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**Elena Kagan News 1 [6]**

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Elena Kagan News 1 [6]

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M2 PRESSWIRE March 12, 1998

Congress is coming around or that there has been some momentum generated, particularly in the Senate, precisely because we're working it that hard. And we're going to continue to do so.

MR. JENNINGS: Any more questions.

(No response.)

MR. JENNINGS: Thank you very much.

LANGUAGE: English

LOAD-DATE: March 13, 1998

LEVEL 1 - 67 OF 166 STORIES

Copyright 1998 McClatchy Newspapers, Inc.  
The Fresno Bee

March 10, 1998 Tuesday, HOME EDITION

SECTION: METRO, Pg. B4

LENGTH: 498 words

HEADLINE: Clinton pushes action to curb youth smoking

BYLINE: James Rosen, Bee Washington Bureau

DATELINE: WASHINGTON

BODY:

President Clinton warned lawmakers Monday that with congressional election campaigns around the corner, time is running out to pass comprehensive tobacco legislation to curb youth smoking.

In a speech to hundreds of doctors at the American Medical Association's national convention, Clinton described his campaign against teen smoking as a major public-health initiative that would eventually save 7 million lives.

"If we know that the lives of 1,000 children a day are at stake, how can we walk away from this legislative session without a solution to the tobacco issue?" Clinton asked, pounding the podium as he spoke.

House Speaker Newt Gingrich, addressing the AMA after Clinton, said Congress has a public health responsibility this year to pass some sort of legislation to curb youth smoking. But he said giving the cigarette-makers legal immunity would be a "payoff" to the industry.

Clinton wants Congress to strengthen the deal announced last June after White House-brokered talks between the major tobacco companies and 40 states that had sued them to recover the costs of treating sick smokers.

The Fresno Bee, March 10, 1998

Clinton repeated to the physicians his benchmarks for congressional action: Food and Drug Administration control of tobacco, a tax to raise the price of cigarettes by \$ 1.50 a pack over several years and strict advertising restrictions.

"If we do this, we can cut teen smoking by almost half in five years," he said. "We can stop almost 3 million children from taking that first drag. We can prevent almost 1 million premature deaths."

Clinton's address -- the first by a sitting president to the giant physicians' group since Ronald Reagan spoke to it in 1983 -- was part of an accelerated effort by the White House to push the stalled tobacco measure.

The deal would settle the states' lawsuits against the cigarette makers and shield them from most future court challenges. In exchange, they agreed to accept FDA jurisdiction and to pay \$ 368.5 billion over 25 years for health insurance, anti-smoking campaigns and smoking-cessation programs.

But nine months after the settlement was announced, Congress has not moved legislation necessary for implementing it.

Several senators and representatives from both parties have introduced widely varying bills. Some measures seek to codify only a part of the massive settlement; others move far beyond it by extracting more money from the tobacco industry and imposing more restrictions.

Giving the cigarette manufacturers protections against new lawsuits -- as envisioned in last year's settlement package -- has come under fire on Capitol Hill.

Despite the obstacles to congressional action, Clinton's aides expressed confidence Monday that tobacco legislation will pass this year.

"We think the prospects are strong," said Elena Kagan, deputy assistant for domestic policy. "We have a lot of momentum that's been gaining in the Senate. There are some bipartisan bills that are being worked on."

LOAD-DATE: March 12, 1998

LEVEL 1 - 68 OF 166 STORIES

Copyright 1998 The National Journal Group, Inc.  
Health Line

March 10, 1998

SECTION: TOBACCO FIELD

LENGTH: 635 words

HEADLINE: SETTLEMENT: IS A BIPARTISAN DEAL AT HAND?

BODY:

President Clinton yesterday urged Congress to pass comprehensive tobacco legislation this year. "There is utterly

Health Line, March 10, 1998

no reason not to do this this year," Clinton said in an address to the American Medical Association's leadership conference in Washington, DC (Pertman, AP/Boston Globe, 3/10). Clinton said, "(I)f we know that the lives of 1,000 children a day are at stake, how can we walk away from this legislative session without a solution to the tobacco issue?" (transcript, 3/9).

## CLOSE TO AGREEMENT

Unnamed Senate aides said the administration might back bipartisan legislation being introduced by Sens. Tom Harkin (D-IA), Bob Graham (D-FL) and John Chafee (R-RI). This legislation would cap tobacco industry liability at \$8 billion annually, the Washington Times reports. "Vice President Gore has expressed an interest in appearing at the press conference when we introduce the bill," said one of the three senator's aides. Chafee met yesterday with White House Chief of Staff Erskine Bowles and deputy domestic policy adviser Elena Kagan to discuss the measure. "We think there are people on both sides of the aisle who care about this, just as the president cares about this, and we think people will be embarrassed to go home without doing anything," said Kagan. Although Clinton told the AMA he "opposes any effort to protect the industry from lawsuits," he said the immunity issue would not be a "deal-breaker" (Goldreich, 3/10). Sen. Edward Kennedy (D-MA) also predicted that there will be tobacco legislation this year. "I think if we press this thing early on ... we're in a very strong position," Kennedy said. He added that there will likely be public "outrage" at the tobacco companies as more "negative reports about tobacco firms" are released (AP/Globe, 3/10).

## GINGRICH SAYS

House Speaker Newt Gingrich (R-GA) said he is "very skeptical, if not hostile" to liability limits on tobacco companies. "I don't think we have to pay back the tobacco companies to tell them not to addict our kids," Gingrich said. He also suggested that legislation should include a "cap on what trial lawyers who argued the case could collect, perhaps a cap on fees based on an hourly rate of \$150" (CongressDaily/A.M., 3/10).

## CONFLICT OF INTEREST?

President Clinton plans to attend a fundraiser tonight at the home of Stanley Chesley, "a prominent lawyer who stands to reap a windfall from enactment" of tobacco legislation, the New York Times reports. The dinner is expected to bring in at least \$500,000 for the Democratic National Committee. Critics of the tobacco settlement say Clinton should not be so closely involved with an attorney who "played a prime role in negotiating the \$368.5 billion settlement" and "has lobbied extensively" on the settlement issue. "The president should appear to be as arms-length as possible, but he is going to a fundraiser in the home of someone who has a direct interest in the tobacco proposal. That is grossly inappropriate," said consumer advocate Ralph Nader. However, Barry Toiv, a spokesperson for the administration, said, "Mr. Chesley is a long-time, strong supporter of the Democratic party and we welcome his continued support" (Abramson, 3/10).

## KESSLER WEIGHS IN

Former Food and Drug Administration Commissioner David

Health Line, March 10, 1998

Kessler urged Congress yesterday not to approve the global tobacco settlement because it would give the tobacco industry "a public relations cleansing." His remarks came during a panel discussion on the tobacco settlement convened at the University of California at Irvine (Dodson, Los Angeles Times, 3/10)

LANGUAGE: ENGLISH

LOAD-DATE: March 10, 1998

LEVEL 1 - 69 OF 166 STORIES

Copyright 1998 The News and Observer  
The News and Observer (Raleigh, NC)

March 10, 1998 Tuesday, FINAL EDITION

SECTION: NEWS; Pg. A1

LENGTH: 716 words

HEADLINE: Clinton presses tobacco deal

BYLINE: JAMES ROSEN, WASHINGTON CORRESPONDENT

BODY:

WASHINGTON -- President Clinton warned lawmakers Monday that with congressional election campaigns around the corner, time is running out for passing comprehensive tobacco legislation to curb youth smoking.

In a speech to hundreds of doctors at the American Medical Association's national convention, Clinton described his campaign against teenagers' smoking as a major public-health initiative that would eventually save 7 million lives.

"If we know that the lives of 1,000 children a day are at stake, how can we walk away from this legislative session without a solution to the tobacco issue?" Clinton asked, pounding the podium as he spoke.

With Clinton turning up the political heat, the effort to enact substantial new limits on how cigarettes are marketed and sold in the United States enters a critical phase.

Several congressional panels have scheduled hearings on tobacco measures, and the first concrete movement could come in two weeks at a Senate Commerce Committee session. At the same time, controversy over granting the tobacco industry immunity from lawsuits is a major obstacle.

House Speaker Newt Gingrich, addressing the AMA after Clinton, said Congress has a public health responsibility this year to pass legislation to curb youth smoking. But he said giving the cigarette-makers legal immunity would be a "payoff" to the industry.

Clinton wants Congress to strengthen the deal announced in June after White House-brokered talks between the major tobacco companies and 40 states that

The News and Observer (Raleigh, NC) March 10, 1998 Tuesday,

had sued them to recover the costs of treating sick smokers.

Clinton repeated to the physicians his benchmarks for congressional action: Food and Drug Administration control of tobacco, a tax to raise the price of cigarettes by \$ 1.50 a pack over several years, and strict advertising restrictions.

"If we do this, we can cut teen smoking by almost half in five years," he said. "We can stop almost 3 million children from taking that first drag. We can prevent almost 1 million premature deaths."

Clinton made anti-smoking legislation a centerpiece of his health-care agenda, along with passage of a "Patients' Bill of Rights" for beneficiaries of federally funded health programs, more money for medical research and Medicaid coverage for more Americans.

"Will this Congress go down in history as one that passed landmark legislation to save lives and strengthen America for the new century or one that was dominated by partisan election-year politics?" he said.

Clinton's address - the first by a sitting president to the physicians' association since Ronald Reagan made one in 1983 - was part of an accelerated effort by the White House to push the stalled tobacco measure.

Clinton promoted his program against youth smoking Saturday in his weekly radio address, and he is expected to push it again during a meeting this week with state attorneys general, most of whom signed off on the proposed settlement.

The deal settled the states' lawsuits against the cigarette-makers and shielded them from most future court challenges. In exchange, they agreed to accept FDA jurisdiction and to pay \$ 368.5 million over 25 years for health insurance, anti-smoking campaigns and stop-

smoking programs.

But nine months after the settlement was announced, Congress has not moved legislation necessary for implementing it.

Several senators and representatives from both parties have introduced widely varying bills. Some measures seek to codify only a part of the massive settlement; others move far beyond it by extracting more money from the tobacco industry and imposing more restrictions.

The Republican chairmen of a half-dozen Senate panels were scheduled to testify at a Senate Commerce Committee hearing today on different elements of the complex package. And the Senate Labor Committee planned a session on a limited measure dealing only with FDA jurisdiction over tobacco.

The first concrete action may occur March 25, when the Senate Commerce Committee is set to debate and possibly vote on a massive bill based on the June settlement.

Elena Kagan, Clinton's deputy assistant for domestic policy, made it clear that the president and fellow Democrats in Congress are prepared to blame the

The News and Observer (Raleigh, NC) March 10, 1998 Tuesday,

Republicans who control the Senate and House if Congress fails to act.

LANGUAGE: ENGLISH

LOAD-DATE: March 10, 1998

LEVEL 1 - 70 OF 166 STORIES

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The Washington Times

March 10, 1998, Tuesday, Final Edition

SECTION: Part B; BUSINESS; Pg. B7

LENGTH: 611 words

HEADLINE: Clinton hints acceptance of limits on tobacco liability

BYLINE: Samuel Goldreich; THE WASHINGTON TIMES

BODY:

The White House edged closer toward protecting tobacco companies from lawsuits yesterday, as President Clinton urged Congress to pass anti-smoking legislation before leaving town for elections.

Senate aides said the administration might back bipartisan legislation that caps at \$8 billion the annual payments tobacco companies would make to settle thousands of health-claims lawsuits nationwide.

"Vice President Gore has expressed an interest in appearing at the press conference when we introduce the bill," said one of the aides, who asked not to be identified.

The legislation, co-sponsored by Sen. Tom Harkin, Iowa Democrat, Sen. Bob Graham, Florida Democrat and Sen. John H. Chafee, Rhode Island Republican, might be proposed as early as tomorrow. Mr. Chafee met yesterday with the White House chief of staff, Erskine Bowles, yesterday to seek support.

White House deputy domestic policy adviser Elena Kagan referred to the legislation yesterday as one sign that Congress is making progress on passing legislation to curb underage smoking this year.

"We think that there are people on both sides of the aisle who care about this, just as the president cares about this," she told reporters, "and we think people will be embarrassed to go home without doing anything."

Senate Commerce Committee Chairman John McCain, Arizona Republican, also is considering a yearly limit on industry liability under a bill he is developing with a bipartisan group of senators. Mr. Gore joined a group of Democrats last month when they proposed a tobacco bill that offered no lawsuit protection to

The Washington Times, March 10, 1998

the industry.

Explicit White House endorsement of some limits on tobacco-industry liability would remove the biggest hurdle to passing an anti-smoking bill. Administration officials said again yesterday that Mr. Clinton opposes any effort to protect the industry from lawsuits but that the issue would not be a deal-breaker.

Immunity from punitive damages and class-action lawsuits was the central goal for five major tobacco makers last June, when they agreed to a nationwide settlement of health-claims lawsuits in a deal with a group of states' attorneys general suing the industry. The agreement calls for the tobacco industry to pay at least \$368.5 billion over the next 25 years and billions more thereafter.

Mr. Clinton did not mention the issue yesterday, when he challenged Congress to adopt a tobacco bill in the next 70 working days before it recesses for the election season.

"If we know that the lives of 1,000 children a day are at stake, how can we walk away from this legislative session without a solution to the tobacco issue?" Mr. Clinton said during a speech before a meeting of the American Medical Association, the nation's biggest physicians' lobby.

Senate Majority Leader Trent Lott responded that Mr. Clinton is unwilling to assume the political risk of giving any liability immunity to tobacco companies.

"He has got a long list of places where he wants to spend the money," the Mississippi Republican said. "But when it comes to any of the tough questions, he's not had anything to say."

Mr. Lott said Mr. Clinton must say whether he supports capping private attorneys' fees in tobacco cases and limiting liability for the industry. He also said that any money raised from tobacco legislation should be spent on on smoking-related programs.

Mr. Clinton has proposed spending \$65 billion in tobacco money over the next five years under a broad social spending plan that would include child-care assistance and an expansion of Medicare to allow people from ages 55 to 64 to buy into the program.

GRAPHIC: Photo, President Clinton and American Medical Association President Percy Wooten talk during the AMA's National Leadership Congress in Washington yesterday., By Roger Richards/The Washington Times

LANGUAGE: ENGLISH

LOAD-DATE: March 10, 1998

LEVEL 1 - 71 OF 166 STORIES

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U.S. Newswire

U.S. Newswire, March 09, 1998

March 09, 1998 14:54 Eastern Time

SECTION: NATIONAL DESK, HEALTH WRITER

LENGTH: 2075 words

HEADLINE: Transcript of White House Press Briefing by Jennings, Kagan

CONTACT: White House Press Office, 202-456-2100

DATELINE: WASHINGTON, March 9

BODY:  
Following is a transcript of a White House press briefing held today by Chris Jennings, deputy assistant to the president for health policy, and Elena Kagan, deputy assistant to the president for domestic policy:

The Briefing Room

1:49 P.M. EST

MR. TOIV: Good afternoon. As previously announced, we have -- the President earlier today, as you know, made a very strong push for two very important pieces of legislation, the Patient's Bill of Rights and comprehensive tobacco legislation. And here to talk just a little bit and to answer any questions you may have on those subjects are Chris Jennings, the Deputy Assistant to the President for Health Policy, and Elena Kagan, who is Deputy Assistant to the President for Domestic Policy.

Q What are the prospects on the Hill for getting these two bills through?

MR. JENNINGS: Just very, very brief, very, very brief, and then I'm going to have Elena talk, and then we'll do the Q's and A's.

Today, when the President went to the AMA, he was the first President in 15 years to go before the AMA. The last one was Ronald Reagan in 1983. And he pointed out that there are many issues that divide the AMA historically and the White House on a whole host of issues. But also there have been numbers that have -- unite us. And they include, of course, just most recently, the nomination and confirmation of Dr. Satcher to be Surgeon General. But the two issues that he specifically addressed today were the quality protections and the tobacco.

I'm going to talk about the quality protections for just a moment and advise you of the report that the President released today. It's this Patients' Protections in the States report that's now available to you. The most important part of this report is, as you may have heard, that some people on the Hill who oppose this legislation suggest that this quality protection is radical and out of the mainstream, et cetera. What this report does show is that -- and 44 states have passed already, and governors have signed legislation that passed -- that have enacted at least one of these provisions of the bill or rights, and many, many others have done many more.

And interestingly enough, 28 out of 32 governors have signed such legislation into law, too. And this is not a partisan thing, obviously, in so

U.S. Newswire, March 09, 1998

doing. I can say that because 90 percent of both Democrats and Republicans have signed this legislation into law. What this report does is it goes on a state-by-state basis through the Consumer Bill of Rights that the President has endorsed and it shows where the states all rank. Clearly there are some states that are coming closer to compliance and others who are not.

But the biggest point, of course, of all is that even if all states did so they would not have the jurisdiction over millions of Americans who are in self-insured plans and in federal health programs, which is why the President has called for federal legislation this year in the Congress -- called for bipartisan legislation to be passed this year. And we fully expect that we will get that done before the end of this Congress.

So with that, I'll conclude, bring Elena up, and then answer any questions you may have.

MS. KAGAN: The President also urged the AMA to continue pressing Congress to pass comprehensive tobacco legislation. As the President said in his radio address, as the President repeated today, there are about 70 working days the Congress has before they go out. And the President urged Congress to really apply themselves in order to be able to pass comprehensive tobacco legislation in those 70 days. This is a unique opportunity, a historic opportunity. And the challenge that the President made to Congress was you can take advantage of this opportunity and protect the health of our children or instead you can fail to do so.

As the President has said before, and as he talked about again to the AMA, passing comprehensive tobacco legislation now, according to our best estimates, will save over a million lives, or just about a million lives within the next five years. It will prevent about 3 million kids from starting to smoke, and as a result save about a million lives. So the President again made clear that Congress ought to step up to the plate and ought to pass comprehensive national tobacco legislation this year.

Q What are the prospects?

MS. KAGAN: We think the prospects are good. We think the prospects are strong. We have a lot of momentum that's been gaining in the Senate. There are some bipartisan bills that are being worked on. Senators Harkin and Chafee and perhaps a couple of others will probably introduce a bill soon. We also know that Senator McCain is working with both Republicans and Democrats on the Commerce Committee on a comprehensive tobacco bill. So we think that there has been a lot of progress made in these last few weeks. We think that there are people on both sides of the aisle who care about this, just as the President cares about this. And we think people will be embarrassed to go home without doing anything.

