violating the principle that all disabled youth ages three to 21 have a right to a free, appropriate public education and undermining the Department of Education's ability to enforce the Individuals with Disabilities Education Act. Both provisions would unnecessarily re-open IDEA before last year's bipartisan reauthorization has had a chance to be implemented and fairly assessed. Both provisions should be stricken.

Bilingual Education. While we agree with the Committee on the need for some reforms to Bilingual Education, we are opposed to any provision that would set an absolute limit on student participation in bilingual education or alternative programs. Such a step would deny help to students who need it and violate the civil rights of Limited English Proficient students to an equal education. Because of individual differences, students will vary in how long it takes to develop English proficiency. We are also opposed to provisions that would establish a two-year goal for becoming proficient in English, since research has shown that this timetable is unrealistically short.

Internet Access in Schools and Libraries. The bill contains objectionable language that would deny Federal funds to schools and libraries that have not installed software on their computers to block Internet access to indecent materials to minors. While the Administration strongly supports efforts to ensure that schools and libraries protect minors from indecent materials, it objects to such overly prescriptive language. Most local education agencies have already developed their own acceptable-use policies, many of which are not based on software. Instead, the Administration favors less burdensome and restrictive language that would require that schools and libraries develop their own acceptable-use plans at the local level and certify their implementation.

Department of Labor

Summer Jobs Program. The Administration strongly opposes the Committee's elimination of the \$871 million Summer Jobs program, which could finance 530,000 summer jobs for economically disadvantaged youth. The unemployment rate for teens continues to far exceed the overall unemployment rate. The Summer Jobs program plays a vital role in supporting employment among these teens, especially among African-American youths -- approximately 25 percent of summer jobs held by African-American 14-15 year olds come through this program -- and serves as a valuable introduction to the world of work. We urge the House to restore the full request for this program.

President's Youth Opportunity Areas Initiative. The Committee provides no funding for the President's Youth Opportunity Areas initiative and rescinds the \$250 million appropriated last year for this program. This program would address the problem of pervasive joblessness in high-poverty neighborhoods by making large investments in these areas to effect community-wide change and help 50,000 out-of-school youth. We strongly oppose elimination of this program, which is an essential component of the Administration's Empowerment Zones/Enterprise Communities initiative. We urge the House to provide full funding as requested.

The Administration has strong concerns with the inadequate funding levels provided for the following Labor programs:

Adult Job Training. The Committee has provided none of the requested increases for the Dislocated Worker (\$100 million) and low-income adult (\$45 million) job training programs. Freezing these programs would mean that some 67,000 fewer workers in need of assistance would be helped.

Worker Protection. The Committee has cut nearly in half the requested increase for programs that protect our workers on the job. For example, the Committee mark for the Occupational Safety and Health Administration (OSHA) redirects resources to State consultation and is nine-percent below the requested level for Federal enforcement, while funding for the Mine Safety and Health Administration (MSHA) is frozen at the 1998 level and virtually no funding is provided for implementing the Health Insurance Portability and Accountability Act of 1996. We urge the House to restore financing for such critical workplace protection programs.

Unemployment Insurance. The House Committee mark does not fund the \$90 million requested for the Unemployment Insurance (UI) integrity initiative. This initiative was authorized in the Balanced Budget Act of 1997 and would, over five years, achieve \$763 million in mandatory savings assumed in the Bipartisan Budget Agreement. Failure to fund this initiative would mean a continuation of errors in benefit payments and UI taxes.

Child Labor. The \$3 million increase to combat international child labor abuses is inadequate in light of the magnitude of the problem, and provides only a small fraction of the \$27 million requested.

The Committee bill contains several objectionable language riders addressing regulatory issues in the Department of Labor. These include language imposing new, unnecessary, and burdensome review procedures before the Department can issue Black Lung regulations, a new requirement for OSHA to conduct duplicative peer review panels for its new regulations, and a continuation of the rider that prohibits MSHA from

enforcing training requirements at certain mines, which have a growing numbers of deaths. These riders would make it more difficult for the Department of Labor to carry out its programs and should be dropped.

The Administration objects to the continuation of last year's rider that prohibits the use of funds for supervising the Teamster's election, despite a court order requiring the Federal Government to pay for a supervised election.

Department of Health and Human Services

The Administration appreciates the Committee's efforts to provide much needed funding for important programs crucial to the healthy lives of all Americans. Unfortunately, the Committee has not provided adequate funding for several important programs of the Department of Health and Human Services (HHS). In addition, the Committee bill contains several language provisions that are troubling to the Administration.

Abortion. The Administration urges the House to strike sections 508 and 509 of the Committee bill, which would prohibit the use of funds for abortion. The President believes that abortion should be safe, legal, and rare. These provisions would continue to limit the range of conditions under which a woman's health would permit access to abortion services. Furthermore, section 509 requires a physician to make a legal determination that these conditions have been met. The Administration proposes to work with the Congress to address the issue of abortion funding.

Head Start. The Committee funds Head Start at \$4.5 billion, \$160 million below the President's request -- denying slots to up to 25,000 low-income children in FY 1999 and undermining efforts to serve one million children by the year 2002. Head Start has a track record of success in readying disadvantaged children for school, supporting working families by helping parents to get involved in their children's lives and providing services to the entire family. We urge the House to restore Head Start funding to the President's requested level.

Child Care. The Administration urges the House to provide the additional \$174 million requested for a child care initiative that will improve the availability of affordable, quality child care for working parents. This initiative would provide States with resources to enhance child care health and safety standards enforcement, give child care workers scholarships to improve their skills, and increase our commitment to understand better and evaluate how our Nation's child care system is working. Likewise, we ask that the Committee restore funds to the President's requested level for a \$5 million program designed to assist States in developing support systems for families of children with disabilities.

Organ Donation. The Administration strongly opposes two provisions of the Committee bill that would suspend two HHS rules pertaining to organ donation: a HCFA rule that seeks to expand the number of organs available for donation through more vigorous procurement efforts; and, a Health Resources and Services Administration rule that would require the national organ transplant network to develop policies that would allocate organs based on patients', medical need, not their geographic location.

Other troublesome HHS-related funding and language issues, with which the Administration has serious concerns, include the following:

National Household Survey on Drug Abuse. The Committee mark eliminates funding for data collection activities of the Substance Abuse and Mental Health Services Administration, including the National Household Survey on Drug Abuse, which is our single best source of information on youth drug use and youth smoking and is important for evaluating the impact of substance abuse prevention, treatment, and enforcement efforts.

Family Planning. The Committee bill requires family planning grantees either to receive written parental consent or provide advance notification to parents before giving contraceptives to minors. Mandating parental consent could discourage sexually active minors from seeking health care and reproductive counseling services and thus lead to more unintended pregnancies, more abortions and more sexually transmitted diseases, including HIV, among our nation's youth. [Need to discuss.]

Needle Exchange. The Committee includes a total ban on the use of funds appropriated in this Act for needle exchange programs rather than making the use of funds for such programs conditional upon the certification of the Secretary of Health and Human Services.

Health Care Financing Administration (HCFA). Although the Committee has fully funded the President's program level request for HCFA Program Management (with the exception of the Medicare+Choice information campaign), no action has been taken on the \$265 million in new discretionary HCFA user fees. We urge the House to enact the President's requested user fees to finance HCFA activities and to ensure that sufficient resources remain available for education and other priorities.

Bio-Terrorism. The Administration urges the House to provide the full \$111 million requested to improve HHS's ability to respond to attacks of biological and chemical terrorism.

Health Disparities. The Committee has failed to include \$30 million requested for demonstration projects to address racial and ethnic health disparities in infant mortality, cancer, diabetes, heart disease and stroke, HIV/AIDS, and immunizations.

Low Income Home Energy Assistance Program (LIHEAP). The Committee would eliminate funding for LIHEAP. Over 36 percent of LIHEAP households have elderly residents, 32 percent have disabled residents, 27 percent have children under the age of six, and 27 percent are the working poor who do not receive any other public assistance. The Administration urges the House to restore funds to the President's requested level.

Foster Care and Adoption Assistance. The Committee bill fails to provide the Administration's request for a \$200 million contingency reserve. This language is critical to ensure grant awards should the definite appropriations be insufficient for authorized eligible expenditures in either Foster Care or Adoption Assistance. The House should restore funding to the requested level of \$200 million, or approximately four percent of total program costs.

Office of AIDS Research. The Committee bill does not appropriate a specific amount for AIDS research through a single appropriation for the National Institutes of Health's (NIH's) Office of AIDS Research. The single appropriation would help NIH plan and target research funds effectively, minimizing duplication and inefficiencies across the 21 institutes and centers that carry out HIV/AIDS research.

Prevention Research. The Committee has provided only \$10 million of the

\$25 million requested for the Centers for Disease Control to expand research in ways to prevent disease and reduce the need for medical care.

Medicaid Drug Coverage. The Committee bill would prohibit HCFA from paying for a specific pharmaceutical agent under Medicaid except for post-surgical treatment. We oppose the use of the appropriations process to make selective coverage determinations and judgments regarding how best to treat specific medical problems. Further, the provision is unnecessary because the Secretary already has authority to limit coverage for pharmaceutical agents if prescribed inappropriately, and States already have broad latitude to limit the use of drugs under Federal law through drug utilization review and prior authorization programs.

Social Services Block Grant. The Administration opposes a provision that would restrict State authority to transfer Temporary Assistance to Needy Families (TANF) funds to SSBG in FY 1999 up to the amounts transferred by individual States in FY 1998. Enacting such a provision so late in FY1998 would inequitably limit State flexibility for the future.

General Departmental Management. A provision of the bill would require that HHS' Office of the Secretary contract with the National Academy of Sciences (NAS) for an \$890,000 study on repetitive tasks in the workplace. This provision duplicates current NIH efforts with NAS in this area.

Social Security Administration

The Committee bill does not provide \$19 million for administrative expenses, contingent on the authorization of a user fee for services provided by the Social Security Administration to attorneys who represent claimants for benefits. These services include withholding money from certain past due benefits and issuing payments to certain claimant representatives. The Administration continues to support enactment of this user fee and appropriation of the anticipated collections for administrative expenses.

In addition, the Committee bill does not provide \$50 million for administrative expenses for the conduct of additional non-disability Supplemental Security Income (SSI) redeterminations of eligibility. These resources and the resulting redeterminations are essential to ensuring the integrity of the SSI program and reducing unnecessary benefit payments. Failure to provide this funding would result in serious staffing shortfalls.

Other Issues

National Labor Relations Board (NLRB). The Committee provides funding for the NLRB at the FY 1997 level. This would result in a loss of over 100 staff, an increase in case backlogs, and could result in furloughs and office closings. This reduction would cripple an agency key to protecting workers' rights on the job, and we urge the House to restore the NLRB to the requested level.

Section 516 amends the National Labor Relations Act to require the NLRB to adjust its dollar jurisdictional standards for inflation on October 1, 1998, and every five years thereafter. This change would deny workers in some small businesses the protection afforded to others to organize and bargain collectively. This change to substantive law raising the jurisdictional thresholds more than five-fold should not be done through the appropriations process, but only after hearings and debate.

Corporation for National and Community Service . The Administration is deeply concerned about the Committee's \$27 million reduction to the request for the Corporation for National and Community Service. This reduction freezes the Corporation's Senior Service program at the FY 1998 level and cuts VISTA \$5 million below FY 1998. These reductions would deny more than 500 VISTA members the opportunity to serve in low-income communities Nation-wide and would reduce the number of seniors serving their communities by 15,000. The Administration urges the House to fully fund the Corporation at the \$279 million level proposed in the FY 1999 Budget.

