

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 082 - FOLDER -007

[09/14/1998 - 09/16/1998]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:14-SEP-1998 09:16:45.00

SUBJECT: H-2A -- background paper for Deputy's meeting

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

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

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

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

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

TEXT:

Elena/Sally,
Attached is a background memo for the H-2A Deputy's meeting this afternoon. It outlines the six main issues re: H-2A reform. We would also like to send a abridged version of this document (without the recommended administration positions) to those who are attending the meeting this afternoon. Please advise. Thanks.

julie & ceci

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D41]MAIL44366465T.226 to ASCII,
The following is a HEX DUMP:

FF57504345080000010A0201000000020500000047510000000200009CBE986A89A443C086A3E3

MEMORANDUM FOR ELENA KAGAN and SALLY KATZEN

FROM: JULIE FERNANDES
CECILIA ROUSE

RE: WYDEN-GRAHAM AGRICULTURAL GUESTWORKERS BILL

[Autofield]
DATE: ~~March 10, 2010~~

Background

Agricultural “guestworkers” are admitted on H-2A visas for temporary jobs. Under the current program, in order hire H-2A workers, an employer must demonstrate to the DOL that (a) there are not sufficient U.S. workers able, willing, qualified and available to perform the services; and (b) there will be no adverse effect on the wages and working conditions of similarly-employed U.S. workers. Employers also are required to pay workers an “adverse effect wage rate” (AEWR), determined by the average wage paid to non-managerial agricultural workers in the state; provide free housing to workers outside the commuting area; reimburse workers’ inbound transportation if they complete half the contract, outbound also if they complete the contract; guarantee 3/4 of the hours of the contract; and hire any qualified U.S. worker who applies during the first half of the work contract. There is no cap on the number of H-2A visas granted. Out of the 1.6 million farmworkers in the United States, approximately 600,000 are unauthorized to work, and approximately 20,000 are in the H-2A program.

In June 1995, in response to efforts in Congress to pass legislation that would create a new guestworker program (without the worker protections present in the existing program) and agreeing with the recommendation of the Commission on Immigration Reform, the President stated his opposition to a “new guestworker program.” However, he also stated that if the crackdown on illegal immigration contributes to labor shortages, he would direct the Departments of Labor and Agriculture to work cooperatively to improve and enhance the existing H-2A program.

Grower advocates argue that they continue to experience difficulties in finding domestic farmworkers and that the H-2A program is slow, cumbersome, and expensive. However, a recent (December 1997) GAO study concluded that agribusiness does not now and will not soon face an agricultural labor shortage. The GAO’s finding of a labor surplus echoes the conclusions of the U.S. Commission on Agricultural Workers (1992), and the U.S. Commission on Immigration Reform reports (1995 and 1997). While the GAO report suggested that there could develop localized labor shortages, it noted the widespread belief that employers should respond to the market place by increasing wages, improving recruitment and modernizing their labor practices. Further, the GAO report cited a study which concluded that substantial wage

increases would have little effect on consumer produce prices or international competitiveness. Many growers blame the INS's recent crackdown on undocumented farmworkers for the shortages of domestic farmworkers and their need to rely on a dysfunctional H-2A program.

On March 12th of this year, the House Judiciary Subcommittee on Immigration approved legislation, sponsored by Rep. Robert Smith (R-OR), that provides for a new pilot guestworker program that erodes existing worker protections. In a letter to Chairman Lamar Smith, Secretary Herman stated that if this legislation were presented to the President, she would recommend a veto. This bill was voted out of the subcommittee on a voice vote, but has not been taken to the full House Judiciary Committee.

Soon after this bill was introduced, we initiated a process with the Departments of Labor and Agriculture to determine what kinds of regulatory and/or administrative reforms we could put into place before the next growing season. We developed a set of regulatory reforms that respond to the growers' concern that the program needs to be streamlined (i.e., improved processes; reduced paperwork and delay). The Department of Labor and the Justice Department (which handles the immigration aspects of the program) have developed a package of proposed rulemaking changes that we hope will go in effect by the end of January. However, though some grower advocates were pleased with the set of administrative reforms, they continue to press for a legislative package that would fundamentally alter the way the program is operated.

On July 22, 1998, Senators Ron Wyden, Bob Graham and Gordon Smith (R-OR) introduced an amendment to the CJS appropriations bill that would make significant changes to the current H-2A program. On that same day, the Secretary of Labor sent a letter to Senator Wyden stating her strong opposition to his amendment which creates a new guestworker program that erodes labor protections for migrant farmworkers. The overall concern with the Wyden-Graham bill is that it shifts costs and risks from employers to workers and/or the government.

Issues Regarding H-2A Reform

Issue #1

Use of the Adverse Effect Wage Rate

Whether we would consider eliminating the adverse effect wage rate and replacing it with an enhanced prevailing wage rate.

Current Law:

Under the current program, growers who employ H-2A workers are required to pay their workers the higher of the prevailing wage (determined by the average wage for the crop in the local area), the federal, state or local minimum wage or an "adverse effect wage rate" (AEWR) (equal to the average statewide agricultural wage rate). Because foreign workers can sometimes dominate a local labor market, this wage depression is often reflected in the local prevailing wage. The

AEWR partially corrects for this depressive effect by measuring farmworker wages on a statewide basis -- thus dissipating the impact of foreign workers on the wage.

Wyden-Graham Bill:

Under the Wyden-Graham bill, the worker is required to be paid either the prevailing wage or the AEWR (capped at 105% of the prevailing wage).

Recommended Administration Position:

The Departments of Labor and Agriculture agree that our goal is to find a way to calculate the wage that both takes into account the depression of wages in areas where there is heavy reliance on illegal and H-2A workers and that isn't so high as to drive employers to hire undocumented workers. Thus, we have agreed to explore proposals to replace the AEWR with some form of an enhanced prevailing wage, so long as the enhancement is adequate. Our preliminary assessment is that 105% of prevailing wage would be an *inadequate* enhancement.

Though we may conclude that a move away from the AEWR could more accurately reflect proper wages in certain sectors, we will likely face significant backlash from the Hispanic and farmworker communities if the new formula results in lower wages in any sector.

Issue #2

Employer Recruitment -- Use of Proposed Registry

Whether we support the creation of a registry system for matching growers to farmworkers that totally replaces an employer's obligation to conduct positive recruitment.

Current Law:

Under current law, if the grower is seeking to employ H-2A workers, he must affirmatively recruit in the private marketplace (known as "positive recruitment") and use the federal-state Job Service to circulate job offers to areas where migrant workers may be located. Thus, the responsibility for farmworker recruitment is shared between the prospective employer and the U.S. Employment Service.

Wyden-Graham Bill:

Under the Wyden-Graham bill, growers seeking to employ H-2A workers would have no obligation to attempt to recruit legal U.S. farmworkers except through a newly-created "job registry." Thus, all responsibility for the recruitment of domestic farmworkers would shift to a new, untried, process for which the government and low-wage workers are entirely responsible. This registry would take years to create, but H-2A workers could be hired within 6 months of the enactment of the bill. Further, because growers would no longer have an obligation to recruit domestically, they would be free to concentrate their worker recruitment efforts abroad.

Recommended Administration Position:

There is general agreement between USDA and DOL that total reliance on a registry (undeveloped; untested) would be unacceptable -- growers must retain some of the responsibility for finding U.S. workers. However, despite these concerns, it may be worthwhile to develop a pilot program to test whether a registry of the kind described in the bill could be an effective tool to assist growers in locating U.S. farmworkers. We could also consider the development of a method of ensuring that those domestic workers whose names are included in the registry are authorized to work (as in the Wyden bill).

Issue #3

Housing

Whether H-2A employers should continue to have an obligation to provide housing to their workers. Also, whether this obligation is met by the issuance of housing vouchers.

Current Law:

Current law requires growers who employ H-2A workers to provide them with free housing.

Wyden-Graham Bill:

The Wyden-Graham bill allows growers to provide a payment voucher (equal to 1/4 of the Fair Market Rate in the applicable county for a two bedroom apartment) in lieu of housing, unless the State certifies that adequate housing is not available in the area. Under this approach, the grower employing H-2A workers would have no obligation to assure that housing is actually available and could be obtained with the voucher.

Recommended Administration Position:

The DOL's chief concern is that the cost of housing not be transferred from the grower to the worker. They also believe that it should remain the grower's responsibility to ensure that housing is available for the workers. USDA remains of the view that the provision of a housing voucher or an increased wage (to reflect the cost of housing) should satisfy the grower's obligation, even if there is no housing available for these workers.

First, there are many areas (particularly in the West) where there simply is not an adequate supply of rural housing to meet the needs of these workers. Second, even if there is some housing available in the area, it is unrealistic to expect low-wage foreign migrant farmworkers to be able to secure housing on their own using a federal voucher. Thus, reliance on a voucher system will leave many workers either without housing or overcrowding any available rental housing.

We recommend not eroding the existing requirement that growers who use the H-2A program provide their workers with housing. However, we may want to consider whether the federal

government could do more to assist growers in creating housing for their farmworkers. Currently, the Department of Agriculture administers a migrant farmworker housing program that we could scale up. Also, it may be possible to find ways to encourage states to use their CDBG or HOME funds to target the creation of farmworker housing. Finally, it may be possible to waive some housing regulations if the H-2A worker were housed in established housing (i.e., a hotel, government housing, etc.). These options would be designed to assist the growers with fulfilling *their* obligation to provide adequate housing for their workers -- not as a shift in responsibility from the growers to the government.

Issue #4

The 3/4 Guarantee

Whether we support the continued use of the 3/4 guarantee.

Current Law:

Under current law, workers must be paid for at least 75% of the work contract period for which they were recruited, except when there is an "act of God." This "three-fourths guarantee" gives migrant workers some indication of their potential earnings and discourages employers from over-recruiting to secure a labor surplus and drive down wages. Under the MSPA (which applies to U.S. migrant farmworkers, but not H-2A workers), workers enjoy a 100% guarantee.

Wyden-Graham Bill:

The Wyden-Graham bill would eliminate this work guarantee for H-2A workers. This change will encourage growers to lure workers from hundreds or thousands of miles away with the promise of potentially high earnings without any obligation to fulfill any part of that promise. This may also encourage growers to recruit more workers than they actually need to hedge against uncertainties.

Recommended Administration Position:

There is agreement within the Administration that the H-2A program should generally track the worker protections included in the Migrant and Seasonal Worker Protection Act (MSPA). As noted, under the MSPA, migrant farmworkers are guaranteed 100% of the work contract period for which they were recruited. Thus, the 3/4 guarantee for H-2A workers is more flexible (and thus better for growers) than the 100% guarantee mandated for those who employ only U.S. workers.

It would seem inconsistent for us to endorse a standard substantially less for the H-2A program than that required under the MSPA. When asked why the growers could live with the 100% guarantee under MSPA, but not the 75% guarantee under the H-2A program, we were told by USDA that it is because the MSPA guarantee is never enforced, and the H-2A guarantee is.

Issue #5

Repatriation Incentive

Whether we support wage-withholding as an incentive for H-2A workers to repatriate.

Current Law:

Under current law, there is no mechanism for ensuring that H-2A workers return to their home country.

Wyden-Graham Bill:

Permits employers to withhold 20% of a worker's wages, to be reclaimed upon the worker's return to his home country.

Recommended Administration Position:

In general, there is agreement within the Administration that we should try to develop an effective way to ensure that guestworkers return to their home country after the termination of the contract. However, this wage deduction is a bad idea that would likely prove ineffective.

First, this would be the first time that the federal government authorized the withholding of worker wages as an incentive toward future behavior. Second, it is unclear whether many of these workers would be able to recover this money from the accounts in their home countries. In addition, there is no evidence that these amounts would serve as a disincentive for employees who intend to stay in the U.S.

According to Sen. Wyden, this provision is not important to the growers, but is key to the viability of his legislation in the Congress. Some members of Congress are concerned that a new guestworker program will lead to an increase in foreign workers in the U.S. and thus an increase in those that do not return to their home country. However, as noted, there is very little reason to believe that a worker who wants to overstay his visa will be deterred by this withholding. Thus, it only would serve to inconvenience (and possibly, disadvantage) those workers who want to work here and return home.