So when we put all that together, a commitment on the one hand and a little bit of embarrassment if nothing happens on the other, we think the prospects for getting comprehensive tobacco legislation are strong.

Q Senator Lott today said that any money from tobacco legislation should be used for anti-smoking programs and health measures, which seems to go a fair amount of the way toward what the President has called for, except Lott says it shouldn't be used for social programs. How do you view those statements? Are they helpful to your cause, or are you in disagreement with him?

U.S. Newswire, March 09, 1998

MS. KAGAN: Well, there is an assumption in that statement, and the assumption is that Congress is going to pass comprehensive tobacco legislation and that there are going to be revenues that are generated as a result of that legislation. And we're very glad that Senator Lott and anybody else accepts that premise.

The question of how to spend those monies is, to us, a secondary one. Most -- our budget spends much if not most of those monies on health-related programs and on children-related programs. And we are very glad to engage Senator Lott or any other senator on the question of our priorities and their priorities and the question of how to spend these monies. But the most important thing is that we actually get the legislation that generates this revenue. And we're very glad to see Senator Lott and anybody else make statements that are based on the premise that we will.

Q The President today talked about his Medicare proposal. Are you -- can I ask a question about that? He talked about one part of it in which if a worker becomes eligible for Medicare under the rules now, and therefore drops out of private insurance, the worker's spouse would not necessarily be eligible if that spouse is younger. And the President wants to cover the spouse, as I understand it. Does that also include same-sex partners? It's not a frivolous question.

MR. JENNINGS: Under current Medicare statute that would not be applicable and therefore would not be included in our legislation. Beyond that I can't comment. I would say that what we are very excited about on the Medicare buy-in initiative, which for those of you who were around in the last Congress when we were debating CBO numbers versus OMB numbers, that the Congressional Budget Office absolutely confirmed the President's proposal, in fact, gave it some estimates that were showing that it would actually provide coverage to more people for less cost and would not undermine the Medicare Trust Fund in any way whatsoever. And it seems to us that to the extent that it meets that criteria and it helps real people and we have a real market failure in the individual market, particularly in those age groups, 55 to 65, it is absolutely inexcusable that we don't move ahead to address that.

And the President -- he mentioned these other two issues that we share common vision with the AMA -- this one they have not yet come to a conclusion on, but I'll tell you, this is something that should be at the highest priority level for congressional consideration, and it will certainly be one of ours this year. And the President referenced it in today's speech.

Q Chris, is the President proposing any specific changes in the Employee Retirement Income Security Act? And if so, what are they?

MR. JENNINGS: Well, the legislation assumes modifications to ERISA as it applies to a whole host of standards -- issues related to specialist coverage. In fact, you will recall, Robert, that on February 19th we got a report from the Labor Department that virtually every single federal -- every single consumer right that was recommended by the President's commission would not be covered under federal legislation for those self-insured plans, and therefore, clearly, by extension, we would have to modify ERISA to include those federal standards and those protections in order to ensure all Americans had those protections.

Q Can they sue for damages under the President's proposal?

U.S. Newswire, March 09, 1998

MR. JENNINGS: The President has indicated that he believes that these bill of rights should be enforced. We have not made a final determination on exactly what the best enforcement mechanism is. As you know, there are bills on the Congress that do include remedies, state-based remedies. That certainly is one viable option. It is not the only viable option. And we look forward to working with the Congress to finalize a conclusion on that issue.

Q So you have no position on enforcement right now?

MR. JENNINGS: The position that we have is we believe that these provisions should be enforceable. The question really is how best to do it. One way is the one represented by many members of Congress, bipartisan support, endorsed by AMA and others, which include these state-based remedies. But that may not be the only remedy or the only option for enforcement, and we're working with the business community, the consumer community, and providers and others to develop and determine which is the best way to go.

Q Can you remind me, if you've got the figures, how much of this year's budget is dependent upon the tobacco settlement?

MS. KAGAN: I don't remember the percentage. Our budget projects that the tobacco legislation will generate about \$65 billion over five years.

Q Senator Lott also suggested in his comments today that the White House hasn't been doing enough to push its priorities, including tobacco. Is there something that the White House has failed to do in your estimation? And what do you think about that comment?

MS. KAGAN: I think the White House has been working awfully hard impressing Congress on tobacco, and that Congress is beginning to move on tobacco exactly because we've been pressing so hard. Last fall the President stated his principles for tobacco legislation that really provided Congress with a road map for what that legislation ought to look like. This winter we gave a detailed budget which said exactly how much money we thought tobacco legislation ought to generate and how we would use that money.

And since then, we've been meeting with everybody who will meet with us. And we've been meeting with senators and with members of the House. We've been meeting with Republicans. We've been meeting with Democrats -- and talking to them about whatever part of this legislation they want to talk about. We've given clear guidance, and we are working this very hard. And we think that Congress is coming around or that there has been some momentum generated, particularly in the Senate, precisely because we're working it that hard. And we're going to continue to do so.

MR. JENNINGS: Any more questions.  
(No response.)

MR. JENNINGS: Thank you very much.  
END 2:00 P.M. EST

LANGUAGE: ENGLISH

LOAD-DATE: March 9, 1998

LEVEL 1 - 72 OF 166 STORIES

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Federal News Service

MARCH 9, 1998, MONDAY

SECTION: WHITE HOUSE BRIEFING

LENGTH: 7510 words

HEADLINE: WHITE HOUSE BRIEFING

BRIEFERS:

CHRISTOPHER JENNINGS,  
DEPUTY ASSISTANT TO THE PRESIDENT FOR HEALTH POLICY  
ELENA KAGAN,  
DEPUTY ASSISTANT TO THE PRESIDENT FOR DOMESTIC POLICY  
AND MICHAEL MCCURRY, WHITE HOUSE SPOKESMAN  
THE WHITE HOUSE BRIEFING ROOM, WASHINGTON, DC

BODY:

BARRY TOIV (Assistant press secretary): Good afternoon. As previously announced, we have -- the president, earlier today, as you know, made a very strong push for two very important pieces of legislation, the Patients Bill of Rights and comprehensive tobacco legislation. And here to talk just a little bit and to answer any questions you may have on those subjects are Chris Jennings, the deputy assistant to the president for health policy, and Elena Kagan, who is deputy assistant to the president for domestic policy.

Q What are the prospects on the Hill for getting these two bills through?

MR. TOIV: Let them say a couple of things.

Q Do you have an opening statement?

MR. JENNINGS: Just -- it's very, very brief; very, very brief, and then I'm going to have Elena talk and then we'll do the Q&As.

Today, when the president went to the AMA, he's the first president in 15 years to go before the AMA. The last one was Ronald Reagan in 1983. And he pointed out that there are many issues that divide the AMA historically and the White House on a whole host of issues. But also, there have been numbers that have -- unite us. And they include, of course, just most recently, the nomination and confirmation of Dr. Satcher to be surgeon general. But the two issues that he specifically addressed today was the quality protections and the tobacco.

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And this is not a partisan thing, obviously, in so doing. I can say that because 90 percent of both Democrats and Republicans have signed this legislation into law.

Federal News Service, MARCH 9, 1998

What this report does is it goes on a state-by-state basis, through the Consumer Bill of Rights that the president has endorsed, and it shows where the states all rank. Clearly, there are some states that are coming closer to compliance and others who are not. But the biggest point, of course, of all is that even if all states did so, they would not have the jurisdiction over millions of Americans who are in self-insured plans and in federal health programs, which is why the president has called for federal legislation this year in the Congress, called for bipartisan legislation to be passed this year. And we fully expect that we will get that done before the end of this Congress. So with that, I'll conclude, bring Elena out, and then answer any questions you may have.

MS. KAGAN: The president also urged the AMA to continue pressing Congress to pass comprehensive tobacco legislation. As the president said in his radio press, as the president repeated today, there are about 70 working days that Congress has before they go out. And the president urged Congress to really apply themselves in order to be able to pass comprehensive tobacco legislation in those 70 days. This is a unique opportunity, an historic opportunity. And the challenge that the president made to Congress was: "You can take advantage of this opportunity and protect the health of our children. Or instead, you can fail to do so."

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You know, the question of how to spend those monies is, to us, a secondary one. Most -- our budget spends much, if not most, of those monies on health-related programs and on children-related programs. And we are very glad to engage

Federal News Service, MARCH 9, 1998

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But the most important thing is that we actually get the legislation that generates this revenue. And we're very glad to see Senator Lott and anybody else make statements that are based on the premise that we will.

Q The president today talked about his Medicare proposal. Are you -- can I ask a question about that? He talked about one part of it in which, if a worker becomes eligible for Medicare under the rules now and therefore drops out of private insurance, the worker's spouse would not necessarily be eligible if that spouse is younger. And the president wants to cover the spouse, as I understand it. Does that also include same-sex partners? It's not a frivolous question.

MR. JENNINGS: Under current Medicare statute, that would not be applicable and therefore would not be included in our legislation. And so I -- well, beyond that, I can't comment.

I would say that what we are very excited about in the Medicare buy-in initiative -- which, for those of you who were around in the last Congress, when we were debating CBO numbers versus OMB numbers -- that the Congressional Budget Office absolutely confirmed the president's proposal -- in fact, gave some estimates that were showing that it would actually provide more coverage to more people for less cost and would not undermine the Medicare Trust Fund in any way whatsoever.

And it seems to us that to the extent that it meets that criteria and it helps real people, and we have a real market failure in the individual market, particularly in those age groups, 55 to 65, it is absolutely inexcusable that we don't move ahead to address that. And the president -- and he mentioned these other two issues that we share a common vision with the AMA -- this one they have not yet come to a conclusion on. But I'll tell you, this is something that should be at the highest priority level for congressional consideration, and it will certainly be one of ours this year. And the president referenced it in today's speech.

Q Chris, is the president proposing any specific changes in the Employee Retirement Income Security Act? And if so, what are they?

MR. JENNINGS: Well, in the -- the legislation assumes modifications to ERISA as it applies to a whole host of standards -- issues related to specialists, coverage. In fact, you will recall, Robert, that on February 19th we got a report from the Labor Department that virtually every single federal -- every single consumer right that was recommended by the president's commission would not be covered under federal legislation for those self-insured plans and therefore, clearly, by extension, we would have to modify ERISA to include those federal standards and those protections, in order to ensure all Americans had those protections.

Q Can you be sued for damages under the president's proposal?

MR. JENNINGS: The president's indicated that he believes that the -- that these bill of rights should be enforced. We've not made a final determination on exactly what the best enforcement mechanism is. As you know, there are bills on the Congress that do include remedies, state-based remedies. That certainly is one viable option. It is not the only viable option, and we look forward to working with the Congress to finalize a conclusion on that issue.

Q So you have no position on enforcement right now?

MR. JENNINGS: Well, we -- the position that we have is we believe that these provisions should be enforceable. The question really is how best to do it. One way is the one represented by many members of Congress, bipartisan support, endorsed by AMA and others, which include these state-based remedies. But that may not be the only remedy or the only option for enforcement. And we're

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working with the business community, the consumer community, providers, and others to develop and determine which is the best way to go.

Q Can you remind me, if you've got the figures, how much of this year's budget is dependent upon the tobacco settlement?

MS. KAGAN: I don't remember the percentage. Our budget projects that the tobacco legislation will generate about \$65 billion over five years.

Q Senator Lott also suggested in his comments today that the White House hasn't been doing enough to push its priorities, including tobacco. Is there something that the White House has failed to do; in your estimation? And what do you think about that comment?

MS. KAGAN: Well, I think the White House has been working awfully hard in pressing Congress on tobacco, and that Congress is beginning to move on tobacco exactly because we've been pressing so hard. You know, last fall, the president stated his principles for tobacco legislation that really provided Congress with a road map for what that legislation ought to look like. This winter, we gave a detailed budget which said exactly how much money we thought tobacco legislation ought to generate and how we would use that money. And since then, we've been meeting with everybody who will meet with us. And we've been meeting with senators and with members of the House; we've been meeting with Republicans, we've been meeting with Democrats, and talking to them about whatever part of this legislation they want to talk about.

We've given clear guidance, and we are working this very hard, and we think that Congress is coming around or that there has been some momentum generated, particularly in the Senate, precisely because we're working it that hard. And we're going to continue to do so.

Q Thank you.

Q Thanks a lot.

MR. JENNINGS: Any more questions? No? Okay, thank you very much.

Q Come back any time -- early and often. (Laughter.)

MR. MCCURRY: All right, anything else?

Q Do you want to get Iraq out of the way and then we get down to business, or what? MR. MCCURRY: Iraq.

Q Is Annan still coming here this week?

MR. MCCURRY: He plans to come later in the week. We're still finalizing whatever itinerary he will have, both here -- and we understand the secretary-general's office is working on their itinerary elsewhere.

Q Is he still welcome?

MR. MCCURRY: Oh, absolutely. We work very closely with the secretary-general.

Q Annan says that he thinks the United States needs come back to the Council, required to come back for "consultations" -- whatever that means -- before taking any sort of military action.

MR. MCCURRY: Consultations are consultations. If we got to the point where there were serious questions about the government of Iraq's willingness to honor the memorandum of understanding, we would of course be consulting with members of the Security Council. The Security Council has already indicated they will remain seized of this matter, and I would expect urgent deliberations to occur if there was any abrogation of the agreement. Now, so far, this past weekend we've had several inspections that the United Nations has conducted. They can tell you more about them. But they've proceeded, according to the U.N., satisfactorily.

Q So it's the president's view, as previously stated, that the United States has from previous resolutions adequate authority if he decides that he wants to move in an armed forces way?

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MR. MCCURRY: That is exactly our position, although that does not preclude consultations with the Security Council should there be need to consider a new course of action.

Q So you're saying now, Mike, that they would go to the Security Council first before initiating military action.

MR. MCCURRY: I'm saying that nothing that we have ever said would have precluded us from continuing to consult at the Security Council if the situation there became more urgent.

Q But Mike, I thought the whole upshot of this last round with Iraq was that the Security Council was -- all were singing off the same page more than they used to.

MR. MCCURRY: And I --

Q As it turns out, not only did you not get the resolution that you wanted, but now they are telling you that if you want to take military action, you have to go through the same things you've done in the past, come to --

MR. MCCURRY: You're misreading what the secretary-general said. He said simply that he expected the United States would consult further in the event that there was need to take additional action there if there were abrogation of the agreement of understanding between the United Nations and Iraq. We have prior to that stated that we would so consult.

Q He used the word "required"; that's the problem.

Q Right, that's not what I'm asking. I mean, France Russia and China still are opposed. So what I'm asking you is, it doesn't seem like you've gotten any more support for military action than you had before this last round.

MR. MCCURRY: I think, as the secretary-general said yesterday, if there were any abrogation of the agreement in the current circumstances, he suspected that the disposition of council members with respect to use of force would be much different than it's been in the past. We concur.

Q But he used the word "required" in talking about his view that the United States needed to consult.

MR. MCCURRY: Sam, we don't attach any particular meaning to that other than the secretary-general's suggestion that there would be further consultations in the Security Council in the event there were, you know, clearly a need to have consultations. We clearly would do so.

Q Mike, this morning --

Q U.N. officials say that Congress is once again trying to tie the payments of U.N. arrears to anti-abortion legislation. Do you concur with that, and what's the White House view on that today?

MR. MCCURRY: Well, do I -- do we concur that there is some effort to tie the U.N. arrears question to Mexico City language, yes, we do see some willingness in some parts of Congress to link those issues, and we would strongly suggest that they not be linked. They are separate questions; we have indicated, Secretary Albright has indicated, a willingness to discuss international family planning issues with members of the Congress, but that issue in no way connects to what the obligations of the United States are in the United Nations to pay off the debt that we owe.

Q Mike, this morning, you were asked about Annan's comments, and you said that we, the United States, have differing views. What -- what views differ there?

MR. MCCURRY: Well, the question posed at me this morning -- as it ended up, I wasn't completely familiar with the secretary-general's remarks. The question was posed that somehow or other we'd be required to go there for an additional resolution, and I was indicating that we'd have a different view on that, but that's, as it turns out, not what the secretary-general said.

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Q The question is, what would the White House do if, during these consultations, Russia, for instance, refused to go along with any talk of military force, military action against Iraq. What would you do, would you just --

MR. MCCURRY: We have had very high-level consultations with all the members of the Security Council. If there were an abrogation of this current memorandum of understanding by the government of Iraq, our judgment is the disposition regarding use of force would be much different than it has been in the past. Yeah?

Q Can we move on to the Senator -- Senator Lott's comments saying that the president should now come clean, finally, and tell the American people and Kenneth Starr the exact nature of his relationship with Monica Lewinsky? MR.

MCCURRY: When was that? I only heard that he was calling on Starr to wind things up.

Q No, he said this morning --

Q Today --

MR. MCCURRY: Oh, he had something new to say. He must have had a meeting with his caucus. (Laughter.) He must have heard from members of his caucus.

Q But he said, "So, I say to the president today, do it now, Mr. President, don't let this drag out any longer. Stop the attack mode."

MR. MCCURRY: Well, that's what he said to Mr. Starr over the weekend, so apparently he has had some change of heart; I imagine that has something to do with what he heard from his colleagues, but we'll take version one as preferable to version two.

Q Well, he said tell the truth, whatever it is. You'd certainly agree with him on that, wouldn't you?

Q Well, they're not mutually exclusive; why shouldn't he look at them?

MR. MCCURRY: The president already has.

Q The president's already told the truth? But he called on him to say what the relationship was with Monica Lewinsky.

MR. MCCURRY: You have heard me on that subject, and I don't have anything more for you on that.

Q He's already told the truth on what?

MR. MCCURRY: On the two fundamental issues that he's addressed before.

Liz. Elizabeth?

Q What Trent Lott is saying is that until the president explains what kind of relationship he had with Monica Lewinsky, the nation's business, the legislative priorities, the work of the Congress and the American government, are going to be distracted because of the president's --

MR. MCCURRY: What do Monica Lewinsky and Ken Starr have to do with scheduling business in the Senate? That's Majority Leader Lott's responsibility. That doesn't have anything to do with this current matter and doesn't make any sense.

Q Well, he says the current matter is distracting the public's attention from the real important priorities.