Corporation for Public Broadcasting. The Administration strongly objects to the lack of funding provided for the President's initiative to assist public broadcasters in converting to digital technology. The transition to digital technology promises to create tremendous opportunities for expanded and enhanced educational and public service programming while promoting innovative technology applications. Providing the Corporation with funding in FY 1999 will allow public broadcasting to convert to digital technology on a schedule similar to that of commercial stations. This will facilitate fundraising efforts and allow public broadcasters to participate in the establishment of digital standards.

Railroad Retirement Board (RRB). The Committee bill does not include language to provide the RRB with authority to offer voluntary separation incentive payments (or "buyouts") through the end of calendar year 1998. RRB's experience has shown that reducing employment through buyouts is much less disruptive to agency operations than conducting a reduction-in-force. The Administration urges the House to provide this buyout authority.

The Committee bill includes language prohibiting the RRB Inspector General from using funds for any audit, investigation, or review of the Medicare program. The Administration believes that this language should be dropped. RRB has statutory authority to administer a separate contract for RRB, Part B Medicare claims. As long as RRB has authority to negotiate and administer a separate Medicare contract, the RRB Inspector General ought not to be prohibited from using funds to review, audit, or investigate activity related to that contract.

Armed Forces Retirement Home (AFRH). The Subcommittee provides FY 1999 funding at the requested dollar level, but does not provide the necessary multi-year authority or requested advance appropriations to contract for the medical facility at the Mississippi Home. Without the advance appropriation or last year's language, AFRH will have to reallocate these funds away from the Mississippi Home to the Washington Home for smaller, lower-priority capital projects that are ready for contract.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 3-AUG-1998 17:26:30.00

SUBJECT: nats update

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

According to David Haun, Sylvia has asked that the talking points not reference either the fee increase or the increased funding. David is creating a revised version that does not include those references, but is also indicating to her that these topics are sure to come up, etc. I reiterated to David that you need to see the final version of this asap.

julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 3-AUG-1998 14:33:59.00

SUBJECT: Tues Events

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

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

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

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

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

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

TEXT:

The President's down early tonight. Can we have the briefings for tomorrow's Welfare, Hispanic Caucus, and Maxine Waters events by 6:00 p.m., please?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 4-AUG-1998 14:14:57.00

SUBJECT: TRANSPORTATION Oversight Testimony on Use of Project Labor Agreements by T

TO: US@2=TELEMAIL@5=JMD@7=Deborah@6=Clifton@mrx@lngtwy (1=US@2=TELEMAIL@5=JMD@7=Deb
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

TO: dol-sol-leg (dol-sol-leg @ dol.gov @ inet [UNKNOWN])
READ:UNKNOWN

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

TEXT:

----- Forwarded by Melissa N. Benton/OMB/EOP on 08/04/98
02:13 PM -----
Total Pages: _____

LRM ID: MNB217
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Tuesday, August 4, 1998

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

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

OMB CONTACT: Melissa N. Benton

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

SUBJECT: TRANSPORTATION Oversight Testimony on Use of Project Labor Agreements by Transportation Contractors

DEADLINE: Noon Wednesday, August 5, 1998

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

COMMENTS: To follow is draft testimony to be delivered before the House Small Business Committee the morning of Thursday, August 6th.

DISTRIBUTION LIST

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James J. Jukes
LRM ID: MNB217 SUBJECT: TRANSPORTATION Oversight Testimony on Use of
Project Labor Agreements by Transportation Contractors

RESPONSE TO
LEGISLATIVE REFERRAL
MEMORANDUM

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

You may also respond by:

- (1) calling the analyst/attorney's direct line (you will be

connected to voice mail if the analyst does not answer); or
(2) sending us a memo or letter

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

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

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

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

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

STATEMENT OF NANCY E. MCFADDEN
GENERAL COUNSEL
U.S. DEPARTMENT OF TRANSPORTATION
concerning
THE USE OF PROJECT LABOR AGREEMENTS BY TRANSPORTATION CONTRACTORS
before the
COMMITTEE ON SMALL BUSINESS
U.S. HOUSE OF REPRESENTATIVES
August 6, 1998

Mr. Chairman and Members of the Committee:

I am pleased to be here today to clear up several misconceptions about the use of project labor agreements in transportation construction projects. Clearly there are some who misinterpret the thrust of Secretary Rodney Slater's recent memorandum encouraging the agencies in our Department to consider use of an agreement in the direct contracting and financial assistance processes when it will "promote cost savings, efficiency, quality, and labor-management stability."

From your recent correspondence with Secretary Slater, I know that your Committee is concerned in particular about the impact of a project labor agreement on small business concerns' ability to compete for construction work under the project. The Clinton Administration is very sensitive to the interest of small businesses, because we understand the enormous contributions they make to the economic vitality we enjoy in this country, the opportunities that only they provide to disadvantaged entrepreneurs,

and the fact that much of the innovation this country is famous for comes from small businesses. In fact, I appeared just last February before this Committee to detail how our Department works to ensure the interests of small business in the DOT rulemaking process by making use of the "610" process. Secretary Slater cares about and strongly supports small business.

The most fundamental misconception about project labor agreements is that they are being newly visited on federal construction contracting by this administration. To the contrary, these agreements have a long history in the construction industry. According to a May 1998 GAO report on the extent of use of project labor agreements in federal contracting, they date back to construction of the Grand Coulee Dam in 1938 and were employed on a project-by-project basis as the occasion arose, including transportation projects. President Clinton effectively endorsed this long-standing, proven procurement tool when he issued his June 5, 1997, Memorandum for the Heads of Executive departments and Agencies.

This reaches a second misconception--that the President's Memorandum, or the Secretary's implementation of that Memorandum, imposes or requires project labor agreements on contractors. This is entirely erroneous. These memoranda do not mandate but rather encourage consideration of the use of these agreements when--and only when--they will benefit the Government's procurement interest. I would like to set out the operative language because it so clearly leaves the choice about employing project labor agreements to those who are cognizant of a particular project and the pros and cons of employing such an agreement in that case:

"Section 1. Executive departments or agencies during this Administration authorized to award a contract for the construction of a facility to be owned by a Federal department or agency may, on a project-by-project basis, use a project labor agreement on a large and significant project, (a) where a project labor agreement will advance the Government's procurement interest in cost, efficiency, and quality and in promoting labor-management stability as well as compliance with applicable legal requirements governing safety and health, equal employment opportunity, labor and employment standards, and other matters, and (b) where no laws applicable to the specific construction project preclude the use of the proposed project labor agreement.

"Section 2. If an executive department or agency during this Administration determines that use of a project labor agreement will serve the goals set forth in section 1(a) of this memorandum on a large and significant project, and that no law precludes the use of a project labor agreement on the project, the executive department or agency may require that every contractor or subcontractor on the project agree, for that project, to negotiate or become a party to a project labor agreement with one or more appropriate labor organizations. The executive department or agency has discretion whether to include such a requirement."

Under my reading of this language, it would be hard to be clearer that use of an agreement is entirely discretionary by the agency and, even more important, may not even be considered where there is applicable law on the subject that would preclude its use. I am sure you are aware that the use of these agreements has already been determined by the Supreme Court in 1993 to be consistent with the National Labor Relations Act (Building and Construction Trades Council of the Metropolitan District v. Associated Builders & Contractors of Massachusetts/Rhode Island, Inc., et al., 507 U.S. 218, 113 S. Ct. 1190 (1993)).

It is also made clear by the June 1997 Memorandum that it addresses only a project that exceeds \$5 million--that is, a "large and significant project." In the case of our Department, the relevant direct construction contracting involves a very small subset of the annual budget--I am told in fact that, over the past five years, only about one contract a year meets the dollar threshold. The vast proportion of DOT direct construction contracts are for projects below \$5 million--and therefore outside the purview of the President's Memorandum--and would appear to be prime candidates for small business bids.

Most important and most clearly set out in the President's Memorandum is that project labor agreements should only be employed "where a project labor agreement will advance the Government's procurement interest in cost, efficiency, and quality and in promoting labor-management stability as well as compliance with applicable legal requirements." I do not think it is possible to be clearer that the agreements may be employed only where they are in the public interest, rather than the narrower interests of the builders, the unions, or the employees.

Secretary Slater issued his April 1998 Memorandum to carry out the President's Memorandum and in the same spirit of encouraging consideration of their use only on federal construction projects where they will prove beneficial. Recognizing that an agreement can also be beneficial in the case of a project undertaken by one of our grant recipients, the Secretary strongly encouraged each agency head at the Department to authorize and promote its use for DOT-assisted construction projects, consistent with underlying legal authorities. As the President has stated, project labor agreements, when used under appropriate circumstances, can achieve economy and efficiency in federal construction contracts. We need to ensure, as responsible managers of federal resources, that we use the variety of techniques available for fiscally responsible management.

Another common misconception is that one's belief in the efficacy of this tool is somehow a matter of partisan politics. This is actually not the case, as demonstrated at the state level. I need only cite the issuance by New York Governor Pataki of an Executive Order No. 49 in February 1997 directing state agencies to consider the use of these agreements when appropriate, and comparable action by Governor Whitman of New Jersey in March 1994. These are very current actions by the chief executives of large states with major construction contracting activity that can benefit from project labor agreements.

I know the Committee's particular concern is over the potential effect of a project labor agreement on small business construction contractors. I hope that today's hearing will shed light, rather than heat, on this important issue, and that it will become evident that the Secretary's April Memorandum has not placed a new burden on small businesses--they already have their fair share of burdens. You are aware I am sure of the Office of Small and Disadvantaged Business Utilization at DOT and on the strong emphasis we place on assisting small entrepreneurs. Also, I am very

conversant with and firmly committed to fulfilling Congress' recent decision to continue providing opportunity through highway and transit construction contracts to small, disadvantaged businesses to obtain business opportunities. The Secretary shares that view in this important area and would do nothing to endanger small-business prospects for contracting opportunities.

I hope that my remarks have made clear that there is no heavy-handed mandate at issue here. Quite the contrary. Our view is that the actual parties to a particular construction project--the contractors, the employees, and involved labor organizations--know best what serves their common interests and the public interest as a result. Accordingly, the Department does not seek to levy a mandate or general directive about the application of project labor agreements, but instead encourages consideration of their use where consistent with law and likely to prove beneficial.

Ironically, the Senate has now determined that it will make the same point I have just stressed--that there is no mandate, requirement, or coercion to employ project labor agreements in transportation construction contracting. You are aware I am sure that section 322 the Senate-passed Fiscal Year 1999 DOT Appropriations Act states that DOT funds may not be used "to compel, direct, or require" DOT agencies to use a project labor agreement, nor to preclude its use. Secretary Slater made certain that the Senate leadership knew that, although it is unnecessary, we have no objection to the provision as it was revised from the introduced measure.

In conclusion, Mr. Chairman, the Secretary strongly believes that all useful tools should be brought to bear to make government programs as beneficial and cost-effective as possible--and that the appropriate use of project labor agreements is one such tool. The spirit of the National Performance Review and of "reinventing government" is to find the methods that work best and to employ them on behalf of the customer and, I might add, the taxpayer. We have no doubt that project labor agreements, which have a long history in government contracting of judicious application on a case-by-case basis, contribute to more efficient, higher quality transportation construction projects.

