

NLWJC - KAGAN

EMAILS CREATED

ARMS - BOX 014 - FOLDER 003

[11/11/1998 - 12/8/1998]

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Elena Kagan to Paul Begala, et al, re: Schedule for NBAC deliberations (partial) (1 page)	11/17/1998	P6/b(6)
002. email	Elena Kagan to Jennifer Palmieri, et al, re: dinner (1 page)	11/18/1998	Personal Misfile
003. email	Elena Kagan to Jennifer Palmieri re: question (1 page)	12/01/1998	Personal Misfile

COLLECTION:

Clinton Presidential Records
 Automated Records Management System [Email]
 WHO ([From Elena Kagan])
 OA/Box Number: 500000

FOLDER TITLE:

[11/11/1998 - 12/8/1998]

2009-1006-F

ry944

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:11-NOV-1998 12:27:00.00

SUBJECT: The other Q&A

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

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 11/11/98 12:26 PM -----

Cynthia A. Rice
11/11/98 12:00:02 PM
Record Type: Record

To: Elena Kagan/OPD/EOP
cc:
Subject: The other Q&A

I chatted with Bruce about this when I couldn't reach you on the phone and all but the last sentence is some version of what he said -- which doesn't mean it couldn't be improved!

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D20]MAIL459050513.326 to ASCII,
The following is a HEX DUMP:

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CA71AF8CF8DD0A080ACE01C0315DCA4CA783BB8CE39C2B67B140158D903963C83421981A9BA3A0
CDE0DE986233ABF8D41125D943F9E7E1476ADA588BE03DE39F25D8436E0BDF84CD5711ACF39DAF
7B825BC809138CE7217DEB3FB7DEDAE7DB54FF509316FD66E4671727297F99C92EA8889E249D2A
3DF34E87DEF6390F1F1DF1150DA03AF1A28AC2CCD4AD7C518D0912F5BB5F481C4F0653B65F6EBF
53F135F4054DCB2968851E8A90B661A33641B5A75D918CC21C50E511882C3B979DE6DAEEEB5E92
B3832090C4BC9B15AED08A9D381FEF78596E979DD46D6017FD0C565145923F945310D45DF4AF1C
34249D5CB0E709C2DB3AB02B617930B70E4183A03E9C030C37F923DCAF6345FBA444204295E25F
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63D159C3B57C6BA7C34D642E3A73CE830FC2F9D08A4D621779856CBA301773813C097683DFEFE1
58803687AA9530B3F0DB4CA9DC6597347052891DDA3D38E19B0E2311A413293C759AE3FA7CA3F9
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480D000011090000005A000B010000103600540069006D006500730020004E0065007700200052

**Additional Tobacco Q&A
November 11, 1998**

Q: Will the President propose higher cigarette taxes, as reported in today's Wall Street Journal?

A: Absolutely no decisions have been made about what if anything the President's budget will include on tobacco. No recommendations have been made to the President, and no proposals have been considered. Certainly, the President will continue to do everything he can to reduce youth smoking, but its too early to say what his budget will or won't include.

Q: But won't a \$200 billion state settlement make it more likely that the President would propose something less than \$1.10 per pack?

A: It is completely premature to speculate on what the President will include in his budget. We have not even seen the state settlement yet and as you know the amount of that settlement will depend on how many states opt into it.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:11-NOV-1998 08:22:46.00

SUBJECT: Re: DOL will be ready to go w the W2W grants on 11/20

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

TEXT:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:13-NOV-1998 14:58:11.00

SUBJECT: Meeting

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

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 11/13/98 02:58
PM -----

Caroline R. Fredrickson
11/13/98 02:36:10 PM
Record Type: Record

To: Elena Kagan/OPD/EOP
cc:
Subject: Meeting

Do you have any free time next week? I've got a number of meetings on Monday, but only one on Tuesday (the H2A meeting). Maybe we could meet before the Tuesday H2A meeting? Otherwise, I'm generally free as of now for the rest of the week.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-NOV-1998 11:22:13.00

SUBJECT: Re: TOBACCO

TO: Dan Marcus (CN=Dan Marcus/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

that's great; we'll put you to use.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:17-NOV-1998 17:27:09.00

SUBJECT: Re: Need Approval ASAP

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

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

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

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

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

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

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

TEXT:
sounds fine to me.

Withdrawal/Redaction Marker

Clinton Library

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COLLECTION:

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[11/11/1998 - 12/8/1998]

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- RR. Document will be reviewed upon request.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:17-NOV-1998 09:13:48.00

SUBJECT: Schedule for NBAC deliberations

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

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

TEXT:
tomorrow for NBAC announcement.

----- Forwarded by Elena Kagan/OPD/EOP on 11/17/98 09:13 AM -----

Jeffrey M. Smith
11/17/98 09:04:31 AM
Record Type: Record

To: Christopher C. Jennings/OPD/EOP, Elena Kagan/OPD/EOP
cc:
Subject: Schedule for NBAC deliberations

Chris -- pasted below is self-explanatory. Elena and I touched upon this briefly this morning, and she mentioned it at senior staff. As it stands now, any NBAC statement will not come today, but rather on Wednesday. We'll keep you posted and in the loop from our end... please let us know if you hear anything. Thanks.

----- Forwarded by Jeffrey M. Smith/OSTP/EOP on 11/17/98 09:00 AM -----

Holly L. Gwin
11/17/98 08:30:37 AM
Record Type: Record

To: Neal Lane/OSTP/EOP, Jeffrey M. Smith/OSTP/EOP
cc: Betty J. Fountain/OSTP/EOP
Subject: Schedule for NBAC deliberations

According to Rachel (8 AM 11/17), NBAC will discuss mingling of human and nonhuman species today during their afternoon session, write something overnight, and make its decision about a statement mid-morning tomorrow (11/18). Rachel will fax the statement to Jeff/me at 6-6021. She will call us if the schedule changes. Rachel's pager number is P6(b)(6) (it's registered with Signal).

[001]

Jeff: would you please notify Chris Jennings?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:17-NOV-1998 15:53:02.00

SUBJECT: Re: VP - Thurs

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

TEXT:

fyi -- you should be able to get the two prior messages from this one.
----- Forwarded by Elena Kagan/OPD/EOP on 11/17/98 03:52
PM -----

Ron Klain @ OVP
11/17/98 02:46:48 PM
Record Type: Record

To: Bruce N. Reed/OPD/EOP
cc: Elena Kagan/Opd/Eop, Sarah A. Bianchi/Opd/Eop, Patricia M. Ewing/OVP @ OVP
Subject: Re: VP - Thurs

Of course, he should not contradict what the President said yesterday. But right now, public health groups are lobbying the states not to sign on to the agreement; AGs are lobbying states to sign on to the agreement -- do we have a position? If so, why? What analysis do we possess that indicates that we have a reason to believe that a particular state would be better off under this agreement than they would be pursuing their own lawsuit -- or vice versa? I just don't understand what basis we would have for offering states any advice on this question -- any more than we advised them to sue or settle in the first place.

As for the rest, I think it is key that we not attack the settlement -- but also, that we not allow the tobacco industry to portray the settlement as more than it is. It does not penalize tobacco companies for continuing to market to minors; it does not provide financial inducements to reduce marketing to minors; it does not provide the FDA with jurisdiction to prevent marketing to minors. Again, that is not the fault of the AGs -- that is not what they were trying to do with this deal. But in making it clear why Congress needs to act, we must make it clear what is the unfinished business left after this settlement is reached.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:17-NOV-1998 11:51:53.00

SUBJECT: Re: did you get any paper from Matt Myers yesterday

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

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

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

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

TEXT:
not me

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. email	Elena Kagan to Jennifer Palmieri, et al, re: dinner (1 page)	11/18/1998	Personal Misfile

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WHO ([From Elena Kagan])
OA/Box Number: 500000

FOLDER TITLE:

[11/11/1998 - 12/8/1998]

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 18-NOV-1998 14:15:20.00

SUBJECT: Re: Meeting

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

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

TEXT:

Yes, that's fine. Laura will set up some time with you, me, Lisa, and Cynthia Rice.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-NOV-1998 14:45:11.00

SUBJECT: Re: Title IX

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

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

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

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

TEXT:
why don't we co-chair?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-NOV-1998 16:38:19.00

SUBJECT: Re: Title IX

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

READ:UNKNOWN

TEXT:

ok

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-NOV-1998 10:35:38.00

SUBJECT: Re: VP - Thurs

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

TEXT:

and more. (you can also get Bruce's message from this one.)

----- Forwarded by Elena Kagan/OPD/EOP on 11/18/98 10:34
AM -----

Ron Klain @ OVP
11/18/98 10:31:21 AM
Record Type: Record

To: Bruce N. Reed/OPD/EOP
cc: Elena Kagan/Opd/Eop, Sarah A. Bianchi/Opd/Eop, Patricia M. Ewing/OVP @
OVP
Subject: Re: VP - Thurs

I think it is more than a few hardliners, first of all. The critics of the agreement even include public health officials who supported the first settlement, and many of our allies in Congress.

Secondly, again, I assume our position is that each state should decide what is best for itself in this regard. I didn't hear the President on Monday urge states to approve the agreement.

Third, it is important to point out -- without criticizing the settlement -- what was not -- and could not have been -- included in it. Again, the goal here is NOT to criticize the settlement, but to explain to folks why the settlement does not end the need for federal action.

Congress is the bad actor, not the settlement. But the settlement is not a panacea, which I am sure you would agree with. And I would hate to see us blamed for any "buyers remorse" that emerges from states accepting the deal. And if state acceptance is inevitable anyway, why squander credibility with validators whose support we may want for future, controversial steps we take on this issue -- steps which, unlike this settlement, that will truly be our own actions.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-NOV-1998 11:42:02.00

SUBJECT: Meeting

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

READ:UNKNOWN

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 11/20/98 11:42 AM -----

Maureen T. Shea
11/20/98 11:27:45 AM
Record Type: Record

To: Elena Kagan/OPD/EOP
cc:
Subject: Meeting

Jenny Luray, the new director of the women's office, will start on November 30. As you probably know, she has been Rep. Lowey's legislative director. I am trying to set up a few meetings with key people for her that first week. Is there a time that would be good for you?

If you don't know her, she is terrific - and her appointment has been very well received in the women's community.

Crime -- Final 1997 FBI Crime Statistics: The FBI will release on Sunday the final 1997 Uniform Crime Report (UCR), which will show that crime decreased by two percent between 1996 and 1997. Murder, rape, robbery, assault, and even juvenile crime dropped, and every region of the country reported an overall decline. The decrease in crime is the sixth in a row, with a total decline of seven percent since 1993.

(1) Violent Crime: Violent crime fell three percent between 1996 and 1997, with all categories of violent crime declining in both volume and rate. The number of murders fell seven percent during the year (26 percent since 1993), and the murder rate hit its lowest point in 30 years. About 77 percent of murder victims and 90 percent of murder offenders were male. About 48 percent of murder victims and 45 percent of murder offenders were white; about 49 percent of murder victims and 53 percent of murder offenders were black. Nearly half (48 percent) of murder victims knew their assailants; among female murder victims, 29 percent were killed by husbands or boyfriends. In addition, rapes declined by one percent, robberies by seven percent, and aggravated assaults by one percent.

(2) Property Crime: Property crime fell two percent between 1996 and 1997, with all categories of property crime decreasing in both volume and rate. Burglaries and larceny-theft declined by two percent each; motor vehicle theft declined by three percent; and arson offenses declined by seven percent.

(3) Hate Crime: A total of 9,861 hate crimes were reported in 1993, with 5,898 motivated by racial bias; 1,483 by religious bias; 1,375 by sexual-orientation bias; 1,083 by ethnic bias; and 12 by disability bias. Crimes against persons were 70 percent of the total number of hate crimes reported. About 55 percent of these crimes against persons were threats or other kinds of intimidation; 26 percent were simple assaults; 18 percent were aggravated assaults; and less than one percent were rapes and murders.

(4) Juveniles. Juvenile arrests for violent crime dropped four percent between 1996 and 1997 -- the third annual decline in a row. Juvenile arrests for murder dropped a full 16 percent.

February 28, 1997

MEMORANDUM FOR ERSKINE BOWLES

FROM: BRUCE REED

SUBJECT: DOMESTIC POLICY COUNCIL GOALS AND OBJECTIVES

The central mission of the Domestic Policy Council is to advance the President's domestic agenda. The following memo outlines our goals and objectives in carrying out the domestic priorities that the President set forward in this year's State of the Union.

OVERALL GOAL: Education. Develop and implement, in concert with other White House offices and the Department of Education, a strategy to carry out the President's 10-point plan.

GOAL: Education. Develop and implement policies to achieve high educational standards nationwide and improved student performance to meet those standards.

Objectives:

- Work with Education Department to persuade twenty-plus states this year to agree to administer the President's national tests in 1999.
- Build support in the parent, business, and education communities for the President's testing initiative.
- Work to improve the quality of teaching by promoting the work of the National Board for Professional Teaching Standards; encouraging states and local school districts to adopt policies to place a master teacher in every school; and highlighting successful efforts at the state and local level.
- Continue efforts, in coordination with America Reads, to recruit 100,000 college students to be reading tutors, expand the Department of Education's summer reading initiative, and promote proven approaches to reading instruction.
- Work to increase the number of states with charter schools legislation.

GOAL: Education. Work toward passage of legislation and appropriations to implement the President's education agenda.

Objectives:

- Introduce legislation on school construction, America Reads, and HOPE scholarships and related tax proposals; identify bipartisan support for each proposal.
- Assist in mobilizing constituencies for these proposals, such as securing an endorsement letter from hundreds of college Presidents.
- Assist in developing and implementing a communications strategy showing how each

legislative proposal will improve the lives of students, families, and communities.

GOAL: Welfare. Develop policies that will assist in moving people from welfare to work.

Objectives:

- Work toward enactment of a \$3 billion fund to help states and cities find and create jobs for welfare recipients and enhanced tax credits to encourage companies to hire them.
- Assist in conducting an extensive outreach campaign asking companies, nonprofits, the faith community, and government agencies to hire welfare recipients.
- Oversee implementation of the new welfare law to ensure that the Administration does everything in its power, through executive action and guidance, to help states move people from welfare to work.

GOAL: Welfare. Develop and implement policies to ensure that welfare reform promotes family and responsibility.

Objectives:

- Fulfill the President's commitment to restore certain budget cuts, involving legal immigrants and food stamps, included in the welfare law but unrelated to welfare reform.
- Work with HHS in assisting states to ensure strict enforcement of child support rules.
- Develop and implement new teenage pregnancy prevention and statutory rape initiatives.

GOAL: Crime. Enact the President's Anti-Gang & Youth Violence Act of 1997.

Objectives:

- Organize events highlighting main provisions in President's legislation -- involving, for example, handgun safety locks, anti-gang prosecutors, and after-school programs.
- Draft directives, executive orders, and letters in furtherance of the bill's objectives.
- Lead working group meetings with bipartisan Congressional delegation and Administration officials to ensure enactment of President's main priorities.

GOAL: Drugs. Promote and secure full funding for the President's 1997 Drug Control Strategy.

Objectives:

- Work closely with ONDCP on National Anti-Drug Media Campaign and organize Presidential event to kick off anti-drug advertisements.
- Work to ensure full funding for President's drug strategy in appropriations process.

GOAL: Health Care. Work toward achieving bipartisan consensus on and enactment of Medicare, Medicaid, health coverage, and quality reforms.

Objectives:

- Continue close coordination of policy development and strategy with HHS, Treasury,

Labor and all relevant divisions within the White House.

- Identify opportunities for executive actions that further the President's health care agenda, particularly in relation to quality and coverage initiatives.
- Develop collaborative relationships with Congress and the governors to promote our health care agenda.
- Work with representatives of consumers, providers, insurers / health plans, business, and labor, as well as academics, health economists, and foundations to disseminate and validate the President's positions on health care.
- Refine and implement communications strategy to highlight the President's accomplishments, educate the public on current proposals, and generate support for legislative and executive initiatives.

GOAL: 0-3 Initiative. Promote efforts to enhance development in the earliest years of life.

Objectives:

- Engage in a broad-based review of policy affecting our youngest children and develop new initiatives, involving both executive and legislative action, to support these children.
- Organize, in coordination with other White House offices, a White House Conference on early learning that will examine current scientific research and its practical applications for parenting; explore how different sectors of society can support our youngest children; and highlight Administration accomplishments and initiatives.

GOAL: Service. Work with other offices in the White House to ensure that the Presidents' Service Summit advances the goals of service and voluntarism, while enhancing the AmeriCorps program.