MR. MCCURRY: It hasn't distracted the president. And I'd be surprised if the majority leader admitted that he and the Senate have been distracted by a matter that doesn't concern them. That'd be a pretty surprising admission.

Q Mike, while speaking of scheduling legislation --

MR. MCCURRY: Yes?

Q -- the president came pretty close today to calling Congress a do-nothing Congress. Is that his message?

MR. MCCURRY: Well --

Q And he got right up to the line there.

MR. MCCURRY: -- he got right up to the line. They haven't done much yet. I mean, I think they've renamed a lake, and they renamed an airport.

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(Laughter.) But they've -- you know, they can get on with business. There is plenty more to do. And the president's point if I can guide you to it, was that time is running down now, and they need to get serious with some of the matters that are on the nation's agenda.

Q Usually, the do-nothing charge starts rather later in the season. (Laughter.) Is he telling them that if they don't get going, that he is going to move up his schedule for this kind of warfare?

MR. MCCURRY: Mara, part of our concern is that they don't have many working days scheduled between now and the end of the year. I think it's less than 70 days now. So we want them to get going.

Q You lost Lott, but you gained David Brock. (Laughter.) Have you seen Mr. Brock's public letter to the president?

MR. MCCURRY: I haven't seen that.

Q Well, he did Troopergate, and he (renamed ?) Paula.

MR. MCCURRY: Well, you should call Mr. Kennedy, and he might have a reaction.

Q But what is your comment about it, because he apologized -- (in a sense ?) -- to the president?

MR. MCCURRY: I have not a clue when it's -- please call Jim Kennedy. And if there is any response, it'll come from him.

Q (You don't even ?) want to touch David Brock?

MR. MCCURRY: Yes?

Q Mike, in Senator Lott's comments, he talked about how -- Washington in general has been distracted by the Starr investigation. And my question to you is, has the White House at all been frustrated that the president's ability to use the bully pulpit to push his initiatives has been in any way diminished by all of our attention on the issue and all of Washington's attention on this?

MR. MCCURRY: Your attention has remained pretty single-minded. But we have been able to talk with the American people about other issues that we're pursuing, as the president did today with respect to health care, and he'll continue to do so in hope that eventually, more of what he is talking about in terms of what he's working on, how he spends his time, the issues that he's been focusing on, comes through to the American people. Some of it does. We'll just kind of keep working hard at doing the people's business.  
Yes?

Q All your comments in the last couple of weeks indicate that the president doesn't think there's any further explanation needed. Is that the view?

MR. MCCURRY: No. You've heard me on that subject. I don't have anything new on that.

Q No, I know. I mean really --

Q Were you able to find out anything about immigration in the context of Medicare reform, that the president mentioned --

MR. MCCURRY: I asked a few people on it and, frankly, thought it was going to come up when you had our experts here a moment ago, so I didn't pursue it anymore. But we can do some other checking with them.

Yeah?

Q Mike, the president says Congress isn't doing the people's business. The leader of the Senate says that's because of the Lewinsky case. You say he's not right. If he's not right, why isn't Congress acting, in your estimation?

MR. MCCURRY: I think that's a good question to pose to the majority leader; how any of these matters that, you know, some have been preoccupied, have stood in the way of them doing work. They could call up the Patient Bill of Rights and start working on it tomorrow. I don't know of any reason why this other matter prevents them from doing their work.

Yeah?

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Q The other thing that Lott says --

MR. MCCURRY: I'll come back, Wolf.

Yes?

Q Yeah, Mike, David Brock says in his open letter, "I wasn't hot for the story in the interest of good government or serious journalism. I wanted to pop (him/you ?) right between the eyes."

MR. MCCURRY: This has already been asked by Mr. Donaldson. Mr. Donaldson already asked. Yes?

Q I didn't ask that question!

Q Well, no, we're letting you know what he said --

MR. MCCURRY: I don't -- I don't know what Brock said, and if there's -- if we have any response, you should ask -- call Mr. Kennedy. Mr. Kennedy will deliver it to you.

Q Would you like a copy of the Brock letter?

MR. MCCURRY: I'm really not interested in reading it.

Yeah?

Q Why not?

MR. MCCURRY: Because I've just got other stuff to do. I've got other stuff to do.

Yes?

Q I'd like to demonstrate my organization's single-mindedness by referring back to Indonesia and the IMF.

MR. MCCURRY: Yes! (Laughter.)

Q Are you happy with the response you have received so far?

MR. MCCURRY: We believe that the government of Indonesia needs to demonstrate through its actions, and through the work of its leadership, that it remains fully committed to the IMF program, that it understands the importance of promulgating and moving forward with the economic reform measures that have been a condition for IMF assistance. And we think there's considerable work to do, and we will continue to urge the government to do that work.

Q Do you support distributing loans from the IMF to Indonesia if there is no progress that's visible?

MR. MCCURRY: Well, we take seriously the IMF conditionality that attaches to the provision of loans, and the government of Indonesia should as well.

Yeah?

Q Mike, why is the U.S. ambassador to Indonesia being brought this week? And will he be meeting with the president or anybody at the White House? What's the next move on the U.S. part?

MR. MCCURRY: He's coming back for what I am told are routine consultations. But one should not over-read significance into his travel.

Q Mike, will the president go to Jim McDougal's funeral?

MR. MCCURRY: I have heard no plans to that effect. I'm not aware of any plans.

Yeah, Susan?

Q Sinn Fein was allowed back into the talks today and has declined to do so, and interest seems to be shifting towards all the Irish politicians that will be here in a week. Will the White House do more than just have a little shindig with some green bagels or something along those lines, or will they take sort of an active stance on trying to get the talks back on track?

MR. MCCURRY: Well, our annual celebration of St. Patrick's Day in recent years has become a much more serious endeavor in promotion of the Northern Ireland peace process. It has been an opportunity for us to continue the contact that we have with the parties, to have them engage at different levels with different people in our government, to hear more closely the views of all the parties participating in the process itself. And I suspect that this year's occasion

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will have that same degree of importance.

Of course, it's also an opportunity for the president to meet directly with one of the sponsors of the process, and he very much looks forward to his meetings with Prime Minister Ahern. But there will also be opportunities on the margins of that celebration for discussions with the parties to continue discussions that high-ranking officials of our government have had with the parties. And we will continue to encourage them to use this forum to make progress in their dialogue.

Q And will Gerry Adams be allowed to fund-raise when he comes on this visit -- (inaudible)? MR. MCCURRY: Though -- discussions of that, I think, are best addressed by the State Department -- whether there will be any restrictions attached to his travel or his activities while he's here.

Q Mike?

MR. MCCURRY: Yeah?

Q This issue of the Iwo Jima and the Air Force memorial has heated up again, with J. Carter Brown calling the Iwo Jima memorial "kitsch." First of all, does the White House agree with his classification? And secondly, do you agree that the Air Force memorial should be built on that present site?

MR. MCCURRY: I don't know that we have gotten into that issue one way or another.

STAFF (?): (It's still in ?) the planning commission.

MR. MCCURRY: I'd have to talk to others around here. It didn't strike us that Mr. Brown's comments were apt or appropriate, but I'll check here and see if we have any reaction beyond that.

Yeah?

Q Mike, it's clear you don't agree with Senator Lott's reasoning for Lewinsky -- the Lewinsky matter interfering with the legislative agenda, but it is also clear that that is the way Senator Lott feels.

Is the president concerned that his legislative agenda is not being heard on the Hill, for whatever reason?

MR. MCCURRY: No. I think we've had ample evidence that the agenda that we're discussing, that we're working on, is moving forward. Part of this is the normal deliberative structure, the calendar in the Senate for matters like highway funding to health care to child care to the work we're doing on IMF, which we've just been discussing here. There are a number of things proceeding on the Hill, and we're just encouraging them to move a little more swiftly.

Terry?

Q Can you explain which of those is moving forward?

MR. MCCURRY: All, in one way or -- degree or another. They're all at committee level and they're all moving forward in one fashion or another.

Yeah?

Q Can you say what the president's doing today about the crackdown in Kosovo? Has he been briefed by Albright? And does he think that the steps that the Contact Group took today have any teeth in them?

MR. MCCURRY: The president has received an update on the work that the Contact Group ministers did earlier today. We strongly endorse the statement made by Contact Group ministers this morning in London, including the agreement on a range of actions to put pressure on the Milosevic regime to end the violence and engage in a genuine dialogue that addresses the rights and concerns of the Kosovar-Albanian people. We acknowledge that in the Contact Group there are discussions of significant steps that they are taking now, the weight of the diplomacy they are going to bring to bear through the special facilities that the OSCE and others, including the United Nations, can bring to bear. And it's clear that there are additional steps that are contemplated beyond those that

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were publicly identified today that might have utility. And so we will continue to be very highly engaged in a firm way in making the representations to the government in Belgrade that the Contact Group unanimously endorsed today.

Q Do you have any confidence that these steps today will have any impact? MR. MCCURRY: In the past, the type of steps that were announced and taken today have had some persuasive effect on President Milosevic. We would hope they would do so again in this instance.

Q Mike, do you think the American troops will have to stay longer in Macedonia? MR. MCCURRY: Well, they're on a long-term monitoring mission there. We would have to say --

Q They're supposed to wrap up by August 31st.

MR. MCCURRY: -- that there is anticipation of that being -- that mission being extended by the United Nations, as it has been in the past. Every time it's come up for renewal, it has been extended precisely because of the concern we have about Kosovo and about the status of tensions in the Balkans generally, some involving the FYROM.

Q So the answer is yes, they'll have to stay longer?

MR. MCCURRY: It was anticipated that they would continue to stay because that mission has routinely been continued in recent months.

Q Would you tell us what you think of the actions of your deputy, Joe Lockhart, in the release of the investigator's statement? He released a statement, as I understand it, from the White House attorneys saying that neither the White House or any of President Clinton's private attorneys has hired or authorized any private investigator to look in the background of -- et cetera. Subsequently, it was discovered that Mr. Kendall's firm had hired Terry Lenzner. And in today's Wall Street Journal, Joe Lockhart is quoted as say, in effect, it was his fault: "I didn't ask the right questions."

What questions should he have asked? Should he have said to the attorneys -- (word inaudible) -- with the truth?

MR. MCCURRY: I strongly denounce -- strongly denounce the statement of my deputy press secretary, who clearly should not have taken that burden upon himself.

Q What did he do wrong?

Q But it's not his fault if the statement turns out to be -- to put it in the best way -- inaccurate.

MR. MCCURRY: There were a number --

Q Who is to blame, then, if he's not to blame?

MR. MCCURRY: I think there were plenty of ways in which we could have done that differently, and I'm not going to go through the whole episode here and now.

Q But shouldn't the attorneys have drafted a statement that told the truth?

MR. MCCURRY: They did, and their statement was the truth and it is the truth.

Q But they said no investigator was hired.

MR. MCCURRY: And your complaint maybe could have been that it was more complete, and we probably could have made it more complete, and there are lots of different ways that could have happened.

Q Well they said -- it said has not authorized or hired, the president's attorneys had not hired one, and they had.

MR. MCCURRY: I've addressed that as far as I am willing to: If you're not satisfied, that's the way it is.

Q These lawyers have bent the truth.

MR. MCCURRY: Yeah?

Q Is the president concerned about the apparent theft of the papers at the State Department? Are you aware of what might have been stolen? Are you being briefed?

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MR. MCCURRY: The White House is naturally concerned, and we understand that it's being pursued by the State Department and by federal law enforcement officials.

Q What was taken?

Q Can you characterize what was --

MR. MCCURRY: I can't characterize it and don't want to characterize it. There is an ongoing investigation.

Q One loose end on the Trent Lott thing. He also called on the president to call off, quote, "the attack dogs" on Ken Starr.

MR. MCCURRY: Well, I don't have any comment on that.

Yes?

Q Yes, Mike, thank you very much for taking my question. The question is on the upcoming trip of the president to South Asia, which would take him to Bangladesh. Incidentally, I come from Bangladesh and represent a paper called the Telegraph.

There are two questions here. One is that, when is the president planning to make his trip? And during the trip, the bilateral relations between those countries and India, Pakistan and in Bangladesh, especially the new government is about to be installed in India, could you please give me the idea -- or us the idea when he is going to make that trip?

And number two is that I have to make a notation here that my friends and peers sitting in this room are very free. My paper, the editor of my newspaper has been charged with high treason for writing a report which did not favor the government of --

MR. MCCURRY: You raised this issue at the State Department the other day, did you not?

Q Yes, I did.

MR. MCCURRY: And I saw that transcript, and I'm aware that the State Department indicated through its Bureau of Human Rights that it was going to look into that situation.

As to the president's travel, we have not announced a date, but the president is very much looking forward to his travels. He believes that when we meet and have dialogue with the new government in India, which is in formation now, it certainly will include a number of bilateral issues, the status of Bangladesh being one that we have explored in our other occasions of having high-level diplomacy. We look forward to that exchange.

Q Mike, as a follow-up (to that), you know, some of the U.S. companies, like Chevron and Texaco, has withdrawn their bid from Bangladesh, in the gas and oil exploration. Are you aware of that; are you making any headways (for) the U.S. companies?

MR. MCCURRY: I'm generally aware that there have been some changes in the structure of oil and gas R&D and investments there, but I'm not enough familiar with that issue to comment on it here. I think you should really, maybe, try some of our other experts.

Yeah?

Q Is the White House going to propose a take-it-or-leave-it plan to the Israelis for the West Bank withdrawal?

MR. MCCURRY: We're going to pursue the kind of careful, measured, disciplined diplomacy that we have pursued, and the secretary of state has addressed some of the additional steps we might contemplate.

Yeah?

Q If we could go back to Kosovo for a moment, you said just a little while ago that some of the measures being contemplated -- sanctions, I presume -- had some persuasive effect on the Milosevic government. My memory is that those

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sanctions were put on Serbia in 1993 and the siege of Sarajevo wasn't broken until three years later, after NATO airstrikes and U.N. military action.

MR. MCCURRY: Yeah, but at the --

Q Why do you believe the situation -- (inaudible) -- ?

MR. MCCURRY: It's somewhat true, but the persuasive arguments about the role of the inner wall and the outer wall of sanctions and how they were brought to bear is believed, by most experts, to at least, have had some effect. I mean, there were certainly other compelling reasons for the government of Serbia proper to proceed with the Dayton negotiations and to sign the Dayton Peace Accords, and I think that history is pretty well familiar to everyone here, but the role the sanctions played as a useful form of persuasion on President Milosevic has been acknowledged.

Anything else? Yeah?

Q Do you foresee the use of U.S. troops in a situation like this?

MR. MCCURRY: I'm not going to discuss, hypothetically, options that may or may not apply.

Q I'm puzzled as to why you won't comment on the Brock (sp) article. It would seem to be --

MR. MCCURRY: Now, quit it, Sam -- I mean, it's -- I couldn't be clearer. I'm not going to comment on something I haven't read. And I -- you know, if I read it and I have something to say, I'll say it, but I suggest you call Mr. Kennedy, okay? Is that simple enough?

Q Well, will you read it? We could ask you tomorrow.

MR. MCCURRY: I'll read it, and if I have anything to say, I'll certainly let you know.

In the meantime, if you want to pursue it, you may want to call Mr. Kennedy, because he would be more likely to respond to it than I would.

Q Would he respond on the record?

Q What do you think about the article about you?

MR. MCCURRY: Say -- would he --

Q The problem with calling Mr. Kennedy is he responds on background --

MR. MCCURRY: Well, he'll -- if he's got anything to say, he'll say it. Yes?

Q What's your assessment of the article about you? Is it fair? At any point --

MR. MCCURRY: About who?

Q (Laughing.) The article about you yesterday --

MR. MCCURRY: Which article?

Q The big one in the Washington --

MR. MCCURRY: It's from a book. And I've -- you know, there's nothing to say about the book.

Yeah?

(Cross talk, laughter.)

Q In that book, though --

Q What about the -- (off mike)? MR. MCCURRY: I've talked about the book.

Yeah?

Q In the book, Howard Kurtz indicates that the first lady has been in charge of defending the president, as far as strategy goes, in the past --

MR. MCCURRY: She does -- she tends, as a loyal spouse, to be defensive of her husband when she needs to be. Sure.

Q Is she playing the same role in the Lewinsky case?

MR. MCCURRY: You can judge for yourself. I think she's been public and outspoken when she's had something to say.

Q What about the American Spectator article on you? You're quoted in there -- the reporter said, "Do you want to know the truth?" And you replied, "God, no,

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no!" If -- you know, if you know the truth, you have to tell the truth --

MR. MCCURRY: I haven't read the -- I don't -- I'm not aware of any American Spectator article. I haven't read it.

Q Did you say that?

MR. MCCURRY: I don't -- I'm not familiar with an American Spectator article. I haven't --

Q Tucker Carlson --

Q Did you ever make that kind of comment? "God, no, I don't want to know anything" --

MR. MCCURRY: Say again?

Q It's in the Weekly Standard.

Q I'm sorry. If I said American --

MR. MCCURRY: Well, I think I -- you -- everything I have on this subject is -- I've said is identical to what I've told you in this room before.

Q Let me apologize to you and the Weekly Standard. The Weekly Standard article is what I had in mind.

MR. MCCURRY: Okay. I've just said anything -- you've all heard me on all of these subjects before, and I don't need to belabor it and go through it again.

Q Mike? MR. MCCURRY: Yeah?

Q Just --

Q Well, we worry about you! You're not talking to the lawyers. (Laughter.)

You're not talking to the president. You're not talking to -- what's going on here?

MR. MCCURRY: I'm talking to you. (Laughter continues.)

Yeah?

Q That's not telling us anything --

MR. MCCURRY: Anything else?

Q Mr. Starr is already under pressure for some quarters to -- as Senator Lott said yesterday, to wrap it up, to get to the conclusion. Do you expect that the death of Jim McDougal will increase those pressures -- that fact that he now has fewer witnesses --

MR. MCCURRY: I have absolutely no way of making any reasoned analysis of that.

Q The president isn't going to the funeral; you've said that. But is he sending anything -- flowers, something like that?

MR. MCCURRY: I have to check and see. I hadn't heard that.

Yeah?

Q Mike, is there anything you can tell us about Viktor Chernomyrdin's visit here this week and what we can expect from it?