Mr. Chairman, this completes my prepared statement. I would be pleased to respond to any questions you or other Committee Members may have.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 4-AUG-1998 18:26:43.00

SUBJECT: Final directive for Native American economic development conference

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:

FYI -- OMB just added the word "existing" in front of the phrase "economic development initiatives" in the strategic plan part.

----- Forwarded by Mary L. Smith/OPD/EOP on 08/04/98

06:26 PM -----

Mary L. Smith

08/04/98 06:24:45 PM

Record Type: Record

To: Phillip Caplan/WHO/EOP, Elena Kagan/OPD/EOP, Julie A.

Fernandes/OPD/EOP, Richard H. Kodl/OMB/EOP

cc: Laura Emmett/WHO/EOP

Subject: Final directive for Native American economic development conference

Here is the final directive with Elena's and OMB's changes. Let me know if you need anything else. Thanks, Mary

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D75]MAIL40968102G.226 to ASCII,

The following is a HEX DUMP:

FF57504372050000010A02010000000205000000E5230000000200006E2CAAA4577DB54FD4EDC2
82483A4C92ADD103AA36A2733339B2C97DD1CD4E224E0D7B79DA59A57562B91E30D80B5C0D20BE
06659CE2EC28A66AC7BF17573C9F9410E22EB0486C9FBD88EC7A1A4BE5F7F92167C260C44C42CA

MEMORANDUM FOR THE SECRETARY OF COMMERCE
THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY OF THE INTERIOR
THE SECRETARY OF THE TREASURY
ADMINISTRATOR OF THE SMALL BUSINESS
ADMINISTRATION

SUBJECT: ECONOMIC DEVELOPMENT IN AMERICAN INDIAN AND ALASKA
NATIVE COMMUNITIES

Across America, communities are recognizing that technology and information technologies are key to creating economic opportunities and increasing productivity. My Administration has made substantial gains in spurring the development of an advanced information infrastructure in order to bring the benefits of the Information Age to all Americans.

Looking to the future, we know that technology is a key to economic growth. We need to stimulate the growth of modern production facilities, small business incubators, capital access for start-up companies, and strategic planning to develop a vision for technologically competent communities. In particular, as telecommunications and information technologies continue to play a key role in providing new job and educational opportunities, we must ensure that all of our communities are able to participate fully in this new information economy.

Because of their often remote locations, American Indian and Alaska Native communities stand to benefit the most from the Information Age, yet are in the greatest danger of being left behind. We must act to ensure that these communities gain new tools to battle high levels of unemployment and low per-capita income. **A recent study by the Department of Commerce on Internet and computer usage in America shows that, although many more Americans now own computers, minorities and low-income households are still far less likely than white or more affluent households to have personal computers or access to the Internet. And even more alarming, this study reveals that this "digital divide" between households of different races and income levels is growing.**

The ability to own a home and have access to capital are also very important for economic development. Residents of Indian reservations encounter several unique issues when seeking to obtain a mortgage. Trust land status, tribal sovereignty, and requirements to gain clear title from the Bureau of Indian Affairs are examples of issues that lenders and borrowers must grapple with during the mortgage lending process. Thus, individuals seeking to acquire a homesite lease or a residential mortgage are often required to obtain approval from several federal, tribal, state, and local agencies as well as private providers.

The Department of Commerce, particularly through the Economic Development Administration (EDA), has a 30-year history of investing over \$730 million in economic development projects in American Indian and Alaska Native communities, working with its existing network of 65 tribal planning organizations. In addition, Commerce's National

Telecommunications and Information Administration has funded demonstration projects that show Native American communities how they can use technologies to improve the quality of life on reservations.

The Commerce Department's Minority Business Development Agency has funded eight Native American Business Development Centers (NABDCs) that provide assistance with accounting, administration, business planning, construction, and marketing. We must continue this focus on infrastructure technology needs and business development in American Indian and Alaskan Native communities.

I accordingly direct the Secretary of Commerce, in collaboration with the Department of the Interior and tribal governments, to report back to me within 9 months on the state of infrastructure technology needs in Indian communities, including distance learning facilities, telecommunications capabilities, and manufacturing facilities. This report should identify the infrastructure technology needs in Indian country and set forth proposals that would help address these needs.

In addition, I direct the Secretary of the Interior, the Secretary of Commerce, and the SBA Administrator to report back to me within 90 days with a strategic plan for coordinating existing economic development initiatives for Native American and Alaska Native communities, including initiatives involving the private sector. In developing this strategic plan, the Secretaries and Administrator should consult with all interested parties, including tribal governments and other federal agencies and offices -- particularly, the Department of Housing and Urban Development, the Department of Transportation, and the Department of Agriculture. The plan should build upon current efforts in the agencies and detail future efforts such as providing technical assistance, enhancing infrastructure, and developing software.

Finally, I direct the Secretaries of the Treasury and the Housing and Urban Development, in partnership with local tribal governments and in cooperation with other federal agencies -- particularly, the Department of the Interior, the Department of Veterans Affairs, and the Department of Agriculture -- to initiate a project to help streamline the mortgage lending process in Indian country in order to improve access to mortgage loans on Indian reservations. The Secretaries should initiate this effort through a year-long pilot program on the Navajo Nation and in at least one other location.

These steps, taken together, will help ensure to the fullest extent possible the continued economic development of Indian country.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 4-AUG-1998 19:36:17.00

SUBJECT: Thank you all for helping get Erskine his materials so soon for Thursday's

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Draft 8-04-98

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: ECONOMIC DEVELOPMENT IN AMERICAN INDIAN AND ALASKA
NATIVE COMMUNITIES

Across America, communities are recognizing that technology and information technologies are key to creating economic opportunities and increasing productivity. My Administration has made substantial gains in spurring the development of an advanced information infrastructure in order to bring the benefits of the Information Age to all Americans.

Looking to the future, we know that technology is a key to economic growth. We need to stimulate the growth of modern production facilities, small business incubators, capital access for start-up companies, and strategic planning to develop a vision for technologically competent communities. In particular, as telecommunications and information technologies continue to play a key role in providing new job and educational opportunities, we must ensure that all of our communities are able to fully participate in this new information economy.

Because of their often remote locations, American Indian and Alaska Native communities stand to benefit the greatest from the Information Age, yet, are in the greatest danger of being left behind. We must act to ensure that these communities gain new tools to battle high levels of unemployment and low per-capita income. **A recent study by the Department of Commerce on Internet and computer usage in America shows that, although many more Americans now own computers, minorities and low-income households are still far less likely than white or more affluent households to have personal computers or access to the Internet. And even more alarming, this study reveals that this "digital divide" between households of different races and income levels is growing.**

The ability to own a home and have access to capital are also very important for economic development. Residents of Indian reservations encounter several unique issues when seeking to obtain a mortgage. Trust land status, tribal sovereignty, and requirements to gain clear title from the Bureau of Indian Affairs are examples of issues that lenders and borrowers must grapple with during the mortgage lending process. Thus, individuals seeking to acquire a homesite lease or a residential mortgage are often required to obtain approval from several federal, tribal, state, and local agencies as well as private providers.

The Department of Commerce, particularly through the Economic Development Administration (EDA), has a 30 year history of investing over \$730 million in economic development projects in American Indian and Alaska Native communities, working with its existing network of 65 tribal planning organizations. In addition, Commerce's National Telecommunications and Information Administration has funded demonstration projects that show Native American communities how they can use technologies to improve the quality of life on reservations.

The Commerce Department's Minority Business Development Agency has funded eight

Native American Business Development Centers (NABDCs) that provide assistance with accounting, administration, business planning, construction, and marketing. We must continue this focus on infrastructure technology needs and business development in American Indian and Alaskan Native communities.

I accordingly direct the Secretary of Commerce, in collaboration with the Department of the Interior and consultation with tribal governments, to report back to me within 9 months on the state of infrastructure technology needs in Indian communities, including distance learning facilities, telecommunications capabilities, and manufacturing facilities. This report should identify the infrastructure technology needs in Indian country as well set forth proposals that would help address these needs.

In addition, I direct the Secretary of the Interior, the Secretary of Commerce, and the SBA Administrator to report back to me within 90 days with the development of a strategic plan that will coordinate efficiently economic development initiatives for Native American and Alaska Native communities within the Department of Commerce, the Department of Interior, and the Small Business Administration, including with the private sector. This strategic plan should cooperate and consult with all interested parties, including tribal governments and other federal agencies and offices -- particularly, the Department of Housing and Urban Development, the Department of Transportation, and the U.S. Department of Agriculture -- and build upon current efforts in your agencies as well as look toward future efforts such as providing technical assistance, enhancing infrastructure, and developing software.

Finally, I direct the Secretaries of the Treasury and the Housing and Urban Development, in partnership with local tribal governments and in cooperation with other federal agencies -- particularly, the Department of the Interior, the Department of Veterans Affairs, and the Department of Agriculture, to initiate a project to help streamline the mortgage lending process in Indian country in order to improve access to mortgage loans on Indian reservations. The Secretaries should initiate this effort through a year-long pilot program on the Navajo Nation and in at least one other location.

These steps, taken together, will help ensure to the fullest extent possible the continuing economic development in Indian country. I appreciate your commitment to improving the technology infrastructure needs and the access to capital of Native Americans, and I look forward to your continuing leadership in developing this strategic plan for economic development.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 4-AUG-1998 19:22:48.00

SUBJECT: Hefley

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

TEXT:

Martha Foley/Larry Stein's edits are below. Pls let me know if there are any questions-- x62230:

POSSIBLE STATEMENT REGARDING HEFLEY AMENDMENT
IN THE EVENT OF AN ADVERSE RESULT

Today, the Republican House of Representatives voted to overturn Executive Order 13087. The Order provides a uniform policy for the Federal Government to prohibit discrimination based on sexual orientation in the federal civilian workforce.

I am deeply disappointed that the House of Representatives has taken action that legitimizes government sponsored discrimination against its own citizens based on their sexual orientation. The American people believe in fairness, not discrimination, and I am confident they will reject this unseemly and unjust action by the House.

It has always been the practice of this Administration to prohibit employment discrimination based on sexual orientation in the federal civilian workforce. Most federal agencies and department have taken actions to memorialize that policy. The Executive Order does no more than make that policy uniform across the federal government. It does not authorize affirmative action, or preferences, or special rights for anyone.

The Executive Order reflects this Administration's firm commitment that the federal government make employment related decisions in the civilian workforce based on individual ability and not on sexual orientation. I assure each and every American that the Republicans in Congress cannot and will not force this Administration to discriminate.

POSSIBLE STATEMENT REGARDING HEFLEY AMENDMENT
IN THE EVENT OF A GOOD RESULT

Today, the House of Representatives defeated a Republican an attempt to overturn Executive Order 13087. The Order provides a uniform policy for the Federal Government to prohibit discrimination based on sexual orientation in the federal civilian workforce.

I am gratified by the House vote. The American people believe in fairness, not discrimination, and they reject efforts like this one that would have legitimized government sponsored discrimination against its own citizens based on their sexual orientation .

It has always been the practice of this Administration to prohibit employment discrimination in the federal civilian workforce based on sexual orientation. Most federal agencies and departments have taken actions to memorialize that policy. The Executive Order does no more than make that policy uniform across the federal government. It does not authorize affirmative action, or preferences, or special rights for anyone.