Issue #6

Transportation Reimbursement

Whether employers should continue to be required to provide reimbursement to workers for inbound transportation if they complete 50% of the contract, and for outbound transportation if they complete 100% of the contract.

Current Law:

Under current law, the employer must reimburse the H-2A worker for inbound transportation costs if the worker completes 50% of the contract and for outbound transportation costs if the worker completes 100% of the contract.

Wyden-Graham Bill:

Under the Wyden-Graham proposal, workers may receive such reimbursement from their employer, but the employer is under no obligation to pay. This change would simply shift the cost of transportation to and from the job from the grower to the worker.

Recommended Administration Position:

There is general agreement within the Administration that growers should be responsible for the transportation costs of their H-2A workers. Therefore, we strongly oppose allowing growers to have discretion in reimbursement. However, we could consider giving the grower options on how to reimburse the worker for transportation costs. For example, the grower could have a choice between providing the transportation outright, advancing the cost of transportation to the worker, reimbursing the worker for the transportation, or paying the worker a much higher wage (such as 120% of the prevailing wage) with the intent that the wage "bonus" would be sufficient to cover transportation costs. In addition, there is likely agreement that DOL could develop a pilot program to provide transportation advances for U.S. farmworkers.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:14-SEP-1998 10:15:43.00

SUBJECT: H1-B

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

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

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

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

TEXT:

There will be an H1-B strategy meeting today (9/14) at 11:15 in Sally's office, Rm 231.

If you haven't already done so, please confirm your attendance.

See you there.

Participants:

Katzen
Tramontano
Rouse
Beier
Jacoby

AFL-CIO
Gerry Shea
Jane Taylor
Charity Wilson

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Lisa M. Jones (CN=Lisa M. Jones/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:14-SEP-1998 11:19:58.00

SUBJECT: Heads-up Memo

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

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

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

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

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

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

TO: Daniel N. Mendelson (CN=Daniel N. Mendelson/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Janet L. Yellen (CN=Janet L. Yellen/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

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

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

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

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

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

TEXT:

The attached memo was signed on Friday, September 4th.

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D90]MAIL452175652.226 to ASCII,

The following is a HEX DUMP:

FF57504370040000010A020100000002050000002D110000000200003C27A0877E4CFBE5D86AC0

MEMORANDUM FOR ERSKINE BOWLES

THROUGH: Jack Lew

FROM: Donald R. Arbuckle

SUBJECT: Heads up on HHS Proposed Rule on Medicaid Managed Care

HHS is preparing to submit a proposed rule which substantially alters the Medicaid managed care program, implementing key provisions in the Balanced Budget Act (BBA) of 1997. The rule streamlines the administration of the program for States, adds patient protections and creates a number of new quality-related requirements on managed care organizations (MCOs). The rule is complicated because it was developed working with three, often differing constituencies: beneficiaries (advocates), States and MCOs. Chris Jennings (DPC) is organizing an event on the 17th around the rule. HHS is hoping to submit the rule to OMB early next week but is struggling to gain closure on a number of issues.

Relying on both the BBA and the Patient Bill of Rights, the rule establishes new beneficiary protections in areas such as quality assurance, grievance rights and coverage of emergency services. The rule eliminates the waiver process, leaving States free to mandate enrollment of beneficiaries into managed care (with the exception of vulnerable populations, such as the disabled) and other impediments to managed care such as the enrollment composition requirement. As required by law, the rule also creates a quality assessment and performance improvement program to monitor and evaluate the quality of MCO service provided.

Although HHS has done fairly extensive outreach to affected constituencies, it is unclear how patient advocates, States, and the managed care industry will react. Patient advocates will be pleased with the adoption of the patient and consumer rights provisions. States, although happy to avoid waivers, have expressed concern over the remaining conditions and limitations on them. The MCOs may find the quality assessment provisions somewhat burdensome, but have indicated that they are pleased that these provisions are consistent with the Medicare Plus Choice regulations promulgated earlier this year.

cc: Maria Echaveste
Rahm Emanuel
Larry Stein
Ron Klain
Thurgood Marshall, Jr.
Ann Lewis
Sally Katzen
Minyon Moore
John Podesta
Bruce Reed
Gene Sperling
Elena Kagan
Barry Toiv
Michael Waldman
Janet Yellen
Mickey Ibarra
Danny Mendelson

Automated Records Management System
Hex-Dump Conversion

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:14-SEP-1998 11:24:02.00

SUBJECT: Background for H-2A Meeting

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

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

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

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

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

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

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

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

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

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

CC: Anthony J. Gibson (CN=Anthony J. Gibson/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

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

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

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

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

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

READ:UNKNOWN

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

TEXT:

Attached is background for today's Deputies meeting on the H-2A agricultural guestworkers program at 2pm in Room 211.

-- Ceci

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D9]MAIL49347565X.226 to ASCII,
The following is a HEX DUMP:

FF57504345080000010A02010000000205000000223D00000002000022DE7796DB6D59D859A94D
86CFFAE9FFD0947B911CA90A84A98C07D816737EE15BB61CEEEEC51538A5DF0E22FD0415CC2A199

[Autofield]
March 10, 2010

H-2A Discussion Document

The purpose of today's meeting is to determine general Administration guidelines for H-2A reform.

Background

Agricultural "guestworkers" are admitted on H-2A visas for temporary jobs. Under the current program, in order hire H-2A workers, an employer must demonstrate to the DOL that (a) there are not sufficient U.S. workers able, willing, qualified and available to perform the services; and (b) there will be no adverse effect on the wages and working conditions of similarly-employed U.S. workers. Employers also are required to pay workers an "adverse effect wage rate" (AEWR), determined by the average wage paid to non-managerial agricultural workers in the state; provide free housing to workers outside the commuting area; reimburse workers' inbound transportation if they complete half the contract, outbound also if they complete the contract; guarantee 3/4 of the hours of the contract; and hire any qualified U.S. worker who applies during the first half of the work contract. There is no cap on the number of H-2A visas granted. Out of the 1.6 million farmworkers in the United States, approximately 600,000 are unauthorized to work, and approximately 20,000 are in the H-2A program.

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Under current law, if the grower is seeking to employ H-2A workers, he must affirmatively recruit in the private marketplace (known as "positive recruitment") and use the federal-state Job Service to circulate job offers to areas where migrant workers may be located. Thus, the responsibility for farmworker recruitment is shared between the prospective employer and the U.S. Employment Service.

Wyden-Graham Bill:

Under the Wyden-Graham bill, growers seeking to employ H-2A workers would have no obligation to attempt to recruit legal U.S. farmworkers except through a newly-created "job registry." Thus, all responsibility for the recruitment of domestic farmworkers would shift to a new, untried, process for which the government and low-wage workers are entirely responsible. This registry would take years to create, but H-2A workers could be hired within 6 months of the enactment of the bill. Further, because growers would no longer have an obligation to recruit domestically, they would be free to concentrate their worker recruitment efforts abroad.

Issue #3

Housing

Whether H-2A employers should continue to have an obligation to provide housing to their workers. Also, whether this obligation is met by the issuance of housing vouchers.

Current Law:

Current law requires growers who employ H-2A workers to provide them with free housing.

Wyden-Graham Bill:

The Wyden-Graham bill allows growers to provide a payment voucher (equal to 1/4 of the Fair Market Rate in the applicable county for a two bedroom apartment) in lieu of housing, unless the State certifies that adequate housing is not available in the area. Under this approach, the grower employing H-2A workers would have no obligation to assure that housing is actually available and could be obtained with the voucher.

Issue #4

The 3/4 Guarantee

Whether we support the continued use of the 3/4 guarantee.

Current Law:

Under current law, workers must be paid for at least 75% of the work contract period for which they were recruited, except when there is an "act of God." This "three-fourths guarantee" gives migrant workers some indication of their potential earnings and discourages employers from over-recruiting to secure a labor surplus and drive down wages. Under the MSPA (which applies to U.S. migrant farmworkers, but not H-2A workers), workers enjoy a 100% guarantee.

Wyden-Graham Bill:

The Wyden-Graham bill would eliminate this work guarantee for H-2A workers. This change will encourage growers to lure workers from hundreds or thousands of miles away with the promise of potentially high earnings without any obligation to fulfill any part of that promise. This may also encourage growers to recruit more workers than they actually need to hedge against uncertainties.

Issue #5

Repatriation Incentive

Whether we support wage-withholding as an incentive for H-2A workers to repatriate.

Current Law:

Under current law, there is no mechanism for ensuring that H-2A workers return to their home country.

Wyden-Graham Bill:

Permits employers to withhold 20% of a worker's wages, to be reclaimed upon the worker's return to his home country.

Issue #6

Transportation Reimbursement

Whether employers should continue to be required to provide reimbursement to workers for inbound transportation if they complete 50% of the contract, and for outbound transportation if they complete 100% of the contract.

Current Law:

Under current law, the employer must reimburse the H-2A worker for inbound transportation costs if the worker completes 50% of the contract and for outbound transportation costs if the worker completes 100% of the contract.

Wyden-Graham Bill:

Under the Wyden-Graham proposal, workers may receive such reimbursement from their employer, but the employer is under no obligation to pay. This change would simply shift the cost of transportation to and from the job from the grower to the worker.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:14-SEP-1998 12:45:04.00

SUBJECT: Update for this afternoon's meeting

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

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

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

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

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

TEXT:

Elena/Sally:

Contrary to what we were told by the USDA, John Fraser at the DOL says that he is not sure that the MSPA requires the payment of 100% of the contract wage. Labor was at the meeting when USDA asserted this (and we all discussed it), but they now question whether this is a statutory requirement. John is checking on this.

What is clearly true is that a U.S. worker who has a work contract that is broken (b/c promised 8 wks of work, but provided with only 5 wks) could bring an action against the employer for breach. This option is less possible for migrant workers.

julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:14-SEP-1998 13:01:12.00

SUBJECT: Update for this afternoon's meeting -- NEW INFO

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

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

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

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

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

TEXT:

Labor has double checked. USDA was correct. Under MSPA, the employer is obliged to provide the weeks of employment specified in the offer of employment (at the specified wage), unless there is an "act of God." MSPA also provides a private right of action to enforce the employment contract.

The one hindrance to enforcement is that MSPA, unlike the H2A program, does not require that the period of employment offered be precise (thus, could offer "at least 6 weeks of work, but possibly 8"). However, there is a possibility to challenge an employment contract in some cases as false and misleading.

julie

----- Forwarded by Julie A. Fernandes/OPD/EOP on 09/14/98
01:14 PM -----

Julie A. Fernandes
09/14/98 12:44:27 PM

Record Type: Record

To: Elena Kagan/OPD/EOP, Sally Katzen/OPD/EOP
cc: Laura Emmett/WHO/EOP, Shannon Mason/OPD/EOP, Cecilia E. Rouse/OPD/EOP
Subject: Update for this afternoon's meeting

Elena/Sally:

Contrary to what we were told by the USDA, John Fraser at the DOL says that he is not sure that the MSPA requires the payment of 100% of the contract wage. Labor was at the meeting when USDA asserted this (and we all discussed it), but they now question whether this is a statutory requirement. John is checking on this.

What is clearly true is that a U.S. worker who has a work contract that is broken (b/c promised 8 wks of work, but provided with only 5 wks) could

bring an action against the employer for breach. This option is less possible for migrant workers.

julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:14-SEP-1998 13:14:40.00

SUBJECT: Good News on Salmonella

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

1. USDA has results back on the initial implementation of our science-based HACCP system for reducing pathogens.

2. While the data is preliminary, it is very, very good. Swine went from salmonella infection rates of 8.7% as a baseline to 5.5%; poultry is even better going from a baseline of 20% to 10.4%.

3. The data show that 88% of large plants are participating.

4. The President could announce this with Secretary Glickman, note that the data is just from the first 6 months, but it shows we must stay the course in implementing our food safety plans. We need Congress to provide the resources that are pending in Congress and we need to go ahead to apply HACCP to the small plants -- which is the stage we are at now.