MR. MCCURRY: I can do a long lead -- read-in to the Gore- Chernomyrdin Commission meetings and some of the issues they're taking up. They've got a lot of space cooperation, technology issues, R&D, proliferation matters they're doing. But the vice president's office, I think, is in a position to give a pretty thorough readout. And Jonathan Spalter (sp) for -- a number of people have already; they can tell you more about it.

This will be the 10th meeting of the commission.

That's obviously a very useful forum for dealing with a lot of the bilateral issues we have with the Russian Federation. It has proved its utility in the past and we expect will again, as we deal with a host of very complicated technical issues that are sometimes at dispute in our bilateral relationship. Yeah?

Q On tobacco, there is a split in the public-health community over exactly what is meant by "immunity." Matt Myers and the National Children's -- (inaudible) -- say they are willing to accept limited liability in exchange for the legislation. Others say absolutely no immunity. They want nothing.

Federal News Service, MARCH 9, 1998

What's the White House's definition of what "immunity" means? And where do you stand on the (whole issue ??)?

MR. MCCURRY: I don't know that we have set forth in the kind of specific detail you are looking for, our exact views on liability. On the general proposition, we have suggested that liability is not something that we initially see as being central to a comprehensive approach to tobacco. We have said that if liability caps or limits on liability, were included in any comprehensive legislation, we would look at it to see if we had achieved our overall public-health objectives before we would render any kind of endorsement.

Q But, Mike, the president asked Congress to pass this bill in 70 days. And you're saying you don't even have a view on liability here in the White House?

MR. MCCURRY: But our view is as the president has said, Scott, is that liability doesn't necessarily have to be a part of a comprehensive approach that would meet the president's public-health goals. If it were included, we would have to judge and see how closely the remainder of the bill or the other provisions of the bill, achieve the president's public-health objectives.

Q To follow up on that, if I may, why is it reasonable to ask the Congress to pass such a massive piece of legislation in 70 days?

MR. MCCURRY: Well, they've had far longer than 70 days to consider it, Scott. This has been the subject of hundreds of hours of testimony on the Hill, thousands of pages of testimony. There's been considerable scientific and public analysis that's been brought to bear on it. It's time to get on with passing the bill. It's not like we have just sort of plopped this down and said, "Pass it in 70 days." They've been at work at this for more than a year now.

Q Mike?

MR. MCCURRY: Yeah?

Q To follow up, it looks like the American Lung Association said any limit on liability is a deal-breaker. Is that the White House's view?

MR. MCCURRY: No. Our views on that are as we said before; it's not necessarily a deal-breaker. Although we don't necessarily favor it, we'd want to look and see in what context any liability limits were included in the bill.

Okay. See you all.

END

LANGUAGE: ENGLISH

LOAD-DATE: March 10, 1998

LEVEL 1 - 73 OF 166 STORIES

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FDCH Political Transcripts

March 9, 1998, Monday

TYPE: NEWS BRIEFING

LENGTH: 2159 words

HEADLINE: HOLDS NEWS BRIEFING ON HEALTH CARE; FOR DOMESTIC POLICY; WASHINGTON, D.C.

SPEAKER:

ELENA KAGAN, DEPUTY ASSISTANT TO THE PRESIDENT

. FDCH Political Transcripts, March 9, 1998

BODY:

DEPUTY ASSISTANT TO THE PRESIDENT FOR DOMESTIC POLICY ELENA KAGAN

HOLDS NEWS BRIEFING ON HEALTH CARE AND TOBACCO

MARCH 09, 1998

\*\*\* Elapsed Time 00:00, Eastern Time 13:48 \*\*\*

SPEAKERS: BARRY TOIV, DEPUTY PRESS SECRETARY

ELENA KAGAN, DEPUTY ASSISTANT TO THE PRESIDENT FOR  
DOMESTIC POLICY

CHRIS JENNINGS, SPECIAL ASSISTANT TO THE PRESIDENT  
FOR HEALTH POLICY DEVELOPMENT

\*

TOIV: Good afternoon. As previously announced, we have -- the president earlier today, as you know, made a very strong push for two very important pieces of legislation -- the patients' bill of rights, and comprehensive tobacco legislation.

And here to talk just a little bit and to answer any questions you may have on those subjects are Chris Jennings, the assistant to the president for health policy; and Elena Kagan, who is deputy assistant to the president for domestic policy.

QUESTION: What are the prospects? What's the word on the Hill for getting these two bills?

TOIV: Let me take that.

This is very, very brief -- very, very brief. And then I'm going to have Elena talk and then we'll do the Qs and As.

Today, when the president went to the AMA -- he's the first president in 15 years to go before the AMA. The last one was Ronald Reagan in 1983. And he pointed out that there are many issues that divide the AMA historically and the White House -- a whole host of issues.

\*\*\* Elapsed Time 00:01, Eastern Time 13:49 \*\*\*

But also, there have been numbers that have -- united us. And they include, of course, just most recently, the nomination and confirmation of Dr. Satcher to be surgeon general. But the two issues that he specifically addressed today were the quality protections and the tobacco.

I'm going to talk about the quality protections for just a moment and advise of you the report that the president released today. It's this patient's protections in the states report that's now available to you.

FDCH Political Transcripts, March 9, 1998

The most important part of this report is, as you may have heard, that some people on the Hill who oppose this legislation suggested this quality protection is radical and out of the mainstream, et cetera. What this report does show is that 44 states have passed already and governors have signed legislation to pass -- that have enacted at least one of these provisions of the bill of rights and many, many others have done many more.

And interestingly enough, 28 out of 32 governors have signed such legislation into law, too. And this is not a partisan thing, obviously.

\*\*\* Elapsed Time 00:02, Eastern Time 13:50 \*\*\*

In so doing, I can say that because 90 percent of both Democrats and Republicans have signed this legislation into law.

What this report does is it goes on a state-by-state basis through the consumer bill of rights that the president has endorsed and it shows where the states all rank. Clearly, there are some states that are coming closer to compliance and others who are not.

TOIV: But the biggest point, of course, of all is that even if all states did so, they would not have the jurisdiction over millions of Americans who are in self-insured plans and in federal health programs, which is why the president has called for federal legislation this year in the Congress, called for bipartisan legislation to be passed this year.

And we fully expect that we will get that done before the end of this Congress.

So with that, I'll conclude, bring Elena up, and then answer any questions you may have.

KAGAN: The president also urged the AMA to continue pressing Congress to press comprehensive tobacco legislation.

\*\*\* Elapsed Time 00:03, Eastern Time 13:51 \*\*\*

As the president said in his radio address, as the president repeated today, there are about 70 working days the Congress has before they go out, and the president urged Congress to really apply themselves in order to be able to pass comprehensive tobacco legislation in those 70 days.

This is a unique opportunity, a historic opportunity. And the challenge that the president made to Congress was you can take advantage of this opportunity and protect the health of our children, or instead, you can fail to do so.

As the president has said before and as he talked about again to the AMA, passing comprehensive tobacco legislation now, according to our best estimates, will save over a million lives, or just about a million lives, within the next five years. It will prevent about three million kids from starting to smoke, and as a result, save about a million lives.

So the president again made clear that Congress ought to step up to the plate and ought to pass comprehensive national tobacco legislation this year.

FDCH Political Transcripts, March 9, 1998

\*\*\* Elapsed Time 00:04, Eastern Time 13:52 \*\*\*

QUESTION: What are the prospects?

KAGAN: We think the prospects are good. We think the prospects are strong. We have a lot of momentum that's been gaining in the Senate. There are some bipartisan bills that are being worked on. Senators Harkin and Chafee and perhaps a couple of others will probably introduce a bill soon.

We also know that Senator McCain is working with both Republicans and Democrats on the Commerce Committee on a comprehensive tobacco bill.

So we think that there's been a lot of progress made in these last few weeks. We think that there are people on both sides of the aisle who care about this, just as the president cares about this. And we think people will be embarrassed to go home without doing anything.

KAGAN: So when we put all that together -- commitment on the one hand and a little bit of embarrassment if nothing happens on the other -- we think the prospects for getting comprehensive tobacco legislation are strong.

\*\*\* Elapsed Time 00:05, Eastern Time 13:53 \*\*\*

QUESTION: Senator Lott today said that any money from tobacco legislation should be used for anti-smoking programs and health measures, which seems to go a fair amount of the way toward what the president has called for, except Lott said it shouldn't be used for social programs. How do you view those statements? Are they helpful to your cause or are you in disagreement with him?

KAGAN: Well, you know, there's an assumption in that statement, and the assumption is that Congress is going to pass comprehensive tobacco legislation, that there are going to be revenues that are generated as a result of that legislation. And we're very glad that Senator Lott and anybody else accepts that premise.

This -- you know, the question of how to spend those monies is to us a secondary one. Most -- our budget spends much, if not most, of those monies on health-related programs and on children-related programs.

\*\*\* Elapsed Time 00:06, Eastern Time 13:54 \*\*\*

And we are very glad to engage Senator Lott or any other senator on the question of our priorities and their priorities and the question of how to spend these monies.

But the most important thing is that we actually get the legislation that generates this revenue, and we're very glad to see Senator Lott and anybody else make statements that are based on the premise that we will.

QUESTION: The president today talked about his Medicare proposal. Are you -- and I asked a question about that -- he talked about one part of it in which if a worker becomes eligible for Medicare under the rules now and therefore drops out of private insurance, the worker's spouse would not necessarily be

eligible if that spouse is younger, and the president wants to cover the spouse, as I understand it. Does that also include same-sex partners? It's not a frivolous question.

JENNINGS: Under current Medicare statute, that would not be applicable and therefore would not be included in our legislation.

\*\*\* Elapsed Time 00:07, Eastern Time 13:55 \*\*\*

And so I -- I -- beyond that I can't -- I can't comment.

I would say that what we are very excited about in the Medicare buy-in initiative, which for those of you were around in the last Congress when we were debating CBO numbers versus OMB numbers, that the Congressional Budget Office absolutely confirmed the president's proposal -- in fact gave it some estimates that were showing that it would actually provided more coverage to more people for less cost and would not undermine the Medicare trust fund in any way whatsoever.

JENNINGS: And it seems to us that to the extent that that meets that criteria, and it helps real people, and we have a real market failure in the individual market, particularly in those age groups -- 55 to 65 -- it is absolutely inexcusable that we don't move ahead to address that. And the president -- and he mentioned these other two issues -- that we share a common vision with the AMA. This one they have not yet come to conclusion on. But I'll tell you, this is something that should be at the highest priority level for congressional consideration.

\*\*\* Elapsed Time 00:08, Eastern Time 13:56 \*\*\*

And it will certainly be one of ours this year, and the president referenced in today's speech.

QUESTION: Chris, is the president proposing any specific changes in the Employee Retirement Income Security Act? And if so, what are they?

JENNINGS: Well, the legislation assumes modifications to ERISA as it applies to a whole host of standards; issues related to specialists covered. In fact, you will recall, Robert, that on February 19th, we got a report from the Labor Department that virtually every single federal -- every single consumer right that was recommended by the president's commission would not be covered under federal legislation for those self-insured plans. And therefore clearly, by extension, we would have to modify ERISA to include those federal standards and those protections in order to assure all Americans had those protections.

QUESTION: Can they sue for damages?

JENNINGS: Well, the president's indicated that he believes that these bill of rights should be enforced.

\*\*\* Elapsed Time 00:09, Eastern Time 13:57 \*\*\*

We have not made a final determination on exactly what the best enforcement mechanism is. As you know, there are bills on the Congress that do include remedies, state-based remedies. That certainly is one viable option. It is not the only viable option, and we look forward to working with the Congress to finalize a conclusion on that issue.

QUESTION: So, you have no position on enforcement right now?

JENNINGS: Well, the position that we have is we believe that these provisions should be enforceable. The question really is how best to do it. One way is the one represented by many members of Congress, bipartisan support endorsed by AMA and others, which include these state-based remedies.

JENNINGS: But that may not be the only remedy or the only option for enforcement, and we're working with the business community, the consumer community, providers and others to develop and determine which is the best way to go.

QUESTION: Can you provide me, if you've got the figures, how much of this year's budget is dependent upon the tobacco settlement?

KAGAN: I don't remember the percentage. Our budget projects that the tobacco legislation will generate about \$65 billion over five years.

QUESTION: Senator Lott also suggested in his comments today that the White House hasn't been doing enough to push its priorities, including tobacco. Is there something that the White House has failed to do in your estimation, and what do you think about that comment?

KAGAN: Well, I think the White House has been working awfully hard and pressing Congress on tobacco and that Congress is beginning to move on tobacco exactly because we've been pressing so hard.

You know, last fall, the president stated his principles for tobacco legislation that really provided Congress with a road map for what the legislation ought to look like.

This winter, we gave a detailed budget which said exactly how much money we thought tobacco legislation ought to generate and how we would use that money.

\*\*\* Elapsed Time 00:11, Eastern Time 13:59 \*\*\*

And since then, we've been meeting with everybody who will meet with us -- I'm even meeting with senators and with members of the House; we've been meeting with Republicans; we've been meeting with Democrats -- and talking to them about whatever part of this legislation they want to talk about.

We've given clear guidance, and we are working this very hard, and we think that Congress is coming around or that there has been some momentum generated, particularly in the Senate, precisely because we're working at that hard. And we're going to continue to do so.

QUESTION: Thank you.

FDCH Political Transcripts, March 9, 1998

JENNINGS: Any more questions? No? OK. Thank you very much.

END

## NOTES:

???? - Indicates Speaker Unkown  
- Could not make out what was being said.  
off mike - Indicates Could not make out what was being said.

LANGUAGE: ENGLISH

LOAD-DATE: March 9, 1998

LEVEL 1 - 74 OF 166 STORIES

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March 7, 1998, Saturday, FINAL EDITION

SECTION: NEWS, Pg. 4A

LENGTH: 593 words

HEADLINE: CLINTON TO PUSH CONGRESS TOWARD TOBACCO LEGISLATION

BYLINE: JONATHAN PETERSON and ALISSA J. RUBIN; Los Angeles Times

DATELINE: WASHINGTON

## BODY:

With some of his top budget proposals in growing jeopardy, President Clinton today begins an aggressive push to overhaul the nation's tobacco policies, which could net him \$ 65.5 billion for new spending initiatives.

The president is expected to use his weekly radio address to urge Congress to pass major tobacco reforms that would significantly raise the per-pack price of cigarettes and pressure tobacco companies not to market to children. Clinton also plans to call for such sweeping anti-tobacco legislation next week in speeches to the American Medical Association and state attorneys general.

His push comes as Senate Republicans are confronting the many differences among members of their party over how to regulate the tobacco industry. In the face of these conflicts, the Senate Commerce, Science and Transportation Committee announced Friday that it was postponing action on legislation for at least two weeks.

Clinton's message will be reinforced by other administration officials, including Vice President Gore -- a fact that makes some GOP lawmakers wary, given Gore's expected bid for the presidency in 2000.

"We're getting down to the crunch now, and we need to move ahead on tobacco legislation," said Michael McCurry, White House press secretary. "There are

The Buffalo News, March 7, 1998

not that many days that the Congress plans to be in session this year -- and they need to get moving."

The White House push is dictated in part by an unusually short congressional calendar -- there are only about 70 working days left before lawmakers leave town to focus on the 1998 campaign season -- which could make it unusually difficult to pass legislation as controversial and complex as an overhaul of tobacco policy.

Beyond that, Clinton's new spending initiatives are tied to passage of tobacco legislation, since it significantly would increase federal tobacco taxes. The president has placed any budget surplus off limits for new spending, pending a long-term deal on Social Security.

Under Clinton's budget proposal, the tobacco tax would provide \$ 65.5 billion that would be spent to make child care more affordable to lower-income families, help states reduce the number of pupils per teacher and help make health care available to more poor children.

A White House official insisted Friday that the decision to launch a highly visible public effort to push through tobacco legislation had not been motivated by budgetary concerns.

"The primary goal here is to reduce youth smoking," said Elena Kagan, deputy director of domestic policy. "This is the priority for the president," she said, adding that Clinton wanted tobacco legislation to pass Congress "for that reason and that reason alone."

The estimated \$ 65.5 billion that the tobacco legislation would generate would come largely from the proposed tax increase on cigarettes, which administration officials and anti-smoking advocates say would discourage young people from picking up the habit.

Federal officials and lawmakers have been grappling with how to revamp tobacco policies since a sweeping deal was proposed last June between the tobacco industry and a group of state attorneys general. Under the deal -- key parts of which require congressional approval -- the industry would pay \$ 368 billion over 25 years and agree to ban most advertising. In exchange, the industry would get protection from many types of lawsuits.

This condition, as well as other aspects of the accord, have proved controversial in Congress, making endorsement of a comprehensive deal elusive.

LANGUAGE: ENGLISH

LOAD-DATE: March 8, 1998

LEVEL 1 - 75 OF 166 STORIES

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Los Angeles Times

Los Angeles Times March 7, 1998, Saturday,

March 7, 1998, Saturday, Home Edition

SECTION: Part A; Page 1; National Desk

LENGTH: 1132 words

HEADLINE: CLINTON TO LEAD MARCH ON ANTI-TOBACCO ROAD;  
LEGISLATION: PRESIDENT WANTS CONGRESS TO ENACT INDUSTRY REFORMS THAT COULD RAISE \$65.5 BILLION FOR OTHER PROGRAMS.

BYLINE: JONATHAN PETERSON and ALISSA J. RUBIN, TIMES STAFF WRITERS

DATELINE: WASHINGTON

BODY:

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Los Angeles Times March 7, 1998, Saturday,

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"The primary goal here is to reduce youth smoking," said Elena Kagan, deputy director of domestic policy. "This is the priority for the president." She added that Clinton wants tobacco legislation to pass Congress "for that reason and that reason alone."

Budget analysts do not impugn Clinton's public health motives but do point out that much of his domestic program would have to shrink--or even disappear--if the tobacco legislation fails to pass Congress.

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"If he doesn't get the tobacco money, he's got to rethink his budget," said Charles Schultze, a senior fellow at the Brookings Institution think tank and chairman of the Council of Economic Advisors during President Carter's administration. "Obviously, if he doesn't get the tobacco money, he has to either cut other programs to fund the new programs he wants or he'll have to give them up."

The estimated \$ 65.5 billion that the proposed tobacco legislation would generate would come largely from tax increase on cigarettes, which administration officials and anti-smoking advocates say would discourage young people from picking up the habit.