The Executive Order reflects this Administration's firm commitment that the federal government make employment related decisions in the civilian workforce based on individual ability and not on sexual orientation. I assure each and every American that the Republicans in Congress cannot and will not force this Administration to discriminate.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 4-AUG-1998 17:05:46.00

SUBJECT: Shortened POTUS Memo

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

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

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

TEXT:

I have shortened this memo for the President, which provides an overview
of the conference and of the policy initiatives.===== ATTACHMENT 1
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D75]MAIL46109002B.226 to ASCII,
The following is a HEX DUMP:

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50165A92C55509366075FE51E812A5304A74E2A960BE7C04068783E0F391F99CFA694FABCEEE2C

August 4, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
MICKEY IBARRA
ELENA KAGAN
LYNN CUTLER

SUBJECT: NATIVE AMERICAN ECONOMIC DEVELOPMENT CONFERENCE

On Thursday, April 6, you will attend a conference at the Grand Hyatt Hotel in Washington, D.C., sponsored by the White House (Domestic Policy Council and Office of Intergovernmental Affairs) and 15 federal agencies, entitled "Building Economic Self-Determination in Indian Communities." This memorandum provides some background on the conference as well as some statistics about American Indians and Alaska Natives. At the conference, you will make several policy announcements in the areas of education, economic development, and health care for Native Americans. This event is the first time you have spoken in front of Native Americans since your meeting with tribal leaders in 1994. During this conference, you will reaffirm your commitment to protecting tribal sovereignty and reaffirm the government-to-government relationship between the United States and tribes. Finally, you will promote and encourage economic self-determination in Indian country.

Purpose and Structure of the Conference

This conference grew out of your meeting with tribal leaders on April 29, 1994, and the establishment of the Domestic Policy Council's (DPC) Working Group on American Indians and Alaska Natives. In addition, as a result of the government-wide survey of activities in relation to Indian country and your suggestion that initiatives be developed around economic development, the DPC's subgroup on economic development started planning this conference several months ago.

This conference will take place on August 5-6 at the Grand Hyatt Hotel in Washington, D.C. The event is sponsored by the White House (Office of Intergovernmental Affairs and the Domestic Policy Council), the Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Housing and Urban Development, Interior, Justice, Labor, State, Transportation, the Treasury, and the Comptroller of the Currency and the Small Business Administration. Secretary Babbitt, Secretary Daley, Secretary Glickman, Secretary Herman, Attorney General Reno, and Administrator Alvarez will speak at the conference.

The conference will have approximately 800 participants including tribal leaders

and members, businesses, and federal agency personnel. This conference will cover topics such as commerce in Indian country; building infrastructure and positive climate for business; tribal self-government and economic self-determination; agriculture and economic development; rural business; community development in Indian country; electronic commerce; welfare to work initiatives; and tourism.

Background on American Indians and Alaska Natives

Indian America is made up of more than 550 tribes, with a total population of approximately 2.4 million. Approximately forty percent of all American Indians and Alaska Natives are under the age of twenty. About twenty percent of the total American Indian and Alaska Native population resides on 314 reservations, Indian lands, and in Alaska Villages that make up Indian country.

While economic conditions in Indian country have improved in recent years, American Indian and Alaska Native communities continue to lag behind the rest of the United States with respect to social, economic, and educational attainment levels. Income levels of American Indians and Alaska Natives are substantially below those of all other Americans, and about 34 percent continue to live below the poverty level. In comparison, about 14 percent of all Americans live below the poverty level. Complicating factors such as geographical isolation, under developed infrastructures, and demographics, add to the challenges confronting tribes as they work toward a better standard of living and quality of life for tribal peoples.

Your Participation at the Conference

You will make remarks in the afternoon of August 6, which is the second day of the conference. You will speak to approximately 800 tribal leaders and representatives, business leaders, and federal agency personnel. The following person will introduce you:

- Dominic Ortiz, student, 21 years old, University of Kansas, Lawrence, Kansas. As a member of the Prairie Band Potawatomi Nation, Mr. Ortiz attended Haskell Indian Nations University, one of the tribal colleges. Currently, he attends the University of Kansas. While at Haskell, Mr. Ortiz founded and served as president of the Haskell chapter of the American Indian Business Leaders (AIBL). Through the guidance and mentoring he received from AIBL, Mr. Ortiz started his own business, Potawatomi Traders, which sells Native American jewelry at the wholesale level. Potawatomi Traders helps to sustain 200 Native American artists whose jewelry is sold at 15 retail sites in 4 states. Mr. Ortiz uses profits from his business to fund his education.

Following your remarks, you will sign at the conference a Native American education executive order, which is described below.

Policy Announcements to be Made at the Conference

We recommend that you make the following policy announcements at the conference, which focus on economic development, education, and health care. As obtaining an education and receiving quality health care are building blocks of economic self-determination, announcements in these areas will complement your economic development announcements.

Education

- **Native American Education Executive Order.** This executive order is designed to improve the academic performance of American Indian and Alaska Native students in grades K-12. The order focuses special attention on the following five goals: (1) improving student achievement in reading and mathematics; (2) increasing high school completion and post-secondary attendance rates; (3) reducing the influence of long-standing factors that impede educational performance, such as poverty and substance abuse; (4) creating strong, safe, and drug-free school environments conducive to learning; and (5) expanding the use of science and educational technology. This order is structured to address Indian educational needs through participation at the federal, state, and local levels. At the federal level, the order establishes an Interagency Task Force which will plan budget initiatives, develop an education resource guide, and assist in implementing a comprehensive research agenda on Indian education. At the regional level, the order mandates a series of regional forums to be convened to identify promising practices. Finally, at the local level, this executive order sets up pilot sites which will receive comprehensive technical assistance in support of the goals of the order.

Economic Development

- **Executive Directive for Economic Development in American Indian and Alaska Native Communities.** You should announce the following directive which has the following three components:
 - **Technology Infrastructure Study.** This memorandum will direct the Department of Commerce, in collaboration with the Department of the Interior and in consultation with tribal governments, to issue a report within 9 months on the technology infrastructure needs within Indian country, including distance learning facilities, telecommunications capabilities, and manufacturing facilities.
 - **Strategic Plan to Coordinate Economic Development.** This memorandum also will direct the Department of the Interior, the Department of Commerce, and the Small Business Administration to develop, within 90 days, a strategic plan that will coordinate efficiently economic development initiatives across agencies for Native American and Alaska Native communities. The plan will build upon current efforts as well as look toward future efforts in collaborating on such matters as providing technical assistance, enhancing infrastructure, and developing software.
 - **One-Stop Mortgage Center.** Finally, this memorandum will direct the

Departments of Treasury and Housing and Urban Development, in partnership with local tribal governments and in cooperation with other federal agencies to initiate a project to help streamline the mortgage lending process in Indian country in order to improve access to mortgage loans on Indian reservations. The agencies will initiate this effort through a year-long pilot program on the Navajo Nation and in at least one other location.

- Providing \$70 Million to Create Technology-Based Jobs in Indian Country. The U.S. Department of Agriculture (USDA), through its Bringing Rural America Venture Opportunities (BRAVO) initiative, will direct \$70 million of its contracting dollars through Fiscal Year 2000 to assist seven American Indian and Alaska Native tribes in establishing small start-up technology companies that will provide software development, maintenance, and technical support services. Through the 8(a) program, USDA, large technology companies doing business with USDA, and the Tribal Colleges and other land-grant educational institutions will work with American Indian and Alaska Native tribes to mentor and assist them in setting up these businesses to bid on government contracts.

Health Care

- Support Elevating the Director of the Indian Health Service to an Assistant Secretary. You should call on Congress to pass legislation to elevate the Director of the Indian Health Service to an Assistant Secretary. Elevating the IHS Director to the position of Assistant Secretary will strengthen the government-to-government relationship; facilitate communication and consultation with the Tribes on matters of Indian health; and raise awareness of Indian health concerns throughout HHS and the entire federal government.. The current director, Dr. Michael Trujillo, would become only the second full-blooded Native American to be an Assistant Secretary.
- Correct state CHIP allotments for undercount of Native American children. You could announce a change in the state-by-state allocation of the \$24 billion in the Children's Health Insurance Program (CHIP) to appropriately count Native American children. States receive a share of CHIP funds based on their proportion of uninsured children below 200 percent of poverty. When the Census Bureau produced these counts last September, it did not include Native American children with access to the Indian Health Service as "uninsured." Thus, even though such children are eligible for CHIP coverage, the states with a large number of Native American children did not receive a larger share of funds. You could announce that both the Census Bureau and Administration recognize that this was inequitable and are thus revising the allotments.
- Highlight actions taken for outreach to Native American children. As part of a Federal Interagency Task Force, both the Department of Interior's Bureau of Indian Affairs and HHS's Indian Health Service proposed a number of actions to increase enrollment of uninsured Native American and Alaska Native children. These include developing and distributing culturally relevant referral information (e.g., brochure, poster, supplementary

packets of information) to Native American families through the Bureau of Indian Affairs, especially focusing on tribal schools, colleges and social services agencies.

Attachments

- Conference Agenda
- The American Indian, Eskimo, and Aleut Population (U.S. Census Bureau)
- Key Facts About American Indian and Alaska Native Children and Youth (prepared by IHS)
- Testimony on Native American Economic Development Before the U.S. Senate Committee on Indian Affairs

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 4-AUG-1998 20:03:20.00

SUBJECT: INS reform

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 House Judiciary committee is scheduled to mark-up Rogers's INS reform bill tomorrow morning. The DOJ has written a views letter endorsing the idea of separating enforcement from services (for all our reasons) but opposing Rogers's bill b/c it does not address the issue of coordination between services and enforcement and does not provide for one person within the DOJ responsible for immigration issues (essentially, our reasons for rejecting the Reyes proposal). This letter also references our legislation, that was introduced last week. OMB, Peter and I agree that the letter should be sent. Please let me know by 8:30am tomorrow morning if you think that this letter should not be sent (I faxed you the draft). Thanks.

julie

julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 4-AUG-1998 15:13:17.00

SUBJECT: Final "Updated" talking points on E.O.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

TEXT:

----- Forwarded by Richard Socarides/WHO/EOP on 08/04/98
03:12 PM -----

Mary L. Smith
08/04/98 10:46:10 AM
Record Type: Record

To: Richard Socarides/WHO/EOP
cc:
Subject: Final "Updated" talking points on E.O.

----- Forwarded by Mary L. Smith/OPD/EOP on 08/04/98
10:47 AM -----

Kate P. Donovan
08/03/98 02:37:11 PM

Record Type: Record

To: Mary L. Smith/OPD/EOP, Martha Foley/WHO/EOP
cc:
Subject: Final "Updated" talking points on E.O.

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

TEXT:

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FF57504309070000010A020100000002050000000541000000020000D04D91E6FA1072D91A5E06

FACT SHEET
Updated 8/3/98

EXECUTIVE ORDER ISSUED MAY 28, 1998
PROHIBITING DISCRIMINATION IN THE FEDERAL CIVILIAN
WORKFORCE BASED ON SEXUAL ORIENTATION

Background:

- Executive Order 13087 was issued on May 28, 1998. It amends an earlier executive order, Executive Order 11478. It restates the pre-existing policy of the Executive Branch of the Federal Government to prohibit discrimination based on sexual orientation in federal civilian employment.
- Representative Hefley of Colorado and others have indicated that they will attempt to amend an appropriations bill to prohibit the use of federal funds to implement, enforce or administer the Executive Order. The Administration opposes this effort.