5. They hope to have the study ready by the end of the week. Interested?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:14-SEP-1998 13:36:55.00

SUBJECT: ONDCP letter

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

TEXT:

Jose and I put the following (see below) together as the guts of a cover note from Bruce regarding McCaffrey's letter.

We have a similar issue to resolve on the appropriations bill -- the Senate Labor/HHS approps bill provides \$150 million for ED to carry out a national competition to award grants to school districts for safe schools programs, based on proven practices. ED had requested \$125 million that would be given to states on a formula basis (like the current program) but with the requirement that the states distribute it on a competitive basis. ED likes the Senate approach. However, OMB anticipates that ONDCP will not like this provision, because it focuses on safety rather than drugs. Barbara Chow wants to pull a meeting together soon to figure out our position for the SAP. I think this is a good idea--its necessary, and its an opportunity for me to get a better handle on how to deal with both the reauthorization issue and the ONDCP staff (who I don't know).

Cover note for McCaffrey letter:

We have been working with the Education Department on a proposal to overhaul the Safe and Drug Free Schools Program, for announcement at the Oct. 15 Safe Schools Conference. The Education Department's proposal is similar to ONDCP's in many respects -- stronger accountability provisions, better targeting of the funds to school districts with the greatest need, and requirements that the funds be used on research-based programs with demonstrated effectiveness. However, whereas ONDCP proposes to focus this program primarily on reducing youth drug use, the Education Department proposes to focus it primarily on creating safe and orderly schools.

DPC is planning to bring both agencies together to work toward an agreed-upon approach to overhauling the program. Such an approach would include (1) the accountability and targeting components they already agree upon, (2) strategies that can help keep schools safe and students drug-free (e.g., clear, firm and fully enforced discipline and drug policies, better connections between students and adults, and programs that teach character and responsible decision making) and, (3) consideration of an increased budget request for an effectively overhauled program.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:14-SEP-1998 15:26:37.00

SUBJECT:

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

READ:UNKNOWN

TEXT:

FYI- Mark Penn is coming in to meet w/ Bruce in 20 minutes

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:14-SEP-1998 15:49:03.00

SUBJECT:

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

TEXT:

FYI- Mark Penn just arrived & is in Bruce's office

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:14-SEP-1998 17:54:50.00

SUBJECT: H2A memo for Erskine

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

attached is the draft.

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D66]MAIL44969275U.226 to ASCII,

The following is a HEX DUMP:

FF57504315090000010A02010000000205000000A137000000020000B0486AD37BA00A856961F3

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: ELENA KAGAN
SALLY KATZEN

RE: WYDEN-GRAHAM AGRICULTURAL GUESTWORKERS BILL

DATE: ~~March 10, 2010~~
[Autofield]

You are meeting with Senators Ron Wyden (D-OR) and Bob Graham (D-FL) on Tuesday afternoon to discuss their amendment to the Commerce, Justice, State (CJS) Appropriations bill that would make significant changes to the current H-2A agricultural guestworker program. Sens. Wyden and Graham will ask you to either support their legislation or work with them to improve it.

Background

Agricultural “guestworkers” are admitted on H-2A visas for temporary jobs. Under the current program, in order to hire H-2A workers, an employer must demonstrate to the Department of Labor (DOL) that (a) there are not sufficient U.S. workers able, willing, qualified and available to perform the services; and (b) there will be no adverse effect on the wages and working conditions of similarly-employed U.S. workers. Employers also are required to pay workers an “adverse effect wage rate” (AEWR), determined by the average wage paid to non-managerial agricultural workers in the state; provide free housing to workers outside the commuting area; reimburse workers’ inbound transportation if they complete half the contract, outbound also if they complete the contract; guarantee 3/4 of the hours of the contract; and hire any qualified U.S. worker who applies during the first half of the work contract. There is no cap on the number of H-2A visas granted. Out of the 1.6 million farmworkers in the United States, approximately 600,000 are unauthorized to work, and approximately 20,000 are in the H-2A program.

In response to concerns expressed by growers that the H-2A program needs to be streamlined, the Department of Labor and the Justice Department (which handles the immigration aspects of the program) developed a set of regulatory reforms that we hope will go in effect by the end of January. However, though some grower advocates were pleased with these reforms, they continue to press for a legislative package that would fundamentally alter the way the program is operated.

The Wyden-Graham Bill

On July 22, 1998, Senators Wyden, Graham and Gordon Smith (R-OR) introduced their bill to overhaul the H-2A guestworker program as an amendment to the Senate CJS

Appropriations bill. Though we agree that the current program is in need of some reform, we strongly oppose the Wyden-Graham bill because it erodes protections for U.S. workers and shifts costs and risks from employers to workers and/or the government. For example, the bill:

- Eliminates the requirement that growers must conduct private market recruitment for workers, except through the proposed registry.

At the core of the Wyden-Graham bill is the creation of a new “job registry.” Under their bill, growers seeking to employ H-2A workers would have no obligation to attempt to recruit U.S. farmworkers except through this registry. Thus, all responsibility for the recruitment of domestic farmworkers would shift to a new, untried, process for which the government and low-wage workers are entirely responsible. This registry would take years to create, but H-2A workers could be hired within 6 months of the enactment of the bill. Further, because growers would no longer have an obligation to recruit domestically, they would be free to concentrate their worker recruitment efforts abroad.

- Erodes U.S. worker wages

Under the current program, growers who employ H-2A workers are required to pay their workers the higher of the prevailing wage (equal to the average wage for the crop in the local area), the federal, state or local minimum wage or an “adverse effect wage rate” (AEWR) (equal to the average statewide agricultural wage rate). Because foreign workers (both undocumented and H-2A guestworkers) can sometimes dominate a local labor market, this wage depression is often reflected in the local prevailing wage. The AEWR is intended to correct for this depressive effect by measuring farmworker wages on a statewide basis -- thus dissipating the impact of foreign workers on the wage.

Under the Wyden-Graham bill, the worker is required to be paid either the prevailing wage or the AEWR (capped at 105% of the prevailing wage). Our preliminary assessment is that 105% of the prevailing wage is not high enough to compensate for depression of wages where there is a heavy reliance on foreign workers.

- Does not provide an adequate mechanism for housing foreign guestworkers

Current law requires growers who employ H-2A workers to provide them with free housing. The Wyden-Graham bill allows growers to provide a payment voucher in lieu of housing, unless the State certifies that adequate housing is not available in the area. Under this approach, the grower employing H-2A workers would have no obligation to assure that housing is actually available and could be obtained with the voucher.

We have two concerns with this provision. First, there are many areas (particularly in the West) where there simply is not an adequate supply of rural housing to meet the needs

of farmworkers. Second, even if there is some housing available in the area, it is unrealistic to expect low-wage foreign migrant farmworkers to be able to secure housing on their own using a federal voucher. Thus, many workers will likely end up without housing or be encouraged to overcrowd any available rental housing.

- Eliminates the requirement that growers guarantee any part of the work offered to recruit U.S. and foreign workers.

Under current law, H-2A workers must be paid for at least 75% of the work contract period for which they were recruited, except when there is an “act of God.” This “three-fourths guarantee” gives migrant workers some indication of their potential earnings and discourages employers from over-recruiting to secure a labor surplus and drive down wages. The Wyden-Graham bill would eliminate this work guarantee. This change will encourage growers to lure workers from hundreds or thousands of miles away with the promise of potentially high earnings without any obligation to fulfill any part of that promise. This may also encourage growers to recruit more workers than they actually need to hedge against uncertainties.

- Permits growers to withhold worker wages as an incentive to repatriate

The Wyden-Graham bill permits employers to withhold 20% of the worker’s wages until the worker returns to his home country. According to the Department of Labor, the federal government does not, in any other circumstance, sanction the withholding of wages as an incentive toward future behavior. In addition, it is unclear whether many of these workers would be able to recover this money from the accounts in their home countries. Finally, there is little evidence that these amounts would serve as a disincentive for workers who intend to stay in the U.S.

Though the bill passed the Senate by a vote of 68 to 31, it has strong opposition from the Hispanic Caucus, Hispanic advocacy groups, labor unions, liberal Democrats in the House and many House Republicans. Because no one expected this bill to be offered as an attachment to the CJS Appropriations bill, many Members were unaware of precisely what the bill would do. Since the bill’s passage, both labor unions and Hispanic advocacy groups have been working to persuade Members that this bill is bad for farmworkers (who are overwhelmingly Hispanic). The National Council of La Raza (NCLR) and the Mexican-American Legal Defense and Education Fund (MALDEF) have cited preventing the enactment of this bill as one of their chief civil rights objectives during this session of Congress. Paul Yzaguirre, the President of NCLR, sent a letter to the President thanking him for his opposition to this bill. The United Farm Workers of America, AFL-CIO, also sent a letter to Secretary Herman strongly opposing the Wyden-Graham bill. Perhaps more importantly, House Republicans, led by House Judiciary Immigration Subcommittee Chairman Lamar Smith, strongly oppose adding the measure to the CJS Appropriations bill and have put the House Judiciary Committee on record in opposition.

In addition to our serious substantive concerns with the bill, we are strongly of the view that change of this magnitude should be the result of a thorough and careful process (including congressional hearings), rather than a last minute amendment to an appropriations bill. To that end, we have initiated (along with the Departments of Labor and Agriculture) a bi-partisan process with members of Congress to examine various policy proposals for H-2A reform and determine whether and where consensus can be reached. We believe that there is room for flexibility on several issues, including wages, housing, and repatriation. The first meeting of this group is scheduled for the afternoon of Tuesday, September 15. The objective of this process is to develop and present a reform package to the Congress next year.

Recommendation

Because of our serious substantive and procedural concerns regarding the Wyden-Graham bill, we recommend that we continue our strong opposition to their bill, including making it clear that we are prepared to veto it. In addition, in light of our commitment to address H-2A reform through a bi-partisan process on the Hill, we do not recommend any direct negotiation with Sens. Wyden and Graham about the specifics of their bill.

However, because Sens. Wyden and Graham have invested a lot of time and personal prestige in their efforts to reform the H-2A program, we believe that they will only be satisfied if they do not walk away empty-handed. Therefore, we recommend that you offer, in exchange for their dropping their support for the amendment, that we would agree to report language directing the Department of Labor to develop a pilot registry program. This pilot would be much more narrow than that proposed in their bill. Significantly, rather than replacing the growers' obligation to recruit U.S. workers, the goal of the pilot would be to determine how effective such a registry could be at matching growers to farmworkers. You should also urge Sens. Wyden and Graham to work with us in the bi-partisan process to develop a real reform package during the next Congress.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:14-SEP-1998 18:22:53.00

SUBJECT: Policy Mtg

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CC: Nancy Marlow (CN=Nancy Marlow/OU=CEQ/O=EOP @ EOP [CEQ])

READ:UNKNOWN

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

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

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

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

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

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

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

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

TEXT:

Maria and John will be holding a meeting tomorrow morning at 10:30am to discuss policy issues for the upcoming weeks.

Your entire staff should attend. Please forward this to your staff members appropriately.

I will send out a room notice/reminder in the morning.

Thank You!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:14-SEP-1998 19:07:41.00

SUBJECT: DRAFT TRANSPORTATION APPROPRIATIONS LETTER

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

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

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

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

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

READ:UNKNOWN

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

CC: 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: 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:

Below is the draft Transportation FY99 Appropriations letter. The House is expected to appoint conferees at 10:30am tomorrow (Tuesday, 9/15). Obey's staff has asked to have the letter at that time. Therefore, please provide comments/clearance by 9:30am tomorrow. Thank you.

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

Dear Mr. Chairman:

The purpose of this letter is to provide the Administration's views on H.R. 4328, the Department of Transportation and Related Agencies Appropriations Bill, FY 1999, as passed by the House and by the Senate. As the conferees develop a final version of the bill, your consideration of the Administration's views would be appreciated.