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This condition, as well as other aspects of the accord, have proved controversial in Congress, making endorsement of a comprehensive deal elusive. In the House, neither party has introduced a draft bill, nor has any bipartisan legislation been unveiled. It is widely believed that only a bipartisan bill would have any chance of success.

In the Senate, several committees are working on pieces of the legislation. On Wednesday, Sen. John McCain (R-Ariz.), who chairs the Senate Commerce Committee, was anointed by the GOP leadership as the lead player on the legislation, largely because his panel has jurisdiction over such issues as tobacco advertising and legal protections for the tobacco industry.

A bipartisan bill is in the works on the Senate side but has yet to be introduced and so far has won the support of just three senators.

Republicans in both chambers are split between those who believe that the time has come for stringent regulation of the tobacco industry and those who

Los Angeles Times March 7, 1998, Saturday,

remain leery of giving the government too much power to regulate business.

Initially, GOP critics complained that the administration was murky on the details of reform and had failed to commit itself to specific legislative proposals. More recently, however, White House officials have begun meeting intensively with some key Republicans on the issue. But the two sides still suspect each others' motives.

"The White House needs to make a key decision about whether this is politics or a legacy issue, and how they behave next week will be a key sign to congressional Republicans," said Eric Ueland, deputy chief of staff to Sen. Don Nickles (R-Okla.), the majority whip.

\*

"If the White House is going to kick off a campaign that is full of fusty bombastic rhetoric designed to impugn Republicans by association with big tobacco while simultaneously engaging us in negotiations, then we'll respond accordingly," said Ueland.

Earlier this week, Rep. Thomas J. Bliley Jr. (R-Va.), chairman of the House Commerce Committee, challenged Clinton to offer more specific details about his tobacco proposals and to clarify what he is willing to sign before embarking on a campaign to drum up public support.

"Mr. President, if you really want quick action, I call on you to cancel your tobacco speaking tour," Bliley said.

For their part, White House officials said that they have offered Congress important details of their legislative goals.

In a recent 20-page letter to McCain, Bruce Reed, the White House domestic policy advisor, detailed the administration's position on an array of legal issues involving the advertising and marketing controls on tobacco products.

"A piecemeal legislative approach will not meet our overriding goal of dramatically reducing teen smoking," Reed said.

LANGUAGE: English

LOAD-DATE: March 7, 1998

LEVEL 1 - 76 OF 166 STORIES

Public Papers of the Presidents

March 6, 1998 / March 13, 1998

CITE: 34 Weekly Comp. Pres. Doc. 436

LENGTH: 285 words

## Public Papers of the Presidents

## HEADLINE: Checklist of White House Press Releases

## BODY:

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

Released March 9

Transcript of a press briefing by Press Secretary Mike McCurry

Transcript of a press briefing by Deputy Assistant to the President for Health Policy Chris Jennings and Deputy Assistant to the President for Domestic Policy Elena Kagan on the Patient Bill of Rights and tobacco legislation

Announcement of the nomination for U.S. District Judge for the District of Connecticut

Released March 11

Transcript of a press briefing by Press Secretary Mike McCurry

Statement by the Press Secretary: Jackson Vanik Waiver for Vietnam

Statement by the Press Secretary: Addition of Rwanda to the President's Visit to Africa

Released March 12

Transcript of a press briefing by Press Secretary Mike McCurry

Released March 13

Transcript of a press briefing by Press Secretary Mike McCurry

Transcript of a press briefing by Africa Scholars Richard Anthony Joseph, Marina Seassaro Ottaway, and Terrence Lyons on the President's visit to Africa

Transcript of a press briefing by Deputy Treasury Secretary Larry Summers, Assistant Secretary of State for East Asian and Pacific Affairs Stanley Roth, and Under Secretary of State for Economic, Business, and Agricultural Affairs Stuart Eizenstat on the President's meeting with Prime Minister Chuan of Thailand

Fact sheet: U.S.-Thailand Relations

Transcript of a press briefing by Deputy Press Secretary Barry Toiv on the week ahead and Deputy Assistant to the President for Health Policy Chris Jennings on the Patient Bill of Rights

LANGUAGE: ENGLISH

LOAD-DATE: April 10, 1998

LEVEL 1 - 77 OF 166 STORIES

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Newsday (New York, NY)

March 3, 1998, Tuesday, ALL EDITIONS

SECTION: NEWS; Page A15

LENGTH: 608 words

HEADLINE: TOBACCO AD DISPUTE / CLINTON WARNS BAN WOULD FACE LEGAL FIGHT

BYLINE: By Harry Berkowitz. STAFF WRITER

BODY:

The White House has told a Senate committee that a proposed federal ban on characters like the Marlboro Man, cigarette billboards and Internet tobacco ads would "raise significant constitutional concerns" and might not survive legal challenges.

In a 20-page memo to the Senate Commerce Committee released yesterday, Bruce Reed, assistant to President Bill Clinton on domestic policy, said the only way the outright bans on such tobacco ads are likely to withstand challenges is if the industry voluntarily adopts them as part of state consent decrees.

But the administration, suggesting it does not need the tobacco industry's cooperation to pass anti-smoking legislation, said it would be satisfied with more limited restrictions on cigarette ads if the companies don't voluntarily adopt the bans.

Tobacco companies agreed to do so last year as part of a \$368.5-billion national anti-teen-smoking deal with dozens of state attorneys general, but say they will rescind that settlement if they don't get extensive protection from non-government lawsuits. Many members of Congress are resisting such liability limits and are considering passage of tobacco legislation without industry cooperation.

In addition to focusing on more limited ad restrictions than the national deal calls for, Reed said a provision to let tobacco companies jointly discuss price increases under an anti-trust exemption would likely be abused.

"While the resulting collusive price increase would be likely to reduce demand for tobacco products, it would also increase profits for the tobacco companies . . . at the expense of those confirmed with smoking habits," Reed said.

Reed said that instead of outright bans on billboards, Internet ads and human figures and cartoon characters in ads, Congress could ban cigarette billboards within 1,000 feet of schools or playgrounds and limit ads on other billboards and in magazines popular with teens to black-and-white text. Such provisions were part of a set of rules issued by the Food and Drug Administration in 1996.

But in a ruling last year that is being appealed, a federal judge in North Carolina said the FDA does not have authority to impose them. Reed, whose memo

Newsday (New York, NY), March 3, 1998

was in response to detailed questions from committee Chairman John McCain (R-Arizona), said Congress should reassert the FDA's authority - an idea that many Republicans oppose.

"We are not seeking the industry's consent and we don't need the industry's consent to adopt a comprehensive bill that addresses youth smoking," Elena Kagan, a White House policy adviser, said yesterday in an interview.

An aide on the Commerce Committee said, "Senator McCain would have liked more specifics . . . but is looking forward to getting those specifics as we move forward."

Several senators are finalizing a bipartisan proposal this week that would grant the industry an annual cap of several billion dollars on damages in lawsuits but would not ban punitive damages or class-action lawsuits, which the industry also wants.

The industry chose to interpret the Reed memo as support for its argument that tobacco legislation must be "comprehensive." Industry spokesman Scott Williams said, "It clearly reinforces the fact that there are First Amendment concerns which the industry is aware of and is willing to waive as part of a comprehensive agreement."

In contrast, Richard Daynard, who heads the Tobacco Products Liability Project at Northeastern University, which encourages anti-tobacco lawsuits, said the White House was being too "cautious" in its approach and that Congress could enact severe cigarette ad restrictions.

LANGUAGE: English

LOAD-DATE: March 3, 1998

LEVEL 1 - 78 OF 166 STORIES

Copyright 1998 The New York Times Company  
The New York Times

February 23, 1998, Monday, Late Edition - Final

SECTION: Section A; Page 13; Column 1; National Desk

LENGTH: 1368 words

HEADLINE: Higher Quota Urged for Immigrant Technology Workers

BYLINE: By ROBERT PEAR

DATELINE: WASHINGTON, Feb. 22

BODY:

Under pressure from Congress and the computer industry, the White House is seriously considering proposals to increase the immigration quota for computer scientists and other information technology workers, so that foreigners can fill thousands of job openings in this country.

The New York Times, February 23, 1998

The issue is extremely divisive. President Clinton and Vice President Al Gore want to placate friends in Silicon Valley, who say there is a critical shortage of technology workers, but they risk offending organized labor.

Under current law, employers can bring in up to 65,000 skilled foreign workers each year. The workers receive visas, known as H-1B visas, that last up to six years.

In 1997, for the first time, the Government issued the maximum number of such visas, and it expects to reach the limit again in May or June, several months before the end of the current fiscal year.

High-tech companies, which depend on foreign workers for essential services, have been lobbying the Administration to support an increase in the annual limits. They say there is an urgent need for Congress to act this year, and some lawmakers are eager to do so.

The initial, public response from the Administration was negative. In January, Commerce Secretary William M. Daley said, "This Administration does not support an increase in the caps on visas."

But confidential White House documents show that the Administration is seriously considering proposals that would increase the quota by 50 percent or more. The Administration contends that any increase should be linked to education and training and new protections for American workers.

One industry group, the Information Technology Association of America, sees "a severe shortage of competent and skilled information technology workers." It says there are 346,000 vacancies, representing 10 percent of all the jobs for computer programmers and engineers and systems analysts.

Harris N. Miller, president of the association, said, "The shortage threatens not only the information technology industry, but the growth of the entire U.S. economy, our global competitiveness and the wage stability that is the bedrock of this country's low inflation."

Senator Spencer Abraham, the Michigan Republican who heads the Judiciary Subcommittee on Immigration, shares this concern.

"If American companies cannot find home-grown talent and if they cannot bring talent to this country," Mr. Abraham said, "some of them will move their operations overseas, taking American jobs with them. That is why I am going to use my position to propose that we increase the number of more highly skilled temporary workers we allow into the United States."

Speaker Newt Gingrich said he too supported an increase in the quota for "people of high talent."

The Commerce Department predicts that the United States will need more than 1.3 million new information technology workers -- an average of 138,000 a year -- in the coming decade.

The openings come in the context of a tight labor market. Over all, the national unemployment rate last year, averaging 4.9 percent, was the lowest since 1973.

The New York Times, February 23, 1998

The options for increasing the immigration quota are described in a memorandum requested by Elena Kagan, deputy director of the Domestic Policy Council at the White House. The memorandum, prepared and approved by senior officials at the Departments of Commerce, Labor and State and the Immigration and Naturalization Service, begins by saying, "This is a very controversial issue."

Seth Harris, the Acting Assistant Secretary of Labor for Policy, said Ms. Kagan had "asked the Labor and Commerce Departments to draft a memorandum setting forth options with respect to the proposal to increase the cap on H-1B visas."

White House documents show that the Commerce Department, the State Department and the immigration service favor an option that would set the quota for skilled foreign workers at 80,000 to 100,000 a year. Information technology and other industries with shortages of skilled workers would have priority in getting the extra visas, above the current 65,000.

At present, employers seeking H-1B visas do not have to show a shortage of American workers, nor do they have to show that they tried to recruit Americans for the jobs.

The Labor Department would prefer to keep the cap at its current level, but might give priority within the quota to industries that have shortages of skilled workers, the documents say. Senator Edward M. Kennedy of Massachusetts, the ranking Democrat on the immigration subcommittee, favors this approach.

Technology companies say that, while they support more education and training for Americans, they need skilled labor immediately and therefore want to bring in additional foreign workers.

Administration officials said they would prod Congress to adopt new protections for American workers as lawmakers consider raising the quota for foreign workers. The President's proposals would require employers to recruit Americans before importing foreign labor, would ban the use of foreign workers to replace laid-off Americans and would reduce the maximum stay for H-1B workers to three years, from six.

The memorandum to Ms. Kagan notes that "critics of raising the H-1B cap, such as the A.F.L.-C.I.O., the Institute for Electrical and Electronic Engineers and the American Engineering Association, say industry drastically overstates any problem."

Hal Ponder, a lawyer with the A.F.L.-C.I.O.'s department for professional employees, said organized labor opposed increasing the quota until there was more careful study of the problem.

"We question whether there is a shortage of information technology workers," Mr. Ponder said in an interview. "If there is a shortage, there are skilled workers in the United States who could meet that need."

Norman S. Matloff, a professor of computer science at the University of California at Davis, said that many technology companies were seeking cheap labor. As a result, he said, they prefer to hire recent graduates and foreign workers and often discriminate against American computer programmers over the

The New York Times, February 23, 1998

age of 40, who are perceived as requiring higher salaries.

"Foreign nationals are willing to take lower salaries in exchange for the prospect of becoming permanent residents of the United States," Mr. Matloff said. "Even though they often earn less than U.S. citizens with comparable jobs, they still receive more than they would be paid back home in India or Russia."

The memorandum to the White House from the Departments of Labor, Commerce and State says: "The H-1B program seldom operates as a temporary worker program with workers coming to this country for a short duration and then returning to their homes. Instead, it operates often as a probationary employment program. Employers bring workers to the United States and, if they perform well, sponsor them for permanent admission to this country. This linkage permits employers to hire foreign workers without first recruiting U.S. workers."

Under this arrangement, the memorandum says, "U.S. workers are never provided a genuine opportunity to compete for these jobs."

Stephen H. Leven, director of human resources at Texas Instruments, said that most of the people hired by his company on H-1B visas were foreign citizens who graduated from American universities with degrees in electrical engineering.

"Employers expect to hit the H-1B ceiling as early as May this year," Mr. Leven said. "Once the cap is reached, companies will be unable to hire additional foreign workers until the new fiscal year begins in October. That will be devastating to U.S. companies seeking to bring new products to market."

In their memorandum to the White House, Administration officials said the industry's conclusion about a dire shortage of skilled technology workers was "not entirely accurate." While there seem to be shortages of technology workers in selected occupations and some local areas, the memorandum says, "wage data do not suggest acute skill shortages nationwide."

By contrast, the Information Technology Association of America says, "Our industry is facing a national labor shortage of historic proportions."

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LEVEL 1 - 79 OF 166 STORIES

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February 18, 1998, Wednesday 3 STAR EDITION

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HEADLINE: Two ex-health officials oppose liability limits for tobacco industry

The Houston Chronicle February 18, 1998, Wednesday

SOURCE: Staff

BYLINE: BENNETT ROTH, Houston Chronicle Washington Bureau

DATELINE: WASHINGTON

BODY:

WASHINGTON - Two former top health officials, backed by prominent public groups, Tuesday urged lawmakers to approve sweeping anti-tobacco legislation that does not include legal immunity for the industry.

"The tobacco industry, each company, and all officers must be held accountable for the havoc their products have wrought in this society," said C. Everett Koop, who was surgeon general under President Reagan.

"Given all the evidence that has come to light, it is simply not credible for Congress to grant this industry any limits on liability," said David Kessler, who headed the Food and Drug Administration in President Clinton's first term.

The statements were a sign that the public health community may have overcome past divisions and is prepared to fight tobacco companies' efforts to limit lawsuits.

The former officials chaired the Advisory Committee on Tobacco Policy and Public Health, which Tuesday sent a letter to House Speaker Newt Gingrich, R-Ga., and Senate Majority Leader Trent Lott, R-Miss., urging passage of legislation without the immunity provisions included in last summer's proposed settlement.

The letter, signed by officials from 20 groups ranging from the American Medical Association to the National Campaign for Tobacco-Free Kids, is likely to put additional pressure on congressional leaders not to side with the tobacco industry as they begin to craft legislation.

An attorney for the tobacco industry, however, said that with all the warnings and proposed anti-smoking educational efforts the industry is willing to fund, smokers should take responsibility for their behavior.

"Cigarettes and smokeless tobacco products are not cornflakes," Meyer Koplow said.

Koplow said that despite pressure from the public health-care community it is still too early to tell if legislation will emerge that the tobacco industry can support.

"There is a lot of posturing that goes on before anyone gets to a resolution," he said.

Clinton has backed legislation proposed by Sen. Kent Conrad, D-N.D., that does not include the legal immunity provisions sought by the tobacco industry. However, last week Clinton domestic policy adviser Elena Kagan told reporters that the administration was willing to negotiate the legal immunity issues and said the issue "is not a deal-breaker."

The Houston Chronicle February 18, 1998, Wednesday

In last summer's proposed settlement with a number of state attorney generals, the tobacco industry agreed to pay out \$ 368 billion to compensate for health costs incurred from smoking and to limit advertising and marketing aimed at teens.

In return, tobacco companies have demanded some protection from lawsuits, including an end to class action suits and punitive damage awards based on past industry action.

Furthermore, the tobacco industry wants to limit to \$ 5 billion annually the amount it could be forced to pay out in liability cases.

Tobacco industry officials have indicated that if Congress does not grant them limited immunity, they will not curb advertisements aimed at young people.

At the event with Koop and Kessler, public health officials released two studies that linked tobacco marketing to teen smoking. The studies were published in February issue of the Journal of the American Medical Association.

One study of 1,752 adolescents in California who were initially nonsmokers concluded that tobacco promotional products influenced young people's decision to smoke.

Dr. Michael Siegel, an associate professor at Boston University and a co-author of the study, said adolescents with moderate exposure to cigarette advertising and promotion were twice as likely as those with minimal exposure to experiment with smoking or to become established smokers.

Siegel said that based on the research the authors estimated that 34 percent of all smoking experimentation among young people 12 to 17 is caused by exposure to cigarette advertising and promotion.

Another study found that brands favored by youths were more likely than adult brands to advertise in magazines with high youth readership.

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LEVEL 1 - 80 OF 166 STORIES

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HEADLINE: THE WHITE HOUSE

Press briefing by General Barry McCaffrey and Elena Kagan

BODY:

Philadelphia Marriott Philadelphia, Pennsylvania

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MR. LOCKHART: Hello, everybody. Can you hear me in the back? Before I take any questions, we're going to do a couple of things first.

Tomorrow's radio address will focus on the President's new drug strategy, and General McCaffrey is here today to talk to you a little bit about that. This briefing will be non-embargoed, you're free to use this any time. There will also be some things in the radio address tomorrow that we're going to hold until tomorrow, so there will be some new stuff there and he will not be able to talk about that until later.

Q Can I just suggest - can he talk about the embargoed -

MR. LOCKHART: Let's do this, let's get through this part and if there's any interest we can work something out. What we've handed out is releasable now. After that, I've got Elena Kagan, from the Domestic Policy Council, who is here and available if you have any questions on the study the President talked about today, from Treasury. And then I'll be there if there's any other subjects that interest you.