What exactly does the Executive Order provide?

- The Executive Order will ensure that there is a uniform policy throughout the Federal Government's Executive Branch by adding sexual orientation to the list of categories (i.e. race, color, religion, sex, national origin, handicap, or age) for which discrimination is prohibited in hiring, firing and promotion in the civilian federal workforce, as provided for in Executive Order 11478.
- This policy is about basic fairness, not about "special rights."

Some say a recent CRS study states that the executive order mandates affirmative action and creates new enforcement rights. Is that true?

- **No. Nothing in the executive order requires affirmative action, and the Administration has stated in writing conclusively that Executive Order 13087 does not authorize affirmative action, nor does it require or even permit statistical record-keeping. White House Counsel Charles F.C. Ruff, in a letter dated July 22, 1998, has clearly stated that "Executive Order 13087 does not authorize affirmative action policies, such as recruitment, reporting, or goal-setting based on sexual orientation."**
- The White House, which has the authority to issue the executive order and to promulgate rules regarding the conduct of employees in the Executive Branch, has stated its unequivocal intent that the executive order does not authorize affirmative action on the basis of sexual orientation and that there will be no reporting on that basis either. Accordingly, there is no need for the speculation about affirmative action contained in the

CRS study -- the White House has clearly set forth that there will be no affirmative action on the basis of sexual orientation. **With regard to all these issues, as this is the President's order, the President's intent informs the meaning of the executive order. See Sea-Land Service, Inc. v. Interstate Commerce Commission, 738 F.2d 1311, 1314 (D.C. Cir. 1984) ("The 'law' at issue in this instance is an Executive Order promulgated by the President, and it is to his intent that we must turn for guidance . . .").**

- Even the CRS study concludes that "E.O. 13087 essentially makes [the prohibition against discrimination based on sexual orientation] universal in the Federal Executive Branch and with respect to civilian employees of the military departments . . . , but **would not create judicial enforceable rights in the absence of congressional action.**"

Would the executive order require federal contractors or state and local governments to hire gays?

- This executive order applies only to employees of the Executive branch; it does not apply to federal contractors, subcontractors or grant recipients, or to State and local governments. Federal contractors are not "employees" of the Federal government.

Does this either affect affirmative action policy or create special treatment for certain groups?

- **No. As White House Counsel Charles F.C. Ruff has made clear in a letter dated July 22, 1998: Executive Order 13087 does not authorize affirmative action based on sexual orientation. It does not allow preferential treatment. It does not require that agencies find out which of their employees are gay, or how many gay employees they have hired. There are no quota programs in place for federal civilian hiring, and Executive Order 13087 does not create one.**

Will this lead to collecting information regarding the sexual orientation of employees?

- **No. Executive Order 13087 does not authorize collecting or reporting information about the sexual orientation of employees. Currently, federal agencies report information regarding the race, disability, national origin and gender of employees, but not regarding other classifications included in Executive Order 11478, such as religion. Similarly, information will not be collected or reported regarding sexual orientation.**

Is this a new policy?

- **No. It has always been the practice of this Administration to prohibit discrimination in employment based on sexual orientation in the civilian workforce, and most federal agencies and department have taken actions, such as the issuance of policy directives or memoranda from the agency heads, to memorialize that policy. The Executive Order states this policy uniformly and for the first time in an Executive Order of the President.**

- Moreover, federal law has for a long time provided that discrimination in federal civilian employment based upon sexual orientation is a prohibited personnel practice if it is found that sexual orientation did not adversely affect the performance of the employee. [Title 5 of the U.S. Code, section 2302(b)(10) prohibits “discriminat[ion] for or against any employee or applicant for employment on the basis of conduct which does not adversely affect the performance of the employee or applicant or the performance of others...”]
- As far back as 1980, OPM has issued its interpretation of existing federal law stating that “applicants and employees are to be protected against inquiries into, or actions based upon, non-job-related conduct, such as religious, community, or social affiliations, or sexual orientation.”

If this is not a new policy, why was an Executive Order necessary?

- The Executive Order states a uniform policy throughout the Executive Branch of the Federal Government.

What impact does this have on the uniformed military service?

- None. This order does not apply to the uniformed military service.

What, if any, enforcement rights are granted?

- This Executive Order states Administration policy but does not create any new enforcement rights. Those rights would be granted by legislation passed by the Congress, such as the Employment Non-Discrimination Act, H.R. 1858, which the President supports. White House Counsel Charles F.C. Ruff has stated: “The executive order does not create any rights to file a complaint alleging discrimination on the basis of sexual orientation with a court or with the EEOC. The order leaves intact the current procedures for dealing with such complaints. An employee who believes he or she has suffered adverse action may seek redress under procedures now available within each agency.”

What is the authority for the President to issue this executive order?

- Presidents since George Washington have directed Executive Orders to their employees in the Executive Branch. In 1966, Congress specifically reinforced the President’s Constitutional authority to “prescribe regulations for the conduct of employees in the executive branch.” 5 U.S.C. § 7301. Presidents have frequently exercised that authority over the federal workforce, issuing scores of Executive Orders. This particular Order by President Clinton amends Executive Order 11478, issued in 1969 by President Nixon, barring federal employees from discriminating based on race, color, religion, sex, national origin, handicap or age. The same authority that supported that Order supports this one. President Reagan issued Executive Order 12564, requiring a drug-free federal workplace, and Executive Order 12353, governing charitable fundraising by federal employees.

President Bush issued Executive Order 12674, setting forth principles of ethical conduct for government employees. It would be contradictory to contend that the President can regulate the ethical conduct of federal employees, that he can prescribe standards for fundraising and require drug testing, but cannot instruct federal employees to refrain from discriminating on the basis of sexual orientation.

What is the meaning of the phrase “sexual orientation?”

- **The President intends the term to have the common meaning stated in the Employment Non-Discrimination Act, “homosexuality, bisexuality, or heterosexuality.” With regard to all these issues, as this is the President’s order, the President’s intent informs the meaning of the executive order. See Sea-Land Service, Inc. v. Interstate Commerce Commission, 738 F.2d 1311, 1314 (D.C. Cir. 1984) (“The ‘law’ at issue in this instance is an Executive Order promulgated by the President, and it is to his intent that we must turn for guidance . . .”).**

Is this an attempt to legislate by executive order?

- This executive order does not amend Title VII or Executive Order 11246 or create new rights or remedies for discrimination based on sexual orientation. It is the role of Congress, and not the Executive Branch, to amend federal statutes.
- Unlike Title VII, which applies to employers generally, including private employers, Executive Order 13087 merely sets internal employment policy for the Executive Branch.

Is there public support for the Executive Order?

- Recent national polls by Newsweek and the Associated Press indicate that between 84-85% of Americans favor equal rights for gay people in the workplace.
- The proposed federal legislation on this topic, the Employment Non-Discrimination Act, H.R. 1858 and S. 869, enjoys strong bipartisan support in the 105th Congress, with 33 Senator cosponsors and 159 House cosponsors. In addition, a majority of House Members and over two-thirds of the Senate have specifically indicated that sexual orientation was not a consideration in their own employment practices.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 4-AUG-1998 20:41:31.00

SUBJECT: H1B -- update

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

TEXT:

Bruce/Elena:

Yesterday, Peter and Ceci met with Abraham's staff to discuss our proposed changes to his bill. There continue to be several points of disagreement, essentially about who is covered by the attestations (Abraham's bill has huge exemptions) and what triggers a DOL investigation.

It looks like Gingrich has decided to introduce Abraham's bill (which hasn't changed at all) on the House floor on Thursday. Peter recommends that we send our veto letter if the bill goes to the floor. Gene is less sure and wants to decide that tomorrow. Given that, Gene is likely to bring this up tomorrow morning.

julie

August 4, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: ELENA KAGAN
JANET MURGUIA

SUBJECT: MEETING WITH TOBACCO FARMERS AND REPRESENTATIVES

On Thursday, August 6th, you will be meeting with Democratic members of the North Carolina delegation and tobacco farmers from several states to discuss the unusually small amount of tobacco the companies have been purchasing. We understand that Bruce Flye, President of the Flue-Cured Stabilization Cooperative Association, would like to make a presentation to you about the magnitude of the flue-cured problem and urge you to support putting pressure on the companies to purchase more flue-cured tobacco. The attached provides a background on who will attend, describes their areas of concern, and suggests talking points.

In addition, Secretary Glickman's office has prepared a very useful status report on projected tobacco sales this year and next, which we have attached.

Who Will Attend (All Democratic members from North Carolina)

Rep. Eva Clayton
Rep. Bob Etheridge
Rep. David Price
Rep. Mike McIntyre
Rep. Bill Hefner
Rep. Melvin Watt

* Clayton's office has not finalized a list of farmers who will attend. They say farmers from each member's district in North Carolina will attend, as will farmers from Florida, Virginia, and South Carolina. In addition, Bruce Flye will attend.

We have also invited Dallas Smith of USDA who is an expert on tobacco programs and who the groups requested be present.

Background on Current Market Conditions

As you may know, when the 5 tobacco companies refuse to purchase tobacco, the farmers' cooperatives buy the tobacco and release it for sale at a later time when the market is more hospitable. Flue-cured tobacco markets opened in Florida on July 21st

and have been opening further north over the last few weeks. Initial sales have been very poor, with the cooperatives being forced to buy 19% of the tobacco on sale, up from the normal levels of 5-10%. Markets in the "Old Belt" of Northern North Carolina and Virginia opened Tuesday, August 4th, and we plan to update you on sales reports from there shortly before the Thursday meeting.

Last week, Flye and other farmer representatives met with Senator Faircloth in an unsuccessful effort to persuade him to pressure the tobacco companies to increase their purchases. The farmers say they hope to get a commitment by the companies to purchase 550 million pounds of flue-cured tobacco. The companies publicly stated purchase intention is for only 457 million pounds. While the companies are required to buy only 90% of their formal purchase intentions, they have indicated they will buy the full amount of their purchase intention.

Flye and some farmers from his group have previously met with representatives of the DPC, USDA, and OPL to discuss the difficult state of the markets. USDA and the Administration have worked closely with the farmers groups during the tobacco legislative negotiations, and you have previously met with tobacco state representatives to help ensure that comprehensive tobacco legislation contained measures acceptable to farmers.

The AG's Settlement Agreement and Continuing Talks

The settlement agreement with the Attorneys General did not outline a plan to compensate farmers for the diminished domestic tobacco sales that might result from comprehensive legislation. The on-going talks, according to our information, also do not currently contain a farmer provision.

Legislative Background

If a so-called skinny bill is introduced by Republicans in the House, we have worked with Democrats to make sure a substitute bill contains provisions acceptable to farmers. However, it seems unlikely that Republicans will introduce tobacco legislation or that a Democratic counter-measure would pass.

Talking Points

* Discuss the scope and implications of the problem (the groups say they mostly want you to be aware of the problem):

The markets have opened very poorly for tobacco farmers.

Declines in purchases this year and next mean reduction in quota and increased costs to farmers. USDA projects a possible 22% reduction in quota from the 1998 level for next

year and a significant increase in costs to farmers as they pay for the assessment that is part of the "no net cost assessment" the farmers pay to the government.
This hits farmers very hard, and reaches whole communities.

It also hits minority farmers very hard (15% of flue-cured quota owners are African-Americans.)

* **Farmers have done nothing wrong.**

The President has repeatedly said tobacco farmers should not suffer in this process.