The Administration appreciates that both the House and Senate have made efforts to accommodate many of the President's priorities in their respective action on the bill. However, the allocation is simply insufficient to make the necessary investments in programs funded by this bill. As a result, a variety of critical programs are underfunded. The only way to achieve the appropriate investment level is to offset discretionary spending by using savings in other areas. The President's FY 1999 Budget proposes levels of discretionary spending for FY 1999 that conform to the Bipartisan Budget Agreement by making savings in mandatory and other programs available to help finance this spending. In the Transportation Equity Act, Congress -- on a broad, bipartisan basis -- took similar action in approving funding for surface transportation programs together with mandatory offsets. In addition, this year, as in the past, such mandatory offsets have been approved by the House and Senate in other appropriations bills. The Administration urges the Congress to consider such mandatory savings proposals for other priority discretionary programs, including those funded through this bill.

The Administration is concerned that both versions of the bill could seriously disrupt air transportation safety and vital Federal Aviation Administration (FAA) and Coast Guard modernization programs, compromise highway safety, and delay Amtrak's progress towards operating self-sufficiency. The conferees could accommodate some of the funding increases recommended below by adhering more closely to the President's request for the Airport Grants program, High Speed Rail, Coast Guard Alteration of Bridges, and other programs. Both the House and the Senate versions of the bill also include some objectionable language provisions.

The Administration's specific concerns with both the House and Senate versions of the bill are discussed below.

Essential Operations

The Administration strongly urges the conferees to fully fund the request for Coast Guard and FAA operations. The House has funded Coast Guard Operating Expenses at \$72 million below the requested level and reallocated funds among programs. The House version would force the Coast Guard to lay up certain cutters and aircraft and decommission one of the

Nation's three polar icebreakers, thereby compromising the integrity of our Exclusive Economic Zone and leaving critically depleted fish stocks under-protected. The Senate level of \$2,762 million would better enable the Coast Guard to carry out its many important missions.

Likewise, we ask the conferees to restore funding for FAA Operations. The House version is \$56 million below the requested level, the Senate version \$50 million below. The full requested level of \$5,631 million is needed to ensure that the FAA can continue to provide current service and can hire the security personnel and safety inspectors needed to meet the demands of increased air travel. The Administration also objects to Senate earmarks for low priority programs, such as subsidies for contract towers that are not cost-beneficial.

Coast Guard and FAA Modernization

The Administration urges the conferees to fully fund the request for Coast Guard and FAA modernization to ensure that the equipment and infrastructure necessary to fulfill critical missions in the future are available. The Administration is particularly concerned about language in the Senate version intended to limit outlays for FAA Facilities and Equipment. We question whether this provision can be implemented and are concerned about its detrimental programmatic effects.

Funding below the requested level for the FAA's capital program could delay National Airspace System Modernization. In particular, we urge full funding of the Host Computer replacement and other Year 2000 conversion activities. The conferees also are encouraged to restore funding for the Flight 2000 program, eliminated by the House and virtually eliminated by the Senate. This program is a key element of the FAA's plans for a transition to a more efficient, user-involved, satellite-based air traffic control system to meet the air traffic needs of the next century. The conferees are requested to fund the \$100 million for explosive detection systems from the FAA Facilities and Equipment account, not the Airport Improvement Program account, to ensure these critical systems are actually purchased and then deployed where they are most needed.

The Administration requests that the conferees fund the Coast Guard Acquisition, Construction, and Improvements account at the requested level of \$443 million and refrain from directing funds to unrequested projects that increase operating costs. The mix of projects requested in the President's budget will reduce the Coast Guard's future operating costs, improve mission performance, and upgrade facilities and housing for Coast Guard personnel. The reductions of \$54 million made by the House and \$17 million made by the Senate would have harmful long-term effects on the Coast Guard's capability. We also urge the conferees to fully fund the President's request for the Nationwide Global Positioning System and for adding a second civil signal to the Global Positioning System.

Amtrak Capital Grants

The Administration strongly encourages the conferees to adopt the House funding level of \$609 million for Amtrak capital grants and the Senate provision that would allow Amtrak to invest these capital funds flexibly, as is presently done by Federal Transit Administration grantees. Amtrak is an essential component of the Nation's inter-city transportation system, and it needs both adequate funding and flexibility to carry through on the bipartisan, five-year reform plan envisioned by the Amtrak Reform and Accountability Act of 1997. Also, neither the House

nor the Senate has provided the requested \$12 million to complete the Federal contribution to the renovation of Penn Station.

Project Labor Agreements

An acceptable compromise was reached between the Administration and the Senate on Section 322 of the Senate-passed bill. The Administration understands that there may be attempts to unravel this agreement. If the conference bill includes different language than the Senate-passed bill, it could jeopardize enactment of the bill. We strongly urge the conferees to retain the Senate language.

National Highway Traffic Safety Administration

To protect the safety of automobile travelers adequately, the Administration asks that the conferees work with the authorizing committees and provide an additional \$12 million for high-priority National Highway Traffic Safety Administration programs. These vehicle safety and consumer information activities are essential to providing consumers with up-to-date safety information, conducting critical research on advanced air bag systems and the biomechanics of injury, and developing improved crash test dummies.

Access-to-Jobs

The Administration requests that the conferees provide an additional \$50 million to fully fund the President's request of \$100 million for the Access-to-Jobs program. This program is an important component of the Administration's welfare reform effort. The additional resources are essential to helping more individuals in communities around the country make a successful transition from welfare to work.

Office of the Secretary and Civil Rights

The Administration urges the conferees to provide the President's requested \$62 million for the Office of the Secretary and to drop the new account structures and limitations on political appointees contained in both versions of the bill. These provisions would undermine the Secretary's ability to manage the Department effectively by, among other things, causing a reduction-in-force. The Administration is also greatly concerned about the Senate's 20-percent reduction to the funding request for the Office of Civil Rights, a level that is below FY 1998. This reduction would significantly hamper the Department's ability to enforce laws that prohibit discrimination in Federally operated or assisted transportation programs.

The provision in both the House and Senate versions of the bill that requires congressional approval of assessments to be levied by the Transportation Administrative Service Center on other departmental entities constitutes a legislative veto. The Administration will interpret this provision to require notification only, since any other interpretation would contradict the Supreme Court ruling in *INS vs. Chadha*.

Earmarks

The Senate bill earmarks nearly 400 transit projects, the House bill nearly 300. In addition, both versions earmark many airport, Intelligent Transportation System (ITS), and rail projects. Consistent with our objections to TEA-21, the Administration believes that projects should be funded based upon their merit and that funds should not be

directed to low-priority projects that cannot meet established selection criteria.

Language Provisions

The Administration strongly opposes section 341 of the Senate bill, which would allow helicopters to operate and land on Federally-owned lands in Alaska, including wilderness areas. This would be harmful to species and habitat and disrupt Congress's, carefully crafted balance on this issue in the Alaska National Interest Land Conservation Act (ANILCA). Under ANILCA, helicopter landings are permitted for emergency reasons and, on a case-by-case basis, for non-emergency use in non-wilderness areas. The Secretaries of the Interior and Agriculture have previously recommended that bills containing similar provisions be vetoed.

The Administration requests that the conferees delete the language in both versions of the bill that would prohibit the Coast Guard and the FAA from evaluating options for collecting fees for their services. User fees may be a critical means in the future for ensuring that the Coast Guard and the FAA have adequate resources to meet their operating and capital needs without significantly reducing other vital transportation programs.

The Administration is concerned that language in the Senate bill prohibiting obligation of funds for the FAA's Wide Area Augmentation System (WAAS) until it is certified as a sole means of navigation would suspend the WAAS program prematurely. The Administration appreciates the Senate's concerns but believes that these concerns relate more to Phases II and III of the WAAS program than to Phase I. It does not make sense to forego the substantial benefits of WAAS Phase I now that they are so close to being achieved. The Administration requests that the conferees either eliminate the Senate language or amend it to prohibit obligation of funds for WAAS Phases II and III prior to the requested certifications.

The Administration is pleased that the House recognizes the need to review the Coast Guard's roles and missions but objects to its proposed panel. This proposal would add significant administrative and procedural requirements to the process and delay the Deepwater contract by at least a year. The Administration's advisory council would provide an objective, third-party assessment of the Coast Guard's roles and missions in a time frame consistent with the planned Deepwater procurement.

The Administration strongly objects to the House bill's prohibition of any future changes to automobile fuel economy (CAFE) standards. This significant policy issue should be addressed analytically through the process in place under Federal law and not preemptively settled through the appropriations process.

The Administration urges deletion of the Senate provision pertaining to expedited Supreme Court review of decisions concerning the Department's Disadvantaged Business Enterprise programs as this provision would disrupt and delay pending court cases and send the wrong kind of cases directly to the Supreme Court.

Finally, the Administration objects to the language in the Senate version of the bill that directs the National Transportation Safety Board to reimburse the State of New York for both extraordinary and routine costs associated with the crash of TWA 800. The Administration believes that the State and local counties of New York should be reimbursed only

for extraordinary expenses incurred as a result of the crash. They should not receive a windfall by being reimbursed for routine activities that would have occurred absent the crash.

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

Sincerely,

Jacob J. Lew
Director

Identical Letter Sent to The Honorable Bob Livingston,
The Honorable David R. Obey, The Honorable Frank R. Wolf,
The Honorable Martin O. Sabo, The Honorable Ted Stevens,
The Honorable Robert C. Byrd, The Honorable Richard C. Shelby,
and The Honorable Frank R. Lautenberg

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:14-SEP-1998 19:39:38.00

SUBJECT: Guidance for Press Conference

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

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

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

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

TEXT:

The President is doing a press conference Wednesday with Havel. I am looking for guidance from you guys on anything that might come up in your area. He's only taking 4 (hopefully) questions so we think most of the questions will be on other topics.

Leg Affairs and NEC have handled budget, approps, etc. please e-mail Lori Anderson by 11 am with any other q and a you think we may need (bill of rights, maybe?).

Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:14-SEP-1998 19:49:29.00

SUBJECT: education issues

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

TEXT:

A couple of developments since this morning:

1. Dollars to the Classroom Block Grant in the House

House Dems are trying to craft a class size amendment to offer when this bill comes to the floor, as a substitute

It is not at all clear that the R's have enough votes to pass this; a number of moderate R's, especially those endorsed by NEA or AFT, do not want to vote for it.

With regard to a letter or some other communication from the Administration (in addition to the SAP with a senior advisors veto threat), Riley has already sent one when the bill was marked up. I will draft an Erskine letter, though our WH and ED leg affairs types think we should be careful about raising our opposition to this in a way that will keep the R's united in support of it.

I also looked into the VP doing some kind of event; he is in NH on Friday announcing some unrelated grants, and is speaking to the Nat. Assoc. of Black Broadcaster on Thursday. We can probably get him to include some critical comments about the bill in his remarks, but probably no one would notice.

2. Appropriations Issues

Today's speculation is that this bill is not very likely to come to the floor as a stand-alone bill; instead it will be folded into a omnibus appropriations bill. If this turns out to be the case, its not clear what impact this will have on any amendments discussed below, especially the more objectionable riders.

Class Size--Spector is now apparantly opposed to putting additional \$ the subcommittee may get into a class size initiative; he'd rather use the funds to reduce the extent to which programs are advanced funded for next year. Harkin, Murray and other Dems are strongly opposed to this approach and are pushing to use the funds for class size and for other education initiatives (apparantly Harkin's list is class size, after-school, IDEA (even more \$!!!) and \$100 million for school construction). We're doing ok with half of Harkin's list, but don't know if we can move him off the other two, or get Am. Rds added to the list.

Single Sex Schools--Kay Bailey Hutchinson is still pushing forward with her amendment; when ED met with her they told her (1) we like single sex schools (2) we don't like her amendment because it is unneeded and because it will cause confusion in the field. In the meantime, Kennedy and Harkin -- responding in part to pressure from the women's groups -- are separately looking for possible amendments that would permit single sex schools only if there is an equal opportunity for the other gender. This

is moving in the wrong direction from our point of view. I don't see any simple ways to balance our policy position, the legal constraints, and the political pressures here. I think we need another meeting with ED, Justice and WH Counsel to figure out our next move. Elena, I think it would be good if you could come to this meeting.