General McCaffrey.

GENERAL MCCAFFREY: Very quickly, let me run through

- and I guess this is a change that it's not embargoed - what the President will put in front of the American people tomorrow at 10: 06 a.m. And at 11: 00 a.m. I'm going to try and bring together part of the interagency team - Justice, Treasury, Health and Human Services, Education - and respond to people's questions in Washington.

There's three documents I'll show you, and a fourth you need to know about. The first document is the National Drug Strategy, and that's what the President will refer to. It is comprehensive. He will underscore that it's a 10-year perspective. He'll talk about - in his radio address he'll try and bring life to this by talking about the programs that give this meaning.

We think this is the blueprint for what we're going to try and accomplish. And we have told the Congress

- and I would suggest to you that what you need to do is hold us accountable by seeing if what we do in the next three years supports the strategy. So that's the most important thing I'd put in front of you to consider - the strategy is what we're trying to achieve, reasonably short, well written, based on expert input and we think finds wide acceptance.

There's a second document you need to know about: The National Drug Control Strategy Budget Summary. This is the '99 document, but it has also got a five-year projection for the first time in our history. Frank Raines and I worked with each of the Cabinet Secretaries over the last six months in particular, and hammered out a drug budget which went to the Hill

- the President sent this over to the Hill a couple weeks ago - that is \$17.1 billion. It was \$16 billion last year. It was \$15.4 billion the year before that. The bottom line has increased significantly in each of those budget years, and the '99 budget continues it. There has been a disproportionate investment of new money in the prevention of drug use by young Americans and

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in the treatment of drug addiction among the 4 million chronically addicted.

And then, finally, this budget I think is pretty significant, starts to effectively link the drug treatment community and the criminal justice community. So there's a lot of information in here about how Janet Reno will try and use a drug court system and something called "breaking the cycle," which is a step beyond drug court, which is really a diversion program, first-time offender, non-violent offender. And now we're getting into a concept we tested last year - the President now funded it - which was mandatory drug test for arrestees, followed by mandatory treatment both in prison and follow-on.

And I'd be glad to respond to your questions. But this budget is a 6.8-percent increase over last year and is a 15-percent increase in those programs aimed at young Americans. So inexorably, the resources are starting to come into line with a front-loaded strategy based on prevention and treatment linked to criminal justice.

Here's a new document. We won't have it printed. It's interagency approved. We've given you the cover sheet and the outline. It's called the Performance Measures of Effectiveness. The President will talk about this in his radio address tomorrow. It's a 141-page document. It's the first time we've done it. It attempts to set out for this strategy and for long-term budgeting where we say we're going. And so what you'll find if you look at the summary I gave you is 12 outcome targets that we say we're going to try and achieve over the next 10 years. We've broken it down into halfway mark, five-year targets.

And then in the coming year, what we've told - Frank Raines and I and Erskine Bowles have told the interagency, you must now in the coming year create annual targets to get at the end of 10 years to a reduction of drug abuse among the American population, down to 3 percent from its current 6 percent. If we can get to 3 percent, we will have achieved the lowest rates of drug abuse in our society in our modern recorded history.

We think these performance measures of effectiveness are coherent. There are 82 subordinate targets, so if you're in a state or local government, if you're a private association, if you're a foreign government or if you're a federal agency, you can see what is it your effort supposedly is going to be held accountable for, where are we trying to go.

Finally, I think all of you have in there two documents. One is a summary of the strategy. It's an outline that I'm putting on the fax at 10:00 a.m. tomorrow. And the second document, we tried to bring together a compilation of where do we think we are in sort of a broad gauge way today in America on drug abuse. Are we winning, losing; are things getting better; is any of this organizational effort and money having an impact. And we put on one piece of paper an attempt to define what we say the evidence seems to suggest.

And I would argue the evidence seems to suggest that in a 15-year context, drug abuse is down markedly; that in the short-term, the last five years we've suffered a reversal in which there have been dramatically increasing rates of drug abuse and new drugs among young people; and that last year there is substantial reason to believe that we have made the beginnings of significant progress in reducing drug use by young Americans and by reducing the supply of drugs, particularly cocaine, in the international market.

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So that's where we are and I'd be glad to answer your questions - or go get a sandwich. (Laughter.)

Q Are you getting into a kind of a strange situation where you need the revenues from the cigarette tax to pay for some of these health programs that are in the State of the Union, and therefore, if the cigarette companies do well you'll have more tax revenues to pay for these programs, which is against the stated purpose of the higher tax?

GENERAL MCCAFFREY: You know, I probably ought to ask OMB about this. But I'm almost sure there is no linkage at all between the cigarette tax and that whole issue and the \$17.1 billion that the President and Frank Raines put in front of Congress. So our programs aren't linked. These are requests for federal appropriated monies in nine separate appropriations bills, which I think will have pretty broad gauge bipartisan support. But this isn't a tax related deal.

Q General, this school initiative, what are you doing that the DARE program is not doing? They are in 75 percent of the nation's schools already.

GENERAL MCCAFFREY: Well, the DARE program we are absolutely supportive of. As some of you may know, it's the biggest drug prevention program in the world

- 26 million American children and an additional 7 million in foreign countries. It's primarily targeted at 5th and 6th graders. And it does a pretty good piece of work we think.

Now, at the same time, the drug prevention efforts - if I go to a school and ask, what are you doing on drug prevention, the answer is, the DARE program in the 5th and 6th grade and then an annual lecture to the high school seniors about your brain on drugs. That's inadequate. So Donna Shalala and Dr. Alan Leshner - and I and others believe you need to have a consistent antidrug message from kindergarten through the 12th grade that is appropriate for the young people you're talking to.

So one of the things in here that Dick Riley and I are most proud of is a new initiative. It's a modest initial investment of \$50 million to go hire 1,300 drug prevention experts, and to influence out of that some 6,000-plus middle schools around the country. We said that principals have to have access not to somebody who will come in and do the teaching, but someone who has the database, who does have and understands the National Institute of Drug Prevention guidelines.

And so those are the kinds of things that Dick Riley is trying to move forward in the education area. We've got a five-page budget summary in there for you which gives some of the program elements that are there. DARE's a very narrowly based school prevention program in the 5th and 6th grade.

Q General, realistically, how achievable are these goals that he's going to announce tomorrow and what do you feel are the real keys to reaching them?

GENERAL MCCAFFREY: Well, you know, that's been a part of the debate over the last 90 days. Tremendous levels of anxiety in putting on the table performance measures of effectiveness and committing ourselves in the coming year to changing 10-year goals into annual goals. And not just 12 broad ones, but then demonstrating internally what are the 82 intermediate steps.

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Now, I think we ought to have a sense of humility about these performance measures of effectiveness. By the end of next year we may have a better assessment on which ones accurately describe the behavior we're seeking to achieve. In some cases, we may end up measuring the wrong thing because it was easier to measure. Another case is we may not achieve some of these goals; then we may want to revise the program as opposed to saying the goal is unachievable.

I would argue straight up - and this has been part of the debate over the last several weeks - that it is in my own mind clearly achievable to reduce drug abuse and its consequences in America dramatically - not to a drug-free America, but over the next decade to take it down to historically more normal levels of drug abuse. There's 269 million of us; right now 4.1 million of us are chronic, compulsive drug users. And it seems to me, with rational drug policy that is hooked appropriately into rational law enforcement policy, with cooperation with the international community, that over time we can achieve these goals.

So I'm extremely positive that these are real programs and that it will pay off.

Q And the second part of the question was, how? What are the keys to achieving the goals -

GENERAL MCCAFFREY: Well, the central pillar of the President's drug strategy - and I normally cite Columbia University Center for Alcohol and Substance Abuse data. We're pretty well persuaded through almost overwhelmingly mathematical statistical correlation data that if you can get a young American from about the age of nine through probably 19, and they don't smoke cigarettes, abuse alcohol or smoke pot - those are the three big destructive behaviors

- then the likelihood of them joining this smaller number of 13 million abusers of illegal drugs is remote.

If they do those behaviors, it isn't a demonstrated causal linkage that they will end up in that group, but the probabilities skyrocket. So if you get a 19-year-old son or daughter and you look them in the eye, they're not smoking cigarettes, they're not abusive of beer or wine, and they're not smoking pot, they're probably home free. They won't ever be among that incredibly sad and self-destructive group of us who are compulsive drug users.

Q Why do you pick 2007 as the goal?

GENERAL MCCAFFREY: An awful lot of the people I listen to and who I find enormously credible - let me give you a couple of names of people that I listen to: Dr. Aphram Goldstein, Professor Emeritus of Pharmacology at Stanford University, is one who I normally cite as having shaped my own thinking.

This is a generational challenge. You've got to grab each generation of kids who are perfectly okay in the 5th and 6th grade - we've got to remind ourselves, if you take the whole age population, 11-17, 80 percent of them have never touched an illegal drug. And they come out of the 6th grade where they start seeing a lot of drugs in America and they're still not using them. In those middle school years they're exposed to drugs, and if there is a series of prevention factors there, they don't use them. And to the extent that they're at risk, if they're a vulnerable adolescent, they start using them.

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So the bottom line is you've got to focus on young people. You've got to keep them away from what - another source I would cite is these wonderful people in National Institutes of Health, particularly the ones down at Johns Hopkins, where now we have enough science so we understand that these aren't shapeless social behaviors, these are neuro-chemical changes in brain functioning. You can take a picture of the brain which is rewired with cocaine use and you can watch its glucose metabolic activity, and it's different from a normal brain function.

That's what we're trying to do. Don't get people exposed and involved in cocaine. Don't get them exposed and involved in poly-drug abuse. And if you can do that and get them into their adult years, they're home free.

Q Your figures show a drop in cocaine production in the Andean region by 100 tons from the previous year, in '97. What do you attribute that to?

GENERAL MCCAFFREY: Well, this is one of the unexpected surprises of my life. This is - let me give you three observations on it. The first one is there has been a 40-percent drop in cocaine production in Peru, period. That's unmistakable. That's satellite data - actually, I shouldn't say cocaine - of coca - under production. It's a 40-percent reduction.

It was an 18-percent reduction this year; 21 percent last year. You can see them moving off the line. They're moving to alternative economic development. Now, that's a function of a lot of things - some smart alternative economic policies by President Fujimori. It is clearly also a function of the air-bridge interdiction operation between Peru and Colombia, which has been going on for a little over two years and which I was privileged to take part in when I was a CINC SOUTHCOM.

There's also been for the first time in 8 years an actual net reduction in coca production in Bolivia. I mean, we've gone 7 years in a row, slight increase each year, nothing appeared to work. This last year the government, the Vice President - that team actually had a 5-percent net reduction in coca.

And then, finally, the bad news is there was a rather dramatic 18-percent increase in coca production in Colombia. Poor Colombia. It's exploding down in the southern regions - even though they achieved their eradication goals that we shaped with them.

But if you add them all together, if you - all the CIA data together, for the first time we've seen a net reduction in cocaine.

Q You said that was 40 percent in Peru over two years?

GENERAL MCCAFFREY: Forty percent over the last two years - 18 percent last year, 21 percent the year prior to that. Bolivia, the first year we had a net reduction of about 5 percent. And poor Colombia is up about 18 percent.

Q Would you evaluate Mexico's efforts to combat drug trafficking?

GENERAL MCCAFFREY: Of course, we've done that throughout the year. I don't have in your packet - I should have provided you a copy of the Joint U.S.-Mexico Drug Strategy we just put out. We've been working on that since last May, when the two Presidents in Mexico City told us to - we'd finished the joint threat assessment; go give us a joint strategy. So we've got a joint strategy on the

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table.

We have some pretty significant cooperation in the areas of money laundering, precursor chemical control, new legal authorities on the part of the Mexicans passed by their Congress including some that required constitutional revision. We are assisting in the training of non-corrupt Mexican law enforcement institutions. Mr. Mariano Aron (sp), the head of - new head of their new drug police, now has several hundred law enforcement officers, most of whom have been trained in the United States by the FBI and DEA. And the Mexicans have polygraphed them and drug-tested them. And there is significant cooperation between the U.S. Coast Guard and the Mexican Navy with major seizures both at sea and on land. Mexican cocaine seizures have gone up dramatically, higher than in several years.

Now, having said that, Mexico is under major internal attack, violence and corruption driven by international criminal organizations of a tremendous veracity and cunning. Although they've arrested some of their mid-level cartel leadership and driven others into hiding, it's still a very serious situation. And I might add that occurs on both sides of the border. One of the data points I would offer for you to consider is last year on the U.S.-Mexican border, U.S. law enforcement were subject to 222 violent incidents driven by drug crime. So it's a dangerous environment in both countries.

Q Is this \$17 billion just a one-year figure?

GENERAL MCCAFFREY: That \$17.1 billion is the FY '99 budget the President and Frank Raines and I proposed to Congress - a substantial amount of money. And then if you look internally, what we're offering is the notion that you've got to invest up front in prevention - you know, we've got \$36 billion federal, state and local prison operation going on in the United States - \$36 billion, with 1.7 million men and women behind bars. Half of them I think are there for a drug-related reason.

So the argument we have made is, you've got to get up front with prevention and grind down the number of drug users. And then Janet Reno and Donna Shalala and I are trying to sort out how do you focus the significant amounts of drug treatment dollars and hook them into the criminal justice system. That's where we're going. If we don't do that we'll continue to be overwhelmed by a problem that is fairly described as costing us \$70 billion a year. That's the size of the problem.

Okay. Thank you.

MR. LOCKHART: Before I take any questions, Elena Kagan traveled up with us today. As many of you know, she, along with Bruce Reed and Donna Shalala has been very involved in developing our work on the comprehensive tobacco settlement.

She can answer some questions now about the study that the President talked about, done by the Department of Treasury, that indicates that you will have well over a million kids prevented from smoking by the price rise that's talked about in one of the President's principles.

Elena.

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MS. KAGAN: Well, as many of you have heard before, there are 3 million teenagers who smoke cigarettes on a daily basis in the United States. About 1 million of those will die prematurely as a result. And reducing youth smoking, we all know, is the best way to reduce the overall incidents of smoking, because about 90 percent of adult daily smokers first begin to smoke cigarettes as teenagers.

So what the President did today is something that you will hear him do many times over the next weeks and months, which is to call on Congress to pass comprehensive tobacco legislation that meets the five principles that he set out last fall. And those principles are to put together, put a plan into place to reduce youth smoking; to give the FDA full jurisdiction over tobacco products; to change the way the tobacco industry does business; to make progress toward other public health goals and to protect tobacco farmers and their communities.

And in particular, what the President will call on Congress to do is to pass legislation that will be really a multifaceted approach to reducing youth smoking in America - an approach that combines significant per-pack price increases with tough penalties, with access and advertising restrictions. All of those are necessary in order to produce a truly significant decline in youth smoking.

Now, what the Treasury analysis that the President mentioned today states is the following: first, that if Congress passes the kind of comprehensive plan that the President has called for, a plan that combines access and marketing restrictions with a significant per-pack price increase - and our budget calls for a per-pack price increase of \$110 over five years and that's the number we used in this Treasury analysis - if those things are combined, then the result will be a 39 to 46 percent reduction in underage teen smoking in 2003.

That will mean, as the President said in his speech, that in the year 2003 alone between 1.4 and 1.7 million fewer underage teenagers will smoke. And cumulatively over the next five years, between 2.4 and 2.8 million young people will be kept from smoking.

Now, because the premature - because the number of premature deaths from smoking is about a third of the actual smokers, if you keep up to 2.8 million teens from smoking over the next five years then what you do is you prevent almost a million premature deaths from smoking. And that's the conclusion of the Treasury report.

Now, the way the Treasury report works is it takes into account both price effects and non-price effects. That is, it considers both the decline in youth smoking from a per-pack price increase and it considers the decline in youth smoking from restrictions on access and restrictions on marketing.

The way the Treasury analysis goes is it first considers what kind of non-price effects there will be from the sort of marketing and access restrictions that the President has called for. And it concludes

- and this is an extremely conservative estimate - that the decline in youth smoking from those kinds of marketing and access restrictions will be between 10 percent and 20 percent.

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The Treasury analysis then looks at the remaining 80 to 90 percent and applies an analysis relating to price effects. What Treasury concludes is that when you are talking about young people, for every 10-percent increase in price there is a 7-percent decline in consumption.

Now, as the price increases mount, the consumption decreases gets smaller and smaller because as the price increases mount, the remaining smokers get less and less responsive to price increases. So that overall, overall, the \$1.10 per pack price increase that the budget contemplates, which is about a 55-percent increase in the price of a pack of cigarettes, will lead to about a 32-percent decline in youth consumption.

And when you put that, overlay that on the effects of marketing and advertising restrictions, you come up with Treasury's total number, which is, as I said, that in the year 2003, if the President's comprehensive plan is adopted, you will see up to a 46 percent - and more specifically between a 39 and 46-percent reduction in under age teen smoking.

Now, what the President said today and what he is going to say consistently to Congress is that we do have to pass comprehensive legislation. We have to pass legislation that puts all these things into play

- that significantly raises the price of a pack of cigarettes and imposes restrictions on access and advertising. And in the event that that still doesn't work to meet our youth's smoking goals, imposes tough penalties on manufacturers.

All of those are necessary. They all reinforce each other. The President does not want Congress to pass piecemeal legislation that does only one of those things that, you know, for example, imposes only access and marketing restrictions and fails to raise the price of a pack of cigarettes substantially. So the President again is going to be - state very clearly and probably very repeatedly, that you have to do this all together. You have to enact legislation that is comprehensive.

Q In order to have those advertising restrictions, do you have to have the industry on board? And if so, to have the industry on board, do you have to have caps on liability?

MS. KAGAN: We believe that many of the advertising restrictions can be put into place with or without the consent of the industry. As you know, the FDA rule itself imposed several advertising restrictions that we have fought for in court and that we continue to believe are fully constitutional.

There are other marketing restrictions that have been suggested by some, including in the June 20th settlement, where the constitutional analysis becomes more difficult. I'm not going to make any conclusions about that. The Justice Department would have my head if I did. But there are substantial marketing restrictions that we believe you can put into place with or without the consent of the industry.