Objectives:

- Work with other White House offices to ensure that we participate in all important decisions about the structure and content of the Summit.
- Develop events highlighting service and voluntarism to prepare the way for the Summit.
- Develop policies and identify federal government "commitments" for the President to announce in his speech at the Summit.

GOAL: Executive Action. Help the President use all the powers of his office to advance his agenda, with or without help from Congress.

Objectives:

- Develop Executive Orders and Memoranda in the priority issues outlined above, as well as in other important issues, such as consumer safety, technology, family, and the environment.
- Vet proposals for executive action on domestic policy coming from agencies and other White House offices to make sure that they advance the President's long-term agenda.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:24-NOV-1998 18:10:45.00

SUBJECT: MANDATORY Ethics Training

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

TEXT:

please schedule

----- Forwarded by Elena Kagan/OPD/EOP on 11/23/98 05:02
AM -----

PostMaster 11/24/98 04:33:17 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: MANDATORY Ethics Training

MEMORANDUM FOR ALL EMPLOYEES OF THE WHITE HOUSE OFFICE
OFFICE OF THE VICE PRESIDENT
OFFICE OF POLICY DEVELOPMENT
NATIONAL SECURITY COUNCIL
EXECUTIVE RESIDENCE and
COUNCIL OF ECONOMIC ADVISORS

FROM: AMY COMSTOCK
DAWN CHIRWA
ASSOCIATE COUNSELS TO THE PRESIDENT

SUBJECT: MANDATORY Ethics Training

As the traditional kick-off to the holiday season, you are asked to join us for your annual ethics training session. We have put together a program that we believe will, once again, both educate and entertain.

Please remember that, while we try to make ethics training fun, it is MANDATORY that you attend one of the sessions listed below in order to fulfill your yearly ethics training requirement. You may select from any of the following dates:

Thursday, December 3, 1998	10:30 am
Thursday, December 10, 1998	9:30 am
Tuesday, December 15, 1998	2:30 pm
Wednesday, December 16, 1998	9:30 am

All sessions will be held in room 450, OEOB, and will last approximately one hour. A sign language interpreter will be available at each of the sessions. If you have a disability that might require additional aids or accommodation, please contact the Counsel's Office at 456-6229.

Please arrive on time and be sure to sign in so you receive credit for attendance.

Message Sent

To:

All WHO Users

All OVP Users

All OPD Users

All NSC Users

All CEA Users

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:24-NOV-1998 18:12:36.00

SUBJECT: Re: campaign finance

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

TEXT:

You bet. It will be great having you on board. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-NOV-1998 07:48:23.00

SUBJECT: Request for Views on HR1870 Young American Workers' Bill of Rights

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

READ:UNKNOWN

TEXT:

please print

----- Forwarded by Elena Kagan/OPD/EOP on 11/30/98 07:48 AM -----

From: Melissa N. Benton on 11/27/98 09:58:28 AM

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: Request for Views on HR1870 Young American Workers' Bill of Rights

NOTE: The bill is attached following the LRM.

Total Pages: _____

LRM ID: MNB245

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

Washington, D.C. 20503-0001

Wednesday, November 25, 1998

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

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

OMB CONTACT: Melissa N. Benton

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

SUBJECT: Request for Views on HR1870 Young American Workers' Bill of Rights

DEADLINE: Noon Wednesday, December 2, 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:

DISTRIBUTION LIST

AGENCIES:

62-LABOR - Robert A. Shapiro - (202) 219-8201

61-JUSTICE - L. Anthony Sutin - (202) 514-2141

7-Agriculture - Marvin Shapiro (LRMs & EBs) - (202) 720-1516

25-COMMERCE - Michael A. Levitt - (202) 482-3151

52-HHS - Sondra S. Wallace - (202) 690-7760

51-General Services Administration - William R. Ratchford - (202) 501-0563
30-EDUCATION - Jack Kristy - (202) 401-8313
128-US Trade Representative - Fred Montgomery - (202) 395-3475
107-Small Business Administration - Mary Kristine Swedin - (202) 205-6700

EOP:

- Barry White
- Larry R. Matlack
- Debra J. Bond
- Sarah S. Lee
- Robert G. Damus
- William H. White Jr.
- Stuart Shapiro
- Daniel J. Chenok
- Steven M. Mertens
- Sarah Rosen
- Elena Kagan
- Karen Tramontano
- Kate P. Donovan
- Janet R. Forsgren

LRM ID: MNB245 SUBJECT: Request for Views on HR1870 Young American Workers' Bill of Rights

RESPONSE TO
LEGISLATIVE REFERRAL
MEMORANDUM

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

You may also respond by:

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

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

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

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

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

- _____ Concur
- _____ No Objection
- _____ No Comment

_____ See proposed edits on pages _____

_____ Other: _____

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

Message Sent

To: _____
 Barry White/OMB/EOP
 Larry R. Matlack/OMB/EOP
 Debra J. Bond/OMB/EOP
 Sarah S. Lee/OMB/EOP
 Robert G. Damus/OMB/EOP
 William H. White Jr./WHO/EOP
 Stuart Shapiro/OMB/EOP
 Daniel J. Chenok/OMB/EOP
 Steven M. Mertens/OMB/EOP
 Sarah Rosen/OPD/EOP
 Elena Kagan/OPD/EOP
 Karen Tramontano/WHO/EOP
 Kate P. Donovan/OMB/EOP
 Janet R. Forsgren/OMB/EOP

Message Copied

To: _____
 dol-sol-leg @ dol.gov @ inet
 justice.lrm @ usdoj.gov @ inet
 usdaobpaleg @ obpa.usda.gov @ inet
 clrm @ doc.gov @ inet
 lrm @ os.dhhs.gov @ inet
 ca.legislation @ gsa.gov @ inet
 ogc_legislation @ ed.gov @inet
 cla @ sba.gov @ inet
 ===== ATTACHMENT 1 =====
 ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

HR 1870 IH

105th CONGRESS

1st Session

H. R. 1870

To amend the Fair Labor Standards Act of 1938 to reform the provisions relating to child labor.

IN THE HOUSE OF REPRESENTATIVES

June 12, 1997

Mr. LANTOS (for himself, Mr. CAMPBELL, Mr. ACKERMAN, Mr. BONIOR, Mr. BROWN of California, Ms. CARSON, Mr. DAVIS of Illinois, Mr. DELLUMS, Ms. ESHOO, Mr. EVANS, Mr. FALEOMAVAEGA, Mr. FOGLIETTA, Mr. FRANK of Massachusetts, Mr. FROST, Mr. GONZALEZ, Mr. GUTIERREZ, Mr. HINCHEY, Mr. JEFFERSON, Mr. MANTON, Mr. MILLER of California, Ms. NORTON, Mr. OBERSTAR, Mr. OLVER, Mr. OWENS, Mr. RANGEL, Mr. SANDERS, Mr. SCHUMER, Mr. TIERNEY, Mr. TORRES, Mr. VENTO,

Ms. WOOLSEY, Ms. VELAZQUEZ, and Mr. YATES) introduced the following bill; which was referred to the Committee on Education and Workforce

A BILL

To amend the Fair Labor Standards Act of 1938 to reform the provisions relating to child labor.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1: SHORT TITLE: REFERENCE.

(a) SHORT TITLE- This Act may be cited as the 'Young American Workers' Bill of Rights'.

(b) REFERENCE- Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Fair Labor Standards Act of 1938.

SEC. 2. REPORTING AND RECORDKEEPING.

(a) CHILD-LABOR LAWS- Section 12 (29 U.S.C. 212) is amended by adding at the end the following new subsection:

(e) (1) The Secretary and the United States Census Bureau shall compile data from respective State employment security agencies in all the States (A) on the types of industries and occupations in which children under the age of 18 are employed and on the types of industries and occupations in which children who are 18 and full-time students in a high school are employed, and (B) on cases in which it was determined that minors were employed in violation of this section. The first such compilation shall be completed not later than 2 years after the date of enactment of the Young American Workers' Bill of Rights and each subsequent compilation shall be completed not later than 3 years thereafter.

(2) If a minor in the course of employment suffers death or an injury or illness resulting in lost work time of at least 1 working day, not later than 5 days after the death, injury, or illness, the employer of the minor shall provide to the State agency a written description of the death, injury, or illness.

(3) The Secretary of Health and Human Services, in conjunction with the Secretary of Labor, shall issue an annual report on the status of child labor in the United States and its attendant safety and health hazards.'.

SEC. 3. CERTIFICATES OF EMPLOYMENT.

Section 12 (29 U.S.C. 212) is amended by adding at the end the following new subsection:

(e) (1) As used in this subsection, the term 'parents' means the biological parents of a minor or other individual standing in loco parentis to a minor and the term 'minor' means an individual who is under the age of 18 and who has not received a high school diploma or its equivalent or who is 18 and enrolled full-time in a high school.

(2) No employer shall employ a minor unless the minor possesses a

valid certificate of employment issued in accordance with this subsection.

^(3) The Governor of a State shall designate a State agency to issue certificates of employment to minors in the State. The agency shall make available, on request, a form for the application described in paragraph (4) and shall make available, as part of the certification process, materials describing applicable Federal requirements governing the employment of minors and the minor's rights under such requirements.

^(4) To be eligible to receive a certificate of employment, a minor must submit to the appropriate State agency an application that contains--

^(A) the name and address of the minor;

^(B) proof of age of the minor;

^(C) if the minor is under the age of 18 or is age 18 and enrolled full-time in a high school--

^(i) a written statement by the parents or legal guardian of the minor that the parents grant consent for employment of the minor; and

^(ii) a written verification from the minor's school that the minor is meeting at least the minimum school attendance requirements established by the State and that such employment will not interfere with the schooling of the minor; and

^(D) the employer's name, address, signature; and

^(E) with respect to the employment--

^(i) a statement on the nature of the work to be performed;

^(ii) the daily and weekly hours, and

^(iii) the times of day in which the work is to be performed.

^(5) On receipt of an application under paragraph (4), a State agency shall issue to the minor--

^(A) a certificate of employment, if the requirements of paragraph (4) are met; or

^(B) a statement of the denial of a certificate of employment (including the reasons for the denial), if the requirements of paragraph (4) are not met.

^(6) A certificate of employment issued to a minor under this subsection shall be valid for 1 year after the date of issuance of the certificate or for the duration of the permitted employment, whichever is shorter.

^(7) A certificate of employment issued to a minor under this subsection shall indicate--

^(A) the name, address, and date of birth of the minor;

`(B) a minor will not be employed more than 3 hours per day or more than 15 hours per week and shall be prohibited from working before 7 a.m. and after 7 p.m. when school is in session if such minor is between 14 and 16 years of age and will not be employed more than 4 hours per school day or more than 20 hours per week and shall be prohibited from working before 6 a.m. and after 10 p.m. when school is in session if such minor is 16, 17, or 18 years of age and a full-time student enrolled in a high school; and

`(C) the name, address, and telephone number of the State agency that may be contacted for additional information concerning applicable Federal requirements governing the employment of minors.

`(8) The State agency shall provide a copy of a certificate of employment issued to a minor who is not older than the age of 18 to the parent of the minor who granted consent pursuant to paragraph (4) and to the local school district where the minor is enrolled.

`(9) If an employer employs a minor, not later than 14 days after the date of the commencement of employment of the minor, the employer shall provide to the State agency written notice of the name and occupation of the minor and the number of the certificate of employment issued to the minor.

`(10) Each employer shall post a copy of the provisions of this Act relating to child labor at each premise of a worksite where one or more minors is employed.

`(11) A State agency shall report annually to the Secretary concerning certificates of employment issued under this subsection. The agency shall include such information as the Secretary requires (including information on the number of deaths and injuries of minors reported pursuant to subsection (f)).'

SEC. 4. REVISIONS OF ORDERS AND REGULATIONS.

(a) ORDERS-

(1) In the administration of the Fair Labor Standards Act of 1938, the Secretary of Labor shall make the following revisions in the Secretary's child labor orders published in subpart E of part 570 of title 29, Code of Federal Regulations:

(A) The exemption provided in Order No. 2 (29 C.F.R. 570.52) shall apply to minors who are at least 18 years of age and to driving that is secondary and incidental to the minor's main occupation. Such exemption would be limited to 20 percent of the minor's work in any workday and may not exceed 5 percent of the minor's work in any workweek.

(B) Order No. 10 (29 C.F.R. 570.61) shall apply with respect to restaurants and fast food establishments. Such order shall prohibit minors who are under the age of 18 or who are 18 and are enrolled full-time in a high school from cleaning any machinery irrespective of who has disassembled the machinery.

(2) In the administration of the Fair Labor Standards Act of 1938, the Secretary of Labor shall find and declare that poultry processing, seafood processing, paper baling, power driven meat slicing, and pesticide handling are occupations that are

particularly hazardous for the employment of minors for purposes of section 3(1) of the Fair Labor Standards Act of 1938.

(b) CHILD LABOR REGULATIONS- Under child labor regulation No. 3 (subpart C of 29 C.F.R. 570 et seq.)--

(1) individuals under 16 shall be prohibited from making door-to-door sales for profit,

(2) individuals under 16 shall be prohibited from using fryers, baking equipment, and cooking equipment in food service establishments, and

(3) strike out in section 570.34(b)(5) (except at soda fountains, lunch counters, snack bars, or cafeteria serving counters)'. .

SEC. 5. CRIMINAL PENALTIES FOR CHILD LABOR VIOLATIONS.

(a) WILLFUL VIOLATIONS THAT CAUSE INJURY OR DEATH- Section 16 (29 U.S.C. 216) is amended by adding at the end the following new subsection:

(f) Any person who willfully violates the provisions of section 12, relating to child labor, or any regulation

issued under such section, shall, on conviction be punished--

(1) in the case of a willful violation that causes serious bodily injury to an employee described in section 3(1) but does not cause death to the employee, by a fine in accordance with section 3571 of title 18, United States Code, or by imprisonment for not more than 5 years, or by both, except that if the conviction is for a willful violation committed after a first conviction of the person, the person shall be punished by a fine in accordance with section 3571 of such title 18 or by imprisonment for not more than 10 years, or by both; or

(2) in the case of a willful violation that causes death to an employee described in section 3(1), by a fine in accordance with section 3571 of such title 18 or by imprisonment for not more than 10 years, or by both, except that if the conviction is for a willful violation committed after a first conviction of the person, the person shall be punished by a fine in accordance with section 3571 of such title 18 or by imprisonment for not more than 20 years, or by both.'.

(b) NO PRIOR OFFENSE PREREQUISITE FOR CHILD LABOR VIOLATION- The second sentence of section 16(a) is amended by inserting before the period at the end the following: ', except that this sentence shall not apply to a violation of section 12'.

SEC. 6. CIVIL PENALTIES FOR CHILD LABOR VIOLATIONS.

Section 16(e) (29 U.S.C. 216(e)) is amended--

(1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(2) by inserting '(1)' after the subsection designation;

(3) by adding at the end the following new paragraphs:

`(2) Any person who willfully violates the provisions of section 12, relating to child labor, or any regulation issued under such section, on more than one occasion, shall, on such additional violation, be ineligible--

`(A) for any grant, contract, or loan provided by an agency of the United States or by appropriated funds of the United States, for 5 years after the date of such additional violation;

`(B) to pay the training wage authorized by section 6 of the Fair Labor Standards Amendments of 1989 (29 U.S.C. 206 note); or

`(C) to employ a minor for a period of 5 years from the date of such violation.'.

SEC. 7. CIVIL ACTIONS FOR CHILD LABOR VIOLATIONS.

Section 16 (29 U.S.C. 216), as amended by section 4, is amended by adding at the end the following:

`(g) Any employer who violates section 12 shall be liable for such legal or equitable relief as may be appropriate. An action to recover such relief may be brought against any employer in any Federal or State court of competent jurisdiction by any employee subject to the protections of section 12 or by the employee's survivors. The court in such an action shall, in addition to any other judgment awarded to the plaintiff, allow a reasonable attorney's fee to be paid by the defendant and costs of the action. If the employee or the employee's survivors obtain a judgment under this subsection and also seek recovery for the same violation through State worker's compensation, this subsection does not preclude a State from choosing to offset recovery obtained under this subsection against recovery provided through State worker's compensation.'.

SEC. 8. COORDINATION.

(a) IN GENERAL- The Secretary of Labor shall establish and encourage closer working relationships among Federal and State agencies having responsibility for enforcing labor, safety and health, and immigration laws.

(b) REFERRALS-

(1) The Secretary of Labor shall establish a referral system under which employees engaged in the enforcement of the Fair Labor Standards Act of 1938 and the Occupational Safety and Health Act of 1970 shall--

(A) exchange information about suspected violators of the Acts and monitor the results of referrals to each other, and

(B) provide basic training to each other's staffs concerning the requirements of such Acts.