Merit Pay and Teacher Testing We expect the Mack/D'Amato amendment that would provide incentives (additional funding under the Eisenhower professional development program) to states that have statewide merit pay and subject matter tests for current (not just prospective) teachers will come up again. Kennedy and other Dems are looking for something they can support in this area, and have begun talking to NEA and AFT. ED will end up in the wrong place on this--opposing the amendment on narrow technical grounds without finding something to be for. I will stay in touch with Kennedy, and pull a meeting together to figure out how to be for something sensible here. I'll keep you posted as this develops.

Gorton Block Grant/Ed-Flex We are anticipating a block grant and (bad) ed-flex amendment from Gorton. A similar one passed when attached to Coverdell. Our strategy here is to convince Kennedy that the Wyden/Frist Ed-Flex bill that the committee passed (our bill) should be offered as a second degree, and that Kennedy should convince the Dems and the ed groups that this is a good idea. If this shows promise, we will try to enlist the Govs to support this as well, on the grounds that it stands a better chance of being enacted than a rider which has already drawn a veto threat.

3. Higher Education Act Reauthorization

There are still a number of issues to be resolved here. On Tuesday the conferees are meeting for the first time, and will talk about TANF. No one from the education world knows what anyone is going to say on this topic.

With respect to our teacher preparation and recruitment proposal, it appears that we will get our teacher preparation approach ("lighthouse partnerships") and a scaled down version of our teacher recruitment proposal. We will not be able to claim victory for 35,000 teachers; we are still fighting to make sure that we get as much money as possible for this piece. I'll get back to you with some better estimate of what we will be able to claim.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-SEP-1998 09:06:50.00

SUBJECT: Reminder: Policy Mtg

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CC: Nancy Marlow (CN=Nancy Marlow/OU=CEQ/O=EOP @ EOP [CEQ])

READ:UNKNOWN

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

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

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

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

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

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

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

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

TEXT:

Maria and John will be holding a meeting today at 10:30am in 180 OEOB to discuss policy issues for the upcoming weeks.

Your entire staff should attend. Please forward this to your staff members appropriately.

Thanks!

----- Forwarded by Leslie Bernstein/WHO/EOP on 09/15/98
09:04 AM -----

LESLIE
BERNSTEIN
09/14/98 06:22:08 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc: See the distribution list at the bottom of this message
Subject: Policy Mtg

Maria and John will be holding a meeting tomorrow morning at 10:30am to discuss policy issues for the upcoming weeks.

Your entire staff should attend. Please forward this to your staff members appropriately.

I will send out a room notice/reminder in the morning.

Thank You!

Message Sent

To: _____

Bruce N. Reed/OPD/EOP
Elena Kagan/OPD/EOP
Christopher C. Jennings/OPD/EOP
Gene B. Sperling/OPD/EOP
Sally Katzen/OPD/EOP
Cecilia E. Rouse/OPD/EOP
Dorothy Robyn/OPD/EOP
Kathleen A. McGinty/CEQ/EOP
Shelley N. Fidler/WHCCTF/EOP
Wesley P. Warren/CEQ/EOP

Message Copied

To: _____

Cathy R. Mays/OPD/EOP
Laura Emmett/WHO/EOP
Sarah A. Bianchi/OPD/EOP
Jose Cerda III/OPD/EOP
Michael Cohen/OPD/EOP
Julie A. Fernandes/OPD/EOP
Thomas L. Freedman/OPD/EOP
Jennifer L. Klein/OPD/EOP
Cynthia A. Rice/OPD/EOP
Paul J. Weinstein Jr./OPD/EOP
Peter A. Weissman/OPD/EOP
Melissa G. Green/OPD/EOP
Shannon Mason/OPD/EOP
Robert M. Shireman/OPD/EOP
Nancy Marlow/CEQ/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: David R. Goodfriend (CN=David R. Goodfriend/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:15-SEP-1998 10:31:23.00

SUBJECT: Food Stamp Directives

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

READ:UNKNOWN

TEXT:

Elena--

I have been in contact with Cynthia Rice regarding the Food-Stamp-fraud directives. Phil and I had hoped to be able to circulate the draft directives this evening. Do you think we could get them by 6 p.m. or so?

--Dave

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-SEP-1998 10:32:29.00

SUBJECT:

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

TEXT:

10:30 policy mtg. is in room 180 OEOB

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-SEP-1998 10:54:46.00

SUBJECT: Civil Rights Memo

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Do you have any comments on the draft version of the Counsel's Office memo on civil rights policy before it goes forward?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-SEP-1998 11:40:08.00

SUBJECT: African Burial Grounds

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: Jena V. Roscoe (CN=Jena V. Roscoe/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Maria E. Soto (CN=Maria E. Soto/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Michelle R. Waldron (CN=Michelle R. Waldron/OU=PIR/O=EOP @ EOP [PIR])

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Maria Echaveste would like to meet on Tuesday, September 22 at 11 in her office re African Burial Grounds. Please feel free to send the appropriate staff person to the meeting.

Call or e-mail Leslie Bernstein re you attendance.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-SEP-1998 11:44:46.00

SUBJECT: H2A -- bipartisan meeting

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

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

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

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

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

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

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

TEXT:

I just spoke with Earl G. from DOL. He had what he described as a "good conversation" with Coverdell's staffer, who continued to press him not to hold the first meeting of the bi-partisan working group until after the recess. According to Coverdell's staffer, Wyden's staff has been telling him that they also do not want this process to start until after the recess. I told Earl that the meeting was going to take place this afternoon, with or without Coverdell. Also, that it is no surprise that Wyden's staff has been pressing to postpone this meeting. We have known all along that Wyden does not want our process to be credible. Without it, he can better persuade Dems. that his bill is the only way to reform the program.

julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Clara J. Shin (CN=Clara J. Shin/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:15-SEP-1998 12:40:49.00

SUBJECT: Immigration Meeting Agenda

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

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

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

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

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

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

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

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

TEXT:

Per Maria's request, I'm starting the process of putting together the agenda for the next immigration working group meeting. Please e-mail me by Wednesday at 5:00 if there are any items you would like discussed at the meeting. I'll make sure to send you the agenda before our meeting. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-SEP-1998 13:50:18.00

SUBJECT: National Service Announcements

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

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

TEXT:

Here are four upcoming announcements from the Corporation for National Service. Some of these could/should be combined. (CNS is asking for WH participation in #1 and #3).

1. Americorps 100,000th Member : CNS is planning national service events in Wash DC and elsewhere around the country on October 23, to celebrate the swearing-in of the 100,000th Americorp member. CNS has submitted a scheduling request to have the President swear in Americorps members in one location and have thousands of others participate via satellite hook-ups.

2. Americorps Promise Fellowships: announcement of \$5 million in grants to support 500 -1000 fellowships to help implement programs in support of the five goals for children and youth set at the Presidents' Summit for America's Future. The President unveiled this fellowship program at the City Year National Convention in Cleveland, Ohio. These grants will be ready to announce on Oct 1.

3. President's Service Awards: Highest volunteer service award, has been annually presented by the President and/or Mrs. Clinton, to twenty Americans who have demonstrated outstanding volunteer service to their communities. This year's awards will be aligned with the five fundamental resources for children and youth identified at the Presidents' Summit. This is ready to go at anytime.

4. President's Student Service Award: Modeled on the President's Physical Fitness Award, the President's Student Service Award will be given to all young people who complete 100 hours of service in their communities. This is part of a three-part strategy for inspiring and recognizing national service by young people, the other two are: (1) Leader schools -- schools with exemplary service programs; and (2) service scholarships -- \$1000 for one student per high school who has performed outstanding community service. This is ready to go at anytime.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-SEP-1998 14:07:18.00

SUBJECT:

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

READ:UNKNOWN

TEXT:

Talk to Maria re: abortion on Hillb/c her office says they CANNOT change
mtg. this afternoon

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-SEP-1998 15:01:42.00

SUBJECT: Write up of tobacco new ideas

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Elena asked for this write up.

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D99]MAIL401802853.226 to ASCII,

The following is a HEX DUMP:

FF57504370040000010A02010000000205000000171100000002000000651D1B293F2CDD4E76205
C28DE6A83781337AF0A9CFB8674D8A366E4E859B7AF6DB51B770D1744C65186E0A5546969BEFE9

Possible Tobacco Events

1. Counteradvertising: At the event, the President would direct HHS to: (1) designate the CDC's Media Campaign Resource Center as a National Clearinghouse on Tobacco Counteradvertising; (2) collect and disseminate a package of the "top-10" advertisements for preventing youth smoking, and make these available to states and organizations for television placement free of charge; and (3) make effective anti-tobacco curriculum available to every school.

We could invite supermodel Christy Turlington and musical group "Boyz II Men" to participate in the event, both of whom have already demonstrated their commitment to this effort by making public service announcements targeting youth smoking that are available through the CDC (these ads would be among the "top 10" package). The President could also urge the entertainment industry to do its part in reducing youth smoking, by urging broadcasters to air public service announcements targeting youth smoking, actors to speak out on the subject, and writers and directors to reduce the portrayal of smoking in movies and films.

2. DOD: The President would unveil the DOD's new comprehensive military-wide anti-tobacco plan. This plan includes covering over-the-counter nicotine replacement therapies under military health care coverage, a military-wide counteradvertising campaign, incorporating anti-tobacco messages into education and training programs for military personnel (cost: \$60 million). At the event, the President could be joined by the Secretary of Defense, the Chairman of the Joint Chiefs of Staff and other high-ranking military officers.

Military personnel have higher rates of smoking than the general population (31.7 percent), and DOD tobacco-related health care costs are approximately \$1.3 billion per year. Their goal is to be smoke free by 2010.

3. OSHA: The President would sign an Executive Order directing OSHA to issue within one year a standard establishing a smoke-free workplace for all private sector employees. ETS exposure in the workplace poses significant risks to employees who are non-smokers, including lung cancer, heart disease, and respiratory problems. This standard would be similar to the August 1997 Executive Order banning smoking in Federal building.

OSHA has been working since 1991 on a standard regulating all indoor air quality (which includes environmental tobacco smoke and air pollutants such as harmful bacteria and hazardous chemicals). They are years away from completing this standard, largely because they do not have sufficient scientific evidence to justify the regulation of indoor air pollutants. However, they believe that if the President ordered a separate standard only on ETS, more resources would be devoted to the project and they could finish it within 12-18 months.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-SEP-1998 17:17:32.00

SUBJECT: Bankruptcy vote has been put off until next week --per Sarah Rosen

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

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

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

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

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

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

TO: Wayne Upshaw (CN=Wayne Upshaw/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: Edward A. Brigham (CN=Edward A. Brigham/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

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

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

TO: Maureen T. Shea (CN=Maureen T. Shea/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: karen.dorsey (karen.dorsey @ treas.sprint.com @ inet [UNKNOWN])
READ:UNKNOWN

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

TO: Douglas W. Elmendorf (CN=Douglas W. Elmendorf/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

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

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

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

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

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

TEXT:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-SEP-1998 18:56:07.00

SUBJECT: Pts. for Senior Staff

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

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

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

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

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

TEXT:

Two things for tomorrow's senior staff meeting:

1. Possible COPS announcement. As I discussed w/Bruce tonight, it looks like we will be able to make a major COPS announcement next week -- either on Thursday as the message event or as Friday's taped radio address. Specifically, we will be able to announce about \$370 million for some 11,500 police and police equivalents -- including 700 new cops (\$100 million) for Los Angeles and another 800 for the rest of California. However, we will need to get time on the schedule ASAP.

2. Juvie Crime Bill. As of about 6:45 pm tonight, it looked like House R's were going to succeed in attaching their juvie crime bills -- H.R. 3, which we oppose, and HR 1818, which we generally support (prevention/OJJDP) -- to a bill on the suspension calendar authorizing funds for the Center for Missing and Exploited Children. If they succeed, these juvie bills could be a conferenable item. It seems unlikely that the House and Senate Dems will agree to appoint conferees to such a conference, but it does mean that we will have to be vigilant.