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M2 PRESSWIRE February 18, 1998

MS. KAGAN: Well, \$1.10 is from the budget window, which is five years, so what we -

Q Has that been set at \$1.10 for a long time, or is that -

MS. KAGAN: From the budget. What we did when we put our budget was we estimated the amount of revenues that would come from Congress' passage of comprehensive tobacco legislation of the kind that we've called for. And because the President called for \$1.50 over 10 years in order to meet the youth smoking goals that he has set up, when we had a five-year budget window to work on we put it on a kind of trajectory. And by the fifth year, 2003, it will be \$1.10. That's in real terms; in nominal terms it's about \$1.24.

Q What is the cigarette tax now?

MS. KAGAN: I don't know. Let me check.

Q Have you looked at the Jeffords bill yet, and what did you think of it?

MS. KAGAN: We think that we can work productively with Senator Jeffords and we're looking forward to that. We think that right now the bill does not give the FDA the authority that it needs to regulate tobacco products. We think that it doesn't give FDA the sort of flexibility that the current scheme does. So we think that we will have to make a lot of progress on those provisions of the Jeffords bill to make it acceptable to us.

Q Elena, why is it responsible for the President to demand this outcome without explaining to the American people how he wants to get there specifically? I mean, what kind of -how he wants to see the price increase on a pack of cigarettes, for example.

MS. KAGAN: Well, I guess I'm going to question your premise, because the President, in fact, has been fairly specific about the sorts of things he wants. Back in the fall after we completed our review of the June 20th settlement, as you know, the President came out with five principles which are really a road map for the kinds of tobacco legislation that he has in mind. And then our budget has specified fairly clearly both the amounts of money that the President would expect the tobacco industry to pay and where that money would go to - as you know, some of the more contested questions of this issue.

Q I'm not questioning that he's been clear about outcomes, but he's been very vague about means. That's the point. And means - you know, the devil is in the details in this agreement. So at what point is he going to have to explain how he wants to get there?

MS. KAGAN: I do think he's been pretty detailed about means. The budget is extremely detailed about means, and as I said, the principles as well provide a pretty good road map. We are making a decision here that our putting legislation forward today would not actually advance, would not promote the cause of passing comprehensive tobacco legislation. We have tried to put forward legislation in the past, it has not always worked. What we want to do is to work with members of Congress from both sides of the aisle.

The President has said very clearly that his administration will go talk to whoever wants to talk with us. We'll be very specific about the sorts of

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things we would like in a bill and the sorts of things that we would think deficient. We will engage in those conversations and have been already and make clear where we are. But we do not think that the way to enact comprehensive tobacco legislation is for us to put down a bill right now.

Q The President embraced Kent Conrad's bill, which raises more money and also doesn't include the immunity from liability. Is the President now opposed to liability for the tobacco companies?

MS. KAGAN: We've been very clear on this. And we have been clear for six months. Our position has not changed. The President would prefer a bill without liability limits on the tobacco companies; but that the President - if the President gets a comprehensive bill that meets his five principles - if the President essentially gets everything that he wants, then liability limits are not a deal-breaker for us. And we have consistently stated that. Very recently the Department of Justice gave testimony to that effect, but that testimony only reiterated what we have said for many months.

LANGUAGE: English

LOAD-DATE: February 19, 1998

LEVEL 1 - 81 OF 166 STORIES

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THE DALLAS MORNING NEWS

February 14, 1998, Saturday, HOME FINAL EDITION

SECTION: BUSINESS; Pg. 2F

LENGTH: 587 words

HEADLINE: President seeks support for tobacco bill Clinton urging bipartisan approval

BYLINE: Bloomberg News

DATELINE: PHILADELPHIA

BODY:

PHILADELPHIA - President Clinton called on Congress Friday to put politics aside and pass a comprehensive tobacco bill this year to slash underage smoking.

"Instead of having a yearlong political debate and doing nothing, if we act this year, by the year 2003 we can stop almost 3 million young people from smoking and save almost 1 million lives as a result," Mr. Clinton said in a speech to the American Association for the Advancement of Sciences, which is meeting in Philadelphia.

THE DALLAS MORNING NEWS, February 14, 1998

The president's comments were seen by some analysts as a sign that he wants Republicans and Democrats to move forward on legislation that would turn into law the \$ 368.5 billion settlement reached between tobacco companies and 40 state attorneys general in June.

"Anything the president can do that just doesn't focus on prices will help," said Gary Black, analyst with Sanford C. Bernstein & Co., which controls 1.22 percent of Philip Morris Cos. stock.

Others, though, said the president was just playing politics.

"He wants to sucker the Republicans out in the open before the election," said Calvert Crary, a litigation analyst at Auerbach, Pollack & Richardson brokerage in Stamford, Conn. "That's why V.V. there won't be legislation until after the elections. The Republicans think Clinton's laid a trap."

The proposed settlement would limit the tobacco industry's exposure to lawsuits in exchange for the industry's cooperation in efforts to restrict advertising and marketing aimed at teenagers.

Mr. Clinton cited a new Treasury Department study that examined the likely effect over five years of raising cigarette prices by \$ 1.10 per pack and placing restrictions on advertising and marketing similar to those in the settlement. The study concluded that the measure would reduce the expected ranks of underage smokers in 2003 by between 39 percent and 46 percent, keeping between 2.4 million and 2.8 million teenagers from taking up the habit.

Tobacco industry spokesman Scott Williams said Friday that the \$ 368.5 billion settlement reached in June would raise the price of cigarettes even higher than the Treasury study suggests - by \$ 1.25 a pack, instead of \$ 1.10.

"The proposed resolution not only meets the president's objectives, it far exceeds them," he said. "We encourage the president to continue to encourage Congress to pass comprehensive legislation to reduce teen smoking."

About 80 percent of the reduction in teen smoking is expected to come from raising the cost of a pack of cigarettes, said Elena Kagan, deputy domestic policy adviser. The other 20 percent would come from restrictions on marketing and licensing of cigarettes, she said.

That's why the president made a point of calling for a bill that includes advertising restrictions, analysts said.

"We have a historic opportunity to curtail the deadly epidemic of teen smoking," Mr. Clinton said. "For years our efforts to reduce smoking have been outmatched by billion-dollar industry ad campaigns targeted at our children. Now we have the opportunity to save millions of those children."

If Congress passes legislation without industry cooperation, it could take years for the courts to decide, leaving the issue in limbo. With that in mind, Mr. Clinton has said he'd accept liability limits, though he won't lead the fight for them.

"The president would prefer a bill without liability" limits, Ms. Kagan said. "But if the president gets what he wants in a comprehensive bill,

THE DALLAS MORNING NEWS, February 14, 1998

liability limits aren't a deal breaker for us."

LANGUAGE: ENGLISH

LOAD-DATE: February 16, 1998

LEVEL 1 - 82 OF 166 STORIES

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Wisconsin State Journal

February 14, 1998, Saturday, ALL EDITIONS

SECTION: Front, Pg. 2A

LENGTH: 652 words

HEADLINE: RAISE CIGARETTE TAXES, SAVE LIVES, CLINTON SAYS; A STUDY SAYS A TAX INCREASE OF \$ 1.10 PER PACK COULD STOP NEARLY 3 MILLION; YOUNG PEOPLE FROM SMOKING.

BYLINE: Nancy Mathis Houston Chronicle

DATELINE: PHILADELPHIA

BODY:

President Clinton, trying to revive a settlement with the tobacco industry, said Friday a new study shows an increase in cigarette taxes could cut smoking among teen-agers by half.

The president, appearing before leading scientists, called on Congress to act this year to pass bipartisan legislation. He endorsed a Senate Democratic measure as a starting point.

In an address to the American Association for the Advancement of Science, Clinton said a new Treasury Department analysis indicates a cigarette tax increase of \$ 1.10 per pack could stop nearly 3 million young people from smoking by 2003 and save 1 million lives.

"For years, our efforts to reduce smoking have been outmatched by billion-dollar industry ad campaigns targeted at our children," Clinton said. "Now we have the opportunity to save millions of those children from a life of addiction and a premature and very preventable death."

The administration estimates that 3,000 young people start smoking every day and 1,000 of them will die prematurely.

If cigarette taxes increase by \$ 1.10 per pack, making it more expensive to youths, an estimated 2.8 million would be discouraged from smoking over five years.

The study, however, also included proposed sales and advertising restrictions in its calculations.

Wisconsin State Journal, February 14, 1998

"That means if we act this year -- instead of having a yearlong political debate and doing nothing -- if we act this year, by the year 2003 we can stop almost 3 million young people from smoking and save almost 1 million lives as a result.

We ought to save those lives and you should demand that we save those lives," Clinton told the scientists.

Last summer, the industry and state attorneys general reached an agreement that calls for cigarette makers to remit \$ 368.5 billion over 25 years to the federal and state governments.

It would give immunity from future punitive liability to cigarette makers and set advertising and marketing restrictions. The settlement does not specifically call for tax increases.

Clinton partially endorsed the settlement but called for further steps such as increasing per pack taxes by \$ 1.50 over 10 years, regulation by the Food and Drug Administration, an end to marketing aimed at children and help for tobacco farmers.

The president endorsed legislation offered this week by Sen. Kent Conrad, D-N.D., whose measure would generate \$ 500 billion over 25 years by hiking taxes, eliminate the industry's protection from lawsuits and include provisions outlined by Clinton.

Vice President Al Gore joined Conrad as the measure was unveiled.

The tobacco industry blasted the Conrad measure as a deal-breaker and threatened to back out of its settlement agreement.

Sen. Jim Jeffords, R-Vt., chairman of the Senate Labor and Human Resources committee, offered a measure partially addressing the settlement but not including taxes.

Republican leaders have yet to offer their proposal.

Settlement legislation has been stalled since last summer as neither political party in Congress, nor the White House, proposed a specific measure.

Aides said the Clinton administration would not offer legislation but instead would work with the Senate Democratic measure.

Elena Kagan, a deputy domestic policy adviser for Clinton, said the administration wants a comprehensive measure passed this year.

"The president does not want Congress to pass piecemeal legislation," she said.

She also said the administration was willing to negotiate on the immunity from liability. She said Clinton would prefer a measure without immunity for the industry but the issue "is not a deal-breaker."

The tobacco industry reached a settlement last year after a number of states filed lawsuits seeking reimbursement for Medicaid costs for treating cancer

Wisconsin State Journal, February 14, 1998

victims.

Florida, Mississippi and Texas have reached separate settlements with the tobacco companies.

GRAPHIC: Knight Ridder Newspapers

Dr. David Satcher receives congratulations from President Clinton and Health and Human Services Secretary Donna Shalala after being sworn in Friday as surgeon general. Clinton said he expects Satcher to help explain the nation's complex health system, along with the stunning, but sometimes confusing, medical breakthroughs. But he said Satcher could make the greatest impact by persuading Americans to stop smoking, eat right and exercise. Appearing for the first time in the traditional surgeon general's uniform, Satcher fills an office that has been vacant for more than three years.

LOAD-DATE: February 15, 1998

LEVEL 1 - 83 OF 166 STORIES

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U.S. Newswire

February 13, 1998 16:17 Eastern Time

SECTION: NATIONAL DESK

LENGTH: 1602 words

HEADLINE: Transcript of White House Press Briefing by Gen. Barry McCaffrey and Elena Kagan (Part 3 of 3)

CONTACT: White House Press Office, 202-456-2100

DATELINE: WASHINGTON, Feb. 13

BODY:  
Following is a transcript of a White House press briefing held today by National Drug Control Policy Director Gen. Barry McCaffrey and Elena Kagan of the Domestic Policy Council (Part 3 of 3):

Now, what the Treasury analysis that the President mentioned today states is the following: first, that if Congress passes the kind of comprehensive plan that the President has called for, a plan that combines access and marketing restrictions with a significant per-pack price increase - - and our budget calls for a per-pack price increase of \$110 over five years and that's the number we used in this Treasury analysis -- if those things are combined, then the result will be a 39 to 46 percent reduction in underage teen smoking in 2003.

That will mean, as the President said in his speech, that in the year 2003 alone between 1.4 and 1.7 million fewer underage teenagers will smoke. And cumulatively over the next five years, between 2.4 and 2.8 million young people will be kept from smoking.

U.S. Newswire, February 13, 1998

Now, because the premature -- because the number of premature deaths from smoking is about a third of the actual smokers, if you keep up to 2.8 million teens from smoking over the next five years then what you do is you prevent almost a million premature deaths from smoking. And that's the conclusion of the Treasury report.

Now, the way the Treasury report works is it takes into account both price effects and non-price effects. That is, it considers both the decline in youth smoking from a per-pack price increase and it considers the decline in youth smoking from restrictions on access and restrictions on marketing.

The way the Treasury analysis goes is it first considers what kind of non-price effects there will be from the sort of marketing and access restrictions that the President has called for. And it concludes -- and this is an extremely conservative estimate -- that the decline in youth smoking from those kinds of marketing and access restrictions will be between 10 percent and 20 percent.

The Treasury analysis then looks at the remaining 80 to 90 percent and applies an analysis relating to price effects. What Treasury concludes is that when you are talking about young people, for every 10-percent increase in price there is a 7-percent decline in consumption.

Now, as the price increases mount, the consumption decreases gets smaller and smaller because as the price increases mount, the remaining smokers get less and less responsive to price increases. So that overall, overall, the \$1.10 per pack price increase that the budget contemplates, which is about a 55-percent increase in the price of a pack of cigarettes, will lead to about a 32-percent decline in youth consumption.

And when you put that, overlay that on the effects of marketing and advertising restrictions, you come up with Treasury's total number, which is, as I said, that in the year 2003, if the President's comprehensive plan is adopted, you will see up to a 46 percent -- and more specifically between a 39 and 46-percent reduction in under age teen smoking.

Now, what the President said today and what he is going to say consistently to Congress is that we do have to pass comprehensive legislation. We have to pass legislation that puts all these things into play -- that significantly raises the price of a pack of cigarettes and imposes restrictions on access and advertising. And in the event that that still doesn't work to meet our youth's smoking goals, imposes tough penalties on manufacturers.

All of those are necessary. They all reinforce each other. The President does not want Congress to pass piecemeal legislation that does only one of those things that, you know, for example, imposes only access and marketing restrictions and fails to raise the price of a pack of cigarettes substantially. So the President again is going to be -- state very clearly and probably very repeatedly, that you have to do this all together. You have to enact legislation that is comprehensive.

Q In order to have those advertising restrictions, do you have to have the industry on board? And if so, to have the industry on board, do you have to have caps on liability?

U.S. Newswire, February 13, 1998

MS. KAGAN: We believe that many of the advertising restrictions can be put into place with or without the consent of the industry. As you know, the FDA rule itself imposed several advertising restrictions that we have fought for in court and that we continue to believe are fully constitutional.

There are other marketing restrictions that have been suggested by some, including in the June 20th settlement, where the constitutional analysis becomes more difficult. I'm not going to make any conclusions about that. The Justice Department would have my head if I did. But there are substantial marketing restrictions that we believe you can put into place with or without the consent of the industry.

Q Elena, the President has talked before about a \$1.50 pack increase over 10 years. When did \$1.10 become the interim --

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U.S. Newswire, February 13, 1998

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END 2:07 P.M. EST

LANGUAGE: ENGLISH

LOAD-DATE: February 13, 1998

LEVEL 1 - 84 OF 166 STORIES

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February 13, 1998 16:12 Eastern Time

SECTION: NATIONAL DESK

LENGTH: 1915 words

HEADLINE: Transcript of White House Press Briefing by Gen. Barry McCaffrey and Elena Kagan (Part 1 of 3)

CONTACT: White House Press Office, 202-456-2100

U.S. Newswire, February 13, 1998

DATELINE: WASHINGTON, Feb. 13

BODY:

Following is a transcript of a White House press briefing held today by National Drug Control Policy Director Gen. Barry McCaffrey and Elena Kagan of the Domestic Policy Council (Part 1 of 3):

Philadelphia Marriott  
Philadelphia, Pennsylvania

1:34 P.M. EST

MR. LOCKHART: Hello, everybody. Can you hear me in the back? Before I take any questions, we're going to do a couple of things first.

Tomorrow's radio address will focus on the President's new drug strategy, and General McCaffrey is here today to talk to you a little bit about that. This briefing will be non-embargoed, you're free to use this any time. There will also be some things in the radio address tomorrow that we're going to hold until tomorrow, so there will be some new stuff there and he will not be able to talk about that until later.

Q Can I just suggest -- can he talk about the embargoed --

MR. LOCKHART: Let's do this, let's get through this part and if there's any interest we can work something out. What we've handed out is releasable now. After that, I've got Elena Kagan, from the Domestic Policy Council, who is here and available if you have any questions on the study the President talked about today, from Treasury. And then I'll be there if there's any other subjects that interest you.

General McCaffrey.

GENERAL MCCAFFREY: Very quickly, let me run through -- and I guess this is a change that it's not embargoed -- what the President will put in front of the American people tomorrow at 10:06 a.m. And at 11:00 a.m. I'm going to try and bring together part of the interagency team -- Justice, Treasury, Health and Human Services, Education -- and respond to people's questions in Washington.

There's three documents I'll show you, and a fourth you need to know about. The first document is the National Drug Strategy, and that's what the President will refer to. It is comprehensive. He will underscore that it's a 10-year perspective. He'll talk about -- in his radio address he'll try and bring life to this by talking about the programs that give this meaning. accomplish. And we have told the Congress -- and I would suggest to you that what you need to do is hold us accountable by seeing if what we do in the next three years supports the strategy. So that's the most important thing I'd put in front of you to consider -- the strategy is what we're trying to achieve, reasonably short, well written, based on expert input and we think finds wide acceptance. Drug Control Strategy Budget Summary. This is the '99 document, but it has also got a five-year projection for the first time in our history. Frank Raines and I worked with each of the Cabinet Secretaries over the last six months in particular, and hammered out a drug budget which went to the Hill -- the President sent this over to the Hill a couple weeks ago -- that is \$17.1 billion. It was \$16 billion last year. It was \$15.4 billion the year before that. The bottom line has increased significantly in each of those budget years, and the '99 budget continues it. There has been a disproportionate investment of new money in the prevention of drug use by young Americans and in the treatment of drug addiction among the 4 million chronically addicted.

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And then, finally, this budget I think is pretty significant, starts to effectively link the drug treatment community and the criminal justice community. So there's a lot of information in here about how Janet Reno will try and use a drug court system and something called "breaking the cycle," which is a step beyond drug court, which is really a diversion program, first-time offender, non-violent offender. And now we're getting into a concept we tested last year -- the President now funded it -- which was mandatory drug test for arrestees, followed by mandatory treatment both in prison and follow-on.