(2) The Secretary of Labor shall require employees engaged in the enforcement of the Fair Labor Standards Act of 1938 and the Occupational Safety and Health Act of 1970 to establish a referral system with--

(A) employees of the Immigration and Naturalization Service engaged in the enforcement of the Immigration and Nationality Act, and

(B) employees of Departments of Labor of the States engaged in the enforcement of State minimum wage and occupational safety and health laws.

The Immigration and Naturalization Service and the State Departments of Labor shall each be encouraged by the Secretary of Labor to establish information exchanges and, to the extent practicable, provided training to each other's staffs concerning the requirements of the Acts enforced by the respective agencies.

(c) ADVICE FROM PRIVATE AND PUBLIC SECTORS- The Secretary shall seek information and advice from representative elements of the private sector and the non-Federal governmental sector with respect to the provisions of the Fair Labor Standards Act of 1938 and corresponding regulations as they pertain to the employment of minors.

(d) ADVISORY COMMITTEE- The Secretary shall establish an Advisory Committee for Child Labor to provide overall policy advice on matters referred to in subsection (c). The Committee shall be composed of not less than 21 individuals, and shall include representatives of government, labor, industry, education, agriculture, health professions, small business, youth, service industries, retailers, consumer interests, human rights, child welfare, parent groups, and the general public. The Committee shall meet quarterly at the call of the Secretary or upon the call of a majority of the Committee, a quorum being present. The Chairperson of the Committee shall be elected by the Committee from among its members. Members

of the Committee shall be appointed by the President for a period of 4 years and may be reappointed for one or more additional periods. The Secretary shall make available to the Committee such staff, information, personnel, and administrative services and assistance as it may reasonably require to carry out its activities.

SEC. 9. PUBLICATION OF VIOLATORS.

(a) IN GENERAL- The Secretary of Labor shall publish and disseminate the names and addresses of each person who has willfully violated the provisions of section 12 of the Fair Labor Standards Act of 1938 relating to child labor or any regulation under such section and the types of violations committed by such person and shall distribute the publication regionally.

(b) NOTICE TO SCHOOL DISTRICTS- The Secretary shall post and otherwise make available to affected school districts the name of each employer who violates the provisions of section 12 of the Fair Labor Standards Act of 1938, relating to child labor, or any regulation issued under such section together with a description of the location and nature of the violation.

SEC. 10. COVERAGE.

The provisions of sections 12 and 16(e) of the Fair Labor Standards Act of 1938 shall apply to employers regardless of the annual dollar volume of sales whereby certain enterprises are exempted from coverage under such Act.

SEC. 11. PROTECTION OF MINORS WHO ARE MIGRANT OR SEASONAL AGRICULTURAL WORKERS.

(a) DEFINITION OF OPPRESSIVE CHILD LABOR- The first sentence of section 3(1) (29 U.S.C. 203(1)) is amended--

(1) by striking `or' before `(2)'; and

(2) by inserting before the semicolon the following: `, or (3) any employee under the age of 14 years is employed by an employer as a migrant agricultural worker (as defined in section 3(8) of the Migrant and Seasonal Agricultural Protection Act (29 U.S.C. 1802(8)) or seasonal agricultural worker (as defined in section 3(10) of such Act)'; and

(b) EXEMPTIONS- Section 13 (29 U.S.C. 213) is amended--

(1) in subsection (a)(6), by inserting before the semicolon at the end the following: `, except that this paragraph shall not apply to an employee described in section 3(1)(3)'; and

(2) in subsection (c)--

(A) in paragraph (1), by striking `Except as provided in paragraph (2) or (4)' and inserting `Except as provided in paragraph (2), (4), or (5)'; and

(B) by adding at the end the following new paragraph:

(5) The provisions of section 12 relating to child labor shall apply to an employee described in section 3(1)(3).'

SEC. 12. REGULATIONS.

The Secretary of Labor shall issue such regulations as are necessary to carry out this Act and the amendments made by this Act.

SEC. 13. AUTHORIZATION.

There is authorized to be appropriated to the Secretary of Labor such sums as may be necessary for the additional costs resulting from the amendments made by sections 2 and 5.

END

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-NOV-1998 07:48:05.00

SUBJECT: OMB Request for Views on S2383 Children's Act for Responsible Employment (CARE)

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

READ:UNKNOWN

TEXT:

please print

----- Forwarded by Elena Kagan/OPD/EOP on 11/30/98 07:48 AM -----

From: Melissa N. Benton on 11/27/98 09:55:17 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: OMB Request for Views on S2383 Children's Act for Responsible Employment (CARE) Act

Total Pages: _____

LRM ID: MNB246

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

Washington, D.C. 20503-0001

Friday, November 27, 1998

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

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

OMB CONTACT: Melissa N. Benton

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

SUBJECT: OMB Request for Views on S2383 Children's Act for Responsible Employment (CARE) Act

DEADLINE: Noon Wednesday, December 2, 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:

DISTRIBUTION LIST

AGENCIES:

62-LABOR - Robert A. Shapiro - (202) 219-8201

61-JUSTICE - L. Anthony Sutin - (202) 514-2141

7-Agriculture - Marvin Shapiro (LRMs & EBs) - (202) 720-1516

25-COMMERCE - Michael A. Levitt - (202) 482-3151

30-EDUCATION - Jack Kristy - (202) 401-8313
128-US Trade Representative - Fred Montgomery - (202) 395-3475

EOP:

- Barry White
- Larry R. Matlack
- Debra J. Bond
- Sarah S. Lee
- Robert G. Damus
- William H. White Jr.
- Stuart Shapiro
- Daniel J. Chenok
- Sarah Rosen
- Elena Kagan
- Kate P. Donovan
- Karen Tramontano
- Janet R. Forsgren

LRM ID: MNB246 SUBJECT: OMB Request for Views on S2383 Children's Act for Responsible Employment (CARE) Act

RESPONSE TO
LEGISLATIVE REFERRAL
MEMORANDUM

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

You may also respond by:

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

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

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

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

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

- _____ Concur
- _____ No Objection
- _____ No Comment
- _____ See proposed edits on pages _____
- _____ Other: _____

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

Message Sent

To: _____

Barry White/OMB/EOP
 Larry R. Matlack/OMB/EOP
 Debra J. Bond/OMB/EOP
 Sarah S. Lee/OMB/EOP
 Robert G. Damus/OMB/EOP
 William H. White Jr./WHO/EOP
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 Sarah Rosen/OPD/EOP
 Elena Kagan/OPD/EOP
 Kate P. Donovan/OMB/EOP
 Karen Tramontano/WHO/EOP
 Janet R. Forsgren/OMB/EOP

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

TEXT:

S 2383 IS

105th CONGRESS

2d Session

S. 2383

To amend the Fair Labor Standards Act of 1938 to reform the provisions relating to child labor.

IN THE SENATE OF THE UNITED STATES

July 30, 1998

Mr. HARKIN (for himself, Mr. KENNEDY, MR. KERRY, and Ms. MOSELEY-BRAUN) introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

 A BILL

To amend the Fair Labor Standards Act of 1938 to reform the provisions relating to child labor.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCE.

(a) SHORT TITLE- This Act may be cited as the 'Children's Act for Responsible Employment' or the 'CARE Act'.

(b) REFERENCE- Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.).

SEC. 2. AGRICULTURAL EMPLOYMENT.

Section 13(c) (29 U.S.C. 213(c)) is amended--

(1) by striking paragraph (1) and inserting the following:

`(1) The provisions of section 12 relating to child labor shall not apply to any employee employed in agriculture outside of school hours for the school district where such employee is living while he or she is so employed, if such employee is employed by his or her parent or legal guardian, on a farm owned or operated by such parent or legal guardian.'; and

(2) by striking paragraphs (2) and (4).

SEC. 3. YOUTH PEDDLING.

(a) FAIR LABOR STANDARDS ACT COVERAGE-

(1) FINDING- The last sentence of section 2(a) (29 U.S.C. 202(a)) is amended by inserting after 'households' the following: `, and the employment of employees under the age of 16 years in youth peddling,'.

(2) DEFINITION- Section 3 (29 U.S.C. 203) is amended by adding at the end the following:

`(y) `Youth peddling' means selling goods or services to customers at their residences, places of business, or public places such as street corners or public transportation stations. `Youth peddling' does not include the activities of persons who, as volunteers, sell goods or services on behalf of not-for-profit organizations.'.

(b) DEFINITION OF OPPRESSIVE CHILD LABOR- Section 3(1) (29 U.S.C. 203(1)) is amended in the last sentence by insert after `occupations other than' the following: `youth peddling,'.

(c) PROHIBITION OF YOUTH PEDDLING- Section 12(c) (29 U.S.C. 212(c)) is amended by inserting after `oppressive child labor in commerce or in the production of goods for commerce' the following: `, or in youth peddling,'.

SEC. 4. CIVIL AND CRIMINAL PENALTIES FOR CHILD LABOR VIOLATIONS.

(a) CIVIL MONEY PENALTIES- Section 16(e) (29 U.S.C. 216(e)) is amended in the first sentence--

(1) by striking `\$10,000' and inserting `\$15,000';

(2) by inserting after `subject to a civil penalty of' the following: `not less than \$500 and'.

(b) CRIMINAL PENALTIES- Section 16(a) (29 U.S.C. 216(a)) is amended by adding at the end the following: `Any person who violates the provisions of section 15(a) (4), concerning oppressive child labor, shall on conviction be subject to a fine of not more than \$15,000, or to imprisonment for not more than 5 years, or both, in the case of a

willful or repeat violation that results in or contributes to a fatality of a minor employee or a permanent disability of a minor employee, or a violation which is concurrent with a criminal violation of any other provision of this Act or of any other Federal or State law.'.

SEC. 5. GOODS TAINTED BY OPPRESSIVE CHILD LABOR.

Section 12(a) (29 U.S.C. 212(a)) is amended by striking the period at the end and inserting the following: `: And provided further, that the Secretary shall determine the circumstances under which such goods may be allowed to be shipped or delivered for shipment in interstate commerce.'.

SEC. 6. COORDINATION.

Section 4 (29 U.S.C. 204) is amended by adding at the end the following:

`(g) The Secretary shall encourage and establish closer working relationships with non-governmental organizations and with State and local government agencies having responsibility for administering and enforcing labor and safety and health laws. Upon the request of the Secretary, and to the extent permissible under applicable law, State and local government agencies with information regarding injuries and deaths of employees shall submit such information to the Secretary for use as appropriate in the enforcement of section 12 and in the promulgation and interpretation of the regulations and orders authorized by section 3(1). The Secretary may reimburse such State and local government agencies for such services.'.

SEC. 7. REGULATIONS AND MEMORANDUM OF UNDERSTANDING.

(a) REGULATIONS- The Secretary of Labor shall issue such regulations as are necessary to carry out this Act and the amendments made by this Act.

(b) MEMORANDUM OF UNDERSTANDING- The Secretary of Labor and the Secretary of Agriculture shall, not later than 180 days after the date of enactment of this Act, enter into a memorandum or understanding to coordinate the development and enforcement of standards to minimize child labor.

SEC. 8. AUTHORIZATION.

There is authorized to be appropriated to the Secretary of Labor such sums as may be necessary for to carry out this Act and the amendments made by this Act.

END

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-NOV-1998 07:49:14.00

SUBJECT: Responsible Fathers Grants

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

READ:UNKNOWN

TEXT:

please print

----- Forwarded by Elena Kagan/OPD/EOP on 11/30/98 07:49 AM -----

Andrea Kane

11/27/98 03:18:53 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP

cc: Cynthia A. Rice/OPD/EOP

Subject: Responsible Fathers Grants

Here is an updated summary of the fathers grants idea. It reflects considerable staff-level input and general support from OVP, DOL and HHS, but has not yet gone through official clearance at the agencies. I do not believe the VP has been briefed yet (though his fatherhood advisors are on board), but that is supposed to happen shortly.

This is a more detailed discussion paper including options on several issues.

The biggest issue is still how to pay for the proposal. I need to touch bases w/ OMB on the status of funding for the Welfare-to-Work reauthorization, since this would likely be carved out of that amount. We'd be glad to discuss this further.

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

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

TEXT:

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RESPONSIBLE FATHERHOOD GRANTS

Goal/Purpose

Strengthen families by helping fathers to be more effective and involved parents and responsible members of their community through: 1) Increasing the employment and earnings of low income fathers so they can better support their children either through child support or more take-home pay and 2) Promoting and supporting fathers' personal responsibility including paternity establishment, child support, community involvement, and marriage (when appropriate).

Eligible population

Generally, fathers who are committed to playing by the rules in terms of employment, paternity, child support, and responsible parenting. Depending on how eligibility is defined, the number of poor non-custodial fathers conservatively ranges from 300,000 to 1 million. This does not include fathers who live with some of their children but not others, nor does it include fathers in prison or living on military bases. The grants could also serve fathers living with their children if they need help with employment and parenting (limiting eligibility to non-custodial parents is a disincentive to marriage and/or family unification). Non-custodial mothers would be served in the same way as non-custodial fathers.

Allowable activities

Employment activities such as job placement, retention, re-employment, entrepreneurship, and advancement services, and skills training combined with work. Job-related support services if not otherwise available -- transportation, child care, clothes and tools. Other services to promote responsible fatherhood including: outreach; peer support, parenting, violence reduction, conflict resolution, and team parenting courses; legal assistance, mediation, counseling, treatment

Funding Level and Match

Approximately \$200 million in federal funds, with a small state minimum. (Assuming Fathers grants at 20% of WTW formula grants, smallest states would get approximately \$700,000). Assuming same match as WTW program: \$1 non-federal for every \$2 federal, possibly with expanded definition of allowable in-kind match. Consider allowing a small percent of Federal TANF \$ to be transferred out as match (requires further discussion).

Funding Flow and Delivery System

Allocate majority of funds on a formula basis to states who submit Responsible Fatherhood plans. Governor submits plan with mandatory sign-off from workforce, TANF, and child support agencies, designates lead agency at state level, and identifies mechanism for ongoing coordination among key agencies. Reserve about 15% at national level for research and evaluation, technical assistance, and discretionary grants to test national models. Provide set aside for formula grants directly to federally-recognize tribes who submit plan.

Substate Allocation:

Options

- 1) Same as WTW: 85% of funds to local PICs/workforce boards, 15% reserved for Governor's discretionary activities. Require local PICs to coordinate with public agencies responsible for TANF and child support. Encourage PICs to subcontract with private, community groups, including faith-based organizations, where appropriate. Provide waiver authority for Governor to designate alternate service delivery entity.
- 2) Allow Governor to allocate funds within state to entities that best meet state and local needs and circumstances. This could be done on a formula or competitive basis. Grant recipients would need to demonstrate coordination with local workforce, welfare, and child support systems.

Federal Administrative responsibility

Regardless of which federal agency administers the funds, there should be a strong mechanism for ongoing interagency involvement in reviewing state plans, providing technical assistance, sharing information among various constituencies, and coordinating with existing programs. Key agencies include: DOL; HHS/OCSE and ACF; HUD; Justice. SBA, DOT, Education and others also play a significant role.

Rationale

Most children on welfare live with a single (custodial) parent and depend on child support payments from their non-custodial parent (usually father) for additional financial support. As these families move from welfare to work and face time-limited welfare assistance, increasing the child support paid by non-custodial parents is critical. Many of these fathers work, but their employment tends to be unstable and confined to entry level jobs. A recent study found that 70 percent of poor non-custodial fathers had some involvement with the criminal justice system. These same fathers express strong interest in being involved with their children, by providing both financial and emotional support and serving as a positive force in their children's lives. There is growing, broad-based support for responsible fatherhood initiatives. WTW funding is an important new federal funding source but is limited to a subset of poor fathers whose children are on welfare.

RESPONSIBLE FATHERHOOD GRANTS

Goal/Purpose

- Strengthen families by helping fathers to be more effective and involved parents and responsible members of their community through:
 - 1) Increasing the employment and earnings of low income fathers so they can better support their children either through child support or more take-home pay.
 - 2) Promoting and supporting fathers' personal responsibility including paternity establishment, child support, community involvement, and marriage (when appropriate).

Rationale [needs to be refined and beefed up with statistics]

Most children on welfare live with a single (custodial) parent and depend on child support payments from their non-custodial parent (usually father) for additional financial support.