In a related note, the Senate Dems may move forward w/their Crime Bill tomorrow.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-SEP-1998 19:00:26.00

SUBJECT: Update for Senior Staff Meeting

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Individual Development Accounts

Today, the House Passed the IDA bill drafted by Harkin and Coates. The bill would provide for the first time direct funding for IDAs, something the President has supported since 1992. The Senate has provided funding of \$10 million to go along with the authorization. This legislation now goes to conference. There are still some issues to resolve on Head Start, but it looks like they may well be worked out.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-SEP-1998 19:11:45.00

SUBJECT: daily education 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

TEXT:

Here are developments you should know about for the morning meeting.

1. House Dems will be able to offer a germane class size reduction amendment to the \$ to classroom block grant on Friday; no intelligence yet on vote count; while its unlikely that they will bring block grant to the floor if they don't have the votes, it was unclear earlier this week that there were enough Rep. votes to pass it. In his speech, Riley called for class size reduction as an alternative to the block grant proposal.

2. Archer's tax bill, to be marked up on Wed. or Thurs., contains a small school construction proposal--which Dems believe is a bad proposal that provides a disincentive for states to build new buildings (I don't have any details on this). Dems will offer an amendment that will postpone Archer's tax cuts until after social security has been saved. However, the committee Dems, including Rangel, are not planning to offer our school construction proposal, much to the chagrin of the education groups. Apparently the Dem. caucus can't unite around a small set of tax breaks that they can pay for.

I'll have updates on testing, charter schools, teacher testing and other issues tomorrow

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-SEP-1998 19:41:22.00

SUBJECT: INS Reform mark-up

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 Steve Mertens, the House Judiciary minority staff told the INS that the Committee does not plan to conduct any further legislative mark-up hearings this session. This would mean no Thursday mark-up of the INS reform bill. I am trying to verify with DOJ and Ingrid.

julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 11:59:18.00

SUBJECT: Event Ideas

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Here are the ideas

1. Food Safety. The President could announce some combination of the following: a preliminary USDA study showing that salmonella risks have declined by almost 50% in chicken and almost 40% in swine in part due to HACCP program. However, we should do this event on the message openings on the 24th or 25th or as the radio address on the 26th. This event shows that the President's food safety initiative is working and that we should get our food safety budget fully funded. In addition, USDA has approximately \$1 to \$2 million dollars worth of grants for projects such as Safe Food for Mom and Tots and Distance Learning for food safety. (I will send a separate paragraph of what an event for next week would look like).
2. A show and tell event demonstrating the importance of research -- federal research has led to technologies that dramatically reduce salmonella in chicken and e-coli in cows.
3. Kaiser Study on Violence. The Foundation says it could break out a separate study on incidence of violence on shows where it is not expected.
4. Binge drinking. The Distillers have offered to do an event with representatives of some of the several hundred universities using their new alcohol education material. We would need to clarify MADD's position. In addition, the distillers have a policy of not placing billboards near schools. They offered to work to find existing billboards that might be torn down. This would be part of an effort to discourage children from drinking.
5. Rural. It is likely there will be a substantial emergency spending bill to sign for devastated farmers.
6. Family Report. If it can be fixed.
7. Homeless Veterans. On September 28-30, the VA is having a conference in Baltimore on homeless veterans. The President could attend and announce the VA's grants for homeless veterans. Alternatively, the VA could hold the announcement of the grants and we could announce it in

October. There might be some HUD grants he could announce as well. In addition, the VA did its FY1997 survey of homeless veterans that shows that almost 25% of the veterans they serve could be considered homeless. VA thinks that this report has not been announced yet (I still have to get final confirmation on that)

8. Other. we should hear about the HHS heart attack/defibrillator study. FCC said they will have some deliverables on e-rate that we should look into.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 13:04:56.00

SUBJECT: FYI-Public Meeting for Food Safety Council

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: 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:

The public meeting for the Food Safety Council is on October 2 from 9:30 am to 3 pm at the National Rural Electric Cooperative Association, 4301 Wilson Boulevard, Arlington, VA. Tom and I are working on talking points for a meeting with Neil Lane, which we hope to set up next week.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 13:14:26.00

SUBJECT: Section 377

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

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

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

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

TEXT:

Elena/Maria,

I spoke this morning to James Castello re: DOJ options re: Section 377 (late amnesty). James is scheduled to have a conversation with Rob Weiner later this week to discuss the litigation aspects of this issue (both the LULAC and the Zambrano cases, I would assume). After that, we can sit down with Rob and determine what our options are. I received another call from Becerra's staff person (William Gill) this morning. He suggested that after we learn more from DOJ, he would like to schedule a meeting with the advocates. Maria -- he particularly asked that you be present at this follow-up meeting. I will keep you posted.

julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 13:27:38.00

SUBJECT: URGENT: LRM CJB283 -- ED letter on HR 3248 Dollars to Classroom

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

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

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

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

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

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

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

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

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

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

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

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

TO: Doris O. Matsui (CN=Doris O. Matsui/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

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

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

TO: Justin D. Sullivan (CN=Justin D. Sullivan/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

READ:UNKNOWN

TO: Daniel I. Werfel (CN=Daniel I. Werfel/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

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

TEXT:

Please review this draft letter, which addresses the bill as reported (with a senior advisers veto threat), but supports a substitute that Rep. Clay will offer on class size reduction. ED plans to deliver this letter to the Hill Thursday morning. Therefore, please provide any comments by:

4:30 p.m today, Wednesday, September 16th.

DRAFT SEPTEMBER 16, 1998 10:45 AM

Honorable Newt Gingrich
Speaker of the House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

I am writing to express my strong objections to H.R. 3248, the "Dollars to the Classroom Act," as recently reported by the House Committee on Education and the Workforce, and my strong support for a substitute version of the bill, which I understand Representative Clay will offer, to help States and communities hire well-qualified teachers and reduce class size in the early grades, along the lines proposed by the President earlier this year.

The Clay substitute would provide much-needed assistance to help States and local school districts recruit, train, and hire 100,000 additional well-prepared teachers in order to reduce the average class size to 18 in grades 1 through 3 in our Nation's public schools. As schools across the Nation struggle to accommodate a surge in enrollments, educators and parents have become increasingly concerned about the impact of class size on teaching and learning, particularly in the critically important early grades. Rigorous research confirms what parents and teachers have long believed □) that students in smaller classes, especially in the early grades, make greater educational gains and maintain those gains over time. These gains occur because teachers in small classes can provide students with more individualized attention, spend more time on instruction and less time on discipline, and cover more material effectively.

We can help all of our students learn to read independently and well by the third grade, get a solid foundation in basic skills, and reach high

educational standards if we start them off with small classes and well-prepared teachers in the early grades.

Unfortunately, the bill reported by the Committee goes in a completely different, and misguided, direction. Title I of the bill would convert a wide array of Federal education programs into a single block grant program. The President stated last fall that such a step is unacceptable, and that he would use his veto power to prevent this approach from becoming law. If H.R. 3248 were presented to the President in its current form, his senior advisors would recommend that he veto it.

The issue here is not about who controls public education -- we all agree that that responsibility rests at the local and State levels. At stake, rather, is whether the Federal Government will maintain its long-standing, bipartisan commitment to helping local communities strengthen accountability, raise standards, and improve student achievement, by providing assistance that focuses on our neediest children and schools and on activities in which national leadership can play a critical role.

The American people rightly look to the Federal Government to focus its efforts not on general aid to school districts, which H.R. 3248 would provide, but for leadership on national priorities. These include helping States and school districts raise educational standards and educational achievement for all students, improving the quality of teaching, bringing the benefits of technology to our Nation's students, and increasing the availability of after-school programs.

This Administration has worked diligently to eliminate unnecessary regulations and take other steps to promote State and local flexibility in carrying out these targeted efforts. The Department of Education, for example, has eliminated 2/3 of its regulations relating to elementary and secondary education and has simplified the remainder. At the same time, we have supported strong accountability mechanisms, such as the Government Performance and Results Act of 1993, that focus attention on program effectiveness. Block grants would replace these worthy efforts with general aid, providing no focus, no meaningful accountability for results, and no rationale for ongoing support.

I also object to Title II of the Committee bill, which would provide broad authority to waive Federal requirements, now afforded to 12 States with comprehensive education reform plans, to all States. This proposal lacks the critical ingredient of the current "Ed-Flex" program in which those 12 States participate: meaningful accountability, connected to high standards and high expectations for all children, that must go hand in hand with such a broad waiver authority. I support expansion of the "Ed-Flex" program to additional States, but only when the links to challenging academic standards, high expectations for all children, and accountability for results are strong and clear.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program and that enactment of H.R. 3248, as reported by the Committee, would not be in accord with the President's program.

Yours sincerely,

Richard W. Riley

Total Pages: _____

LRM ID: CJB283
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Wednesday, September 16, 1998

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

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

OMB CONTACT: Constance J. Bowers
PHONE: (202)395-3803 FAX: (202)395-6148

SUBJECT: EDUCATION Report on HR3248 Dollars to the Classroom Act

DEADLINE: 4:30 p.m. today Wednesday, September 16, 1998

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

COMMENTS: This letter addresses Clay substitute amendment on class size reduction

DISTRIBUTION LIST

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James J. Jukes
LRM ID: CJB283 SUBJECT: EDUCATION Report on HR3248 Dollars to the
Classroom Act

RESPONSE TO
LEGISLATIVE REFERRAL
MEMORANDUM

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

You may also respond by:

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

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

TO: Constance J. Bowers Phone: 395-3803 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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 14:52:15.00

SUBJECT:

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

READ:UNKNOWN

TEXT:

Bruce is back in his office & just tried to call you 66262

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 15:00:12.00

SUBJECT: Women's Mtg

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TO: Janet L. Graves (CN=Janet L. Graves/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

TEXT:

There will be a Women's Mtg on Thursday at 9:00am in room 100. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 16:10:41.00

SUBJECT: draft paper for your review

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D65]MAIL459358851.226 to ASCII,

The following is a HEX DUMP:

FF5750431F070000010A020100000002050000005F36000000020000431127F05291EDA6A87A00

PRESIDENT CLINTON ANNOUNCES A NEW REGULATION THAT WILL BRING THE MEDICAID PROGRAM INTO COMPLIANCE WITH THE PATIENTS' BILL OF RIGHTS AND REITERATES CALL ON CONGRESS NOT TO ADJOURN WITHOUT MAKING A STRONG PATIENTS' BILL OF RIGHTS THE LAW OF THE LAND

September 17, 1998

Today, in a speech before the International Brotherhood of Electrical Workers, President Clinton announced that the Department of Health and Human Services has finalized a new regulation that brings the Medicaid program, which serves about 38 million Americans, into compliance with the patients' bill of rights. This new proposed regulation will provide critical patient protections to children, people with disabilities, older Americans, and others in the Medicaid program, and is part of the President's ongoing efforts to institute the patients' bill of rights for all Federal health plans. The President also urged Congress not to adjourn without passing a strong patients' bill of rights and criticized the Senate Republican Leadership for not even bringing this important legislation up for a vote. Today, the President:

ANNOUNCED A NEW REGULATION TO BRING MEDICAID INTO COMPLIANCE WITH THE PATIENTS' BILL OF RIGHTS. The President announced that the Department of Health and Human Services has finalized a new regulation that will give the over 15 million Medicaid beneficiaries in managed care plans the patient protections they need and deserve. This new regulation will require managed care plans in all fifty states to provide needed patient protections including:

- Access to the specialists they need;
- Anti-gag rules to ensure that health professionals can discuss all medical treatment options with their patients;
- Access to providers for women's health services;
- Access to emergency room services when and where the need arises;
- Disclosure of clear, up-to-date information about benefits, plan operations, and protections; and
- A timely internal appeals process as well as an independent external appeals to assure patients can address grievances with their health plans.

HIGHLIGHTED THAT WE HAVE EXTENDED TO FEDERAL HEALTH PLANS SERVING OVER 75 MILLION AMERICANS THROUGH EXECUTIVE ACTION. The Medicaid regulation the President announced today is part of his longstanding effort to bring Federal health plans into compliance with the patients' bill of rights. In June, the Department of Health and Human Services extended the patients' bill of rights to Medicare beneficiaries. The Department of Defense has issued a directive extending patient protections to 8 million servicemen and women and their families and the Department of Veteran Affairs has extended patient protections as well. Taken together, these executive actions are extending protections to health plans serving over 75 million Americans.