They worked closely with us in trying to put together legislation that reduced youth smoking and protected tobacco farmers and their communities.

* **Ask what steps they suggest**

Note Secretary Glickman is scheduled to go to North Carolina and met with tobacco farmers on August 27, 1998 and will visit with Reps. Etheridge and Clayton.

State we will continue to urge the AG's to include compensation for farmers in any agreement they formulate.

Indicate that we will use whatever leverage we have to urge the companies to purchase 550 million pounds of tobacco this year. That it should not be a partisan issue.

You could ask them if they would favor the Administration putting forward legislation that would move the cost of paying the "no net cost assessment" from farmers to the companies alone. Currently, farmers pay some of this cost. In this year's agricultural appropriations bill we inserted a provision charging the companies for the cost of the program to support a food safety measure. However, this provision will likely be stricken on procedural grounds (the measure is deemed a tax because it did not originate in the House).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Michele Cavataio (CN=Michele Cavataio/OU=PIR/O=EOP [PIR])

CREATION DATE/TIME: 4-AUG-1998 14:23:31.00

SUBJECT: options memo on President's report on race

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

READ:UNKNOWN

TO: "Christopher Edley, Jr." [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Attached is an options memo for organizing a chapter in the President's report on race on Administration accomplishments. Chris asked me to send it to you all. I believe that the next step would be to meet and discuss, but please feel free to send any comments via email as well. Thanks. =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D84]MAIL44079691U.226 to ASCII,
The following is a HEX DUMP:

FF575043D40C0000010A02010000000205000000AF34000000020000A596FABC462B2864C146E4
1DFAF7FC99B42A65661EC2440670701898C9B8D94012501DB1EB7E9CBD12819D6768B8048A1FDA

[AUTO FIELD]

~~March 10, 2010~~

MEMORANDUM TO MARIA ECHAVESTE, CHRIS EDLEY, SIDNEY BLUMENTHAL
AND ELENA KAGAN

CC: Judy Winston

FROM: Michele Cavataio

SUBJECT: Options for Organizing a Chapter on Administration Accomplishments for the
President's Report on Race

Goals

1. Convey Administration's key principles (e.g. opportunity, responsibility, community, etc.) and describe successes, occasional missteps, and hard choices in carrying them out.
2. Act as a bridge between chapters on our past history and our future direction. Organizing themes need to be consistent with chapters which precede and follow.
3. Use this chapter to tell a compelling story rather than provide a comprehensive list of every accomplishment. Resist making every Administration accomplishment a race accomplishment.
4. Be honest rather than excessively celebratory.
5. Show the right level of detail without being boring.

Option 1: Organize by Topical Area

Description: The chapter could be divided into sections on education, economic opportunity, antidiscrimination efforts, public safety and the administration of justice, health, etc. Each section will begin with a macro level discussion of the key principles of the Administration. For example, the education section would begin with the overarching objectives of high standards and access to a high quality education for all students. The chapter would then address the key policies that have helped to meet these objectives for *all* students. Then, it would address policies that are specifically targeted to minority students. It could be interwoven with short, illustrative anecdotes.

- Pros:
- Covers key areas.
 - Easy to skim and go to area of interest.
- Cons:
- May not clearly highlight Administration themes (opportunity, responsibility....)
 - Boring.

Option 2: Organize by Themes or Values

Description: This chapter could be organized around key themes of the Clinton Administration such as: opportunity, responsibility, and community. Or, the themes could cover the goals of the race initiative such as: reducing discrimination, overcoming disparities and improving race relations. Within each theme would be a chronological presentation of Administration policy highlights.

Pros: • Shows consistency throughout the six years of the Administration.

Cons: • Not as neatly organized. Difficult to figure out what to put where.

Option 3: Tell Personal Stories

Description: This chapter would contain several short stories of people or organizations whose lives were transformed by Clinton Administration policies and initiatives. For example, one story might describe a revitalized urban community which was turned around by a series of policies such as Empowerment Zones and increased lending to minority businesses. Another story might describe a high school with a large Latino population which has benefited by increased Title I funding, bilingual education programs, after school initiatives, and school to work programs. A third story might describe a middle class family's search for housing and the increasing opportunities for home ownership made available by Administration policies. A fourth story might describe a mother's chance to get off welfare, obtain job training, and start a new job.

Pros: • Engaging. Easy for readers to relate.
 • Quality not quantity.

Cons: • Highlights only a few key policies.
 • May be too self-congratulatory.

Option 4: Organize Chronologically

Description: This chapter would provide a description of Administration accomplishments in chronological order.

Pros: • Can be thorough.
 • Can show consistency of Administration policies over time.

Cons: • May be boring.

Option 5: Combination of Above Options

Description: The chapter could combine several options described above. For example, within the thematic approach (option 2), it could be organized chronologically (option 4) and include personal stories (option 3).

Pros: • Can show consistency of Administration policies over time.
 • Engaging.

Cons: • May not be as tidy.

Content Issues

1. *Bipartisanship*. This should not be simply a self-congratulatory document. Rather it should include a discussion of difficult issues and of successes and failures. It is important to appeal to a bipartisan audience so all of America is interested in the issue or at least in the document. We might consider a report on the *nation's* accomplishments rather than solely the President's accomplishments.
2. *Macro policies*. We will need to decide whether to include macro policies such as the impact of economic growth on race issues.
3. *Race-neutral policies*. Should we include policies which are intended to be race neutral but which have a disproportionate impact on minorities, whether negative or positive, in areas where disparities exist? Policies of this type would include: the EITC, minimum wage increases, increased funding for Head Start.
4. *Race-targeted policies*. It seems obvious that we would include policies that are specifically- designed to assist minority groups. This might include policies such as the Hispanic Education Initiative, loans to minority businesses, eliminating ethnic health disparities, etc.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Constance J. Bowers (CN=Constance J. Bowers/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME: 4-AUG-1998 19:32:44.00

SUBJECT: ED conferee letter of HR 6 (HEA) = opening language and statement of posit

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

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

READ:UNKNOWN

CC: Kathryn B. Stack (CN=Kathryn B. Stack/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

CC: Pauline Abernathy (Pauline Abernathy [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

CC: Lorenzo Rasetti (CN=Lorenzo Rasetti/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

The language that follows is proposed as the opening text and statement of position for ED's draft conferee letter on HR 6. It contains replacement text proposed by OMB (Barry White/ with Barbara Chow's concurrence). Please opine on who should be delivering the "threat" (ED proposes it be the Secretary; the alternative would be senior advisers."). Note: ED has suggested that the opening position not use the "veto" word, but rather the "not recommend signature" formulation below. Please give me your reaction to this language by 10:00 a.m., tomorrow, Wednesday, August 5th. Thanks.

Rev. August 4, 1998

I am pleased that versions of H.R. 6, a bill to reauthorize the Higher Education Act of 1965 (HEA), have passed both the Senate and the House, and I greatly appreciate the hard work that you and your staff have devoted to this important legislation. I am especially pleased that both bills have adopted the student interest rate on new loans at the level proposed by the Vice President last winter. This will help students manage better their postsecondary education debt and thus make college more affordable.

We now have the opportunity to work together during the conference deliberations to enact a strong bipartisan bill that will help more Americans prepare for and gain access to college, improve teacher recruitment and preparation, and promote better program management. In this work, we must all keep our focus on the goal of producing legislation that is grounded in sound educational and fiscal policy to provide maximum benefits to students. That is the ultimate purpose of the Higher Education Act.

This letter and its attachment highlight the issues in the HEA reauthorization that are of particular importance to the Administration. They include issues such as: ensuring that the bill is fully paid for and there is no risk of a government-wide sequester; ensuring that there are adequate funds available to administer effectively both the Federal Family Education Loan Program and the Federal Direct Student Loan Program; maintaining a key aspect of the nation's commitment to raising the quality of teaching and learning -- the ability of the National Board for Professional Teaching Standards to continue to test teachers against tough, high standards by continuing to offer master teacher certification; offering borrowers the same low interest rate on consolidation loans in FFEL and FDSL; and others. I am confident that the issues presented by the bills now in conference can be resolved to our mutual satisfaction. I must inform you, however, that if the Conference approach to these issues does not serve students well, and if the Conference should incorporate other provisions that are unfavorable to students, then [the President's senior advisers?] [I?] would not be able to recommend that the President sign HR 6.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 4-AUG-1998 17:43:20.00

SUBJECT: Possible statement on Hefley Amendment

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TEXT:

Comments asap please.

----- Forwarded by Richard Socarides/WHO/EOP on 08/04/98
05:38 PM -----

Robert N. Weiner
08/04/98 05:36:42 PM
Record Type: Record

To: Richard Socarides/WHO/EOP
cc:
Subject: Re: Hefley Amendment

Why don't you circulate this to make sure you hit everyone needed. Note,
I added the words in the civilian workforce to the last paragraph to make
sure it isn't overbroad.

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D32]MAIL428531025.226 to ASCII,
The following is a HEX DUMP:

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964608E3FF86A4646F757423248CD966AD0398F5D361D81742668ACC7B2D86221E1AF2511F8A7E

**POSSIBLE STATEMENT REGARDING HEFLEY AMENDMENT
IN THE EVENT OF AN ADVERSE RESULT**

Today, the Republican House of Representatives voted to overturn Executive Order 13087. The Order provides a uniform policy for the Federal Government to prohibit discrimination based on sexual orientation in the federal civilian workforce.

I am deeply disappointed that the House of Representatives has taken action that legitimizes government sponsored discrimination against its own citizens based on their sexual orientation. The American people believe in fairness, not discrimination, and I am confident they will reject this unseemly and unjust action by the House.

It has always been the practice of this Administration to prohibit employment discrimination based on sexual orientation in the federal civilian workforce. Most federal agencies and department have taken actions to memorialize that policy. The Executive Order does no more than make that policy uniform across the federal government. It does not authorize affirmative action, or preferences, or special rights for anyone.

The Executive Order reflects this Administration's firm commitment that the federal government make employment related decisions in the civilian workforce based on individual ability and not on sexual orientation. I assure each and every American that the Republicans in Congress cannot and will not force this Administration to discriminate.

**POSSIBLE STATEMENT REGARDING HEFLEY AMENDMENT
IN THE EVENT OF A GOOD RESULT**

Today, the House of Representatives defeated a Republican attempt to overturn Executive Order 13087. The Order provides a uniform policy for the Federal Government to prohibit discrimination based on sexual orientation in the federal civilian workforce.

I am gratified by the House vote. The American people believe in fairness, not discrimination, and they reject efforts like this one that would have legitimized government sponsored discrimination against its own citizens based on their sexual orientation .

It has always been the practice of this Administration to prohibit employment discrimination in the federal civilian workforce based on sexual orientation. Most federal agencies and departments have taken actions to memorialize that policy. The Executive Order does no more than make that policy uniform across the federal government. It does not authorize affirmative action, or preferences, or special rights for anyone.

The Executive Order reflects this Administration's firm commitment that the federal government make employment related decisions in the civilian workforce based on individual ability and not on sexual orientation. I assure each and every American that the Republicans in Congress cannot and will not force this Administration to discriminate.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 4-AUG-1998 13:24:15.00

SUBJECT: Native American Memo

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

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

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

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

TEXT:

I need the directive this evening. Can you please make sure I get it?
Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 4-AUG-1998 10:18:38.00

SUBJECT: Clayton - Tobacco Farmers Meeting

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

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

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

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

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

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

TEXT:

Erskine just asked me to get briefing materials for his Thursday (8/6) meeting with Rep. Eva Clayton on tobacco farmers today. Can you help me get a briefing paper on this by 6:00 pm tonight? I understand, Janet, that you have been pulling this meeting together so far. Can you please coordinate the briefing paper with Bruce and Elena to make sure we have DPC's input as well? Thanks a lot. Please feel free to call me if you see any problems getting this done.