As these families move from welfare to work and face time-limited welfare assistance, increasing the child support paid by non-custodial parents is critical. Many of these fathers work, but their employment tends to be unstable and confined to entry level jobs. A recent study found that 70 percent of poor non-custodial fathers had some involvement with the criminal justice system. These same fathers express strong interest in being involved with their children, by providing both financial and emotional support and serving as a positive force in their children's lives.

Current Initiatives

The **Welfare-to-Work grants** administered by the Department of Labor can be used to provide employment-related services to certain non-custodial parents of children on welfare. Several states have focused their entire formula grant funds on non-custodial parents, others intend to serve a significant number of non-custodial parents along with custodial parents. In addition, 54 Welfare-to-Work competitive grants include non-custodial parents, with several of these grants focused exclusively on this population. However, these WTW services do not address the needs of a broader group of low-income fathers who do not themselves meet the WTW criteria or whose children are not currently on welfare.

The Office of Child Support Enforcement is funding eight **Responsible Fatherhood demonstrations projects** to help low-income, unmarried fathers who have established paternity become involved in the lives of their children and become financially responsible parents. Funding for projects in CA, CO, MD, MA, MO, NH, WA, and WI, along with a multi-site evaluation, totals \$1.5 million.

Eligible population

Generally, fathers who are committed to playing by the rules in terms of employment, paternity,

child support, and responsible parenting.

Depending on how the eligible population is defined, there are between 2 million and 5 million low income fathers, the majority of whom live with their children. The number of poor non-custodial fathers conservatively ranges from 300,000 to 700,000. Data from the 1990 SIPP indicates there are about 2 million fathers living in households with income below the poverty level, of which: 1.5 million fathers live with their children (resident dads), 300,000 do not live with any of their children (non-custodial dads), and 200,000 live with some of their children but not do not live with others (dual dads). An additional 2.7 million fathers live in households with income between 100% and 150% of the poverty level, including: 2 million resident dads, 400,000 non-custodial dads, and 275,000 dual dads. Looking at personal income, which is the basis for child support payments, about 3.8 million fathers have annual income below \$10,000, including: 2.3 million resident dads, 1 million non-custodial dads, and 450,000 dual dads. These figures considerably understate the number of low-income fathers because they do not include men in prison [approximately 1 million of whom are fathers?] nor those living on military bases, plus they reflect the census undercount of poor, young minority men.

Options:

- (1) **Preferred Option:** Low-income parents. Could define income eligibility as 150% of poverty, 185% of poverty, EITC eligibility, or below state or local average income of male earners (Fathers Count bill targets 80% of funds to the latter group).
- (2) Non-custodial parent of a child eligible for or receiving TANF, formerly received TANF, or at risk of receiving TANF. Could also non-custodial parents receiving Food Stamps -- provides link with population, by including fathers who are ABAWDs and Food Stamp E&T program.
- (3) 'Hard to Serve' non-custodial parents (current WTW definition). 70% criteria: either the child or the custodial parent has received TANF for at least 30 months or will become ineligible for assistance within 12 months due to a time limit *and* the non-custodial parent has two of the three barriers related to low education skills, substance abuse or poor work history. 30% criteria: noncustodial parent has characteristics associated with long-term welfare dependence.

All of the above income levels include fathers living with their children if they need help with employment and parenting (whether or not the parents are married). This could be open-ended, or limited to a certain percentage of the total grant funds. Limiting eligibility to non-custodial parents is disincentive to marriage and/or father living with children. Also, non-custodial mothers would be served in the same way as non-custodial fathers. Custodial parents on welfare are likely to be served under TANF or WTW.

NOTE: Options 2 and 3 are considered too narrow, administratively burdensome, and too tightly linked to welfare status of custodial parent.

Allowable activities

- Employment activities -- same as WTW activities, including job placement, post-placement services, retention, re-employment, advancement. Include education and training tied to employment (allowing stand-alone education and training raises equity issue with custodial parents). Also include entrepreneurship (build in link with IDAs).
- Employment-related supportive services if not otherwise available -- transportation, child care, work-related expenses such as clothes and tools. Consider including one-time/short-term health care and housing expenses needed to help someone get or keep a job. Whether to include ongoing health or housing assistance, i.e. monthly insurance premiums, needs further discussion. Encourage private sector involvement, including partnerships with health care providers (e.g. Kaiser Permanente provides insurance coverage for participants, including fathers, in Baltimore Healthy Start programs for a minimal monthly premium).
- Other services to promote responsible fatherhood including: outreach, peer support groups, parenting classes, violence reduction, conflict resolution, team parenting courses, legal assistance, mediation, counseling, treatment, and other items related to the purpose of the program.
- Allow reasonable administrative expenses (15% to be consistent with WTW funds).
- Encourage employment of low-income non-custodial fathers to help collect child support from other non-custodial parents and reinforce the importance of responsible fatherhood. [being done in MD Responsible Fatherhood project?]

Funding flow and Service delivery system

Federal to State

- Allocate majority of funds on a formula basis to states who submit Responsible Fatherhood plans.
- Formula factors:
Options [DOL/HHS: need to do runs]
 - Population (Fathers Count)
 - Low income men (data on fathers not available at sub-state level)
 - Poverty + number of children not living with both parents (similar to Access and Visitation grants)
 - WTW formula (poverty and welfare receipt)
- Reserve 15% at national level for Secretary to provide research and evaluation, Technical Assistance, and discretionary grants to test national models. Assuming \$200 M, 15% = \$30 M. (Fathers Count earmarked \$10 M/year for research & evaluation, and \$10 M for

TA.)

Tribes

- Set aside for formula grants directly to federally-recognize tribes who submit plan.

Substate Allocation:

Options

- 1) Same as WTW: 85% of funds to local PICs/workforce boards, 15% reserved for Governor's discretionary activities. Require local PICs to coordinate with public agencies responsible for TANF and child support, with community and faith based organizations involved in fatherhood issues, and with EZ/ECs. Encourage PICs to subcontract with private organizations where appropriate. Could provide waiver authority for Governor to designate alternate service delivery entity. Establish minimum grant size similar to WTW funds.
- 2) Allow Governor to allocate funds within state to entities that best meet state and local needs and circumstances. This could be done on a formula or competitive basis. Grant recipients would need to demonstrate coordination with local workforce, welfare, and child support systems, at a minimum.

NOTE: Assuming charitable choice provision in TANF applies to WTW, states can contract with religious organizations.

Federal Administrative responsibility

- Regardless of which federal agency administers the funds, there should be a strong mechanism for ongoing interagency involvement in reviewing state plans, providing technical assistance, sharing information among various constituencies, and coordinating with existing programs. Key agencies include: DOL; HHS/OCSE and ACF; HUD; Justice. SBA, DOT, Education and others also play a significant role.

Plan requirements

- Governor submits plan with mandatory sign-off from workforce, TANF, and child support agencies. Designates lead agency at state level and identifies mechanism for ongoing coordination among key agencies, such as Interagency Memorandum of Agreement. For example, state might have existing Fatherhood Task Force. Could require state to get sign-off from, or demonstrate coordination with, at least one other relevant agency such as Criminal Justice, Education, Housing or Health. Plan should document how coordination will occur at service delivery level, including referral process.

Total funding level

- Approximately \$200 million, with a small state minimum [DOL doing runs with \$200M allocated based on population and WTW formula; HHS doing runs based on low-income men and modified version of A&V formula]. (Assuming Fathers grants at 20% of WTW formula grants, smallest states would get approximately \$700,000)

Match

Options

- (1) Current WTW match: \$1 non-federal for every \$2 federal. Up to 50% can be met in-kind.
- (2) \$1 non-federal for every \$2 federal. Up to 75% in-kind.
- (3) No match (Fathers Count). (Not recommended due to equity with other WTW funds).

Existing foundation-funding for Fatherhood demos could count toward match. Also consider broad definition of in-kind match and flexibility on timing -- not all required in 1st year. Consider allowing a small percent of Federal TANF \$ to be transferred out as match (requires further discussion).

Evaluation

- Require cooperation with evaluation as condition of receiving grant funds.

Technical Assistance

- Provide authority and funding for federal agency(s) to provide or contract for technical assistance for state and local grantees.

Performance Measures

- Identify several core measures in legislation, such as increased employment and earnings of fathers; increased payment of child support; increased involvement with children; reduction in criminal activity/recidivism(?).
- Require Governors to identify additional measures by which they'll hold programs accountable.

Waivers

- Allow states to propose waivers necessary to put together a package of services that make sense at the community level (similar to EZ/EC).
- Explore discussion of special language to permit retroactive modification of child support order, for fathers participating in this program where appropriate. This is potentially controversial, but may be less so when targeted on low-income fathers. (Needs further discussion with ACF and OCSE).
- Consider deferral of arrearages for fathers participating in employment-related activities including education and training combined with work, community service, and certain parenting activities as incentive for low-skilled fathers to build skills and increase earning potential. (Do states have this authority now?)

Issue is federal share of collections.)

Other Issues

- Build in protections for victims of domestic violence and allow batterers intervention services. Also recognize fathers who were themselves victims.
- Encourage fathers to get involved before child is born--prenatal and link with in-hospital paternity programs.
- Sort out how this relates to other WTW funds spent on non-custodial parents -- for example, would MI and MO use this to expand population served by their regular WTW formula grants? Would DOL still award regular WTW competitive grants for non-custodial fathers, or focus those funds on other populations?
- Encourage links with criminal justice system and incarcerated fathers about to be released.
- Consider link with child support financing process, including issue of child support disregard or pass through. Also explore link with possible child support assurance demonstrations(?).
- Be mindful that some fathers have children with more than one women and in more than one household.

DRAFT – November 24, 1998 (6:47PM)

December 14, 1998

The Honorable William Jefferson Clinton
The White House
Washington, D.C. 20500

Dear Mr. President:

Attached is our joint report, as requested in your August 6, 1998, Memorandum, regarding the development of a Federal strategic plan for coordinating existing economic development initiatives for Native Americans and Alaska Native communities. The report articulates the components of the plan, which includes the identification of current actions and the proposal of future actions that will improve Federal coordination, increase tribal access to Federal economic development information and assistance, increase economic opportunities within tribal communities, and identify gaps in the delivery of Federal economic development assistance.

The report reflects our consultation with the Domestic Policy Council, the U.S. Department of Agriculture and the Department of Housing and Urban Development. After your review and approval of the report, our next steps will be to implement the current actions identified and to develop further the identified future actions.

We are confident that our proposal will further your goal to improve Federal coordination in the area of economic development as well as meet the needs of the agencies, tribal communities, the private sector and non-profit community that is working to do build strong tribal economies .

Sincerely,

William M. Daley
Secretary of Commerce

Bruce Babbitt
Secretary of Interior

Aida Alvarez
Administrator, Small
Business Administration

Enclosure

DRAFT – November 24, 1998 (6:43PM)

Economic Development in Indian Country

Joint Report to the President

December 14, 1998

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II. Increasing Access to Federal Programs and Initiatives 5

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Appendices

- A. President Clinton’s Memorandum for the Secretary of Commerce, the Secretary of Housing and Urban Development, the Secretary of the Interior, the Secretary of the Treasury and Administrator of the Small Business Administration, August 6, 1998
- B. FY 2000 Proposal for a Native American Economic Development Access Center

DRAFT – November 24, 1998 (6:43PM)

EXECUTIVE SUMMARY

On August 6, 1998, President Clinton directed the Department of Interior (DOI), the Department of Commerce (DOC), and the Small Business Administration (SBA) to report back within 90 days with a strategic plan for coordinating Federal existing economic development initiatives for Native American and Alaska Native communities, including initiatives involving the private sector. In developing the plan, DOI, DOC and SBA were further directed to consult with all interested parties, including tribal governments and other Federal agencies and offices – particularly, the Department of Housing and Urban Development (HUD), Department of Transportation (DOT), and Department of Agriculture (DOA). Under the Memorandum, DOI, DOC and SBA have joint leadership in the development and implementation of the plan and will use existing and propose new resources to support the elements of the plan.

Based on the work to date of the Subcommittee on Economic Development under The White House Domestic Policy Council Working Group on American Indians and Alaska Natives, including the conference on *Bringing Economic Self-Determination to Indian Communities*, this document articulates a plan in response to the President's Memorandum that is aimed to improve coordination among Federal agencies by (1) increasing access to Federal economic development programs and assistance, (2) increasing opportunities in tribal communities and (2) identifying and addressing gaps in the delivery of Federal economic development assistance. Appendix A is the Presidential Memorandum on Economic Development in American Indian and Alaska Native Communities, which provides the backdrop for the plan. Appendix B is the detailed proposal for the Native American Economic Development Access Center.

The ultimate goal of the plan is to improve the coordination of Federal economic development programs and initiatives, thereby, increasing the effectiveness of, and access to, such programs in Indian country.

I. INTRODUCTION

Commitment to Promote Indian Economic Development

The Clinton Administration has worked hard to honor tribal sovereignty and strengthen government-to-government relations with Indian tribes. Yet, too often, as America moves forward, American Indians and Alaska Natives have been left outside mainstream economic progress. Today, the Bureau of Indian Affairs reports that 49% of adult reservation Indians are without full-time work. The President and the Congress have made clear that economic self-determination is an essential element of Indian self-determination. See Executive Memorandum on Economic Development in American Indian and Alaska Native communities, dated August 6, 1998; 25 U.S.C. § 1451 et seq. (congressional statement of national policy). The Departments of Commerce, Interior and the Small Business Administration are committed to using existing resources and authorities to the fullest to assist Indian tribes to achieve economic self-determination, see e.g., 25 U.S.C. §§ 47, 450 (e) (b), 1542-1544, and, where appropriate and necessary, to seek additional resources to help tribes establish reservation economies to a point where the average Indian standard of living is comparable to the national standard of living.

Establishment of the Inter-Agency Subcommittee on Economic Development

In February, 1998, The White House Domestic Policy Council Working Group on American Indians and Alaskan Natives, chaired by Secretary of Interior Bruce Babbitt, established a Subcommittee on Economic Development. The Subcommittee aims to (1) promote coordination among Federal agencies with existing economic development responsibilities; (2) increase access to Federal economic development programs and initiatives by the tribes and Indian owned businesses; and (3) build awareness about other Federal programs and initiatives that are supportive of tribal economic development efforts.

Several meetings of the Subcommittee were held during Spring 1998. Nearly a dozen agencies were identified as having programs and initiatives that directly or indirectly impact economic development in Indian country. The Subcommittee recognized the difficulty faced by tribes and Indian-owned businesses in trying to locate and access this wide range of Federal assistance. Also recognized was that many synergies exist between the diverse programs and initiatives, and that each agency's efforts to serve Indian country would be strengthened by effective coordination at the Federal level. In learning about the new programs and initiatives that some agencies planned to introduce in 1998, the Subcommittee decided to organize a national conference that would showcase these and other existing Federal initiatives, as well as highlight initiatives by the private sector and tribal and Indian-owned business success stories.

DRAFT – November 24, 1998 (6:43PM)

White House Conference on Economic Development

The conference, *Building Economic Self-Determination in Indian Communities*, was held August 5-6, 1998, in Washington, D.C. Sponsoring agencies included The White House, Departments of Agriculture, Commerce, Defense, Health and Human Services, Housing and Urban Development, Interior, Justice, Labor, Transportation, Treasury, the Indian Health Service, the Comptroller of the Currency, and the Small Business Administration. Panel sessions covered Indian country success stories; building infrastructure and a positive climate for business; expanding business opportunities; Alaska Native economic development; rural business; banking in Indian communities; Federal contracting opportunities. In addition, breakout sessions were held on franchising; the Internet and electronic commerce; welfare to work initiatives; tourism; exporting; communications and technology; diversifying tribal economies; and manufacturing.

The historic conference was attended by nearly 1,000 tribal, private sector and federal officials. The Secretaries of Agriculture, Commerce, Interior, Justice, Labor, and the Administrator of the Small Business Administration provided official addresses underscoring their agency's commitment to opening the doors of economic opportunity to the Indian community. The conference was highlight was a keynote address by President Clinton on August, 6, 1998, in which he pledged the Administration's assistance on several important fronts to boost economic development in Indian country.

President's Memorandum Calling for Improve Federal Coordination

The conference demonstrated the effectiveness of a strong, coordinated Federal effort. In order to ensure an on-going process, President Clinton, during his address to the conference, directed the Department of Interior, the Department of Commerce, and the Small Business Administration to report back within 90 days with a strategic plan for

“coordinating existing economic development initiatives for Native American and Alaska Native communities, including initiatives involving the private sector.”