UNDERScoreD NEED FOR STRONG LEGISLATION AND URGED THE REPUBLICAN LEADERSHIP TO STOP STALLING AND PASS A BILL THIS YEAR. While the President has acted to hold Federal health plans are being held accountable to assuring high quality care by implementing the patients' bill of rights where possible, Congress must act to ensure that Americans in private health plans receive the patient protections they need and deserve. Just yesterday, the Republican Leadership effectively shut down the Senate as they were refusing to allow an up or down vote on the patients' bill of rights. The President urged the Republican Leadership to stop stalling and not to adjourn without passing a strong enforceable patients' bill of rights.

REITERATED WHY THE ADMINISTRATION CANNOT SUPPORT THE REPUBLICAN LEADERSHIP PATIENTS' BILL OF RIGHTS. The President also reiterated his serious concerns about the shortcomings of the current Republican Leadership bills which:

- **Let HMOs, not informed health professionals, define medical necessity.** The Republican Leadership proposals provide for an external appeals process, but make this process meaningless by allowing the HMOs themselves, rather than informed health professionals, to define what services are medically necessary. This loophole will make it very difficult for patients to prevail on appeals to get the treatment doctors believe they need.
- **Fail to guarantee direct access to specialists.** The Republican Leadership proposals fail to ensure that patients with serious health problems have direct access to the specialists they need. We believe that patients with cancer or heart disease should not be denied access to the doctors they need to treat their conditions.
- **Reverse course on emergency room protections.** The Republican Leadership proposals back away from the emergency room protections that Congress implemented in a bipartisan manner for Medicare and Medicaid beneficiaries in the Balanced Budget Act of 1997. The bills include a watered-down provisions that do not ensure coverage for any treatment beyond an initial screening. These provisions put patients at risk for the huge costs associated with critical emergency treatment.
- **Fail to protect patients from abrupt health care changes.** The Republican Leadership bills fail to assure continuity of care when an employer changes health plans. These deficiencies mean that pregnant women or individuals undergoing care for a chronic illness may have their care suddenly altered mid course, potentially causing adverse health consequences.
- **Allow financial incentives to threaten critical patient care.** The Republican Leadership proposals fail to prohibit secret financial incentives to providers. This omission would leave patients vulnerable to financial incentives that limit patient care.
- **Undermine existing medical privacy protections.** The House Republican Leadership bill would preempt some existing medical privacy protections guaranteed by state law, without putting protections in their place. As a result, the Republican bill would increase the number of individuals who can review and give out health records without a patient's knowledge or consent.
- **Fail to compensate patients who have suffered harm as a result of a wrongful health plan action.** The proposed per-day penalties in the Republican Leadership plans fail to hold health plans accountable when patients suffer serious harm or even death because of a health plan's wrongful action. For example, if a health plan improperly denies a lifesaving cancer treatment to a child, it will incur a penalty only for the number of days it takes to reverse its decision; the plan will not have to pay the family for all the damages they will suffer as the result of having a child with a now untreatable disease. And because the plan will not have to pay for all the harm it causes, it will have insufficient incentive to change its health care practices in the future.

- **Do not cover all health plans.** Both Republican Leadership bills leave millions of Americans unprotected. The Lott proposal, for example, covers only self-insured plans, thus leaving out more than 100 million Americans, including millions of Americans in small businesses. These Americans are left to hope that states will provide them with the set of patient protections that the Republicans in Congress will not.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 16:25:43.00

SUBJECT: Edley memo

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Overall this looks better than the earlier version, which was pretty decent itself. Here are some points you should keep in mind:

The 3 pillars he proposes are ok--it reflects the input Bruce and I gave him.

Close the gap in opportunity and achievement

With respect to the Education Bill of Rights, I don't think it has the right elements.

Suggested additions: smaller classes, safe schools, after-school programs (and extra help for kids who need it), choice among good public schools, and 21st century technology.

Suggested deletions: (1) English acquisition and Post-secondary attainment, because these are both achievement outcomes. They don't belong in a "bill of rights", they are instead statements of the kind of achievement we want. A "bill of rights" ought to be about the learning opportunities that must be available on a universal basis, not about the particular results we want to achieve for kids.

Need clarification: what does parenting and early childhood mean? I assume access to preschool programs, but I'm not sure what Chris means by parenting.

This section also needs to contain a discussion about achievement--both about what we want kids to achieve (standards, postsecondary education) and what it means to "close the gap" with respect to achievement. Closing the gap should mean that the education outcomes we value--math achievement, college attendance, English language proficiency--should not be predicted on the basis of racial or ethnic background. While there will always be variation in performance levels and in postsecondary educational attainment, this variation will not be dependent on race. If this isn't stated clearly, it will be (mis)interpreted as meaning that everybody should achieve at the same levels, a proposition that lacks credibility.

Accountability and Responsibility

This is basically good, though there are two points lurking in the section on governance and leadership to keep in mind:

To the extent that school finance equity is still on Chris' agenda (even though its no longer in the memo)--part of the governance changes that could be considered in an effort to achieve equity is complete state governance and financing of K-12 education, along with the elimination of local school boards. This would make it a lot easier to equalize finance, and probably a lot easier to make other needed improvements in the schools. It would also set off a firestorm. I wish I had a better idea of whether Chris intended to push in this direction, because it would be

useful to have guidance from POTUS if he does. There is also a federal role issue here--one that is included in the discussion questions list. This book could be a place to make the case--to be followed up in our policy proposals--that the continuing issues of race together with the growing importance of education to all means that the federal government ,must play a larger role in education in the next century than it has in the past. This could become an opportunity to make the case for national standards, for some uniformity in learning opportunities, and for the federal government to pick up a larger share of the cost for K-12 than we do now. It could also provide an opportunity if he wanted, to distinguish between what must be done nationally (e.g., national standards for teachers and students) and what must be done federally (e.g., pay for building schools, smaller classes, more equitable distribution of funds, etc.) There has not been a really good, thoughtful national discussion of these issues. The President could probably frame them very well, and I would be ok if POTUS "athorizes some rethinking of the long-term federal role..."

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 16:26:21.00

SUBJECT: slight revision

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D86]MAIL46680095L.226 to ASCII,
The following is a HEX DUMP:

FF5750431F070000010A0201000000020500000002235000000020000373D0CCA55893AEECDD235
C0176C04C8CF5C32BC5BDE722DBB45F7F575317A9727551BF4D83DCDACEF1F9F908E46BC435615

PRESIDENT CLINTON ANNOUNCES A NEW REGULATION THAT WILL BRING THE MEDICAID PROGRAM INTO COMPLIANCE WITH THE PATIENTS' BILL OF RIGHTS AND REITERATES CALL ON CONGRESS NOT TO ADJOURN WITHOUT MAKING A STRONG PATIENTS' BILL OF RIGHTS THE LAW OF THE LAND

September 17, 1998

Today, in a speech before the International Brotherhood of Electrical Workers, President Clinton announced that the Department of Health and Human Services has finalized a new regulation that brings the Medicaid program, which serves about 42 million Americans over the course of the year, into compliance with the patients' bill of rights. This new proposed regulation will provide critical patient protections to children, people with disabilities, older Americans, and others in the Medicaid program, and is part of the President's ongoing efforts to institute the patients' bill of rights for all Federal health plans. The President also urged Congress not to adjourn without passing a strong patients' bill of rights and criticized the Senate Republican Leadership for not even bringing this important legislation up for a vote. Today, the President:

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 19:09:02.00

SUBJECT: EDUCATION UPDATE FOR AM

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

TEXT:

House Rules committee accepted Bill Clay-sponsored class size amendment as substitute for Dollars to classroom block grant. Debate will begin Thursday after 5:00pm, and vote will occur Friday before noon. We will lose. Larry Stein, Ann Lewis, Barbara Chow, I and several others think that POTUS should open his Friday afternoon statement to the PIR meeting with a comment on how the Republicans made the wrong move by rejecting smaller classes. I'm working with speechwriting to get this into his remarks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-SEP-1998 19:43:33.00

SUBJECT: URGENT: FOREIGN OPS SAP

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

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

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

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

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

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

READ:UNKNOWN

CC: Victoria A. Wachino (CN=Victoria A. Wachino/OU=OMB/O=EOP@EOP [OMB])
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CC: Robert L. Nabors (CN=Robert L. Nabors/OU=OMB/O=EOP@EOP [OMB])
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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])
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CC: Lisa Zweig (CN=Lisa Zweig/OU=OMB/O=EOP@EOP [OMB])
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CC: Charles Konigsberg (CN=Charles Konigsberg/OU=OMB/O=EOP@EOP [OMB])
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CC: Shannon Mason (CN=Shannon Mason/OU=OPD/O=EOP@EOP [OPD])
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CC: Rosemary Evans (CN=Rosemary Evans/OU=OMB/O=EOP@EOP [OMB])
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CC: Adrienne C. Erbach (CN=Adrienne C. Erbach/OU=OMB/O=EOP@EOP [OMB])
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CC: Peter A. Weissman (CN=Peter A. Weissman/OU=OPD/O=EOP@EOP [OPD])
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CC: Charles R. Marr (CN=Charles R. Marr/OU=OPD/O=EOP@EOP [OPD])
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CC: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP@EOP [WHO])
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CC: Melissa G. Green (CN=Melissa G. Green/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

House Floor action is expected tomorrow morning around 10am (Thurs. 9/17) on the Foreign Operations Appropriations bill. We still need to come to closure on the veto language at the beginning of the SAP (3 options numbered). The rest of the letter is identical to the conferees letter that was released last week except for the International Family Planning language (Mexico City) and the KEDO language has been made stronger. Please provide your comments by 9:30am tomorrow (sorry for the short notice). Thanks.

September __, 1998
(House Floor)

H.R. 4569 -- FOREIGN OPERATIONS, EXPORT FINANCING,
AND RELATED PROGRAMS APPROPRIATIONS BILL, FY 1999
(Sponsor: Callahan (R), Alabama;)

This Statement of Administration Policy provides the Administration's views on H.R. 4569, the Foreign Operations, Export Financing, and Related Programs Appropriations Bill, FY 1999, as reported by the House Appropriations Committee. Your consideration of the Administration's views would be appreciated

1) [The Administration appreciates efforts by the Committee to accommodate certain of the President's priorities within the 302(b) allocation. The bill, however, is unacceptable to the Administration for a number of reasons. First, the major portion of the request for the International Monetary Fund is not approved, putting needlessly at risk U.S. and global prosperity. Second, the allocation is simply insufficient to make necessary investments in a number of key programs, including a complete lack of funding for the Korean Peninsula Energy Development Organization (KEDO). Third, there are a number of objectionable provisions in the bill, such as the restrictions on international voluntary family planning programs (the Mexico City restrictions) and the limitation on the President's authority to transfer funds for KEDO. For these reasons, the President would veto the bill if it were presented to him in its current form.]

2) [The Administration appreciates efforts by the Committee to accommodate certain of the President's priorities within the 302(b) allocation. The bill, however, is unacceptable to the Administration for the reasons described in this letter. Therefore, the President would veto the bill if it were presented to him in its current form.]

3a) [The Administration appreciates efforts by the Committee to accommodate certain of the President's priorities within the 302(b) allocation. The bill, however, is unacceptable to the Administration for a number of reasons. First, the major portion of the request for the International Monetary Fund is not approved, putting needlessly at risk US and global prosperity. Second, the allocation is simply insufficient to make the necessary investments in a number of key programs, including a complete lack of funding for the Korean Peninsula Energy Development Organization (KEDO). Third, there are number of objectionable provisions in the bill, such as the limitation on the President's authority to transfer funds for KEDO. For these reasons, if the bill were presented to the President in its current form, the President's senior advisors would recommend that he veto the bill.]

3b) The Administration strongly opposes the inclusion by the Committee of the Mexico City restrictions on international voluntary family planning programs in this bill. As stated in past communications on this issue, should this language be included in the final bill presented to the President, the President would veto the bill.]