Kevin

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 4-AUG-1998 17:43:20.00

SUBJECT: Directive with EK's changes

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Elena -- I have put in your edits. Can I send this to Phil?===== ATT

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D26]MAIL42443102K.226 to ASCII,

The following is a HEX DUMP:

FF57504372050000010A02010000000205000000FC2400000002000007B689EF84A56F698F1B9E4
242498E9A8B153A42D068806D2B22763231DE0CAD5CB0B9F12636C8A82957A60A9D989EAE16FBD

MEMORANDUM FOR THE SECRETARY OF COMMERCE
THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY OF THE INTERIOR
THE SECRETARY OF THE TREASURY
ADMINISTRATOR OF THE SMALL BUSINESS
ADMINISTRATION

SUBJECT: ECONOMIC DEVELOPMENT IN AMERICAN INDIAN AND ALASKA
NATIVE COMMUNITIES

Across America, communities are recognizing that technology and information technologies are key to creating economic opportunities and increasing productivity. My Administration has made substantial gains in spurring the development of an advanced information infrastructure in order to bring the benefits of the Information Age to all Americans.

Looking to the future, we know that technology is a key to economic growth. We need to stimulate the growth of modern production facilities, small business incubators, capital access for start-up companies, and strategic planning to develop a vision for technologically competent communities. In particular, as telecommunications and information technologies continue to play a key role in providing new job and educational opportunities, we must ensure that all of our communities are able to participate fully in this new information economy.

Because of their often remote locations, American Indian and Alaska Native communities stand to benefit the most from the Information Age, yet are in the greatest danger of being left behind. We must act to ensure that these communities gain new tools to battle high levels of unemployment and low per-capita income. **A recent study by the Department of Commerce on Internet and computer usage in America shows that, although many more Americans now own computers, minorities and low-income households are still far less likely than white or more affluent households to have personal computers or access to the Internet. And even more alarming, this study reveals that this "digital divide" between households of different races and income levels is growing.**

The ability to own a home and have access to capital are also very important for economic development. Residents of Indian reservations encounter several unique issues when seeking to obtain a mortgage. Trust land status, tribal sovereignty, and requirements to gain clear title from the Bureau of Indian Affairs are examples of issues that lenders and borrowers must grapple with during the mortgage lending process. Thus, individuals seeking to acquire a homesite lease or a residential mortgage are often required to obtain approval from several federal, tribal, state, and local agencies as well as private providers.

The Department of Commerce, particularly through the Economic Development Administration (EDA), has a 30-year history of investing over \$730 million in economic development projects in American Indian and Alaska Native communities, working with its existing network of 65 tribal planning organizations. In addition, Commerce's National

Telecommunications and Information Administration has funded demonstration projects that show Native American communities how they can use technologies to improve the quality of life on reservations.

The Commerce Department's Minority Business Development Agency has funded eight Native American Business Development Centers (NABDCs) that provide assistance with accounting, administration, business planning, construction, and marketing. We must continue this focus on infrastructure technology needs and business development in American Indian and Alaskan Native communities.

I accordingly direct the Secretary of Commerce, in collaboration with the Department of the Interior and tribal governments, to report back to me within 9 months on the state of infrastructure technology needs in Indian communities, including distance learning facilities, telecommunications capabilities, and manufacturing facilities. This report should identify the infrastructure technology needs in Indian country and set forth proposals that would help address these needs.

In addition, I direct the Secretary of the Interior, the Secretary of Commerce, and the SBA Administrator to report back to me within 90 days with a strategic plan for coordinating economic development initiatives for Native American and Alaska Native communities, including initiatives involving the private sector. In developing this strategic plan, the Secretaries and Administrator should consult with all interested parties, including tribal governments and other federal agencies and offices -- particularly, the Department of Housing and Urban Development, the Department of Transportation, and the Department of Agriculture. The plan should build upon current efforts in the agencies and detail future efforts such as providing technical assistance, enhancing infrastructure, and developing software.

Finally, I direct the Secretaries of the Treasury and the Housing and Urban Development, in partnership with local tribal governments and in cooperation with other federal agencies -- particularly, the Department of the Interior, the Department of Veterans Affairs, and the Department of Agriculture -- to initiate a project to help streamline the mortgage lending process in Indian country in order to improve access to mortgage loans on Indian reservations. The Secretaries should initiate this effort through a year-long pilot program on the Navajo Nation and in at least one other location.

These steps, taken together, will help ensure to the fullest extent possible the continued economic development of Indian country.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 4-AUG-1998 15:49:40.00

SUBJECT: Log Cabin's Action Alert on Hefley Amendment

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

TEXT:

----- Forwarded by Richard Socarides/WHO/EOP on 08/04/98
03:49 PM -----

Doug.Case @ sdsu.edu
08/04/98 04:13:00 PM

Record Type: Record

To: Stuart D. Rosenstein, Richard Socarides
cc:
Subject: Log Cabin's Action Alert on Hefley Amendment

August 4, 1998

LOG CABIN REPUBLICANS ACTION ALERT

A vote is expected on the floor of the House of Representatives TODAY on the Hefley Amendment to the Commerce, Justice, State appropriations bill. This is the amendment which seeks to roll back all the non-discrimination policies in the federal government which include sexual orientation. It is a defining moment for the 105th Congress -- CALL YOUR REPRESENTATIVES TODAY AT 202-225-3121 AND URGE THEM TO VOTE NO ON THE HEFLEY AMENDMENT!!

July 30, 1998

TO: GOP Members of Congress
FROM: Richard Tafel, Executive Director

VOTE NO ON THE HEFLEY AMENDMENT

I. IT IS BAD POLICY

On CNN's "Crossfire" last week, Rep. Bob Barr (R-GA), a leading supporter of the Hefley Amendment to the Commerce, Justice, State appropriations bill, said he believes in discriminating against gays and lesbians. Passage of the Hefley Amendment will mean that the 105th Congress agrees with Rep. Barr. That will be the message to your constituents, to your campaign supporters, to your colleagues in the House and to the staff members you employ in your own office -- if you vote yes on the Hefley Amendment.

Rep. Joel Hefley (R-CO) wrote recently to you that his amendment is merely to ensure that gays do not receive affirmative action as a result of federal non-discrimination policies. LOG CABIN REPUBLICANS IS FIRMLY OPPOSED TO AFFIRMATIVE ACTION. We are giving our organization's highest award to Proposition 209 leader Ward Connerly at our national convention next month. THE FACTS ARE CLEAR: IT IS ALREADY ILLEGAL (42 U.S.C. 2000e) TO EXTEND ANY FORM OF TITLE VII REMEDIES ON THE BASIS OF SEXUAL ORIENTATION

TO FEDERAL WORKERS. There is nothing about the President's executive order that can possibly change that.

II. IT IS WRONG POLITICALLY FOR OUR PARTY

A poll published in The Hill on July 29 showed the following:

-- Americans support President Clinton's executive order banning discrimination against gays in federal hiring and employment by 66-24. The Hefley Amendment would roll back this order.

-- Even the GOP base -strong Republican voters - back Clinton's order by 50-41.

Very conservative "strong" Republicans would either be less likely to support or say it would make no difference in their votes by 54%.

A poll conducted by the Republican Leadership Council showed the following [Kieran Mahoney & Associates - National Survey of Swing Congressional Districts, July 17-20, 1998]:

-- Question: DO YOU FAVOR THE FEDERAL GOVERNMENT PASSING LEGISLATION IN SUPPORT OF A SPECIFIC MORAL AGENDA?

- 58% all voters OPPOSED
- 55% of Republicans OPPOSED
- 60% of Independents OPPOSED

-- Voters are more likely to support a Republican candidate for Congress focused on economic issues over "moral issues" by a 58.6% to 18.9% margin.

-- Ticket-splitters agree with the GOP economic agenda 44.5% to 30.4%. Independents agree 41.4% to 34.4%.

-- Ticket-splitters DISAGREE with the GOP agenda on moral issues "like gay rights" -- 40.7% to 22.4%.

-- Independents DISAGREE with the GOP agenda on moral issues "like gay rights" -- 52.3% to 19.5%.

-- Question: DO YOU FAVOR EXCLUDING HOMOSEXUALS FROM LEADERSHIP POSITIONS IN THE REPUBLICAN PARTY BECAUSE THEY ARE GAY?

61% of Republicans OPPOSED

BAD POLICY.

BAD POLITICS.

VOTE NO ON THE HEFLEY AMENDMENT TO THE COMMERCE, JUSTICE, STATE APPROPRIATIONS BILL.

There is NO middle ground.

Log Cabin Republicans	Kevin Ivers
(202) 347-5306 phone	Director of Public Affairs
(202) 347-5224 fax	http://www.lcr.org

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endorsement of the content. In fact, sometimes messages from anti-gay organizations are forwarded as "opposition research."

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

TEXT:

RFC-822-headers:

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.1-9 #29131)
id <01J07KVMC3S000CMCS@PMDF.EOP.GOV>; Tue, 4 Aug 1998 15:18:14 EDT

Received: from Storm.EOP.GOV by PMDF.EOP.GOV (PMDF V5.1-9 #29131)
with ESMTTP id <01J07KVKWXXKG009ZVG@PMDF.EOP.GOV>; Tue,
04 Aug 1998 15:18:12 -0400 (EDT)

Received: from mail.sdsu.edu ([130.191.25.1])
by STORM.EOP.GOV (PMDF V5.1-10 #29131)
with ESMTTP id <01J07KV6LF60000SVB@STORM.EOP.GOV>; Tue,
04 Aug 1998 15:17:53 -0400 (EDT)

Received: from [130.191.242.121] ([130.191.242.121])
by mail.sdsu.edu (8.8.7/8.8.7) with ESMTTP id MAA04776; Tue,
04 Aug 1998 12:12:11 -0700 (PDT)

X-Sender: dcase@mail.sdsu.edu

=====
END ATTACHMENT 1 =====

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 4-AUG-1998 18:25:01.00

SUBJECT: Final directive for Native American economic development conference

TO: Richard H. Kodl (CN=Richard H. Kodl/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Here is the final directive with Elena's and OMB's changes. Let me know if you need anything else. Thanks, Mary===== ATTACHMENT 1 =====

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D45]MAIL46258102P.226 to ASCII,
The following is a HEX DUMP:

FF57504372050000010A02010000000205000000E52300000002000006E2CAAA4577DB54FD4EDC2
82483A4C92ADD103AA36A2733339B2C97DD1CD4E224E0D7B79DA59A57562B91E30D80B5C0D20BE

MEMORANDUM FOR THE SECRETARY OF COMMERCE
THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY OF THE INTERIOR
THE SECRETARY OF THE TREASURY
ADMINISTRATOR OF THE SMALL BUSINESS
ADMINISTRATION

SUBJECT: ECONOMIC DEVELOPMENT IN AMERICAN INDIAN AND ALASKA
NATIVE COMMUNITIES

Across America, communities are recognizing that technology and information technologies are key to creating economic opportunities and increasing productivity. My Administration has made substantial gains in spurring the development of an advanced information infrastructure in order to bring the benefits of the Information Age to all Americans.