As the President's Memorandum directed, the Secretary of Interior, Secretary of Commerce and the Administrator of the Small Business Administration would jointly lead the development of the plan and consult with all interested parties, including tribal governments and other Federal agencies and offices – particularly, the Departments of Housing and Urban Development, Transportation and Agriculture. The plan will build upon current efforts in the agencies and detail future efforts such as providing technical assistance, enhancing infrastructure, and development software. Appendix A contains the President's Memorandum in its entirety.

Listening Session on Economic Development

DRAFT – November 24, 1998 (6:43PM)

In developing this plan, the Subcommittee and nearly 100 tribal officials attended a listening session on economic development issues co-hosted by the National Congress of American Indians and the Commerce Department's Economic Development Administration in October, 1998, in Myrtle Beach, South Carolina. Among other things, the tribal officials highlighted the need for Federal economic development programs and initiatives to be more easily identifiable and accessible.

Proposed Inter-Agency Plan

In response to the President's Memorandum, and feedback from the listening session with the tribal officials, the Subcommittee proposes the following elements that will constitute its strategic plan:

1. Increasing access to Federal economic development programs and assistance;
2. Increasing economic development opportunities within tribal communities; and
3. Identifying gaps in Federal economic development efforts that may be addressed through administrative and/or legislative remedies.

This plan serves as a starting point for improved Federal coordination and should be viewed as a "living document" -- one that will be amended and modified in consultation and partnership with Indian country.

II. INCREASING ACCESS TO FEDERAL PROGRAMS AND INITIATIVES

The most important aspects for successful economic development in Indian country is access to information and assistance. This includes topics such as listings of available federal programs and their use, assistance on the development of business plans and other business management and administrative guidance, direction to private capital sources, assistance in developing marketing, import/export initiatives and specialized individual technical assistance and training.

A. The centerpiece of the Subcommittee's plan to increase access and improve coordination involves the following proposed actions:

- **Creation of an Information Referral Center on Economic Development.** The Bureau of Indian Affairs (BIA) proposes, for inclusion in the FY 2000 budget request of the President, the creation of a Native American Economic Development Access Center (NAEDAC). This would provide tribes, Indian-owned businesses, the private sector and non-profits easy access to information on a wide range of Federal economic development

programs and initiatives. The new center would use a toll-free 1-800 number, the Internet and other technology to enable easy and affordable access by the Indian community. The center could be modeled, in part, after the success of Commerce's Trade Information Center, which is a comprehensive resource for information on all Federal government export assistance programs. The BIA would create and provide the basic support for the center. Appendix B contains a detailed proposal on the functions of the center.

- **Memorandum of Understanding Between Key Agencies.** In order to ensure the effectiveness of the NAEDAC center, a Memorandum of Understanding would be implemented between the BIA and key federal agencies with economic development responsibilities. The agreement would outline the responsibilities of each agency in support of the NAEDAC, including the contribution of data and materials and the training of the center's staff on the objectives of each agency's programs.

B. The Subcommittee also has identified other actions that currently are being developed and implemented that will help to increase access and improve coordination:

- **Inventory of Existing Federal Programs.** Work is underway by members of the Subcommittee to produce a comprehensive database of all Federal economic development programs and initiatives impacting Indian country. The BIA will create the database and make it available on their web site and on CD Rom. The inventory also will be produced in hard copy, modeled, in part, after the success of USDA's *Guide to USDA Programs for American Indians and Alaska Natives*, which provides a comprehensive overview of the many important USDA programs available to tribes, including programs administered by the Rural Business-Cooperative Service, Rural Housing Service and Rural Utilities Service. The initial inventory will be completed by the BIA by March, 1999.
- **Strengthening the Codetalk Web Site.** Managed by HUD's Office of Native American Programs, this web site is the oldest federal web site specifically targeting Native Americans. Presently, the site focuses on general Indian housing issues, but is being revamped so that it can serve as a portal to other existing Federal resources for Native Americans on areas, such as welfare reform and economic development. HUD proposes implementing a Memorandum of Understanding with other agencies desiring to participate in *Codetalk*.
- **Strengthen Cooperation Between Agency Field Efforts.** The Subcommittee has identified the need for closer cooperation between SBA's Tribal Business Information Centers and the Native American Business Development Centers funded by Commerce's Minority Business Development Agency (MBDA). Between these two agencies, a total of approximately 22 sites are strategically located throughout Indian country, primarily in

conjunction with the tribal college system. The centers' products and services need to be as comprehensive as possible and each site should contain an identical reservoir of information and personal assistance.

In addition, the Subcommittee recommends that SBA and MBDA coordinate with the following Federal resources aimed at improving tribal economic development: USDA's Rural Development offices and personnel with expertise in business, community, and housing programs in states with large American Indian reservations; Commerce's U.S. Export Assistance Center, which has a team of experts in key field offices to promote exports by American Indian businesses, particularly in the areas of jewelry, arts and crafts, tourism and entertainment; and HUD's Community Buildings program.

III. INCREASING ECONOMIC DEVELOPMENT OPPORTUNITIES IN TRIBAL COMMUNITIES

The Subcommittee also has identified actions, some of which are currently being developed and some of which are proposed for the future, that will help to support and enhance economic development opportunities within tribal communities. The Subcommittee will work to ensure that information about these activities are disseminated throughout the Federal government and implemented in a coordinated fashion:

A. The following actions are proposed by the Subcommittee to enhance opportunities within tribal communities:

- **Business Deals on Wheels Seminars.** The BIA's FY 2000 proposal for the Native American Economic Development Access Center identifies the need for a coordinated effort to bring existing Federal initiatives directly to Indian communities. Because SBA's Tribal Business Information Centers and MBDA's Native American Business Development Centers are geographically stationary and sometimes hard to reach by those unable to travel, a traveling business seminar would be developed by the Center and manned by a combination of headquarters and field agency personnel, as well as private resources. The seminars would consist of both general sessions and individualized technical assistance on a variety of topics, such as tourism, banking, etc. The seminars would be tailored, where possible, to the community where the seminar is taking place.

- **Demonstration Program on Economic Development.** HUD's Office of Native American Programs, as part of its FY 2000 budget, proposes a demonstration program to improve the utilization of the Indian Community Development Block Grant and Indian Housing Block Grant Program. The two programs combined represent a significant resource for economic or business development.

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- **Indian Graduate Business Fellowships.** The Department of Justice's Office of Native American Programs proposes the creation of an Indian Graduate Business Fellowships program in order to address the need for greater managerial and financial expertise in Indian country. In other fields, such as law, Federal Indian fellowship programs have been extremely helpful in developing qualified Indian professionals to serve the Federal and tribal governments as well as the private sector. Experience has shown that a targeted Federal Indian fellowship program for graduate students in business related fields would boost tribal human resources infrastructure and assist in long-term efforts to boost Indian economies. Appropriate legislation and funding would be needed to support the initiative, which could be modeled after the Indian Health Service's Indians into Medicine Program.

B. The Subcommittee also has identified the following actions that currently are being developed and implemented that will have an impact on tribal economic development efforts:

- **Study on Lending and Investing in Indian Country.** The Community Development Financial Institution (CDFI) Fund will be conducting a study on lending and investment practices on Indian reservations and other land held in trust by the United States. The components of the study are to (1) identify barriers to private financing; (2) identify the impact of such barriers on access to capital and credit for Native American populations; and (3) to submit a report to the President and Congress with the findings of the study, recommendations to any necessary statutory and regulatory changes to existing Federal programs, and policy recommendations for community development financial institutions, insured depository institutions, secondary market institutions, and private sector capital institutions. In conjunction with the study, the Fund will develop an action plan to determine better ways for accessing credit and lending for Native American communities. This action plan will be developed through a series of workshops in cooperation with Tribal and private sector participation.
- **Handbook on "American Indian Reservations and Trust Areas."** Commerce's Economic Development Administration (EDA) will update this publication, which is an important resource for persons interested in doing business on reservations. The handbook provides valuable economic data on all American Indian and Alaska Native communities. Over 5,000 copies of the 1996 version have been distributed to date. EDA also will make the existing handbook available on its web site by March, 1999.
- **Implementation of One-Stop Mortgage Center Initiative.** Increasing home-ownership opportunities and access to capital in American Indian and Alaska Native communities was recognized by President Clinton as an integral part of economic development. In early August, the President issued an Executive Order tasking HUD and the Department of Treasury to partner with tribal governments, pertinent federal agencies and private

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partners, to initiate a pilot project to streamline the mortgage lending process in Indian country. Work is underway on the selection and start-up of the pilot projects.

- **Protection of Native American Intellectual Property.** Commerce's Patent and Trademark Office (PTO) proposes to conduct a workshop on how to protect intellectual property through obtaining a patent or trademark. The workshop is timely in light of legislation recently signed by President Clinton that directs PTO to study the protection of official tribal symbols from trademark infringement. The workshop would be held in conjunction with the annual conference of the American Indian Science and Engineering Society.
- **Study on Tribal Technology Infrastructure.** Recognizing the importance of ensuring that Indian communities fully participate in the new information economy, President Clinton's August 6 Memorandum directed the Commerce Department to conduct a study on the state of infrastructure technology needs. EDA will conduct the study, which is due for completion by May, 1999. In addition, Commerce is exploring in general how to help rural and urban distressed communities with a technology-based economic development strategy, including physical infrastructure and upgrading the skills of the local workforce.

IV. GOING FORWARD: IDENTIFYING AND ADDRESSING GAPS

In order to address the on-going need for improved Federal coordination, the Subcommittee will continue to work on a regular basis to identify and address any gaps in the delivery of economic development information and assistance to Indian country. As part of its deliberative process, the Subcommittee will consider whether administrative or legislative remedies are required to create new authority for, or remove barriers to, improving Federal tribal economic development efforts. For example, in April, 1998, Senator Ben Nighthorse Campbell introduced S. 2010, the "Native American Business Development, Trade Promotion and Tourism Act of 1998." The BIA's FY 2000 proposal for a Native American Economic Development Access Center is designed, in part, to address the concerns raised by the legislation.

An important part of the Subcommittee's on-going efforts will involve building partnerships with national organizations, such as the National Congress of American Indians and the National Indian Business Association, in order to identify gaps and solutions in the provision of Federal economic development assistance and to help identify specific tribal educational needs (e.g., how to do bond structurings).

V. CLOSING

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As a result of the President's Memorandum, and the work of the Subcommittee to date, we are entering a new era of Federal cooperation in the area of Indian economic development. There is a renewed sense of excitement and urgency about building upon the progress already made at the *Building Economic Self-Determination in Indian Communities* conference and moving in a direction that will ensure that tribal communities reap the greatest benefits from Federal economic development efforts for generations to come. Under the auspices of The White House Domestic Policy Council Working Group on American Indians and Alaska Natives, and in partnership with the tribes, Indian-owned businesses, the private sector, and non-profit organizations, the members of the Subcommittee stand committed to the goals outlined in this report and, ultimately, to bringing access to Federal economic development programs and initiatives to a new and unprecedented level throughout Indian country.

APPENDIX B

Bureau of Indian Affairs U.S. Department of Interior

Outline of the FY 2000 Budget Proposal for a Native American Economic Development Access Center

Prospective clients would interface with the Center through a number of ways: (1) an Internet web page; (2) direct telephone technical assistance via a toll-free 800-number; (3) on-site community interaction with business specialists; (4) printed literature; and (5) documentation and instructional CDs. Incoming inquiries would receive almost immediate feedback and response. To make the service easier to use, the center would provide information and technical assistance on a topical basis, so that prospective clients do not need to know the name of a specific agency or program before utilizing the service. Specifically, the Center would have the following components:

Internet resources – The development of a website that would house a **comprehensive inventory of available federal programs** with detailed descriptions of how they may be used by the Indian community. The database will include a user-friendly search engine that would permit users to clearly define their interests and the type of assistance they are seeking in order to better focus their attention to Federal programs that can provide financial and technical assistance. Each participating agency would have access to the BIA-operated web site where they could enter and update the descriptions of all operating programs on a regular basis.

An **online “ask the expert” module** which permits users to ask specific questions about federal programs, their use and general questions about economic ventures and opportunities in Indian Country. Questions will be received in one central site (the Bureau of Indian Affairs) and transmitted via e-mail to the appropriate federal agency for direct answering. Monitoring to ensure that questions are responded to in a timely manner will be conducted by the central web master. A permanent record of incoming questions will be maintained and used to develop user profiles and guide future program efforts.

The web site will maintain a **library of on-line resources**, including links to other Federal agency web sites that include economic development information relevant to Indian Country as well as other private, non-profit information resources.

Telephone Assistance – Because many people do not yet have access to Internet resources, an **“800” number** will be established and widely advertised for the purpose of providing direct discussions with Tribes, Indian individuals and others with questions on doing business in Indian Country. Calls will come into a central site (Bureau of Indian Affairs) and either will be

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answered directly or forwarded to an appropriate party at another federal entity where a more precise answer may be found. A database will be created to record general information regarding incoming calls and the manner in which they were answered. The “800” line would be open from 9:00 a.m. EST until 8:00 p.m. EST to ensure that coverage is available for all time zones.

On-site Technical Assistance - In-depth technical assistance is usually best provided in face-to-face communications. However, many tribes and Indian individuals do not have access to local community resources to assist them in their business development efforts. An effort to provide for more direct technical assistance by knowledgeable federal and private resources can greatly enhance the potential for new business ventures. As outlined in the report, the center will work to promote closer cooperation and information-sharing between SBA’s and MBDA’s tribal business information centers and organize a series of on-site “Business Deals on Wheels” seminars.

Printed Materials - Each federal agency with programs which can assist economic development activities will provide **informational brochures, pamphlets**, etc., to the BIA’s Center from which the public may request general information (more specific requests such as for regulations would be forwarded to the appropriate agency). A written version of the website containing federal program inventory would be developed so that persons without Internet access may also be able to have access to important Federal program information.

Instructional CD ROMs - Where appropriate, federal agencies will seek to place large volumes of written materials, forms, application criteria, etc., on CDs which can be made available to Tribes and individual Indians. CDs are a more efficient method for distribution of large quantities of written information. **Computer-based instructional CDs** also may be developed, which can be used as learning tools on how to conduct business in Indian Country, how to develop business plans for Indian entrepreneurs and Tribes, and other related topics. The BIA’s “*Sharing Our Dream – Doing Business in Indian Country*” is an excellent example of how CD’s can be used by tribes in their marketing and other business-related efforts. Additional titles that could be developed by the center include:

- Creating a business plan for small businesses
- Sample legal documents for Tribal governments
- Processing leases for homeownership (in development)
- Best practices in Indian economic development

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Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. email	Elena Kagan to Jennifer Palmieri re: question (1 page)	12/01/1998	Personal Misfile

COLLECTION:

Clinton Presidential Records
Automated Records Management System [Email]
WHO ([From Elena Kagan])
OA/Box Number: 500000

FOLDER TITLE:

[11/11/1998 - 12/8/1998]

2009-1006-F
ry944

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 2-DEC-1998 10:46:51.00

SUBJECT: stem cell -- press guidance

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

READ:UNKNOWN

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 11/30/98 09:35
PM -----

Jeffrey M. Smith
12/02/98 10:28:43 AM
Record Type: Record

To: Christopher C. Jennings/OPD/EOP, Elena Kagan/OPD/EOP, Holly L.
Gwin/OSTP/EOP, Clifford J. Gabriel/OSTP/EOP
cc: Nanda Chitre/WHO/EOP
Subject: stem cell -- press guidance

Chris -- Nanda Chitre has requested press guidance on the Varmus testimony by 11:30 a.m. Pasted below is a "placeholder" because Varmus is currently testifying as we speak. We'd appreciate having the benefit of your edits and suggestions.

Rachel Levinson is at the hearing now and is expected to report in shortly. A key issue of press interest is whether Dr. Varmus will say that the statute does or does not permit NIH-funded scientists to use some of the stem cells that were produced by the scientists on the second panel. DHHS General Counsel has not reached a decision on this point and Dr. Varmus' written testimony does not answer the question, and he will probably be pressed on the issue.

It may make sense to pass this current version along to Nanda -- with your edits included -- and then, shortly before noon, update the Q&A section in light of what actually transpired this morning's hearing.

HUMAN STEM CELL RESEARCH SENATE HEARING

December 2, 1998

CONTEXT: Dr. Harold Varmus, Director of the National Institutes of Health testifies today before the Senate Labor, HHS Appropriations Subcommittee. The subject of the hearing is human stem cell research.

General

Dr. Varmus will appear as the first witness, followed by the second panel including Drs. James Thomson (University of Wisconsin), John Gearhart (Johns Hopkins University) and Michael West (Advanced Cell Technology, Inc), the scientists associated with three experiments reported recently in which human stem cells were produced from human embryos, fetal tissue, and a human somatic cell fused to a cow egg, respectively. A third panel will be comprised of ethicists including Dr. Arthur Caplan (University of Pennsylvania).