This legislation is a critical element of America's national security budget. At the dawn of a new century, America faces unique challenges and unprecedented opportunities to strengthen our national security, enhance our global leadership, extend the reach of our democratic values, and deepen our own prosperity. The challenges we face are formidable. If this bill in its current form were to become law, however, it would erode our ability to promote effectively critical American interests at home and abroad. It would require us to walk away from problems that can and must be solved. The responsibility for safeguarding our national security and exercising U.S. leadership must be foremost when allocating scarce fiscal resources. We urge the Congress to provide the leadership needed to keep America safe, strong, and prosperous.

The only way to achieve the appropriate investment level for the programs funded through 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. In addition, this year, as in the past, such mandatory offsets have been approved by the House and Senate in other appropriations bills. 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.

International Monetary Fund

While the Administration welcomes the Committee's efforts to provide funding for the International Monetary Fund's (IMF's) New Arrangements to Borrow (NAB), we are extremely concerned by the Committee's failure to include in its bill the requested appropriation for the \$14.5 billion U.S. share of the IMF's critically needed quota increase. Since February of this year, the President has repeatedly called on Congress to approve the full amount of his \$18 billion budget request for the IMF. To reject or delay this funding not only would undermine America's leadership in the world; it also would expose American workers, savers, farmers, and businesses to unacceptable economic risks.

The IMF's financial resources are nearing historic lows, necessitating the recent activation of the IMF's emergency credit lines, the General Arrangements to Borrow (GAB), for the first time in twenty years. Without the entire \$18 billion in new funding, composed of the quota increase and the U.S. share of the New Arrangements to Borrow (NAB), the IMF -- and hence the United States and the world -- will remain vulnerable if new, escalating, or spreading systemic crises occur. To protect America's economic strength, Congress must act now to pass the full quota.

The Committee's bill proposes several conditions on IMF funding that, while directed at objectives we share, are unworkable in their

current form and, therefore, would have the effect of delaying indefinitely the availability of these critical resources to the IMF. We urge the Congress to respond to these concerns as the bill moves through the process.

International Family Planning

The Administration strongly opposes the Mexico City restrictions that are included in the Committee bill, which would prohibit foreign non-governmental organizations from receiving U.S. family planning funds if the organization uses any of its own funding from non-U.S. Government sources for abortion-related services or advocacy. The Committee bill's Mexico City language is even more restrictive than the provision contained in the conference report on the Foreign Affairs Reform and Restructuring Act. The Administration continues to oppose these restrictions, which would deny funding to the most experienced and qualified family planning and maternal-child health care providers.

Korean Peninsula Energy Development Organization (KEDO)

The Administration strongly objects to the Committee action deleting U.S. funds for KEDO and including language prohibiting the President from exercising his authority to transfer funds from other sources for this purpose. The Agreed Framework reached between the United States and the Democratic Peoples Republic of Korea in 1994 remains the key tool with which we are able to engage with North Korea on a range of bilateral and multilateral issues, including missile tests. The Committee's actions would allow North Korea to blame the United States for not fulfilling our commitment to the Agreed Framework and, in essence, give the North an out to begin reprocessing fissile material currently monitored under international safeguards. Such an action would seriously destabilize security on the Korean peninsula, place U.S. troops in greater danger, and exacerbate the Korean financial crisis.

New Independent States

As recent events have indicated, the incomplete, peaceful transition of the New Independent States (NIS) to stable, market democracies is vital to the U.S. national security. The Congress has shared this view and provided considerable support for this program in the past. The current political/economic situation in Russia highlights how great the stakes are for the United States to continue to help Russia achieve this peaceful transition. The enormous economic potential of the Caspian Basin represents great opportunities to advance our mutual goals. Therefore, the cuts embodied in the Committee's funding level for USAID assistance programs to the NIS are especially unfortunate. These cuts would make it extremely difficult to push for market reforms and support democratic forces across the region. The Administration welcomes and strongly supports the Committee's action to repeal restrictions on U.S. assistance to Azerbaijan and would strongly oppose any efforts to overturn the Committee's action. These restrictions have been a disincentive for securing peace in the Caucasus and do not serve U.S. national interests.

Middle East Assistance

The Administration welcomes the efforts of the Committee to work with us in encouraging changes in traditional levels of assistance to countries in the Middle East. We believe that Israel's initiative to reduce Economic Support Fund (ESF) assistance provides an important basis on which to build future assistance programs that meet our needs in the

Middle East and beyond. However, due to the very constrained funding levels for international affairs programs, the Administration has proposed an accelerated approach to the reduction of Israel's ESF. We would encourage the Committee to give strong consideration to such an approach as the bill proceeds through the process.

Economic Support Fund

The Administration is concerned with the overall funding level for the Economic Support Fund (ESF) account. At the Committee mark, the account would not nearly have sufficient resources to continue supporting economic and political stability in Latin America, and in other emerging democracies in Africa and Asia. We strongly encourage the Committee to support a higher funding level for the ESF account as the bill moves forward. In addition, the restrictions on assistance to Haiti need to be balanced with a national interest waiver to ensure that the President has sufficient flexibility to pursue our national interests.

Global Environment Facility

The Administration is concerned with the refusal of the Committee to fund the President's request for the Global Environment Facility (GEF), which is helping to reduce long-term environmental risks that will affect all Americans. The \$300 million request for GEF (of which \$192.5 million is arrears) is needed to assure that the GEF does not run out of resources in FY 1999. Concerns that funding the GEF would prejudice debate on the Kyoto Climate Protocol are misplaced: the new replenishment agreement is funded at the same level as the prior one, and the GEF will continue with precisely the same broad work program that it had prior to Kyoto. The GEF is among the best vehicles that the United States has to encourage developing countries to shoulder greater responsibility for protecting both the local and global environment. It is manifestly in our interests to clear our arrears and keep the GEF running, and the Administration strongly urges the Committee to restore funding for this critical program.

Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR)

The Administration is concerned with the \$64 million, or 30 percent, cut to the \$216 million request for NADR. This reduction would undermine the multi-prong effort that NADR supports to reduce the proliferation threat to U.S. national and global security. Lack of funding for the Comprehensive Test Ban Treaty (CTBT) Preparatory Commission would harm U.S. national security interests as it would eliminate planned improvements in our ability to monitor nuclear testing worldwide. The recent Indian and Pakistani tests are a stark reminder of the importance of this monitoring. As well, we would be forced to reduce support for NIS science centers, demining efforts, and other related activities.

Peacekeeping Operations

The Committee has reduced the \$83 million request for Peacekeeping Operations (PKO) by 25 percent. PKO provides vital assistance and support for many important national security and foreign policy activities, including commitments in Bosnia and Haiti, conflicts in Africa, and potential trouble spots such as in the Balkans. This reduction would severely limit the President's ability to respond to these and other evolving events.

Trade and Investment Financing

The Administration appreciates the Committee's effort to increase substantially the funding for the Export-Import Bank and to support the Overseas Private Investment Corporation and the Trade and Development Agency (TDA). However, Export-Import Bank funding still falls short of the level needed to meet the expected demand of U.S. exporters in FY 1999. Support for TDA, at 17 percent below the President's request, is insufficient to allow the agency to remain engaged around the world, especially given its growing program in the Caspian region.

U.S. Agency for International Development (USAID)

The Administration is concerned with the \$24 million cut in the request for USAID Operating Expenses. This reduction would not only make it impossible for USAID to carry out Presidential initiatives in Africa and Latin America, but also would interfere with the agency's ability to manage its ongoing programs effectively, including congressional priorities in areas such as infectious diseases and child survival, as well as to address management priorities. In particular, this reduction, combined with the House action striking the emergency fund in the Treasury and General Government Appropriation bill, would make it difficult for USAID to implement fully its Year 2000 conversion. Even if USAID were to begin closing missions and eliminating additional positions immediately, the fixed costs of doing so would prevent AID from achieving the savings necessary in FY 1999 to respond to this cut. For these reasons, we urge the Committee to restore funding for USAID Operating Expenses.

In light of the continuing needs created by both natural disasters and ongoing civil conflicts, we urge the Committee to provide a higher level of funding for international disaster assistance. The Committee mark would cripple our efforts to respond expeditiously and effectively to countries in transition from crisis caused by political and ethnic conflict and could undercut our ability to address man-made and natural disasters.

The Administration is concerned that the Committee has not funded the modest \$6 million request for credit subsidy for the Urban Environment (UE) credit program, or provided transfer authority for USAID's Development Credit Authority (DCA). As the Congress and the Administration agreed in the FY 1998 appropriations legislation, USAID has taken substantial steps towards developing the capacity to manage both its existing and future credit portfolios. We urge the Committee to restore the transfer authority for the DCA and the subsidy request for the UE program. Failure to do so would limit the ability of USAID to use credit to promote development in urban areas and to encourage the development of needed private sector financial mechanisms.

The prohibition on the use of funds from the Child Survival and Disease Programs Fund for non-project assistance, which is specifically authorized in the Foreign Assistance Act, would weaken USAID's current leadership position with bilateral and multilateral donors to encourage and support policy reforms in sub-Saharan African countries.

Exchange Stabilization Fund

The Committee bill contains a provision that would limit the President's flexibility to utilize the Exchange Stabilization Fund as necessary to protect America's economic and security interests. For this reason, and because the Exchange Stabilization Fund is not germane to the purposes of this appropriations bill, the Administration opposes this

provision.

Treasury International Affairs Technical Assistance Program

The Administration is disappointed that the Committee has not funded the \$5 million request for this program, which could significantly enhance the transition to stronger private sector-led growth and more efficient, transparent, and better supervised financial institutions in emerging economies, including reforming countries in Africa and financial crisis countries in Asia. Given the large potential benefits and modest cost of this program, which provides technical assistance in tax policy, development of domestic capital markets, and privatization of state enterprises, we urge the Committee to fund the request.

International Organizations and Programs (IO&P)

The Committee bill reduces the request for IO&P by \$55 million and, unfortunately, eliminates funding for the U.N. Population Fund (UNFPA), which provides support for women in family planning matters in a number of countries not served by U.S. assistance programs. UNFPA does not fund abortions. The overall reduction in IO&P would limit U.S. ability to participate and support a number of international organizations.

Peace Corps

The Administration regrets that the bipartisan Peace Corps initiative to fund 10,000 volunteers by the year 2000 has not received the full request of \$270 million from the Committee. However, we are heartened by report language stating that the Committee is prepared to approve a further increase should there be a reallocation of funds later in the appropriations process.

Community Adjustment and Investment Program (CAIP)

The Administration is concerned with the Committee's failure to fund the Community Adjustment and Investment Program, a program initially funded through the North American Development Bank, a multilateral development bank. The CAIP was established to help communities affected by adverse trade patterns associated with implementation of the North American Free Trade Agreement. To date, the program has assisted in more than 120 loans in 20 states, leveraging private sector financing of over \$70 million. The \$37 million requested would significantly bolster the CAIP's ability to continue this work, as well as to support technical assistance, grants, and micro-lending. The Administration urges the Committee to restore funding for this innovative program.

Year 2000 Conversion

In the FY 1999 Budget, the President requested more than \$1 billion for Year 2000 (Y2K) computer conversion, including specific amounts in the requests for the agencies funded in this bill. In addition, the budget anticipated that additional requirements would emerge over the course of the year and included an allowance for emergencies and other unanticipated needs. On September 2nd, the President transmitted to the Congress a request for \$3.25 billion in FY 1998 contingent emergency funding for Y2K computer conversion activities. This supplemental request would create a funding mechanism that is consistent with both the needs anticipated in the President's budget and the Senate's action creating a \$3.25 billion contingent emergency reserve to provide the resources and the flexibility necessary to respond to critical unanticipated Y2K-related requirements.

It is essential that this contingent emergency funding be enacted as quickly as possible, whether through the Treasury/General Government bill or another legislative measure moving through the process earlier, particularly in light of the decision of several Subcommittees, including the Subcommittee on Foreign Operations, not to fully fund the base requests of a number of agencies for Y2K conversion. We urge Congress to leave as much as possible of the reserve unallocated so that funds are available to address emerging needs.