And I'd be glad to respond to your questions. But this budget is a 6.8-percent increase over last year and is a 15-percent increase in those programs aimed at young Americans. So inexorably, the resources are starting to come into line with a front-loaded strategy based on prevention and treatment linked to criminal justice.

Here's a new document. We won't have it printed. It's interagency approved. We've given you the cover sheet and the outline. It's called the Performance Measures of Effectiveness. The President will talk about this in his radio address tomorrow. It's a 141-page document. It's the first time we've done it. It attempts to set out for this strategy and for long-term budgeting where we say we're going. And so what you'll find if you look at the summary I gave you is 12 outcome targets that we say we're going to try and achieve over the next 10 years. We've broken it down into halfway mark, five-year targets.

And then in the coming year, what we've told -- Frank Raines and I and Erskine Bowles have told the interagency, you must now in the coming year create annual targets to get at the end of 10 years to a reduction of drug abuse among the American population, down to 3 percent from its current 6 percent. If we can get to 3 percent, we will have achieved the lowest rates of drug abuse in our society in our modern recorded history.

We think these performance measures of effectiveness are coherent. There are 82 subordinate targets, so if you're in a state or local government, if you're a private association, if you're a foreign government or if you're a federal agency, you can see what is it your effort supposedly is going to be held accountable for, where are we trying to go.

Finally, I think all of you have in there two documents. One is a summary of the strategy. It's an outline that I'm putting on the fax at 10:00 a.m. tomorrow. And the second document, we tried to bring together a compilation of where do we think we are in sort of a broad gauge way today in America on drug abuse. Are we winning, losing; are things getting better; is any of this organizational effort and money having an impact. And we put on one piece of paper an attempt to define what we say the evidence seems to suggest.

And I would argue the evidence seems to suggest that in a 15-year context, drug abuse is down markedly; that in the short-term, the last five years we've suffered a reversal in which there have been dramatically increasing rates of drug abuse and new drugs among young people; and that last year there is substantial reason to believe that we have made the beginnings of significant progress in reducing drug use by young Americans and by reducing the supply of drugs, particularly cocaine, in the international market.

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So that's where we are and I'd be glad to answer your questions -- or go get a sandwich. (Laughter.)

Q Are you getting into a kind of a strange situation where you need the revenues from the cigarette tax to pay for some of these health programs that are in the State of the Union, and therefore, if the cigarette companies do well you'll have more tax revenues to pay for these programs, which is against the stated purpose of the higher tax?

GENERAL MCCAFFREY: You know, I probably ought to ask OMB about this. But I'm almost sure there is no linkage at all between the cigarette tax and that whole issue and the \$17.1 billion that the President and Frank Raines put in front of Congress. So our programs aren't linked. These are requests for federal appropriated monies in nine separate appropriations bills, which I think will have pretty broad gauge bipartisan support. But this isn't a tax related deal.

Q General, this school initiative, what are you doing that the DARE program is not doing? They are in 75 percent of the nation's schools already.

GENERAL MCCAFFREY: Well, the DARE program we are absolutely supportive of. As some of you may know, it's the biggest drug prevention program in the world -- 26 million American children and an additional 7 million in foreign countries. It's primarily targeted at 5th and 6th graders. And it does a pretty good piece of work we think.

Now, at the same time, the drug prevention efforts -- if I go to a school and ask, what are you doing on drug prevention, the answer is, the DARE program in the 5th and 6th grade and then an annual lecture to the high school seniors about your brain on drugs. That's inadequate. So Donna Shalala and Dr. Alan Leshner -- and I and others believe you need to have a consistent antidrug message from kindergarten through the 12th grade that is appropriate for the young people you're talking to.

So one of the things in here that Dick Riley and I are most proud of is a new initiative. It's a modest initial investment of \$50 million to go hire 1,300 drug prevention experts, and to influence out of that some 6,000- plus middle schools around the country. We said that principals have to have access not to somebody who will come in and do the teaching, but someone who has the database, who does have and understands the National Institute of Drug Prevention guidelines.

And so those are the kinds of things that Dick Riley is trying to move forward in the education area. We've got a five-page budget summary in there for you which gives some of the program elements that are there. DARE's a very narrowly based school prevention program in the 5th and 6th grade.

Q General, realistically, how achievable are these goals that he's going to announce tomorrow and what do you feel are the real keys to reaching them?

GENERAL MCCAFFREY: Well, you know, that's been a part of the debate over the last 90 days. Tremendous levels of anxiety in putting on the table performance measures of effectiveness and committing ourselves in the coming year to changing 10-year goals into annual goals. And not just 12 broad ones, but then demonstrating internally what are the 82 intermediate steps.

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Now, I think we ought to have a sense of humility about these performance measures of effectiveness. By the end of next year we may have a better assessment on which ones accurately describe the behavior we're seeking to achieve. In some cases, we may end up measuring the wrong thing because it was easier to measure. Another case is we may not achieve some of these goals; then we may want to revise the program as opposed to saying the goal is unachievable.

I would argue straight up -- and this has been part of the debate over the last several weeks -- that it is in my own mind clearly achievable to reduce drug abuse and its consequences in America dramatically -- not to a drug-free America, but over the next decade to take it down to historically more normal levels of drug abuse. There's 269 million of us; right now 4.1 million of us are chronic, compulsive drug users. And it seems to me, with rational drug policy that is hooked appropriately into rational law enforcement policy, with cooperation with the international community, that over time we can achieve these goals.

So I'm extremely positive that these are real programs and that it will pay off.

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LEVEL 1 - 85 OF 166 STORIES

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February 13, 1998 16:15 Eastern Time

SECTION: NATIONAL DESK

LENGTH: 1691 words

HEADLINE: Transcript of White House Press Briefing by Gen. Barry McCaffrey and Elena Kagan (Part 2 of 3)

CONTACT: White House Press Office, 202-456-2100

DATELINE: WASHINGTON, Feb. 13

BODY:  
Following is a transcript of a White House press briefing held today by National Drug Control Policy Director Gen. Barry McCaffrey and Elena Kagan of the Domestic Policy Council (Part 2 of 3):

Q And the second part of the question was, how? What are the keys to achieving the goals --

GENERAL MCCAFFREY: Well, the central pillar of the President's drug

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strategy -- and I normally cite Columbia University Center for Alcohol and Substance Abuse data. We're pretty well persuaded through almost overwhelmingly mathematical statistical correlation data that if you can get a young American from about the age of nine through probably 19, and they don't smoke cigarettes, abuse alcohol or smoke pot -- those are the three big destructive behaviors -- then the likelihood of them joining this smaller number of 13 million abusers of illegal drugs is remote.

If they do those behaviors, it isn't a demonstrated causal linkage that they will end up in that group, but the probabilities skyrocket. So if you get a 19-year-old son or daughter and you look them in the eye, they're not smoking cigarettes, they're not abusive of beer or wine, and they're not smoking pot, they're probably home free. They won't ever be among that incredibly sad and self-destructive group of us who are compulsive drug users.

Q Why do you pick 2007 as the goal?

GENERAL MCCAFFREY: An awful lot of the people I listen to and who I find enormously credible -- let me give you a couple of names of people that I listen to: Dr. Aphram Goldstein, Professor Emeritus of Pharmacology at Stanford University, is one who I normally cite as having shaped my own thinking. generation of kids who are perfectly okay in the 5th and 6th grade -- we've got to remind ourselves, if you take the whole age population, 11-17, 80 percent of them have never touched an illegal drug. And they come out of the 6th grade where they start seeing a lot of drugs in America and they're still not using them. In those middle school years they're exposed to drugs, and if there is a series of prevention factors there, they don't use them. And to the extent that they're at risk, if they're a vulnerable adolescent, they start using them.

So the bottom line is you've got to focus on young people. You've got to keep them away from what -- another source I would cite is these wonderful people in National Institutes of Health, particularly the ones down at Johns Hopkins, where now we have enough science so we understand that these aren't shapeless social behaviors, these are neuro-chemical changes in brain functioning. You can take a picture of the brain which is rewired with cocaine use and you can watch its glucose metabolic activity, and it's different from a normal brain function.

That's what we're trying to do. Don't get people exposed and involved in cocaine. Don't get them exposed and involved in poly-drug abuse. And if you can do that and get them into their adult years, they're home free.

Q Your figures show a drop in cocaine production in the Andean region by 100 tons from the previous year, in '97. What do you attribute that to?

GENERAL MCCAFFREY: Well, this is one of the unexpected surprises of my life. This is -- let me give you three observations on it. The first one is there has been a 40-percent drop in cocaine production in Peru, period. That's unmistakable. That's satellite data -- actually, I shouldn't say cocaine -- of coca -- under production. It's a 40-percent reduction.

It was an 18-percent reduction this year; 21 percent last year. You can see them moving off the line. They're moving to alternative economic development. Now, that's a function of a lot of things -- some smart alternative economic policies by President Fujimori. It is clearly also a function of the air-bridge interdiction operation between Peru and Colombia, which has been going on for

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a little over two years and which I was privileged to take part in when I was a CINC SOUTHCOM.

There's also been for the first time in 8 years an actual net reduction in coca production in Bolivia. I mean, we've gone 7 years in a row, slight increase each year, nothing appeared to work. This last year the government, the Vice President -- that team actually had a 5-percent net reduction in coca.

And then, finally, the bad news is there was a rather dramatic 18- percent increase in coca production in Colombia. Poor Colombia. It's exploding down in the southern regions -- even though they achieved their eradication goals that we shaped with them.

But if you add them all together, if you -- all the CIA data together, for the first time we've seen a net reduction in cocaine.

Q You said that was 40 percent in Peru over two years?

GENERAL MCCAFFREY: Forty percent over the last two years -- 18 percent last year, 21 percent the year prior to that. Bolivia, the first year we had a net reduction of about 5 percent. And poor Colombia is up about 18 percent.

Q Would you evaluate Mexico's efforts to combat drug trafficking?

GENERAL MCCAFFREY: Of course, we've done that throughout the year. I don't have in your packet -- I should have provided you a copy of the Joint U.S.-Mexico Drug Strategy we just put out. We've been working on that since last May, when the two Presidents in Mexico City told us to -- we'd finished the joint threat assessment; go give us a joint strategy. So we've got a joint strategy on the table.

We have some pretty significant cooperation in the areas of money laundering, precursor chemical control, new legal authorities on the part of the Mexicans passed by their Congress including some that required constitutional revision. We are assisting in the training of non-corrupt Mexican law enforcement institutions. Mr. Mariano Aron (sp), the head of -- new head of their new drug police, now has several hundred law enforcement officers, most of whom have been trained in the United States by the FBI and DEA. And the Mexicans have polygraphed them and drug-tested them. And there is significant cooperation between the U.S. Coast Guard and the Mexican Navy with major seizures both at sea and on land. Mexican cocaine seizures have gone up dramatically, higher than in several years.

Now, having said that, Mexico is under major internal attack, violence and corruption driven by international criminal organizations of a tremendous veracity and cunning. Although they've arrested some of their mid-level cartel leadership and driven others into hiding, it's still a very serious situation. And I might add that occurs on both sides of the border. One of the data points I would offer for you to consider is last year on the U.S.-Mexican border, U.S. law enforcement were subject to 222 violent incidents driven by drug crime. So it's a dangerous environment in both countries.

Q Is this \$17 billion just a one-year figure?

GENERAL MCCAFFREY: That \$17.1 billion is the FY '99 budget the President and Frank Raines and I proposed to Congress -- a substantial amount of money. And then if you look internally, what we're offering is the notion that you've got to invest up front in prevention -- you know, we've got \$36 billion

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federal, state and local prison operation going on in the United States -- \$36 billion, with 1.7 million men and women behind bars. Half of them I think are there for a drug-related reason.

So the argument we have made is, you've got to get up front with prevention and grind down the number of drug users. And then Janet Reno and Donna Shalala and I are trying to sort out how do you focus the significant amounts of drug treatment dollars and hook them into the criminal justice system. That's where we're going. If we don't do that we'll continue to be overwhelmed by a problem that is fairly described as costing us \$70 billion a year. That's the size of the problem.

Okay. Thank you.

MR. LOCKHART: Before I take any questions, Elena Kagan traveled up with us today. As many of you know, she, along with Bruce Reed and Donna Shalala has been very involved in developing our work on the comprehensive tobacco settlement.

She can answer some questions now about the study that the President talked about, done by the Department of Treasury, that indicates that you will have well over a million kids prevented from smoking by the price rise that's talked about in one of the President's principles.

Elena.

MS. KAGAN: Well, as many of you have heard before, there are 3 million teenagers who smoke cigarettes on a daily basis in the United States. About 1 million of those will die prematurely as a result. And reducing youth smoking, we all know, is the best way to reduce the overall incidents of smoking, because about 90 percent of adult daily smokers first begin to smoke cigarettes as teenagers.

So what the President did today is something that you will hear him do many times over the next weeks and months, which is to call on Congress to pass comprehensive tobacco legislation that meets the five principles that he set out last fall. And those principles are to put together, put a plan into place to reduce youth smoking; to give the FDA full jurisdiction over tobacco products; to change the way the tobacco industry does business; to make progress toward other public health goals and to protect tobacco farmers and their communities.

And in particular, what the President will call on Congress to do is to pass legislation that will be really a multifaceted approach to reducing youth smoking in America -- an approach that combines significant per-pack price increases with tough penalties, with access and advertising restrictions. All of those are necessary in order to produce a truly significant decline in youth smoking.

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FEBRUARY 13, 1998, FRIDAY

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BRIEFER: ELENA KAGAN

DEPUTY ASSISTANT TO THE PRESIDENT

DOMESTIC POLICY COUNCIL

ALSO BRIEFING: JOSEPH LOCKHART

PHILADELPHIA, PENNSYLVANIA

BODY:

I'll have something on that probably in a study from the Department of Justice that will be in tomorrow's radio address. I program greatest. In sharp contrast, each of these airports could generate roughly ten times more capital funds than they receive in entitlements through, for example, a \$3.00 increase in PFCs.

Therefore, even if Congress were to fund AIP at airport needs and available funding will only widen. In addition to funding AIP at adequate levels to meet the needs of smaller airports, Congress must act now to eliminate the federal restriction on airports generating desperately needed funds through the PFC.

INVESTMENT IN AIRPORT INFRASTRUCTURE IS VITAL

Today, the air transportation system is the linchpin of our national and local economies, essential to the safe and efficient transportation of people and goods, both domestically and internationally. Airports are "economic engines" that generate and support local economic development by providing complete transportation services, stimulating business activity and investment, attracting and facility figure does not include the thousands of indirect (induced) jobs that are generated as a result of the actual and state governments and the federal government. Investment in our nation's airports, through federal and local user-funded capital is clearly not enough, we hope at least that we do not stifle aviation and economic growth.

Adequate investment in our nation's infrastructure is absolutely critical to our global competitiveness. Ironically, we are in danger of seriously underinvesting at a time when we can least afford it, especially in the face of much greater attention and investment that other countries are giving to their airport systems. With the expenditure of discretionary funds so constrained by the federal budget, we as a nation should make order to build the infrastructure that will allow not only our generation, but our children and grandchildren the opportunity to compete and prosper in the global economy.

Since airline deregulation in 1978, the number of passengers using the domestic aviation system has dramatically increased. Last year, approximately 620 million passengers were enplaned in the United States. The FAA projects that by 2002, the year we are hoping to achieve a balanced federal budget, that number will grow to 740 million and will approach 900 million enplanements sometime in 2005.

Accommodating that level of activity would require the equivalent of the capacity that is handled today at the top 30 U.S. airports -- the equivalent of often new D/FWs. But, no new airports of this magnitude are on the horizon. ACI-NA/AAAE's annual capital needs estimate only takes into account meeting the short term impact of these demands and does not reflect a way to address an increase in passenger traffic of this magnitude.

For many years, air travelers and shippers have been continually plagued by

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significant capacity and delay problems in our system. Currently, there are 22 airports that are seriously congested, each experiencing more than 20,000 hours of delay every year. These delays cost the airlines, alone, over half a billion dollars a year and impose tremendous costs and disruptions to millions . . . of passengers and businesses. The FAA forecasts that unless major airport capacity investments are made, this number of congested airports will grow to 32 in less than 10 years.

This means that over the next several years, as we move toward a balanced budget, we must also make sure that there is sufficient investment in our nation's airport infrastructure to handle not only the current passenger traffic, but an additional 200 million passengers by the year 2002.

This will be a major challenge. We as a nation cannot afford the billions our economic competitiveness abroad, by settling for an inefficient and inadequate air transportation system that the economic activity generated by airports such growth. During the same period, we estimate that the number of airport-related jobs will grow from 5.8 million to 9.3 million.

It generally takes 5-7 years to undertake and complete an airport development project. That means that as politically difficult as it may be to provide an increase in airport construction funding in today's politically hope to close the existing investment gap and will lose the chance to build the infrastructure funding gap may be impossible to close.

#### CONCLUSION

There is almost universal agreement that the amount needed funding - primarily the federal Airport Improvement Program, and existing local sources such as PFCs and airport bonds - do not come close to meeting these needs.

While AIP levels have failed to grow and, indeed, have declined over the years, the number of passengers using the reliable service or loss of air service altogether.

Simply put, current funding levels for AIP are inadequate to a fully funded Airport Improvement Program, in excess of \$2 billion a year to help support needed safety the recommendations of the NCARC and ATA. We must act now to close the gap between the needs of the system E 9 02/12/98 But that alone will not be enough. Congress must also restore greater decision-making with the needs of their airport and the air travelers and shippers they serve. They require the flexibility of air travelers, businesses and their communities who depend on the airport and high-quality, affordable capital improvement projects, to make up for the shortfall in AIP funding and to begin bridging the gap between airport funding sources and needs. Specifically, the time has come to eliminate the \$3 cap on the Passenger Facility Charge.

We will support a multi-year reauthorization of the AIP program only if Congress eliminates the PFC cap. Otherwise, we request a one-year reauthorization and oppose any other formula or allocation modifications, except to eliminate the discretionary fund cap, as mentioned earlier, and the aviation community as a whole. We appreciate your leadership and I would be happy to respond to any questions you or other members of the subcommittee may have.

END

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