Dr. Varmus will describe the potential scientific and medical benefits of research using human stem cells including the development of treatments for cancer, heart disease, diabetes, Parkinson's and Alzheimer's disease, stroke, burns, and arthritis. Additionally, Dr. Varmus will discuss some of the ethical issues raised by human stem cell research and will reaffirm his commitment to the President's 1994 ban on the use of NIH funds to create human embryos for research purposes.

Beginning in FY 96, annual Congressional appropriations language has extended beyond the President's ban in forbidding research in which an embryo is knowingly discarded, destroyed or exposed to greater than minimal risk. Patient advocacy groups and scientific societies have written Subcommittee Chairman Sen. Specter seeking reversal of the Congressional ban and supporting stem cell research.

Q. What is the Administration's view on human stem cell research?

A. We are told that human stem cell research has great promise, and we are hopeful that these predictions will bear out. Nevertheless, there are a number of ethical, medical and legal issues that need to be sorted out before a policy decision can be made. The President has asked his National Bioethics Advisory Commission to undertake a thorough review of the issues associated with human stem cell research, balancing all the ethical and medical considerations. The Commission's report will assist in defining our next steps.

Q. What is the Administration's view on the Congressional ban on Federally-funded human embryo research?

A. Given the dynamic nature of the science and how that science shapes our ethical understanding, we believe the President's 1994 directive banning the use of Federal funds for the creation of human embryos for research provides appropriate restrictions. Each year, the President's budget has proposed deleting the broader Congressional ban and has objected to addressing this issue in statute.

Q. Was public funding used to support this research?

A. No. The human stem cell research discussed at today's Senate hearing was privately funded.

RECORD TYPE: PRESIDENTIAL (NOTES READ RECEIPT)

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

CREATION DATE/TIME: 2-DEC-1998 18:40:11.00

SUBJECT: RECEIVED: Medal of Freedom

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

READ:UNKNOWN

TEXT:

RETURN RECEIPT

Your Document:

Medal of Freedom

was successfully received by:

CN=Elena Kagan/OU=OPD/O=EOP

at:

12/01/98 05:32:06 AM

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 3-DEC-1998 12:09:47.00

SUBJECT: Request for Views on HR1870 Young American Workers' Bill of Rights

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

READ: UNKNOWN

TEXT:

please print

----- Forwarded by Elena Kagan/OPD/EOP on 12/01/98 11:02
PM -----

From: Melissa N. Benton on 12/03/98 12:03:04 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc: Debra J. Bond/OMB/EOP

Subject: Request for Views on HR1870 Young American Workers' Bill of Rights

This is a reminder that your views on the subject bill are due.

Please provide any comments no later than 2 p.m. today. Call (5-7887) if you have any comments or questions. Thanks!

----- Forwarded by Melissa N. Benton/OMB/EOP on 12/03/98
12:00 PM -----

From: Melissa N. Benton on 11/27/98 09:58:28 AM

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: Request for Views on HR1870 Young American Workers' Bill of Rights

NOTE: The bill is attached following the LRM.

Total Pages: _____

LRM ID: MNB245

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

Washington, D.C. 20503-0001

Wednesday, November 25, 1998

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

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

OMB CONTACT: Melissa N. Benton

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

SUBJECT: Request for Views on HR1870 Young American Workers' Bill
of Rights

DEADLINE: Noon Wednesday, December 2, 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:
DISTRIBUTION LIST

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- Daniel J. Chenok
- Steven M. Mertens
- Sarah Rosen
- Elena Kagan
- Karen Tramontano
- Kate P. Donovan
- Janet R. Forsgren

LRM ID: MNB245 SUBJECT: Request for Views on HR1870 Young American Workers' Bill of Rights

RESPONSE TO
LEGISLATIVE REFERRAL
MEMORANDUM

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

You may also respond by:

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

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

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

FROM: _____ (Date)

_____ (Name)

_____ (Agency)
 _____ (Telephone)

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

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

Message Sent

To: _____
 Barry White/OMB/EOP@EOP
 Larry R. Matlack/OMB/EOP@EOP
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 Karen Tramontano/WHO/EOP@EOP
 Kate P. Donovan/OMB/EOP@EOP
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Message Copied

To: _____
 dol-sol-leg@dol.gov @ inet
 justice.lrm@usdoj.gov @ inet
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 ogc_legislation@ed.gov @inet
 cla@sba.gov @ inet

Message Sent

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Sarah S. Lee/OMB/EOP
Robert G. Damus/OMB/EOP
William H. White Jr./WHO/EOP
Steven M. Mertens/OMB/EOP
Sarah Rosen/OPD/EOP
Elena Kagan/OPD/EOP
Karen Tramontano/WHO/EOP
velma.taylor @ usdoj.gov @ inet

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

TEXT:

HR 1870 IH

105th CONGRESS

1st Session

H. R. 1870

To amend the Fair Labor Standards Act of 1938 to reform the provisions relating to child labor.

IN THE HOUSE OF REPRESENTATIVES

June 12, 1997

Mr. LANTOS (for himself, Mr. CAMPBELL, Mr. ACKERMAN, Mr. BONIOR, Mr. BROWN of California, Ms. CARSON, Mr. DAVIS of Illinois, Mr. DELLUMS, Ms. ESHOO, Mr. EVANS, Mr. FALEOMAVAEGA, Mr. FOGLIETTA, Mr. FRANK of Massachusetts, Mr. FROST, Mr. GONZALEZ, Mr. GUTIERREZ, Mr. HINCHEY, Mr. JEFFERSON, Mr. MANTON, Mr. MILLER of California, Ms. NORTON, Mr. OBERSTAR, Mr. OLVER, Mr. OWENS, Mr. RANGEL, Mr. SANDERS, Mr. SCHUMER, Mr. TIERNEY, Mr. TORRES, Mr. VENTO, Ms. WOOLSEY, Ms. VELAZQUEZ, and Mr. YATES) introduced the following bill; which was referred to the Committee on Education and Workforce

A BILL

To amend the Fair Labor Standards Act of 1938 to reform the provisions relating to child labor.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE: REFERENCE.

(a) SHORT TITLE- This Act may be cited as the 'Young American Workers' Bill of Rights'.

(b) REFERENCE- Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Fair Labor Standards Act of 1938.

SEC. 2. REPORTING AND RECORDKEEPING.

(a) CHILD-LABOR LAWS- Section 12 (29 U.S.C. 212) is amended by adding at the end the following new subsection:

`(e) (1) The Secretary and the United States Census Bureau shall compile data from respective State employment security agencies in all the States (A) on the types of industries and occupations in which children under the age of 18 are employed and on the types of industries and occupations in which children who are 18 and full-time students in a high school are employed, and (B) on cases in which it was determined that minors were employed in violation of this section. The first such compilation shall be completed not later than 2 years after the date of enactment of the Young American Workers' Bill of Rights and each subsequent compilation shall be completed not later than 3 years thereafter.

`(2) If a minor in the course of employment suffers death or an injury or illness resulting in lost work time of at least 1 working day, not later than 5 days after the death, injury, or illness, the employer of the minor shall provide to the State agency a written description of the death, injury, or illness.

`(3) The Secretary of Health and Human Services, in conjunction with the Secretary of Labor, shall issue an annual report on the status of child labor in the United States and its attendant safety and health hazards.'.

SEC. 3. CERTIFICATES OF EMPLOYMENT.

Section 12 (29 U.S.C. 212) is amended by adding at the end the following new subsection:

`(e) (1) As used in this subsection, the term `parents' means the biological parents of a minor or other individual standing in loco parentis to a minor and the term `minor' means an individual who is under the age of 18 and who has not received a high school diploma or its equivalent or who is 18 and enrolled full-time in a high school.

`(2) No employer shall employ a minor unless the minor possesses a valid certificate of employment issued in accordance with this subsection.

`(3) The Governor of a State shall designate a State agency to issue certificates of employment to minors in the State. The agency shall make available, on request, a form for the application described in paragraph (4) and shall make available, as part of the certification process, materials describing applicable Federal requirements governing the employment of minors and the minor's rights under such requirements.

`(4) To be eligible to receive a certificate of employment, a minor must submit to the appropriate State agency an application that contains--

`(A) the name and address of the minor;

`(B) proof of age of the minor;

`(C) if the minor is under the age of 18 or is age 18 and enrolled full-time in a high school--

`(i) a written statement by the parents or legal guardian of the minor that the parents grant consent for employment of the minor; and

`(ii) a written verification from the minor's school that

the minor is meeting at least the minimum school attendance requirements established by the State and that such employment will not interfere with the schooling of the minor; and

^(D) the employer's name, address, signature; and

^(E) with respect to the employment--

^(i) a statement on the nature of the work to be performed;

^(ii) the daily and weekly hours, and

^(iii) the times of day in which the work is to be performed.

^(5) On receipt of an application under paragraph (4), a State agency shall issue to the minor--

^(A) a certificate of employment, if the requirements of paragraph (4) are met; or

^(B) a statement of the denial of a certificate of employment (including the reasons for the denial), if the requirements of paragraph (4) are not met.

^(6) A certificate of employment issued to a minor under this subsection shall be valid for 1 year after the date of issuance of the certificate or for the duration of the permitted employment, whichever is shorter.

^(7) A certificate of employment issued to a minor under this subsection shall indicate--

^(A) the name, address, and date of birth of the minor;

^(B) a minor will not be employed more than 3 hours per day or more than 15 hours per week and shall be prohibited from working before 7 a.m. and after 7 p.m. when school is in session if such minor is between 14 and 16 years of age and will not be employed more than 4 hours per school day or more than 20 hours per week and shall be prohibited from working before 6 a.m. and after 10 p.m. when school is in session if such minor is 16, 17, or 18 years of age and a full-time student enrolled in a high school; and

^(C) the name, address, and telephone number of the State agency that may be contacted for additional information concerning applicable Federal requirements governing the employment of minors.

^(8) The State agency shall provide a copy of a certificate of employment issued to a minor who is not older than the age of 18 to the parent of the minor who granted consent pursuant to paragraph (4) and to the local school district where the minor is enrolled.

^(9) If an employer employs a minor, not later than 14 days after the date of the commencement of employment of the minor, the employer shall provide to the State agency written notice of the name and occupation of the minor and the number of the certificate of employment issued to the minor.

^(10) Each employer shall post a copy of the provisions of this Act

relating to child labor at each premise of a worksite where one or more minors is employed.

(11) A State agency shall report annually to the Secretary concerning certificates of employment issued under this subsection. The agency shall include such information as the Secretary requires (including information on the number of deaths and injuries of minors reported pursuant to subsection (f)).'

SEC. 4. REVISIONS OF ORDERS AND REGULATIONS.

(a) ORDERS-

(1) In the administration of the Fair Labor Standards Act of 1938, the Secretary of Labor shall make the following revisions in the Secretary's child labor orders published in subpart E of part 570 of title 29, Code of Federal Regulations:

(A) The exemption provided in Order No. 2 (29 C.F.R. 570.52) shall apply to minors who are at least 18 years of age and to driving that is secondary and incidental to the minor's main occupation. Such exemption would be limited to 20 percent of the minor's work in any workday and may not exceed 5 percent of the minor's work in any workweek.

(B) Order No. 10 (29 C.F.R. 570.61) shall apply with respect to restaurants and fast food establishments. Such order shall prohibit minors who are under the age of 18 or who are 18 and are enrolled full-time in a high school from cleaning any machinery irrespective of who has disassembled the machinery.

(2) In the administration of the Fair Labor Standards Act of 1938, the Secretary of Labor shall find and declare that poultry processing, seafood processing, paper baling, power driven meat slicing, and pesticide handling are occupations that are particularly hazardous for the employment of minors for purposes of section 3(1) of the Fair Labor Standards Act of 1938.

(b) CHILD LABOR REGULATIONS- Under child labor regulation No. 3 (subpart C of 29 C.F.R. 570 et seq.)--

(1) individuals under 16 shall be prohibited from making door-to-door sales for profit,

(2) individuals under 16 shall be prohibited from using fryers, baking equipment, and cooking equipment in food service establishments, and

(3) strike out in section 570.34(b) (5) (except at soda fountains, lunch counters, snack bars, or cafeteria serving counters)'. .

SEC. 5. CRIMINAL PENALTIES FOR CHILD LABOR VIOLATIONS.

(a) WILLFUL VIOLATIONS THAT CAUSE INJURY OR DEATH- Section 16 (29 U.S.C. 216) is amended by adding at the end the following new subsection:

(f) Any person who willfully violates the provisions of section 12, relating to child labor, or any regulation

issued under such section, shall, on conviction be punished--

`(1) in the case of a willful violation that causes serious bodily injury to an employee described in section 3(1) but does not cause death to the employee, by a fine in accordance with section 3571 of title 18, United States Code, or by imprisonment for not more than 5 years, or by both, except that if the conviction is for a willful violation committed after a first conviction of the person, the person shall be punished by a fine in accordance with section 3571 of such title 18 or by imprisonment for not more than 10 years, or by both; or

`(2) in the case of a willful violation that causes death to an employee described in section 3(1), by a fine in accordance with section 3571 of such title 18 or by imprisonment for not more than 10 years, or by both, except that if the conviction is for a willful violation committed after a first conviction of the person, the person shall be punished by a fine in accordance with section 3571 of such title 18 or by imprisonment for not more than 20 years, or by both.'

(b) NO PRIOR OFFENSE PREREQUISITE FOR CHILD LABOR VIOLATION- The second sentence of section 16(a) is amended by inserting before the period at the end the following: `, except that this sentence shall not apply to a violation of section 12'.

SEC. 6. CIVIL PENALTIES FOR CHILD LABOR VIOLATIONS.

Section 16(e) (29 U.S.C. 216(e)) is amended--

(1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(2) by inserting `(1)' after the subsection designation;

(3) by adding at the end the following new paragraphs:

`(2) Any person who willfully violates the provisions of section 12, relating to child labor, or any regulation issued under such section, on more than one occasion, shall, on such additional violation, be ineligible--

`(A) for any grant, contract, or loan provided by an agency of the United States or by appropriated funds of the United States, for 5 years after the date of such additional violation;

`(B) to pay the training wage authorized by section 6 of the Fair Labor Standards Amendments of 1989 (29 U.S.C. 206 note); or

`(C) to employ a minor for a period of 5 years from the date of such violation.'

SEC. 7. CIVIL ACTIONS FOR CHILD LABOR VIOLATIONS.

Section 16 (29 U.S.C. 216), as amended by section 4, is amended by adding at the end the following:

`(g) Any employer who violates section 12 shall be liable for such legal or equitable relief as may be appropriate. An action to recover such relief may be brought against any employer in any Federal or State court of competent jurisdiction by any employee subject to the protections of section 12 or by the employee's survivors. The court in such an action shall, in addition to any other judgment awarded to the plaintiff, allow a reasonable attorney's fee to be paid by the

defendant and costs of the action. If the employee or the employee's survivors obtain a judgment under this subsection and also seek recovery for the same violation through State worker's compensation, this subsection does not preclude a State from choosing to offset recovery obtained under this subsection against recovery provided through State worker's compensation.'.

SEC. 8. COORDINATION.

(a) IN GENERAL- The Secretary of Labor shall establish and encourage closer working relationships among Federal and State agencies having responsibility for enforcing labor, safety and health, and immigration laws.

(b) REFERRALS-

(1) The Secretary of Labor shall establish a referral system under which employees engaged in the enforcement of the Fair Labor Standards Act of 1938 and the Occupational Safety and Health Act of 1970 shall--

(A) exchange information about suspected violators of the Acts and monitor the results of referrals to each other, and

(B) provide basic training to each other's staffs concerning the requirements of such Acts.

(2) The Secretary of Labor shall require employees engaged in the enforcement of the Fair Labor Standards Act of 1938 and the Occupational Safety and Health Act of 1970 to establish a referral system with--

(A) employees of the Immigration and Naturalization Service engaged in the enforcement of the Immigration and Nationality Act, and

(B) employees of Departments of Labor of the States engaged in the enforcement of State minimum wage and occupational safety and health laws.

The Immigration and Naturalization Service and the State Departments of Labor shall each be encouraged by the Secretary of Labor to establish information exchanges and, to the extent practicable, provided training to each other's staffs concerning the requirements of the Acts enforced by the respective agencies.

(c) ADVICE FROM PRIVATE AND PUBLIC SECTORS- The Secretary shall seek information and advice from representative elements of the private sector and the non-Federal governmental sector with respect to the provisions of the Fair Labor Standards Act of 1938 and corresponding regulations as they pertain to the employment of minors.