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Telecommunications and Information Administration has funded demonstration projects that show Native American communities how they can use technologies to improve the quality of life on reservations.

The Commerce Department's Minority Business Development Agency has funded eight Native American Business Development Centers (NABDCs) that provide assistance with accounting, administration, business planning, construction, and marketing. We must continue this focus on infrastructure technology needs and business development in American Indian and Alaskan Native communities.

I accordingly direct the Secretary of Commerce, in collaboration with the Department of the Interior and tribal governments, to report back to me within 9 months on the state of infrastructure technology needs in Indian communities, including distance learning facilities, telecommunications capabilities, and manufacturing facilities. This report should identify the infrastructure technology needs in Indian country and set forth proposals that would help address these needs.

In addition, I direct the Secretary of the Interior, the Secretary of Commerce, and the SBA Administrator to report back to me within 90 days with a strategic plan for coordinating existing economic development initiatives for Native American and Alaska Native communities, including initiatives involving the private sector. In developing this strategic plan, the Secretaries and Administrator should consult with all interested parties, including tribal governments and other federal agencies and offices -- particularly, the Department of Housing and Urban Development, the Department of Transportation, and the Department of Agriculture. The plan should build upon current efforts in the agencies and detail future efforts such as providing technical assistance, enhancing infrastructure, and developing software.

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These steps, taken together, will help ensure to the fullest extent possible the continued economic development of Indian country.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 4-AUG-1998 10:51:43.00

SUBJECT: CA Message

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

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

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

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

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

TEXT:

I wanted to check in with you guys about the message for the California trip next week. I believe our final California message meeting with happen later today. The advance team is leaving tomorrow for California, so we need to make a decision soon.

I believe the current state of play was to do guns in San Francisco (Brady regs and Feinstein anti-clip legislation) and an event supportive of the tobacco tax/child care initiative in LA.

Other options that I am aware of include: food safety, signing the credit union legislation, safe drinking water.

Elena -- what are you views on the tobacco/child care initiative? Are you guys okay with that? thanks.

So -- how are you feeling about doing tobacco/child care in LA?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: William P. Marshall (CN=William P. Marshall/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 4-AUG-1998 10:58:06.00

SUBJECT: religion issues

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

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

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

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

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

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

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

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

TEXT:

Please note that Eddie Correia is taking over the religion docket for the Counsel's office.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Roberta W. Greene (CN=Roberta W. Greene/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 4-AUG-1998 19:03:47.00

SUBJECT: Upcoming White House Conference

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

READ:UNKNOWN

TEXT:

I got a call today from Martha Hertzberg who represents Peter, Paul & Mary. They heard about the School Violence Conference and want to help in whatever way we deem appropriate. Last year, they did a powerful PSA with a 1-800 number. The theme of their PSA was "Where have all the children gone". They're now working on a new recording that boys and girls clubs will use...Don't laugh at us - don't get your pleasure from my pain...

If you're interested, call Martha Hertzberg at 310-399-5001

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 4-AUG-1998 19:50:49.00

SUBJECT: NEED CLEARANCE: DC HOUSE RULES SAP

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

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: RUDMAN_M@A1@CD@VAXGTWY (RUDMAN_M@A1@CD@VAXGTWY [UNKNOWN]) (NSC)

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

READ:UNKNOWN

CC: FARRAR_J@A1@CD@VAXGTWY (FARRAR_J@A1@CD@VAXGTWY [UNKNOWN]) (NSC)
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: 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: Jonathan H. Schnur (CN=Jonathan H. Schnur/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

CC: Rosemary Evans (CN=Rosemary Evans/OU=OMB/O=EOP@EOP [OMB])
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: Elizabeth Gore (CN=Elizabeth Gore/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

READ:UNKNOWN

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

TEXT:

The House Rules Committee is scheduled to meet Wednesday at 11:30am on the District of Columbia Appropriations bill. Please review the draft and provide comments/clearance no later than 10am tomorrow. Thanks.

H.R. 4380 -- DISTRICT OF COLUMBIA APPROPRIATIONS BILL, FY 1999
(Sponsors: Livingston (R); Louisiana; Taylor (R), North Carolina)

This Statement of Administrative Policy provides the Administration's views on H. 4380, the District of Columbia Appropriations Bill, FY 1999, as reported by the House Appropriations Committee.

The Administration appreciates the Committee's support in developing a bill that provides sufficient Federal funding to implement the National Capital Revitalization and Self-Government and Improvement Act of 1997 successfully. While the Committee bill is an improvement over the Subcommittee version of the bill, the Administration is deeply concerned about inadequate funding for the D.C. economic development initiative and objects to a number of provisions of the Committee bill, as described below. We urge the House to adopt a bill that addresses the Administration's concerns.

Economic Development Initiative

The Administration has requested \$100 million for an economic development initiative in the District of Columbia: \$50 million to capitalize the locally-chartered National Capital Revitalization Corporation (NCRC), \$25 million for critically needed management reforms authorized by the Revitalization Act and related to the city's economic development infrastructure, and \$25 million for Metrorail improvements that would support the Washington Convention Center project. We appreciate the Committee's action to provide \$25 million to support transportation improvements associated with the Washington Convention Center, as requested, as well as \$21 million for infrastructure improvements in the District. However, we regret that the Committee has provided no funding for critically needed management reforms or funding to capitalize the locally-chartered NCRC. The Administration strongly urges the Committee to appropriate additional resources for economic development.

Public Education System

The Administration appreciates the Committee's full support of charter schools and public schools in the District and supports the Committee's appropriation of \$20.4 million in Federal funding for D.C. charter schools. We appreciate the decision to provide these resources from a source other than local public school funding.

Abortion

The Administration strongly opposes the abortion language of the Committee bill, which would prohibit the use of both Federal and District funds to pay for abortions except in those cases where the life of the mother is endangered or in situations involving rape or incest. The

Administration continues to view the prohibition on the use of local funds as an unwarranted intrusion into the affairs of the District and would support an amendment, if offered, to strike this prohibition.

Micromanagement

The Administration is concerned by the Committee's repeal of the Residency Requirement Amendment Act of 1998 (D.C. Act 12-340). We believe that the repeal of the residency requirement for new D.C. employees is an unwarranted intervention into the affairs of the local government.

Likewise, the Administration opposes provisions of the Committee bill that would further restrict or otherwise condition management of the District Government, thereby undercutting the Financial Responsibility and Management Assistance Authority's (the Authority's) oversight and responsibility for the District's budget and financial condition. Further, the Administration is concerned about provisions that would undermine the responsibilities of the Superintendent of the District of Columbia Public Schools by legislating how local funds are used for salaries and pay raises.

The Administration is committed to working with the House to produce a bill that will assist the District in its continued efforts toward financial recovery. We look forward to working with the House to address our mutual concerns.

Objectionable Amendments

The Administration understands that three amendments may be offered that would seriously undermine local control. If such amendments were adopted and included in the bill presented to the President, his senior advisers would recommend that the President veto the bill.

An amendment to provide for the use of private school vouchers in the District. We would strongly oppose any legislation allowing the use of Federal taxpayer funds for private school vouchers. Instead of investing additional resources in public schools, vouchers would allow a few selected students to attend private schools and would draw resources and attention away from the hard work of reforming public schools that serve the overwhelming majority of D.C. students. Establishing a private school voucher system in the Nation's Capital would set a dangerous precedent for using Federal taxpayer funds for schools that are not accountable to the public.

An amendment that would prohibit adoptions in the District by couples that are unmarried or not related by blood.

An amendment that would prohibit the use of Federal or local funds for needle exchange programs and would prohibit private agencies from supporting needle exchange programs if they receive Federal funds (even if the funds used for the needle exchange programs are their own).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 4-AUG-1998 16:15:57.00

SUBJECT: California Tobacco Initiative

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

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

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

TEXT:

The California Children and Families First Initiative (proposition 10) proposes a 50 cent per pack tax on cigarettes. It will raise \$700 million annually for anti-tobacco and early childhood development initiatives. 20% of revenues will go toward statewide initiatives (of this, 6% will go to a statewide media campaign designed to encourage pregnant women and parents of young children to stop smoking; the remainder will go to child care and early childhood development programs). The remaining 80% will go to the counties for them to use as they see fit for a very broad range of children's programs, which may also include assistance to pregnant women and parents of young children who want to quit smoking, and education and training programs on the avoidance of tobacco, drugs and alcohol .

Rob Reiner has spearheaded the effort, and supporters include Koop, Waxman, Boxer, and 250-300 groups including the American Cancer Society, American Heart Association, American Lung Association, California Medical Association, child care organizations, a law enforcement organization, religious organizations, education groups, etc. The Mayors of LA, Sacramento and San Francisco are supporters, along with Michael Huffington (he is a major contributor). Wilson has not yet taken a position yet, nor has Feinstein (she proposed her own ballot initiative when she ran for Governor which included a \$1 per pack tax increase for education purposes, but it didn't go anywhere). Feinstein also apparently has some concerns about spending accountability -- I will try to find out more about that.

The only known opposition so far is the Committee Against Unfair Taxes, which is sponsored by the industry. The industry apparently has not been successful in recruiting to its side either the major anti-tax groups or law enforcement groups, in part because they apparently embarrassed their supporters 10 years ago during the last tobacco tax initiative. The industry plans to come out swinging in the upcoming months, but they haven't been very vocal yet. I only found one editorial opposing the initiative, and the complaints sound very familiar (Creates 59 new government commissions, "with friends like Rob Reiner, the poor in California don't need enemies", blah, blah).

The ballot initiative will be voted on in November. Proponents said that

they collected the 1.2 signatures to qualify for the ballot rather easily. One recent poll shows 68% are in favor of the initiative. Another one shows that 54% are in favor, 32% oppose.

A tobacco tax ballot initiative has never been voted down in California. 10 years ago, Proposition 99 passed, which increased taxes by 25 cents a pack, mostly for health care\public health purposes. Proponents say that it cut smoking in CA by about a third. (During that ballot initiative, the industry outspent proponents by 10 to 1, but the initiative passed by a 10 point margin anyway.) About 6 years ago, the CA legislature passed an additional 2 cent per pack for the Breast Cancer Fund. Current state taxes on cigarettes are 37 cents a pack.

Nicole said that Reiner met with Mrs. Clinton and urged her to speak out publicly in favor of the initiative. She is supportive of his efforts, but has not committed to doing anything.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1998 20:09:48.00

SUBJECT: Briefing Papers

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

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

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

TEXT:

I think that someone in DPC will have to talk to Leg. Affairs about our briefing papers. Every time we hand one in, they ask me if Lerry, Janet, Peter Jacoby or another Leg. Affairs Special Assistant is manifested for our briefings. This is not my call to make, and by the time they ask me it is normally too late.

I do not know if you all want to include them each time there are members present or to explain to them that the briefing is to brief the President on policy rather than which members are present. But someone higher than myself should talk to Larry or Janet directly so I don't have to discuss with Jessica every time. Just an FYI- b/c Larry or Janet might raise with one of you all first.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1998 21:01:57.00

SUBJECT:

TO: BRUCE N. (Pager) #REED (BRUCE N. (Pager) #REED [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

TO: MINYON (Pager) #MOORE (MINYON (Pager) #MOORE [UNKNOWN])

READ:UNKNOWN

TEXT:

we won hefley big. 176-252. Richard 6-1611