(d) ADVISORY COMMITTEE- The Secretary shall establish an Advisory Committee for Child Labor to provide overall policy advice on matters referred to in subsection (c). The Committee shall be composed of not less than 21 individuals, and shall include representatives of government, labor, industry, education, agriculture, health professions, small business, youth, service industries, retailers, consumer interests, human rights, child welfare, parent groups, and the general public. The Committee shall meet quarterly at the call of the Secretary or upon the call of a majority of the Committee, a quorum being present. The Chairperson of the Committee shall be elected by the Committee from among its members. Members

of the Committee shall be appointed by the President for a period of 4 years and may be reappointed for one or more additional periods. The Secretary shall make available to the Committee such staff, information, personnel, and administrative services and assistance as it may reasonably require to carry out its activities.

SEC. 9. PUBLICATION OF VIOLATORS.

(a) IN GENERAL- The Secretary of Labor shall publish and disseminate the names and addresses of each person who has willfully violated the provisions of section 12 of the Fair Labor Standards Act of 1938 relating to child labor or any regulation under such section and the types of violations committed by such person and shall distribute the publication regionally.

(b) NOTICE TO SCHOOL DISTRICTS- The Secretary shall post and otherwise make available to affected school districts the name of each employer who violates the provisions of section 12 of the Fair Labor Standards Act of 1938, relating to child labor, or any regulation issued under such section together with a description of the location and nature of the violation.

SEC. 10. COVERAGE.

The provisions of sections 12 and 16(e) of the Fair Labor Standards Act of 1938 shall apply to employers regardless of the annual dollar volume of sales whereby certain enterprises are exempted from coverage under such Act.

SEC. 11. PROTECTION OF MINORS WHO ARE MIGRANT OR SEASONAL AGRICULTURAL WORKERS.

(a) DEFINITION OF OPPRESSIVE CHILD LABOR- The first sentence of section 3(1) (29 U.S.C. 203(1)) is amended--

(1) by striking `or' before `(2)'; and

(2) by inserting before the semicolon the following: `, or (3) any employee under the age of 14 years is employed by an employer as a migrant agricultural worker (as defined in section 3(8) of the Migrant and Seasonal Agricultural Protection Act (29 U.S.C. 1802(8)) or seasonal agricultural worker (as defined in section 3(10) of such Act)';

(b) EXEMPTIONS- Section 13 (29 U.S.C. 213) is amended--

(1) in subsection (a) (6), by inserting before the semicolon at the end the following: `, except that this paragraph shall not apply to an employee described in section 3(1) (3)'; and

(2) in subsection (c)--

(A) in paragraph (1), by striking `Except as provided in paragraph (2) or (4)' and inserting `Except as provided in paragraph (2), (4), or (5)'; and

(B) by adding at the end the following new paragraph:

`(5) The provisions of section 12 relating to child labor shall apply to an employee described in section 3(1) (3)';

SEC. 12. REGULATIONS.

The Secretary of Labor shall issue such regulations as are necessary to carry out this Act and the amendments made by this Act.

SEC. 13. AUTHORIZATION.

There is authorized to be appropriated to the Secretary of Labor such sums as may be necessary for the additional costs resulting from the amendments made by sections 2 and 5.

END

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 3-DEC-1998 12:09:46.00

SUBJECT: OMB Request for Views on S2383 Children's Act for Responsible Employment (CARE)

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

READ:UNKNOWN

TEXT:

please print

----- Forwarded by Elena Kagan/OPD/EOP on 12/01/98 11:01 PM -----

From: Melissa N. Benton on 12/03/98 12:00:32 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc: Debra J. Bond/OMB/EOP

Subject: OMB Request for Views on S2383 Children's Act for Responsible Employment (CARE) Act

This is a reminder that your views on the subject bill are due.

Please provide any comments no later than 2 p.m. today. Call (5-7887) if you have any comments or questions. Thanks!

----- Forwarded by Melissa N. Benton/OMB/EOP on 12/03/98 11:57 AM -----

From: Melissa N. Benton on 11/27/98 09:55:17 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: OMB Request for Views on S2383 Children's Act for Responsible Employment (CARE) Act

Total Pages: _____

LRM ID: MNB246
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Friday, November 27, 1998

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

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

OMB CONTACT: Melissa N. Benton

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

SUBJECT: OMB Request for Views on S2383 Children's Act for Responsible Employment (CARE) Act

DEADLINE: Noon Wednesday, December 2, 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:
DISTRIBUTION LIST

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- Elena Kagan
- Kate P. Donovan
- Karen Tramontano
- Janet R. Forsgren

LRM ID: MNB246 SUBJECT: OMB Request for Views on S2383 Children's Act for Responsible Employment (CARE) Act

RESPONSE TO
LEGISLATIVE REFERRAL
MEMORANDUM

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

You may also respond by:

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

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

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

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

_____ (Telephone)

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

_____ Concur

_____ No Objection

_____ No Comment

_____ See proposed edits on pages _____

_____ Other: _____

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

Message Sent

To: _____
 Barry White/OMB/EOP@EOP
 Larry R. Matlack/OMB/EOP@EOP
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 Elena Kagan/OPD/EOP@EOP
 Kate P. Donovan/OMB/EOP@EOP
 Karen Tramontano/WHO/EOP@EOP
 Janet R. Forsgren/OMB/EOP@EOP

Message Sent

To: _____
 dol-sol-leg @ dol.gov @ inet
 justice.lrm @ usdoj.gov @ inet
 usdaobpaleg @ obpa.usda.gov @ inet
 Sarah S. Lee/OMB/EOP
 Robert G. Damus/OMB/EOP
 William H. White Jr./WHO/EOP
 Stuart Shapiro/OMB/EOP
 Daniel J. Chenok/OMB/EOP
 Sarah Rosen/OPD/EOP
 Elena Kagan/OPD/EOP
 Karen Tramontano/WHO/EOP

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

TEXT:

http://172.28.127.30:8082/ARMS/servlet/getEmailArchive?URL_PATH=/nlcp-2/Arms405/who/Who_19981...

S 2383 IS

105th CONGRESS

2d Session

. S. 2383

To amend the Fair Labor Standards Act of 1938 to reform the provisions relating to child labor.

IN THE SENATE OF THE UNITED STATES

July 30, 1998

Mr. HARKIN (for himself, Mr. KENNEDY, MR. KERRY, and Ms. MOSELEY-BRAUN) introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

A BILL

To amend the Fair Labor Standards Act of 1938 to reform the provisions relating to child labor.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCE.

(a) SHORT TITLE- This Act may be cited as the 'Children's Act for Responsible Employment' or the 'CARE Act'.

(b) REFERENCE- Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.).

SEC. 2. AGRICULTURAL EMPLOYMENT.

Section 13(c) (29 U.S.C. 213(c)) is amended--

(1) by striking paragraph (1) and inserting the following:

^ (1) The provisions of section 12 relating to child labor shall not apply to any employee employed in agriculture outside of school hours for the school district where such employee is living while he or she is so employed, if such employee is employed by his or her parent or legal guardian, on a farm owned or operated by such parent or legal guardian.'; and

(2) by striking paragraphs (2) and (4).

SEC. 3. YOUTH PEDDLING.

(a) FAIR LABOR STANDARDS ACT COVERAGE-

(1) FINDING- The last sentence of section 2(a) (29 U.S.C. 202(a)) is amended by inserting after 'households' the following: ', and the employment of employees under the age of 16 years in youth

peddling,'.

(2) DEFINITION- Section 3 (29 U.S.C. 203) is amended by adding at the end the following:

`(y) `Youth peddling' means selling goods or services to customers at their residences, places of business, or public places such as street corners or public transportation stations. `Youth peddling' does not include the activities of persons who, as volunteers, sell goods or services on behalf of not-for-profit organizations.'.

(b) DEFINITION OF OPPRESSIVE CHILD LABOR- Section 3(1) (29 U.S.C. 203(1)) is amended in the last sentence by insert after `occupations other than' the following: `youth peddling,'.

(c) PROHIBITION OF YOUTH PEDDLING- Section 12(c) (29 U.S.C. 212(c)) is amended by inserting after `oppressive child labor in commerce or in the production of goods for commerce' the following: `, or in youth peddling,'.

SEC. 4. CIVIL AND CRIMINAL PENALTIES FOR CHILD LABOR VIOLATIONS.

(a) CIVIL MONEY PENALTIES- Section 16(e) (29 U.S.C. 216(e)) is amended in the first sentence--

(1) by striking `\$10,000' and inserting `\$15,000';

(2) by inserting after `subject to a civil penalty of' the following: `not less than \$500 and'.

(b) CRIMINAL PENALTIES- Section 16(a) (29 U.S.C. 216(a)) is amended by adding at the end the following: `Any person who violates the provisions of section 15(a)(4), concerning oppressive child labor, shall on conviction be subject to a fine of not more than \$15,000, or to imprisonment for not more than 5 years, or both, in the case of a willful or repeat violation that results in or contributes to a fatality of a minor employee or a permanent disability of a minor employee, or a violation which is concurrent with a criminal violation of any other provision of this Act or of any other Federal or State law.'.

SEC. 5. GOODS TAINTED BY OPPRESSIVE CHILD LABOR.

Section 12(a) (29 U.S.C. 212(a)) is amended by striking the period at the end and inserting the following: `: And provided further, that the Secretary shall determine the circumstances under which such goods may be allowed to be shipped or delivered for shipment in interstate commerce.'.

SEC. 6. COORDINATION.

Section 4 (29 U.S.C. 204) is amended by adding at the end the following:

`(g) The Secretary shall encourage and establish closer working relationships with non-governmental organizations and with State and local government agencies having responsibility for administering and enforcing labor and safety and health laws. Upon the request of the Secretary, and to the extent permissible under applicable law, State and local government agencies with information regarding injuries and deaths of employees shall submit such information to the Secretary for use as appropriate in the enforcement of section 12 and in the promulgation and interpretation of the regulations and orders

authorized by section 3(1). The Secretary may reimburse such State and local government agencies for such services.'.

SEC. 7. REGULATIONS AND MEMORANDUM OF UNDERSTANDING.

(a) REGULATIONS- The Secretary of Labor shall issue such regulations as are necessary to carry out this Act and the amendments made by this Act.

(b) MEMORANDUM OF UNDERSTANDING- The Secretary of Labor and the Secretary of Agriculture shall, not later than 180 days after the date of enactment of this Act, enter into a memorandum or understanding to coordinate the development and enforcement of standards to minimize child labor.

SEC. 8. AUTHORIZATION.

There is authorized to be appropriated to the Secretary of Labor such sums as may be necessary for to carry out this Act and the amendments made by this Act.

END

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 3-DEC-1998 19:14:00.00

SUBJECT: Meeting on Choice Issues

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

READ:UNKNOWN

TEXT:

Unable to convert ARMS_EXT:[MESSAGE.D89]MAIL46716093G.326

The following is a HEX dump of the file:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 3-DEC-1998 19:14:38.00

SUBJECT: Farm Safety Net - Final version

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

TEXT:

Unable to convert ARMS_EXT:[MESSAGE.D97]MAIL46026093X.326

The following is a HEX dump of the file:

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D97]MAIL48026093Y.326 to ASCII,

The following is a HEX DUMP:

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

===== ATTACHMENT 2 =====

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D97]MAIL41126093Z.326 to ASCII,

The following is a HEX DUMP:

===== END ATTACHMENT 2 =====

===== ATTACHMENT 3 =====

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D97]MAIL421260930.326 to ASCII,

The following is a HEX DUMP:

===== END ATTACHMENT 3 =====

RECORD TYPE: PRESIDENTIAL (NOTES READ RECEIPT)

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

CREATION DATE/TIME: 4-DEC-1998 19:18:17.00

SUBJECT: RECEIVED: Law School Template

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

READ:UNKNOWN

TEXT:

RETURN RECEIPT

Your Document:

Law School Template

was successfully received by:

CN=Elena Kagan/OU=OPD/O=EOP

at:

12/04/98 07:16:03 PM

RECORD TYPE: PRESIDENTIAL (NOTES READ RECEIPT)

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

CREATION DATE/TIME: 4-DEC-1998 12:55:58.00

SUBJECT: RECEIVED: Re: charter schools guidance

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

READ:UNKNOWN

TEXT:

RETURN RECEIPT

Your Document:

Re: charter schools guidance
was successfully received by:

CN=Elena Kagan/OU=OPD/O=EOP

at:

12/02/98 11:45:22 PM

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-DEC-1998 13:55:42.00

SUBJECT: WH Women's Welcome!

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

TEXT:

schedule please

----- Forwarded by Elena Kagan/OPD/EOP on 12/06/98 12:47 AM -----

LESLIE
BERNSTEIN
12/07/98 09:06:24 AM

Record Type: Record

To: Jennifer M. Luray/WHO/EOP
cc: See the distribution list at the bottom of this message
Subject: WH Women's Welcome!

Message Copied

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 - Stephanie S. Streett/WHO/EOP
 - Karen Tramontano/WHO/EOP
 - Amy Weiss/WHO/EOP
 - Katharine Button/WHO/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-DEC-1998 12:49:52.00

SUBJECT: Food one pager

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

TEXT:

you're printing all these out and collecting them, right?

----- Forwarded by Elena Kagan/OPD/EOP on 12/08/98 12:50
PM -----

Thomas L. Freedman
12/08/98 12:05:33 PM
Record Type: Record

To: Elena Kagan/OPD/EOP
cc: Laura Emmett/WHO/EOP, Mary L. Smith/OPD/EOP
Subject: Food one pager

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

TEXT:

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Food Safety Initiative

Policy Rationale and Cost: Advancing food safety is one of the Administration's signature issues and this year's initiative would maintain our leadership in the area by working to establish a nationally integrated food safety system with Federal, state, and local authorities. The initiative includes measures by FDA, USDA and CDC.

FDA: The majority of FDA's request (\$25.6 million) would go toward expansion of their inspection and compliance capability. As part of its efforts to integrate efforts with non-federal agencies, FDA will enter into contracts and partnerships so that states will follow FDA guidelines and procedures. Among the tangible goals FDA states they could accomplish if the initiative were funded: for the first time in decades, FDA will ensure that every high risk food manufacturer in the United States is inspected at least once a year; for other food firms, inspections will be twice as often as today (from once every 8 years to once every 4 years) and for the first time ever, state and Federal inspection results will be shared, via an electronic connection, that will reduce overlapping efforts and greatly enhance the ability of those authorities to improve public health. The measure also boosts our international capability so that FDA will increase the number of international inspections from 100 to 250 and will conduct evaluations of foreign food production systems. In addition, FDA seeks \$9.0 million improving its traceback capabilities; \$6.9 million for new research programs and \$2.7 for risk assessment; and \$4.7 million in new education funding. (Cost: \$48.9 million over the FY99 request.)

CDC: The goal is to create a national system that provides comprehensive data on the occurrence of food-borne illness that can be used by agencies at every level to combat food-borne illness. The majority of the investment is targeted toward surveillance activities, specifically expanding the scope of FoodNet and the capacity of PulseNet to better capture pathogen DNA fingerprints of both *E. coli* O157:H7 and *Salmonella enteritidis* and include more state health departments in the network. This expanded surveillance network is the heart of our nation's food-borne disease early warning system. The current surveillance system does not provide adequate coverage of the US population. (Cost: \$18 million over the FY99 request.)

USDA: USDA complains that while OMB more than fully funded their initiative, they imposed \$473 million in user fees on FSIS and failed to provide a needed \$30.6 million for obligated salary increases and redeployment of inspectors. This is on top of a flat budget when the agency is trying to implement extensive new HACCP reforms. FSIS has very little discretionary money, since most is tied up in inspector salaries and other fixed costs. USDA has stated that OMB's failure to include the \$30.6 million will force them to shut down the inspection program during the last 9 days of the year or furlough over 300 employees. The Secretary has sent a letter complaining that the lack of salary funds effectively downsizes his inspection force and undercuts the commitment the President made to improve food safety and effectively regulate meat and poultry. (Cost: The salary increases and inspector redeployment cost \$30.6 million).

Uncertainties:

USDA. The USDA/OMB dispute on user fees is an old one, and USDA acknowledges they will probably lose again. USDA may suggest a compromise they think OMB might agree to: include the full funding request for FSIS in the budget (\$652 million) but elsewhere in the budget acknowledge that the Administration expects user fees to cover \$473 million of the cost. The argument being that currently Congress is not technically being requested to provide the actual amount the Administration and most observers think it really needs.

Vetting.

These proposals have been developed by the USDA, FDA, and CDC and explained to OMB. OSTP has also been involved in their development.

We have not consulted with consumer groups, but it seems likely they would strongly support the initiative. The groups have called us to support the idea that there be some new initiative, and to complain in general about user fees. It seems likely we will get significant flack for the user fees from Congress and consumer groups, especially if we have no new initiative.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: .8-DEC-1998 19:48:17.00

SUBJECT: discretionary priorities.

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

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 12/08/98 07:48
PM -----

Devorah R. Adler
12/08/98 07:45:55 PM
Record Type: Record

To: Elena Kagan/OPD/EOP
cc:
Subject: discretionary priorities.

this is a draft -- more comments are coming in the morning.

thanks for your patience.

Devorah

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

TEXT:

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USE OF DISCRETIONARY FUNDS FOR THE FY 2000 BUDGET

Detecting and managing bioterrorism. (new initiative) Bioterrorism is becoming an increasing threat that has the potential to injure or kill millions of Americans through deadly diseases, such as anthrax. This proposal funds HHS to train epidemic intelligence officers who identify and respond to attacks, develop a mass casualty emergency response system, maintain a stockpile of pharmaceuticals, and develop new vaccines and antibiotics that could be used in the event of an attack. It is strongly supported by HHS, OMB, DPC and the Vice President's Office.

Cost. Original HHS cost estimate: \$370 million

Issues. OMB believes that research and product regulation are primarily Federal responsibilities, while public health surveillance, laboratory and epidemiological capabilities, and medical response systems are areas that are primarily State responsibilities. Therefore, NIH, CDC, FDA, and SAMHSA did not receive the full funding amount requested.

Response. Although States play an important role in public health surveillance and emergency medical response activities, it is clear that the current local public health infrastructure is unable to support these essential surveillance and response activities. Budget cutbacks and increasingly limited resources have forced many public health clinics and public health departments to close their doors permanently, and the Federal-State communications network is so inadequate that a recent test demonstrated that CDC was unable to contact nearly half of local health departments within a day's time. Depending on local public health entities to independently meet the challenges of detecting and managing the repercussions of a bioterrorist attack will place the country at risk. The OMB passback level prevents CDC from developing improved surveillance and overall emergency preparedness plans and delay FDA's development of new vaccines for anthrax and botulism. The passback level also eliminates SAMHSA's ability to assess the mass behavioral psychological, and socioeconomic response to a bioterrorist event.

Status. OMB passback: +\$152 million; WH Need: additional +\$90 million; HHS appeal additional +\$218 million.

Combating resistance to antibiotics (superbug). (new DPC proposal.) Recent reports have indicated that resistance to antibiotics is increasingly becoming a public health crisis, causing prolonged illnesses and even death. Currently, hospitals spend over \$600 million each year treating infections caused by bacterial strains that are resistant to antibiotic therapy. This proposal funds CDC to develop and implement public health strategies that combat bacterial strains that are resistant to antibiotic therapies. This policy is supported by DPC and the Vice President's office.

Cost. Original DPC cost estimate: \$20 million

Issues of Concern. OMB would prefer to subsume this proposal in a new public health

surveillance initiative, essentially eliminating the practical public health component of this proposal. In addition, they believe that some of the infrastructure investments that are necessary improve our ability to respond to antibiotic resistance are similar to the steps we are proposing to respond to bioterrorist attacks.

Response. Although the surveillance efforts associated with this initiative can be subsumed under this new public health surveillance initiative, we believe that the implementation of public health strategies to prevent resistance are important enough to be funded separately.

Status. OMB passback: +0 (subsumed in surveillance initiative); WH Need +\$10 million

Family Caregiver Support Program. (new initiative) Approximately 7 million family caregivers currently enable their elderly relatives to remain in the community, providing care that would cost between \$45 and \$75 billion annually if provided by home health care aides. This proposal creates a new national program through the Administration on Aging to support Americans who care for chronically ill or disabled family member or friends. It provides State grants for “one-stop-shop” access point to provide services, such as information and counseling as well as respite services and adult day care. **This proposal is a priority for the Vice President, DPC, and NEC, and is generally supported by OMB.**

Cost. Original HHS cost estimate: \$150 million

Issues. OMB only provided \$10 million for this initiative, far less than what is necessary for it to be creditable. Barbara Chow has indicated, however, that this would be her first funding priority if she could get additional resources.

Response. The OMB passback level prevents the establishment of a national program, providing only enough funds to establish systems in a limited number of States. This policy is a critically important component of the long term care initiative, as it complements the long term care tax credit. Funding of this proposal is necessary to obtain broad based validation from the advocacy community for our entire long term care package.

Status. OMB passback: +\$10 million; WH need: additional +\$140 million; HHS appeal: additional +\$140 million

Nursing home quality initiative. (originally a WH proposal; HHS has expanded it) On July 21, the President announced his commitment to addressing the current shortcomings in nursing home quality of care. This initiative provides mandatory and discretionary funds to HCFA to help States strengthen nursing home enforcement tools and increase Federal oversight of nursing home quality and safety standards. Funding will be provided for **new enforcement provisions and increased surveys of repeat offenders and improve surveyor training. This proposal is strongly supported by DPC and the Vice President’s office.**

Cost. **Original HHS cost estimate: \$153 million**

Issues. OMB funds \$50 million of this initiative through user fees. The passback also assumes that HCFA will assume the survey and certification costs (\$12.5 million) associated with the initiative within its current funding levels.

Response. The user fees used to fund a large part of this initiative will rapidly be discarded by the Hill, placing the initiative in jeopardy. Requiring HCFA to absorb the survey and certification costs associated with this initiative would significantly reduce the level of these important activities. In addition, there is currently another GAO investigation on nursing home quality underway, which underscores the need for a significant investment in this area.

Status. OMB passback: +\$107 million; WH Need: additional +\$37.5 million (\$12.5 million + \$25 million to reduce the unrealistically high user fees from \$50 million to \$25 million); HHS appeal: additional +\$12.5 million

Educating Medicare beneficiaries about long term care options. (new WH initiative) Medicare beneficiaries are often unaware that Medicare does not provide long term care services. This proposal provides funds to HCFA to use the Medicare +Choice marketing materials to educate beneficiaries about long term care options outside of the Medicare program. This proposal is strongly supported by DPC and **has been validated by the aging community, as they believe this proposal is necessary to assure beneficiaries have the information they need to understand their options.**

Cost: Original DPC cost estimate: \$25 million.

Issues. OMB believes this is a solid policy worth funding, particularly if it is used to promote high quality long term care products. HHS has concerns with this proposal because it fears that it will be perceived as an endorsement of private long term care insurance.

Response. **We need this initiative to convince the private sector that we believe it has an important role to play in this area and to also indirectly affirm that the Federal government cannot and should not be relied on by the public at large to meet the overwhelming long term care needs facing the nation.**

Status. OMB passback: +(0); WH Need: additional +25 million

Improving access to Ryan White programs. (existing program) Low income individuals infected with HIV often have to wait up to a year in order to access the comprehensive range of drugs needed to effectively treat HIV. This proposal will increase our current proposed investment in the Ryan White program and the AIDS Drug Assistance Program, which provide a range of critical services for people with HIV/AIDS. OMB and HHS are not advocating for an increase but do not oppose one. Increasing this investment is a top priority for the AIDS office and the Vice President's office.

Cost. Original AIDS office Ryan White request: \$165 million

Issues. OMB has concluded that it does not have the resources necessary to meet the AIDS Office recommendation of an additional \$165 million for the Ryan White program.

Status. Ryan White OMB passback: +\$72.2 million; WH Need: additional +\$50 million; no HHS appeal

Addressing HIV/AIDS in minority communities. (existing WH initiative) This past October, in response to the Congressional Black Caucus, the President declared HIV/AIDS in minority communities to be a "severe and ongoing health crisis." This proposal seeks emergency funding to strengthen substance abuse treatment and prevention programs that include an HIV component and enhance funding for 60 Ryan White planning grants. It is strongly supported by DPC, HHS and the Vice President's office.

Cost. Original HHS cost estimate: \$50 million

Issues. OMB's official position is that this initiative was limited to a one time investment and that there was no commitment to future funding. However, they unofficially have acknowledged that it will be difficult to discontinue this funding priority in the face of extreme pressure by the Congressional Black Caucus. As such, they would not oppose additional funding if dollars could be made available.

Response. The OMB passback completely eliminates funding for this initiative and prevents us from sustaining our commitment to the Congressional Black Caucus and minority communities throughout America.

Status. OMB passback: +(0); WH Need:+\$50 million; HHS appeal: +\$50 million

Building on the President's Race and Health Initiative. (existing WH initiative) **Minorities suffer as much as five times the rate for certain diseases and mortality rates, such as cancer, diabetes, heart disease, immunizations, HIV/AIDS, and infant mortality.** Last year, the President announced a \$400 million commitment over 5 years to eliminate racial health disparities in six critical areas by 2010. This proposal funds public health programs designed to prevent diseases experienced disproportionately by minorities and a grant program to test and replicate innovative approaches that address these disparities. It is strongly supported by DPC, HHS, and the Vice President's office.

Cost. Original HHS cost estimate: \$50 million

Issues. The OMB passback suggests that HHS earmark \$50 million of community health center funding for this initiative, rather than providing new funds.

Response. It is extremely important to continue to make significant investments in this initiative in order to deliver on the President's commitment. Dedicating dollars already earmarked for CHCs will be viewed as ineffective and unresponsive by the minority community. In addition, since they only provide direct services, CHCs are unable to adequately address the significant public health infrastructure issues that currently prevent minorities from accessing effective health care services that could arrest disproportionate rates of infection and disease.

Status. OMB passback: +(0); WH Need: +\$80 million; HHS appeal + \$50 million

Enhancing mental health services. (existing program) Approximately 44 million adults and 14 million children suffer from a mental disorder annually. This proposal increases funding to SAMHSA in order to **enable states to provide critical mental health services, including access to prevention and treatment services and providing new incentives to communities who have implemented effective mental health programs.** This proposal increases funding to SAMHSA as well as raising awareness about mental health through enhancing the current level of funding provided to States through the mental health block grants. This proposal is strongly supported by the Vice President's office.

Cost. Original HHS cost estimate: \$146 million

Issues. The OMB passback refocuses mental health activities within the PHS, concentrating on mental health research at NIH, and State grants and specialized service delivery. OMB has stated that the reduction in mental health research grants is justified in the context of large increases for mental health research at NIMH.

Response. Mrs. Gore's office is recommending a White House Conference on Mental Health for this spring to raise awareness about mental illness and to take the next steps to improving access to and treatment of mental health. In addition, next year, HHS will release a Surgeon General's report documenting the widespread incidence and impact of mental illness.

Status. OMB passback: +(0); WH Need: +\$100 million; HHS appeal +\$116 million

Preventing and treating asthma. (new initiative) Over the past 15 years, the number of children afflicted with asthma has doubled to total about 6 million. The most rapid increase in prevalence over this time period has occurred in children under the age of 5, with rates increasing over 160 percent. The steep climb in rates of morbidity and mortality classify asthma as an illness with significant public health implications. This proposal funds HHS and EPA to educate patients and providers about new treatment guidelines for asthma, conduct a national asthma awareness campaign, reduce asthma triggers in homes, and establish school based asthma programs in every community. This proposal is strongly supported by both the First Lady's office and DPC.

Cost. Original estimates: \$50 million for HHS and \$25 million for EPA

Issues. OMB has developed a counter-proposal that invests \$25 million in EPA and uses the Medicaid program to disseminate new treatment guidelines for asthma, but eliminates the research and public health strategies that are integral to the HHS proposal. They believe that those components of the proposal could be supported through existing sources of funding.

Response. Although OMB's disease management strategies can and should be incorporated into the HHS proposal, to eliminate the research and wider components of the proposal would greatly inhibit our ability to alleviate the morbidity and mortality associated with this illness.

Status. OMB passback: +(0); WH Need: +\$25 million for HHS; HHS appeal: +\$50 million

Promoting Medicaid de-institutionalization. (new initiative) One of the biggest frustrations for people with severe disabilities and their families is the "institutional bias" in Medicaid - meaning the tendency to simply put people with great health care needs in nursing homes rather than develop viable, community-based alternatives. This proposal builds on a current demonstration program that by develops and propagates models that give people residing in a nursing home a choice of care settings after a "date certain". This proposal is strongly supported by HHS.

Cost. Original HHS cost estimate: \$38 million

Issues. OMB and DPC believe that this program is not well designed and would not be validated by the disability community, which is already complaining about the current demonstration program.

Status. OMB passback: +(0); WH Need: +(0); HHS appeal: +\$38 million

Improving Emergency Medical Services in Rural Areas. (new initiative) The presence of viable EMS systems is critical for residents in rural and frontier areas. Because of the high rates of occupational injury associated with employment unique to rural areas, such as farming, mining, and fishing, rural residents experience disproportionate rates of trauma and medical emergencies. Many rural and frontier communities face challenges in obtaining ambulance equipment and communication systems and recruiting, training, and retaining EMS personnel. This proposal provides grant funds to States and local communities through HRSA to promote EMS systems development, integrate EMS systems into local primary care services, and enhance provider recruitment, retention and education efforts. It is supported by HHS and DPC, and has been endorsed by the National Rural Health Association.

Cost. Original HHS estimate: \$50 million

Issues. OMB would prefer to fund this program through the Medicare program rather than through a PHS grant program. They believe that this initiative would do little to improve access to health care services or address the many health problems facing rural communities.

Response. The grant program structure takes into account the unique nature of small rural communities and allows States to design systems that work for their individual constituencies. In addition, the proposal is a way to relieve some financially burdened rural hospitals of the extraordinarily expensive burden of 24-hour a day ER coverage.

Status. OMB passback: +(0); WH Need: +\$25 million; HHS has not appealed

Providing needed education funds to children's hospitals. (new WH initiative) **Medicare has invested billions of dollars in graduate medical education to hospitals since 1966. However, because of its current distribution formula, free-standing children's hospitals are forced to shoulder the majority of the cost of training pediatricians, placing them at a severe financial disadvantage.** This proposal creates a new discretionary grant program to provide GME funds through the PHS in order to provide freestanding children's hospitals with Federal financing for the cost of providing direct graduate medical education. This proposal is strongly supported by the First Lady's office, DPC, and the National Association of Children's Hospitals. **HHS does not oppose this proposal, as long as it is not funded through the Medicare trust fund.**

Cost. Original DPC cost estimate: \$40 million

Issues. OMB is strongly opposed to this proposal because they believe that the children's hospitals are financially stable and do not need additional federal assistance.

Response. We believe that there is a legitimate equity argument here, as these hospitals shoulder much of the responsibility for training the nations' pediatricians and pediatric subspecialists.

Status. OMB: +(0); WH Need: +\$40 million

Investing in DoD cancer research programs. (new DPC proposal) Every year the Congress funds programs at DoD for prostate and breast cancer research. While every White House principal has highlighted these innovative, widely acclaimed research programs, we have never proposed a single dollar for them in our budgets. We are also proposing an investment in osteoporosis research at the DoD. This is a priority for the Vice President.

Cost. Original DPC estimate: \$250 million

Issues: DoD is resistant to this concept as they believe that although they have developed a model program in response to a Congressional mandate, cancer research is not within their military mission. They are more open to the concept of osteoporosis research because there are many military stress fractures. However, we think it could be highly problematic if the first time we ever invested in these programs we ignored the prostate and breast cancer programs and only funded osteoporosis.

Response: Given the high level of commitment to cancer research and the fact that these programs are already up and running, it is important that we underscore our support for them. Also, DoD is likely to receive generous increases in the budget and this is a good way to invest in cancer priorities in a tight budget.

Status. **OMB: +(0); WH Need: earmark \$200 million of DoD increase**

Investing in Promising Biomedical Research.

Cost. Original HHS request: \$1.5 billion

Issues: While both HHS and DPC support more generous increases, OMB has suggested that NIH reduce the amount of research started in FY 1999 in order to adjust to this new funding level. Many argue that this is not the best use of resources in a tight budget given the already generous funding at NIH.

Response. **Funding NIH at the OMB passback level would allow the agency to fund only 6,600 new research project grants, which is a 28% decrease from the number of projects funded in 1999 and the lowest level of new research since 1994. OMB suggested that NIH reduce the amount of research started in FY 1999 in order to adjust to this new funding level, which is not a reasonable or responsible path to advocate. It is also important to note that both the President and Vice President have both spoken in great detail about the importance of investments in biomedical research.**

Status. OMB: +\$49 million; WH Need: additional +\$750 million; HHS appeal \$1.5 billion.